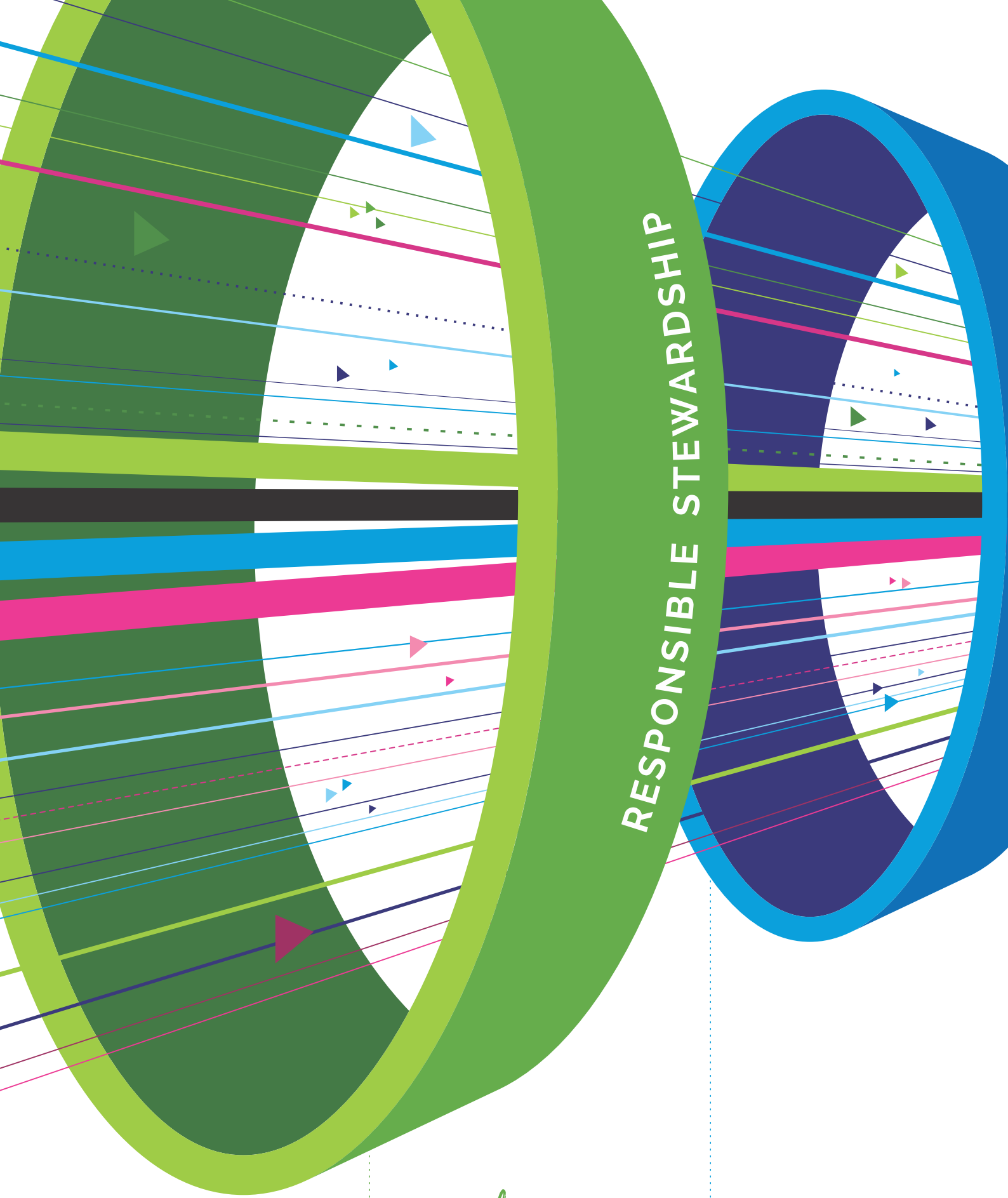


REVERSE

THE TRENDS



RESPONSIBLE STEWARDSHIP

ReStoring
ECOSYSTEMS

ReCognizing
TRENDS



Forever, we've been taking from the Earth.
Taking, considering it our right to do so.
Forgetting every time,
that abundance is not permanent.

Yes, there was a time when everything was in plenty,
and to make a choice was never compulsory.
Back then, every pillar of the ecosystem:
Environment, Economy, Society,
balanced each other well.

But then,
we took a lot more than we could give,
and this balance fell apart.

Let's remind ourselves all over again,
that resources are decreasing and demands increasing.
And to keep our ecosystem going,
we need to give back more than we take from it.

So let's begin to give back.
To the Environment we grow in.
To the Economy we prosper in.
To the Society we live in.
Because when we give back, we get back.

Let's preserve our tomorrow.
Let's protect our planet.
Let's Re-Earth.



ReStoring

ECOSYSTEMS

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FUTURE PROOFING



MESSAGE FROM THE *Managing Director*



As India's largest pure-play fashion and lifestyle company, we are acutely aware of our responsibility to provide thought leadership and demonstrate, propagate and accelerate the sustainability movement.

Towards this goal, we have formed collaborations with several like-minded entities like Ellen MacArthur Foundation, Sustainable Apparel Coalition and Cotton 2040.

We have also joined the 'Circular Apparel Innovation Factory', an industry-led platform that focusses on building a circular apparel and textile industry in India.



Dear Stakeholder,

Building a profitable business model pegged on sustainability is the key ingredient for every business today. The growing importance for balancing the ecosystem with diverse stakeholders is a journey that needs to be etched out with compassion and care.

At ABFRL, we commenced our structured sustainability journey in FY 2012-13 through our programme 'ReEarth - For Our Tomorrow'. It comprises ten missions and each mission has defined annual targets, demarcated responsibilities, prescribed timelines and an efficient monitoring and evaluation framework.

Post the satisfactory completion of phase 1, where we focussed on greening our operations and enhancing efficiencies, the ReEarth programme is now in its second phase. In this phase, **key focus is on integrating sustainability across the entire value chain – upstream and downstream. The objective is to nurture an ecosystem that supports revenue growth, rejuvenates the environment and enhances living standards, especially of marginalised sections of society.**

Innovation is fuelling industry-defining transformations in all parts of the fashion value chain – fibre, fabric, apparel and retail. Increasing digitisation and usage of new technologies, such as Artificial Intelligence, is helping the industry eliminate wastages, shorten response times, improve demand predictions, reduce energy and water consumption, greening processes and bringing down costs. This combination of environment-friendlier products at pocket-friendlier prices has the potential to mainstream sustainability faster than most envisage. Thus, at ABFRL we are constantly encouraging innovation and investing in technology.

Matching our unwavering focus on the environment is our compassion for the community. We believe the communities that host us enable our growth. Governed with compassion, and executed with competence, our development initiatives seek to share that growth through inclusive development. This year, we expanded our focus areas from education, health & sanitation, and sustainable livelihoods to include water and digitalisation.

We progressed well in our 8 model villages across Karnataka and Tamil Nadu. With renewed interventions in water sustainability management, we worked closely with the community to install water ATMS to provide access to safe drinking water. Moreover, **we adopted a more hands-on and direct approach in implementing our strategies to uplift the communities that surround us through the Aditya Birla Fashion and Retail Jan Kalyan Trust. Overall, our social interventions had a positive impact on 1,87,293 beneficiaries this year.**

Our efforts brought in many accolades including the prestigious Social Impact Award instituted by Indian Chamber of Commerce (ICC) for 'Empowering the Rural Population'.

Our sustainability report does more than disclose our performance. It is an exercise in fostering a culture of transparency, participative development and knowledge-sharing. While ReEarth has come a long way since inception, our journey of sustainability is still in its early stages. As we prepare to traverse hitherto unexplored vistas and break new ground, we look forward to your support and feedback.

Ashish Dikshit
Managing Director
Aditya Birla Fashion and Retail Limited





MESSAGE FROM THE Chief Sustainability Officer

ABFRL is rapidly maturing in its sustainability journey through product sustainability, renewable resource consumption and membership on global platforms; receiving awards and recognition for its efforts.



Dear Stakeholder,

Sustainability at ABFRL is a strategy that propels us as we leverage new opportunities that emerge with changing times. This year, we saw significant improvements in our missions as articulated in our sustainability programme 'ReEarth – For Our Tomorrow'. These massive positives arise from our deep rooted conviction that sustainability is about doing good business that inevitably does better for the Earth and everyone inhabiting it.

This year, we witnessed substantial improvements across most environmental parameters. Purchase of grid electricity reduced by 12% due to renewable energy initiatives and 9% due to energy efficiency measures. Additionally, **24% of our total energy requirement was met through renewable energy sources. We generated 11 lakh units (kWh) of solar power leading to reduction of 930 tonnes of carbon emissions.** During the reporting period, two of our manufacturing facilities spread across 4.21 lakh square feet area were awarded 'SILVER' rating by the Indian Green Building Council.

Approximately 432 lakh litres of rainwater was harvested and utilised for recharging. 73% of the wastewater was recycled and reused across our own facilities. 37% of water was sourced through renewable water sources. For the third year in a row, we achieved more than 90% compliance to the WASH Pledge Guidelines.

We also achieved a definitive milestone of digitalising our sustainability performance data which will significantly enhance our data accuracy, timeliness and future planning. Over the past few years, we have focussed on integrating sustainability across our supply chain. This year, over 200 Tier 1 vendors were audited for compliance to the code of conduct.

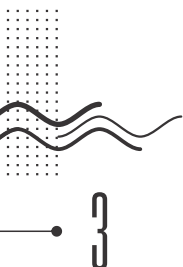
Our 'micro manufacturing units', which operate on a hub and spoke model and help move manufacturing operations closer to the labour, instead of sourcing and transporting labour to the site, not only generate employment for women, who are generally less mobile than men, but also help mitigate emissions. **Our goal is to provide employment to ~2,500 women by 2021 and affect a 73% reduction in carbon emissions by the production undertaken in these units.**

A moment of immense pride was the selection of our product 'Earth Chinos' as a case study in sustainable innovation at the UN environment road testing platform. As one of the only three organisations from the apparel sector, it was a brilliant opportunity to not only showcase but also learn alongside our contemporaries on a global platform. The ABFRL Chemical Management Journey and the Earth Chinos case study were also presented at the OECD conference held in Paris.

Charting success across our sustainability initiatives is a result of our proactive engagement with our diverse set of stakeholders. This sustainability report, which is in conformity with the Global Reporting Initiative (GRI) Sustainability Reporting Standard, 'In Accordance - Core', is a vital engagement tool as it houses our detailed performance on environment, community, product responsibility and economic value generated. I urge you to read it and let us know in which areas we are doing good and in which ones we could do better.

Looking forward to connecting with you.

Dr. Naresh Tyagi
Chief Sustainability Officer
Aditya Birla Fashion and Retail Limited



COMPANY Profile

Aditya Birla Fashion and Retail Ltd. is a part of US\$ 48.3 billion Aditya Birla Group. The Group is a member of the United Nations Global Compact and aims to become the leading Indian conglomerate for sustainable business practices.

As India's largest pure-play fashion and lifestyle powerhouse, ABFRL offers an elegant bouquet of leading fashion brands and retail formats.

ABFRL has presence across approximately **18,000 multi-brand outlets with 5,000+ point of sales in department stores across India.**

Market Updates

Challenging market conditions - slowdown in domestic consumption

Newer categories gaining prominence - Rapid growth in categories such as accessories, home and beauty segments like ethnic, innerwear, active wear gaining prominence

E-com regains momentum post policy change - E-com companies aligned to revised guideline and reclaimed their trajectory of rapid growth

Expansion into smaller cities - Tier 2, 3 and below cities continue to springboard growth



₹ **8,118**
Crore Revenue

23,000+
Employees

750+
Cities

2,714
Stores

*as on March 31st, 2019



LIFESTYLE BRANDS

Our Lifestyle Brands - Louis Philippe, Van Heusen, Allen Solly and Peter England - continued their growth momentum as leaders within their respective segments through product innovation, network expansion, growth category expansion, design development, consumer satisfaction and impactful brand building. In keeping with our belief of achieving excellence in all that we do, our Lifestyle Brands have created a strong equity amongst our loyal customers, through their persistent focus on consumer delight, high quality products and a differentiated in-store experience. Hence, this fiscal, we expanded our loyal consumer base to approximately 15 million.

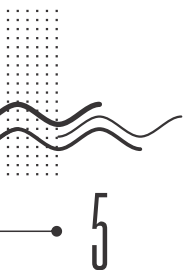
With the world now on a touchscreen, an increasing number of consumers in Tier 2 and 3 cities are with global fashion trends and aspire to the same standards. This year the growth in women's and kids sub-brands has strengthened the overall performance of Lifestyle Brands. With three of its brands having revenue of more than 1,000 crore, Lifestyle Brands constitute the strongest brand portfolio in the industry.

STRONG GROWTH AND DEEPER BRAND INVESTMENTS

ADITYA BIRLA



FASHION & RETAIL



During this fiscal, we continued improving our store performance through various store-level interventions. By integrating customer feedback into product design and planning, we worked on measuring and improving customer satisfaction.

Our Lifestyle Business took significant strides to adopt digital channels to enhance consumer engagement and brand building. We were one of the early adopters of omni-channel capabilities and our concerted efforts helped expand our coverage to more than 1,980 stores, giving our consumers unprecedented access to a wide variety of products.

Lifestyle brands recorded
11% growth
in revenue in FY 2019.

Product innovation
and **expansion** in newer
categories also amplified visibility
of brands across all platforms

Higher advertising



New store additions
and e-commerce
(up +44%)

53% revenue
from loyal customer

Retail network-		
Area	Stores	
(,000 sq.ft.)		
2,557	1,980	





PANTALOONS

Pantaloons is amongst the most widely present retailers in the value fashion segment with a network of 308 stores, spanning over 4.01 (.000 sq.ft.). Pantaloons aims to continue growing by focussing on improving its value proposition and targeting newer markets in India for increasing its footprint.

During the year under review, Pantaloons added 40 new stores to its network and entered many new Tier 2 and 3 markets. They also launched their website www.pantaloons.com. Pantaloons also undertook various cost optimisation initiatives, leading to improved profitability. The business continues to make sound progress towards increasing the share of franchisee stores in the network to improve capital efficiency. By focussing on product enhancement, brand investments and expansion into newer markets, the brand is poised to accelerate its growth momentum.



pantaloons

with its combination of latest fashion at affordable prices, has been India's family shopping destination for over two decades.

The brand's 10 million+ strong customer relationship programme is a testimony to its deeply engaged customers and is one of the key drivers of growth, contributing to more than 90% of sales.

Business reported revenue of **₹3,194 cr.** in reporting period

Growth driven by **introducing freshness in product design, improvement in quality, and assortment**

Strong focus on contemporising the brand with a **successful advertising campaign during festive season**

Pantaloons has a pool of over **15 million** deeply engaged customers



FAST FASHION

There is a growing market of young working professionals armed with rising disposable incomes and increased global exposure. To cater to the fashion expectations of this aspirational group, ABFRL took an early bet on the fast fashion business by positioning itself in the segment through two youth fashion retail brands - Forever 21 and People. Both the brands cater to the young fashion-forward youth of India, giving them a one-stop shopping experience catering to all their fashion needs.

Fast Fashion continues to deliver steady performance

Persistent focus on improving business model

Revenue and EBITDA remained flat on YoY basis



INNERWEAR

Innerwear is a currently under-penetrated market in the premium brand segment in India. We forayed into this space in FY 2017-18 with the launch of Van Heusen Innerwear for men. The response and outcomes since the launch have been very encouraging. Riding on product strategy focussed on fit, fashion innovation and favourable engagement models with channel partners, we consider this segment to become an important driver of growth in the future.

Innerwear business continues to scale at a rapid pace expanding its footprint and now touches approximately 14,000 outlets across the country

Revenue doubled in FY 2019

Launched VH Innerwear for women in FY 2018-19



GLOBAL BRANDS

Global brands portfolio comprises of 'The Collective', one of India's largest multi-brand retailer of luxury brands and select mono brands. The mono brands portfolio includes Hackett, Ted Baker, Simon Carter, American Eagle, Ralph Lauren and Polo Ralph Lauren. In this financial year, we expanded the mono brands foot print by launching new stores of Polo Ralph Lauren, Ralph Lauren, American Eagle and Ted Baker. American Eagle has created a strong brand imagery amongst its target segment, striving to become the most exciting denim-led casual brand for the youth. With the addition of these brands in its portfolio, we continue on our trajectory on building a strong but selective play in the emerging super premium and bridge to luxury segments.

Added Polo Ralph Lauren and Ralph Lauren to the portfolio

First Ralph Lauren store launched in Delhi

Ted Baker, American Eagle ramped up store additions

Strengthen portfolio for evolving Indian consumers



MEMBERSHIPS IN INDUSTRY ASSOCIATIONS

As one of the leading players in the Indian apparel and retail industry, it our privilege and responsibility to be active in various industry bodies that enables us to contribute to policies that impact the industry. This participation also helps us remain apprised on latest norms and trends.

Along with collaborations with various trade and industry associations,we are also members of Retail Association of India (RAI) and Clothing Manufacturers Association of India (CMAI).From a sectoral perspective, we are associated with various global forums such as Sustainable Apparel Coalition (SAC), Cotton 2040, EllenMcArthur Foundation, among others.

AWARDS & RECOGNITIONS

Awards and recognitions not only validate our deep commitment to the Indian consumers' lifestyle and fashion needs, but also indicate that we are on the right track. These accolades encourage us to continue providing highly reputed and quality brands to our customers.

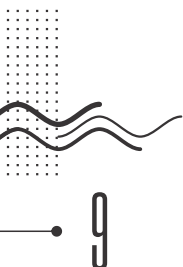
Awards received in reporting period:



ABFRL won the 'Retailer of the Year Award (Fashion & Lifestyle)' conferred by ET Now Global Awards for Retail Excellence





ABFRL bagged 'Stars of the Industry Award 2018' by ET Now for Excellence in CSR





 ABFRL received a Social Impact Award from the Indian Chamber of Commerce (ICC) for Empowering the Rural Population, in the Mega Enterprise Category


 ABFRL was recognised as a 'Leader in Employee Volunteering - 2018' by iVolunteer Awards

 ABFRL has been conferred a Silver Rating by IGBC (Indian Green Building Council) for its manufacturing unit, Crafted Clothing Limited


 ABFRL received the First Prize at the Lean Six Sigma Excellence Awards 2018 conducted by Symbiosis University in two categories such as 'DMAIC' and 'Kaizen'

 Pantaloons was ranked amongst Top Twenty Most Trusted Brands in the Service category by ET Brand Equity


 Pantaloons was ranked amongst Top Two Most Trusted Brands in the Retail category by ET Brand Equity


 Pantaloons won the IMAGES Most Admired Retailer of the Year: Enterprise Solution Implementation in recognition of Excellence in Deployment of Technology in Retail

 Pantaloons' Sandeep Mistry, (Head-IT) was declared 'IMAGES Most Admired CIO of the Year' in recognition of Excellence in Deployment of Technology in Retail

 Pantaloons won the 'Best Use of Direct Marketing in a Loyalty Programme' Award by Kamikaze

 Pantaloons received the 'Segment of One - Top Project Award' by Aditya Birla Group at its Customer Centricity Conference

 Pantaloons was awarded Merit Certificate In the Visual Merchandising and Retail Awards for 'Best Window Display - Festivals and EOSS - Kids Festive Fun'

 Van Heusen Innerwear was adjudged IMAGES Most Admired Fashion Brand of the Year for Innerwear (Men)









REPORTING SCOPE AND BOUNDARY

This is our 3rd Sustainability Report covering the financial year 2019 (1st April 2018 to 31st March 2019). We believe, communicating our sustainability performance is not only an effective mechanism to boost our transparency, but also a great opportunity to strengthen our accountability amongst all our stakeholders.

Report Boundary

The sustainability performance disclosures in this report pertain to our corporate offices in Mumbai and Bengaluru, factories, warehouses and retail stores. In addition to the seven factories reported in FY 2018 and FY 2017, this year we have included the eighth factory, Little England Apparels. We have followed the Global Reporting Initiative GRI Standards: Core, on defining the report boundary. We have continued using the gate-to-gate approach for disclosures, and unless otherwise stated, this report does not include any data and/or information which pertains to any entity outside our organisation (such as suppliers).

 Offices	 Factories	 Warehouses	 Stores
MFL Office - Bengaluru	1. Crafted Clothing - Bengaluru (CCL) 2. Fashion Craft - Bengaluru (FCL) 3. Europa Garments - Bengaluru (EGL) 4. Classical Menswear - Bengaluru (CML)	<ul style="list-style-type: none"> • MFL (Madura Fashion and Lifestyle) • Entoma/Attibele Warehouse - Bengaluru • Hosekote Warehouse - Bengaluru 	MFL Stores - PAN India
PFRL Office - Mumbai	5. English Apparels - Bengaluru (EAL) 6. Haritha Apparels - Bengaluru (HAL) 7. Alpha Garments - Bengaluru (AGL) 8. Little England Apparels - Thali (LEA)	<ul style="list-style-type: none"> • PFRL (Pantaloons Fashion and Retail Limited) • Warehouse - Bengaluru • Warehouse - Bhiwandi • Warehouse - Hooghly • Warehouse - Pataudi 	PFRL Stores - PAN India

Reporting Framework

The development of this report has been shaped by the guidelines detailed in Aditya Birla Group's Sustainability Reporting Framework and the GRI Principles for Defining Report Content and Quality. The selection of aspects and specific standard disclosures is as per the result of the materiality assessment exercise conducted by us within our company. Our data measurement and calculation techniques are as per the GRI standards. Wherever necessary, we have explained the assumptions and/or exceptions while reporting on the GRI disclosures. The page references for general standard disclosures, disclosures on management approach and specific standard disclosures for all material aspects are provided in the GRI Content Index at the end of this report.

Feedback

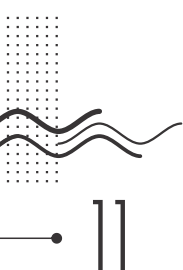
We welcome feedback from our stakeholders as it helps us improve our policies, processes and performance. Additionally, your insights and thoughts on the report content and presentation enables us to sharpen our efforts.

Please share your comments and suggestions to:

Dr. Naresh Tyagi - Chief Sustainability Officer

Aditya Birla Fashion and Retail Limited

Madura Fashion & Lifestyle Division, KH No 118/110/1, Building 2, Divyashree Technopolis, Yemalur Post, Off HAL Airport Road, Bengaluru-560037 | 080-67271600
naresh.tyagi@abfirl.adityabirla.com | reearth@abfirl.adityabirla.com



S U S T A I N A B I L I T Y &

In a world that is constantly evolving, those who thrive are often those who can best manage change. We began seeding sustainability into the very core of our business nearly five years ago. Today, we have seen it take root beyond our operations. From our suppliers to our customers, we are now evolving from focussing on our facilities to forging a new path towards sustainability across the value chain. Aiming to become net positive, we constantly work to regenerate, restore and revitalise the ecosystems and communities we operate in.

We are aligned with the Aditya Birla Groups' vision to be the leading Indian conglomerate for sustainable business practices across global operations. Our aim is to become sustainability leaders in the Apparel and Retail sector in India.

We became a key member of the Sustainable Apparel Coalition and adopted the Higg Index to self-assess and entrench sustainability into our daily operations. It is a practice we are now cascading across our supply chain as well. We are also the key member of the Cotton 2040 initiative, a global coalition of key industry players who encourage brands and retailers to increase their sourcing of sustainable cotton. With these steady steps, we are taking strategic strides to lead the industry in sustainable fashion and fulfil our aim to become the 'Most Sustainable Apparel Brand in India'.





The very first step in our sustainability journey was focussing on our own operations by improving resource efficiencies, ensuring health and safety, streamlining data management and monitoring our facilities and retail stores. With a keen focus on energy, carbon, water, waste and green building, we propelled sustainability across the organisation. At the same time, we also partnered with global sustainability forums to exchange insights and gain knowledge on best practices and steer the industry towards greener practices.

Our next step was to expand the scope of our approach and include upstream and downstream members of our value chain, within the purview of sustainability. As a part of our upstream operations, we collaborated with our suppliers, reaching out to them through various platforms and elevating their own sustainability approach. For our downstream operations, we developed a robust communication and engagement strategy to connect with our customers and actively promote sustainable practices on their end.

Sustainability Awards



ABFRL was recognised as a **'Leader in Employee Volunteering - 2018'** by iVolunteer Awards

ABFRL bagged **'Stars of the Industry Awards 2018'** by ET Now for Excellence in CSR

ABFRL received a **Social Impact Award** from the **Indian Chamber of Commerce (ICC)** for **Empowering the Rural Population, in the Mega Enterprise Category**

Today, we have imbibed sustainability into our business strategy, our brand ethos and our core processes. Going ahead, we will be adopting a product-centric approach that will drive sustainability through customer centricity.

At The Aditya Birla Group, our goal is to be the leading Indian conglomerate for sustainable business practices across our global operations. To accomplish this, we have articulated a detailed Sustainability Framework built on three key pillars - RESPONSIBLE STEWARDSHIP, STAKEHOLDER ENGAGEMENT and FUTURE PROOFING. Each of our businesses are aligned with the overarching principles of this framework. With a defined set of stakeholders and material issues based on individual parameters such as nature of the business and location, each business works to continuously improve its sustainability performance.

In the fifth year of ReEarth mission, we continue to align it with our Group level sustainability policies and current international framework. Each successful year brings in new learnings, deep insights and collective know-how, fortifying our goal to secure a common future for our tomorrow. With the ReEarth mission, we aim to be a future-ready organisation that can pre-empt imminent challenges, address the needs of all stakeholders and continue to be a preferred partner for its consumers.

SUSTAINABILITY GUIDELINES

To become a truly sustainable name in fashion, ABFRL focusses on aligning all stakeholders with its sustainability goals. This enhances their understanding of the interconnections between the value chain and its cumulative impact on the environment. Hence, we developed the Sustainability Guidelines that are aligned with our Group's core values and are centred around three broad pillars - Product, People and Environment - to facilitate understanding and ease of implementation. They feature commitments and sub-commitments in each category, department-wise roles and responsibilities, and details on how to map progress on each parameter.



Product Stewardship

Bifurcated into brand sustainability and supply chain sustainability, it focusses on enhancing sustainability attributes of products, reducing packaging, vendor code of conduct, supplier audits, green channel partnerships and a responsible chemical management policy.

People Stewardship

It lays emphasis on external and internal stakeholder engagement. The focus is on stakeholder mapping, customer engagement, and sustainability related communication (GRI, BRR and CSR). This also includes continual improvement and update of internal workplace standards, sustainability related trainings and orientation programmes, internal competition on sustainability issues and encouraging employee volunteering for CSR projects.

Environment Stewardship

The focus areas include combating climate change through reduction of carbon emissions, reducing dependency on freshwater by becoming water neutral and ensuring that no waste generated within our premises reaches the landfill.



This year, we took a step further to instil sustainability into our value chain with the revision of our Brand Sustainability Handbook. It draws inspiration from the Aditya Birla Group Sustainability Framework, 'ReEarth Mission', globally recognised sustainability standards and guidelines as well as from current global sustainability trends and peer performances.

The handbook aims at providing cross-functional teams an integrated approach to sustainability and an understanding of how they play a crucial role in inculcating sustainability into business operations. The handbook shares details on how we have adopted the Life Cycle Approach (LCA) that includes design and development, supply chain and customer centricity.

THE HIGG INDEX AND SUSTAINABLE APPAREL COALITION (SAC)

FY 2018-19 marks our sixth year of association with the Sustainable Apparel Coalition (SAC) - a global, non-profit organisation and the apparel and footwear industry's leading alliance for sustainable production.



The coalition devised the Higg Index - a suite of path breaking, self-assessment tools that retailers and manufacturers use to measure their environmental, social and labour impacts at every stage of the product life cycle and value chain, while presenting data in a standardised and simplified way. With companies from every segment of fashion, manufacturing and retailing, across the globe, joining forces with SAC, we are on our way to help build a unified Sustainability Matrix for the textile and apparel industry.

We began with the Higg Index assessments for select brands and in-house manufacturing units and progressed to 100% coverage of all ABFRL Lifestyle Brands, Pantaloons, new businesses and in-house manufacturing units. Additionally, we also externally verified a few of our manufacturing units and scored 74 on 100 at two facilities. We have also pilot tested the Brand and Retail Module and will carry out assessments as per the latest updated version from SAC.



Sustainable
Apparel Coalition



Higg Index

PART OF SAC
Working group & strategic pilots

2020 & BEYOND

Extending to all in-house brands, facilities & key outsourced suppliers

2018

Higg Index assessments for 5th consecutive year
Pilot Brand Retail Module

2016

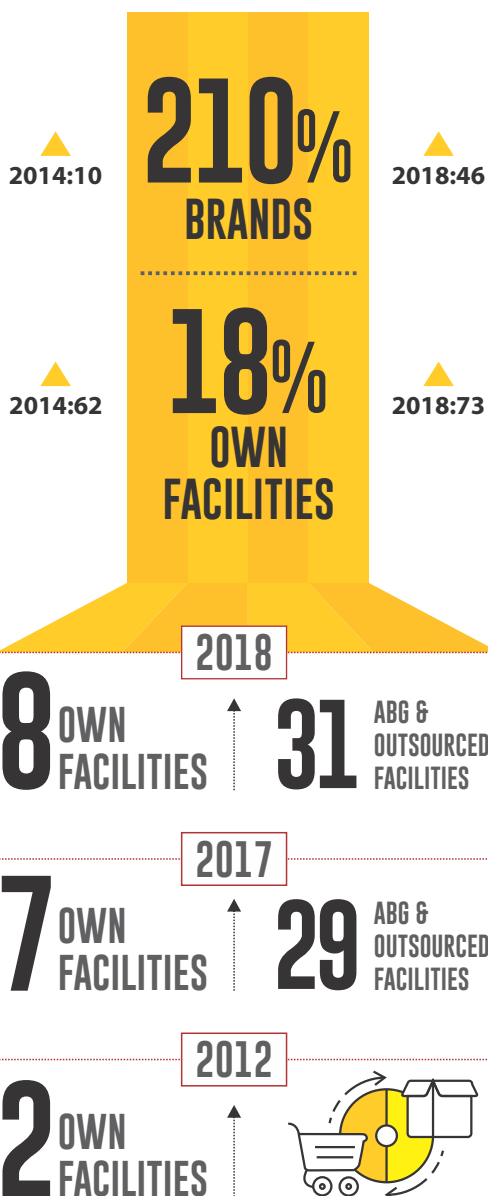
Design Development Module-Pilot testing
Higg Transparency pilot

2014

Future Proofing
LCA for shirt and denim
ABFRL Vendor Code of Conduct (VCoC)

2012

SAC Circle Member
1st Assessment



In keeping with our aim to expand its impact, we extended the Higg Index assessment to select Tier 1 and 2 vendors. We initiated Higg assessments for outsourced vendors in the year 2016, with site visits across 13 suppliers. The following year, we adopted a self-assessment approach, wherein the suppliers shared their self-assessment with us. This year, we carried out site visits and assessments for 22 suppliers. This resulted in more than 50 ABFRL and Aditya Birla Group units adopting the Higg Index. We intend to extend this assessment to more of our suppliers in the years to come. Through our partnership with SAC, we will continue to carry out Higg assessments for brands, in-house and outsourced suppliers.



OUR SUSTAINABILITY STRATEGY

Yesterday, Today & Tomorrow

At ABFRL, our goal is to revolutionise the way fashion functions by thinking out of the box. Our mission to ReEarth was just the beginning. We realise that to truly succeed in our mission, we require the proactive participation of our entire value chain. Thus, we engage with all business partners, suppliers, employees, customers, external sector experts and other stakeholders to streamline our efforts and minimise social and environmental impacts.



Over the years, our perspective on sustainability and its effective implementation has evolved. After careful analysis and thoughtful examination, we believe our sustainability strategy has been through three stages of progress, as elaborated below.

Yesterday - Building Operational Efficiency

In FY 2012-13, we launched ReEarth Mission, focussing on our own operational efficiency across our manufacturing units, warehouses, retail stores and corporate offices. In doing so, we gained intrinsic understanding of our environmental and social performances. The ten missions under ReEarth were formulated to, firstly arrive at a baseline, and achieve targets set by 2017.

Next, we extended our understanding to our suppliers, through collaborations and assessments. Our own operations were stepped up with resource efficiency measures that included renewable power, energy efficiency,

rain water harvesting, recycle and reuse of treated water, zero waste to landfill, green building certifications, sustainable packaging and more. By simultaneously adopting the ABFRL Vendor Code of Conduct and Higg Index for a greener supply chain, we helped bolster their efforts in embracing sustainable practices.

In addition, we also created milestones with innovative sustainable product creations. With the launch of our maiden sustainability report in the year 2016-17, we embarked on our journey of public sustainability disclosure. Thus, our 'Yesterday' was all about achieving operational efficiency.



Today - Integrating Our Strategy

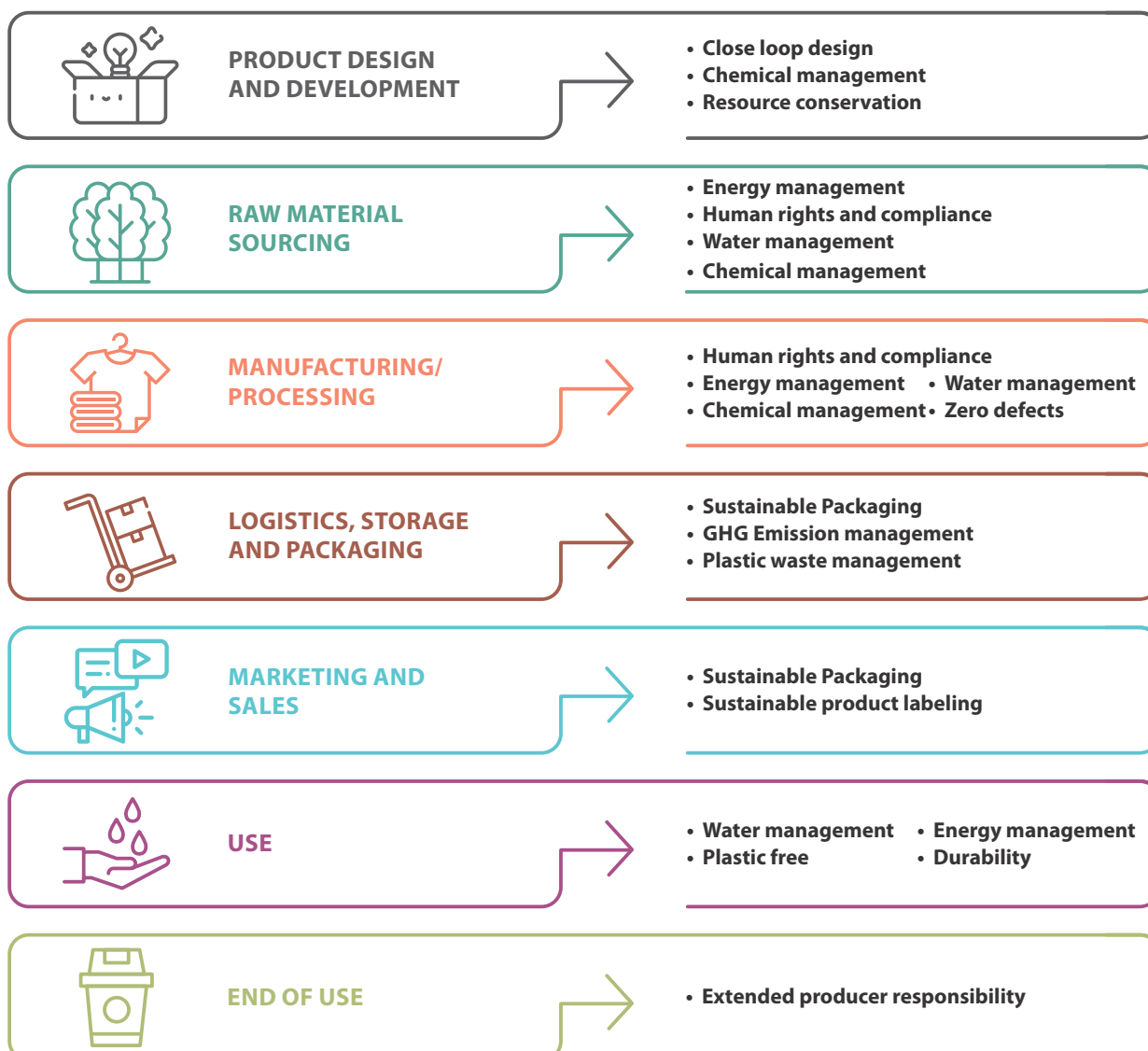
Today, we are transitioning from an operational efficiency approach to a product life cycle approach. This shift will require complete transparency of the product value chain to identify hotspots and red flags. To achieve this, we work to integrate our upstream and downstream stakeholders into our strategy and synergise this transition across the value chain. At the same time, we will continue to focus on energy, carbon, water, waste, safety, community development initiatives, as well as sustainable product and packaging. Hence, our 'Today' is all about integrating our value chain with our evolving approach towards sustainability.

Tomorrow - Embracing Product Centricity

Going forward, our products will be the fulcrum of our sustainability strategy. The product life cycle approach will help us to identify key focus areas for improvement and develop interventions for each life cycle stage of the product, including upstream and downstream operations. From product design and product development, to sourcing, manufacturing, logistics, marketing, use and end-use, this approach lets us pivot sustainability into becoming the everyday norm. Ultimately, our 'Tomorrow' will centre around achieving overall product sustainability.

PRODUCT LIFE CYCLE

FOCUS AREAS

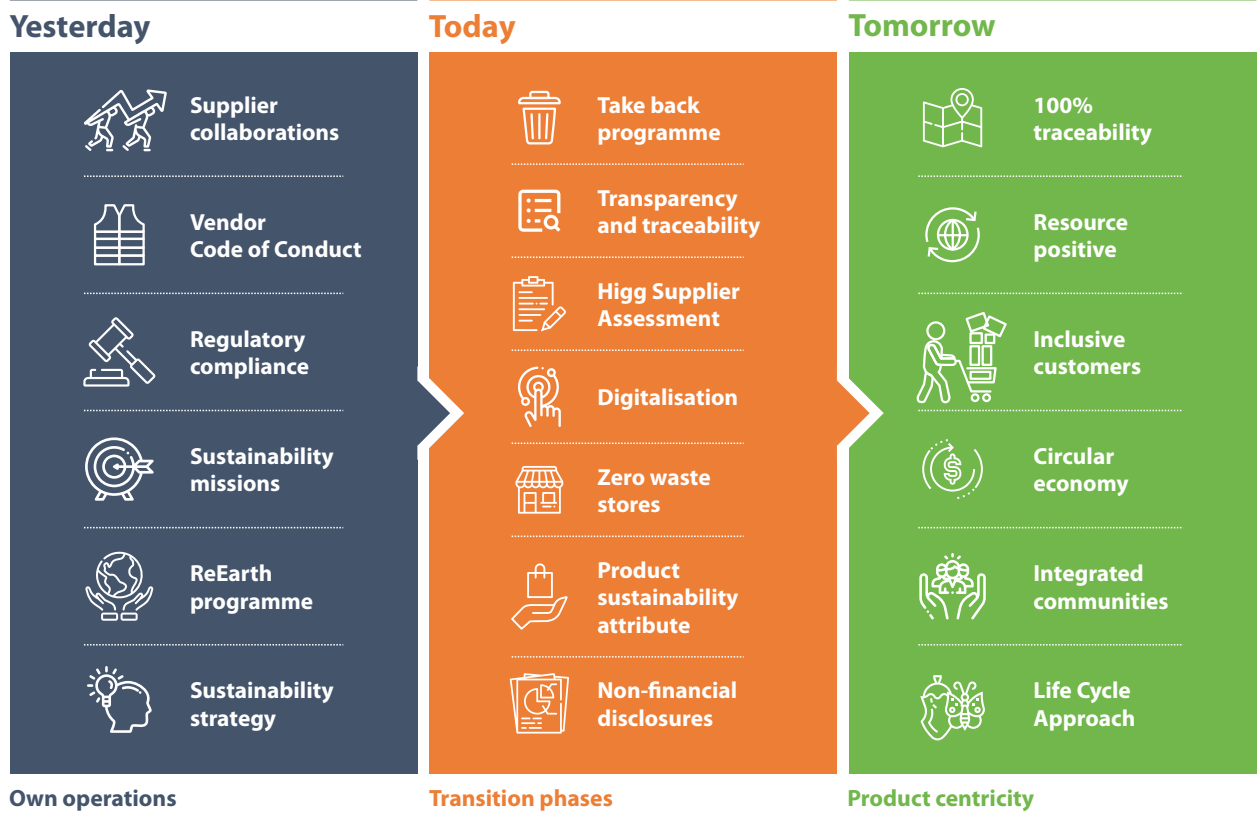




ReEARTH MOVEMENT

We embarked on our mission ReEarth - For Our Tomorrow in FY 2012-13, with the sole aim of giving back more than what we take from our ecosystem. The mission was devised by drivers that included Aditya Birla Group's sustainability agenda, global sustainability performances, industry trends, expert opinions, Sustainable Development Goals, Indian and international best practices and a materiality mapping with the help of Forum for the Future.

Aiming to create an organisation that thrives in a world of rising resource constraints, the movement seeks to strike a balance between natural and business ecosystems. Its Ten Missions with annual targets, clear responsibilities and timelines, is supported by an efficient monitoring and evaluation framework. A summary of the missions, respective targets and status for the financial year 2018-19 is depicted below. Detailed disclosures on the activities under these missions are covered under the respective sections of this report.



ReEarth Mission - Status Dashboard FY 2018- 2019

Mission	Target	Status
Energy	Reduce purchase of grid electricity by 5% through energy efficiency	9% reduction in purchase of grid electricity by means of energy efficiency measures
	Reduce purchase of grid electricity by 15% through renewable energy	12% reduction in purchase of grid electricity by means of solar rooftop installations 2MW solar rooftop plants are operational across all 5 facilities
Carbon Footprint	Reduce Scope 1 & 2 emissions by 20%	11% reduction in Scope 1 emissions due to process efficiency measures 9% reduction in Scope 2 emissions by energy efficiency and renewable energy measures
Green Building	To minimise the environmental impacts from our built environment across 6 facilities by pursuing green building certification	'SILVER' certification for 2 of our manufacturing units (under Green Factory Rating system by Indian Green Building Council)
Water	50% renewable water across our own facilities	37% renewable water sources across our own facilities
	80% recycle/reuse across own facilities	73% recycle/reuse across own facilities
Waste	Zero waste to landfill across all the facilities	Zero waste to landfill across own facilities; Traceability work is in progress
WASH Pledge	100% compliance to WASH pledge	93% compliance
Safety	Zero severity at our premises	No fatalities across our operations, 6 loss time injuries
CSR	No. of beneficiaries (target)	No. of beneficiaries (impacted)
• Education	15,750	19,098
• Healthcare & Sanitation	1,10,048	1,32,624
• Sustainable Livelihood	360	406
• Water & Watershed	7,515	25,473
• Digitalisation	9,649	9,692
Total Beneficiaries	1,43,322	1,87,293
Volunteering	15,000 hrs	17,834 hrs (7,357 volunteers)
Packaging	95% sustainable packaging	87% Sustainable Packaging
Sustainable Products	50% products by volume to have at least one sustainable attribute	Baseline assessment by volume across Lifestyle Brands, Pantaloons and New Business completed
	Higg assessment for brands and own factories	4 lifestyle brands, 2 new businesses, Pantaloons & all in-house factories
	Compliance to Vendor Code of Conduct	200+ tier I vendors assessed



Sustainability Roadmap 2020

With the aim of being Asia's Most Sustainable Apparel and Retail Brand by 2020, we entered the third year of our sustainability journey with this report and the 2020 Roadmap. Crafted after a comprehensive gap assessment exercise, this report takes forward key learnings from our previous reports.

The roadmap details our progress across the 10 Sustainability Missions - Energy, Carbon Footprint, Green Building, Water, Waste, WASH, Product, Packaging, Safety and CSR. It clearly articulates our goals and keeps us focussed on achieving our vision of giving more than we take from the ecosystem. It aligns our stakeholders across the value chain, engages employees, partners with vendors and suppliers, and connects with our customers, encouraging them to contribute with us. This report presents the progress and achievement against Sustainability 2.0.

This year, we have achieved a substantial milestone by going digital with our sustainability performance data, which was being managed manually so far. With the digital platform, we aim to significantly enhance data accuracy and efficiency. This digital repository will enable the creation of a virtual dashboard with details on the Ten Missions, sustainability goals, data analysis and disclosures.

Sustainability Goals 2020

 <p>GREEN BUILDING</p> <p>To minimise the environmental impacts from our built environment by pursuing green building certification</p>	<p>SAFETY Zero severity at our premises</p> 	 <p>PRODUCT</p> <p>20% of products to have 50 score on sustainable index. Transparency in value chain through Higg index</p>		
 <p>ENERGY</p> <p>Reduce purchase of grid electricity by 12% through Energy Efficiency and by 25% through Renewable Energy</p>	 <p>WATER</p> <p>To be Water Neutral across own operations</p>	 <p>WASH (Water, Sanitation & Hygiene)</p> <p>To enhance employee morale & productivity by providing safe & hygienic workplaces. Sustain 100% compliance to WASH pledge</p>	 <p>PACKAGING</p> <p>100% Sustainable Packaging</p>	 <p>CSR</p> <p>To impact 18,000 girl students through initiatives in education, over 300,000 beneficiaries in Healthcare & Sanitation, and over 2,000 youth through Sustainable Livelihoods</p>
 <p>WASTE</p> <p>Zero waste to landfill across own operations</p>		 <p>CARBON FOOTPRINT</p> <p>25% reduction in GHG emissions (Scope 1 & 2)</p>		



C O R P O R A T E Governance

What atmosphere is to earth, effective corporate governance is to business sustainability. It is only in an environment where robust corporate governance exists that a company's sustained performance persists. The Aditya Birla Group is one of the pioneers of corporate governance, and as part of the Group, we at Aditya Birla Fashion and Retail Limited are committed to adopt and adhere to the best governance practices.

Our goal is to become a value-driven organisation that enhances its worth for its stakeholders, based on our Group's core values of Integrity, Commitment, Passion, Seamlessness and Speed. Our stakeholders today, evaluate us as much for our ethics and fair conduct, as for our ability to deliver quality products and services. It is from this responsibility towards our stakeholders that our corporate governance framework and philosophy originates. At ABFRL, we believe a framework based on these core principles not only enhances stakeholder value, but also fosters trust among the stakeholders.

Corporate Governance Philosophy and Principles

Transparency

In all decision-making processes relating to the Company



Disclosures

Maintaining high levels



Ethics

High standards



Review

Regular review for improvement of processes and management systems



Control system

To enable the Board to efficiently conduct business and discharge its responsibilities to stakeholders.



The role of corporate laws, though essential, is only complementary and supplementary, whereas Corporate Governance extends beyond the realms of such laws. ABFRL, at all times strives to uphold, develop and strengthen the principles of corporate governance. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

Organisation Structure

We continuously endeavour for excellence and focus on enhancement of long-term stakeholders' value, through adoption of and adherence with the best governance practices, in true spirit at all times. These efforts start with a commitment from the top leadership, whose input and insight play a critical role in implementing a strong governance structure. The Board is responsible for, and committed to, sound principles of corporate governance in the Company and plays a crucial role in overseeing how the Management serves the short and long-term interests of the members and other stakeholders. This belief is reflected in the governance practices of the Company, under which we strive to maintain an effective, informed and independent Board.

Operating within the framework of a well-defined responsibility matrix, the Board is instrumental in the management, general affairs, direction and performance of the organisation. Duly supported by the Managing Director, Key Managerial Personnel (KMP) and the Senior Management, the Board has been vested with the requisite powers and authority to fulfil their duties and responsibilities.

Composition of the Board of Directors (as on March 31, 2019)

Mr. Ashish Dikshit	Managing Director
Mr. Pranab Barua	Non-Executive Director
Mr. Sushil Agarwal	Non-Executive Director
Mr. Bharat Patel	Non-Executive Independent Director
Ms. Sukanya Kripalu	Non-Executive Independent Director
Mr. Arun Thiagarajan	Non-Executive Independent Director
Mr. Sanjeeb Chaudhuri	Non-Executive Independent Director



COMMITTEES OF THE BOARD



The Committees of the Board play a crucial role in the governance of the Company. They handle specific responsibilities mentioned under the applicable laws, and empower the functioning of the Board through flow of information amongst each other and by delivering a focussed approach and expedient resolution of diverse matters. Constituted under the formal approval of the Board, the terms of reference for all Committees are in accordance with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the committees possess expertise in their relevant areas and functions, meet at regular intervals and take necessary steps to perform their duties as entrusted by the Board.

Maintaining a seamless flow of communication, the Committees report their recommendations and opinions to the Board, who in turn supervise the execution of the respective responsibilities by each Committee.

At ABFRL, the following Committees have been instituted:

Audit Committee

A qualified and independent Audit Committee is entrusted with the task of supervising and monitoring the Company's internal controls and financial reporting process amongst other terms of reference. They are a crucial link between the management, the statutory and internal auditors, and the Board.

Nomination and Remuneration Committee (NRC)

This Committee is inter alia entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of present and proposed directors. It also specifies the methodology for effective performance evaluation of the Board, its Committees and individual directors. Further, the Board has, on recommendation of NRC, also adopted a policy entailing Executive Remuneration Philosophy, which covers remuneration philosophy for the directors, KMP, senior management and other employees of the Company. This programme is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our stakeholders.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is constituted for monitoring and implementing the CSR projects/ programmes/activities of the Company. It is also responsible for approving the annual CSR budget, implementing CSR projects and other related activities. The Committee is also in charge of finalising the annual CSR budget, and reviewing the Business Responsibility activities and the Business Responsibility Report.

Stakeholders Relationship Committee

Addressing and resolving grievances of the security holders of the Company, including complaints related to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends, if any, is the prime responsibility of this Committee. In addition, the Committee also reviews measures taken for effective exercise of voting rights by shareholders, service standards adopted by the Company, and ensures timely receipt of dividend warrants, Annual Reports and statutory notices by the shareholders.

Risk Management Committee

This Committee is inter alia entrusted with the responsibility of evaluating significant risk exposures and cyber security of the Company, and assessing the management's actions to mitigate the risk exposures in a timely manner (including one-off initiatives and ongoing activities such as business continuity planning, disaster recovery planning and testing). It also ensures that the Company is taking appropriate measures to achieve a prudent balance between risk and reward, in both ongoing and new business activities.





POLICIES

An employee is an ambassador of the organisation, who must adhere to all the principles and policies within the Company's Corporate Governance framework. This helps create a pervasive organisational culture that translates into transparent, ethical and responsible operation of the Company. These policies come together to ensure a professional and mature work environment that reinforces ABFRL's value of integrity. To enable this, we have devised certain key policies.

Anti-Fraud Policy

This policy promotes consistent legal and ethical behaviour across the organisation by assigning responsibility for the development of controls. It also sets guidelines for detecting, reporting and conducting investigations of suspected fraudulent behaviour.

Whistleblower Policy

The Vigil Mechanism/Whistleblower Policy facilitates direct access to the management and the Audit Committee of the Board, to all stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. We ensure its adherence without any bias or preference.

Prevention of Sexual Harassment Policy

We have also adopted the Policy for Prevention of Sexual Harassment at Workplace, which is in line with requirements of the POSH Act. The objective of this policy is to provide an effective complaint redressal mechanism if there is an occurrence of sexual harassment. This policy is applicable to all employees, irrespective of their level and it also includes 'Third Party Harassment' cases i.e. where sexual harassment is committed by any person who is not an employee of the Company. ABFRL also conducts interactive sessions for all the employees, to build awareness about this policy and its provisions. During the year under review, no cases were filed under the POSH Act.

Public Policy Advocacy

In an environment of constant change, a range of activities influence decision makers. Engaging in a consistent dialogue with a host of stakeholders is imperative to ensure effective policy making. As we aspire to excel in apparel and fashion, we continue to share our invaluable experiences and learn from the best practices of others in the industry. This promotes a healthy, informed and strong policy-making process, while providing perceptive outlook and incisive inputs to the key decision makers.

As reported earlier, we do not have a universal strategy on policy advocacy. However, efforts are taken on need basis with guidance from relevant industry bodies which we are members of.

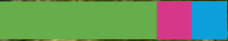
Company Code of Conduct

Signed by the Board members and senior management of the Company, it serves as our ethical compass and requires us to observe the highest standards of ethical conduct and integrity while employing sound judgement to the best of our ability.

To further our ambition of becoming the leading Indian conglomerate for sustainable business, the Group has articulated a Sustainability Framework, which acts as the guiding principle for all the Group companies. At ABFRL, we are committed to improve our sustainability performance, and hence are aligned to the Group's framework with defined focus areas for improvement, under the leadership of the CSO.

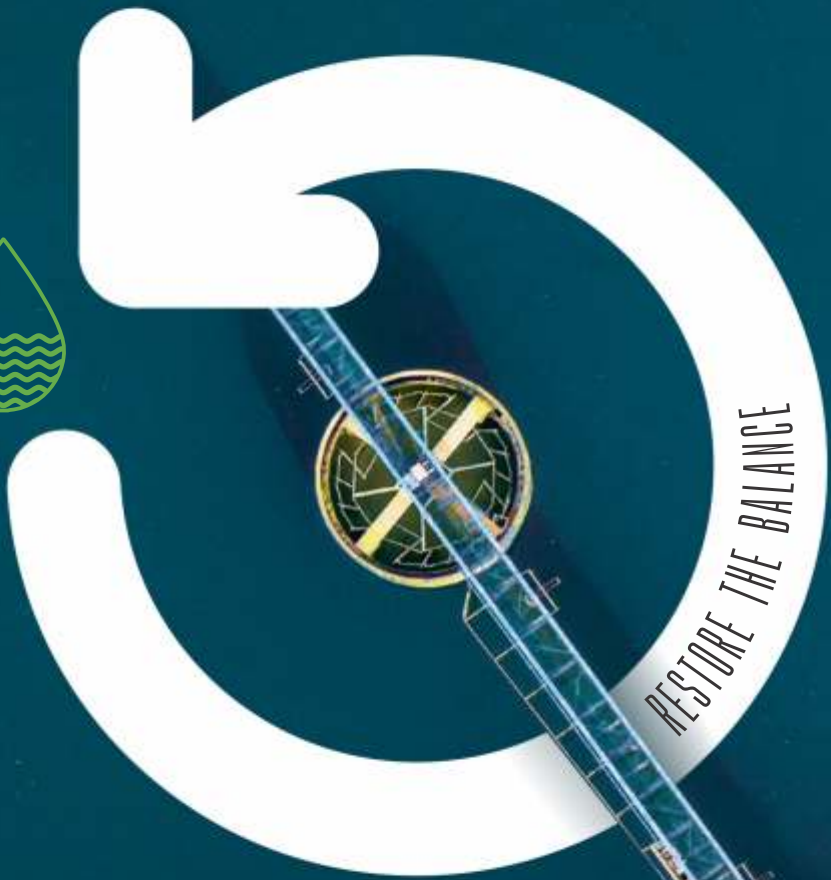
The other policies, programmes and codes include:

- Corporate Social Responsibility Policy
- Risk Management Policy
- Policy on Related Party Transactions
- Familiarisation Programme for Independent Directors
- Forex Policy
- Code of Conduct to regulate, monitor and report trading by Designated Persons in listed or proposed to be listed Securities of Aditya Birla Fashion and Retail Limited
- Code of Conduct for Board Members and Senior Management of ABFRL
- Policy on Preservation of Documents
- Policy for Determining Material Subsidiary Companies
- Policy for Determination of Materiality of Information or Event
- Policy for Archival of Documents
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information



73%

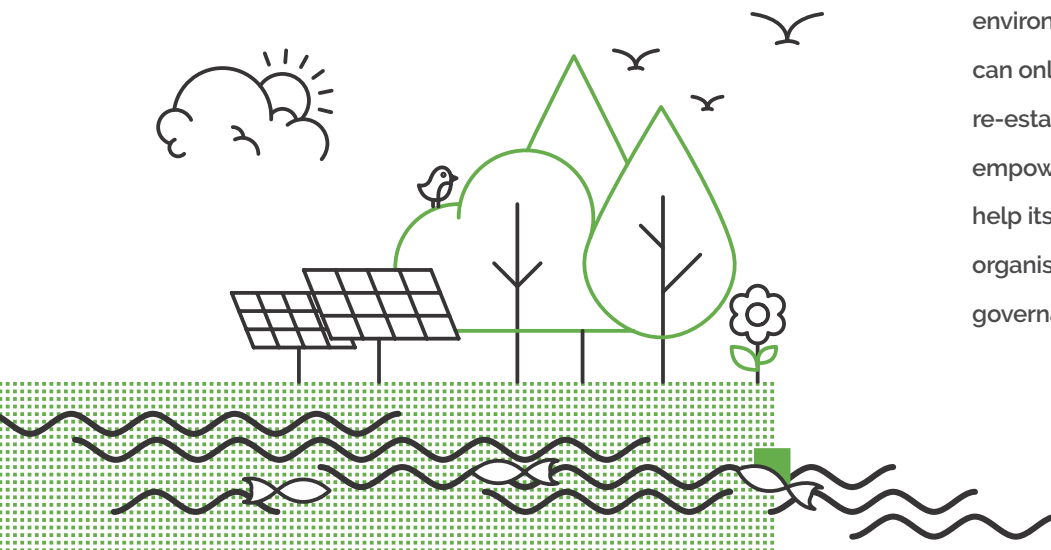
Waste water was recycled and reused





ReStoring ECOSYSTEMS

Reduction of the footprint, as essential as it is, will soon hit a wall because consumption is integral to production. When we aim for eco-restoration, a remarkable story emerges, one of renewal, continuity, integrity, vibrancy and sustainability. The responsibility of long-term stewardship to the environment, society and business can only be fulfilled by re-establishing natural processes, empowering the community to help itself and embedding in the organisation a culture of governance and innovation.



Environmental

PERFORMANCE



~432
lakh litres
Rainwater harvested
and artificially
recharged

ABFRL FY 2018-19 Highlights

₹ **477** LAKH

Investment in Environmental
Performance & Resource
Conservation

11 LAKH

Solar Power units (kWh)
generated reducing 930 tonnes
of carbon emissions

24%

Total Energy requirement
is met through Renewable
Energy sources

14%

Reduction in Solid Waste
Generation compared
to last year

If fashion is a reflection of individual choices, sustainable fashion is a reflection of well-informed choices. A business that maintains ethical, social and environmental expectations, demonstrates its ability to foresee how crucial each aspect is to its progress. Sustainable and ethical fashion is a key material in the fabric of transition that the global fashion industry is experiencing. Today, being in style is also about being in harmony with the health of the planet.

As the fashion industry navigates a massive change, we have identified a few key trends that we believe will drive our sustainability journey. According to a report published by McKinsey & Co.¹ in January 2019, a definitive trend will be India's rise as not only a sourcing hub but also a lucrative consumer market. This is an opportunity to grow, as well as a responsibility to imbue sustainability as we grow.

The next significant trend that we are keeping a keen eye on, is the transition to Circular Economy that has led to creation of new business models, such as subscription, resale and refurbishment.

We have already progressed into this transition with our Zero Waste to Landfill stores, Product Recycling and Waste Reduction and are gearing up to take the lead in this economic shift. As per the World Economic Forum, the third trend that will complement these two trends in driving sustainability in the world of fashion will be global collaborations.² By leveraging our current collaborations with the Ellen McArthur Foundation and the Sustainable Apparel Coalition, we aim to share our knowledge and experience with our collaborators, as well as create impact at scale across our value chain.

The business of fashion is evolving towards environmental goals, embracing a new mind-set, and exploring new avenues. With our movement to ReEarth, we not only seek to lead the future of business, but also give back more than what we take from the ecosystem. By rolling out sustainability across the entire value chain through a well-defined, target-based roadmap for each environmental indicator, we facilitate effective, on-ground implementation to derive verifiable outcomes in desired time frames.

Our sustainability initiatives are formulated under the ReEarth program which comprises of 10 missions. All our missions have clearly defined goals, yearly targets, responsibilities and data tracking mechanisms in place. As part of environmental responsibility, we have identified material issues most relevant to our in-house facilities; considering our approach to meet 2020 targets. Therefore, energy, carbon, water, WASH, waste and packaging missions have been discussed here. Our overall strategy is to ensure minimal negative impact to the environment we operate in. Going forward, we will include our upstream and downstream value chain in our initiatives and therefore have a holistic approach to environmental responsibility across the life cycle of our products.

OUR APPROACH

As the largest fashion retailer in India and a leading brand on the global map, at ABFRL, we embarked on our sustainability journey through our flagship programme 'ReEarth' in FY 2012-13, with the vision of "giving back more than what we take from our ecosystem", to move beyond reducing and towards restoring, and ultimately redesigning the way we operate.

¹ Amed, Imran; Balchandani, Anita; Beltrami, Marco; Berg, Achim; Hedrich, Saskia; Rölkens, Felix, 2019, McKinsey | ² Grosscurt & Syrett, 2018. WORLD ECONOMIC FORUM

Going beyond legal compliance to a mission-based approach, we work to achieve significant reduction in grid electricity consumption, commit to zero waste to landfills, take preventive measures to ensure no fatal accidents occur at our occupational workplaces, and target voluminous reduction in our packaging footprint. We are now shifting towards a holistic, product-centric approach which places sustainability at the heart of the business and aims to ensure that the product is clean by design.

Our Environmental Sustainability focus areas (missions) include:

ENERGY CARBON FOOTPRINT

GREEN BUILDING WASTE WATER WASH

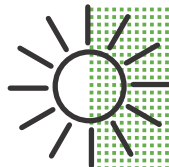
Going forward, we aim to transform our sustainability focus areas to lay emphasis on customer engagement, responsible innovation and increased transparency.

ENERGY MISSION

We manage reduction of fossil-fuel based energy through a two-pronged approach. The first, is to decrease energy consumption through energy efficiency initiatives and next, is to increase the share of renewable energy in our energy mix. We have focussed on reducing our grid electricity consumption, which further results in lowering our carbon footprint (i.e. direct and indirect emissions). We are now transitioning to a product life cycle approach to reduce the overall energy footprint of the product, across the apparel value chain.

By 2020, we aim to reduce purchase of grid electricity by 12% through energy efficiency, and by 25% through renewable energy.

During the reporting period, we invested **INR 400 lakh in our energy mission, to enhance energy productivity and accelerate our transition to renewable energy.**



Energy Performance

Absolute Energy Consumption

'000 TOE

	FY 2016-17	FY 2017-18	FY 2018-19
Direct Energy	1.99	2.31	2.64
Indirect Energy	4.66	5.45	6.07
Total	6.65	7.77	8.71

Note: The increase in energy consumption is due to the inclusion of additional facilities and increase in the number of retail stores.

There is reduction of 4.32% Like to Like in total energy consumption from 7.77 ('000 TOE) in FY 2018 to 7.43 ('000 TOE) in FY 2019.

Energy Intensity

	FY 2016-17	FY 2017-18	FY 2018-19
Total Energy Consumption (TOE)	6,650	7,768	8,710
Total Revenue (INR crore)	6,633	7,181	8,118
Energy Intensity (TOE/INR crore)	1.00	1.08	1.07

Note: The increase in energy consumption is due to the inclusion of additional facilities and increase in the number of retail stores.

Energy Efficiency



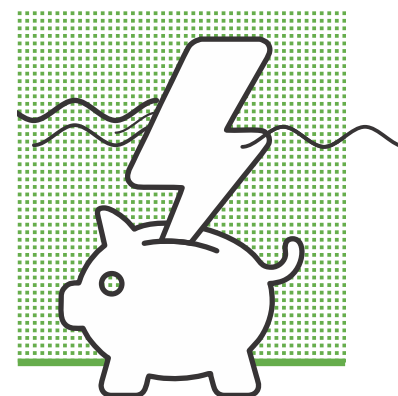
Our energy efficiency measures include adoption of innovative technologies and processes, installation of efficient equipment and redesigning our new facilities and retail stores. Our continuous efforts to enhance energy efficiency delivered 51.40 lakh units (kWh) of energy savings for FY 2019.

The target for FY 2018-19 was to reduce grid electricity consumption by 5% through energy efficiency, against which we have achieved a reduction of 9.27%, with respect to the baseline year (PFRL Division).

Energy Savings

51.40 lakh
units (kWh) saved by
energy efficiency measures

4,215 tCO₂
emissions reduced



CASE STUDY

LED-ING TOWARDS ENERGY EFFICIENCY

ABFRL's Pantaloons division implemented a series of interventions to enhance energy efficiency at retail stores across the country.

ACTION

To enhance energy efficiency, we executed two major changes. The first was to shift to energy efficient equipment, and second was to enhance operational efficiency by making process-based changes.



Technical Interventions

- Installation of energy efficient devices across 30 stores
- LED conversion drive saw replacement of 50-Watt CDMT lights with 30-35-Watt LED lights in 25 stores

Operational Efficiency Interventions

- Guidance document issued for all identified stores and mandated an electricity consumption target of 10% annual reduction

OUTCOME

In FY 2019, the LED Conversion Drive

saved >5 lakh units

Operational Efficiency resulted in

65% electricity savings

As the next step of our energy efficiency journey, we will be conducting a techno-commercial feasibility for solar rooftop installations across select Pantaloons stores.

WAY FORWARD

Explore energy efficient and cost-effective alternative retail stores



Digital dashboard to capture and monitor key performance indicators



Derive a common specific energy consumption KPI and drive the performance across our business operations



Renewable Energy

Renewable energy is emerging as one of the long-term solutions to address climate change across the planet. The Government of India has set an ambitious target of installing 175 GW of renewable energy by 2022.³ Driven by India's ambition, Sustainable Development Goals (SDGs) and the ABG vision, we are committed to increasing the use of renewable energy in our operations.

Guided by the principles of our ReEarth programme, we aim to enhance the use of alternate and cleaner sources of energy, across our operations, in a planned manner through the usage of solar power and renewable fuel, like biomass-based briquettes in the boilers.

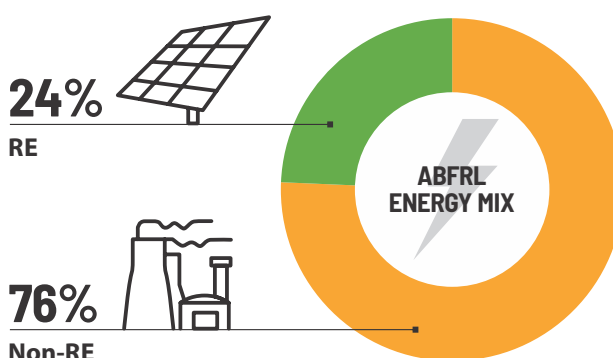
Our target for FY 2018-19 was to achieve a 15% reduction in consumption of grid electricity through renewable energy, against which we have achieved 11.83%.

24.20% of our total energy requirement is met through Renewable Energy Sources across ABFRL

66.39% of our total energy requirement is met through Renewable Energy Sources across MFL facilities

The renewable energy share has increased by 19% Like to Like, due to the solar rooftop being operational across 5 facilities and increase in usage of Biomass fuel.

FY 2018-19 ABFRL Energy Mix

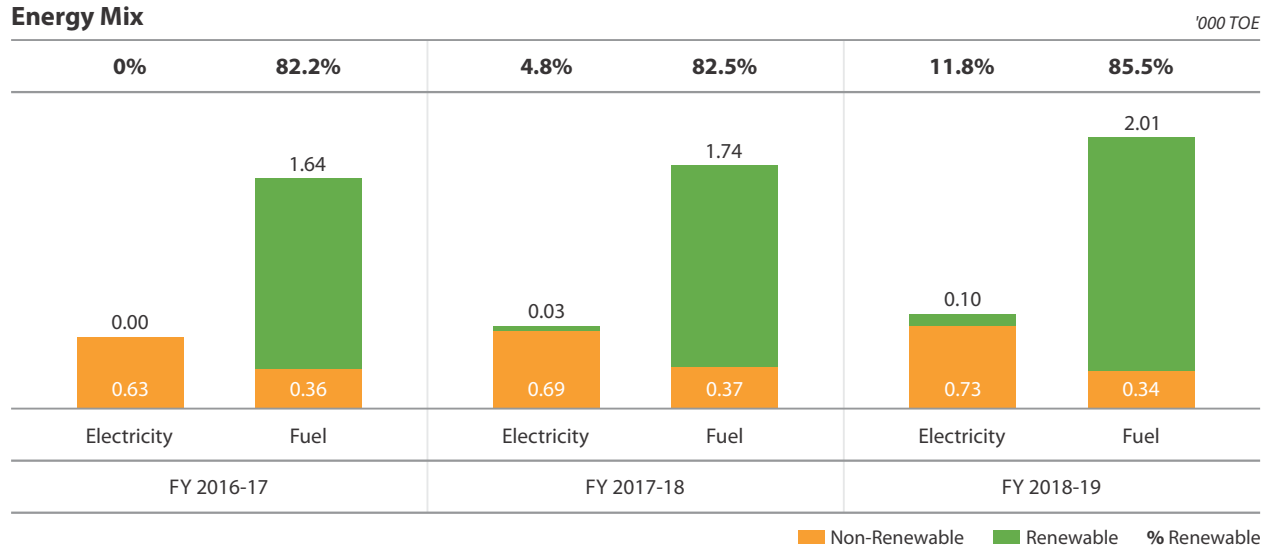


Renewable Energy - Energy Mix

	'000 TOE		
	FY 2016-17	FY 2017-18	FY 2018-19
Renewable Energy	1.64	1.78	2.11
Non-Renewable Energy	5.01	6.03	6.60

Note: The renewable energy share for FY2018-19 includes the additional facilities and retail stores. Otherwise the RE share is 26%

Energy Mix



³ <https://powermin.nic.in/en/content/power-sector-glance-all-india>

Note: The renewable energy share for FY2018-19 includes the additional facilities and retail stores, otherwise the RE share is 26%. The energy mix presented above bifurcating electricity and fuel with respect to share of renewable energy, is for MFL Division (only facilities)

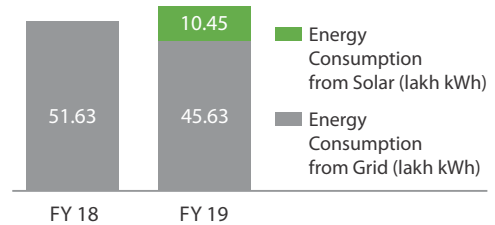
CASE STUDY

SOLAR ROOFTOP PROJECT

To reduce consumption of conventional sources of energy and environmental footprint, by enhancing usage of Renewable Energy

ACTION

To reduce fossil-fuel based energy consumption, we substituted it with renewable energy through grid connected solar rooftop installations with micro inverter technology, across five of our facilities. The solar capacity installed at each facility were 791 kWp at Crafted Clothing (CCL), 500 kWp at Europa Garments (EGL), 385 kWp at Fashion Craft (FCL), 176 kWp at Haritha Apparels (HAL) and 192 kWp at Attibele Warehouse, making it 2044 kWp on the whole.



OUTCOME

12% reduction

in grid electricity consumption, although there is 9% increase in total power demand

10.45 lakh units

(excludes export) of power has been substituted with solar power which has a potential to help 300+ homes to get electrified

Grid connected plant which also has a cost benefit on exporting the power to grid | Huge cost savings and no capital investment involved as it is an OPEX model | Helped in cutting down Carbon Emissions | It has contributed to the Green Building performance | It promotes usage of clean energy and reduces the indoor temperature of the facility

WAY FORWARD

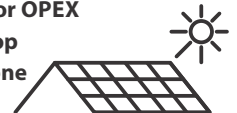
Installation of solar streetlights across factories and warehouses



We are exploring opportunities to increase renewable share through Solar Group Captive projects



Feasibility study for OPEX model solar rooftop panels at standalone stores



CARBON FOOTPRINT MISSION

Lowering carbon emissions is crucial to limiting warming to as close to 1.5°C above pre-industrial levels, in line with the goals of the Paris Agreement on Climate Change. With long supply chains and energy intensive production, the fashion industry contributes to around 10% of global greenhouse gas emissions.⁴ Reducing usage of energy derived from fossil fuels inadvertently reduces emissions. While energy security and cost are important parameters in our energy strategy, our focus is to shrink our carbon footprint and contribute to combating climate change.

By 2020, we aim to reduce our GHG emissions (Scope 1 & 2) by 25%.

In FY 2018-19, we achieved:

11.07% Like to Like reduction in Scope 1 emissions due to process efficiency measures

9.17% Like to Like reduction in Scope 2 emissions by energy efficiency measures

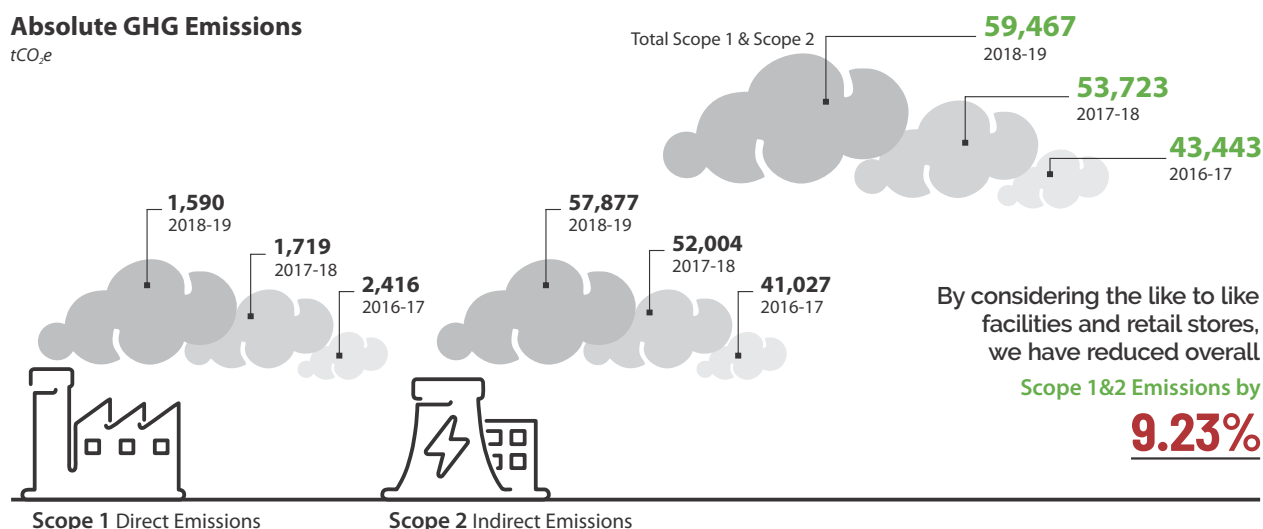
While we have a 2020 Goal, also have a year on year target for which the previous year is considered as baseline.



<http://www.ipcc.ch/organization/organization.shtml>
www.cea.nic.in/reports/planning/cdm_co2/user_guide_ver9.pdf

Absolute GHG Emissions

tCO₂e



By considering the like to like facilities and retail stores, we have reduced overall

Scope 1&2 Emissions by
9.23%

Note: The increase in emissions is due to the inclusion of additional facilities and the increase in number of stores

The emission factors used to compute direct and indirect emissions is sourced from our group GHG accounting standard.

Scope 3 - Indirect Emissions

Under the guidance of Aditya Birla Group Sustainability Cell, ABFRL (MFL Division) has already started computing Scope 3 carbon emissions in various categories such as Upstream Transportation, Business Travel and Downstream Transportation. In the near future, we shall be working with industrial experts to standardise the reporting on all relevant categories of Scope 3 and develop a roadmap to target reduction in the overall Scope 3 emissions.

Reported data includes only CO₂
<https://unfccc.int/news/un-helps-fashion-industry-shift-to-low-carbon>

GREEN BUILDING MISSION

According to the Green Building Standards, “Green building is a holistic concept that starts with the understanding that the built environment can have profound effects, both positive and negative, on the natural environment, as well as the people who inhabit buildings every day. Green building is an effort to amplify the positive and mitigate the negative of these effects throughout the entire life cycle of a building.”

Our green building mission is an additional step towards reducing our product footprint and is in alignment with our energy, carbon, water and waste missions.



By 2020, we aim to achieve Green Building Certification for more than 15 lakh sq. ft. area of our built footprint.

As on March 2019, a total of 7.21 lakh sq. ft. area of our built footprint has been certified.

In FY 2018-19, two of our manufacturing facilities (CCL & LEA) spread across 4.21 lakh sq. ft. area, were awarded 'SILVER' rating under Indian Green Building Council rating system.

At ABFRL, we look forward to creating more such green facilities and retail stores that will have minimum environmental footprints. A pilot will be conducted with select stores developed as model stores and the learnings will be implemented across all our stores.

Features	Factory: Crafted Clothing Limited	Factory: Little England Apparels
Score	65	64
Sustainable Sites	More than 44% of the factory employees are using company provided transportation (alternative transportation)	More than 40% of the factory employees are using company provided transportation (alternative transportation)
	Basic amenities like Crèche, First Aid and canteen is provided for all employees	Basic amenities like Crèche, First Aid and canteen is provided for all employees
	100% of the structured parking is painted with high SRI paint to minimise the Heat Island Effect	100% of the structured parking is painted with high SRI paint to minimise the Heat Island Effect
Water Management	Saving of 41% potable water using water efficient fixtures	Saving of 41% potable water using water efficient fixtures
	Rainwater Harvesting – more than 95% of roof and non-roof rainwater is harvested by adopting different strategies such as pits and injection well	Rainwater Harvesting – more than 95% of roof and non-roof rainwater is harvested by adopting different strategies such as pits and injection well
	Onsite sewage treatment plant to recycle and reuse 100% of waste water	Onsite sewage treatment plant to recycle and reuse 100% of waste water
Energy	The project has resulted in 58.84% of energy being saved	The project has resulted in 77.23% of energy being saved
	Use of LED lights, On-site Solar Power to cater to building requirements	Use of LED lights
	Only CFC free refrigerant is used in HVAC equipment	Only CFC free refrigerant is used in HVAC equipment
Materials	More than 75% purchases made under on-going consumables have sustainable criteria (in terms of recycled content and/or regionally sourced and manufactured)	More than 75% purchases made under on-going consumables have sustainable criteria (in terms of recycled content and/or regionally sourced and manufactured)
	Provision of different waste bins at each floor to segregate the waste at source	Provision of different waste bins at each floor to segregate the waste at source
	Office furniture is locally manufactured	Office furniture is locally manufactured
	More than 75% of waste is diverted from landfill	More than 75% of waste is diverted from landfill
	Food/kitchen waste is converted to compost organically and used in the landscaping	Food/kitchen waste is converted to compost organically and used in the landscaping
Indoor Environment Quality	The project uses only Green Seal chemical for general housekeeping purposes, low Volatile Organic Compound materials for exterior maintenance	The project uses only Green Seal chemical for general housekeeping purposes, low Volatile Organic Compound materials for exterior maintenance
	No smoking premises	No smoking premises

WASTE MISSION

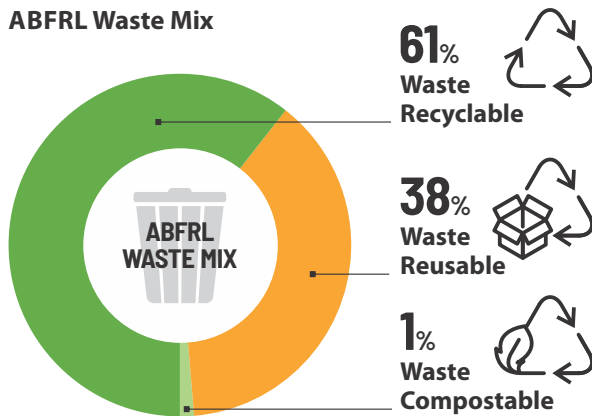
Globally, the fashion industry created 92 million tonnes of waste and is expected to increase by 60% by 2030⁵. Keeping these statistics in mind, eliminating waste is critical to reduce fashion's environmental impact. At ABFRL, waste management is an integral part of our sustainability strategy - the 'ReEarth' programme. We focus on two aspects - firstly, to reduce overall waste and encourage circularity; and secondly, to encourage the safe disposal of waste. We believe that with the right approach, waste management is an opportunity for value-creation, not only for our stakeholders, but also for the nation as a whole.

Handling and managing waste in an eco-friendly manner is on the global and national agenda, we as a responsible business are focusing on establishing integrated waste management framework for our non-regulated waste.

By 2020, we aim to achieve Zero Waste to Landfill across our own operations.

We have achieved 'Zero Waste to Landfill' (ZWL) across all our facilities.
We have also initiated traceability of waste end destination.

ABFRL Waste Mix



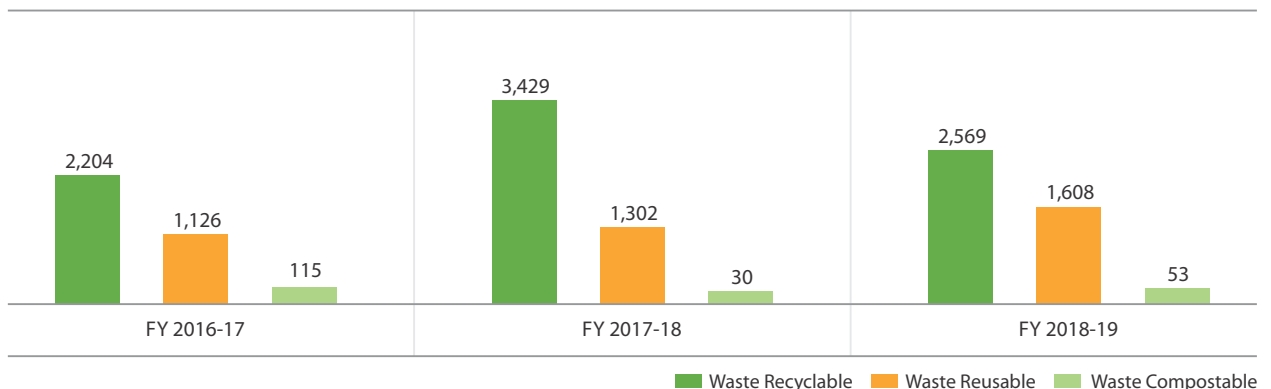
Waste Footprint

Total Waste Generated (MT)

	FY 2016-17	FY 2017-18	FY 2018-19
Non-Hazardous	3,443	4,759	4,226
Hazardous	3	5	7
Total	3,446	4,764	4,233

ABFRL Waste Trend

in tonnes



WAY FORWARD

Audits to be conducted at the vendor sites to establish traceability of waste end destination

Mission to be rearticulated and to be aligned with Product & Packaging mission strategy

Explore cost effective and self-sustainable model for retail operations

Pilot of take back and end-of-use programme across retail operations

Identify vendors who can take back and certify Zero Waste to Landfill

CASE STUDY

CREATING ZERO WASTE TO LANDFILL RETAIL STORES

After establishing traceability of waste and achieving **Zero Waste to Landfill** across our facilities, we are now in the process of replicating the same across all our stores.

ACTION

To shift the management of waste from informal sector to a more formal sector, we initiated the concept of 'Zero Waste Retail Stores' across 9 brands and 100+ retail stores in Bengaluru. In partnership with **Saahas Zero Waste - a socio-environmental enterprise** that converts waste into resources, we built an approach that focussed on **segregation at source, conversion of waste into a resource, replacement of linear systems with circular systems and prevention of waste generation**. We undertook a series of steps that included trial runs and pilot studies at select stores as well as digital tracking and monitoring of waste.

The exercise helped us gain insights on the quantum and composition of our waste mix of which 53% was cartons and 35% was unsorted dry waste. Through this diversion of waste from landfill we aim to reduce GHG emissions by recycling the low-grade dry waste.



OUTCOME

With higher awareness on waste segregation among the store employees as well as increased customer engagement and sensitisation on environmental impact due to waste, we achieved the following results:

64 tonnes
Total Waste Collected

0.19 tonne
Average Per Day
1.85 Kg
Average Per Day Per Store

64.98
MT Co₂e
(EPA WARM Tool)
Total Change in
GHG Emissions

2,400
journals made
from recycled
waste

Enabled job
creation,
of which
75%
were women

\$9.0
Average daily
income per
job holder

WAY FORWARD

Environmental

- Establish extended producer responsibility
- Enable waste reduction/substitution of material
- Achieve significant reduction in emissions
- Manage 100% waste responsibly (>1000 tonnes)

Economic

- Establish formal waste management eco-system
- Support entrepreneurs in the waste management life cycle

Social

- Holistic development of communities where we operate
- 65 jobholders
- Increase customer awareness leading to increased brand loyalty

INITIATIVE

The Incineration Boiler

At ABFRL, we are exploring the potential benefits of a new Incineration Boiler to help eliminate waste. Manufactured in Korea, the patented technology in this boiler uses any solid fuel, such as chindi or fabric waste, plastic, leather and more. There is no smoke or scale formation, since the fuel gas is overheated above 600° Celsius. Since there is no need of segregation of chindi, it can use all types of chindi mixed with plastic as a fuel. The boiler abides by international pollution norms, while the supplier is responsible to get the clearance of Pollution Control Board. In case of shortage of chindi, the boiler can be operated using briquettes. This is a major green initiative to use all the waste generated in the factory.

Both hazardous and non-hazardous wastes are disposed through a SPCB / CPCB authorised vendor. Apart from safe management and disposal of wastes, we are also working towards establishing last mile traceability.

WATER MISSION

By 2020, we aim to become Water Neutral across own operations.

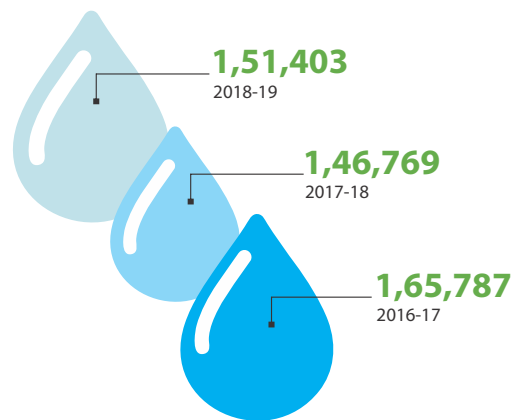
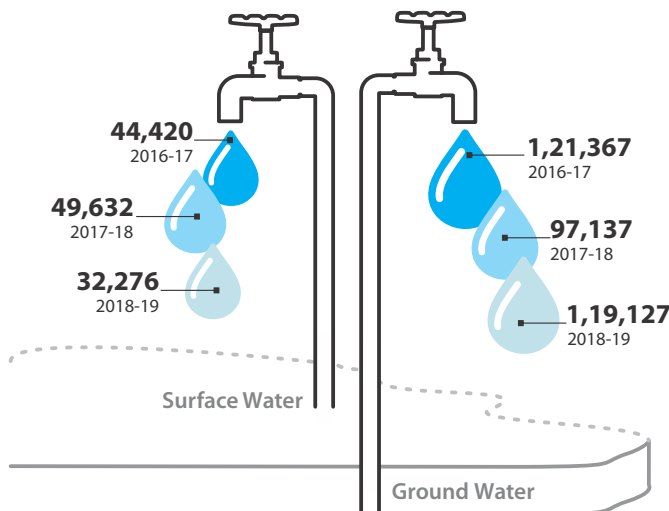
INR 77 lakh invested to mitigate risks associated with water scarcity and to improve our water management performance.

The fashion industry is the second-biggest consumer of water.⁶ At ABFRL, water is a crucial resource we focus on, in line with our ReEarth missions. Firstly, we are working on reducing the water consumption in our own operations by adopting water efficient technologies. Next, we are replenishing water by recycling and reusing water and also by rainwater harvesting.

As our manufacturing is dry process we neither generate nor discharge any effluents. However, the sewage water which is generated across our facilities is further recycled and reused for landscaping and flushing. Our water discharges, if any, are in conformance to SPCB requirements.

Water Consumption

in m³



Note: Total Water Withdrawal has increased due to the inclusion of additional facilities

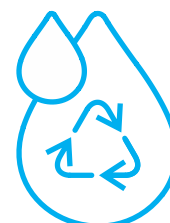
MFL retail excluded as water is not material due to the operations and size of the stores

⁶ <http://web.unep.org/environmentassembly/un-alliance-sustainable-fashion-addresses-damage-%E2%80%98fast-fashion%E2%80%99>

With ever increasing stress on water reserves, we have identified responsible water management as a critical area with focus on reducing fresh water withdrawal by establishing recycling & reusing facilities and also capturing rainwater. This year moving one step further, we have also added 'Water' as one of our CSR focus areas to bring safe water to our host communities.

Water Harvested & Recycled

MFL Facilities	FY 2016-17	FY 2017-18	FY 2018-19
% Rainwater Harvested	1%	5%	37%
% Water Recycled & Reused	43%	54%	73%



Note: Water is not considered to be material issue for Pantaloons

48.04% renewable water has been sourced across all MFL factories through rain water harvesting and artificial recharge systems, which is about 43,260 cubic metres of water.

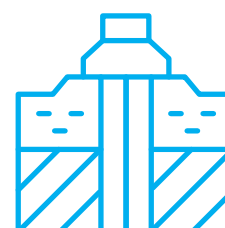


For the year 2018-2019, the target was to recycle 80% of our water consumption across all our MFL facilities, against which we recycled and reused 72.71% which is about 85,372 cubic metres of water.

INITIATIVE

We are exploring a new methodology for reduction of borewell water withdrawal by reusing sewage treated water for boiler steam generation. The treated water is passed through a bag filter to feed the Ultra-Filtration (UF) membrane. This protects the UF membrane from solids and removes the fine colloidal impurities/colloidal silica and organic matters, present in the water.

The ultra-filtration is designed for 3.5 m³/hr, permeate water. The membrane is hollow fiber and the material of construction is Polyethersulfone (PES/PS). This is mainly because the PES/PS membrane can be thoroughly sanitised with caustic/chlorine wash to remove organic and biological foulants out of the membranes. The UF system is designed for 90% recovery.



CASE STUDY

WATER MANAGEMENT - ONE GOAL, MANY APPROACHES

We implemented a series of initiatives to enhance efficiency in water management across MFL facilities.

ACTION

We initiated our journey of being water conscious back in FY 2015-16 through various projects. Many of the initiatives implemented in the financial years FY 2017 and FY 2018 are reaping benefits today. The types of projects implemented, include:

- **Rainwater Harvesting (RWH)**

Rooftop Collection | Borewell Recharge | Borewell Injection

- **Aerators & Reducers installed in factories**

- **STP treated water used for back flushing in toilets & urinals**

- **STP Upgradation to improve STP efficiency**

Availability on FY19	AGL	CCL	CML	EAL	EGL	FCL	HAL	LEA
Rooftop Rainwater Harvesting	█	█	█	█	█	█	█	█
Borewell Recharge	█	█	█	█	█	█	█	█
Borewell Injections	█	█	█	█	█	█	█	█
Aerators & Reducers for taps	█	█	█	█	█	█	█	█
STP treated water used for back flushing in toilets & urinals	█	█	█	█	█	█	█	█
STP Upgradation to improve STP efficiency	█	█	█	█	█	█	█	█

OUTCOME

20% reduction in domestic water consumption between FY 2018 to FY 2019




10.83 LPCD reduction in per capita/day consumption from FY 2017 to FY 2019

WASH MISSION

Water, Sanitation and Hygiene are not only fundamental to human rights, health and dignity of workers, but also a significant factor affecting an organisation's ability to function and prosper. WASH - focusses on improving water and sanitation services, as well as basic hygiene practices.

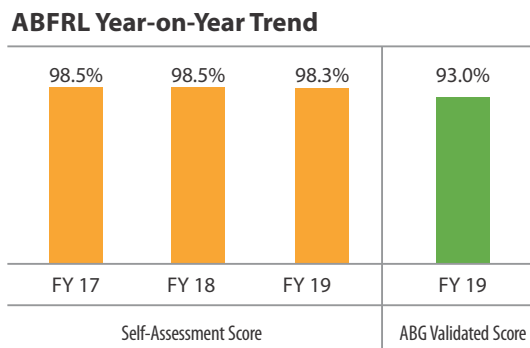
By 2020, ABFRL aims to enhance employee morale and productivity by providing safe and hygienic workplaces, maintaining 100% compliance to WASH pledge.

ABFRL has consistently maintained more than 90% compliance to WASH pledge over the last 3 years. It stood at 93% in FY 2019.

 WATER	 SANITATION	 HYGIENE
<ul style="list-style-type: none"> • Availability of sufficient, safe and physically accessible drinking water • Regular cleaning and disinfection of drinking water stations • Availability of adequate water drainage and disposal systems • Regular inspections, maintenance and repair of water supply and drainage facilities • Accessibility of water for washing and personal hygiene in all washroom areas • Use of water saving technologies and implementation of water saving awareness campaigns 	<ul style="list-style-type: none"> • Provision for adequate number of toilets in the organisation • Hygienic disposal of waste • Provision for adequate lighting and ventilation • Adequate toilet design, keeping in mind the elderly and disabled, and for specific gender requirements • Availability of sanitary products and medical waste disposal • Regular cleaning, disinfection and maintenance of toilet facilities 	<ul style="list-style-type: none"> • Personal hygiene provisions including clean water, soap and hand drying facilities • Storage of cleaning equipment in dedicated locations • Appropriate protective gear for toilet cleaning and maintenance staff • Clear signage for appropriate washroom practices • Sanitation, hygiene training and awareness campaign for staff • Training for cleaning and maintenance staff

In the financial year FY 2019, all our facilities across ABFRL (MFL Division) were assessed by Group Sustainability Cell certified assessors. Based on the on-site assessment observation and gap analysis, the action plan has been initiated to address the gaps.

ABFRL	Facility	FY 17 (Self-Assessment Score)	FY 18 (Self-Assessment Score)	FY 19 (ABG Validated Score)
Factory	CCL	2.00	2.00	1.86
	EAL	2.00	2.00	1.86
	FCL	2.00	2.00	1.86
	AGL	2.00	2.00	1.86
	CML	2.00	2.00	1.86
	EGL	2.00	2.00	1.83
	HAL	1.90	1.90	1.86
Warehouse	Entoma / Attibebe	1.93	1.93	1.87
	Hoskote	1.93	1.93	1.83
Office	Divyashree	1.90	1.90	1.90



PERFORMANCE
Financial



₹ **619** crore
EBITDA, a 24% increase
from the previous year

2,714
Stores

Covered **35%**
of our fabric supply chain under
the Green Channel Partnership

~ **32** million
Loyal Customers

INTRODUCTION

A strong financial performance is the foundation for a more inclusive growth. At ABFRL, doing well enables us to do good. We create significant economic value in an environmentally responsible and socially inclusive manner, which allows us to not only increase shareholder returns, but also bring in a positive change for all the stakeholders including the employees, government, industry and community.

Economic Value Generated and Distributed

in INR million

Economic Value Generated	Amount
Revenue	81,825
Economic Value Distributed	
Operating Costs	66,384
Employee Benefits and Wages	9,130
Payment to Providers of Capital	1,874
Payments to Government	321
Community Investments	20
Economic Value Retained	4,096



ABFRL WON THE 'RETAILER OF THE YEAR AWARD (FASHION & LIFESTYLE)' CONFERRED BY ET NOW GLOBAL AWARDS FOR RETAIL EXCELLENCE.

Business Overview

ABFRL is India's No. 1 Fashion Lifestyle entity and hosts India's largest fashion network with a footprint of 7.5 million sq. ft. of retail space across 750+ cities and towns.

The year 2018-19 was marked with a slowdown in domestic consumption. Despite the challenging market conditions, some new categories started getting prominence, like active wear, ethnic, accessories, innerwear, etc. There was renewed momentum in the e-commerce segment as e-commerce companies aligned to revised guidelines and reclaimed their trajectory of rapid growth. Another area which continued progressing this year was the **Tier 2, 3** and below cities.

ABFRL put up a robust performance in the financial year 2018-19 with a strong sales growth despite weaker market conditions. This was achieved through the launch of new innovative products across the brand portfolio.



It was supported by an intensified marketing campaign with an investment which was significantly higher than last year. With innerwear, new global brands, women's and kids wear driving portfolio enhancement, we augmented our financial performance sustainably.



KEY BUSINESS DEVELOPMENTS THIS YEAR

Lifestyle Brands

- Strong growth and deeper brand investments
- New store additions and e-commerce (up +44%)
- Product innovation and expansion in newer categories
- The growth in women's and kids sub-brands has strengthened the overall performance of Lifestyle brands
- Amplified visibility of brands across all platforms
- Differentiated products propelled wedding range sales

Pantaloons

- Growth driven by significant improvement in product design and quality, improved assortment and better freshness
- Added 40 new stores and launched e-commerce site www.pantaloons.com
- Strong focus on contemporising the brand with a successful advertising campaign during festive season
- EBITDA growth despite ~62% higher investments in brand
- Profitability improvement driven by product value enhancement, higher share of private labels and better markdown management

Fast Fashion

- Consolidating play
- Persistent focus on improving business model for all brands
- Continued calibration of Forever 21 business model
- Course correcting merchandising strategy for Forever 21

Other Businesses

- Continuing to build scale
- Innerwear - revenue doubled in FY 2018-19, forayed successfully into women's innerwear
- Significant milestones crossed in FY 2018-19 - added Polo Ralph Lauren and Ralph Lauren to the portfolio
- Ted Baker, American Eagle ramped up store additions
- The Collective continued to post strong Like to Like

BUSINESS STRATEGY

The key tenets of our business strategy include:



BUILDING A STRONG BRAND

strengthen brand visibility through strong campaigns, product design and a refreshed store experience



ENHANCING PORTFOLIO

identify emerging segments and enhance play through brand extensions, new product launches and strategic acquisitions



DIGITAL TRANSFORMATION

data analytics, in-store digitisation through virtual stores, omni-channel initiatives, and agile & digital supply chain



EXPANDING DISTRIBUTION FOOTPRINT

accelerate growth by expansion of retail network



INVESTING IN TALENT

continue to invest in the acquisition, development, retention and recognition of our workforce

SUPPLY CHAIN SUSTAINABILITY

Sustainability of an organisation is impacted by its supply chain. Resonating with our sustainability goals, we aspire to include the entire value chain in our initiatives. Hence, our vendor engagements include hand holding and supporting our suppliers as well as audits and assessments. Some of the key initiatives to ensure supply chain sustainability and responsible business operations include:

Joint Implementation Projects

In these support programmes, the quality and performance of chosen vendors are worked upon jointly, focussing on Six Sigma and Kaizen projects. In FY 2019, we worked on several projects including reduction in untrimmed threads, reduction of front placket elongation, reduction in buckle damage, and automation of inspection reports. These projects lead to decrease in customer complaints on these issues.

Quality Improvement Programmes

We encourage and reward our vendors, believing in the idea of mutual growth through our Quality Improvement programmes. Through the projects under this programme, not only have we boosted the volume of production with some vendors, but some of our vendors have gone on to win awards such as the QCFI-Gold Awards.

Vendor Assessments

ABFRL Vendor Code of Conduct (VCoC) serves as a guideline as well as an audit tool for social and environmental standards for our Tier 1 suppliers. The VCoC also enables us to provide support to our vendors by providing implementation support and identifying improvement areas. Efforts have been made to move some non-compliant vendors towards compliance through our follow-up audits and support to meet non-compliance issues, where appropriate.

As on 31st March 2019,
a total of 200+ Tier 1
vendors have been
assessed on VCoC



Green Channel Partnership (GCP)

Our Green Channel Partnership (GCP) continued its good progress. It is a supplier quality system certification for accepting merchandise quality, based on the supplier quality report and self-certification. This results in consistent availability of quality raw materials, on-time delivery and minimum inventory.

This year, 35% of fabric was sourced through the Green Channel Partnership.

Restricted Substances List (RSL) Manual

It contains standards on chemical management and enables us to build a healthy and safe work environment. The use of our Laundry Audit System (LAS) for our suppliers is ongoing, with audits being carried out for RSL awareness and control, effluent treatment and chemical management. The LAS is also an enabler to share best practices.

Micro Manufacturing Units (MMU)

This is our initiative to move factories to villages, achieving a 44% reduction in the cost of manufacturing. This initiative addresses not only the challenges of urban labour costs and labour shortage, but also provides employment opportunities for the people of rural areas, particularly for women.

Nine fold increase in production with a potential of 57 lakh garments per year.

Cluster Development Initiatives

Our Cluster Development initiatives through the Ikat, Madhubani, Wardha and Pochampalli projects, remain a rich source of local artisanal supply which use natural dyes, traditional dyes, micro-spun cotton and use of garment tags from recycled cotton lint. This cultural sustainability initiative continues to be a great value addition to our triple bottom line.

Apart from local sourcing of raw materials and workforce, we take being local to the next level by incorporating ancient regional art forms into our products.

Higg Assessments

We have extended the Higg assessments to our outsourced vendors, completing the assessment for 13 vendors in FY 2016, and planned for 22 vendors in FY 2019. With a focus on improving the overall Higg score, we help our suppliers enhance their environmental and social performance through recommendation reports with special focus on the most plausible improvement initiatives.



CASE STUDY

HIGG INDEX

OBJECTIVE

External third-party verification for Facility Environment Module (FEM) 3.0, for in-house manufacturing facilities.

ACTION

Two of our facilities FCL and CCL underwent a thorough assessment, comprising both documentation check and site visit, followed by verification of the scores. Based on the assessment, our facilities were one of the well-performing facilities in India, with most of the sustainability parameters being addressed. Our mission targets, renewable energy, green building initiatives, rain water harvesting installations, waste management, along with good data management practices were lauded by the external verifiers.



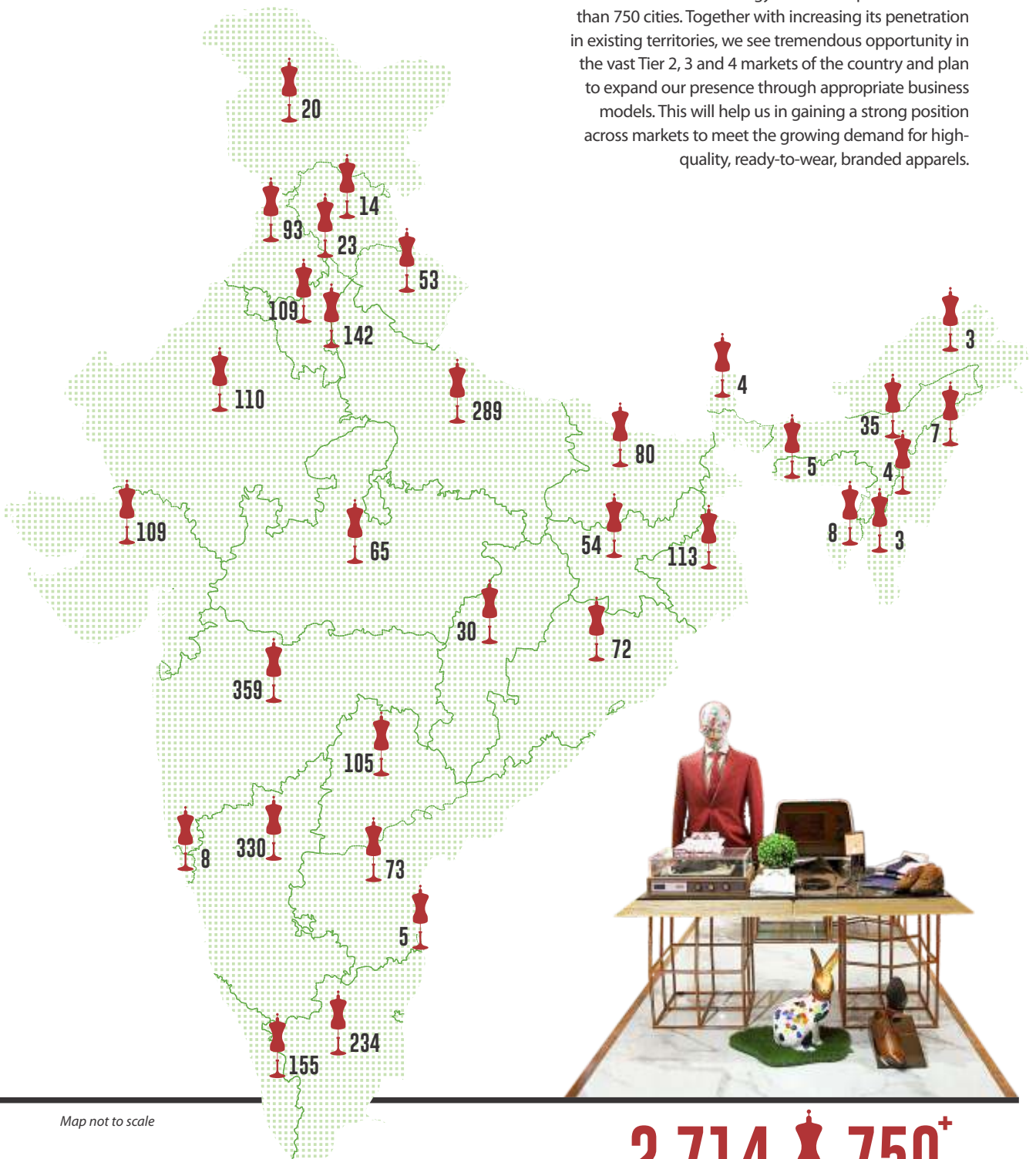
OUTCOME

Third party verified scores for facilities. Using the same approach, the remaining facilities will also aim towards upgrading their scores.



FOOTPRINT

ABFRL has been growing rapidly through its multi-channel distribution strategy and is now present in more than 750 cities. Together with increasing its penetration in existing territories, we see tremendous opportunity in the vast Tier 2, 3 and 4 markets of the country and plan to expand our presence through appropriate business models. This will help us in gaining a strong position across markets to meet the growing demand for high-quality, ready-to-wear, branded apparels.



Map not to scale

2,714  **750⁺**
STORES CITIES

P E R F O R M A N C E S

People



52%
Women
employees

23,000+
employees

12,000+
women employees

77
specially-abled
employees

844
store level employees
undergoing career
advancement programme



Our business is extremely people-centric, and therefore, the ability to attract, motivate, develop and retain talent is critical to our sustainability. At a time of profound and rapid technology change, our institutionalised HR processes are focussed on providing our diverse workforce with a stimulating environment that is flexible, fosters innovation, builds a result-oriented, high-performance culture, motivates today's multi-generational and mobile workforce to develop itself personally and professionally and future-proofs the organisation.



Our People Vision is to
“To drive a high performing and
Customer Centric Culture with
happy and value Oriented
Employees”.

Our performance is anchored on
our capabilities and productivity;
customer-centric culture through
a strong service orientation;
happiness through purposeful
behaviour by high quality talent;
value-oriented through a deep
commitment to the values of the
Aditya Birla Group.

We have a diverse workforce of 23,000+ employees consisting of a mix of people from diverse backgrounds, educational experience, a wealth of experience and from various industries. We also have a healthy gender diversity with 52% of our workforce comprising of women employees. 55% of our employees are in less than 30 years of age group.

We have maintained healthy, cordial and harmonious industrial relations at all levels through Proactive ER, Development Initiatives, Gender Diversity and Community Development.

We instil our values of Integrity, Commitment, Passion, Speed and Seamlessness in our people. This in turn, creates an ambience of openness, enthusiasm and vibrancy within the organisation that encourages long standing, consistent and well-rounded conversations and relationships between managers and employees. We are committed towards empowering our people by developing a healthy and safe working environment, investing in personal and professional development, and providing them with a plethora of opportunities to learn and grow. This combined with our well-entrenched people process, ensures that we not only attract, but also retain the best talent in the industry.

MANAGEMENT APPROACH

“The Biggest Brands and Best People” is the philosophy that drives ABFRL. We have well-known brands; it is the people behind the brands who have made us what we are. Our unique Employee Value Proposition – **“A World of Opportunities”** makes us a preferred employer for professionals in the industry. We are committed to strengthening our employee value proposition in every aspect – career growth, learning and development, rewards and recognition, and enrichment of life through healthy work environment and well-being programmes. These programmes are designed after factoring in the diversity in employee backgrounds, skills and their age group.

TALENT MANAGEMENT AND CAREER GROWTH

At ABFRL, we believe in harnessing our leadership and people capabilities through sharp focus and initiatives on talent development. We have institutionalised an active talent review process to take stock of succession planning for key roles of the business. We review our talent based on the performance and potential to assess their readiness for future role of high scale and complexity. We also invest in hiring bright, entry level talent through our Young Talent Management programme (Striders) from B-Schools and NIFT to create a strong future pipeline.

LEARNING AND DEVELOPMENT

Our initiatives equip our employees to develop taller leadership capabilities armed with strong management capabilities in both, domain specific and behavioural disciplines.

We invest in multiple initiatives such as Gyanodaya, Aditya Birla Group Global Centre for Leadership Learning for our leaders and management development programmes on various managerial capabilities.

There are also significant opportunities for on-the-job development through various business and functional projects. Apart from classroom and on-the-job training modules, employees are also provided with the opportunity of self-learning through digital interface, which hosts a variety of content.

REWARDS AND RECOGNITION

Our initiatives are aligned to driving the culture of meritocracy and ensuring market competitiveness. They celebrate successes and also help in raising the bar on performance and achievement. Celebrating success through recognition programme is at the core of building a vibrant ABFRL culture. Well-entrenched annual engagement events are forums where we celebrate and recognise team and individual achievements, value champions and feats achieved by employees beyond the call of duty.

ENRICH YOUR LIFE

Our flexible work arrangement policy empowers employees and managers to balance personal and professional priorities. By reviewing the decision powers and the layers in the decision making, we have worked at creating a more empowering organisation, leading to faster decision making and market response time. This has led to improved productivity for employees, and as a result, improved work-life balance.



TALENT MANAGEMENT AND CAREER

Anchored on the Aditya Birla Group's Talent Management Policy, we identify, develop and grow our talent for current and future roles. We identify our talent using a matrix of current performance and future potential; we plan for their growth through various development initiatives such as role movements, on-the-job projects and leadership learning programme. We provide visibility to our employees on their career paths and how they can achieve them. We have structured career conversations to understand aspirations of our employees and provide them with a direction. We focus on succession planning to create a visible leadership pipeline. We have created strong ownership and governance on careers through Talent Council, which are chaired by Business Leaders who meet at periodic intervals. The initiatives have delivered strong KPIs on talent. Succession Index (Ready Now 1-2 yrs.) for Job band 7 & above positions is at 36%.

Bringing Alive: A World of Opportunities

■ For Backend & Manufacturing Employees

Taking Opportunity to Employees (TOE) Policy was refreshed this year. As a practice, all openings are posted only internally for first 7 days for our employees and only then posted externally. In FY 2018-19, 46% of positions at JB 9 and below levels were filled internally.



■ For Store Employees

With more than 12,000 employees across India, the store staff is the most critical customer touchpoint and are a key factor that drive business outcomes. We bring alive a world of opportunities for high performing and high potential store employees through focussed investment on capability development comprising classroom training, in-store training and projects over a period of six months followed by an assessment. In FY 2018-19, 844 store level employees are underwent training to take up higher positions at the store and regional levels under the Talent Management Programme (Pragati).

LEARNING AND DEVELOPMENT

We encourage our managers to have continuous development discussions with employees on their learning needs to ace the current job profile and prepare them for future roles. These identified needs are analysed at the organisational level and addressed through an Annual Learning Calendar. The content of each learning programme is ratified and contextualised to the business needs by select members of senior leadership. Programmes are facilitated by well-equipped trainers and followed by a manager-supported action plan which helps the learner in applying new learnings at the workplace.



ABFRL University

Our in-house structured learning initiative (ABFRL University) has also strengthened and has expanded its wings to other Lines of Businesses. The programme works on the principle of 70:20:10 wherein 70% of the pedagogy is live projects and assignments, 20% is mentorship and 10% is classroom training.

Continuous Education

We have definitive continuing education programmes applicable for employees, who want to upgrade their skills and knowledge in the fields they operate in. We have continuing education programmes such as the Pratibha Scholarship Programme, where our employees' children get an opportunity to access top quality education courses in their chosen field, on scholarship grants received by the organisation. In addition to this, the organisation has 'A World of Opportunities' (AWOO) Foundation which supports the funding of education for children of our workmen and store associates.

EMPLOYEE WELLNESS

Our initiatives reflect the significance we place on work-life balance and ensuring a healthy workforce. We provide an annual health check-up for our employees at the head office. These are managed by a third-party vendor, and focussed on physicals, blood sugar, ECG, echocardiogram, X-Ray, and more. A detailed health report is provided to all participants, and a voluntary follow-up is carried out after six months.

We have covered approximately **900+ employees in FY 2018-19**. We follow it up, with an analysis of the **Company Health Index (CHI)**, which is a consolidated report of all participants in the health check-up drive. This helps us finalise on areas that need attention, and helps us decide initiatives under each focus area. Some of the initiatives include:



- Preventive health check-up for all employees including contract workers
- Su-Nischint health benefits launched for all store employees
- Eye camps held at Mumbai and Bengaluru
- Session by a psychologist on mental health
- Wellness talks on women's health, heart diseases, nutrition, fitness and more
- Yoga at work, Zumba sessions held at multiple locations
- Art of Living sessions conducted in factories
- Through 'Santulan' - ABG's Employee Online Counselling Service we ensure emotional wellness of employees at the workplace



REWARDS AND RECOGNITION

Remuneration and Benefits

A comprehensive Total Rewards view taken to compensation includes fixed compensation, variable compensation, health benefits, retirement benefits, insurance, mediclaim, etc.

Additionally, our permanent employees are entitled to parental and maternity leave and retirement provision. Our part-time employees can also avail maternity leave. The remuneration programme is intended to provide monetary and non-monetary remuneration elements to our employees, be market competitive and emphasise 'pay for performance' by aligning incentives with business strategies to reward executives who achieve or exceed business and individual goals.

Our remuneration programmes are designed to attract, retain, and reward talented individuals, who contribute to our long-term success, and thereby, build value for our shareholders.

Quarterly Gems

At Pantaloons, employees and teams are shortlisted and recognised for their outstanding efforts in the areas of Result Orientation, Customer Centricity and Collaboration. They are presented with awards at a ceremony conducted on the office floor and selected employees are recognised by the leadership team for their outstanding efforts.

Store Staff

A dedicated monthly award scheme for store staff, encompassing instant recognition includes, Employee of the Month and Team of the Month, wherein felicitated employees get featured in national, Company-wide bulletins.

Annual Awards

This serves as a strong aspirational platform for all employees and cross-functional teams. The winning teams are felicitated in a glittering ceremony, one of the highlights of the business divisions of ABFRL. We also enable employees to become effective contributors in our growth through various interventions that enhance performance.

ENRICH YOUR LIFE

Communicate

At ABFRL, we have a systematic and established set of platforms for employee communication which provide our employees the opportunity to convey their messages to the top management. We take into consideration the feedback our employees give us through various communication forums, such as open house, town hall, employee surveys and more.



EMPLOYEE FEEDBACK SESSION



We hold regular open house sessions with our senior management for employees to discuss work practices, challenges and to air any concerns. This is followed by requisite action planning.

BUSINESS COMMUNICATION



We share business updates, important milestones, new projects, initiatives and goals by conducting 'Townhall' by our CEOs. It serves as an annual employee gathering to share business performance and upcoming plans for the year, supplemented by regular emails and monthly newsletters.

PARTICIPATIVE DISCUSSION



Weekly operational review meetings for each function are held to discuss progress against goals, hurdles and problem solving.



Employee Engagement

We believe that an organisation this large can only be built collectively by people who are engaged and involved with its purpose. Hence, through our engagement programmes we encourage a sense of belonging and ownership among employees, resulting in workplace satisfaction, retention and enhanced productivity.



Fun and Leisure

- Retail Olympics, Retail Premier League and PACE are initiatives designed to improve on-ground employee engagement. Of these, Retail Olympics is a three-month long employee engagement event encompassing 32 events catering to sports and entertainment categories that witnessed a participation of over 2,300 employees.
- Hosted a Carnival, catering to over 2,500 people, where employees were invited with families to enjoy the day.

Diversity

- We conducted diversity diagnostics at ABFRL through surveys and focussed group discussions. The conclusions drawn from these activities helped us launch a Structured Diversity Agenda for ABFRL focussing on career sponsorships, career mentoring, resource groups, review of policies and infrastructural support for aiding the diversity at workplace.
- Refreshed Maternity Policy with support programmes like Healthy Pregnancy, Phase Back, Transition Guidance and Career Management Support.
- Provision for crèche facility to help young mothers returning to the workforce.
- Implemented our Structured leadership development programme, 'Springboard', for high potential women that caters to mid-senior level women, to land them in senior level roles.
- Onus Programme for capability development of young women professionals working in Aditya Birla Group.

Flexible Work Arrangements

- Celebrated days like 'Bring your Kids to Work' for parents to feel comfortable to get kids to work.
- Flexible Work Arrangement policy reviewed and relaunched, based on feedback collected from employees

POLICIES AND PROCESSES

Our comprehensive HR induction and orientation programme gives new employees an overview of our HR policies and processes. We periodically review our HR policies and processes to keep them up to date with latest industry trends and best practices.

Equal Opportunity Employer

At ABFRL, we do not discriminate against any employee on the grounds of race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other factor under applicable laws and contemporary practices at the workplace. Recruitment, placement, promotion, transfer, compensation, training, and other benefits are strictly based on the merit and competency of the individual and the business needs of the organisation.



Occupational Wellness

At ABFRL, safety is our topmost priority. Our safety goal is to achieve 'zero severity at workplace' by the year 2020.

- An Occupational Health Policy and a Safety Policy have been rolled out that is aligned with the ABG policy.
- We lay great emphasis on safety awareness, and regular training on better working practices is carried out across all our factories and businesses to help prevent injuries and mishaps.
- The safety of our women is of utmost importance and is assured through regular communication of travel guidelines. Transportation to and from work beyond work hours, is monitored and cabs are made available for women who work beyond 7 pm.
- Safety training is an integral part of our on-boarding process and we ensure that all new employees are trained during their induction. We also conduct regular mock drills to ensure their preparedness and awareness of a safe working environment.
- 5S, which is a workplace organisation method, has been executed at warehouses, and is being implemented in the factories and offices.
- We have instituted Environment, Health and Safety (EHS) committees at our factories, warehouses and at our regional and corporate offices. Monthly EHS meetings and reviews are carried out to track performance levels.

All the above safety initiative drives have resulted in improvement in the overall audit scores across parameters. In FY 2018-19, there were 6 lost-time injuries – any work-related injury or illness which renders the injured person [employee or contractor] temporarily unable to attend the next scheduled work shift) and no fatalities in operations under our control.

Policy on Prevention of Sexual Harassment (PoSH)

We have adopted PoSH Framework to ensure a work environment that is professional, mature, free from animosity, and one that reinforces integrity and respect for the individual. It is applicable to all employees of ABFRL, as well as our vendors. Apart from legally mandated guidelines, the policy adheres to the 'Vishakha' guidelines, which entails the chairperson to be a woman and the complaints committee to include a majority of female members. The guidelines for communication and redressal are clearly outlined and are available on the Company intranet and communicated via e-mail and posters. All the PoSH committee members undergo refresher training by an external facilitator once a year. Detailed investigations are conducted by the designated PoSH committee members governed by the principles of natural justice and within prescribed timelines. In FY 2018-19, 33 cases of PoSH were reported and closed.

Whistle Blower Policy

All employees are expected to adhere to the organisation's Values Framework and Code of Conduct to ensure prevalence of a common minimum standard of professional behaviour in the workplace. This covers Value Violations, Violation of the Code of Conduct and Fraud. The Whistle Blower Policy provides a platform and mechanism for employees to voice genuine concerns or grievances about unprofessional conduct without the fear of reprisal. All 205 Value Violation cases reported in FY 2018-19 have been investigated and have been resolved.



Human Rights

ABFRL respects human rights and believes that all humans must be treated with dignity. To ensure this, we aim to protect human rights and uphold labour standards not only within our premises, but also across our supply chains.

Child Labour

We strongly prohibit child labour at all our facilities and in our suppliers' premises. We also prohibit any form of forced or compulsory labour. To enforce this, we ensure stringent, regular audit checks of vendors. The robust implementation of our Code of Conduct (CoC) further fortifies human rights protection across our value chain.

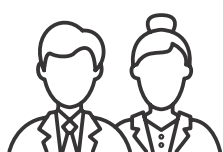
Freedom of Association

An association of employees, which is for their betterment under the overall goals of the business, is given its due credit. At present, there is a management-recognised employee association in our factories, which covers 2.3% of our employee membership.

Diversity - Hiring Differently Abled Employees

To ensure a diverse and inclusive workspace, we have identified specific positions and roles which are conducive to differently-abled employees. Project Sankalp has been designed to enable hiring of such employees in our front-end roles.

WORKFORCE SNAPSHOT



23,269
TOTAL EMPLOYEES



12,569
WOMEN EMPLOYEES

Workforce	2017-18	2018-19
Total employees	20,508	23,269
Women employees	10,297	12,569
New employees joined in the reporting period	9,738	12,230

CASE STUDY

KIOSKS FOR LEAVE, MOOD MANAGEMENT AND GRIEVANCE REDRESSAL

A major issue plaguing our factories was the clerical work for leave application, coupled with high, unauthorised absenteeism rates. In the old system, the worker needed to fill in the leave details in a leave application form and take it to the supervisor to sign off on the leave. Once signed and approved, it is submitted to UHR, but no notification would go to the worker. Due to this paper-based process, often, the leave approval slip would not be approved on time and would be logged as an unauthorised leave.

ACTION

We harnessed technology and introduced kiosks with biometric index in all the units, with pilot and monitoring in one unit, as a tool for combatting unauthorised absenteeism. This kiosk is equipped with:



With this new system, the employee would log in with his/her biometric details where the employee can press the date, and a mail trigger would be sent to their supervisor, who would be given 8 hours to approve or disapprove (with reason). In case he/she misses it, the mail gets triggered to the HR. The HR would assess the situation and approve the leave.

For grievance redressal, an employee can press on any mood (happy/sad/angry) indicated by smiley faces, and then click on any of the senior leadership's face icon. The



said leader is required to meet the employee within 2 days, understand the concern and mitigate the same, before it is escalated to the next reporting authority. If the employee is happy with the resolution, then the incident must have a proper closure on the system, with a brief background and action taken for future reference. The confidentiality of each case is maintained, and password protected. The mood indicator acts as a pulse of the workers of every unit, to understand the feelings on the shop floor, and if any department has a cause of dissatisfaction.

OUTCOME

Leave management has been especially beneficial by bringing down unauthorised absenteeism, strengthening the supervisory responsiveness culture, and self-reliance and independence in workers.

CASE STUDY

EMPOWERING THE MANPOWER AT ODISHA

Apparel manufacturing has always been a labour-intensive industry. The cost of manufacturing and availability of workforce is the biggest challenge for us. The State of Odisha offered a viable business environment giving us the advantage of easily available educated manpower. However, with no established garment industry in Odisha, we were also faced with three specific challenges: training of freshers, building up efficiency and stamina, and building the ABFRL culture.

ACTION

To manage the unskilled and inexperienced workforce in the absence of apparel manufacturing industry in Odisha, and imbibe a proper working culture, we focussed on the following initiatives:

■ Training of Trainers (ToT)

We first created a set of skilled trainers in Bengaluru. 25 potential trainers were finalised from 350 experienced Odia operators through a rigorous selection process and willingness to relocate to Odisha.

■ Training of Freshers

Training was initiated from August 2018. 700 A-grade employees were selected out of 4,000 plus walk-ins in cutting, sewing and finishing section.

- Bag test was used as an initial screening process, in which the ability of a candidate to follow the instructions was tested.
- After selection, the candidates were trained in selected operations based on their skill as decided by the trainer, until they graduated by achieving 40% efficiency with 100% quality.
- After graduation, operators were deployed under the supervision of in-line trainers to increase their capacity from 40% to 80% within 4-6 months depending upon the learning curve.

■ Floater Development

To ensure zero production loss during absenteeism, floaters were trained in at least 3-4 operations.

■ People Engagement Initiative

Developing and retaining a happy and healthy workforce is a continuous journey.

Health

We took measures to improve the haemoglobin level and reduce anaemic malnutrition among the workforce. Workers were provided with healthy and nutritious meals. We also incorporated 10 minutes of ergonomic exercise in the daily routine.

Culture

Diversity was celebrated through cultural programmes and festivals. Art of Living sessions were organised and inspirational films were screened for their spiritual and mental well-being. Every Friday families of the workers were invited to visit their workplace.

OUTCOME

The above approach resulted in the following outcomes:

- First piece of production within two weeks; 1,000 achievement within second month and 50,000 in January 2019
- 75% efficiency achieved in Zone 1 by April 2019 with 75,000 production within a span of eight months
- Expected to break even in April 2020 with reduced cost per minute in comparison with existing units in Bengaluru

Going forward we will be working on:

Recruitment and training of Zone 3 and Phase 2 | Stabilising and sustaining Phase 1 & 2 to 80% efficiency | Developing capabilities to handle sports/casual product and wash product | Identifying opportunities and developing vendors locally for the supply of trims | Expanding more units in Odisha; upcoming Tikri Denim/Bottoms project

P E R F O R M A N C E

Safety



~320

safety training programmes

7,621

no. of participants

7,410

mandays of safety training

6 LOST TIME INJURIES

with no fatalities in operations under our control; 0.3 LTIFR

Note: A lost time injury is any work-related injury, illness, adverse health condition or exposure which renders the injured person [employee or contractor] temporarily unable to attend next scheduled work shift after the day on which injury occurred.

MANAGEMENT APPROACH

At ABFRL, occupational health and safety management is embedded deep in our organisational culture and strategy. Safety is a crucial part of our roadmap and monitoring framework as defined by our structured sustainability programme, 'ReEarth - For Our Tomorrow.' We realise that a workplace that's safe and sound is essential to attract talented and engaged employees. To ensure safety, we have a dedicated Business Review Council (BRC) at the Board level, that oversees the overall implementation of our safety policies and reviews its performance quarterly. Our three-tier approach to safety performance includes an initial review by the site Safety Committee followed by the Business Safety Committee/Sub-Committee and finally by the Business Review Council.

From ensuring safe operations, we are striving towards bringing a behavioural change across our operations, and thereby establishing a conducive environment, which is healthy and safe. To create a safe and healthy working environment, we encourage our employees to voice their concerns, report any safety gaps and suggest opportunities for improvement. We empower them with the knowledge to take well-informed safety decisions at every stage of our operations. We rely on strict adherence to safety standards, rigorous on-ground implementation and effective safety communication to cultivate safety as a habit at ABFRL.

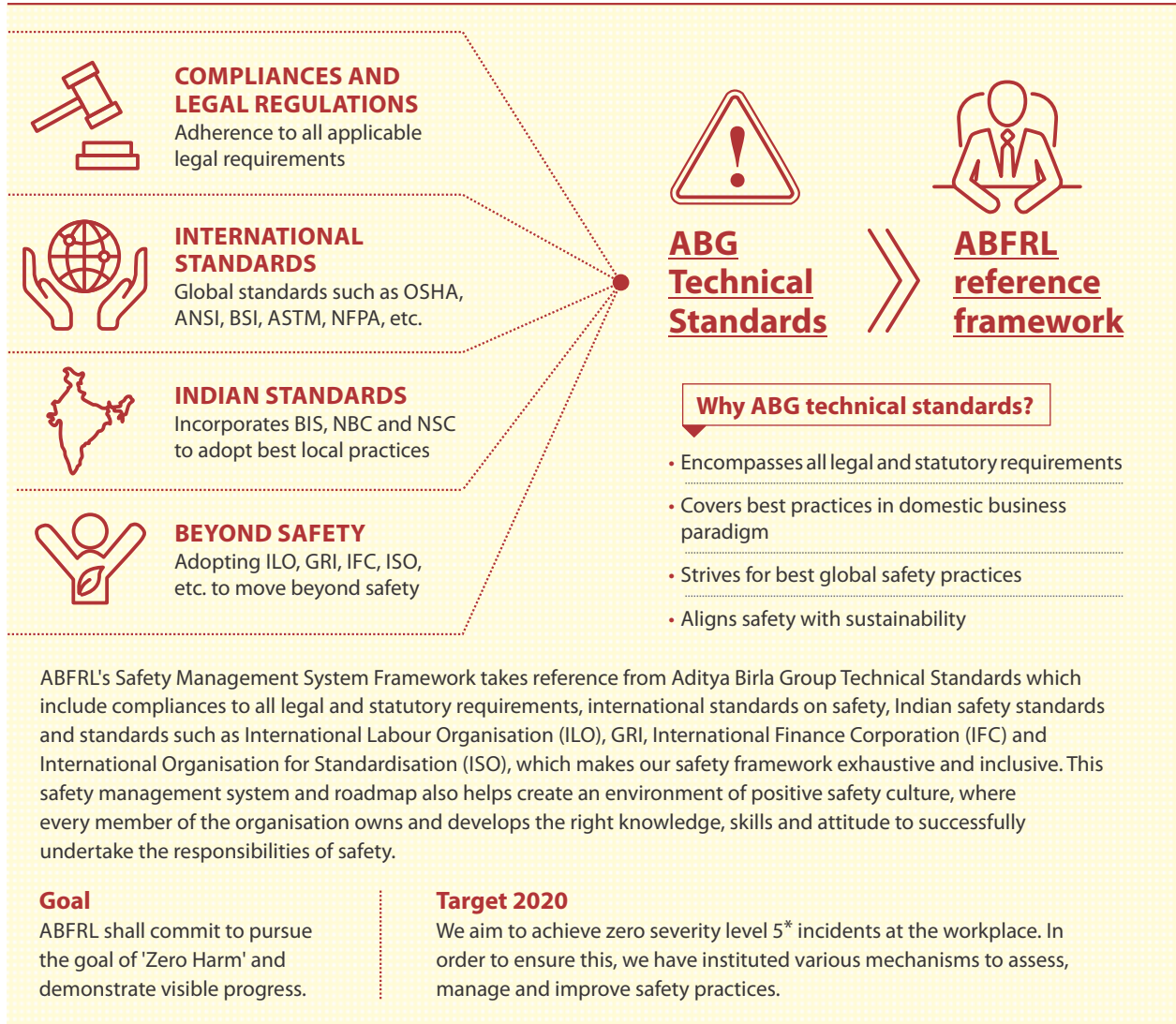


A robust health and safety management system, effective training, creating awareness through safety activities, and strong leadership and direction at all levels come together to realise our aspiration of being a caring employer, interested in the employees' long-term and overall well-being.

VISION

To become the best and safest retail company in India and achieve best-in-class in Occupational Health and Safety (OHS) by making OHS a way of life. We aspire to become a benchmark in retail OHS in India through our policies, programmes and its effective implementation at all levels of our operations.

Safety Management System Framework



Proactively Safe

With guidance from our top leadership, we implemented a comprehensive Occupational Health and Safety (OHS) policy across all operations. This was followed by establishment of central and regional OHS committees, along with committees at our factories, warehouses, and regional and corporate offices to monitor our safety performance. We hold monthly meetings and reviews to track our safety performance. Our employees are trained to identify the Near miss, Unsafe condition, Unsafe act and to report injuries occurred in the workplace. All Injuries and near misses are investigated, corrective and preventive actions are implemented to eliminate the root cause. All safety observations reported by employees are monitored, addressed and closed on priority.

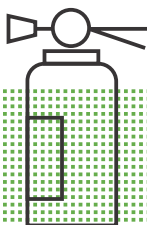
Safety observation identifications and closure is reviewed by Business Review Council, Chief Sustainability Officer and also Business Heads. We also have a Rewards and Recognition program in place to encourage employees to identify more safety observations & to report injuries. This approach is driving us in establishing a positive culture among employees and motivate them to report more work place hazards. Additionally, we carry out regular audits and third-party assessments to identify any possible gaps and take corrective actions. These constant assessments, as well as monitoring and upgrading our safety interventions, help us build a safe working environment for our employees.

(Note: *Level 5 - Work related injuries resulting in death of employee/contractor or third party)

Instilling a successful health and safety culture requires both employers and employees to work in tandem through various programmes. As a part of this effort, we have workplace organisation method '5S' - Sort, Set in Order, Shine, Standardise, Sustain - across all our warehouses as well as our factories and offices.

ENABLING A SAFE WORKPLACE

Cultivating safety as part of our culture is not a one-time event. Rather, it is a constant pursuit of improvement and excellence. We ensure that none of our employees are exposed to high-risk incidents or high-risk diseases related to their occupation. This means continuous monitoring, reviewing and upgrading of our safety mechanisms and practices. Our Company-wide Occupational Health and Safety Policy ensures increased vigilance and awareness, and assists us in our collaborative efforts towards achieving our safety goals and targets.



Some of the key activities undertaken during this year to promote a safe workplace are:

- The implementation of the 'Safety Survey' through Cynergy at our retail stores with mandatory safety parameters to evaluate their safety status. The gaps identified are reviewed by the apex committee and steps are recommended to mitigate the risks.
- Fire, Electrical & Occupational Health assessments were carried out at factories, warehouses and retail stores. High-risk areas were identified and effective mitigation plans were developed.
- Our incident management system is reviewed and streamlined by safety experts to receive incident details on time, ensuring the incident reporting and investigation is done within a stipulated period. Communication of safety incidents is given due importance for horizontal deployment of corrective and preventive actions to prevent recurrence of similar incidents.
- A concept of 'Safe Model Stores' has been initiated wherein the stores are assessed on all mandatory and statutory safety requirements. This concept will be extended to all the retail stores by next year.
- Continuing our efforts in capacity building, safety workshops were conducted covering topics such as emergency preparedness, fire safety and mock drills were conducted across our retail operations and facilities.
- An Emergency Response Team (ERT) across all our operations was formed and trained on handling emergencies and first aid for injuries.

In order to ensure the highest level of safety at all our stores, there is rigorous implementation of safety roadmap, consistent and clear communication from our Leadership to employees, integration of safety in all ABFRL trainings, non-negotiable points for ABG's 'Life Saving' rules and consequence matrix.

As part of our endeavour to facilitate the creation of a positive safety culture and achieve our goal of Zero Harm, ABFRL has established Life Saving rules, mandatory for all employees, as follows:

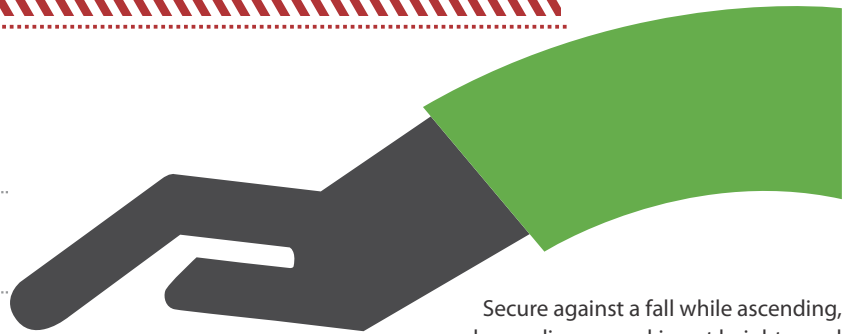


All incidents shall be reported and investigated, and recommendations must be acted upon in a time bound manner

All operations must be carried out within design and safe operational limit(s)

Work with a valid work permit when required. Prior hazard identification and risk assessment shall be necessary for all activities covered under site's Permit to Work (PTW) system

Use of energy isolation process Lock Out Tag Out (LOTO), prior to commencing any maintenance or servicing work in which the unexpected energisation or start-up of the machines or equipment, or release of stored energy may occur



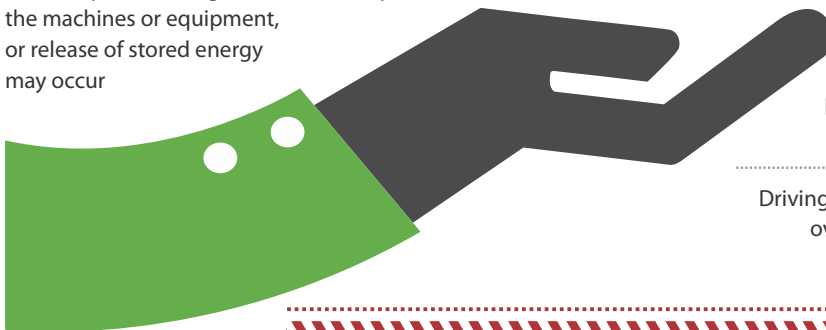
Secure against a fall while ascending, descending or working at height equal to 1.8 metres or more

Obtain written authorisation before disabling safety critical equipment

Obtain authorisation on written lift plan before lifting materials, including prevention of people movement under suspended loads

Wearing a seat belt (in 4-wheelers irrespective of seat position) or a crash helmet (in case of 2-wheelers) is compulsory at any time a vehicle engine is running

Driving under alcoholic and intoxicated conditions, over speeding and use of mobile phone while driving is prohibited



OHS ROADMAP FOR HAZARD ELIMINATION

Often, workplace hazards are unsafe situations that we can anticipate and avoid. We have a robust Safety Management System and OHS roadmap which ensures mitigation and elimination of hazards. Our goal is to achieve 'Zero Severity Level 5 Incidents At Workplace' by year 2020.

In FY 2018-19, we introduced the ABFRL Safety Policy to assist the organisation in taking collaborative efforts towards achieving our safety goals and targets.

Our well-articulated OHS roadmap and monitoring framework covers internal capacity building, training and orientation, and facility and retail stores' emergency preparedness.

While gap assessment is done to ensure safer stores, OHS is also taken into consideration at the design and planning stage of new projects. Awareness programmes are initiated, along with incident reporting, investigating, implementing corrective and preventive measures, and trainings conducted on a need basis. Floor marshals have been identified and trained in all the major facilities and Emergency Response Teams have been formed. For all routine work, Hazards are identified through Hazard Identification and Risk Assessment (HIRA) process and for non-routine work, Work Permit systems and job safety analysis are being followed across our facilities. HIRA is being reviewed at frequent interval and high-risk activities are taken on priority and controls are implemented to mitigate severity and eliminate the hazards.

SAFETY TRAINING

Ensuring a safe workplace includes bringing a behavioural change across operations. Training and awareness are key elements of a comprehensive safety approach adopted at ABFRL, to establish safety as a mindset. Regular trainings are conducted to ensure employees follow the statutory safety requirements and stay on top of the safety practices. They are also updated with the latest industry practices and are required to demonstrate safety excellence at all times.



Total Employees Trained in Safety

4,821

Pantaloons employees per month

2,800

MFL employees per month

50%

of permanent factory employees

32%

of total employees

The leadership and management team are trained on safety management aspects such as safety management system, incident investigation and crisis management. Identified employees are trained as lead auditors and internal auditors on the health and safety management system OHSAS 18001. The other training programmes provided include:



Basic first aid and firefighting



Emergency preparedness



Incident reporting



Road safety awareness



Personal Protective Equipment awareness

INITIATIVE

National Safety Week

With the aim of seamlessly integrating health and safety into our culture and lifestyles, we celebrated National Safety Week at ABFRL. Dedicating a whole week to safety, helps boost awareness and promote safety culture among employees. The Safety Head communicated the purpose, objectives and outcomes of the safety week in order to encourage ownership of this initiative among the employees. Various activities such as safety quiz were organised for retail stores and other facilities and a safety pledge was taken by all employees.

ACTIVITIES



- National Safety Day badges distributed to all employees by Leadership Team
- Flag hoisting and safety pledge taken at all facilities
- Basic firefighting and first aid training provided to employees
- Safety posters displayed and standees installed across facilities to raise awareness
- Safety drawing competition and quiz conducted, and safety awareness video played
- Safety gadgets displayed and employees educated on them
- Safety mailers sent to all employees
- Women's safety programme launched at Pantaloons, where they were trained in basic self-defence techniques and how to stay safe while travelling alone

Emergency Drills

Emergency preparedness drills are conducted at regular intervals, in compliance with internal regulatory requirements, across our facilities. From each facility, identified personnel for the Emergency Response Team (ERT) are trained in evacuation techniques, basic first aid and firefighting. This helps in conditioning and training employees for a faster response to curtail losses in terms of human life and asset, and also facilitates faster recovery. The de-briefing after the mock drills, helps in identifying opportunities for improvement and closures.

An on-site emergency response procedure has been developed containing all possible emergency scenarios such as fire, explosions, spills and natural calamities, along with a list of emergency response team members and important telephone contacts.

Incident Reporting

A safe workplace becomes a reality only when incidents are duly reported, analysed and learnings shared to prevent future occurrence. In order to create awareness and better understanding of the importance of incident reporting, trainings were conducted across all our zones. 'Train the Trainer' sessions were held for the cluster facility heads and zonal facility leads. The attendees received in-depth training on how to identify hazards, unsafe conditions and acts that lead to incidents and accidents at the workplace.

To sensitise store teams on best safety practices, a well-prepared deck was shared with the teams to be used during their monthly EHS store training programmes. Attendees were taught Heinrich's Domino Theory which states that accidents result from a chain of sequential events, metaphorically like a line of dominoes falling over. It is the removal of a key factor (such as an unsafe condition or an unsafe act) that prevents the start of the chain reaction.



SAFETY MODEL STORE

In keeping with our efforts to ensure a safe and comfortable workplace for all our employees, one of the Allen Solly stores in Bengaluru was selected as a model store where all statutory safety compliances were adhered to. A safety assessment that included fire safety, electrical safety and occupational hazards were carried out. The assessment points are attached in a file with 'before and after' pictures for easy understanding and implementation in other stores. Safety assessment as per the model store file is rolled out across all the stores, and the store manager is entrusted the responsibility of ensuring their respective stores measure up to the model store's safety standard. Two stores from ten regions have been selected to act as the model stores in that region.

The model store safety strategy covered various safety hazards that are present in a retail store, based on which the following action points were noted to be implemented at all stores:



Fire Hazard

At any point no fire panel should be kept switched off. All fire panels should display 'System Healthy'

Smoke detectors to be present in all the back rooms, trial rooms, above the electrical panel, and other required areas

Fire extinguishers should be fixed on the wall at a height of 1.2 metres from the floor. If the fire extinguisher is kept on the floor, it should always be kept in a stand

A 5 kgs ceiling-mounted, dry powder fire extinguisher to be fixed on top of the main electrical panel

Photoluminescent fire extinguisher locator and fire exit signage to be used in all stores

A 'No Smoking' board and emergency numbers to be displayed in the back room

No combustible materials to be stored in the back room and no thinners, paints, diesel or any other highly flammable material to be kept inside the store

Electrical Hazard

IS 15652 rated electrical rubber mats to be placed in front of the main electrical panel

Cable entry points to be closed with POP

Cash counter wires to be properly arranged in a conduit and extra wires to be fixed in a PVC box

Extension cords are only for temporary usage. As they tend to get heated up during long usage, stores should be equipped with proper socket connection

Batteries should always be covered with terminal covers and nothing should be placed next to it

Store Interior & Exterior

Anti-skid tapes to be used on staircases to avoid tripping or slipping

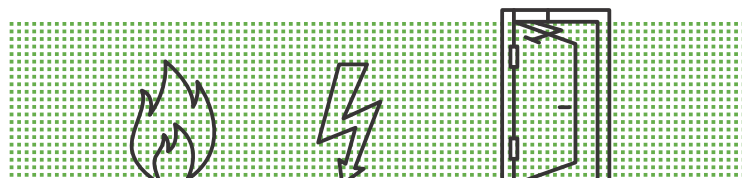
Floor damages should be properly covered with new tiles or cement work to avoid accidents

Back room shelves to be properly grouted

No carton boxes should touch the ceiling

Emergency lighting on every floor, with UPS back-up

First aid box to be kept at all store locations, and it should not contain any tablets



P E R F O R M A N C E S

Social



100%
pure drinking
water in all the
8 model and focus
villages

₹ **2.00** crore

spent on Corporate Social
Responsibility

19,000+

students reached across
3 states through our
Educational Initiatives

17,834

hours contributed by
employee volunteers

1,87,293

total beneficiaries covered
through various initiatives



Any organisation, to thrive as an economic entity, needs to gain a social license to operate first. For us at Aditya Birla Fashion and Retail Ltd., this involves building trust among members of our community and we believe it is not limited to just providing assistance. Through active involvement with the community, we seek to ignite their aspirations to go beyond surviving, and towards thriving.

Our CSR initiatives are geared towards empowering community members and are identified under our five pillars for development: Girl Child Education, Health & Sanitation, Sustainable Livelihood, Water and Digitalisation.

ABFRL strongly encourages voluntary employee participation in the CSR activities and has a policy in place to facilitate this.

ABFRL undertakes CSR interventions in Karnataka, Tamil Nadu, Maharashtra and Odisha through its independent entity called Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFR Jan Kalyan Trust).

To cascade positive change in the community, our programmes build capacities at the individual, family and community level. This creates self-sufficient ecosystems that fuel long-term prosperity.



OUR VISION

To actively contribute to the social and economic development of the communities in which we operate. In doing so, we hope to build a better and sustainable way of living for the weaker sections of society and raise the country's Human Development Index.

HOLISTIC DEVELOPMENT

To achieve massive global change, we focus on the minute details of local interventions. Designed to empower communities in a holistic manner, these interventions aim to create sustainable societies in alignment with the Sustainable Development Goals.

In pursuit of this all-inclusive growth, we initiated our Village Development Programme. This initiative is designed to bring in synergistic development that uplifts lives across the village demography. It seeks to maximise the social value generated by interlinking social, environmental and economic parameters. Additionally, we also run few independent and standalone projects catering to the diverse needs of a community.

STRONGER TOGETHER

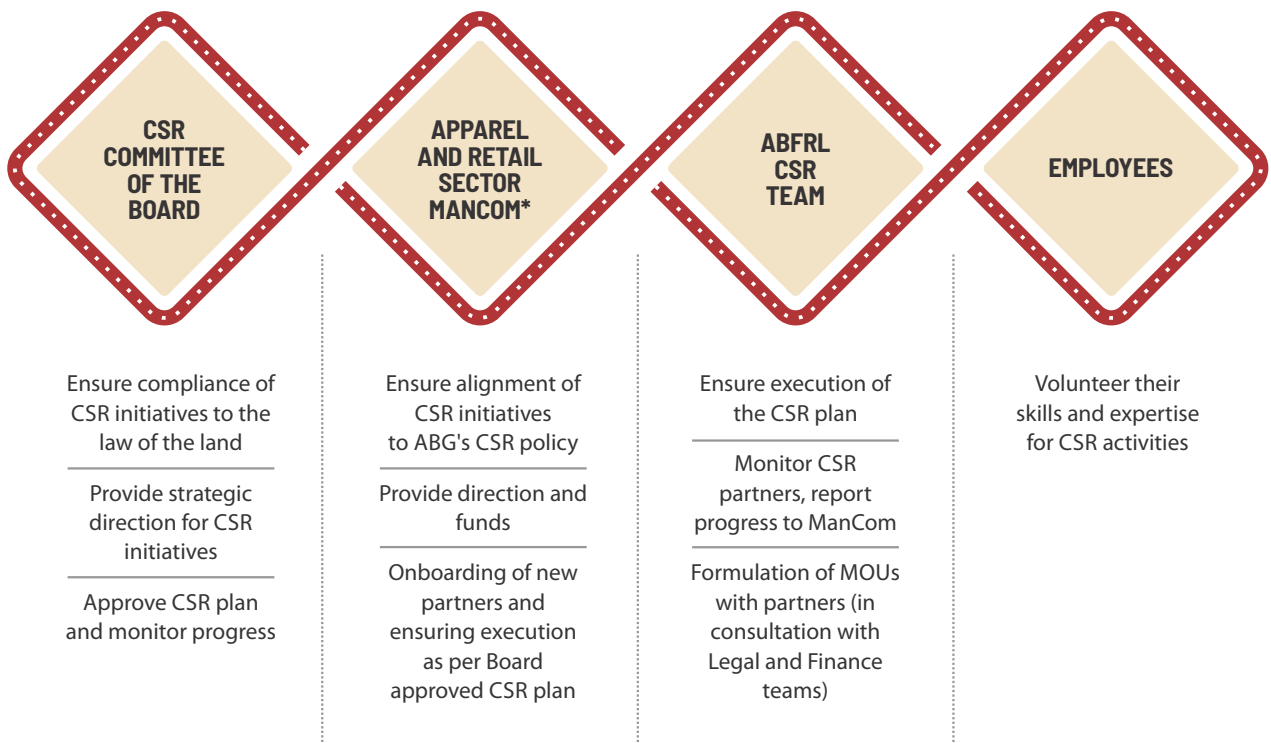
We continue to partner with several institutions, NGOs, local authorities and government bodies, so as to leverage our core competencies and amplify the impact of our initiatives.

While we have collaborated with big institutions in the past to help seed change, it was largely in an indirect capacity. This year, however, we have taken a more direct approach in implementing our strategies to uplift the communities that surround us.

Furthermore, our employees also share our commitment towards a better future and support us through volunteering activities. In this regard, we have formulated a policy to encourage them to volunteer and channelise their expertise towards community building.

CSR VALUE CHAIN

We have developed a robust CSR value chain which designs and implements effective strategies based on the shared vision with our partners. With these efforts, we have reaped positive outcomes which are valued by all our stakeholders.



* Management Committee

FOCUS AREAS

EDUCATION



Improving educational outcomes by providing access to quality education through a variety of means, including Academic Support Centres in villages, at Municipal and other schools supported by us, teachers' training, setting up libraries, providing educational aid and scholarships, special coaching classes for rural girls and continuing education for dropouts.

HEALTH & SANITATION



Ensuring healthy communities in underserved villages through eye camps, school health camps, dental camps, specialised health camps such as cancer screening and awareness camps, and pulse polio immunisation drive. Providing dignity of life by facilitating access to water, sanitation and hygiene through our partners and government organisations.

SUSTAINABLE LIVELIHOODS



Empowering people and providing them pathways for sustainable livelihoods through coaching at skill training centres as a part of the Kaushalya initiative, and training youth in career readiness, in partnership with Edunet.

WATER



Safeguarding water sources for communities through rainwater harvesting, borewell recharge pits and by recharging water bodies in water stressed villages. Providing safe drinking water for villages by installing water purifying plants, called Water ATMs.

DIGITALISATION



Digitalising villages to mainstream its residents to modern ways of life, through Village Information Centres and SMART Classrooms. Once functional, these facilities will provide access to E-health, E-education, E-banking and E-employment among other digital services.

EDUCATION

Project Gyanarjan

Initiated in 2014, the Gyanarjan Project is a value addition programme for rural girls in Karnataka studying in Class 10, 11 and 12. During the year, we engaged with two centres – the Channapatna Government Girls PU College and Maharani Government Girls Junior College in Mysore, supporting 923 students.

As a part of the programme, special coaching classes, monthly tests, as well as special preparation sessions for competitive entrance examinations such as CET/NEET were conducted. Additionally, sessions on personality development and career-counselling programmes are also organised for students.

The feedback from students revealed that more than 70% of students felt that the coaching classes are very good, more than 80% expressed that the study material is very good and around 98% students felt that their knowledge has improved after attending the Gyanarjan classes.

3,493 rural girl students

have been supported by the project, and more than 90% of the students who passed their Class 12 exams through Gyanarjan are continuing with their higher education



SUCCESS STORY GYANARJAN'S TOP SCORER!



Zainab had completed her higher primary education and was thirsting for more. She was sure that the way to succeed would be to join a private school. Unfortunately for her, she was not given that opportunity due to her parents' poor economic condition. She, however, did not give up her dreams to study further, and joined the government school at Channapatna.

She made the most of her time at this school and enrolled in the Gyanarjan programme to save her parents from shelling out tuition money. We were able to witness her phenomenal grit and inspiring growth. She created Gyanarjan history by scoring 97.28% in her 10th board examinations, which is also the highest percentage scored in the history of the Channapatna Government School. After Class 10, she continued her studies in the same premises and in 2018-19, she appeared for her 12th Class board exams and once again created history by achieving 91% in aggregate and scored 100% in Math. She has completed her 12th and is currently pursuing Bio-Technology with the support of ABFR Jan Kalyan Trust.



School Transformation Project – Panvel, Maharashtra

In 2017, ABFRL signed an MoU with the Panvel Municipal Corporation (PMC) to transform 11 Panvel Primary Municipal Corporation Schools by improving the quality of education and health of the students.

Through the programme, ABFRL aims to create a nurturing environment for young students, while providing age appropriate academic skills.

8,072 students benefitted through the project during FY 2018-19

11 support teachers were appointed by ABFR Jan Kalyan Trust under the programme. Each support teacher was provided with rigorous and continuous training, alongside the government appointed teachers. Activity based teaching techniques were also emphasised to elevate the teaching and learning experiences of both the teacher and the students.

Encouraging students to go beyond textbooks, the ABFR Jan Kalyan Trust and Municipal Schools organise extra-curricular activities as well. The Children's Fairs received participation of over 1,970 children and their parents. While self defence training sessions were attended by 1,250 students.



CASE STUDY

SELF-DEFENCE FOR SELF-IMPROVEMENT

To create the 'best citizens of tomorrow', by educating students on methods for mental discipline, self-defence and physical exercise.

ACTION

As a part of our ongoing School Transformation Project with the Panvel Municipal Corporation, we introduced Martial Arts Training for girls two years ago at 11 schools. The training includes a wide range of skills that students are required to learn and embrace, including physical exercise, methods of mental discipline and self-defence techniques. The rigorous training has been met with great enthusiasm from the students, also bringing about a significant change in their lives. The interest in these training sessions has also resulted in the students being more regular in their school attendance.



OUTCOME

To highlight the outcome of these training sessions, here is a look at a couple of examples from our students' experiences:

Chitra Ratnish Pandey, a Class 6 student of Panvel Municipal Corporation (PMC) School feared going to school as she faced constant bullying. With the issue getting significantly worse, she was on the verge of dropping out of school. That was when the Martial Arts Sessions had begun, so she signed up for it and there has been no looking back! Two years of training brought about a resounding change in her attitude, and the rise in her confidence has helped her battle her bullies, while recording 100% attendance!

Jyotsna Wagaris on the other hand, battled problems within her. She suffered from respiratory ailment which prevented her from involving herself in many activities. But with proper training, the Martial Arts Sessions have helped her to overcome her respiratory issues. Her health has improved by leaps and bounds and has led her to become an enthusiastic participant in all physical activities at school.

Kasturba Gandhi Balika Vidyalayas (KGBV)

An initiative under 'Sarva Shiksha Abhiyan', the KGBV schools motivate underprivileged girls from rural regions to continue their education. Through the Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFRJKT), we support 5 KGBV schools in Karnataka and Tamil Nadu. We also, organise Special Coaching classes for the core subjects (Math, Science and English), benefitting **610 rural girl students**. This continuous support has resulted in several students of KGBV School, Byrapattana scoring 95% and above in their Class 10 examinations.

ROCK Fund to Support 'Urban Poor Girls'

ABFRL, partnering with ROCK Fund, has helped support socio-economically challenged girls in continuing their education. **ROCK or 'Reaching Out to Children Through Knowledge' supported 73 students to complete their education, this year.** Of these, 13 students appeared for their board examinations in Class 10.



SUCCESS STORY OPENING DOORS THROUGH SCHOLARSHIPS



"I aspire to be an IPS Officer" says **Savita**, a 19-year-old from Nyanappanahalli village, benefitting from a scholarship provided by ABFR Jan Kalyan Trust. In the eight intervention villages we work with, we come across several children who drop out of school after their 10th Class, due to their family's economic conditions.

To combat this, every year ABFR Jan Kalyan Trust provides scholarships to meritorious and needy students. Savita is currently pursuing a Bachelor's in Commerce and is in her first year. Savita's father is a daily wage labourer and her mother is a housekeeper. Her family's socio-economic condition being weak, Savita works hard to ensure she receives her education and is confident that she will receive the second round of scholarship support as well, in the coming year.

VILLAGE DEVELOPMENT PROGRAMME

By transforming villages through integrated and holistic development, we aim to create 'Happy Villages'. We have initiated this project in 8 villages around our factory locations in Karnataka.

With this project we focus on two primary purposes – to scale up ongoing initiatives, and to take up new initiatives that contribute to the growth of the village. This is implemented after a need assessment study to identify pertinent issues that require improvement and our assistance. The studies also help develop programmes and strategies to mitigate challenges faced by these villages, especially in areas like education, health & sanitation, skilling, water and digitalisation.

We have assigned each village with a community tutor and a health worker to build ownership of the initiative. These villages will serve as Model Centres and provide the foundation to replicate this unique village development in other villages as well.

1.77 lakh people

benefitted through Village Development Programme

Education



A fundamental right that can advance society in the right direction, education is often an elusive dream for a vast majority of India's children. Education is hampered by challenges such as lack of teachers, regressive societal norms or the lack of basic awareness. At ABFRL, we aim to eliminate this gap with quality education programmes in underserved areas near our sites. Through these initiatives, we create a skilled talent pool for the nation's long-term economic development, and in the process empower the future citizens of the world and enable them to contribute towards realisation of sustainable development goals.

Academic Support Centre

These centres are run by trained community tutors for the underprivileged and first-generation learners, from Class 1 to 7. The classes are conducted for 2 hours daily to help children reach their class-specific requirements and to develop their personality along the way. A total of **296 children** have substantially improved their academic performances. Standing testament to the growing success of the programme, is the increase in the number of students scoring an A+. Prior to our intervention, only 10 students were scoring A+, it has now increased to 83 students.

School Development and Monitoring Committees (SDMC)



ABFRL has strengthened and revived the School Development and Monitoring Committee. The Committee acts as an extended arm of the Academic Support Centres and is composed of 9 parents whose children currently study in the centre. The school tutor ensures that the SDMC meetings take place every 3 months. The programme has strengthened community participation in all the school programmes, and enlightened parents on the importance of a fulfilling educational programme for their children. Subsequently, the SDMC programme has led to increased participation of parents in various school events including Independence Day, Republic Day and Sports programmes.

Help Vidya Write

An initiative to support underprivileged students of Government schools, Help Vidya Write, seeks to provide students with notebooks. The entire effort is mobilised through employee volunteering initiatives. In its 6th year, the initiative saw a notebook collection campaign conducted across ABFRL offices in the month of June 2018.

16,444

notebooks collected in total. During the financial year, 3,584 students in 28 government schools benefitted from this initiative



Career Guidance Programme

Career guidance programmes for students at the Government High Schools of Mayaganahalli, Begur, Marsur and Kudlu villages were organised in partnership with Dream Path Foundation. The programme provided career guidance, covering a variety of options available after SSLC, and 550 children benefitted from the initiative.



STEM Workshops

We organised STEM (Science, Technology, Engineering, and Mathematics) workshops at Basavanapura, Madiwala and Sollepura Government schools, in collaboration with the STEM Champ Organisation that benefitted 155 children.

These workshops gave a significant boost to the students in these schools by:

- Helping students learn to build knowledge via a flexible and effective curriculum, cooperative learning methods and student-centered classrooms
- Gaining exposure from international educators with multiple certifications and vast experience
- Acquiring STEM Accreditation and STEM Certification for the school and teachers
- Earning of STEM badges after successful completion of each concept

Health & Sanitation

At ABFRL, we believe that instilling clean, hygienic habits in rural communities is the first step and the most cost-effective method to empower a community and improve their quality of life. We continue to invest in health education and free health camps in rural India, to prevent life-threatening diseases and ensure that people live with dignity.

Marsur Grama Panchayat awarded Nirmal Gram Puraskar for sanitation work



Pulse Polio Immunisation

The ABFR Jan Kalyan Trust continues to support the government in their polio vaccination immunisation drive in the districts neighbouring Bengaluru. School children were also involved in creating awareness on Pulse Polio through jathas (street plays).

1,03,358 infants were immunised in
334 booths In FY 2018-19



Hand Wash Awareness and Orientation

Awareness programmes were held at anganwadis and schools, to emphasise the importance of proper hand wash to prevent the spread of communicable diseases. Health workers, along with school teachers, implemented these awareness drives along with practical sessions in 8 government schools.

1,076 children
benefitted



Awareness drives for prevention of Malaria, Dengue, Typhoid

Our Community Health Workers undertook house visits in order to create awareness on disease prevention, along with other health related information. Employees from ABFRL manufacturing units also volunteered to participate in the Swachhata Hai Seva campaign, and imparted knowledge on preventing these diseases, including organising a cleanliness drive in the villages and conducting sessions on awareness to inculcate good practices for maintaining cleanliness. All of these were done to enlighten the communities on the dangers of stagnant water and unclean areas, which turn into breeding grounds for disease carrying mosquitoes.

Yoga Classes & Happiness Course

A rising concern in Jakkur Layout, a suburb in Bengaluru and Billawarahalli village, are the increasing cases of drug addiction among the youth. While an outright ban is an immediate action, effective solutions require meaningful interaction with these young minds and their parents. We organised one-on-one discussion sessions, as well as Yoga sessions or Happiness Programmes in collaboration with Art of Living, to create awareness and healthy dialogue on the issue.

390 children benefitted from this course

Integrated Child Development Scheme (ICDS)

As a mandate of the Integrated Child Development Scheme (ICDS), our CSR team and community health workers supported in facilitating 88 mothers' meetings.

761 women benefitted



Health Helpline

Introduced to resolve and guide patients with health problems, the helpline received 156 calls during the reporting year. The callers were counselled and advised on how and where to seek the appropriate public health facilities.

Health Camps

- We organised 8 cancer awareness and screening camps that helped **642 women**. Around 362 of them were referred for Pap tests.
- A total of 9 community eye camps were organised in the reporting year, **benefitting 2,029 people** who came for a vision check-up. 927 patients were given support in the form of spectacles, while 118 villagers underwent cataract operations.
- We organised 9 health camps in government schools of 8 villages. The camps covered eye, dental and general check-ups. A total of **1,458 students benefitted** from the camps.



SUCCESS STORY HELPING THE ELDERLY SEE BETTER

During one of ABFR Jan Kalyan Trust's community eye camps, a health worker came across 70-year-old Gangamma, who had been having severe vision issues for more than a year. An eye examination revealed she was visually impaired in her right eye due to cataract that went unchecked for a few years.

She was advised to get a cataract removal surgery, which we proceeded to arrange for free at Narayana Netralaya hospital. Today, Gangamma can see the world better and is grateful to ABFR Jan Kalyan Trust for the successful surgery.



SUCCESS STORY

COMMUNITY HEALTH WORKERS, THE UNSUNG HEROES!



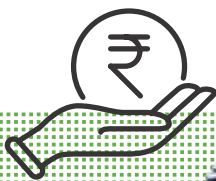
The ABFR Jan Kalyan Trust actively appoints Community Health Workers in order to bridge the significant gap between underprivileged communities and the availability of health services. Going by our Need Assessment survey, it was identified that a majority of the villagers we spoke to were unaware of the Government Health Schemes, and the Government appointed health workers were unable to aid in the additional support they needed.

Through these routine awareness drives, one of our Health Workers met 54-year old Sarasamma, in urgent need of a surgery. She was referred to Kidwai Memorial Hospital where she was safely and successfully operated on to remove her uterus. Many more such tales of our health workers supporting and serving the community exist, and their passion has even led to two workers being felicitated by the Chief Medical Officer, Government of Karnataka and have been appointed as ASHA workers in their respective villages. Accredited Social Health Activist (ASHA) workers are community health workers instituted by the Indian Government as a part of the National Rural Health Mission (NRHM).

SUSTAINABLE LIVELIHOODS

By leveraging our strength as a Corporate, we aim to improve lives by enabling individuals to attain financial stability and independence by effective skilling initiatives. This ensures that the youth of our Nation is equipped with vital skills and contribute to the growth of the Nation.

Through skilling, not only do these young individuals become more productive members of the society, but they also propel the advancement and development of the country. At ABFRL, we continue to empower the rural youth with essential skills and create change agents for India's development.



■ Kaushalya - The Skills Training Centre

In its fourth year, the Kaushalya Centre at Anekal aims to develop industry specific skills in rural youth. Since its inception, the Centre has trained 1,829 rural youth while 1,392 (76%) of them have taken up sustainable livelihood opportunities. The Skill Development programme is primarily focussed on Data Entry Operations, Beauty and Haircare, Retail Operations, and the recently introduced Basic Tailoring Course.

In FY 2018-19, 495 rural students enrolled in the programme and underwent training in 25 different batches.

406 youth completed their training and received certificates for the same



■ IMIB-Edunet

ABFRL in partnership with Edunet, organised an employment empowerment programme. The initiative was aimed at training youth in career readiness. Around 100 participants from Sollepura and its surrounding villages registered in the programme. The programme was conducted at a centre set up in Madhagondapalli while Edunet simultaneously organised industry visits for exposure. One such visit was to an advertising agency, where the students experienced training in photography and graphic design along with vital skills such as preparing a resume.



SUCCESS STORY

SKILLING THE HOPEFUL



Radha from Kuvempu Nagar, in Anekal, was on the look-out for opportunities to support her family financially. While job opportunities were available, she couldn't match the skill sets required for them. Upon hearing about the Kaushalya Training Centre from her neighbours, she enrolled in the Basic Tailoring Course to learn and update herself.

At the Centre, Radha not only learnt tailoring techniques and how to sew garments, but she was also guided by the Kaushalya team on how to set up a business. She was exposed to the various financial schemes available that would enable her to embark on a successful entrepreneurial journey, including the Government's Mudra Loan Scheme. Having secured the loan, she went on to purchase 10 sewing machines and set up her own garment unit at home, while providing employment for 10 more women.



SUCCESS STORY

THE BEAUTY OF THE KAUSHALYA PROJECT



Subha, a mother of two, is married to a small-time real estate broker. Looking to add support to the family financially, she decided to look for a job. However, having given up education after her Class 12, she was unsure of how to get into the job market.

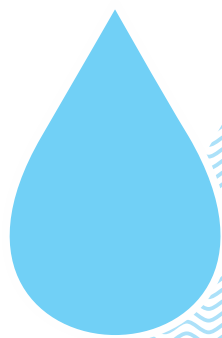
Having come across the Kaushalya Training Centre at Anekal, Subha grabbed the opportunity to update her skills set by joining the Beauty and Hair Care Course. She trained hard and learnt more than the required skillset, including soft skills and communication skills.

On completing the course, she gained a new found confidence which led her to establish her own beauty parlour. Today, Subah earns around INR 30,000 per month and also teaches beauty service, adding another INR 17,000 to her income.

WATER

This year, we have included Water as one of our focus areas. An essential component for life on earth to survive, water is fast becoming a depleting resource. To combat the growing water crises our planet faces, we are taking steps to bring safe drinking water to our host communities and doing the best we can to replenish water sources around us.

Here are the highlights from our various water related initiatives:



Rainwater Harvesting System at Government Schools

In the Government Schools at Rayasandra, Sollepura, Basavanpura, Hinnakki and Jakkur Layout, we have stepped in to establish rainwater harvesting systems. This year, the schools have saved an average of 75.03 KL of water. The recycled water is mostly used for handwash, in the toilets as well as for their kitchen gardens. The harvesting systems have proven to be a boon for these schools, as it has helped reduce their dependency on bore wells.

Construction/ Restoration of Community Ponds

The scarcity of water has put several rural areas in dire straits. In some of our operating regions, there are villages with poor groundwater levels and scanty, unreliable rainfall. For these regions, their main source of water ends up being ponds and traditional water harvesting mechanisms. The ABFR Jan Kalyan Trust extended its expertise in the area to the villages of Sollepura and Marsur, and along with the Local Panchayat, undertook the restoration of their community ponds. This endeavour will save or recharge an average of 2,545.2 KL of water. Furthermore, through a process of desilting, we have helped increase the groundwater level while contributing to the recovery of soil fertility across 10 acres of land.

Borewell Recharge Pits

The ABFR Jan Kalyan Trust has constructed 6 borewell recharging pits at Sollepura, Madiwala, Hinnakki and Billwaradahalli villages. The recharge pits capture rainwater and filter it down to the water table or borewell.

Type 1 – Ground Water Recharging System

In this method, the groundwater table and shallow aquifers are recharged through soak pits. Rainwater from rooftops or surface runoff water that is channelled through drainage pipes, is sent through a filtration process and allowed to collectively percolate in the recharge pits that are constructed to suitable volumes.

Type 2 – Direct Recharging of Borewell

This system is for bringing back defunct, deeper borewells to life. The existing borewell acts as a channel that directly filters rainwater, allowing it to percolate into the deeper aquifer. The rainwater can be from rooftop as well as surface runoff. This process requires the proper filtration of water as it directly goes into the borewell, hence it requires the installation of rainy rooftop filters or 'V' wire vertical filter/filtration media. Typically, the rainwater is first made to pass through filtration media and to a stagnation tank, before being allowed into the borewell casing pipe.

These borewell recharge pits collectively ensure the saving/recharge of around 7,200 KL of rainwater per year.

CASE STUDY

PURIFIED DRINKING WATER PROJECT FOR SOLLEPURA

In the village of Sollepura, Tamil Nadu, a population of 860 people in 146 households lacked access to safe drinking water. The groundwater here is hard and brackish, and yet, is also one of the primary sources of water for domestic usage and minor irrigation needs. Additionally, the Panchayat bore wells exposed the villagers to health issues such as stunted growth in children and increased risk of cardiovascular diseases among adults.

ACTION

A water treatment plant with Reverse Osmosis (RO) technology was constructed for the purification of water from the bore well. Built with the support of the Panchayat, this unit is maintained by the Village Development Committee.

OUTCOME

The water treatment plant not only benefits Sollepura, but also the neighbouring villages of Sarakapalli, Balageri, Kalkeri, and Christupalayam. Around 1,500 to 2,000 litres of drinking water is used on a daily basis. Furthermore, its success inspired another corporate house to install a similar water purifier plant in another village in the region.



DIGITALISATION

Village Information Centre

With digitalisation and technological development, the rural and urban communities face numerous social and economic changes and challenges. The ABFR Jan Kalyan Trust set up a Village Information Centre and SMART Classroom at Sollepura village to enable communities to keep up with the technological advancements that affect their economies. In FY 2019-20, we aim to support these villagers in e-care, e-schemes, access to job portals, printing services, health insurance and more, while teaching basic computer education.



Computer Literacy Training Centres at Government Schools

At a young age, students are better suited to adapt to new technology and learn it effectively. As a part of our drive to make computer and digital knowledge more accessible, we have introduced basic computer education in Government schools at Basavanapura, Jakkur Layout, Nyanapanahalli, Rayasandra and Sollepura.

ODISHA PROGRAMME

ABFRL undertook an extensive needs assessment in Janla Gram Panchayat, Khurda, Odisha in order to understand the immediate and long-term needs of the community. Our study aimed to explore and understand the possible areas of concern and needs, such as education, livelihood, sanitation and so on.

Based on the findings, our CSR team made numerous visits to the Gram Panchayat, which consists of nine villages and further initiated discussion with the sarpanch to understand and devise an implementation strategy. The broad key issues were grouped under Education, Water, Sustainable Livelihoods and Health & Sanitation.

EMPLOYEE VOLUNTEERING

An integral part of our CSR strategy is employee volunteering. It fosters collaboration and teamwork, while strengthening stakeholder engagement and relationships. Through employee volunteering, the expertise of individuals in the organisation is made available to communities to enhance the scale, reach and effectiveness of our CSR initiatives.

The causes supported by our employees include teaching underprivileged children computer skills and spoken English, supporting medical staff during health camps, participating in cleanliness drives and tree plantation programmes, organising food relief camps and more.



7,357
Employees
volunteering

17,834
Hours
volunteering

Some highlights of our key employee volunteering activities this year include:

■ Blood Donation Camp

Our employees at the manufacturing units and warehouses, participated in blood donation camps at ABFRL. The camp saw participation of 554 volunteers spending 3,158 hours to collect 361 units of blood.



■ CSR Visit for Management Trainees

On World Environment Day, we inducted our management trainees into our CSR programme. We visited the Solleपुरa village's Government Schools with 26 trainees and planted 30 saplings, spending 104 volunteering hours.



■ Swachhata Hi Seva Campaign

Our employees from manufacturing units organised 11 Swachhata Hi Seva campaigns in October 2018. The volunteers visited surrounding villages and conducted a Swachhata Rally that involved mass clean-ups. A total of 266 employees, 1,117 children and 100 community members and school teachers participated in the event.

As a part of awareness campaigns, employees from our manufacturing units arranged house visits by Community Health Workers to impart knowledge on diseases such as malaria, dengue and typhoid. The employees also undertook cleanliness drives and sessions on maintaining good hygiene under the Swachhata Hi Seva campaign.

■ Flood Relief Campaign

Kerala and parts of Karnataka faced devastating floods in August 2018. Our employees rallied to organise flood relief camps and collected essentials for those in need in Kerala and Kodagu. 218 employees participated and spent 1,685 volunteering hours, while donating food items, clothes, utensils and medicines.



P R O D U C T
Responsibility



Capacity building programme with Cotton 2040; implementation plan for **SUSTAINABLE COTTON CONSUMPTION**

PILOT TESTED

Higg Brand Retail Module

SIXTH YEAR

of Higg assessments for brands, in-house factories and select outsourced suppliers

Product intensity for select products computed, using

LIFE CYCLE APPROACH

to arrive at energy, carbon and water footprint

Transitioning toward a

PRODUCT CENTRIC SUSTAINABILITY

approach

Significant improvement in Vendor Code of Conduct, covering almost

100% TIER 1 VENDORS

ABFRL believes that sustainability needs to be encapsulated within its core offering, which is the product itself. The organisation strives to infuse sustainability in every strand of fibre, in every production process and in every business decision. We acknowledge the rising sustainability consciousness in the modern consumer, and believe in leading the way in product responsibility as a responsible corporate.



OUR APPROACH

Under the umbrella of the ReEarth programme, our product responsibility approach is to be net positive - that is, to give back more than we take in. Our management processes and targets are structured so that product responsibility is both achieved and tracked at regular intervals. We take a life cycle approach to product responsibility, which implies having a sustainability focus at each stage i.e. product development, supply chain, manufacturing processes, use, and end-of-life. All of the initiatives under product responsibility are targeted towards reducing the footprint of our products, while ensuring they are of the highest quality.

To illustrate our responsible methods of production, we have an array of examples. For instance, our Earth Chinos product uses agro-waste based dyes as colourants, while on the other hand we are promoting recycled, polyester based products such as t-shirts and denims that use polyester derived from recycled PET bottles. Similarly, the soft and fluid Liva fabric is a blend of man-made and natural fibres, that leaves little impact on the planet from production to end use.

Since its inception, ABFRL has been positively influenced by innovation in product development and has brought significant changes in organisational design and service delivery which is essential for our long-term growth. Innovation is driven through our centres of excellence. Our own manufacturing units are equipped with the latest technologies to produce best quality products, optimise resource consumption, meet changing expectations and deliver high value to our customers.

We are transitioning toward a product centric sustainability approach. Our management method to drive-in product sustainability is the 'Sustainable Attributes' approach. We have defined that a sustainable product has 5 attributes - Production, Packaging, Raw Material, Farm & Factories and People. One of the crucial ways in which we drive product sustainability is by setting targets around these attributes.

On our path to being truly sustainable, we are also working on packaging these products responsibly. Hence, we are working to eliminate plastic from our product and transport packaging.

The other area where we work to enhance product sustainability is by supporting our vendors to also adopt a sustainability driven culture. To cascade our product sustainability efforts and ensure ethical sourcing, we assess our vendors through our Vendor Code of Conduct, which is based on the Indian Factories Act and other global and social compliance standards. Some of our key vendors are also assessed on the Higg Index's Facility Environment Module. These assessments and codes reduce supply chain risk and reduce product intensity.

Customers expect that the products they buy from us are both responsible and of high quality. We ensure our products remain responsible post their sale, by engaging with our customers through feedback mechanisms. Feedback mechanisms are present to collect customer feedback at the point of sale and during the use phase. We also engage with our customers and encourage them to contribute to product responsibility through our take-back mechanism.

PRODUCT RESPONSIBILITY

Product Responsibility is driven at ABFRL through four vital pillars:

1 INNOVATION AND DEVELOPMENT

New Product Development
Technology

2 SUSTAINABLE PRODUCT

Raw Material
Attribute
Packaging

3 SUPPLY CHAIN

Higg Index
Quality
Vendor management
Chemical management

4 CUSTOMER CENTRICITY

CVRS
Post-purchase
mission happiness



INNOVATION AND DEVELOPMENT

The fashion industry is one where customers frequently switch between brands, and frequent innovation and development is what gets them to keep returning to a brand. On that front, since its inception, we at ABFRL have kept fashion relevant by constantly innovating and upgrading products and methods, giving us a competitive edge over others.

New Product Development

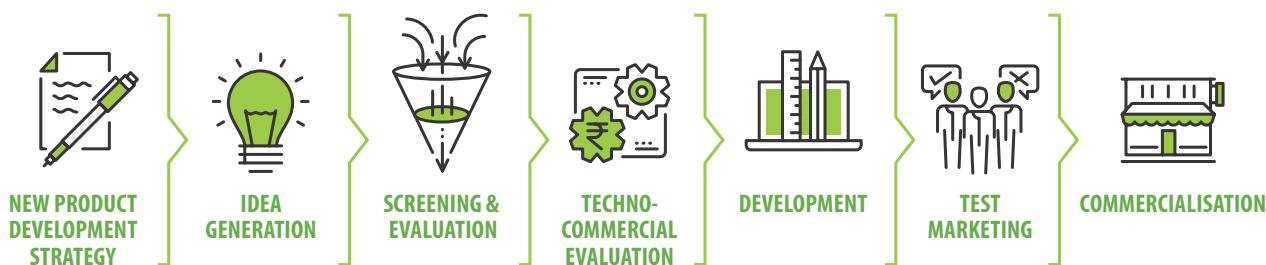
In the fashion industry, the only constant is change. And to keep up and adapt to this dynamic industry, it is essential that we create new products that keep up with trends while being desirable, reliable, sustainable and user-friendly.

To ensure that our products provide the desired experience, a structured process is in place to engage with our customers and develop new products and solutions, based on their feedback.

Our New Product Development processes leverage cross-functional collaboration to co-create new concepts and designs. Concepts go through the ideation, evaluation and testing phases, upon the completion of which they are exhibited at trade shows. Based on the orders booked and feedback garnered at the trade shows, the teams go back to the drawing board and ideate for more concepts. The response at the trade shows is used by our brands to create four season plans, as per the fashion cycles.

We also collaborate with our suppliers in product development. This co-creative approach has greatly reduced lead times, and has resulted in process efficiency, lower chemical use and greater colour retaining fabric. Herbal processes for anti-oxidant fabrics are also being developed.

PRODUCT DEVELOPMENT PROCESS



TECHNOLOGY

The fashion industry is transforming alongside advancements in technology - be it design, marketing, production or sales. And at ABFRL we embrace technology as it is all pervasive in our business, helping us effectively use it in our favour to understand customers better so that we can design and develop products as per their requirements.

Technology enables us to get real time fashion industry trends and predict the Next Big Thing, reduce production costs, shorten the supply chain, and bring more transparency and traceability.

To encourage an environment of innovation, we have instituted several Centres of Excellence and technology platforms. Through these centres and platforms, along with other initiatives, we are able to monitor and measure market trends and customer demands, helping us maintain our market leadership position.



Technology Management Centre (TMC) 2.0

TMC drives R&D in garmenting and supports prototyping for women's wear and kids' wear categories. It has been planned to strengthen innovation in order to bring in fresh ideology to keep up with the changing patterns of customer demands.



Product Life Cycle Management (PLM) 2.0

PLM manages the life-cycle of a product from inception, through design and technical detailing, till its manufacturing.

Knowledge Management Centre (KMC)

KMC channelises best practices and drives product benchmarking, development and innovation.

Clo 3D Technology

We tested the Clo 3D technology at ABFRL, which greatly reduces the need for physical sampling, to great success. Clo 3D is a garment technology provider whose solution involves using virtual samples across all stages of product development. Physical sampling takes multiple iterations leading to excessive use of samples and increased wastage. This technology allows for more creativity while drastically reducing the process time, sampling cost and environmental footprint of sampling. It also reduces the time to take the sample to the market, and increases the number of design possibilities. We are also in the process of leveraging this to create a digital trade show (DTS). Going ahead, we aim to achieve system integration of Clo-PLM with SAP.



SUSTAINABLE PRODUCT



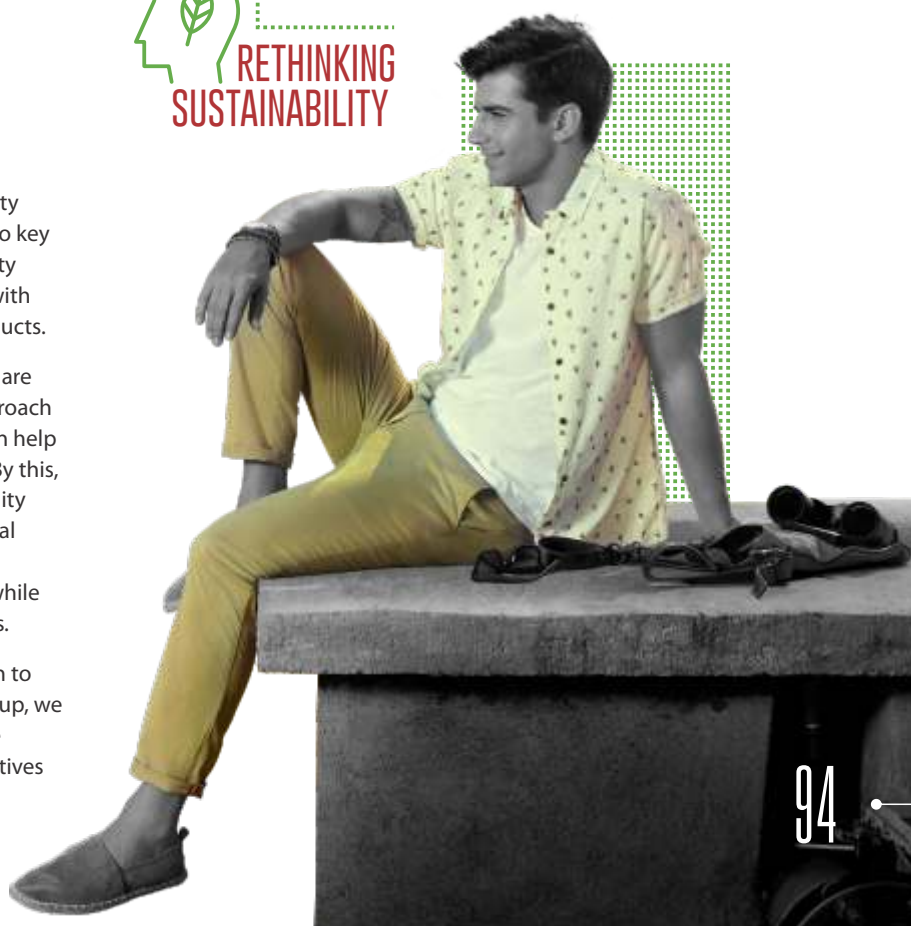
At ABFRL, we are committed to offering products that meet the ever changing needs of the consumer, while also ensuring to create sustainable value throughout the products' life cycles.

To achieve true sustainability, we design our products with all facets of its production meeting sustainable standards - be it ethical sourcing, energy efficiency, product safety, resource consumption and other sustainability parameters.

To this end, we are working on the ABFRL Sustainability Guidelines Version 2, which is aimed at reaching out to key external stakeholders. It will highlight the sustainability agenda at ABFRL and how a collaborative approach with stakeholders will help us create truly sustainable products.

As mentioned earlier in the report, going forward, we are preparing to transition towards a product centric approach in our sustainability journey. We feel this transition can help us in creating sustainable fashion, in its truest sense. By this, we mean the shift in focus will align all our sustainability missions to the product, which is essentially our central business focus as well. In doing so, we will be able to measure where we stand from a life cycle approach, while helping us identify key areas of focus for interventions.

We are strengthening the methodology and approach to Product Sustainability attribute computation. To sum up, we aim to steer our future sustainability strategy with the product as our prime focus and all sustainability initiatives will revolve around it.



Sustainable Raw Material

At ABFRL, we use varied raw materials including cotton, viscose, linen, wool, polyester and blends. We believe that sustainable raw materials play a vital role in ensuring product sustainability, and therefore, strive to source them from farms and manufacture at factories that ensure environmental and social responsibility.

Raw material sustainability has two components; environmental component such as organic cotton, recycled cotton, herbal dyes, green certifications, recycled PET fibres, etc., and social component such as fair trade, vendor certification, cluster development like Ikat and Ajarakh.

It will reduce the adverse impact of the product throughout the life cycle and also will improve resource efficiency and waste management.

Cotton is an integral part of our lives and the backbone of the textile sector. Being market leaders and largest consumer of cotton in the country, makes us most responsible to address the challenges associated with conventional cotton cultivation. Production of more sustainable cotton has mammoth potential to create a positive change for the ecosystem. It is important to shift to sourcing of more sustainable cotton to reduce the apparel sector's negative impacts.

To this effect, ABFRL has collaborated with Cotton 2040 and is working towards including, and thereon increasing, the sustainable cotton consumption in our products. Cotton 2040 is a future-based cross-industry initiative aimed at integrating and accelerating collaborative action on critical issues to mainstream sustainably grown cotton. Together, the partners of Cotton 2040 are working on building demand for sustainable cotton, improving smallholder resilience and making traceability of cotton easier and more comparable for retailers looking to source across the different sustainable cotton standards.

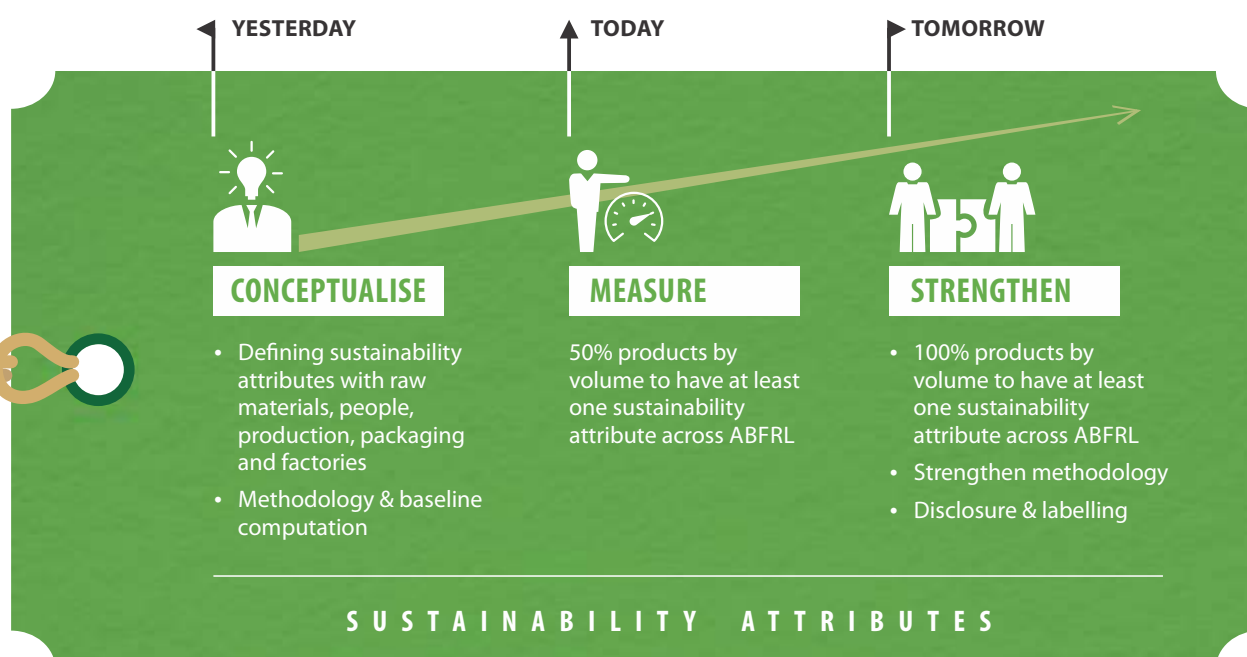


Sustainability Attributes

Apparel industry has a very complex and dynamic value chain, which involves several stakeholders across geographies throughout the product life cycle. It is imperative to have an approach that can address the complexity of the apparel industry value chain. Sustainability attributes is our approach to measure and monitor sustainability performance of our products so that we can deliver products that care for the environment, in line with our sustainability vision.

In 2017, we began with the intent to develop a measurement tool for product sustainability, arriving at a baseline.

In 2018, we continued to measure the five attributes while working on strengthening the accuracy and measurement system. In continuation, we seek to review our methodology and upgrade it based on global sustainability trends.



CASE STUDY

WORLD'S FIRST EARTH CHINOS - A UN ENVIRONMENT CASE STUDY

With the aim to reach global platforms to highlight our product that is sustainable in every aspect of its life cycle, while providing transparency and traceability across the value chain.

ACTION

A prestigious moment for us, the Earth Chinos developed by Peter England, was selected to be presented as a case study by UN Environment. To help elevate the presentation, effectively present our case study and illustrate our sustainability claim about the product, we volunteered to apply 'Guidelines' on product sustainability, developed by 'The One Planet Network'. The principles cover the following areas:

- RELIABILITY
- TRANSPARENCY
- RELEVANCE
- ACCESSIBILITY
- CLARITY
- BEHAVIOUR CHANGE & LONG-TERM IMPACT
- THREE DIMENSIONS OF SUSTAINABILITY
- COLLABORATION
- MULTI-CHANNEL & INNOVATIVE APPROACH
- COMPARABILITY



OUTCOME

The case study helped demonstrate Earth Chinos having better environmental performance. It also illustrated how, **by applying the set of 'Guidelines' on product sustainability, companies can make effective and reliable claims about the sustainability performance of specific products.**

CASE STUDY

OECD CONFERENCE ON DUE DILIGENCE IN THE GARMENT AND FOOTWEAR SECTOR

To highlight ABFRL sustainability initiatives at global knowledge sharing platforms and also explore possibilities of collaboration and key learnings from similar organisations in the sector.

ACTION

The OECD Due Diligence Guidance Garment Forum convenes over 400 representatives from government, business, workers and civil society to discuss key issues and risks related to due diligence in global garment and footwear supply chains in a neutral environment. The conference was held between 13 - 14 February 2019, at Paris.

ABFRL was part of two panel discussions - communicating responsibly with end users on the sustainability of garment and footwear products; and due diligence approach to responsible chemicals management. The Earth Chinos case study was presented to highlight the relevance of transparency and communication with end users, while the ABFRL chemical management journey highlighting Laundry Audit System, RSL, etc. was part of the responsible chemical management panel.



- TRANSPARENCY
- RELEVANCE
- ACCESSIBILITY
- CLARITY
- THREE DIMENSIONS OF SUSTAINABILITY
- BEHAVIOUR CHANGE & LONG-TERM IMPACT
- COLLABORATION
- CHEMICAL MANAGEMENT
- MULTI-CHANNEL & INNOVATIVE APPROACH
- DUE DILIGENCE
- SUSTAINABLE SUPPLY CHAIN

OUTCOME

Both the case studies brought out the essence of the panel discussions and was well received by the participants. **The other panelists also highlighted a number of global trends in this area, which was a good learning for ABFRL.**



CASE STUDY

LET'S BE PEOPLE, FIRST

The campaign rolled out by our brand PEOPLE, seeks to raise questions on the ongoing debate on gender inequality, and hopes to bring the Indian millennials forward to express themselves by going beyond societal stereotypes.

ACTION

By targeting the emerging and aspirational young Indian consumer, PEOPLE introduced its customers to a world of fashion where gender stereotypes can be challenged. Gone are the days when rigid gender norms and dressing rules dictated an individual's fashion choices.

A campaign was launched in November 2018, **encouraging target consumers to break free from the "why's" and counter that with the idea of "Why not?"**. This set the stage to question gender stereotypes and push its customers to think beyond established norms, and put forward the thought - **'Let's Be People First'**.

By encouraging millennials to express their identities and thoughts, PEOPLE created merchandise that were truly gender neutral and unisex in nature, leaving the consumers to style themselves to become who they really want to be.



OUTCOME

Post campaign research revealed consumers found the brand to be bold in its statements and revolutionary in its approach, while providing merchandise that is fashionable. **The brand hopes to continue empowering the youth through gender-neutral clothing and accessories, and contribute to social change by breaking free from gender stereotypes.**

CASE STUDY

HOME MADE COTTON

Through this labour intensive and energy sensitive technology, home-made cotton initiative provides rural employment and consumes 40% lesser electricity than regular mill made yarn.

ACTION

Peter England has launched a collection of shirts made with passion, purpose and cotton, locally handcrafted by our farmers. This is an ode to them, it's a way of life, a symbol of pride and responsibility. This project is taken up in association with Spinfoft Pvt. Ltd.

Mismatch between cotton farm yields and spinning capacities led to supply chain intermediation. Huge capital outlays hindered forward integration of cotton farms. Also, capital-intensive manufacturing technology and processes are adopted for producing commodity yarn. Spinfoft's low-volume production model enables direct integration with cotton farms removing middlemen and explore possible co-ownership as well. Labour-intensive manufacturing technology and processes are used to manufacture premium SUTRA™ Yarn. In addition, it is a textured yarn with a lot of character, used on medium-speed autolooms, can be set up in a distributed manner close to cotton fields and power consumption is 2.6 - 3 units/kg. **Reasons for low-energy consumption (2.6 - 3 units) in Spinfoft (for Sutra Yarn):** Natural texture of cotton is retained which requires the machines to run at slower speed, thus lowering the power consumption. Also, the replacement of machines with labour-intensive manufacturing process has also enabled significant reduction in energy consumption.



Adding onto this, the below listed activities have also contributed to the reduction.

- Cleaning of cotton
- Manpower used for unbaling, mixing of cotton
- Blow room is almost non-existent with only 1 beater opening the cotton
- No waste collection plant required
- Carding is gentle with only 4 flats instead of the 24-48 flats regularly used
- No humidification plant - Only water nozzles are used as there is no requirement to produce at maximum speed/efficiency
- Ring Frames are run at low speeds (50% of regular mills) to produce textured yarn

EXPECTED OUTCOMES



Creates 4X more jobs (when compared to regular mills) due to the hand-crafted nature of our yarn/fabric



The low-volume production facility is suited to buying cotton directly from farmers, thereby increasing their net income levels by 20-25%



40% lesser electricity consumed for pre-spinning of this yarn

The Sutra Yarn, not only being environmentally and socially better in comparison with conventionally made cotton, also provides improved quality of cotton. ABFRL initially adopted this yarn for denims and shirts; going forward more product categories will be included.

CASE STUDY

SUSTAINABLE FABRICS

At ABFRL, we are conscious of the impacts our products have across the value chain – be it the way it is sourced, produced, transported, used and disposed, constant efforts are made to increase the portfolio of garments made from sustainable fabrics.

ACTION

ABFRL, in collaboration with vendor partners, is creating products using natural fibres, thereby rendering greater benefits to the environment, without compromising on fashion and consumer product experience.



Liva Natural Fibres

- Fibres are made from wood sourced only from FSC certified forests
- Has the least environmental footprint:
 - Saves 900 litres of water compared to other natural fabrics
 - Biodegrades completely within 6 weeks
 - Lowest GHG emissions when compared to other natural fabrics
- Supply chain sustainability and traceability, at all levels of manufacturing, through blockchain, owing to a unique molecular tracer

Dope Dyed Fibres

- Made using innovative colour lock technology that uses pigments instead of dyes
- Apart from enhanced colour fastness property which ensures that the product does not fade even after multiple washes, these OEKO-TEX certified fabrics result in:

40%	20%	55%
Lower effluent discharge	Lower GHG emissions	Lower power consumption
40%	55%	
Lower water consumption	Lower steam consumption	

OUTCOME

The scale of LIVA-based products has increased over 600% from FY 2018.

PACKAGING

Since the year 2013, we have actively been measuring our packaging consumption, simultaneously developing and evolving our methodology. We also work toward continuously including more product categories to take into consideration for packaging responsibly. Over the last year, we successfully included 100% of our product categories, including accessories, under our scope for measuring pollutant and non-pollutant components in packaging. By standardising our approach and methodology towards packaging, we were able to gradually increase our coverage across our range of products.

We at ABFRL aim to use 100% sustainable packaging material by eliminating any type of pollutant.

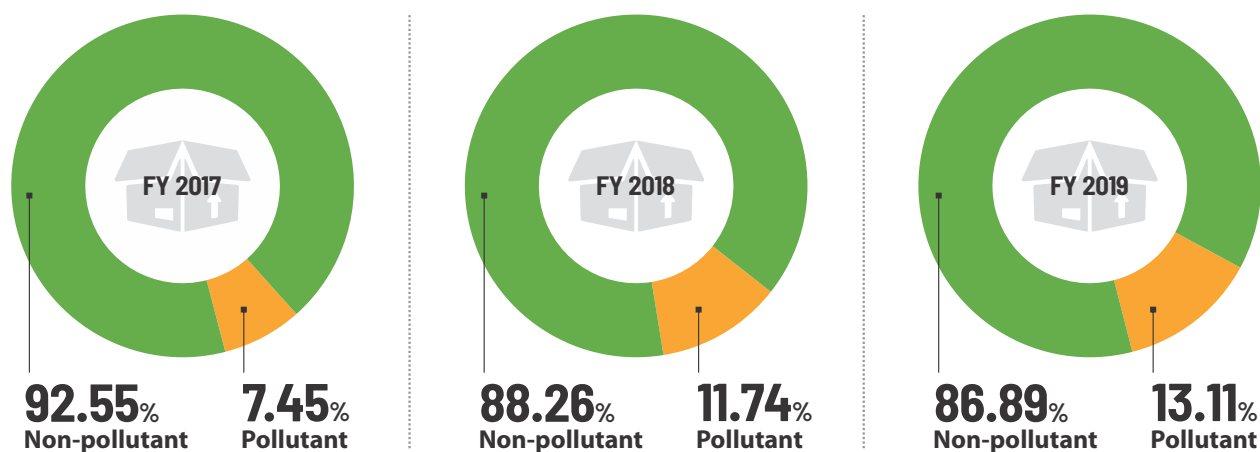
We have been exploring innovative means of packaging that eliminate or significantly reduce the requirements of packaging components used.

We started our sustainable packaging mission by benchmarking ABFRL against nine brands, followed by a detailed assessment of our packaging process. We classified our packaging material into pollutant and non-pollutant and started measuring the quantity of each type of packaging material separately, followed by the computation of their environmental impact and comparison of the same with other brands.

We enhanced the scope of our packaging mission to include lifestyle brands, new businesses and Pantaloons. We have digitised the complete process of packaging material computation, through which we measure and monitor monthly packaging material consumption, to increase focus on packaging sustainability.

Furthermore, we have included an annual verification of packaging weights to ensure any changes in design, optimisation or elimination gets captured in our computation. To continue this endeavour, we will automate the packaging computation process through our digital platform, thereby increasing accuracy, efficiency as well as real time data.

ABFRL Packaging Trend



Note: This year, we have extended the scope of packaging material computation across multiple product categories, lifestyle brands, new businesses and Pantaloons. Therefore, the number of products being analysed have increased, which has manifested in the decrease in percentage of non-pollutant packaging.

We continue to measure our pollutant and non-pollutant packaging consumption across 100% products on a monthly basis. Over the years, we have attempted and succeeded in achieving packaging optimisation and standardisation. Through benchmarking activities, we have also concluded that our brands consume lower tonnage of packaging across all product categories. Therefore, going forward, we will be exploring innovative packaging solutions using elimination and substitution with more sustainable material.



CASE STUDY

SUPPLY CHAIN IMPROVEMENTS

By addressing the twin challenge of plastic polybags and corrugated carton consumption during secondary packaging in the apparel value chain, we aim to propel improvements in our supply chain.

ACTION

ABFRL, with an objective to become a leading sustainable organisation, has endeavoured to ensure that all stakeholders in its supply chain are aligned to their goals and possess a deeper understanding of their combined impact on the ecosystem. One aspect of supply chain sustainability is to reduce packaging material consumption during transportation. With this in mind, we implemented two new policies with our supply chain that focussed on curbing purchase of polybags and new cartons.

OUTCOMES

- 1 **No master pre-pack polybags from January 2019, as a result 20 tonnes of plastic reduction in supply chain**
- 2 **Implemented Zero New Carton purchase policy, as a result of which new carton purchase from warehouses has decreased by 4 times since FY 2017 and is being replaced by second-hand cartons**

Product Intensity

Across the apparel industry, sustainability is gaining greater importance and recognises the urgency required in embracing a sustainable approach to manufacturing and business. The scope of sustainability has moved beyond just reducing one's environmental footprint or using natural raw material. It now encompasses technical innovation, resource and energy efficiency and the concept of circular economy. Leading players in the industry are fast moving towards closing the loop, and adopting the concept of recycling and reusing.

Life Cycle Analysis or LCA, considers the entire product life cycle - from extraction of raw material to disposal of the product at the end of its life, for impact assessment. This holistic approach includes the entire value chain of the product, measures the impact of the product across various categories and helps in drawing comparison among various alternatives of the value chain, such as raw material, technologies, processes and products.

The LCA helps develop a basic framework which facilitates decision making over various life stages of the product, such as cotton cultivation, fibre making, yarn making and textile manufacturing, by identifying various hotspots in the value chain.



This year, as a pilot, we used a secondary research approach to arrive at the product intensity for select products, across three impact categories - emission, energy consumption and water consumption.

The aim was to highlight hotspots across the product's life cycle and identify various opportunities for improvement across the environmental performance of the product, while identifying sustainable alternatives.

Going forward, we envisage to assess and analyse the product intensity across our product categories, thereby contributing in delivering sustainable fashion.

SUPPLY CHAIN

Higg Index

Every product used by the customer has an impact on the environment - low or high. To measure the environmental and social impacts of the product, we use the Higg Index, enabling us to develop the product such that we are able to reduce the discovered impact.

We are the Key member of the Sustainable Apparel Coalition (SAC). The Higg Index assessments for Brand and Facility Modules are a key part of our sustainability initiatives for the sixth year now.

This year, we pilot tested the Brand Retail Module, an updated version of the Brand Module, to include the retail component and a combined environment and social module.

By carrying out self-assessment for this module, we were able to gather our inferences and share our thoughts and inputs to SAC, for inclusion in the final version.

Through initiatives that were laid out by ABFRL in the previous financial year, FY 2017-18, we achieved an outstanding Higg score of 74 through a third party verification conducted at two of our factories (Crafted Clothing and Fashion Craft).

The criteria specified, that helped us achieve a good score were energy, water, waste and Environmental Management System.

Our in-house factories have significantly improved their scores year on year, owing to diligently working on several initiatives through the year, which included

- Rainwater Harvesting (RWH) • Water Efficient Fixtures (aerators and reducers) • STP treated water used for back flushing in toilets and urinals • STP upgradation (improving STP efficiency) • Solar rooftop implementation • LED lights installation across our manufacturing units • VFD installed for high HP motors
- Food Digesters installed in factories for converting food waste to manure, which is utilised for our own factory landscaping and horticulture • Introduced plastic crates for finished goods (trousers) transportation to warehouse • Reduction in CAD and cutting papers, by reducing GSM

Quality Management

We are recognised in the fashion industry for our best quality products and our product quality is a major reason for customer loyalty. ABFRL perceives quality as a point of differentiation and a source of competitive advantage. We have a robust and well managed quality management system in place.

The system has been designed keeping in mind the organisation's vision and commitment to customers and the overall strategy. The quality management system is aligned with the quality policy of the Aditya Birla Group, and our overall vision and strategy.

Quality Policy

Our quality system has multiple levels built inside to assure product and process quality - with appraisal systems, quality checks and maintenance mechanisms. Our quality plan enables us to consistently maintain quality according to predefined standards and take the same to our customers.

Quality Appraisal System

Our robust quality appraisal system enables product and process consistency through checks at multiple levels. This system is designed through the lens of customer centricity to ensure that the customer receives the highest quality product. Appraisals and inspections are carried out to test raw material, process quality, supplier performance and finished goods. We also compute a Quality Index Number (QIN) for our products. The results of the appraisals are given to the relevant teams for immediate action.

Ensuring Supplier Quality

Since quality is an aspect that cascades through the supply chain, we place great importance on the quality performance of our vendors. To assess the quality of our vendors' products, the Vendor Quality Performance Index is regularly used, and shared with the vendors. This score allows us to have informed interactions with our vendors, by means of assessing their facilities and sharing leading practices for improvement.

Customer complaints are channeled through a detailed mechanism that covers all relevant functions of ABFRL, particularly manufacturing, sourcing, and quality. We also share the same customer complaints with our vendors on a monthly basis. We track the complaints product category-wise and carry out detailed analysis in case of repeated complaints. This involves an in-depth analysis of the complaints itself, benchmarking and eventually coming up with an action plan.

CASE STUDY

QA APP - STAYING AHEAD OF THE TECH CURVE IN DATA MANAGEMENT

To simplify Audit Management, Data Management and Informatics related to Product and Process Quality.



ACTION

We introduced an Android app, to be used by Quality Professionals of ABFRL and its Certified Quality Auditors at supplier locations. Enhancing the app, is web access through its online portal so that vendors can access, schedule audits and review the performance dashboard at any time. The benefits of the app include being able to work online, as well as offline, with data being saved in the Central Repository Server which is located at the Bengaluru head office. By adopting the QA app, we are also actively making a move towards going paperless, and being more sustainable.

The app can also highlight any data mismatch between internal stakeholders. By reducing the scope for errors, the app has resulted in scepticism-free reports, making it a smart way of working.

Auto generated reports and transparency helps the internal, as well as external stakeholders avoid last minute surprises such as inspection not offered/failed/released/dilemma in audit results, etc. The app can also be easily accessed by all personnel, from manufacturing to warehouse, while vendor registration in the QA portal allows only approved vendors or factories.

To Data Management, QA App - in the form of digital documents provides:

- Ease in searching and sorting while providing access from anywhere
- Easy to back-up
- Free of clutter and confusion
- Information security and protection against theft, flood, fire, etc.

The QA App has inbuilt Data Analytics, in the form of a Dashboard. All information is provided upfront and is easy to navigate for the management, vendor, factory and individuals, to look into the performance and rating for a defined period.

OUTCOME

Across the supply chain, we have received positive feedback. Many of our vendor partners and senior officials have also appreciated the app in saving time and going paperless.

A quick survey surfaced the following key words from factory and internal stakeholders on the QA app - quick, easily accessible, adaptable, user-friendly, transparency, data uniformity and better planning.

The QA app used by Madura team is very quick, gives decision on the spot and helps to give a clear direction down the line in my factory.

SK Ravindran, COO-Oxford Shirts Ltd., BD

App is paperless and makes life easier. The app is fast and we get reports immediately unlike other customers where the report is delayed by one or two days.

Moynul Hassan Khan, AGM Merchandising-Elite Shirts Ltd., BD

We have seen many 3rd party inspection teams like AI, ITS, BV TUV, etc. using app for doing inspections, but Madura's app is highly automated in comparison.

Ranjan Pradeep Kumar, Sr. Manager, QA - Asmara Group, BD

In one glance, we can see the performance of Asmara, all the factories we work with. The portal is very helpful as we can download reports any time and we don't have to depend on mails/paperwork.

Malcolm Fernandez, Sr. Manager Merchandising-Asmara Group, BD

It brings forth transparency at all levels of quality. The interface has enabled performance review at factory level. The paperless mechanism is more sustainable.

Saurabh Kapoor, Managing Director-Kapoor Enterprises, India

Pre-booking appointments for inspection is done online which saves time for calling and follow-ups. Auto mailers for reports, helps everyone concerned about the inspection result.

Hitesh Bhandari, Managing Director-Mamta Fabrics, India

QA app has taken MFL Quality System ahead of its competition. QA app is a reliable and helpful tool to monitor quality performance of the factory. I use it often to look into my factory dashboard.

Narendra Surana, Managing Director-Fourenn Apparels, India

The reports are to the point, clear and complete with relevant pictures to make the reporting very effective and real time. Helps in timely CAPA, reduces last minute surprises and ensures smooth delivery.

Hiardik, Managing Director-Prachi Exports, India

Instead of manual books, we can maintain all records in one portal (inline, pre-final & final). It provides a clumsy and confusion free environment.

Pramod Kakrania, GM Manufacturing-Konark Synthetics, India

VENDOR DEVELOPMENT AND MANAGEMENT

We are very cognizant of the sustainability impacts of our supply chain. The supply chain of the apparel sector is of a complex nature, in terms of length, scale and size of players. Even though we place utmost importance on regular audits, our approach towards our vendors is a collaborative one, that involves regular engagement.

No product can be said to be responsible without responsible sourcing. Our fabrics are of the highest quality from reputed manufacturers and conversion is sourced from local enterprises. We have a number of supplier sustainability initiatives that range from audits to knowledge transfer, that enable responsible sourcing. These initiatives are detailed in the subsequent sections.

As part of sustainable sourcing initiatives and supplier connect, we have Partner Innovation Summits, Quality and Joint Improvement Projects, Higg Index, Samanvay, Green Channel Partnership, etc.

Please refer to the Stakeholder Engagement chapter for details.



INITIATIVES

ABFRL Vendor Code of Conduct

ABFRL has developed a comprehensive and structured Code of Conduct, aligned with globally established sustainability, legal and statutory requirements, law of the land and requisite compliances of the sector.

Through our ABFRL Code of Conduct, we are able to ensure that our supply chain performs high on ethical sourcing and mitigates any supply chain risks related to compliance, health and safety, environment and social aspects.

In FY 2018-19, 200+ Tier 1 suppliers have been audited for their compliance to the Code of Conduct.

ABFRL is working on moving to a digital platform of sustainability performance and entire audit data management, with access provided to key stakeholders. Similarly, the VCoC audit and management will also be carried out through this platform.



Launch 2015	Assessed 200+	Tier 1	Code of Conduct Compliance
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Joint Improvement Programme

The Joint Improvement Programme (JIP) is a collaborative approach to improve the quality and productivity of our suppliers. **This programme is managed in association with Product Development, Quality Assurance and Technical Teams. 5S, Six Sigma, Kaizen and other productivity improvement tools are employed, to improve quality and productivity at suppliers' end.**

We encourage and reward our vendors, believing in the idea of mutual growth through our Quality Improvement Programme. Through the projects under this programme, we have boosted the volume of production with some vendors and some of our vendors have gone to win awards such as the QCFI-Gold Awards

CHEMICAL MANAGEMENT

The apparel and textile industry uses a variety of chemicals throughout its value chain, making it an important material issue to be addressed. Hence, chemical management is emerging as one of the key focus areas.

Our commitment at ABFRL to providing sustainable fashion choices to our customers mean we need to mitigate the impacts of chemicals we use, across the value chain.





At ABFRL, our chemical management journey began in FY 2015-16, through the initiative of Laundry Audits, with the objective to identify the gaps and evaluate basic hygiene in chemical management. This resulted in the realisation that there was an urgent need for a holistic chemical management system. **In collaboration with an industry expert, ABFRL has developed a chemical management manual which includes policy, RSL and waste water discharge guidelines to measure, manage and control chemical consumption and ensure a safe working environment.**

CUSTOMER CENTRICITY

More than a business imperative, customer centricity is a means to become the preferred choice for customers and achieve competitive advantage in the fashion industry. Consumers of fashion industry not only demand a fresh collection, but also have become socially and environmentally conscious. They expect brands to take a conscious call while taking crucial decisions of garment manufacturing, such as use of environmentally and ethically unobjectionable raw material, mindful use of resources, reduced negative impacts of business operations and fair treatment of employees at own and vendor facilities.

We have built strong and lasting brands with internal capabilities in product differentiation, positioning and communicating value. Our advertising is socially responsible and unambiguous - without the use of bias, political or otherwise. **We use tools such as the Brand Equity Index (BEI) and Customer Value Proposition (CVP) to collect data and inform our branding decision making.** We communicate information on raw materials to our customers through product labels, along with wash and care instructions to maximise product life.



- We recognise our position as an influencer of public choice and values, and therefore ensure 'responsible advertising', by eliminating bias, being politically neutral and minimising ambiguity
- We have created strong competencies around brand building, product positioning and communicating the brand USP to the potential customer segments
- Beyond the label requirements mandated by local laws, all apparel product labels also include information on raw materials used. Further, instructions for wash and care are included to maintain longevity and durability of the products

Quality Care Cell

The quality care cell has been created with an objective to specifically understand and address the post-purchase consumer experiences in product quality. It conducts a deep-rooted analysis of each complaint and takes it forward to manufacturers and stakeholders for improvement. Learnings from this centre are taken as inputs for future product and vendor developments.

QC CELL PLAYS MAJOR ROLE IN TWO AREAS



Quick resolution of customer complaints



Drive product quality improvements through analysis and collaboration

For quicker resolution of their complaints, the cell has migrated to issue the refund gift voucher for justified complaints directly on to the customer's mobile. This saves time, eliminates printing and couriering of physical gift vouchers.

Defining quality from customer's perspective

ABFRL has developed their own methodology that exclusively analyse and manage quality from the customer's point of view. Product Rating as Customer (PRAC) is a method to rate quality from customer's perspective and manufacturing perspective. The PRAC is a numerical value that we track to manage product quality and improvement.

Customer feedback and action

At ABFRL, we lay strong emphasis on customer satisfaction and feedback. Therefore, it is our constant endeavour to engage with customers through several platforms. One of the customer feedback received was on colour fading in cotton trousers after few washes. Therefore, ABFRL collaborated with dye manufacturer Huntsman and developed a new product with usage of High IQ dyes. This dye enabled trousers to sustain up to 20 home laundries. In addition, ABFRL partnered with textile mills to implement the High IQ and certification programme with the help of Huntsman. ABFRL has also started interim quality validation at our own lab, as per consumer requirement.



RESHAPE THE CONVERSATIONS



7.9 MILLION

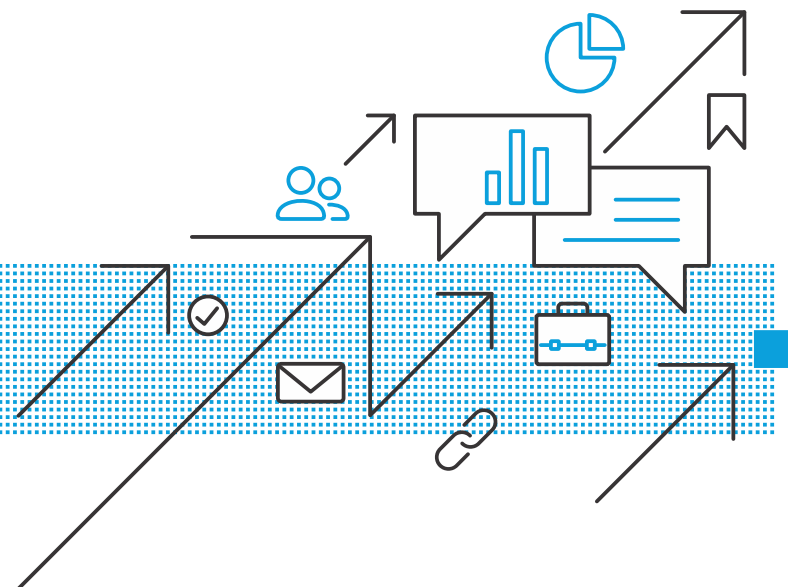
feedbacks completed since inception of Mission Happiness





ReCognising TRENDS

The purpose of stakeholder engagement is to identify underserved needs and zero in on emerging trends early enough to capitalise on them. Classic stakeholder engagement delivers on the former but falters on the latter. When it shows up across the spectrum, a trend has already taken root and is no more emerging. Thus, there is little to gain in terms of first mover advantage. We, therefore, engage with experts, who due to their deep domain knowledge, are able to connect diverse phenomenon and spot early signals of emerging trends.



STAKEHOLDER Engagement



MISSION HAPPINESS

79 million feedbacks
completed since its inception

GREEN CHANNEL

India's 1st retail company to launch
collaborative programme for supply chain

STORE FEEDBACK MECHANISM

1,116 stores collected in-store
feedback in FY 2019

HOLISTIC DEVELOPMENT

The Global fashion industry is witnessing a complete transformation, both internally and externally. The dynamism of the environment is the result of megatrends which impact the crucial ingredients of fashion industry - supply chain, employees' perception, consumer expectations and vendor performance. Businesses must be agile and efficient to keep up with the challenges and opportunities offered by the paradigm shift.



ABFRL continuously monitors the pulse of the market to identify and adapt to the new environment and stay ahead of its competitors.

We believe that the only way to internalise the changes and develop our business strategy is by carrying out continuous dialogue with those who are shaping the market directly through their choices, those who impact the market indirectly through their inventions, policy-makers, and expert trend-spotters.

Management Approach

We interact with a diverse range of stakeholders who influence our business. We have a structured and strategic approach in place to engage and communicate with our material stakeholders. We have done an exhaustive mapping of our internal and external stakeholders and their expectations from the business, so that we can spot early trends, get introduced to emerging technologies, be aware of the upcoming policies and most important of all, ferret out unmet needs.









We also interact with industry specialists and domain experts in emerging areas of fashion which aid in identifying any gaps and prepare us for the future. These insights, from engagement with stakeholders and experts, are then sieved through the materiality filter to create long term value for all our stakeholders.

We are witnessing a global change in consumer perceptions and expectations; they are demanding products which fulfil their choices and needs, and perform better on several fronts. We understand their motivations and aspirations; we try to gauge the pulse of trends that have the potential to turn into massive waves. By tapping into insights from domain experts, we make informed choices on styles, materials, colours and marketing communications to retain and enhance consumer preferences.

Engagement mechanism

Stakeholder engagement is a key component of the functioning of any business. We engage with our stakeholders in a dialogue to understand what issues matter most to them about their performance to improve decision-making and accountability. We reach out to our stakeholders to decide, define and develop strategies for the long term, mid-term and short-term, depending upon the requirements and expectation of our stakeholders. We leverage the outcomes of these engagements to develop our future roadmap.

We take inspiration and learning from our group level guiding principles and policies to draft an effective and efficient strategy for stakeholder communication. We also participate in various forum discussions which provide us opportunities to benchmark our sustainability performance with our domestic and global peers. Some of our key modes of engagement and their frequency are shown here.

Stakeholder Group	Mode of Engagement	Frequency of Engagement
 Suppliers	Periodic vendor communications Supplier Meets/Summits	Continual
 Investors	Annual Report, Annual General Meeting, company website, analyst calls, investor meets and road shows, press releases, communication from stock exchanges, SEBI Bank's Registrar and transfer agents	Continual
 Government and Regulatory Bodies	Mandatory filings with regulators (including SEBI)	Quarterly/Half Yearly/Annual
 Media	Press releases, media interaction by senior management, PR agency partnerships	Continual
 Employees	On-ground employee engagement platforms like Retail Sports Meet, Retail Premier League and Retail Got Talent, and other such structured platforms for top-down, bottom-up and horizontal communication	Continual
 Customers	Interactions at stores, social media interaction, online and mobile initiatives, customer satisfaction surveys, customer feedback mechanism (Mission Happiness)	Continual
 Society	Community need assessment surveys, disaster management workshops, community visits, satisfaction surveys, meetings with community heads	Continual
 Market Development / Channel Partners	Periodic meetings and communications, market survey, customer need identification	Continual

We also assess and analyse sentiments, trends and expectations of market and stakeholders and deep dive to gain insights on how we can meet our stakeholders' expectations effectively.

INITIATIVES

Suppliers

Our suppliers are significant to our organisational processes and business operations. They contribute towards our economic, social and environmental sustainability and are our growth partners. We interact with a broad range of suppliers based on domain, sector, geographies and supplied material type. We believe in fostering an environment where our vendors can improve and grow with us. We support our vendors in optimising their performance, reducing costs, mitigating risks and aligning with global standards.

Some of the initiatives that bolster our relationship with our suppliers are as follows:

Partner Innovation Summit	Vendor Workshop Series
Quality/Joint Implementation Programme	Aadhar - Digital Foundation from Design to Delivery
Green Channel Partnership	The HIGG Index (Facility)
Samanvay - Vendor Partnership Summit	Vendor Code of Conduct

We continue to work closely with our suppliers to create awareness, enhance capacities on sustainability and educate on how to maintain it in the long term. Some of the supplier related initiatives that we take, include:

Partner Innovation Summits

We organise Partner Innovation Summits with the objective of providing suppliers a platform to interact with key decision makers of all brands, develop new collections and ideas, and help brands adopt new concepts every season. Partners across the value chain, including trim, fabric and accessories suppliers, participate and showcase their innovations, products, designs and more. This is a leading practice on how to provide partners the perfect platform to showcase their innovations.

Quality/Joint Implementation Programme

The Joint Implementation Programme (JIP) is a collaborative approach to improve the quality and productivity of our suppliers. This year too, we continued this programme managed by the Vendor Development Cell in association with Product Development, Quality Assurance and Technical Teams. 5S, Six Sigma, Kaizen, and other productivity improvement tools were employed, to improve quality and productivity at suppliers' end.

Green Channel Partnerships

The Green Channel Partnership is an initiative, where we work with key fabric suppliers to reduce lead time and cost as well as improve efficiency, consistency and quality. This helps us to procure responsibly and through a sustainable supply chain. We are the first retail company in India to initiate a Green Channel Partnership Programme for our textile and garment partners to improve productivity and quality.



INITIATIVES

■ Samanvay - Vendor Partnership Summit



Pantaloons Vendor Partnership Summit was ideated to reinforce the mutual connect between Pantaloons' leadership and vendor partners, and to share key business updates. Started in 2013 and conducted annually in Mumbai, the event is primarily divided into two sessions.



First is the strategic vendor partners' discussion with Pantaloons' senior leadership, including the Chief Executive Officer (CEO), Chief Merchandising Officer (CMO), Sourcing Head, World Leads and Product Leads. The key vendors are identified based on their existing business relationship, potential and intent to grow while taking the business relationship to the next level.

In the second session, Pantaloons' leadership interacts with all the vendor partners. The points of discussion include leadership thoughts on current business state and the way forward for growth across sourcing, SCM and finance related aspects.



A survey is conducted well in advance covering all the active vendors. The objective of the survey is to provide an exclusive touch point for the vendors, by directly connecting them to the senior leadership, through their views and feedback. The result of vendor survey is shared and discussed with all the vendors along with questions received as part of the survey.

This is followed by a Q & A session to address questions and points put forward by vendors during the summit session. The summit finale recognises and rewards partners for their excellent performance and contribution across delivery, quality and SCM. Thus, Samanvay is a comprehensive engagement platform that builds smooth coordination, effectively leading to synergy.

■ Vendor Workshop Series

Launched in 2013, Pantaloons has been conducting vendor workshops annually across seven of its sourcing zones in India, as part of an ongoing process to strengthen vendor partners' relationship. The workshops aim to increase awareness and assist them in adopting best practices in supply chain management.

The workshops focus on newer and better sourcing processes, updates on key performance indices, expectations of vendors, process enhancements, vendor on-boarding, product development, order finalisation/ execution, support services functioning, supply chain and finance. The workshops are followed by a Q&A session to address questions and concerns from vendors.

■ **Aadhar - Digital Foundation from Design to Delivery**

Pantaloons has an online portal, designed and developed in-house, called 'Aadhar' - a structured order and data management platform, which seamlessly integrates all the key sourcing milestones. Through continuous tracking of the sourcing supply chain critical paths, stakeholders are able to analyse and identify the bottlenecks and initiate effective remedies. The portal provides data to facilitate comparison and correlation for culling out definitive trends and performance measurement. The portal has been deployed across all key functions, such as fabric sourcing, garment sourcing, technical & product-testing and quality operations teams.

■ **Higg Index (Facility)**

We extended the Higg Index Facility Module assessments to outsourced suppliers (garment and textile). Last year, we conducted site visits and documentation assessment for these suppliers, and this year, we carried out follow-up and self-assessment processes for them. The suppliers appreciated the effort and implemented the recommendations provided for improving sustainability performance at their respective facilities. Going ahead, we plan to increase the number of suppliers to be assessed using the Higg Index.

■ **Vendor Code of Conduct (VCoC)**

The ABFRL Vendor Code of Conduct, which is based on IFC Performance Standards, International Labour Organisation (ILO) and SA 8000 Standards, and applicable national rules and regulations, continue to be our vendor sustainability evaluation tool. While the VCoC is an audit, we not only do the evaluation process, but also provide support to the vendors by identifying improvement areas and implementation support. So, it becomes a collaborative approach in which we bring aboard suppliers, on our sustainability journey.



Customers

We continuously interact with all our customers who belong to different age groups, lifestyles, gender, culture and geographies and map their expectations and needs accordingly. We believe in 'customer is the king' and ensure that the best product reaches the end consumer. Hence, we take customer ideas and feedback very seriously, which have been garnered using various media to understand their mind set and improve their experience. Some of the initiatives include:

Mission Happiness

Customer Voice Response System

Ensuring Customer Delight Through Quality Management

Customer Feedback

Customer Communication

INITIATIVES

We believe that customer-centricity is key to long-term business sustainability. Constantly innovating designs, concepts and products by infusing consumer feedback and the latest trends in fashion and clothing styles, we have a repertoire of lifestyle brands that cater to every consumer's needs across multiple occasions. Our customer-centricity approach encompasses a gamut of propositions:

■ Mission Happiness

Launched in 2014, with the objective of ensuring positive and consistent customer experience and enforcing common SOPs for complaint resolution, Mission Happiness continues to be a huge success. Through the in-house 'Epic Centre', we listen to consumer views and feedback in the digital space and positively leverage social media to manage brand image.

Through an electronic interface, our customers can provide detailed feedback and rate their in-store experience. This feedback is meticulously monitored, and training is imparted to the employees to decode and respond to it. These inputs help us develop a better understanding of consumer demands and enhance our ability to dynamically cater to the growing, as well as changing demand landscape. This initiative is supported by CRM initiatives such as Loyalty Cards and complaint resolution mechanism.



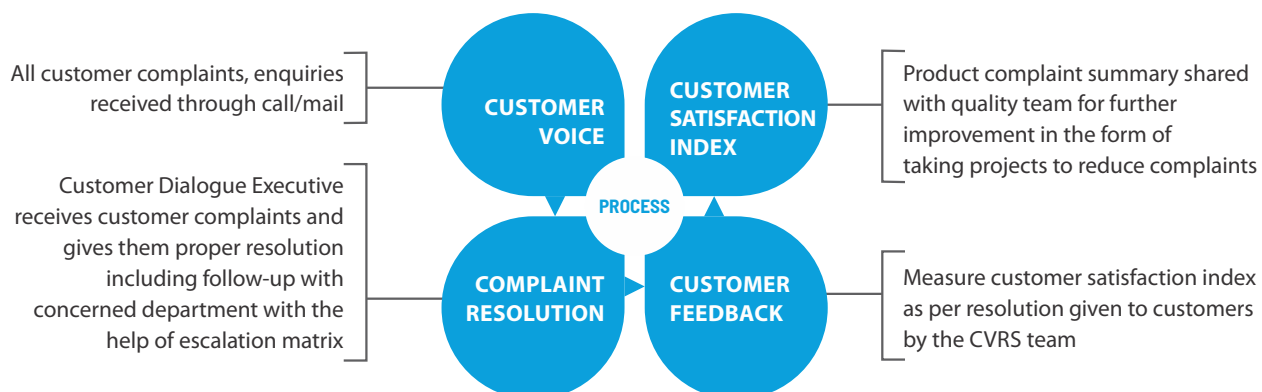
■ Customer Voice Response System (CVRS)

Our customers deserve the best - not only the best apparels and accessories, but also the best service and experience. In line with this philosophy, we seek their feedback on a consistent basis.

CVRS is a platform which handles customer complaints and ascertains process transparency through the deployment of an online Complaint Management System. This encourages customers to share their experiences, feedback and complaints along with helping us identify opportunities of interventions in order to enhance customer satisfaction.



Objective



■ Ensuring Customer Delight Through Quality Management

Exceeding customers' expectations by offering a product of superior quality and value in a contemporary setting, is key to our success. To measure and enhance this experience, we use the Customer Quality Management (CQM) process, which acts as the 'voice of the customer' for us.

The process is undertaken across our stores and captures consumer feedback on product quality.
The dashboard comprises metrics like DPMPs (Defects per million pieces sold) and % Proportion Defect Trend. These metrics are applied at all product levels (apparel and non-apparel) and across various lines - Men, Ethnic, Women and Kids. The findings are used to decide on corrective actions, which are then routed back to our products.

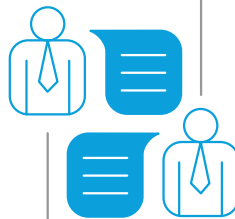
We take additional care to ensure that our store's team is well-trained in effective handling of customer feedback and returns.

INITIATIVES

Customer Feedback

For generating consumer feedback, we also use multiple data collection and research methodologies like Top Down Brand Equity Index (BEI) and Customer Value Proposition (CVP).

Feedback helps enhance the brand image by building on the positive perception of our customer-centric image, as well as helping us to build better products by incorporating the suggestions.



Customer Communication

We recognise our position as an influencer of public choice and values, and therefore ensure 'responsible advertising', by eliminating bias, being politically neutral and minimising ambiguity. We have created strong competencies around brand building, product positioning and communicating the brand USP to potential customer segments.

Beyond the label requirements mandated by local laws, all apparel product labels also include information on raw materials utilised. Further, instructions for wash and care are included to maintain durability of the products.

There have been no complaints and none pending against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years, as of March 31, 2019. Also, there are no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship in the reporting period.



Employees

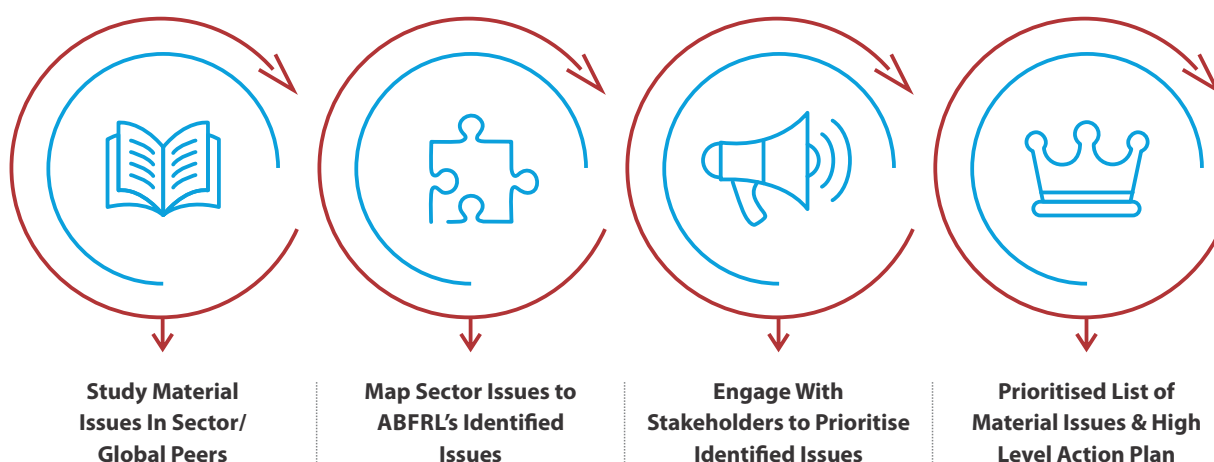
Employee performance is critical to the overall success of the company. Employees who are content and happy with the overall functioning of their organisation meet deadlines, make sales and build the brand via positive customer interactions. Therefore, ABFRL believes in cultivating a positive work environment by rewarding high-performance employees with incentives and providing constructive criticism to all employees.

For information on engagement initiatives, please refer to the People Performances section of our report.



Materiality

At ABFRL, we use materiality assessment to prioritise sustainability issues across our business operations. Issues are set to be material at ABFRL, when it meets two conditions i.e., impact on business and importance to stakeholder. Materiality assessment helps us in identifying and addressing core issues and enables the organisation to be future ready.



A matter (including, but not limited to, an event, issue, amount or statement by the organisation) is material if it is of such importance and impact that could substantively influence the assessments and decisions of investors, with regard to the organisation's performance and its ability to create and sustain value over the short-, medium- and long-term. The organisation's ability to create and sustain value is based on various issues and influenced by its relationships with, and assessment and decisions by, its stakeholders. Material issues are subjective per sector, company and country.

We have initiated our materiality assessment by identifying potential material topics i.e., universe of material topics through mega trends, global peer group materiality, ABFRL's previous engagement with Forum for Future and ABFRL's business excellence activities. Post identification, the universe of material topics, business objective and risks are listed on the basis of business strategy and risk management framework.

ABFRL Business strategy, Forum for Future, Sustainability Journey	List of Consolidated Material Issues Inputs from mega trends, global peers	
<ol style="list-style-type: none"> 1. Regulatory Compliance 2. Customer Centric 3. Innovation & Disruptive Technologies 4. Responsible & Sustainable Supply Chain 5. Product Stewardship 6. Packaging 7. Quality 8. Increase focus in Value Fashion segment 9. Data analytics/management 10. Industry Collaborations 11. Employee Development 	<ol style="list-style-type: none"> 1. Compliance 2. Customer Centricity 3. Digital Experience 4. Innovation & Disruptive Technologies 5. Responsible Procurement 6. Green Logistics 7. Energy Management 8. Circular Economy 9. Water Management 10. Safety Management (People) 11. List Cycle Approach 	<ol style="list-style-type: none"> 12. Sustainable Products 13. Sustainability Labelling 14. Quality Management 15. Data Management 16. Industry Collaborations 17. Human Rights & Labour Standards 18. Anti Corruption 19. Community Development 20. Compliance 21. Disclosure & Communication 22. Advocacy

Stakeholder interaction exercise has been conducted across own operations covering senior management and mid management to identify and understand their concerns among the identified universe of material topics.

Our assessment of materiality is broken into 3 components:

- IDENTIFY RELEVANT ISSUES**
- APPLY MATERIALITY PRINCIPLES**
- PRIORITISE**

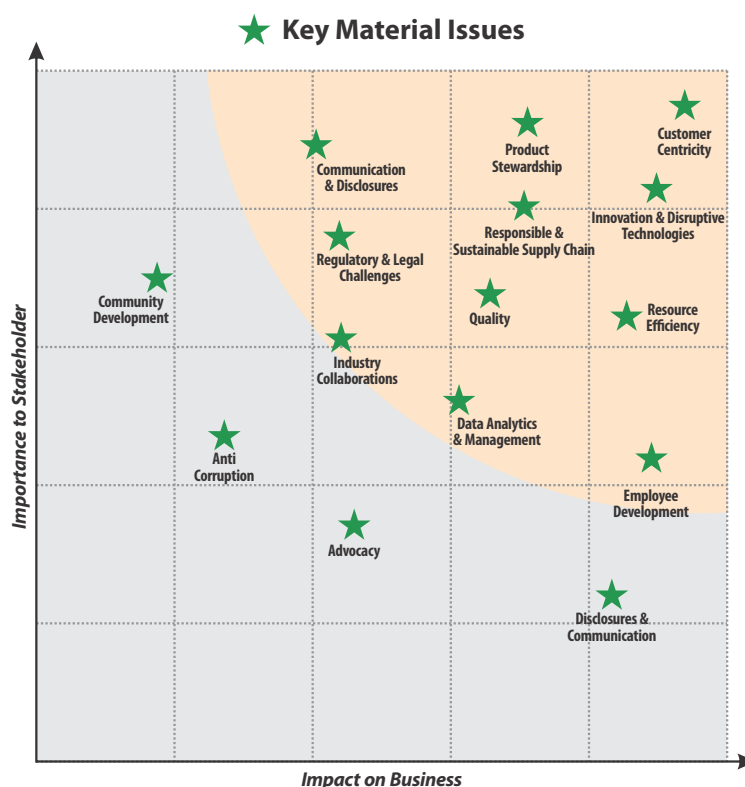
Component (2) was further broken down into multiple key activities: two related to impact on the value of the organisation (business objectives and risk assessment) and two related to the level of concern of stakeholders (external requirements and stakeholder analysis). The issues were then analysed for the magnitude of their impact and the probability of occurrence.



Each stakeholder was assigned a weightage based on their ability to influence and get influenced by ABFRL's performance and operations. As the second step, each of the identified topics was assessed for its importance to each key stakeholder. Post this, a potential issue was identified for each of the topics and the Magnitude and Probability of occurrence of the identified potential issues was reviewed in the short - (1-2 years), mid - (3-5 years) and long - (6-25 years) time frame.

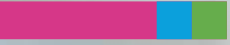
Along with this, to identify if an issue is material, we also assessed the alignment of issue with our vision, purpose, values and its potential impact on our business operations and the degree to which it can impact or trigger a change.

Post gathering all inputs from stakeholders, analysis on occurrence of identified issues and business alignment, the material topics were plotted on the basis of importance to stakeholders and impact on business in a graphical representation depicting the material issues for ABFRL.



Action taken on key material issues

Sr. No.	Key Material Issues	Action Taken
1	Compliance	Continuous monitoring, abreast with new regulations
2	Financial Performance	Innovation, expansion, tie ups
3	Customer Centricity	Mission Happiness, Post Consumer Survey, CVRS
4	Digital Experience	New Digital Sustainability Platform, Digital Quality Check
5	Responsible Procurement	Vendor Code of Conduct, JIP, QIP, Higg Index
6	Energy Management	Energy efficiency, renewable energy, green building
7	Water Management	Rain water harvesting, wastewater recycle and reuse
8	Circular Economy	Zero waste stores, take back programme
9	Safety	Policy, third party audit
10	Sustainable Products	Centres of Excellence, sustainability attributes, sustainable packaging
11	Human Rights & Labour Standards	Adopted international norms
12	Community	CSR programmes across education, skill development, health care
13	Collaborations	SAC, Ellen McArthur, Cotton 2040
14	Disclosure & Communication	BRR, Sustainability Report, awards and recognition
15	Data Management	Digital data management, periodic reviews



Moving towards
CIRCULAR FASHION



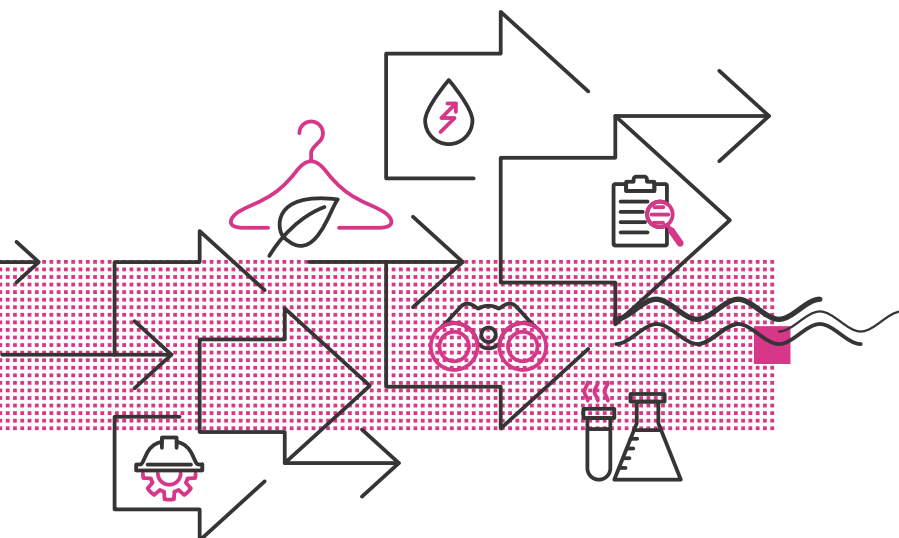
REPLENISH THE FUTURE





ReDesigning BUSINESS

At ABFRL, we are redesigning the future by predicting it. ReEarth enables us in redesigning our business. We are looking for global standards with domestic innovations; use of nonconventional energy sources, exploring disruptive technologies such as metal 3D printing with bio-degradable and re-used materials, etc. We are also transforming wearables to make them invisible, eliminate hassles and seamlessly integrate them.



FUTURE Proofing

To thrive in the future, companies need to continuously evaluate their threats such as scarce natural resources, resilient climatic conditions, evolving innovations and disruption. It is imperative for the businesses to anticipate risks, be enabled and prepared to effectively grow as a sustainable business.

There is a significant need for companies to manage emerging risks but also leverage the available opportunities to successfully create long-term value for the stakeholders. At the Aditya Birla Group, we are working towards this agenda by inculcating sustainable business practices across our global operations.

With each passing year, we strive to raise the bar in our sustainability by going deeper into product characteristics, attributes and adopting newer, innovative concepts, aiming to strengthen its performance as industry leaders, creating sustainable value to the consumer and the business.



MANAGEMENT APPROACH

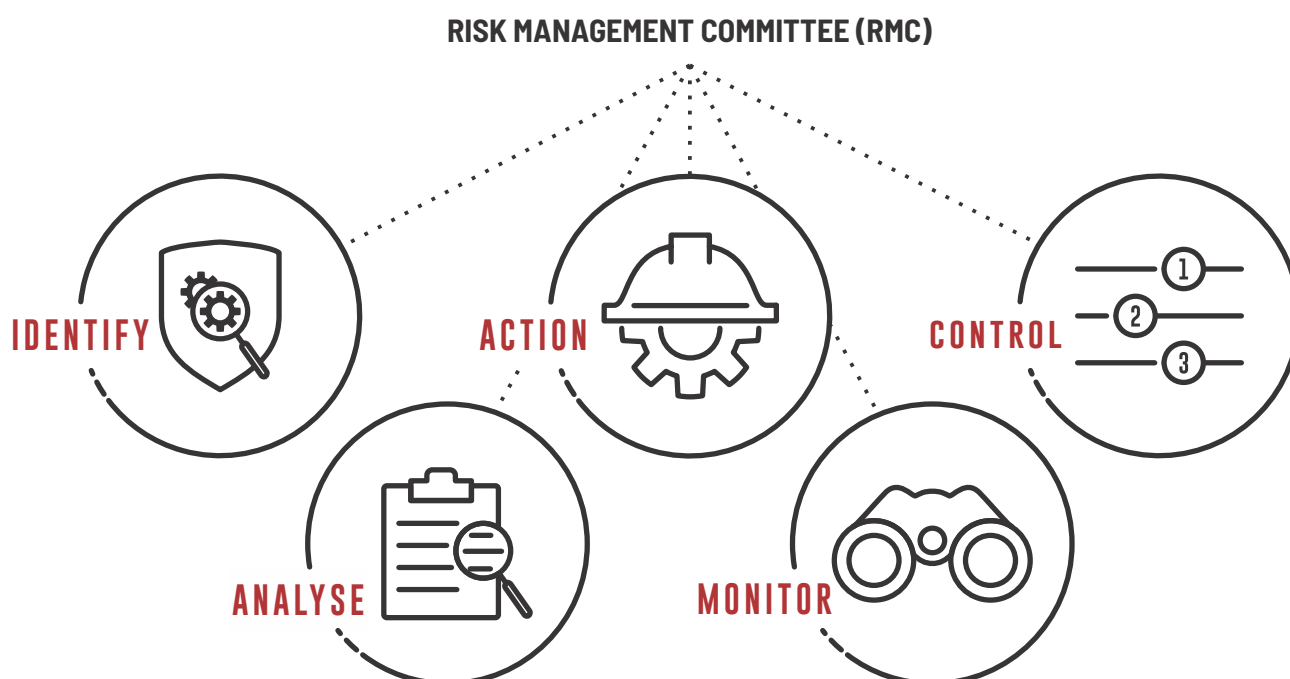
Over the years, ABFRL has had a tremendous journey in sustainability by means of innovative solutions, stakeholder engagement and committed leadership. This has come from an understanding that we are embedded in the social and environmental ecosystem, and that they are not only a bedrock for our existence, but also a source of great value.

Going forward, with the objective of becoming net positive by regenerating, restoring, and revitalising ecosystems and communities, we strategise to have an external and integrated outlook with a value chain focus i.e., inclusion of suppliers, consumers, communities and the ecosystem.

RISK MANAGEMENT

All businesses face a myriad of risks. Risk is inevitable and building resilience to it becomes a critical component for a company. At ABFRL, our effective risk management and internal control systems aid in understanding the risks we are exposed to and in putting in place controls for managing them. We have a robust system in place, based on the meticulous implementation of a set of standardised policies and procedures. Evolving investor and industry focus towards analysing and assessing ESG risks, have seen a significant rise in the recent past. This necessitates us in assessing and integrating ESG risks into the core business strategy in the near future.

At ABFRL, a Risk Management Committee (RMC) has been constituted by the Board for identification, evaluation and mitigation of operational, strategic and external risks. RMC is supported by an Internal Committee, which consists of the Chief Financial Officer, who is also the Chief Risk Officer of the Company, along with experts from various business segments.



The Internal Committee assists the RMC in defining the framework for risk management and compliance by undertaking risk assessment, adopting risk mitigation plans and regularly monitoring them in a structured and controlled environment.

PREPPING FOR TOMORROW, TODAY

We aim to create our products with a vision of integrated consumers and inclusive communities with a strategic approach which revolves around our products and consumers, intending to address the ever-increasing stress on the ecosystem we operate in.

In this journey, ABFRL has focussed on using innovative approaches to leverage emerging opportunities. In collaboration with 'Forum for the Future', an independent non-profit organisation, our strategy for future proofing was drafted addressing the risks and capturing the opportunities across our value chain.

“The future isn't something that just happens to us. By creating positive visions, by using scenarios to understand different future possible worlds, by tracking trends, by spotting niche innovations today and understanding how all these issues will affect business, CEOs can guide their company to a sustainable future.”

Sally Uren

CEO Forum for the Future



FUTURE PROOFING PROCESS

The future is uncertain, but preparing ourselves for uncertainties in the market is in our hands.

The process of future proofing involves:

FACTOR PRIORITISATION



It is essential to understand the influencing factors that will impact future operating context. We have identified the key areas that include India's shifting demographics and particularly, the growth of the middle class, the impacts of climate change on agriculture, pressure on urban infrastructure and ever more connected consumers. We arrived at 'future factors' post stakeholder engagement exercises, including expert interviews and in-depth research to consolidate probable trends.

EXPLORING UNCERTAINTY



In-depth understanding of the identified factors helped us in demystifying the biggest uncertainties and also to comprehend the significance of its impacts. These factors were classified further to facilitate effective future planning depending on their impact and occurrence.

BUILDING STRATEGIES



Scenarios were developed after mapping factors to the certainty of their effects. These have been found to be critical drivers of change at ABFRL. The strategies devised to eliminate the concerns are as follows:

Become an industry leader in sustainability by driving dialogues on sustainability and ethical practices, and through thought leadership

Become a customer centric organisation by adapting to ever-changing consumer needs

Leverage technological advancements to create new business models

Build partnerships to ensure supply chain sustainability

Circular Economy is the Future

The circular economy is a new way of looking at the relationships between markets, customers and natural resources. It leverages innovative new business models and disruptive technologies to transform the linear economic model. The aim of a circular economy is to retain materials, products and components at their highest efficacy and value using processes, resulting in the end product by following restorative and regenerative practices.

The move towards a circular economy is complex and requires concerted efforts by the government, businesses, consumers and social organisations. A circular economy transcends sectors and requires investments from various strategic stakeholders. Systemic thinking is required to create an economy that generates zero waste and maximises product-use value.



'Make Fashion Circular' Initiative by Ellen MacArthur Foundation

In alignment with our efforts to move towards a circular economy, we have collaborated with the Ellen MacArthur Foundation for the 'Make Fashion Circular' initiative for a 3-year timeline. This initiative is focussed on five building blocks with an aim to redesign the future of fashion:

- Collectively raise industry ambition levels by setting long-term targets, aligning industry players behind them and identifying priority actions
- Reinforce complementary initiatives towards circularity and deepen their impact
- Demonstrate new ways of working by driving large-scale, cross-value-chain demonstration projects
- Inform policymakers to enable more rapid progress towards the vision
- Inspire and engage stakeholders to ensure wide promotion of the vision



Ellen MacArthur adopts a collective and result oriented approach, engaging leading organisations and think-tanks across various platforms for re-thinking and co-creating innovative solutions.

Circular Apparel Innovation Factory (CAIF)

India is one of the leading textile manufacturers globally, thereby resulting in an ever-increasing stress on the country's natural resources.

As a part of its sustainability strategy, ABFRL has joined 'Circular Apparel Innovation Factory,' an industry-led platform that focusses on building a circular apparel and textile industry in India. Through this initiative, ABFRL will demonstrate its commitment to shift the industry from its current 'take-make-dispose' approach, to one that encourages the use of sustainable material, maximises utilisation of clothing and textile, thereby promoting recycling.

These initiatives will be driven by ABFRL's mission to create significant social change.



INITIATIVES

Organisations are constantly seeking ways and innovative solutions to make their businesses future proof. At ABFRL, we are constantly and continuously engaging with different stakeholders and adopting innovative approaches for creating a sustainable business model. Some of the initiatives adopted by us, fall under the following heads:

- 1 Sustainable Material and Supply Chain**
- 2 Exploring Disruptive Technologies**
- 3 Institutions**
- 4 Brand Portfolio**

Sustainable Material & Supply Chain

■ Cotton 2040

ABFRL has taken the lead for sustainable cotton by supporting the Cotton 2040 initiative, to enable a systemic shift in the global cotton industry towards sustainable cotton, by integrating and accelerating action for sustainability. It includes a cross-industry partnership of leading international brands and retailers, cotton standards, industry initiatives and other stakeholders across the supply chain, working to:

- Maximise and accelerate current sustainability initiatives in the global cotton industry, to drive more sustainable cotton into the mainstream
- Align efforts in four priority areas for action, to ensure their collective impact is more than the sum of their parts

We facilitated an internal workshop with the support of Cotton 2040 that was attended by all internal stakeholders comprising teams from design, quality, source, marketing, compliance, etc. This is in line with our product centric approach to include the entire value chain.

Exploring Disruptive Technologies

At ABFRL, we are continuously trying to embed sustainable practices in our business by keeping ourselves abreast of the technological developments in the textile and apparel sector.

■ CLO 3D

A 3D garment technology provider for apparel industry. The UI allows it to be used by all users in a product life cycle development. It is a path breaking technology with the phenomenal potential to decrease the cost impact and environmental footprint associated with the model of traditional trade shows. Traditional sample development involves manufacturing numerous iterations in samples. MFL is in the process of implementing DTS (digital trade show) with the aid of the above mentioned software. Utilising the software virtual samples created by 3D modelling for digital trade show, eliminates consumption of materials, cost and sustainability footprint by virtual designing. The integration of CLO-PLM-SAP is the next big step towards digitisation.



INITIATIVES

Anticipated Impacts of CLO 3D

The cost associated with developing salesman samples are eliminated as the final sample is a virtual 3D model. It helps in creating a high number of samples with a wide range of designs of the product, without actually impacting the cost. Also, as the sample is digitally available, it aids in significantly decreasing the time to reach the market.

The waste created by a virtual replica is minimum, as the salesman sample is not physical, and it helps in decreasing the rejection rate to negligible. It positively impacts sustainability aspects like eliminating emissions, energy, water and waste associated with trade shows.

■ Laser Denim Technology

This technology emerged as a solution to reduce the adverse environmental impacts of the denim industry. It is a safer, economical and environment-friendly method which has resulted in the production of green denims. It is used in place of manual processes such as hand scrapping, wet processes like stone and enzyme wash, and for eliminating potassium permanganate (PP) spray.

Leveraging such innovative solutions can significantly reduce the social, economic and environmental hazards associated with the denim industry.

■ Sustainable Textile Technologies

Continuing our trend in adopting sustainable processes, we have focussed on developing products which significantly decrease the negative impact on our ecosystem. We have carried forward our effort in this domain by continuing sustainable products such as Advanced Denim, Herbal Dyeing, Eco-Resin and Zero Detergent. We are in the process of exploring alternatives, while leveraging emerging trends globally.

Wearables

Wearables refer to a category of electronic devices that can be worn as accessories or are embedded in clothing. They are powered by microprocessors and have the ability to send and receive data via the internet.

At ABFRL, we are focussing on the more specialised and practical applications of wearable technology that meet the emerging lifestyle needs of consumers.



Institutions

■ Knowledge Management Centre (KMC)

The Knowledge Management Centre has its studios in Bengaluru. They undertake extensive research on emerging technologies, global best practices and product benchmarking to help ABFRL in its efforts to become the leading Indian conglomerate for sustainable business practices.



■ Technology Management Centre (TMC)

At ABFRL, the Technology Management Centre plays a pivotal role in research and development, developing design prototypes for all product categories, barring suits and blazers. It has been implemented to strengthen innovation in order to bring in fresh ideology to keep up with the changing patterns of customer demands. Also, it helped the organisation to reduce the mind to market timeline. As a basic principle, TMC adheres to agile turnaround of product prototypes, and first-time-right approach to deliver products, help in sustainability as it will reduce multiple rounds of development.

■ Product Life-cycle Management (PLM)

PLM is a software that manages the life-cycle of a product from inception, through design and technical detailing, till its manufacturing. It helps in improving operational efficiency and productivity, and decreases design lead time. Various teams collaborate to create products and materials on the PLM platform, to plan and track creation and record every life-cycle stage of creation. It provides single version of product/material information at any given point of time and maintains a library of material and component standards.

■ Product Testing Lab

ABFRL is equipped with a state-of-the-art product testing laboratory at each of its business units for testing future-ready products. The testing methods adopted at these facilities are based on the American (AATCC / ASTM) and European (ISO) standards.

These facilities are ISO 17025:2005 (NABL) accredited, recognised for technical competency of testing by National Accreditation Board for Testing and Calibration Laboratories - NABL (an autonomous body under the aegis of Department of Science & Technology, Government of India and connected with International Laboratory Accreditation Cooperation, Canada - ILAC). ABFRL is the only retailer with this accreditation.



INITIATIVES

Brand Portfolio

International Brands and Tie-ups

With increasing disposable incomes of our target audience and their need to keep themselves abreast of the global trends, the future is about offering global trends locally.

At ABFRL, we believe in creating and delivering a compelling shopping experience for our customers and in doing so, build lifelong relationships with them. In line with these efforts, 'The Collective' – India's first luxury multi brand concept was created a decade ago and the International Brands Division was created at ABFRL in 2015.

In our pursuit to strengthen our brand portfolio, The Collective saw the addition of brands like Ted Baker, Polo Ralph Lauren and American Eagle.

Product Expansion

Innerwear and athleisure are emerging as segments requiring exclusive focus, with customers becoming increasingly brand conscious with an eye for innovation.

After its success in the segment for men's premium innerwear and athleisure, Van Heusen is now introducing an innerwear and athleisure range for women. These products came with sophisticated styling and smart technology features, and were a crossover between fashion and fitness.

The range received great response from our business partners and consumers across the country. We look forward to launching our women's range, which we are confident will also yield the same positive response.

TED BAKER
LONDON

RALPH LAUREN

AMERICAN EAGLE



Fast Fashion

Fast fashion has been making headlines globally over the last decade, for disrupting the game of apparel retail. Having delivered some of the highest growths in global markets, leading brands in the fast fashion space are looking at markets in Asia for growth, including India. Increase in demand for fast fashion in India is augmented by the fact that the younger age group is more and more influenced by social media.

ABFRL's fast fashion business vertical aims to create value, targeting youth with the proposition of high fashion at a low price. A brief overview of the four brands from our fast fashion vertical is provided below:

Forever 21 – The most exciting and lovable brand in the fast fashion space, came into the ABFRL portfolio in July 2016. It even became the largest single brand e-commerce site in the very first month of its relaunch. It caters to the 15-28 years segment and is known to stand for being fun, trendy and fashionable, while having an attractive price range.

PEOPLE – A home-grown brand, we repositioned it as a fast fashion destination for youngsters in 2014. With its fundamental pillars being fashion and price, over 50% of its customers are less than 25 years old. It is set to change the game of how the target group (18-24 year olds) experiences fashion. Currently, People has a network of nearly 100 stores in the country (of which 24 stores are in Bengaluru). It is now expanding into Tier 2/Tier 3 towns with its large format store in focussed geographies such as MP/CG, the North East, Karnataka, Maharashtra and UP/UK.

Skult – India's first 'street athleisure' brand was launched by Shahid Kapoor in 2016 on the website – ABOF.com. It now has an offline presence as well. The brand is available across leading e-commerce sites such as Amazon, Flipkart, Jabong, Myntra, Paytm and is now expanding in offline chains including Central and Pantaloons.

ABOF – An Aditya Birla Group brand which came into ABFRL in FY 2018 has been all about looking famous. Post its relaunch as a brand-site in FY 2019, it continues its philosophy of being Digital-First, with a presence on its site, as well as on Amazon.com



CASE STUDY

CREATING MICRO MANUFACTURING UNITS

To minimise the impact of manufacturing cost and have a sustainable business model that addresses labour scarcity.

ACTION

We initiated the unique concept of 'micro manufacturing' which works on the Hub and Spoke Model. It encompasses the concept of self-maintenance, self-inspection and team work as self-managing groups. The module occupies less space integrated with sewing and finishing, resulting in higher efficiency, lower lead times and smaller run capabilities by using a smaller number of people, which has been established and sustained in existing manufacturing facilities.



IMPACT

44% reduction

in the manufacturing cost per unit, by moving manufacturing units closer to the labour, instead of sourcing and transporting labour to the site. This initiative, while helping ABFRL achieve cost efficiencies, also helps promote employment opportunities for rural people and fosters economic development in their village. Apart from the cost reduction, the model has a multitude of benefits through scalability, replicability and positive impact on stakeholders.

WAY FORWARD

This initiative has high potential to generate significant savings in the coming years

73% reduction in carbon emissions and 400 tonnes of CO₂

Skilling ~2,500 people, of which 99.8% are women

Average wage increase of 8% against ~4%, mandated by GO

9-fold increase in production, with a potential of 57 lakh garments per year

GRI STANDARD CONTENT INDEX

The table below provides the linkage between the material aspects identified through our materiality assessment exercise and the GRI Standard aspects, followed by the GRI Standard content index.

Material Issue	GRI Standard Aspects
Compliance	Compliance
Financial Performance	Economic Performance
Customer Centricity	None
Digital Experience	None
Responsible Procurement	<ul style="list-style-type: none"> Supplier Environmental Assessments Supplier Assessments for Labour Practices Supplier Human Rights Assessment Supplier Assessments for Impacts on Society
Energy Management	Energy
Water Management	Water and Effluents
Circular Economy	Effluents and Waste
Safety	Occupational Health and Safety
Sustainable Products	<ul style="list-style-type: none"> Materials Supplier Environmental Assessments Supplier Assessments for Labour Practices
Human Rights and Labour Standards	<ul style="list-style-type: none"> Non-discrimination Freedom of Association and Collective Bargaining Child, forced or compulsory labour
Community	Local Communities
Collaborations	General Disclosures
Disclosure & Communication	General Disclosures
Data Management	Foundation

GRI Standard Index	Description	Reported	Cross Reference / Direct Answer
GRI 102 - 1	Name of the organisation	Reported	Cover Page
GRI 102 - 2	Activities, brands, products, and services	Reported	Company Profile There is no sale of banned or disputed products.
GRI 102 - 3	Location of headquarters	Reported	Mumbai, India
GRI 102 - 4	Location of operations	Reported	The Company has pan-India operations with insignificant international operations
GRI 102 - 5	Ownership and legal form	Reported	ABFRL is a public limited company registered under the Companies Act, 1956
GRI 102 - 6	Markets served	Reported	Company Profile Financial Performance
GRI 102 - 7	Scale of the organisation	Reported	Company Profile People Performance Financial Performance
GRI 102 - 8	Information on employees and other workers	Reported	People Performance

GRI Standard Index	Description	Reported	Cross Reference / Direct Answer
GRI 102 - 9	Supply chain	Reported	Financial Performance
GRI 102 - 10	Significant changes to the organisation and its supply chain	Reported	There were no significant changes during the reporting period regarding size, structure, or ownership.
GRI 102 - 11	Precautionary Principle or approach	Reported	Sustainability & Us Future Proofing
GRI 102 - 12	External Initiatives	Reported	ABFRL (through the Aditya Birla Group) is a signatory to the World Business Council for Sustainable Development (WBCSD)'s International WASH pledge. The Group is also a member of the Global Compact, an international forum that operates under the aegis of the United Nations.
GRI 102 - 13	Memberships of associations	Reported	Company Profile

Strategy

GRI 102 - 14	Statement of senior decision-maker	Reported	Message from the Managing Director and the Chief Sustainability Officer.
GRI 102 - 15	Key impacts, risks, and opportunities	Reported	Sustainability & Us Stakeholder Engagement Future Proofing

Ethics and Integrity

GRI 102 - 16	Values, principles, standards and norms of behaviour	Reported	Corporate Governance
GRI 102 - 17	Mechanisms for advice and concern about ethics	Reported	Corporate Governance

Governance

GRI 102 - 18	Governance structure	Reported	Corporate Governance Future Proofing
GRI 102 - 19	Delegating authority	Reported	Corporate Governance
GRI 102 - 20	Executive-level responsibility for economic, environmental, and social topics	Reported	Executive Message Company profile
GRI 102 - 21	Consulting stakeholders on economic, environmental, and social topics	Reported	Stakeholder Engagement Sustainability and Us
GRI 102 - 22	Composition of the highest governance body and its committees	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfirl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 26, 56-60
GRI 102 - 24	Nominating and selecting the highest governance body	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfirl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 60
GRI 102 - 25	Conflicts of interest	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfirl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 71
GRI 102 - 26	Role of highest governance body in setting purpose, values, and strategy	Reported	Company Profile Corporate Governance
GRI 102 - 27	Collective knowledge of highest governance body	Reported	As part of sustainability reviews, the Governance body, is apprised of the key sustainability initiatives and regular assessments are being carried out. In addition, town hall sessions for all employees, on sustainability related activities, are also carried out. In addition, an internal sustainability newsletter is circulated on a regular basis.

GRI Standard Index	Description	Reported	Cross Reference / Direct Answer
GRI 102 - 28	Evaluating the highest governance body's performance	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 16-17, 65-66
GRI 102 - 29	Identifying and managing economic, environmental, and social impacts	Reported	Corporate Governance Future Proofing
GRI 102 - 30	Effectiveness of risk management processes	Reported	Corporate Governance Future Proofing
GRI 102 - 31	Review of economic, environmental, and social topics	Reported	Stakeholder Engagement
GRI 102 - 32	Highest governance body's role in sustainability reporting	Reported	Reporting Scope and Boundary Corporate Governance
GRI 102 - 33	Communicating critical concerns	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 67-68
GRI 102 - 34	Nature and total number of critical concerns	Partially Reported	Corporate Governance
GRI 102 - 35	Remuneration policies	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 16-17
GRI 102 - 36	Process for determining remuneration	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 16-17
GRI 102 - 37	Stakeholders' involvement in remuneration	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 16-17
GRI 102 - 38	Annual total compensation ratio	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 26
GRI 102 - 39	Percentage increase in annual total compensation ratio	Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 26

Stakeholder Engagement

GRI 102 - 40	List of stakeholder groups	Reported	Stakeholder Engagement
GRI 102 - 41	Collective bargaining agreements.	Reported	People Performance
GRI 102 - 42	Identifying and selecting stakeholders	Reported	Stakeholder Engagement
GRI 102 - 43	Approach to stakeholder engagement	Reported	Stakeholder Engagement
GRI 102 - 44	Key topics and concerns raised	Reported	Stakeholder Engagement

Reporting Practice

GRI 102 - 45	Entities included in the consolidated financial statements	Not Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf)
GRI 102 - 46	Defining report content and topic Boundaries	Reported	Company Profile Stakeholder Engagement
GRI 102 - 47	List of material topics	Reported	Stakeholder Engagement
GRI 102 - 48	Restatements of information	Reported	No restatement has been issued for previous report
GRI 102 - 49	Changes in reporting	Reported	In addition to the seven factories reported in FY 2018 and FY 2017, an eighth factory, Little England Apparels, is included this reporting year.

GRI Standard Index	Description	Reported	Cross Reference / Direct Answer
GRI 102 - 50	Reporting period	Reported	FY 2018 - 19
GRI 102 - 51	Date of most recent report	Reported	Sustainability Report for the FY 2017-18
GRI 102 - 52	Reporting cycle	Reported	Annual
GRI 102 - 53	Contact point for questions regarding the report	Reported	Company Profile
GRI 102 - 54	Claims of reporting in accordance with the GRI Standards	Reported	Company Profile
GRI 102 - 55	GRI Content Index	Reported	GRI Standard Content Index
GRI 102 - 56	External Assurance	To be reported post assurance	

ECONOMIC

Economic Performance

GRI 103	Management Approach	Reported	Financial Performance Stakeholder Engagement Sustainability & Us
GRI 201 - 1	Direct economic value generated and distributed	Reported	Financial Performance
GRI 201 - 2	Financial implications and other risks and opportunities due to climate change	Reported	Financial Performance Sustainability & Us Future Proofing
GRI 201 - 3	Defined benefit plan obligations and other retirement plans	Reported	Compensation or Retirement benefit related policy(s) are as per the applicable laws and/or regulations.
GRI 201 - 4	Financial assistance received from government	Reported	There was no financial assistance received from the government during the reporting period

ENVIRONMENT

Energy

GRI 103	Management Approach	Reported	Environmental Performance Stakeholder Engagement Sustainability & Us	
GRI 302 - 1	Energy consumption within the organisation	Reported	Environmental Performance	
	Energy consumption within the organisation			in TJ
	Absolute Energy Consumption			FY 2018-19
	Direct Energy			110.33
Indirect Energy	254.08			
GRI 302 - 3	Energy intensity	Reported	Environmental Performance	
GRI 302 - 4	Reduction of energy consumption	Reported	Environmental Performance	

Water & Effluents

GRI 103	Management Approach	Reported	Environmental Performance Stakeholder Engagement Sustainability & Us Social
GRI 303 - 1	Interaction with water as a shared resource	Reported	Environmental Performance Product Responsibility Social

GRI Standard Index	Description	Reported	Cross Reference / Direct Answer
GRI 303 - 2	Management of water discharge related impacts	Reported	The facility within our reporting boundary are not significantly water intensive
GRI 303 - 3	Water Withdrawal	Reported	Environmental Performance

Emissions

GRI 103	Management Approach	Reported	Environmental Performance Stakeholder Engagement Sustainability & Us
GRI 305 - 1	Direct (Scope 1) GHG emissions	Reported	Environmental Performance
GRI 305 - 2	Energy indirect (Scope 2) GHG emissions	Reported	Environmental Performance
GRI 305 - 5	Reduction of GHG emissions.	Reported	Environmental Performance Sustainability & Us

Effluents & Waste

GRI 103	Management Approach	Reported	Environmental Performance Stakeholder Engagement Sustainability & Us
GRI 306 - 1	Water discharged by quality and destination	Reported	Environmental Performance
GRI 306 - 2	Waste by type and disposal method	Reported	Environmental Performance
GRI 306 - 3	Significant spills	Reported	There were no significant spills reporting during the FY 2018-19

Environmental Compliance

GRI 103	Management Approach	Reported	Future Proofing Stakeholder Engagement Sustainability & Us
GRI 307 - 1	Non-compliance with environmental laws and regulations	Not Reported	ABFRL Annual Report FY 2018-19 (http://www.abfrl.com/pdf/investors/financial_reports/Annual_Report_2019.pdf) Page No. 105

Supplier Environment Assessment

GRI 103	Management Approach	Reported	Product Responsibility Stakeholder Engagement Sustainability & Us
GRI 308 - 1	New suppliers that were screened using environmental criteria	Reported	Our suppliers are audited using our Vendor Code of Conduct (CoC) that serves as a guidance document for supplier to establish environmental and social management systems. 200+ tier 1 vendors have been assessed.
GRI 308 - 2	Negative environmental impacts in the supply chain and actions taken	Partially Reported	No significant actual or potential negative impacts are witnessed in reporting boundary

SOCIAL

Occupational Health & Safety

GRI 103	Management Approach	Reported	Safety Performance Stakeholder Engagement Sustainability & Us
GRI 403 - 2	Hazard identification, risk assessment, and incident investigation	Partially reported	People Performance

GRI Standard Index	Description	Reported	Cross Reference / Direct Answer
Non-discrimination			
GRI 103	Management Approach	Reported	People Product Responsibility Stakeholder Engagement
GRI 406 - 1	Total number of incidents of discrimination and corrective actions taken	Reported	During the reporting year there were no incidents of discrimination reported.
Freedom of Association and Collective Bargaining			
GRI 103	Management Approach	Reported	People Performance Product Responsibility Stakeholder Engagement
GRI 407 - 1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Partially Reported	During the reporting period no operation or own manufacturing facilities were identified in which the right to exercise freedom of association and collective bargaining were violated or was at a significant risk.
Child Labor			
GRI 103	Management Approach	Reported	People Performance Product Responsibility Stakeholder Engagement
GRI 408 - 1	Operations and suppliers at significant risk for incidents of child labor	Partially Reported	No incidents of child labour were reported in the financial year 18-19, in own facilities
Forced or Compulsory Labor			
GRI 103	Management Approach	Reported	People Performance Product Responsibility Stakeholder Engagement
GRI 409 - 1	Operations and suppliers at significant risk for incidents	Partially Reported	No incidents of forced labour were reported in the financial year 2018-19, in own facilities
Local Communities			
GRI 103	Management Approach	Reported	People Performance Stakeholder Engagement Sustainability & Us
GRI 413 - 1	Operations with local community engagement, impact assessments, and development programs	Reported	People performance
GRI 413 - 2	Operations with significant actual and potential negative impacts on local communities	Reported	There is no significant negative impact on local communities.
Supplier Social Assessments			
GRI 103	Management Approach	Reported	Product Responsibility Stakeholder Engagement Sustainability & Us
GRI 414 - 1	Percentage of new suppliers that were screened using labor practices criteria	Reported	Our suppliers are audited using our Vendor Code of Conduct (CoC) that serves as a guidance document for supplier to establish environmental and social management systems. 200+ tier 1 vendors have been assessed.
GRI 414 - 2	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Partially Reported	No significant actual or potential negative impacts on labor practices are witnessed in own operations (manufacturing).











ASSOCIATION WITH ERNST & YOUNG ASSOCIATES LLP (EY)



With the insight that sustainability continues to be a work-in-progress at ABFRL, we have adopted a forward-looking sustainability strategy, gradually expanding the scope of our sustainability interventions from our own operations to our products and value chain.

The 2018-19 period has been a significant one for us as we not only looked outward to global platforms and collaborations, but also put in place the data input mechanisms and management framework which form the bedrock of our movement to the next step of our sustainability strategy. The 2nd Sustainability Handbook serves to simplify and structure our sustainability outlook for internal as well as external stakeholders to aid their understanding and decision making. Looking beyond our own operations, we have engaged with our suppliers in increasingly meaningful ways to drive sustainability into the supply chain through product intensity, Vendor Code of Conduct, Higg assessments, and product sustainability attributes. We have made great progress across our missions through the enhancement of resource efficiency by means of enhancing our water recycling and reuse and the share of renewables in our energy mix. In addition, we have also progressed in product stewardship through increasing the share of sustainable packaging and product sustainability attributes. The transition to the circular economy has significantly moved ahead through our share happiness programme and the achievement of our zero-waste to landfill mission.

Sustainability Initiatives

	Green Buildings		Sustainable Packaging
	Zero Waste to Landfill Zero Waste Stores		Corporate Social Responsibility
	Energy Efficiency Renewable Energy		Water Recycle & Reuse
	Safety		Share Happiness
	Carbon		Product Sustainability Attributes

Enabling Platforms



Higg Index Assessments



- Collaborations
- SAC
- Cotton 2040



- Green Channel Partnership
- Vendor Code of Conduct
- Laundry Audit System



Digital Dashboard

Ernst & Young Associates LLP (EY) is our partner in our sustainability journey. EY is responsible for the review of our sustainability data, missions and targets across our value chain. With our emphasis on product sustainability - our product intensity methodology, packaging computation, and sustainability attribute computation methodology is reviewed by EY. External assessments and sustainability communication such as Higg assessments, Business Responsibility Reports and newsletters are also reviewed by EY. In addition, EY has reviewed our data collection mechanisms, validity of the data input and computation methodology for the digital dashboard. EY also supports us in carrying out document checks, site visits and stakeholder interviews. This data is collected and analysed for gaps against international standards, performance of peers in the apparel sector, and Aditya Birla Group sustainability standards. The gap analysis is used for revision of plans to enhance overall sustainability performance.



INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: **SRA-IND-717758-1**

Aditya Birla Fashion and Retail Limited (ABFRL) Sustainability Report 2018-19

The British Standards Institution is independent to ABFRL and has no financial interest in the operation of ABFRL other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for ABFRL only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders & management of ABFRL.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ABFRL. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ABFRL only.

Scope

The scope of engagement agreed upon with ABFRL includes the following:

1. The assurance covers the ABFRL's Sustainability Report 2018-19 prepared "in accordance" with GRI Standards – Core option, and focuses on systems and activities of ABFRL covering the corporate offices in Mumbai and Bengaluru, factories, warehouses and retail stores during the period from 1st April 2018 to 31st March 2019.
2. The AA1000 Assurance Standard, AA1000AS (2008 with 2018 Addendum) Type 1 engagement evaluates the nature and extent of ABFRL's adherence to all four AA1000 AccountAbility Principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the report has been evaluated.

Opinion Statement

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard, AA1000AS (2008 with 2018 Addendum) and GRI Standards. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ABFRL's description of their self-declaration of compliance with the GRI Standards were fairly stated.

We conclude that the ABFRL's Sustainability Report 2018-19 Review provides a fair view of the ABFRL's CSR programmes and performances during FY 2018-19. We believe that the 2018-19 economic, social and environment performance disclosures are fairly represented. The sustainability performance disclosures disclosed in the report demonstrate ABFRL's efforts recognized by its stakeholders.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to ABFRL's policies to provide a check on the appropriateness of statements made in the report
- Discussion with senior executives on ABFRL's approach to stakeholder engagement. We had no direct contact with external stakeholders
- Interview with staff involved in sustainability management, report preparation and provision of report information were carried out
- Review of key organizational developments
- Review of supporting evidence for claims made in the reports
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard (2008 with 2018 Addendum)

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out below:

Inclusivity

This report has reflected a fact that ABFRL is seeking the engagement of its stakeholders through various channels. Being the third year of reporting, ABFRL has expanded its stakeholder engagement to include customers, suppliers, vendors and the local community, apart from considering the feedbacks received from its external stakeholders over the last few years. To this extent, ABFRL has come up with a formal engagement process. A comprehensive survey though has been done within the fashion and retail business included in the report which has brought in a wide range of material aspects to be included for reporting.

This report focuses on the activities undertaken by ABFRL, covering the corporate offices in Mumbai and Bengaluru, factories, warehouses and retail stores. This report covers the fair reporting and disclosures for economic, social and environmental information. In our professional opinion, the report covers the ABFRL's Inclusivity issues that demonstrates participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality

ABFRL publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. The Report brings out identified material topics on the basis of an internal materiality determination exercise, as well as through benchmarking with peers and applicable sustainability reporting frameworks. ABFRL also considers key concerns arising from its stakeholder engagement processes to be key inputs for its materiality determination exercise. In our professional opinion nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

ABFRL has implemented the practice to respond to the expectations and perceptions of its stakeholders. The Report brings out ABFRL's feedback and responses on key concerns, expectations and issues raised by its key stakeholders through its policies, strategies, management systems and governance mechanisms that the Company has established. In our professional opinion nothing has come to our attention to suggest that the responses related to identified material topics are not adequately represented in the Report.

Impact

ABFRL has also demonstrated that adequate systems are in place to monitor, measure and be accountable for their actions that affect the economy, the environment, society, stakeholders and the organisation itself.

GRI-reporting

ABFRL provided us with their self-declaration of compliance GRI Standards and the classification to align with "In accordance" - Core.

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all 3 categories (Environmental, Social and Economic) are reported with reference to "In accordance" with the GRI Standards - Core option.

The majority of data and information verified at the Head Office and at sample locations visited by us were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been corrected. It is suggested that ABFRL may implement appropriate tools for sustainability data management and initiate a process of internal reviews and validation to further strengthen the reliability of its performance disclosures.

In our professional opinion the self-declaration covers ABFRL's social responsibility and sustainability issues. On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe the following sustainability disclosures as stipulated in the GRI Standards.

- GRI 302: Energy 2016 - 302-1, 302-2, 302-3, 302-4;

- GRI 303: Water 2018 - 303-1, 303-2, 303-3;
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-5;
- GRI 306: Effluents and Waste 2016 - 306-1, 306-2, 306-3;
- GRI 307: Environmental Compliance 2016 – 307-1;
- GRI 308: Supplier Environmental Assessment 2016 - 308-1, 308-2;
- GRI 403: Occupational Health and Safety 2016 – 403-2;
- GRI 403: Non-discriminations - 406-1;
- GRI 407: Freedom of Association and Collective Bargaining – 407-1
- GRI 409: Force or Compulsory Labour - 409-1;
- GRI 413: Local Communities 2016 – 413-1, 413-2;
- GRI 414: Supplier Social Assessments - 414-1, 414-2;

Competency and Independence

The assurance team was composed of Lead auditors experienced in Industrial sector, and trained in a range of sustainability, environmental and social standards including GRI-G4 and GRI Standard, AA1000, ISO10002, ISO 14001, OHSAS 18001, and ISO 9001, etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Assurance Level

The type 1 moderate level of assurance provided is in accordance with AA1000 Assurance standard, AA1000AS (2008 with 2018 Addendum) in our review as defined by the scope and methodology described in this statement.

Responsibility

It is the responsibility of ABFRL's senior management to ensure the information presented in the Sustainability Report is accurate. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

For and on behalf of BSI:



Kumaraswamy Chandrashekara
Head - Sustainability, BSI Group India



24 September 2019

New Delhi, India

...making excellence a habit.®

ADITYA BIRLA



FASHION & RETAIL

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