

<u>ABFRL</u>	Business of Fashion	29.05.2024	National	Thread by Thread: ABFRL's journey in sustainable fashion
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Thread by Thread: ABFRL's journey in sustainable fashion

At Aditya Birla Group, sustainability is ingrained in all our pursuits, reflecting our commitment to society, the environment, and every stakeholder. It serves as the cornerstone for building a stable and responsible foundation, not only for our enterprise but also for the nation and the world. Aditya Birla Fashion & Retail Ltd. fully aligns with this ethos and believes in achieving economic growth harmoniously with environmental and societal interests. In FY 2013, we initiated our sustainability program, 'ReEarth for our Tomorrow,' based on the Aditya Birla Group's framework of Responsible Stewardship, Stakeholder Engagement, and Future Proofing. ABFRL – ReEarth program is more than resource efficiency; it's a movement to adopt sustainable practices and rejuvenate our planet.

As a customer-centric and forward-thinking enterprise, we understand the rising demand in India for products with better environmental and social footprints. Stringent environmental regulations, mandated disclosure and CSR spending further underscore the importance of sustainability. Embracing sustainability not only helps us align with these trends but also fosters innovation, unlocking new avenues for growth. To truly prepare for the future in this complex operating space and leverage sustainability as an opportunity, we acknowledge the necessity of integrating it into the fabric of our organization, giving it prominence in our business goals and embedding it into our day-to-day operations.

The Decade of Sustainability

ABFRL embarked on its structured sustainability journey with the introduction of 'ReEarth for our Tomorrow' – a mission-driven program aligned with the ABG Vision and Sustainable Business Framework. Through dedicated efforts, we achieved notable success across all 10 Missions, encompassing sustainable packaging, zero waste to landfill, green building certification, WASH compliance, and the launch of sustainable products. These accomplishments earned widespread recognition, including high rankings in global sustainability assessments and awards for reporting.

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The Phase 2 of ReEarth elevated the discourse and demonstration of sustainability. Environmental targets for this phase included a significant reduction in grid electricity consumption, zero waste to landfills, water neutrality, healthy & safe work environment at occupational workplaces, and a substantial reduction in our packaging footprint.

Building on these achievements, we marked the transition to Sustainability 2.0, embracing a 'Product-led' approach with three key pillars: product design and development, customer centricity, and supply chain sustainability. The unveiling of our 2025 agenda outlined core areas of focus:

Energy, Water, Safety, CSR, Waste, and Green Buildings, with Circularity and Digitalisation serving as key enablers for most of these initiatives.

The Decade of Acceleration

Looking towards the next decade, we are strategically positioned to navigate the evolving landscape of the fashion and retail industry. This year, our commitment to the 2025 agenda remains unwavering. Notable achievements include reaching targets such as water positivity, zero waste to landfill, zero harm assurance, and incorporating at least one sustainable attribute in over half of our products. We are progressing steadily towards our emission reduction and renewable energy goals. Our focus extends to developing a comprehensive 'Net-zero' roadmap, with details to be communicated in upcoming reports.

The integration of sustainability into the core of our organization persists, with a dedicated emphasis on aligning it with our business goals and infusing it into our day-to-day operations and throughout our entire value chain. Acknowledging the profound impact of shifting consumer preferences, climate change, supply chain disruptions, and resource constraints, we've proactively implemented measures to confront these challenges.

Embracing digitalization and cutting-edge technologies such as AI, we have infused innovation throughout our operations. This includes the implementation of greener processes, the incorporation of digitized customer feedback mechanisms, and the establishment of digital-first fashion brands. In the upcoming decade, sustainability will be the focal point of innovation in the fashion industry. As tools and technologies evolve, it is our intellectual capital, unwavering commitment, and accumulated learnings that will distinguish ABFRL and sharpen our competitive edge.

Weaving Sustainability: ABFRL's Journey from 2013 to 2023

In 2013, ABFRL started this sustainability journey with "ReEarth," a program targeting ten key areas like energy, waste, and water. With clear goals, defined roles, and transparency, ReEarth paved the way for our sustainable growth. We fostered a culture through alignment with the ABG framework, stakeholder engagement, and a dedicated team. "Sustainability 1.0," our process-driven approach, focused on optimizing processes, saving resources, and minimizing our environmental impact. Actively participating in industry groups, we aimed to become Asia's most sustainable apparel brand by 2020

Initiating Impact: Our Maiden Report Unveiled

In 2016, we began our sustainability reporting journey, initiating a path towards responsible business practices and environmental consciousness. In the inaugural years, we laid the groundwork for sustainable practices. The introduction of Eco-resins, Herbal-Dyes, and Easy-Wash technology set the stage for innovative and eco-friendly product development. Operational efficiencies translated into saving over 7 million units of electricity, and water conservation efforts led to a 30% reduction in fresh water consumption. A majority of the workforce comprised women, contributing to both gender empowerment and business excellence. These initiatives not only showcased ABFRL's

commitment to reducing environmental impact but also marked the beginning of a transformative journey.

Pioneering Sustainable Practices

As the years progressed, ABFRL intensified its focus on sustainable operations. The Knowledge Management Centre and specialized studios established in 2012 facilitated innovative product concepts. The commitment deepened, achieving zero waste to landfills across all facilities and minimising our packaging and plastic bag procurement. Sustainability reporting evolved, aligning with global standards, and framework that further validated ABFRL's commitment to excellence journey with accolade like 'Sustainable Business of the Year'.

We witnessed a focus on renewable energy with solar rooftop installations at our facilities potentially substituting a good part of conventional grid electricity hence leading to a substantial reduction in carbon emissions. Water conservation efforts led to reduction of fresh water consumption by over 30% through rainwater harvesting and wastewater recycling and recognition from the Indian Green Building Council added further credibility to ABFRL's sustainability initiatives.

Sustaining Excellence Despite Challenges

With the introduction of Sustainability 2.0, the focus shifted on the entire product life cycle. Digital dashboards captured sustainability KPIs, and collaborations with partners and suppliers emphasized sustainable practices. Water dependency was reduced, and a unique 'Integrated Watershed Management Programme' was conceptualized.

Despite the pandemic, ABFRL achieved new milestones in its Sustainability 2.0 journey. Environmental contributions were paired with awards for being one of 'India's Best Workplaces' and CSR initiatives benefiting numerous beneficiaries. Active participation in the Circular Economy Framework and collaborations with Ellen MacArthur Foundation and CAIF further solidified ABFRL's commitment to sustainable practices.

Our unwavering commitment to sustainable practices helped us earning global recognition with inclusion in the S&P Global Sustainability Yearbook and a 'Gold Shield' for Sustainable Development Goals reporting. Sustainability 2.0 marked a shift towards managing the entire product life cycle, with digital dashboards and collaborations amplifying ABFRL's commitment.

A Decade of Distinction

As ABFRL celebrates a decade dedicated to sustainability, milestones like consistent S&P Global CSA rankings and top sustainability company in Asia, 'Best Green Supply Chain' Award, and higher sustainable packaging material usage highlight the company's unwavering commitment.

Moving forward, ABFRL's focus extends to achieving 2025 targets, aligning product sustainability goals, and embedding sustainability across design, supply chain, and circular approaches. The journey continues, with ABFRL leading the charge towards a greener, more sustainable future. As it

pioneers sustainable practices, ABFRL remains dedicated to 'Regenerate, Restore, and Revitalise,' leaving an indelible mark on the fashion and retail industry.

Recognizing Excellence: Awards and Accolades

Financial Times recognized ABFRL as the "Asia-Pacific Climate Leader of 2023".

ESG India recognized ABFRL for its "Leadership in Green Supply Chain".

ABFRL emerged victorious at the 15th Annual Global CSR and ESG Summit & Awards 2023 held in Vietnam.

ABFRL was awarded the Sustainability Organization Award 2023 at the 2nd edition of the Sustainability Summit Awards by UBS Forums.

Sustainable Horizons: Charting Our Course for 2030 & Beyond

As we relentlessly pursue the Sustainability 2025 goals, our strategic vision extends towards the transformative horizons of 2030 and 2050. Our focus on 'Net-zero transition, building circular ecosystems, and leveraging digital disruption' marks a paradigm shift, propelling us towards global sustainable leadership in the realm of fashion.

The journey toward achieving net-zero emissions is a pivotal aspect of our 2030 and 2050 agenda. To successfully navigate this path, we are committed to implementing local actions that emphasize adaptable and flexible solutions. Our approach involves the establishment of business models characterized by green built environment, the promotion of life cycle thinking, sourcing regional and recycled materials, and, most importantly, a decisive shift towards renewable energy. We have also taken steps, to reduce our carbon footprint including Scope 1, 2 & 3 emissions. By aligning with global and national initiatives, specifically circularity and net zero target for temperature increase cap of 1.5°C, we are collaborating with other stakeholders to transit the fashion industry towards a sustainable and climate-resilient future.

Through these initiatives, we aim not only to mitigate risk but also to reduce the negative impacts of the fashion business operations and industry eco-system towards sustainable, circular business model and carbon-neutral future.

Conclusion

Standing at the crossroads of past accomplishments and boundless potential, we reflect on a remarkable journey. The meticulously crafted roadmap, accomplished milestones, and deeply ingrained sustainability ethos within our organization have not just marked successes, but laid the foundation for an even more ambitious trajectory in the next decade.

Looking ahead, we envision a future where our commitment to sustainability transcends industry standards and becomes a defining characteristic. Innovation will be our compass, guiding us to redefine the realm of possibility and inspire positive change beyond our own borders. We approach the challenges of tomorrow with unwavering resolve and optimism, knowing that each endeavour contributes to a greener, more equitable world.

The coming years are filled with immense promise. We eagerly embrace the opportunity to further accelerate our sustainability initiatives, pioneer ground-breaking solutions that set new benchmarks, and collaborate with like-minded partners to amplify our impact. Our journey is not merely a collection of past achievements, but a solemn pledge to future generations. Together, with unwavering conviction, we embark on this ongoing endeavour, propelled by the unwavering belief that sustainability is not a distant destination, but a transformative path, a perpetual journey towards a brighter, more sustainable future.