



USHA YARNS LIMITED™

RECYCLE TO PERFECTION - ALIGN WITH NATURE

Recycle to Perfection Align with Nature

Sustainability Report 2023

ENVIRONMENTAL | SOCIAL | GOVERNANCE

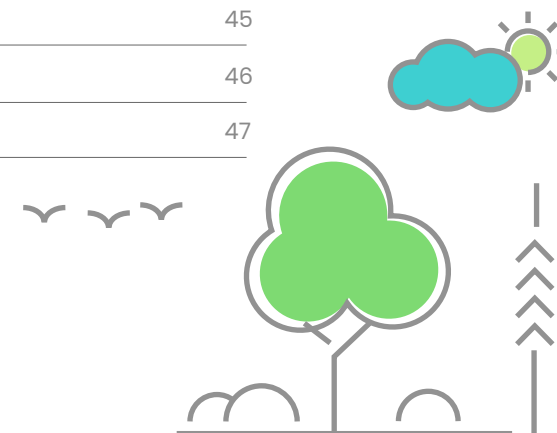
www.ushayarns.com

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About The Report

Our second Sustainability Report encompasses the period from April 2022 to March 2023, aligning with our commitment to publish this report annually. Within its pages, we delve into our management approach, initiatives, and performance across social, economic, environmental, and governance dimensions—crucial aspects shaping the future trajectory of our organization.

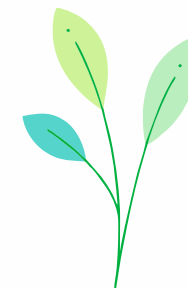
This comprehensive report serves as a snapshot of Usha Yarns' environmental, social, and governance performance. It acts as a conduit, furnishing stakeholders with insights into the company's actions, achievements, and the strides made in these critical areas.

An Environmental, Social, and Governance (ESG) report acts as a discerning lens, offering a glimpse into the future of the company. It possesses the power to forecast the sustainability of the business and serves as a predictor of what lies ahead. This report underscores the company's dedication to ensuring the determination and implementation of sustainable processes, meticulous performance measurement, and prompt action-taking.

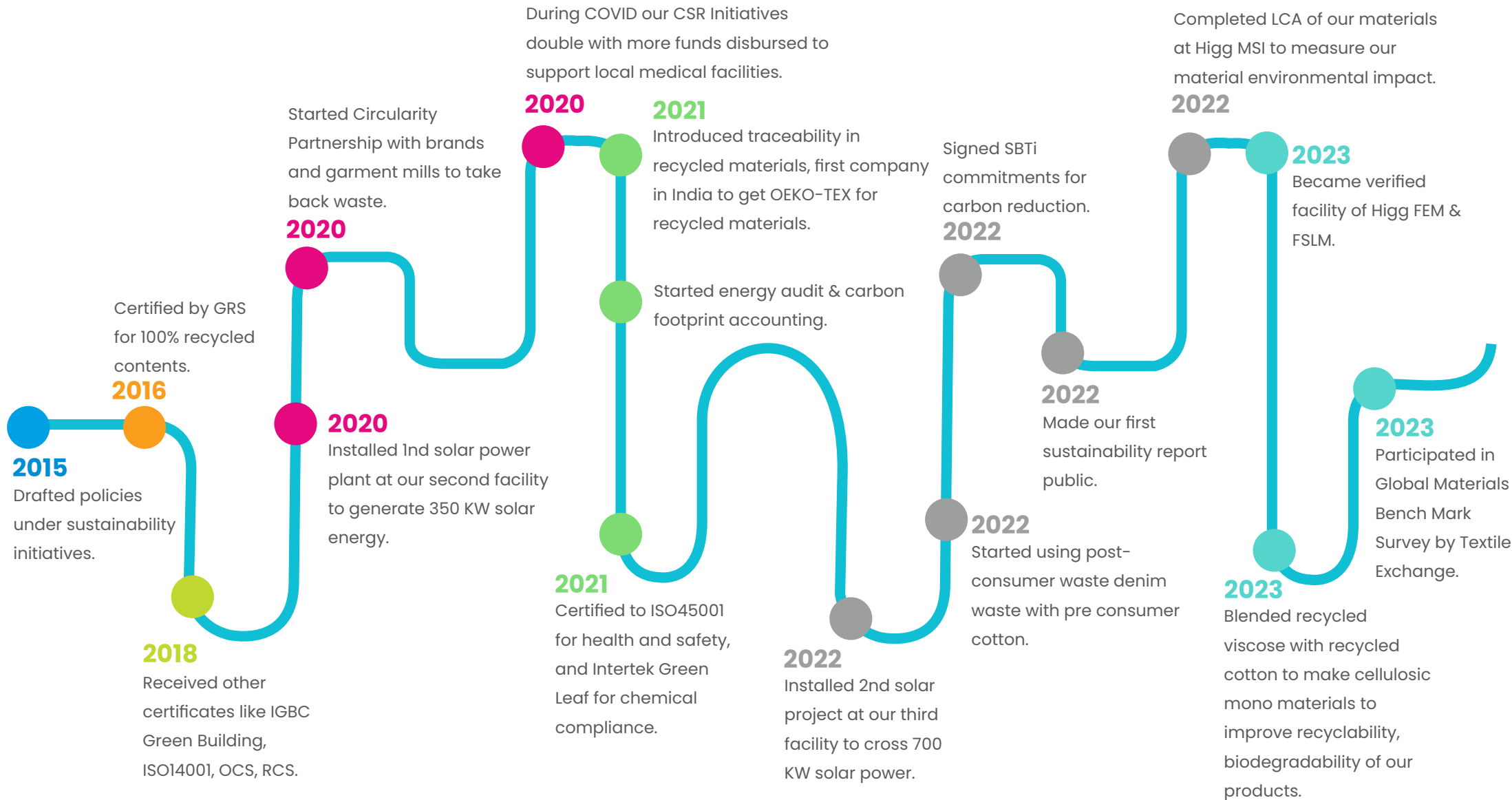


Our Certification



Our JOURNEY



Responsible Business

Building a prosperous future requires businesses to weave sustainability into their DNA, where every decision is a commitment to both success and environmental stewardship.

We are happy to declare that USHA YARNS is committed to supporting the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our commitment to making the UN Global Compact and its principles as part of our strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

At Usha Yarns, we prioritise the 17 United Nations Sustainable Development Goals (UNSDGs) as the foundation of our sustainability strategy, incorporating them into our annual plans.



MESSAGE FROM THE MANAGING DIRECTOR



At Usha Yarns, we firmly believe in the symbiotic relationship between environmentally friendly practices and business success. We emphasise the significant value of textile waste recycling and the establishment of a comprehensive industrial model to foster a greener business environment. The critical challenges posed by climate shifts and economic disruptions underscore the urgency of our commitment to these initiatives.

In this Sustainability Update, we have documented the measures implemented over the past year, demonstrating our steadfast dedication to eco-conscious business practices. This report not only showcases our progress but also highlights the obstacles we have overcome, providing transparency into our sustainability journey. Moreover, it outlines our ambitious aspirations for the future and our proactive approach to environmental concerns.

At Usha, We hold the conviction that what benefits the planet also enhances your business. We recognise the pivotal role of recycling textile waste and establishing a closed-loop industrial system in fostering a sustainable world and cultivating a business ethos harmonious with nature

**–Anurag Gupta, Managing Director
Usha Yarns Limited**

We are confident that as you explore our Sustainability Update, you will discover the positive impact we've made by integrating environmental and societal well-being into our business model. Our journey thus far has been enlightening, and we are resolute in our determination to further amplify our efforts in the coming years.

We Are USHA YARNS

We strive to redefine the textile industry by championing sustainability at every stage of our operations.

Established in 1995, Usha Yarns boasts a rich legacy in the research, development, and production of recycled textiles. We proudly hold the Global Recycling Standards (GRS) certification for our 100% recycled content yarns, and our commitment to environmental responsibilities is reflected in the stringent environmental management systems implemented across our production facilities.

Located within the vicinity of Chandigarh, our four state-of-the-art recycling and spinning plants, spanning 28 acres, are equipped with cutting-edge recycling technology from renowned brands such as Rieter, Truetzschler, Oerlikon, and Schlafhorst. With annual capacity exceeding 18,000 metric tonnes, we produce recycled yarns in a spectrum of solid and mélange colors, all adhering to GRS certification.



We Are USHA YARNS



At Usha Yarns, we take immense pride in introducing our brand, 'Puneh,' to the distinguished Usha Yarns Name. Since 1995 Usha Yarns has been a trailblazing force in the world of textile material recycling, consistently setting the industry standard for quality. We specialize in producing recycled yarns founded on the principles of sustainability.

Our products undergo meticulous quality checks to meet global standards, ensuring complete customer satisfaction. As an emerging brand in circular textiles, we distinguish ourselves through unique values such as 100% recycled content, large lot sizes, traceability, color consistency, and superior quality suitable for both hosiery and woven applications.



Usha Yarns presents a diverse portfolio of circular products, blending recycled Cotton, Poly, and Viscose fibers in more than a hundred of solid and melange



shades, catering to the knitting and weaving industries. Guided by a leadership team with a long-term perspective on recycling, we recognize the pivotal role of recycling garment waste in creating a circular textile system for a sustainable world and business aligned with nature. Our commitment to responsible action is anchored in addressing the environmental impact of the textile value chain, known for its contribution to pollution and threats to ecosystems.

Our sustainability initiatives are grounded in core values, including reducing dependence on precious natural resources, monitoring and reducing our carbon footprint, preventing the use of harmful chemicals, and closing the textile loop through the recycling of garment waste into regenerated fibers and yarn. At Usha Yarns, we strive to redefine the textile industry by championing sustainability at every stage of our operations.



Key Highlights



200%

CSR Activity

More than 6.4 million INR have been disbursed in 2022-23 which is more than 3 times the year 2021-20



67%

Turnover

Turnover increase of more than 67% compared to the previous year.

ZERO

Fatality

ZERO Fatality reported in 2022-23

17%

Production

Over the past 3 years, we have been able to reduce energy per 10 million INR turnover by over 44%, and energy per tonne production by 17%.



683 Mwh

Re Energy

Renewable energy increased to 683 MWh.



36%

Rainwater

We have increased rainwater harvesting by 36 % since last year



105%

Training

105% increase in training man hours in 2022-23 compared to previous year 2021-22

RECOGNITION



TRUCYCLED 2023 by Trützschler Group.



Business Excellence Awards 2022 by Dun & Bradstreet.



Excellence in Recycling Awards for Recyclers 2022-23 by Confederation of India Textile Industry.

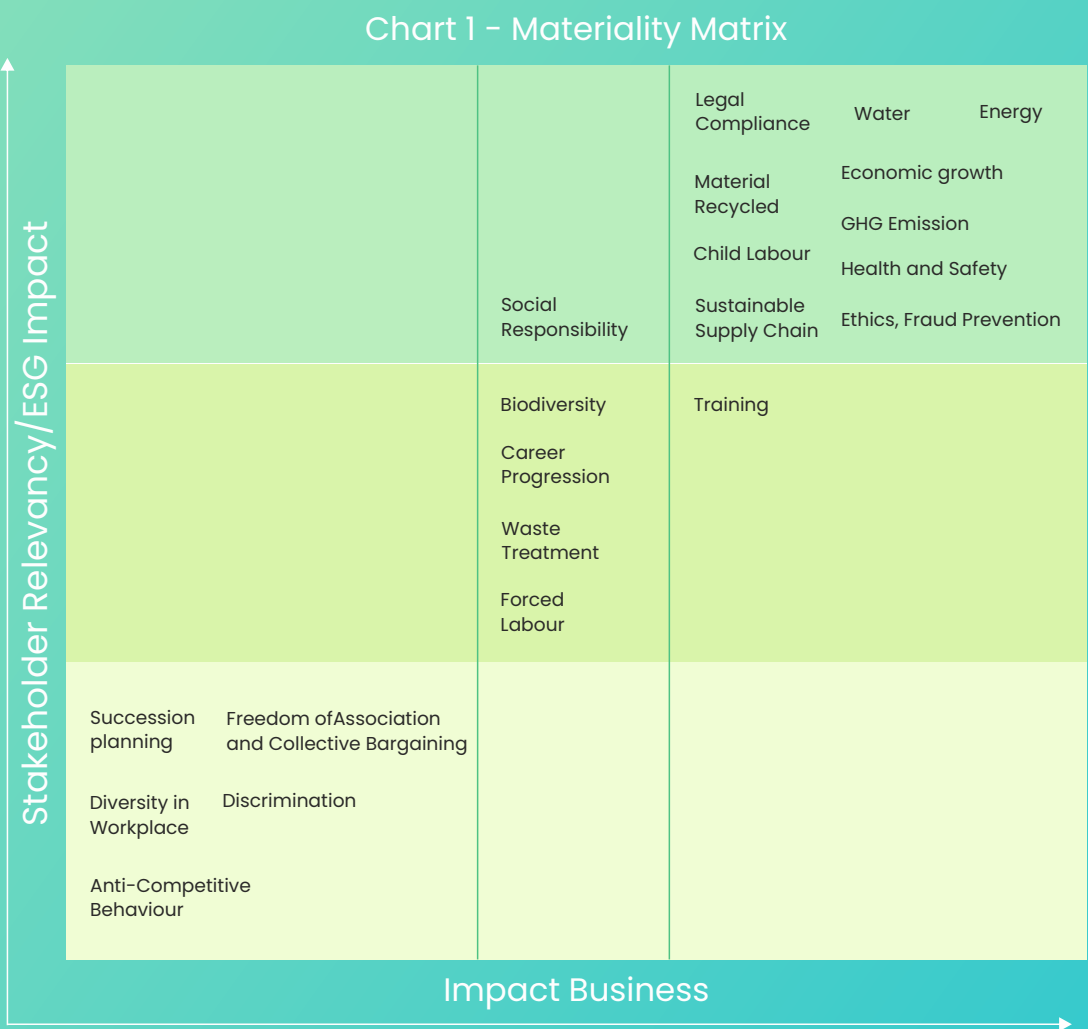


Business Enterprises of Tomorrow 2023 by Dun & Bradstreet.



Materiality Assessment 2023

Mapping Key Sustainability Areas



The materiality assessment for the year 2023 was undertaken through discussions with Usha Yarns' management. A comprehensive survey and interviews were executed based on a list of materiality topics, rated according to their priority (importance) and potential impact, considering perspectives from both the business and stakeholders. Responses were categorised as moderate, high, and very high, and these categories were used to generate a graphical representation, providing a visual depiction of the assessment outcomes.

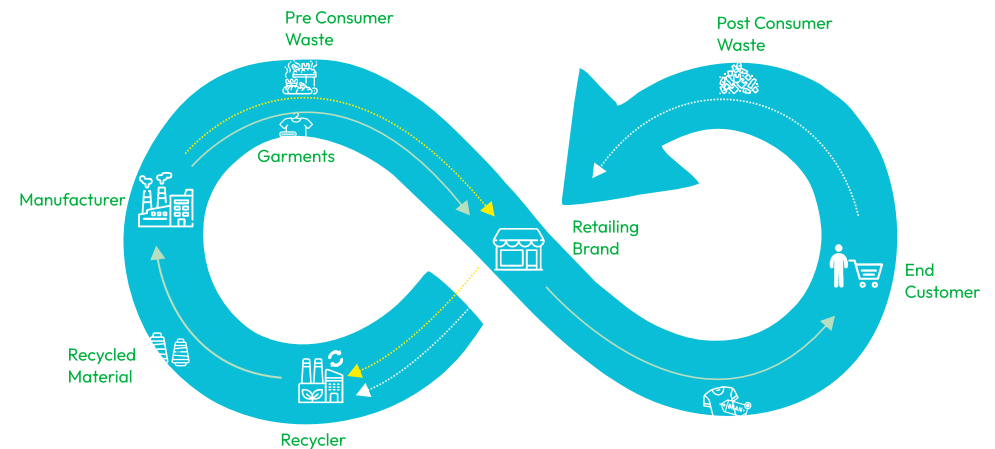
Conducting a materiality assessment is a crucial component of sustainability reporting, shedding light on a spectrum of topics that may warrant inclusion and are deemed significant in portraying the economic, environmental, and social impacts of a company, as well as influencing stakeholder decisions. Not all material topics carry the same level of importance, and the focus within a report is expected to align with their respective priorities.

Sustainable Business and Circular Economy

We are dedicated to understanding and aligning our obligations to our employees, customers, society, and other stakeholders. In pursuit of this commitment, we have launched various corporate social responsibility initiatives focused on improving the well-being of our communities.

Our commitment to society goes beyond merely offering eco-friendly products. We are devoted to making a significant contribution to the global endeavour to reduce carbon footprints, preserve natural resources, and address textile waste. Actively participating in closing the loop within the textile value chain, we aim to nurture a traceable circular economy. Acknowledging the increasing demand for clothing worldwide, we firmly believe that a circular economy represents the sustainable path forward, enabling us to fulfil these needs with the limited resources available to us. By embracing a circular economy, we pledge to construct a more sustainable future for both our business and the planet.

We create Responsible Products, recycle waste, ensure a healthy and safe workplace, minimise water, energy, and chemical usage, and decrease emissions. Through these practices, we actively contribute to establishing a more sustainable and environmentally conscious business model for the benefit of all.



Governance

Indicators	Corresponding SDGs
Governance Structure	
Compliance With Laws and Regulations	
Inclusive Growth	
Prevention of Corruption and Bribery	
Sustainable Supply Chain	



Governance Structure

The board comprises executive directors, non-executive directors, independent directors, and a managing director, all of whom are highly qualified professionals. The Managing Director serves as the decision-making authority responsible for managing sustainability impacts.

Usha Yarns upholds a comprehensive Code of Ethics applicable to all employees, ensuring the reporting of any conflicts of interest. The company is dedicated to working in the best interests of clients and stakeholders, committed to preventing conflicts of interest between them.

A grievance mechanism is in place for stakeholders to express dissatisfaction with the company's operations or practices. For confidential reporting of concerns without fear of retaliation, the company has instituted a Whistleblower Policy. This empowers employees to report illegal or dishonest activities in good faith, with a commitment to conducting thorough investigations.

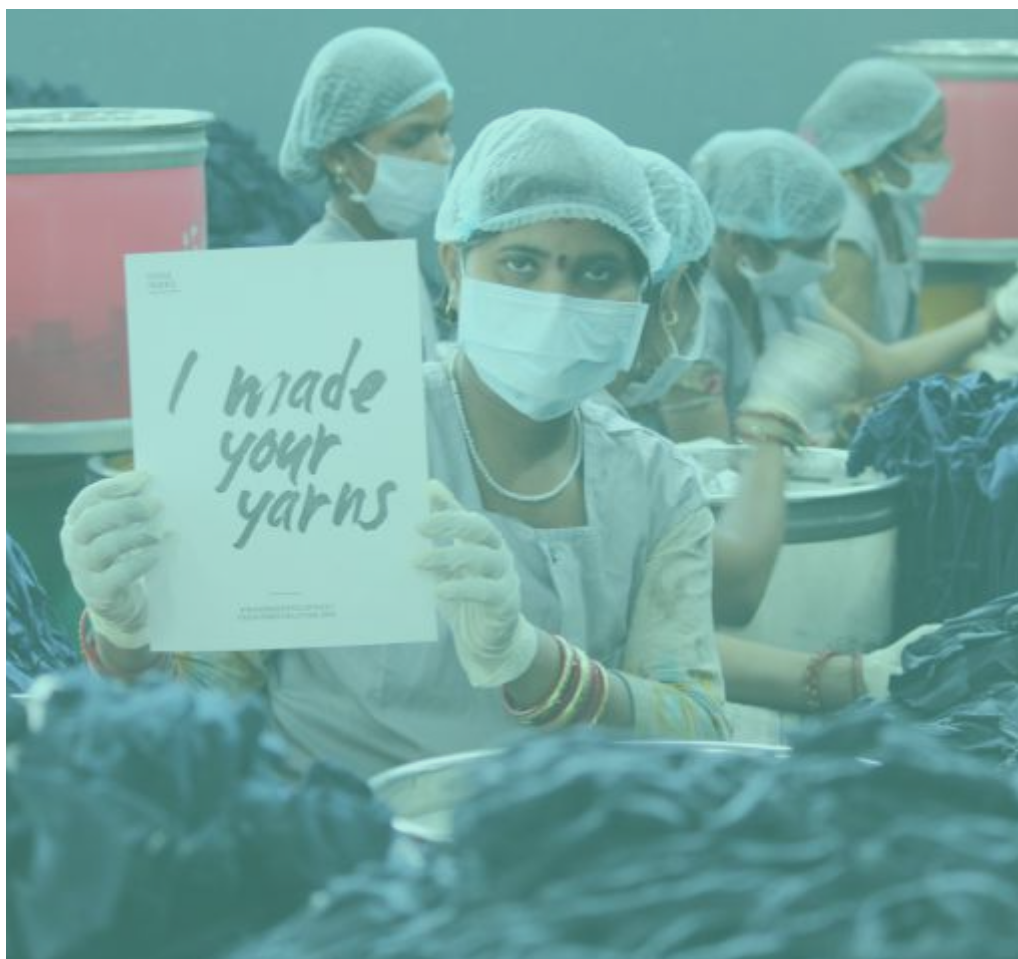
Policy commitments are integrated into daily operations through implementation procedures and business contracts. Usha Yarns recognises good corporate governance as the foundation for the success and integrity of its institutions and markets.



The Code of Corporate Governance is based on principles such as integrity, fairness, equity, transparency, accountability, and a commitment to values. Engagement with stakeholders, including customers, workers, and suppliers, occurs at various levels

with a mutually convenient approach. Communication channels such as email, meetings, and websites facilitate effective stakeholder engagement, with no restrictions on collective bargaining.

Compliance With Laws and Regulations



Ensuring compliance with established laws and regulations is a priority for Usha Yarns. The company meticulously identifies and adheres to applicable legal requirements, regularly monitoring changes and updating policies accordingly. Usha Yarns Limited, including its subsidiaries, is committed to conducting business in line with laws, rules, adopted codes, and standards. The Legal Compliance policy covers various aspects, including environmental, health and safety, information security, and corporate business requirements. The company maintains compliance with laws such as The Company's Act, Income Tax Act, Environmental Acts, Factory Acts, Information Technology Acts, and others related to labour, ESI, PF, etc.

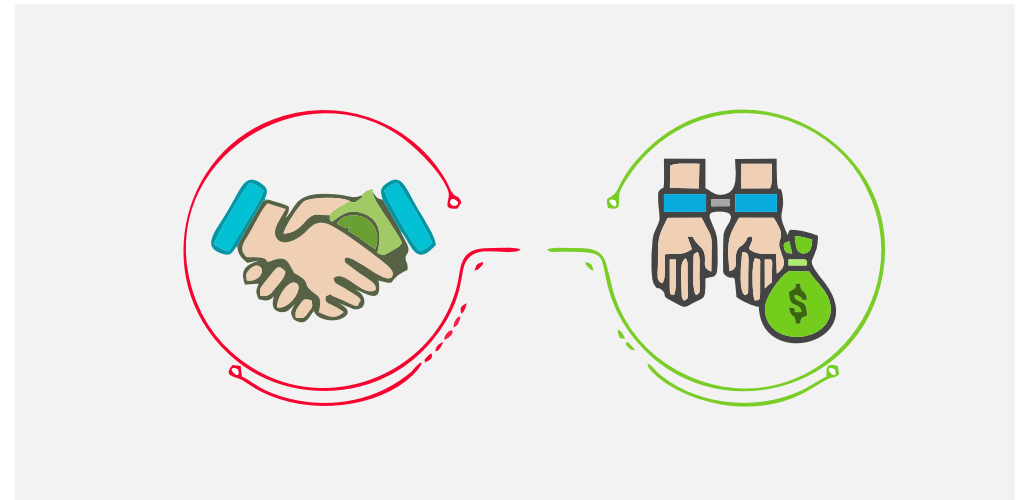
Policies and procedures are in place to ensure compliance, and the company actively submits required reports to regulatory bodies.

Prevention of Corruption and Bribery

Usha Yarns upholds ethical and lawful business practices, advocating good governance and fostering transparency in communication and conduct. All employees, irrespective of position, adhere to the same Code of Ethics. Our comprehensive anti-bribery and anti-corruption policy applies universally, encompassing directors, senior executives, officers, temporary and permanent employees. Regular training sessions empower employees to recognise, prevent, and report instances of bribery and corruption.

We hold ourselves and our business accountable, striving to minimise harm to individuals and society. Our commitment to delivering excellence extends beyond product quality to encompass ethical business procedures and fair competition.

At Usha Yarns Limited, we believe in building a sustainable business through ethical practices, emphasising the prevention, deterrence, and detection of fraud, bribery, and corruption. Operating with honesty, integrity, and the highest ethical standards worldwide, we enforce a zero-tolerance culture to safeguard our reputation with customers, suppliers, and dealers.

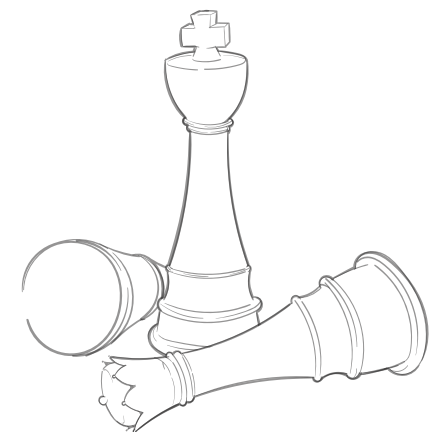


In alignment with Indian legal requirements, our Related Party Transactions policy contributes to corporate governance reforms mandated by the Companies Act, 2013. We incorporate enhanced transparency and due process in approving Related Party Transactions.

Regular reviews during accounting audits attest to our commitment, with no reported cases of corruption or bribes.

Anti-Competitive Behavior

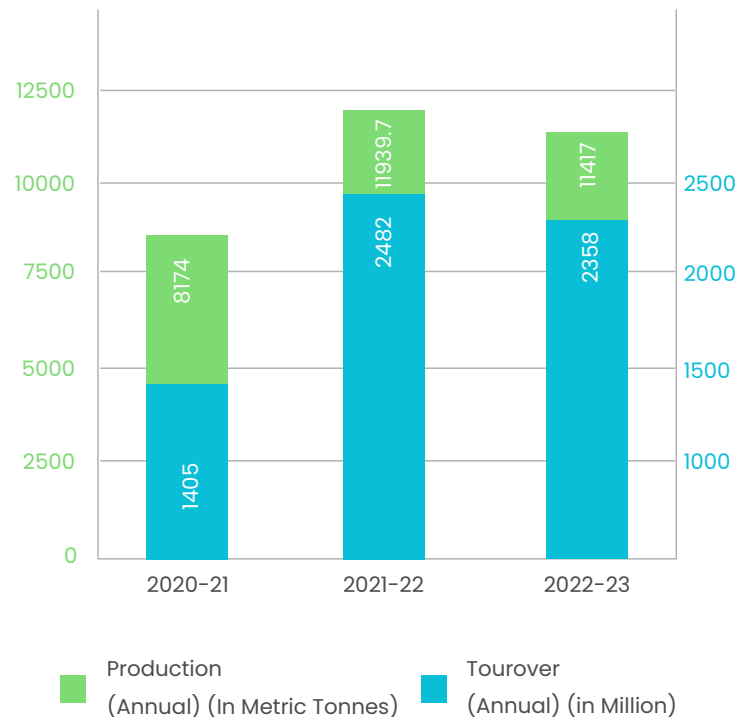
The organisation advocates for equitable and open competition, considering it essential for a thriving market. Embedded within the Code of Ethics, Usha Yarns pledges to maintain transparency across all its business operations. We firmly believe that robust competition serves as a catalyst for continuous improvement and enhances our ability to deliver superior customer service.



Inclusive Growth

The company has grown more than 67% compared to the previous year in terms of revenue growth, even though the production volume has reduced by 4% compared to the previous year. This indicates that the company is focusing more on value-based products.

Chart 2 – Economic Growth



- The company has enough financial resources to meet its financial obligations..
- The company has not received any financial grant during the current year.





Sustainable Supply Chain

Usha Yarns prioritises the integration of human rights and sustainability principles throughout its value chain. Ensuring adherence to these values, the Supplier code of conduct is enforced for all personnel associated with suppliers, including employees, officers, and directors.
















This Code addresses crucial aspects of ethical business conduct, regulatory compliance, anti-money laundering measures, accounting standards, and fair competition, among others. Emphasising professionalism, honesty, and integrity, Usha Yarns expects its suppliers to uphold high moral and ethical standards.



The Supplier Code of Conduct further mandates compliance with environmental regulations and the implementation of strict procedures to protect human rights, prevent child and forced labour, and reduce environmental impact. Regular monitoring of suppliers ensures adherence to these guidelines.

The company encourages suppliers to upgrade systems to internationally recognised standards, contributing to traceability in alignment with sustainability goals for a cleaner, transparent, and reliable textile supply chain.

Environmental Stewardship

Indicators	Corresponding SDGs
Protecting the Environment	      
Energy Management	
Energy Efficiency	
Carbon Emission	 
Material Management	
Water Management	
Waste Treatment	 
Saving Biodiversity	 

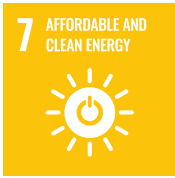


Protecting the Environment

At Usha Yarns, our commitment to sustainable practices extends beyond merely offering environment friendly products. We are dedicated to making a meaningful contribution to global sustainability efforts by reducing carbon footprints, minimising natural resource consumption, repurposing textile waste, and closing the loop in the textile value chain.



Our focus is on producing and promoting genuinely recycled textiles to meet the increasing demand for eco-friendly materials from sustainable brands worldwide. Embracing a holistic approach, we adopt green alternatives such as zero discharge, closed-loop systems, and renewable resources. Recognising the environment as akin to a mother, we consider it a moral obligation to protect and preserve it. In an industry where water is utilised extensively, we emphasise the crucial need to conserve natural resources like water. Our energy conservation policy underscores the importance of enhancing manufacturing process efficiency to reduce energy consumption. Proper and environmentally safe disposal of industry-generated waste is also a key aspect of our commitment to responsible environmental practices.



Energy Management

Usha Yarns Limited is aware that sustainable growth and profitability will be affected by energy consumption and how efficiently it can manage energy. Energy is primarily consumed by production equipment, lighting for common areas and operational areas, air conditioning and cooling, and operating water pumps and compressors. Our Energy Efficiency Policy details actions in all areas including efficient use of the building, technology, and equipment to increase energy efficiency.

We are committed to optimally using energy in the most efficient and effective manner in day-to-day operations.

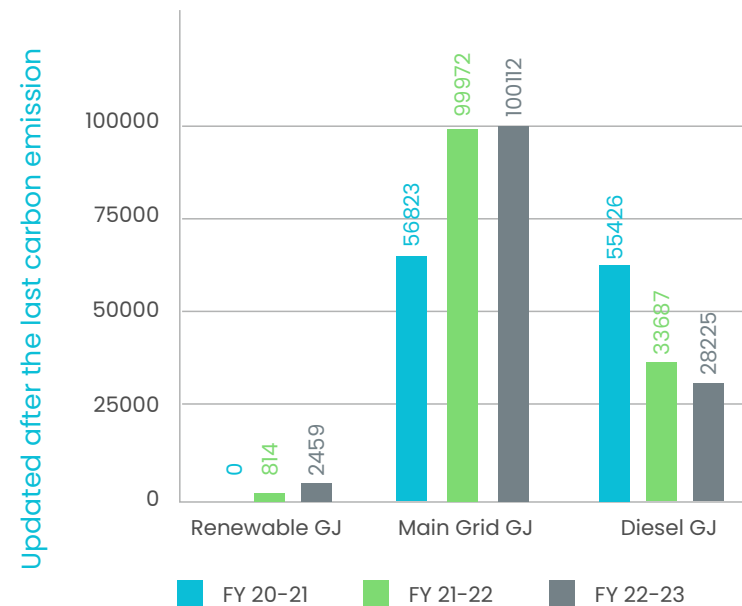
Energy conservation is a continuous process at Usha Yarns, which includes implementing practical methods of energy

conservation like installing LED Lights, adjusting the AC room temperature, fixing all air leakages, addressing air leakages, using maximum daylight, and using energy-efficient appliances. Employees are encouraged to drive less, walk more, and carry out carpooling, and switch off appliances when not in use.



We have increased our renewable source of energy (solar power) to more than 683 MWh.

Chart 3 – Energy Consumption(GJ)





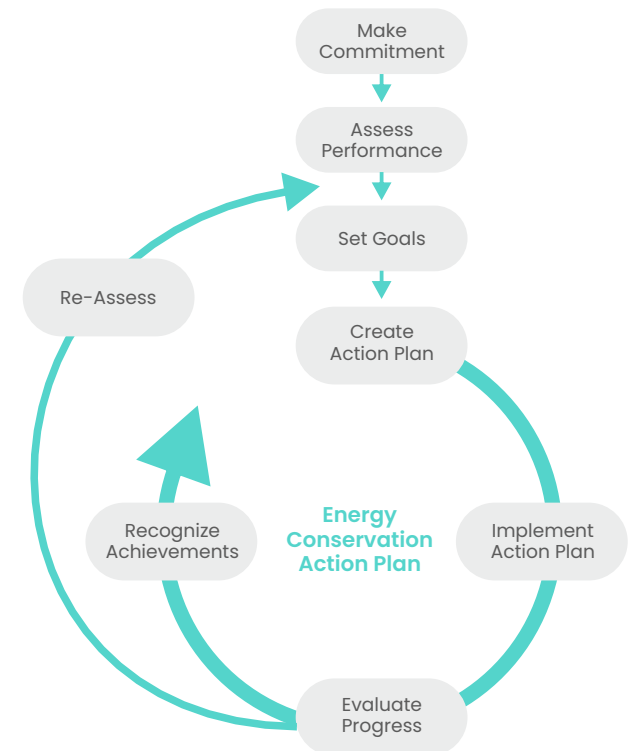
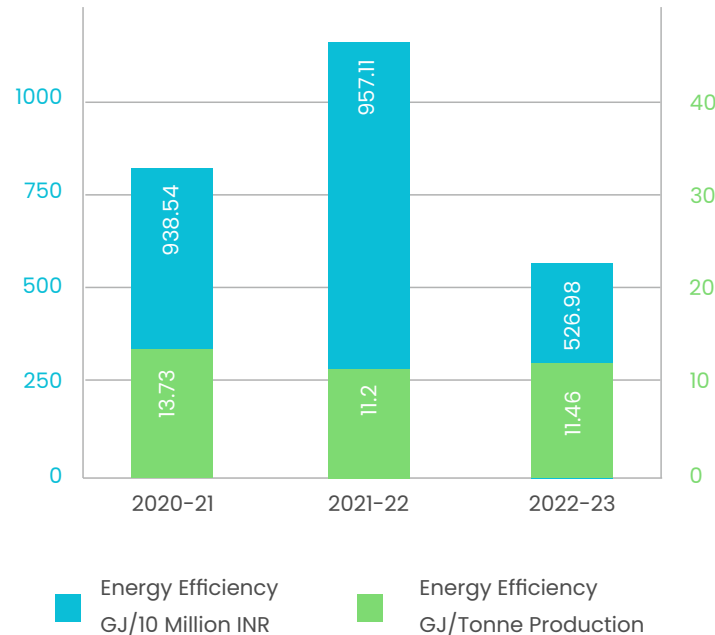
Energy Efficiency

As a manufacturer of recycled materials within the Tier 3 category of the textile supply chain, our operations involve energy-intensive processes.

Our commitment to enhancing machine efficiency through the adoption of advanced technology, continuous efforts to replace equipment, and the implementation of energy-efficient technologies has not only increased productivity but also enabled us to conserve energy.

Over the past 3 years, we have been able to reduce energy per 10 Million INR turnover by over 44%, and energy per tonne production by 17%.

Chart 4 – Energy Intensity





Carbon Emission

The global community faces a critical juncture in addressing climate change through ambitious emission reduction targets. By working together, companies can pave the way for a sustainable and resilient future.

At Usha Yarns, we are proactively conducting greenhouse gas (GHG) accounting, encompassing Scope 1, Scope 2, and Scope 3 categories.

Our commitment to Science Based Targets is evident as we adhere to the guidelines provided by SBTi.

In aligning with the 1.5°C target, we use SBTi guidelines to establish baselines and set carbon reduction targets, aiming to halve global emissions by 2030.

Our total GHG emissions (Scope 1 + 2) experienced a 7.6% reduction. Simultaneously, the intensity of GHG emissions in CO2 per tonne of yarn decreased by 2.24%, and the intensity in CO2 per crore of revenue dropped by 47.69% in 2023 compared to the previous year.



Chart 5 - GHG Emission

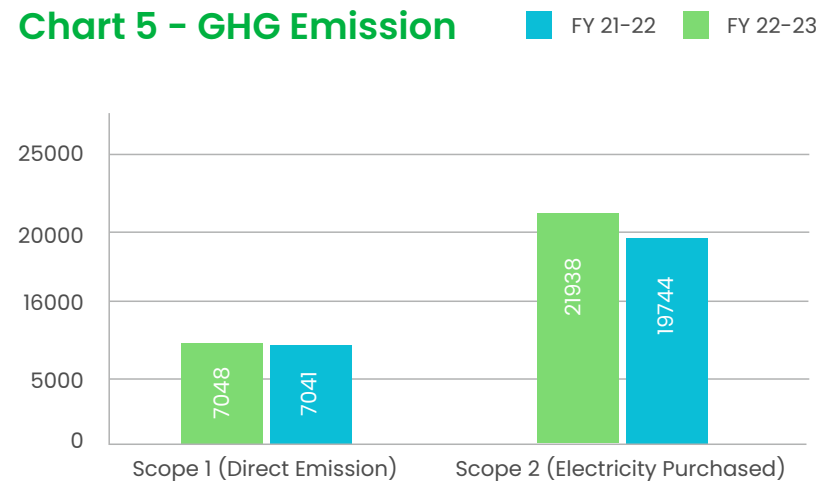
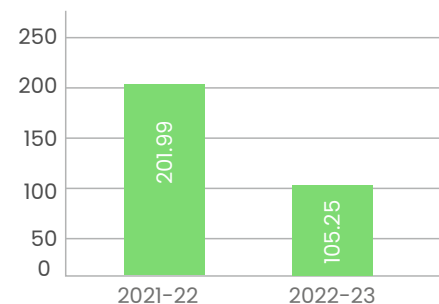
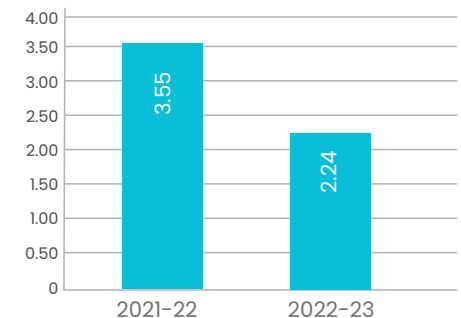


Chart 6 A & B - GHG Emission Intensity

Emission Intensity (Emission/Turnover)
Tonne Co2/10 Million INR



Emission Intensity (Emission Production)
Tonne Co2/Tonne Production

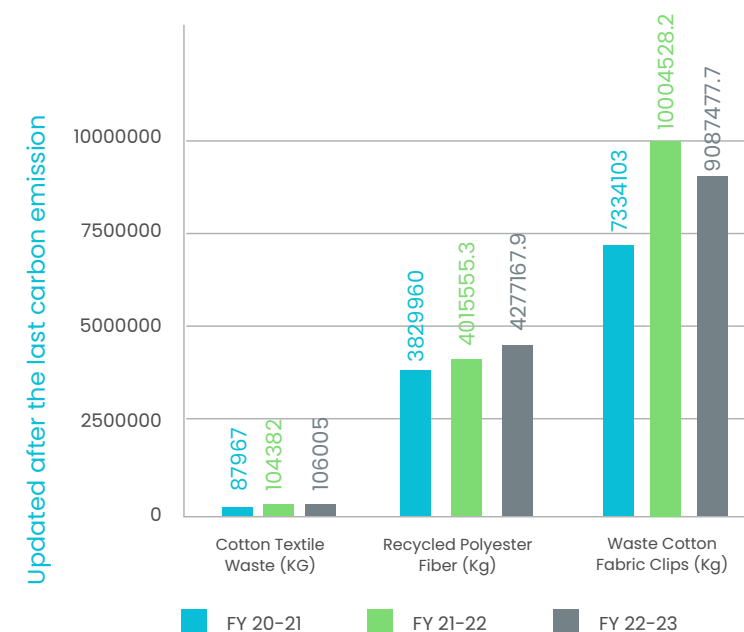


Materials Management

Usha's recycled fibers embody true circularity, derived entirely from 100% waste, contributing minimal environmental impact to each garment. The legitimacy of our recycled materials is substantiated by the Global Recycling Certificate, ensuring compliance across the chain of custody, social, environmental, and chemical aspects. Employing Higg MSI tools, we conducted a Life Cycle Assessment (LCA), resulting in the inclusion of Usha Recycled Fibre in the Higg Index materials library. This allows brands to assess and compare the environmental impact of our recycled cotton fibers against other textile materials. Notably, our fibers and yarns exhibit the least environmental impact when evaluated for factors such as GHG emissions, Eutrophication, Water usage, Fossil Fuels, and Chemicals in comparison to alternatives.



Chart 7 -Recycle Material Consumption

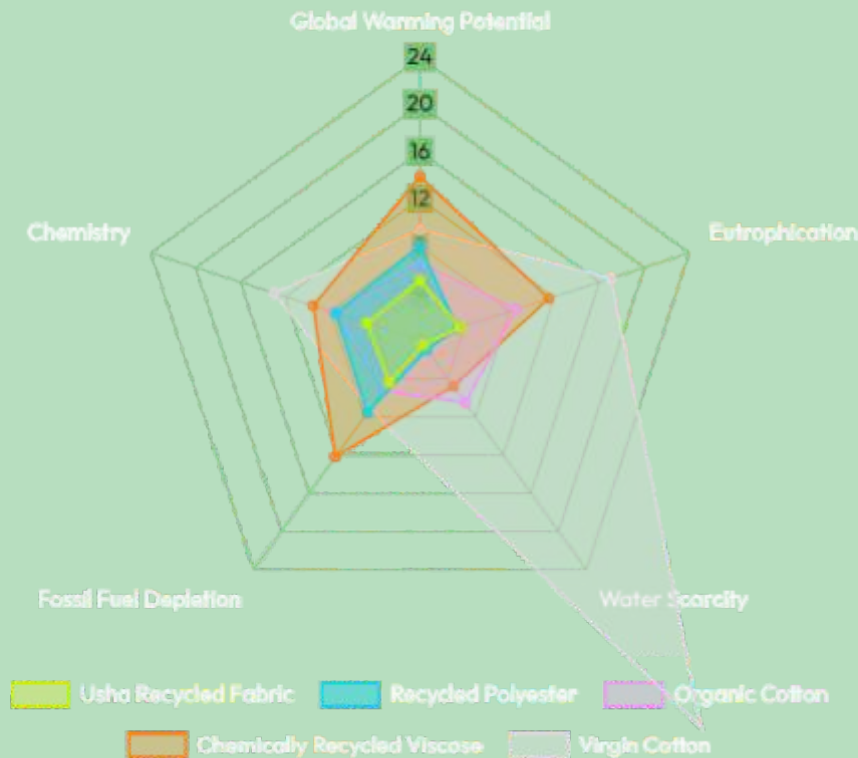


Higg MSI

Material Impact



Sustainable Material Impact Meter



Savings with Fabrics Made with Usha Yarns



5.15 KG CO₂
Global Warming



72.43M 3
Water Scarcity



0.008 Kg PO₄
Eutrophication



13.54 Units
Chemistry



77.9 MJ
Fossil Fuel Depletion

* Based on impact parameters difference between 60% Recycled Cotton + 40% Recycled Polyester and 60% virgin cotton+40% virgin polyester blends for 1 kilogram knitted fabric



Water Management

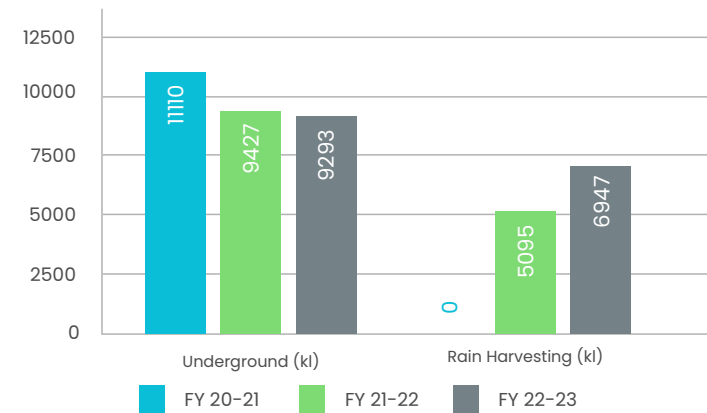
Usha Yarns has proactively embraced the responsibility of water conservation and pollution reduction. We've replaced the resource-intensive yarn dyeing process, which consumes substantial water and chemicals, with a dry process for producing dyed yarns—eliminating the use of water and chemicals entirely. Our commitment extends to reducing water wastage and promoting recycling.

We empower our operational team with the necessary skills and knowledge for addressing urgent water resource needs. Through initiatives such as water conservation, controlled consumption, and responsible water use, we aim to instil these practices throughout our organisation. Promoting awareness is a key focus, guiding our employees to exercise

responsible water use both within the company premises and beyond. Implementing a water management policy underscores our dedication to water conservation and responsible consumption. We extend our commitment to awareness promotion, emphasising responsible water use.

Recycled water finds purpose in our gardening initiatives, alleviating the demand for other water sources. Notably, our processes generate no water effluents. Our rainwater harvesting improved by 36% as compared to last year. Consumption of water for domestic use is controlled using water flow aeration taps to minimise the use of fresh water. The water waste is treated in an STP and is used for gardening or wherever appropriate within the premises.

Chart 8 – Water Consumption

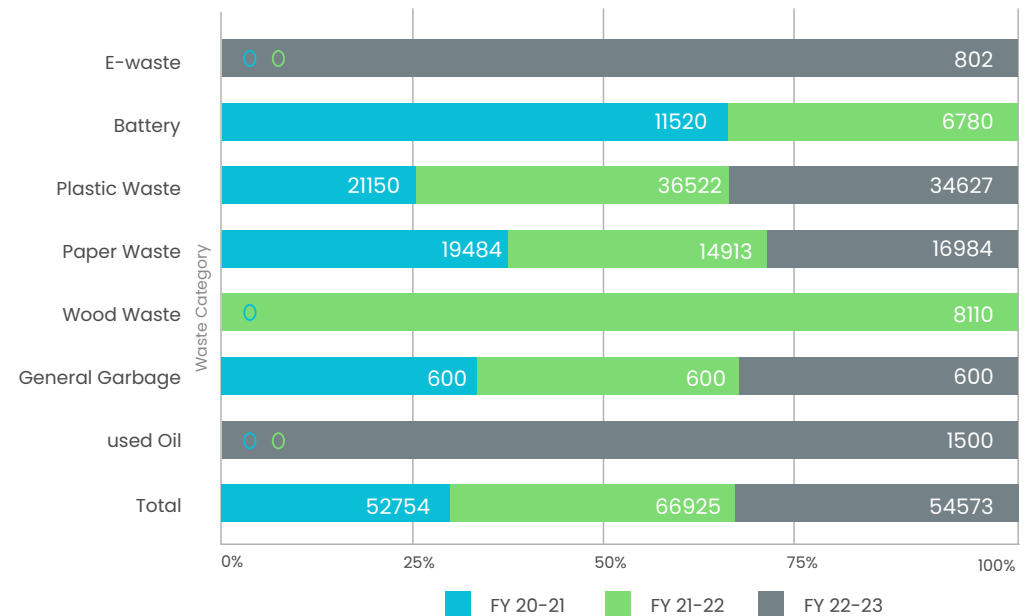


Waste Treatment

Usha Yarns upholds a comprehensive waste management policy, systematically segregating production waste into hazardous and non-hazardous categories. This policy guides the reduction of losses and waste generated from various processes, including production, packaging, raw materials, and proper handling of toxins to prevent environmental release. The approach involves the segregation of wastes with tailored actions to meet legal requirements. Repairable e-waste is distinguished from non-repairable waste, with the latter being directed to designated facilities for e-waste management. Notably, there is a 16% reduction in waste compared to the previous year, attributed mainly to decreases in plastic and wood waste. The waste is broadly categorised into three types: office waste, production waste, and e-waste.

Reduction in production waste is achieved through increased awareness among operators, emphasising the significance of waste management and providing training on waste reduction practices. Non-hazardous solid wastes, such as paper and plastics, undergo reuse, while non-reusable production waste is sold to tertiary processors for less critical applications. Employees are encouraged to maximise the use of paper if it can be reused. Office waste paper is sent to the nearest recycling unit, and hazardous wastes like e-waste, batteries, and used oil are disposed of through authorised waste collection agencies. Importantly, the site strictly avoids landfill or incineration, ensuring that all wastes are appropriately disposed of through approved agencies.

Chart 9 – Waste Disposed





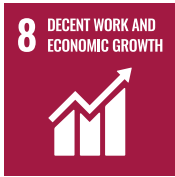
Saving Biodiversity

The company operates at a safe distance from any restricted biodiversity hotspots, demonstrating a commitment to preserving native biodiversity. No species listed on the IUCN red list are impacted by the company's operations. Actively striving to enhance biodiversity on its premises, the factory hosts over 100 plant species carefully selected based on local climate conditions and the natural biodiversity of the region. The planting of alien species is prohibited, and any tree plantation drives conducted as part of CSR initiatives prioritise the selection of local natural species. This concerted effort aligns with the company's dedication to maintaining and improving the ecological balance at its facility.



Social

Indicators	Corresponding SDGs
Social Inclusiveness	
Recruitment & Attrition	 
Ensuring Health and Well-being	
Training and Development	 
Strategic Talent Succession	 
Diversity and Ethics	 
No Child and Forced Labour	
Corporate Social Responsibilities	 
Freedom of Association and Collective Bargaining	 



Social Inclusiveness

Usha Yarns Limited is committed to fostering an inclusive workplace, recognising that the strength of our business is inherently tied to the strength of our employees. We prioritise the creation of a sustainable and ethical working environment free from any form of discrimination or harassment. Our dedication to these principles ensures that our employees thrive in a culture that values diversity, equality, and respect.

The welfare of our employees stands as a paramount concern for us. We are dedicated to cultivating a dynamic workplace that celebrates diversity, promotes teamwork, and inspires employees to contribute their optimal ideas. We understand that attracting and retaining talent across all levels is crucial for the enduring success of our company.

In our commitment to continuous improvement, our management actively considers and values regular feedback on employee engagement, ensuring a supportive and evolving work environment.





Recruitment & Attrition

In the current year, hiring has expanded in tandem with our growth trajectory. There is a notable 87% upswing in male recruitment, surpassing the 58% increase in female hires. The majority, exceeding 70%, of the new hires fall within the age category of under 30 years.

A youthful workforce is recognised as a pivotal asset for a company striving for comprehensive sustainability, as they tend to be more attuned to critical issues such as climate change and gender inequality.

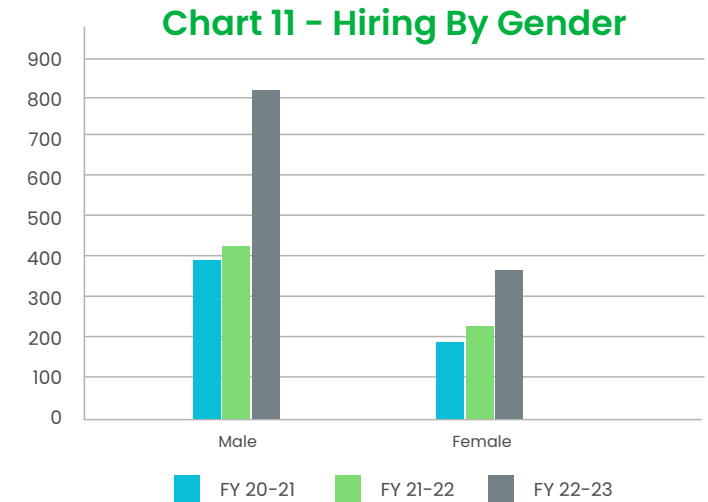
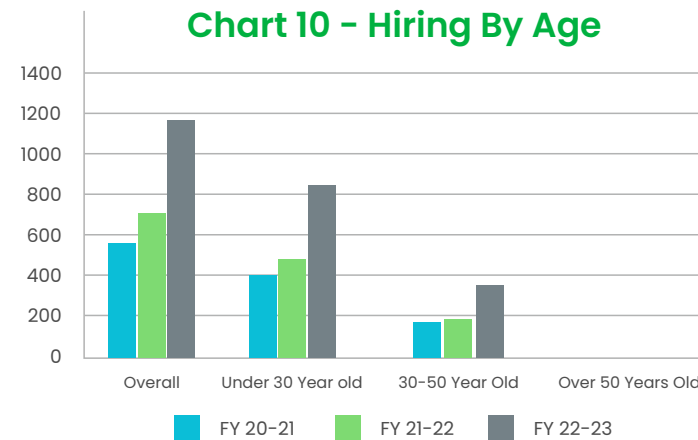


Table No - 1

TOTAL NUMBER OF EMPLOYEES HIRED			
	CURRENT YEAR (2022-23)	PREVIOUS YEAR (2021-22)	PREVIOUS TO PREVIOUS YEAR (2020-21)
Overall	1173	663	578
Under 30 Year Old	843	482	403
30-50 Years Old	330	181	175
Over 50 Years Old	0	0	0
Male	812	434	389
Female	361	229	189
Other	0	0	0

The prevalence of young professionals in our workforce positions us favourably in our ongoing pursuit to establish ourselves as a sustainable business entity over the long term.

Recruitment & Attrition

We take pride in the loyalty demonstrated by our employees, with some having been part of our team since the inception of our operations in 1997. This steadfast commitment is evident in our company's low employee turnover rate. Notably, our turnover has decreased from 9.59% in the fiscal year 2020-21 to 5.87% in 2022-23, showcasing the enduring dedication and retention of our valuable workforce.

Chart 12 – Employee Turnover

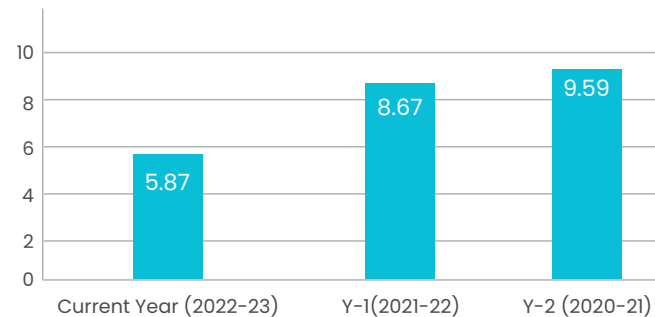


Table No – 2

Employee Turnover in %			
	CURRENT YEAR (2022-23)	Y-1 (2021-22)	Y-2 (2020-21)
Overall	5.87	8.67	9.59





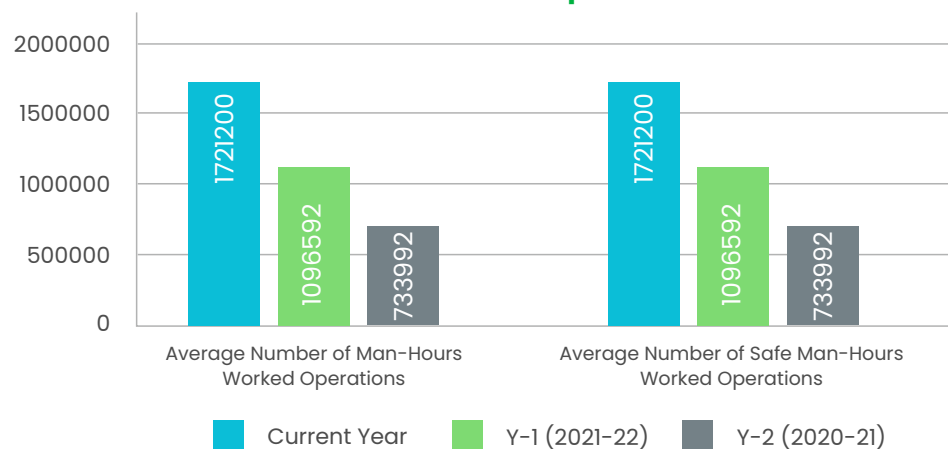
Ensuring Health and Well-being

The company's primary goal is to achieve zero injuries and incidents, prompting the implementation of a comprehensive health and safety management policy across all units. Aligned with regulatory requirements, the policy encourages active worker participation in Environment, Health, and Safety (EHS) processes. Safety Committees are established for discussions on health and safety issues, and training programs enhance awareness. The company employs a Hazard Identification and Risk Assessment (HIRA) system and has a well-established fire prevention and protection system. Pressure vessels are tested in compliance with regulations, and occupational health systems include trained first aiders and the issuance of work permits for hazardous activities.

Stringent measures are in place across all locations, including an emergency response plan and regular mock drills. ISO 45001:2018 certification reflects adherence to international occupational health and safety standards, and external agencies conduct annual safety audits. The company invests in employee well-being through benefits and health initiatives, providing accommodation, support for health problems, medical facilities, and periodic medical checks for all workers covered by the health and safety management systems. During the period of 2022-23, no fatal incidents were reported, and there has been a decrease in the overall employee recordable incident rate. This improvement is attributed to enhancements made in the company's health and safety management systems, coupled with prompt corrective actions.



Chart 13 – Safe Operation Hours



Ensuring Health and Well-being

Table No - 3

INCIDENT/INJURY RATES			
	CURRENT YEAR (2022-23)	Y1 (2022-23)	Y2 (2022-23)
Average Number. of Mandays Worked - Operations	215150	137074	91749
Average Number. of Man-Hours Worked - Operations	1721200	1096592	733992
Average Number. of Safe Man-Hours Worked - Operations	1721200	1096592	733992
Average Man Hours Lost - Operations	NA	NA	NA
Cumulative Man-Hours Worked (Operations + Projects)	1721200	1096592	733992
Medical Treatment Cases	2	1	1
Occupational Illness Cases	0	0	0
First Aid cases	5	12	18
Near Miss cases	0	0	0
Electrical incident	1	0	0
Fire incident	3	2	4
Stress related	0	0	0
Number of fatalities as a result of work-related injury	-	1	0
Employee DART Rate	0	4.36	0
Contractor DART Rate	0	0	0
Employee and Contractor DART Rate	0	4.36	0
Total Employee Recordable Incident Rate (TRIR)	1.98	2.37	19

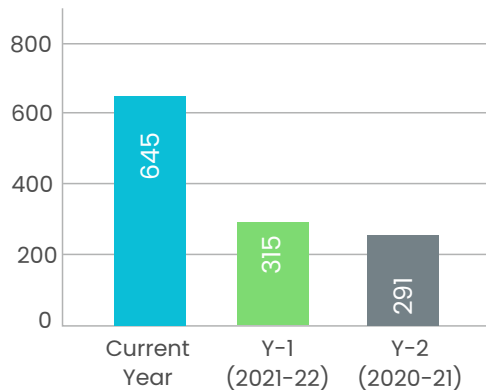




Training and Development

Employee Training and Development at our organisation is a cornerstone of our commitment to fostering a skilled, empowered, and motivated workforce. Recognising that our employees are invaluable assets, we prioritise continuous learning and professional growth to enhance individual capabilities and contribute to the overall success of the company.

Chart 14 – Training Hours

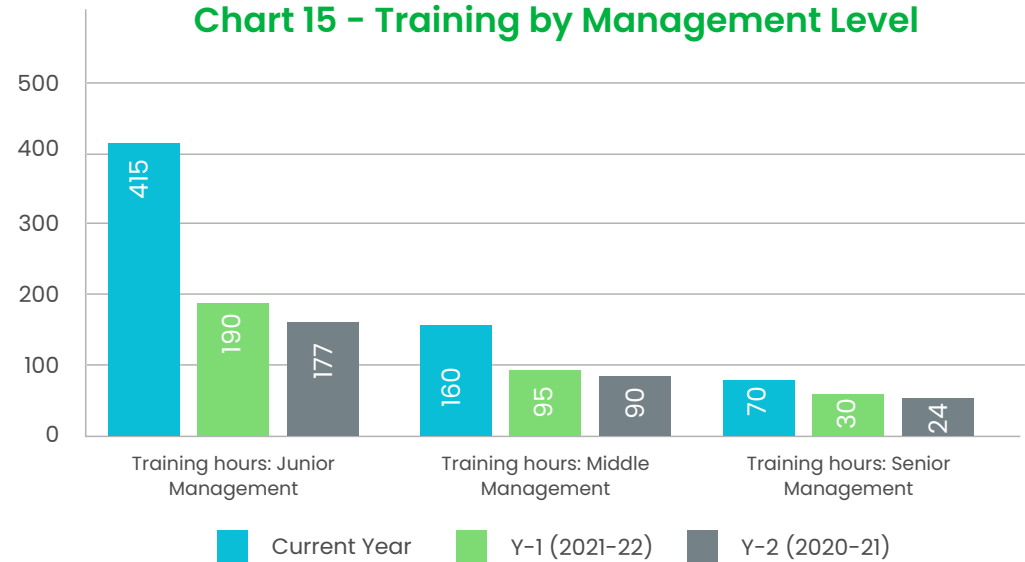


Therefore, prioritising investment in employees is a critical business necessity. It is essential to establish and cultivate an effective learning ecosystem within the company, ensuring that comprehensive learning becomes an integral part of the entire company culture.

Training manhours have significantly risen, reflecting a notable 105% increase compared to the previous year.

The majority of our training efforts, measured in training hours, were directed towards the junior management level. Notably, there has been a significant increase in training for middle and senior management, underscoring the company's strong commitment to training and development.

Chart 15 – Training by Management Level



Our commitment to fostering continuous improvement is reflected in the timely performance appraisals and constructive feedback provided to all eligible management personnel. Various criteria, including domain knowledge, performance, regularity, behavioural patterns, and

efficiency, are carefully considered when determining some special increments for outstanding employees. This approach ensures that recognition and rewards align with the diverse contributions and strengths demonstrated by our dedicated staff.

Strategic Talent Succession

Usha Yarns strategically manages its young talent pool, aiming to transition them effectively into senior leadership roles. The company employs a meticulous approach, scrutinising employee performances and implementing a robust reward and recognition plan to groom future leaders. The promotion process, starting from trainees, involves maintaining a seniority list and planning promotions and replacements for the next two to three years. In special cases, extensions may be granted to employees in good health, and top management positions are filled through promotions or fresh recruitment well in advance of retirement to ensure a seamless transition of responsibilities.





Diversity and Ethics

The implementation of the Equal Employment Opportunity and Anti-Discrimination Policy at Usha Yarns Ltd. ensures fair treatment for all employees. The company is committed to eliminating discrimination in the application of policies, practices, and procedures, providing equal access to opportunities for everyone. Employment decisions within the company are based on individual merit, and efforts are made to prevent sexual, racial, or other forms

of harassment or discrimination in the workplace. The diverse workforce, hailing from 18 states across India, underscores the company's commitment to achieving Equal Employment Opportunity objectives. Collectively, women constitute 28% of the total workforce. Our company is actively working to enhance the representation of female employees, aiming to achieve greater gender parity within the workforce and provide them with

more prominent roles in managerial decision-making. The organisation has established a policy to proactively prevent incidents of sexual harassment in the workplace. Notably, there have been no reported incidents of discrimination.

Table No - 4

EMPLOYEE GENDER DIVERSITY		
Male	1120	72%
Female	427	28%





No Child and Forced Labour

At Usha Yarns, we are committed to ensuring that no child is employed in our factory or at any of our suppliers. We strictly prohibit child labour in all its forms, implementing robust age verification processes through government-approved age-proof documents. Our suppliers are informed and expected to conduct similar checks in their operations. By adhering to the supplier Code of Business Conduct, they pledge to prevent child labour.

Additionally, Usha Yarns vehemently opposes any form of forced labour within our operations and those of our suppliers. Employees are not required to submit "deposits" or their identity documents to the company. Our supplier Code of Conduct further underscores the commitment to preventing forced labour in any manifestation. Importantly, there have been no reported instances of child or forced labour at any of our operations.



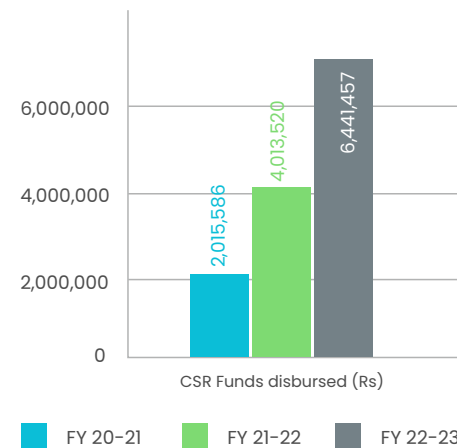


Corporate Social Responsibilities

We realize the profound impact of our businesses have on the world and acknowledge our responsibility to contribute positively to society. Our commitment to Corporate Social Responsibility (CSR) is woven into the fabric of our organisational ethos, guiding our decisions and actions towards creating a sustainable and ethical business environment.

We are dedicated to making a meaningful difference in the communities where we operate. This involves actively engaging in philanthropic initiatives and supporting local education programs, healthcare facilities, and community development projects. By fostering social well-being, we aim to uplift the quality of life for individuals and contribute to the overall development of society.

Chart 16 – CSR Fund Disbursed



In the fiscal year 2022-23, disbursements surpassed 6.4 million INR, representing more than 60% increase compared to the previous year. The company is dedicated to addressing its social responsibilities through a focus on four primary thematic areas: education, water, sanitation, and hygiene



Table No - 5

CSR FUNDS DISBURSED			
	CURRENT YEAR (2022-23)	Y1 (2021-22)	Y2 (2020-21)
CSR funds disbursed (Rs)	6,441,457	2,015,586	1,071,520
People impacted (cumulative)	ANGO, 4 Hospitals (which cater to the needs of the vast population of northern India, facilitated in the introduction of a new surgery which is highly expensive with our efforts the same will be available at a reputed government hospital at minimal rates.) and a cultural hall was built in order to promote cultural activities in the Government school.	A Charitable Trust, Red Cross Society, 2 Hospitals, 27 Schools, nearly 8000 students, 250 teachers, 20 Doctors were impacted by our CSR activities	13 Schools, 4000 children, 90 Teachers, 2 Hospitals

Freedom of Association and Collective Bargaining

The company is dedicated to ethical trading practices, endorsing and ensuring adherence to internationally recognised labour standards. The Ethical Trading policy emphasises key provisions, including the freedom of employment choice, absence of forced or involuntary labour, respect for freedom of association, safe working conditions, prohibition of child labour, payment of minimum wages, reasonable working hours, non-discrimination, provision of regular employment, and the prevention of harsh or inhumane treatment. By adopting this policy, the company aims to guarantee that working conditions for employees in the company meet or surpass global standards, reflecting a commitment to ethical and responsible business practices



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Table No - 6

GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
GRI 2: General Disclosures 2021	2-1 Company details	06	We Are Usha Yarns
	2-2 Entities included in the company's sustainability reporting	06	
	2-3 Reporting period, frequency and contact point	06	
	2-4 Restatements of information	06	
	2-5 External assurance	06	
	2-6 Activities, value chain and other business relationships	10	
	2-7 Employees	06	
	2-8 Workers who are not employees	Not material	
	2-9 Governance structure and composition	13	Governance structure
	2-10 Nomination and selection of the highest governance body	13	
	2-12 Role of the highest governance body in overseeing the management of impacts	13	
	2-13 Delegation of responsibility for managing impacts	13	
	2-14 Role of the highest governance body in sustainability reporting	13	
	2-15 Conflicts of interest	13	
	2-16 Communication of critical concerns	13	
	2-17 Collective knowledge of the highest governance body	13	
	2-18 Evaluation of the performance of the highest governance body	13	
	2-19 Remuneration policies	13	
	2-20 Process to determine remuneration	13	

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GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Not material	Governance structure
	2-22 Statement on sustainable development strategy	13	
	2-23 Policy commitments	13	
	2-24 Embedding policy commitments	13	
	2-25 Processes to remediate negative impacts	13	
	2-26 Mechanisms for seeking advice and raising concerns	13	
	2-27 Compliance with laws and regulations	14	Compliance with laws and regulations
	2-28 Membership associations	14	
	2-29 Approach to stakeholder engagement	13	Governance structure
	2-30 Collective bargaining agreements	13	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10	Materiality Assessment
	3-2 List of material topics	10	
	3-3 Management of material topics	10	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	17	Economic Growth
	201-2 Financial implications and other risks and opportunities due to climate change	17	
	201-3 Defined benefit plan obligations and other retirement	17	
	201-4 Financial assistance received from government	17	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not material	
	202-2 Proportion of senior management hired from the local community		

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GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Not material	
	203-2 Significant indirect economic impacts		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	18	Procurement Practices and Sustainable Supply Chain
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	15	Prevention of Corruption and Bribery
	205-2 Communication and training about anti-corruption policies and procedures	15	
	205-3 Confirmed incidents of corruption and actions taken	15	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16	Anti-Competitive Behaviour
GRI 207: Tax 2019	207-1 Approach to tax	Not material	
	207-2 Tax governance, control, and risk management		
	207-3 Stakeholder engagement and management of concerns related to tax		
	207-4 Country-by-country reporting		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	24	Material Management
	301-2 Recycled input materials used	24	
	301-3 Reclaimed products and their packaging materials	24	
GRI 302: Energy 2016	302-1 Energy consumption within the company	21	Energy Management, Energy Efficiency
	302-2 Energy consumption outside of the company	21	
	302-3 Energy intensity	22	

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GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
GRI 302: Energy 2016	302-4 Reduction of energy consumption	21	Energy Management, Energy Efficiency
	302-5 Reductions in energy requirements of products and services	21	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	26	Water Management
	303-2 Management of water discharge-related impacts	26	
	303-3 Water withdrawal	26	
	303-4 Water discharge	26	
	303-5 Water consumption	26	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28	Saving Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	28	
	304-3 Habitats protected or restored	28	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	28	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	23	Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	23	
	305-3 Other indirect (Scope 3) GHG emissions	23	
	305-4 GHG emissions intensity	23	
	305-5 Reduction of GHG emissions	23	
	305-6 Emissions of ozone-depleting substances (ODS)	23	
	305-7 Nitrogen oxides (Nox), sulfur oxides (SOx), and other significant air emissions	23	

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GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	27	Waste Treatment
	306-2 Management of significant waste-related impacts	27	
	306-3 Waste generated	27	Sustainable Supply Chain
	306-4 Waste diverted from disposal	27	
	306-5 Waste directed to disposal	27	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	18	
	308-2 Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	31	Recruitment & Attrition
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	31	
	401-3 Parental leave	Not material	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not material	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	33	Ensuring Health and Well-being
	403-2 Hazard identification, risk assessment, and incident investigation	33	
	403-3 Occupational health services	33	
	403-4 Worker participation, consultation, and communication on occupational health and safety	33	
	403-5 Worker training on occupational health and safety	33	
	403-6 Promotion of worker health	33	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33	

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GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
	403-8 Workers covered by an occupational health and safety management system	35	
	403-9 Work-related injuries	35	
	403-10 Work-related ill health	35	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	35	Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	35	
	404-3 Percentage of employees receiving regular performance and career development reviews	35	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	37	Diversity and Ethics
	405-2 Ratio of basic salary and remuneration of women to men	Not material	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	37	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	40	Freedom of Association and Collective Bargaining
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	38	Child Labour
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	38	Forced Labour
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not material	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not material	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	39	Fulfilling the social responsibility

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GRI STANDARD	DISCLOSURE	LOCATION	Topic Heading
	413-2 Operations with significant actual and potential negative impacts on local communities	39	Procurement Practices and Sustainable Supply Chain
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	18	
	414-2 Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016	415-1 Political contributions	Not material	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not material	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not material	
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not material	

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