



Sustainable
Value

Domestic Textiles Business

SUSTAINABILITY REPORT
FY 2019-20 and FY 2020-21

BUSINESS PHILOSOPHY

“

The most important lesson in management is that major investments should be made in the selection, training and building up of people.

”

Aditya Vikram Birla

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Foreword by the Business Head



At Aditya Birla Textiles, we aim for sustainable, profitable and resilient growth. We have emerged as a leader in the linen, wool, acrylic fibre and yarn spinning business by investing in our people, processes, technology, sustainability and governance mechanisms. The year 2020 saw the pandemic bring the world to a standstill and we can all acknowledge that it was an unpredictable year. Thanks to the efforts of our committed employees and partners, we were able to exhibit strong performance and meet our customers' evolving needs, while staying true

to our core values. The safety and wellbeing of our people were our topmost priorities, which translated into our agile COVID-19 response measures.

The pandemic reaffirmed the importance of sustainability in our core business model. At AB Textiles, our sustainability journey rests on the three pillars of Aditya Birla Group sustainability framework, consisting of stakeholder engagement, responsible stewardship and future-proofing. This report highlights the key transformational initiatives undertaken as part of our Domestic Textiles business, as well as our sustainability performance for the financial years 2019-20 and 2020-21.

One of our focus areas at Domestic Textiles has been to strengthen our product innovation ecosystem to respond to our customers' needs and produce unique, sustainable and value-added products. We have expanded our product portfolio to include plant-based and low environmental impact fibers. We believe in extended producer responsibility and our products comply with ZDHC recommended chemical management system, MRSL, REACH and OekoTex standards.

The textile business has significant economic, social and environmental impacts on the society that we operate in. We recognise this and constantly find new ways to improve our supply chain's responsibility, inclusivity, sustainability, agility and resilience. We follow responsible procurement practices and work with our suppliers to advance our sustainability practices. In light of the global pandemic, we have kept the best interests of our employees in mind throughout. At JST, we provided laptops and desktop computers to our employees at their residences. We also provided SAP control at remote locations and allowed employees who traveled using public

transport to work from home. In VW, we encouraged employees to use their personal vehicles and they were reimbursed for their travel costs. In addition to this, we are also investing in technology, automation and digitisation to manage resources and processes, by more effectively using connected devices, data-driven analytics, automated decision making, predictive maintenance and other applications.

We believe that our environmental and social performance must be on par with our financial performance in order to have a meaningful impact as a company. This is reflected in our performance on various environmental parameters, including the reduction of energy consumption through investments in renewable energy, and the optimisation of water usage through increased water treatment and Zero Liquid Discharge. Through these measures and others, we strive to reduce the impact of global warming, reduce material input costs, decrease resource scarcity, revitalize process waste and increase the sustainability of our business.

Our pursuit of becoming the biggest Indian conglomerate for responsible business practices has been fuelled by our employees and stakeholders. This has propelled our journey towards sustainability excellence. We owe our success to our stakeholders and strive to create diverse, inclusive, safe, protected and happy environments for all. Our resolve towards sustainability and scaling up circular business models has only grown with time. We are hopeful for a more resilient future and will continue to build more meaningful relationships with our customers and value chain partners.

- Mr. Thomas Varghese



Thanks to the efforts of our committed employees and partners, we were able to exhibit strong performance and meet our customers' evolving needs, while staying true to our core values.

Message from the CEO - Domestic Textiles Business



It is our pleasure to present the fifth sustainability report of our domestic textiles business, which comprises Jayashree Textiles (JST), Vikram Woollens (VW) and the newly added Grasim Premium Fabric (GPF). The purpose of this report is to shed light on our efforts to develop the sustainability practices within our domestic units and to see how well we align with global sustainability standards. These efforts are guided by the ABG's Sustainable Business pillars of Responsible Stewardship.

Increasingly, sustainability is becoming a necessity to companies due to changing perspectives around the world. We are cognizant of the impacts caused by

our various operations and have been making concerted efforts to reduce these impacts. This report highlights the key areas of our business where sustainability has been incorporated. Of these highlights, some initiatives/programs stand out and I would like to describe them in a little more detail.

Wealth out of Waste is an initiative centred around the idea of a circular economy and involves recycling and reusing materials and industrial symbiosis. Here, the waste that is generated during flax production, is upcycled to create blended yarn, line-rich fabric and even ready to wear apparel. The apparel is sold widely on e-commerce sites such as Flipkart, Amazon, Myntra, etc., while the blended fabric is sold over the counter. The result of this reuse of materials is reduced energy and material requirements and the production of an overall greener product. In addition, the Wealth out of Waste initiative also creates recyclable bags, which are given to customers who purchase products from Linen Club outlets.

Our people make up the backbone of the company and it is due to their perseverance and hard work that the ABG Textiles is where it is today. In that respect, the well-being of our employees is extremely important to us. We believe that increasing the diversity would go a long way in strengthening the already robust workforce. We have taken major steps towards increasing the number of female employees, especially in the field-force and marketing teams. We are also taking measures to increase the roles for people with disabilities, who we believe, can make invaluable contributions to the organization. Trainings are conducted from time to time to sensitise the internal stakeholders and from time to time, meetings are held to also provide a platform for individuals to express their opinions on related issues (Townhall, Mantham) We aim to

further increase the diversity and inclusion within the team in the coming years and take ABG to new heights.

The production of linen is highly susceptible to climate risks as flax is grown in a very limited geography. If flax production were to be affected by climate change, our business would be impacted due a shortage of raw materials. In order to overcome this challenge, we are attempting to proliferate the cultivation of flax to other parts of Europe and even expand to New Zealand. This will be done through 'IZRI'.

To make linen more affordable for younger clientele, we have created blends using cotton and waste branded as Cavallo by Linen Club. This has led to the democratization of linen, while also allowing us to venture into untapped markets. Uncrushables is another attractive line that we have come out with, a range of apparel made out of pure linen which does not get easily crushed, unlike conventional linen. We have found that many consumers are put off linen due to the fact that it crushes easily, but Uncrushables solve this problem.

In the chapters that follow, we will describe numerous other sustainable initiatives that are being undertaken at our various units along with the highlights of our sustainability performance over the reporting years 2019-20 and 2020-21. In addition to this, we have also detailed our plans to future proof our business against risks. We look forward to your feedback in this regard.

- Mr. Satyaki Ghosh

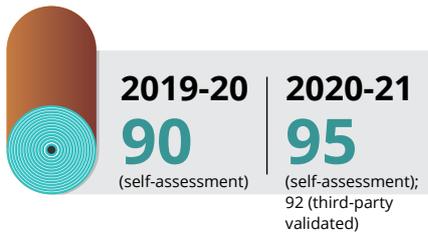


**Diversity and inclusion:
Our people make up the
backbone of the company
and it is due to their
perseverance and hard
work that the ABG Textiles
is where it is today**

Sustainability Highlights of FY 2019-20 and FY 2020-21

Jaya Shree Textiles

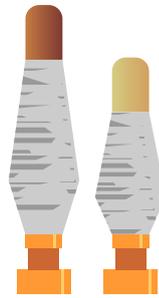
SAC Higg Index



WASH Pledge Score



ENHESA Score



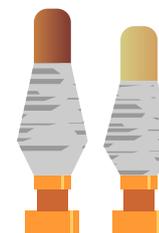
Economic value generated (INR in crore)

2019-20 **1566.5**
2020-21 **760.2**



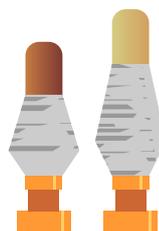
Economic value retained (INR in crore)

2019-20 **40.11**
2020-21 **-36.82**



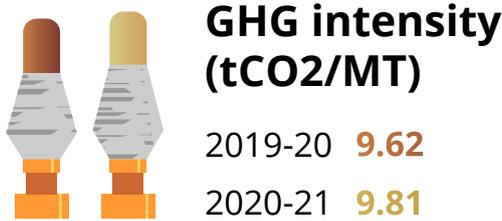
Energy consumption (GJ)

2019-20 **661,617.84**
2020-21 **422,294.49**



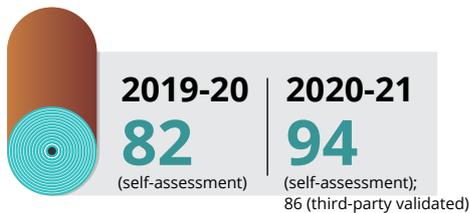
Energy intensity (GJ/MT)

2019-20 **57.43**
2020-21 **60.33**

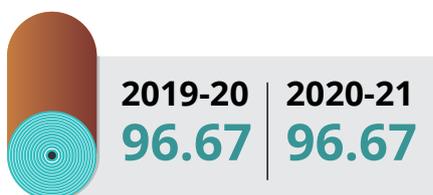


Vikram Woollens

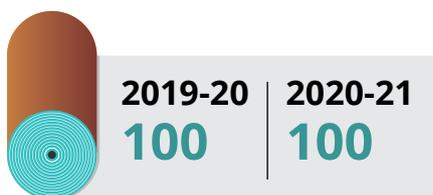
SAC Higg Index



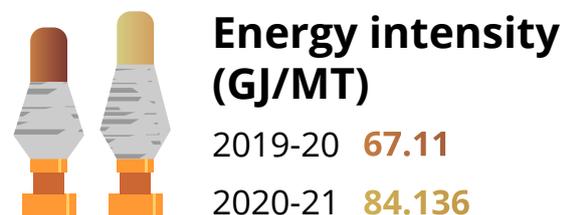
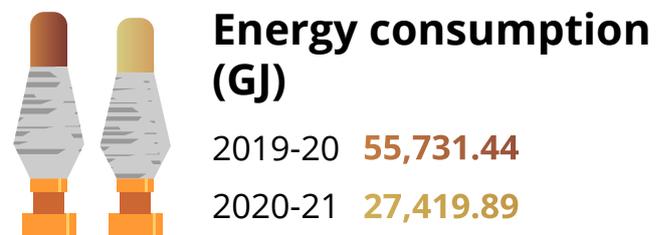
WASH Pledge Score

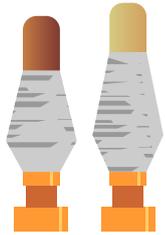


ENHESA Score



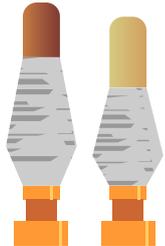
Economic value retained (INR in crore)





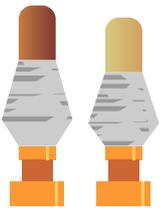
GHG intensity (tCO2/MT)

2019-20 **11.6**
2020-21 **13.87**



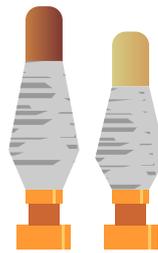
Water withdrawn (m3)

2019-20 **41,690**
2020-21 **35,992**



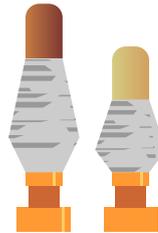
Waste generated (MT)

2019-20 **66.13**
2020-21 **42**



Total workforce

2019-20 **643**
2020-21 **540**



Training hours

2019-20 **5,178.5**
2020-21 **2,363**

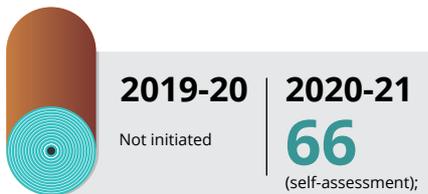


Lost time injury rate

2019-20 **2.01**
2020-21 **0.00**

GPF

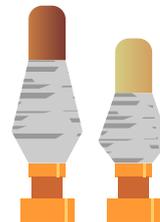
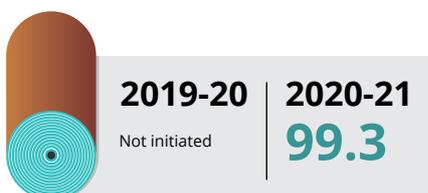
SAC Higg Index



WASH Pledge Score



ENHESA Score



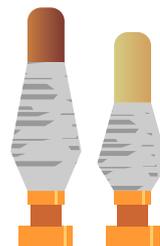
Economic value generated (INR in crore)

2019-20 **165.18**
2020-21 **72.62**



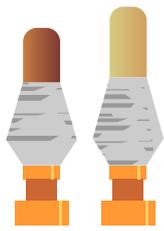
Economic value retained (INR in crore)

2019-20 **5.70**
2020-21 **-2.41**



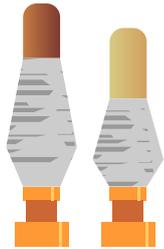
Energy consumption (GJ)

2019-20 **1,51,503**
2020-21 **76,695.56**



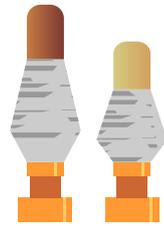
Energy intensity (GJ/MT)

2019-20 **124.59**
2020-21 **137.74**



GHG intensity (tCO2/MT)

2019-20 **7.70**
2020-21 **7.57**



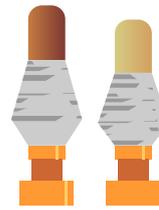
Water withdrawn (m3)

2019-20 **1,99,450**
2020-21 **97,249**



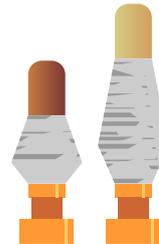
Waste generated (MT)

2019-20 **1,477.11**
2020-21 **108**



Total workforce

2019-20 **795**
2020-21 **793**



Training hours

2019-20 **36**
2020-21 **5,104**

Lost time injury rate

2019-20 **0**
2020-21 **0**

Certifications

 ISO 27001: Information Security Management System	 ISO 9001: Quality Management System	 ISO 14001: Environment Management System	 ISO 26000: 2010. Social Responsibility Guidance Standard
 ISO 45001: 2018. Occupational health and safety management	 ISO 50001: 2018. Energy Management Systems	 OEKO-TEX 100 CLASS 1: Harmful Substance Free	 EU Ecolabel: For maintaining high environmental standards
 OHSAS 18001: Occupational Health, Safety Assessment Standard	 GOTS: The Global Organic Textile Standard and Organic Content Standard	 The Woolmark Company Certification: For authorized use on all our products	 The Responsible wool standard (RWS): Animal Welfare and Land Management
 Inter Wool Labs Certification: Membership Accreditation	 Global Trademark for Authentic European Linen. Certified by CELC, a guarantee of traceability for premium linen fibres grown in Western Europe.	 Zero Discharge of Hazardous Chemicals, ZDHC	 SA 8000: Social Accountability

Awards and Recognitions

- » Dupont certification
- » In December 2020, JST received the innovation award for the best use of digital for customer solutions in digital conclave
- » JST and VW performance at CCQC and NCQC awards organised by QCFI
- » Winner of Outstanding Accomplishment in Corporate Excellence at the CII -ITC Sustainability Awards 2019, DT

FY 2019-20

CCQC	NCQC
5+3	5+2
7 (Gold), 1 (Silver)	2 (Par Excellence), 5 (Excellence)

About this Report

In our endeavour to run a value and purpose driven business, we are pleased to present the fifth sustainability report in accordance with the GRI Standards: Core option. We strive to highlight the steps taken by us towards reducing environmental impact which are primarily focused on three pillars of our sustainability framework: responsible stewardship, stakeholder engagement and future proofing. We report on select disclosures, following the principles of stakeholder inclusiveness, materiality, sustainability context and completeness. The report encompasses our achievements for the reporting year FY 2019-20 and FY 2020-21.

Scope and Boundaries

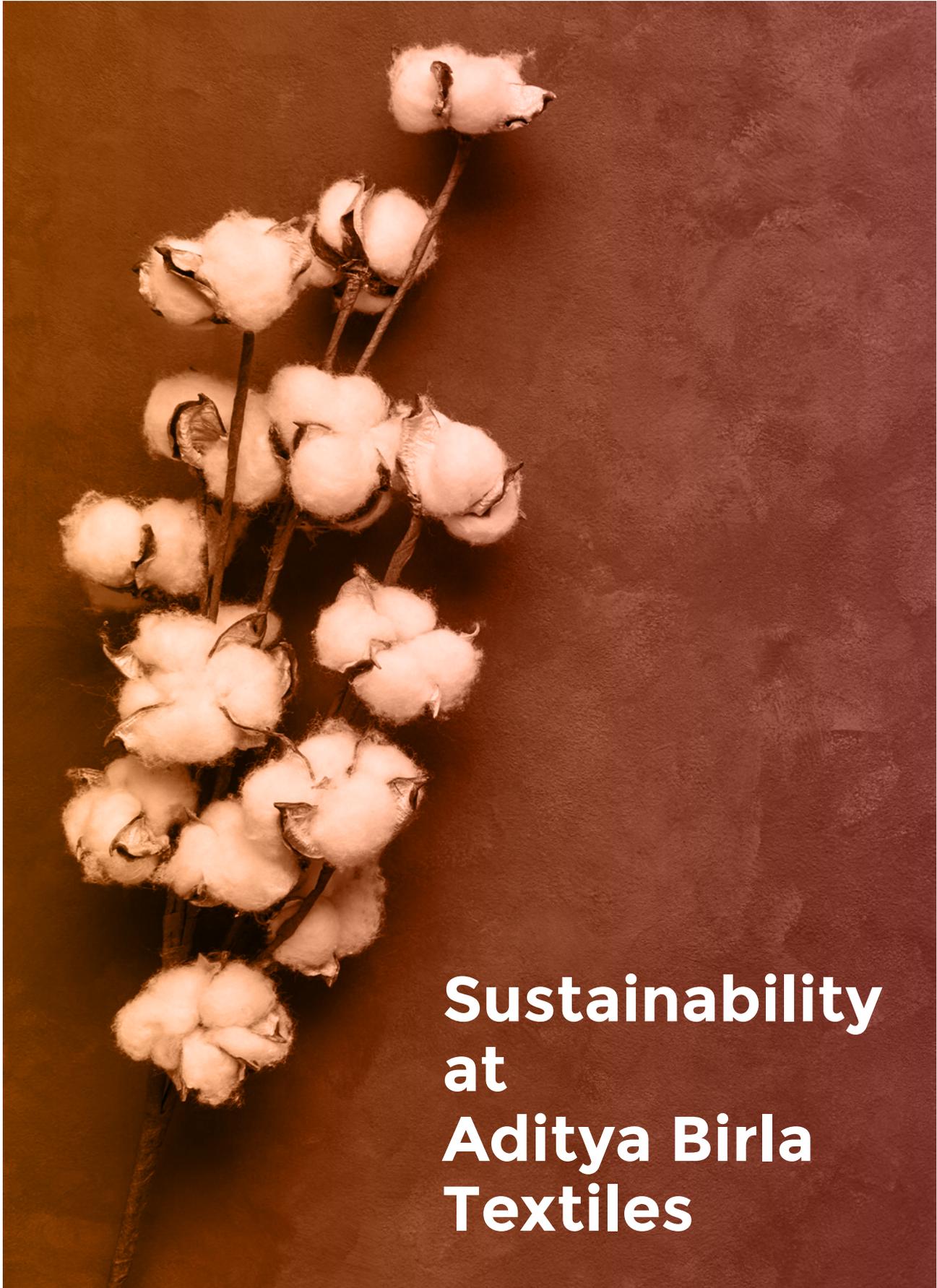
The sustainability report covers the business activities for Jaya Shree Textiles, Vikram Woollens and GPF of Aditya Birla Textiles. Through this report, we indicate key economic, environment and social indicators. The scope of the report is to detail the sustainability initiatives implemented in

this manufacturing plant, our performance over the reporting period of two years and the future sustainability plans of the entity.

Independent Assurance

We conduct a third-party Independent Assurance which increases our credibility and trust with key stakeholders. This report is externally assured and is in accordance with the DQS Sustainability Assurance. The assurance approach, methodology and observations are presented in the assurance letter attached at the end of the report

The contents of this report have been assimilated in consultation with the various business functions and has been developed under the guidance of the senior management of the company and the respective functional heads.



Sustainability at Aditya Birla Textiles



Aditya Birla Group

The Aditya Birla Group (ABG), founded in 1857, is a US\$ 48.3 billion corporation headquartered in India. It is a member of the Fortune 500, with over 120,000 employees from 42 different nationalities. Over half of the Group's revenues come from its overseas operations spread across 36 countries in Asia, North and South America, Europe and Africa.



Metal



Cement



Apparels



Carbon Black



Chemicals



Textiles



Financial Services



Insulators



Pulp and Fibre



Renewables



Mining



Telecoms



Trading



Grasim Industries Limited

Grasim Industries Limited is a publicly listed Indian company that was founded and is headquartered in India. It is the Aditya Birla Group's flagship firm. Viscose (pulp, fibre and yarn), chemicals (caustic soda, epoxy and associated chemicals), insulators, textiles and other enterprises are Grasim's main businesses.

Jaya Shree Textiles

Jaya Shree Textiles (JST) is a unit of Grasim Industries Limited, which is part of Aditya Birla Textiles. It is the country's first integrated linen plant, having opened in 1949 and showcasing state-of-the-art facilities with the latest Swiss and Italian spinning, weaving and finishing equipment. The company has considerably revolutionised the Indian textile market by popularising linen in India across a broad client base with its brand "Linen Club," which is a leading player in the domestic linen and worsted yarn segments.

JST has established itself as a leading textile manufacturer of wool tops, 100% wool & wool blended yarns for weaving & knitting, pure linen yarn, pure linen fabrics and linen blended fabrics. Linen spinning, linen fabric, wool combing and worsted spinning are our four strategic business units (SBUs). The common goal of all four SBUs is to make the workplace a centre of creativity, innovation and self-fulfilment for all employees. JST has a product footprint that spans 50 nations and all six continents.

Segment	Business units	No. of units	Production capacities
Linen	Linen spinning	4	6,250 TPA yarn, 41,492 spindles
	Linen fabric	1	10 Million meters per annum fabric
Wool	Wool combing	2	8,400 Tonnes, 8 Cards
	Worsted spinning	1	4,420 TPA, 38,740 spindles

Vikram Woollens (VW)

Vikram Woollens (VW), a division of Grasim Industries Ltd, was founded in 1995 and has a manufacturing facility in Malanpur, Madhya Pradesh. Vikram Woollens (VW) is a key player in the worsted segment of the textile industry and a wool processing unit. In the Indian textile market, it has a strong expansion across a diverse consumer base. VW is a worsted yarn manufacturer that focuses solely on the wool segment.

Grasim Premium Fabrics (GPF)

Grasim Industries Ltd. has acquired 100% equity shareholding in Suktas India Pvt. Ltd. Commonly known as SIPL in March 2019 from Suktas Tekstil Sanayi ve Ticaret A.S., a worldwide renowned producer and marketer of premium cotton fabrics.

Our cutting-edge production facility is in Kolhapur, Maharashtra and has a capacity of about 10 million metres of finished fabrics per year. We offer the highest-quality cotton materials that have been exquisitely designed for a superior, unrivalled feel, comfort and class. We ensure that our customers always have trendy designs as a chosen partner and with our focus on continual design development and innovation. We can match our customers' individual fabric needs in terms of quality, design, usability and exclusivity, owing to our customer-centric approach.

Our Products

Every product, every collection, is created by our highly talented team as a perfect blend of modernity, functionality and passion. We offer high trendy products that our customers adore, with specially designed designs ranging from classics and complex checks to luxury patterns and more.

Existing products

JST has established itself as a leading supplier of wool tops, 100% wool yarns and wool blended yarns for both weaving and knitting. JST is one of the world’s top five wool combing and independent worsted spinning companies. RT Yarns, Nuvolana and Jayashree are some of our brands that sell worsted yarn.

GPF consists of 100% cotton and natural blended fabrics. Our high-end, premium fabrics are made using a well-defined, multi-stage manufacturing process. GPF is focussed on the premium cotton segment, with brands such as SÖKTAS, Excellence by Söktas and Giza House, complementing Grasim’s linen business. We have specialised finished products as well such as:

Lin shield, Lino herbal, Smart shield, – anti viral wellness range	Linen Club- Uncrushable – Wrinkle Resist Range	Linen club- Smart care – self cleaning range	Linen club Fabroma- aroma finish
Linen club comfort stretch range	Linen club -smart cool range	Anti bacterial & Cool on – feel fresh range	UV protect range

New Value-Added Products

Linen Club Uncrushable: Linen Club Uncrushable is the result of a year of study, testing and trials and it has a crush-free appearance. With a durable press (DP) rating of 3+, it is the first of its type in India. With maximal linen and minimal creases, Linen Club Uncrushable genuinely exemplifies the best of linen attributes. In fact, it’s the finest thing that’s happened to linen since linen itself. It’s 100 % authentic genuine linen, so it retains all the benefits of linen while still being wrinkle resistant.



Cavallo (blended yarn): Cavallo is a market expansion initiative aimed at attracting new and younger consumers to the category. It’s aimed at a youthful, discriminating clientele looking for budget-friendly options that also up their style quotient with adaptable and mixed linen. Cavallo now sells on all the major e-commerce platforms.



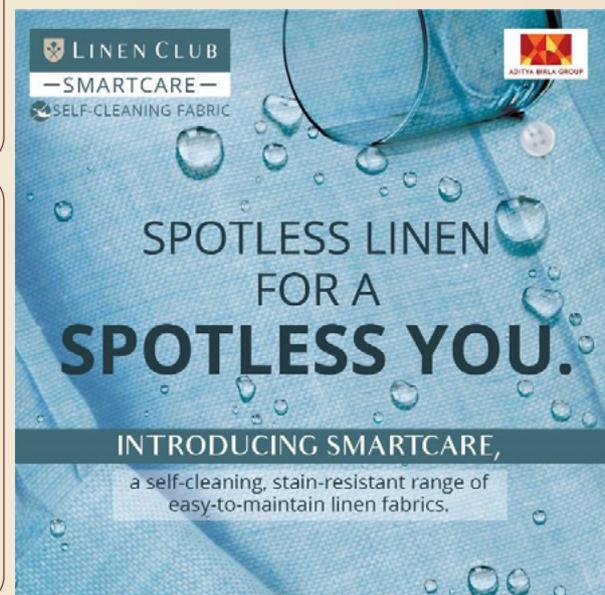


Linen Club LinShield: We are always innovating at JayashreeTextiles to provide relevant solutions for our customers and consumers. Linshield by Linen Club is our response to customer demands for protective fabrics during the pandemic. The Linshield collection from Linen Club is an eco-friendly, 100 % natural antiviral treated linen fabric that offers efficient protection against a wide range of viruses and bacteria.

After considerable research and development, the collection is carefully developed using modern antiviral technology. The AATCC 100 MS2 RNA virus test method was used to test and validate the technology.

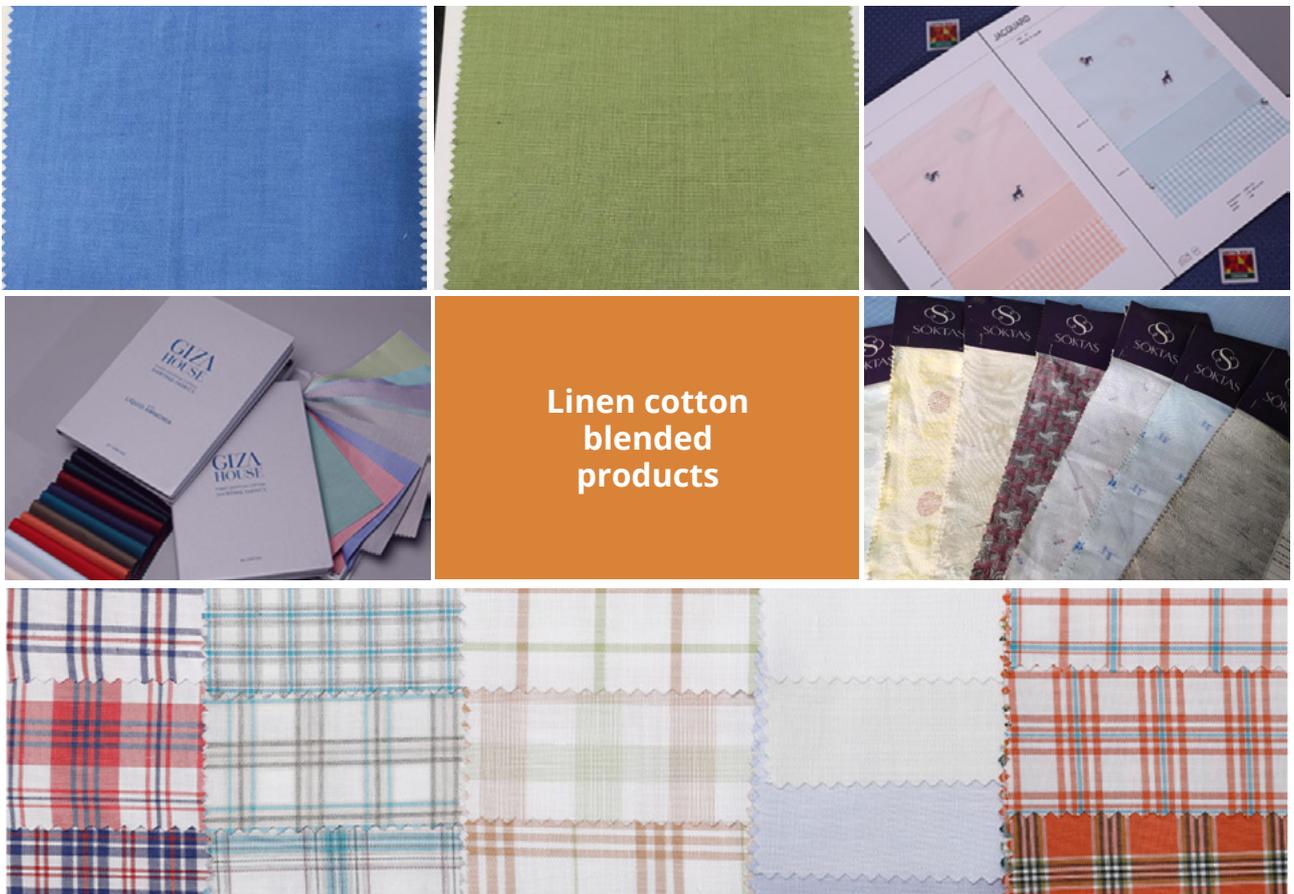
Linen Club Lino Herbal: Lino Herbal is a new addition to our protective antiviral fabric line - a 100% natural antiviral fabric crafted with the goodness of Neem, Tulsi and other therapeutic herbs. It inhibits the growth of a wide spectrum of bacteria, microorganisms and viruses. It is skin friendly, anti-odour and UV ray resistant. The AATCC 100 MS2 Bacteriophage RNA virus test method was used to test and approve the technology.

Linen Club Smartcare: Linen Club Smartcare, our latest self-care fabric invention, is a stain repellent fabric collection that gives maximum stain resistance and maximum style without sacrificing natural linen fabric attributes such as moisture absorption, comfort, feel, or durability. The collection is created to be suitable for a wide variety of events and to meet the needs of our customers in various areas such as trade, ready-made, brands & retail and home textiles. The product is developed in collaboration with NanoTex - USA, a leading fabric innovation company providing Nanotechnology-based textile enhancements to the apparel, home and commercial/residential interiors market.



In GPF, we have new products that were developed during the reporting period.

Cotton/Tencel/Stretch Product	Wrinkle Free YD Shirting fabric	100% Cotton Y/D Bottom Weights	Linen cotton blended products
<p>The product is extremely light weighted with exceptional strength. It is lustrous like silk and has a superior abrasion resistance. It is a skin friendly product with excellent stretch and recovery, soft to touch, elastic and body fit with long lasting comfort. The end use of this fabric is usually for functional and travel wear for men and women.</p>	<p>This fabric is a highly absorbent with non-ironing finish and improved abrasion and pilling performance. It has a 3.5 durable press rating. The end product is men’s formal and casual shirts.</p>	<p>It is a 100% natural product which is easy to care for and soft to touch. It is processed with eco-friendly chemistry and lower environmental impact. The end product is men’s formal and casual trousers.</p>	<p>Our skilled workers developed the cotton linen fabric using high-quality components in accordance with industry standards. Our cotton linen fabric is soft and smooth, eliminating the roughness and skin friction difficulties associated with linen. The stiffness of the linen, on the other hand, bears the weight of the cotton’s lightness. It is air permeable and quickly absorbs sweat from the skin, providing the wearer a more comfortable and non-sticky feeling. These fabrics are both environmentally friendly and sustainable because they are made from natural resources.</p>





Corporate Governance

Good corporate governance reflects positively on a company's operations and ultimately, its reputation among stakeholders. We at domestic textiles strive to holistically develop our corporate governance, focusing on key areas like risk management, environmental strategy, corporate strategy and ethical behaviour, using the guiding principles of transparency, fairness and responsibility. This approach is in line with the objectives of the Aditya Birla Group, whose goal is to adopt the best governance practices, which is central to becoming a value driven organisation.

Our Values and Code of Conduct

Group level policies of the Aditya Birla Group form our basis of our Values and Code of Conduct. Central to our business are the values of Integrity, Commitment, Passion, Seamlessness and Speed and these are embedded into all practices adopted by Domestic Textiles. With regard to our Code of Conduct, our 'Business Standards' serve as a beacon to guide all members of the organisation, to behave and act in a manner that expounds the ethics of the Aditya Birla Group on the whole. Our central stakeholders include Employees, Suppliers, Community, Investors, Government/ Regulatory Bodies, Media, Management, Environment & Animal Species and our Future Generations. We ensure that all actions taken keeping in mind the best interests of our stakeholders and do not negatively affect them.

The sustainable business programme at ABG is reinforced by our governance structure and it is important to us that this programme draws the participation of not just senior management, but of every single member of the ABG family.

We have designed our Code of Conduct keeping in mind how indispensable our employees are to us. We demand that all stakeholders adhere to this Code of Conduct and every employee is expected to conduct themselves in a manner that reflects positively on the organisation as a whole. In order to do so, we make it clear that business performance is not the only metric used to evaluate an employee's performance. Equally important is that every employee carries forward the values championed by the Aditya Birla Group.

We have made significant progress with regard to the development of our governance policies in recent years and have developed innovative mechanisms for the efficient operation of our business. That being said, we believe that we can still improve on the system in place and will do so by spreading awareness and capacity building among every member of the ABG family.



 <p>INTEGRITY</p> <p>Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.</p>	 <p>COMMITMENT</p> <p>On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those on the part of the organisation for which we are responsible.</p>	 <p>PASSION</p> <p>An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.</p>	 <p>SEAMLESSNESS</p> <p>Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.</p>	 <p>SPEED</p> <p>Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.</p>
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Our Commitments

WE SUPPORT



UN Global Compact

Ten principles to usher sustainable global economy



UN Sustainability Development Goals

New sustainable development agenda 2030



Water Pledge

The wash at the workplace pledge



Higg Index

Self assessment empowering brands, retailers and facilities of all sizes at every stage of their sustainable journey

Compliance and Risk Management

Compliance and risk management make up the foundation on which a company's reputation is built. We ensure that compliance and risk management are meticulously structured based on industry standards and that it is managed keeping in mind Aditya Birla Group level policies, standards, guidance notes, technical standards and management standards, which have been formulated based on International Policies and Standards. Furthering of business-specific standards in order to achieve 'best practices' comes under the CEO.

All organizational policies and standards are referenced and comply with the following institutions:

 <p>IFC International Finance Corporation WORLD BANK GROUP</p> <p>IFC Performance Standards</p>	 <p>OECD BETTER POLICIES FOR BETTER LIVES</p> <p>OECD Guidelines</p>	 <p>PRI Principles for Responsible Investment</p> <p>United Nations Principles for Responsible Investment</p>	 <p>UNITED NATIONS GLOBAL COMPACT</p> <p>United Nations Global Compact (UNGC)</p>
 <p>UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS & HUMAN RIGHTS</p> <p>United Nations Guiding Principles for Business and Human Rights</p>	 <p>OSHA</p> <p>US OSHA Standards</p>	 <p>NIOSH National Institute for Occupational Safety and Health</p> <p>United States National Institute for Occupational Safety and Health (NIOSH)</p>	 <p>ACGIH</p> <p>American Conference of Governmental Industrial Hygienists (ACGIH)</p>
 <p>ISO International Organization for Standardization</p> <p>International Standards Organization</p>	 <p>ILO</p> <p>International Labor Organization Standards</p>	 <p>Alliance for Water Stewardship Standard</p>	 <p>AQUEDUCT</p> <p>World Resources Institute (WRI) - Aqueduct</p>
 <p>US Environmental Protection Agency (EPA)</p>			



Our risk and compliance management system is designed in such a manner that each module strategically complements another. This helps validate the systemic flow of information, processes and products. Using this approach, we are able to comply with all regulations applicable to us, while also adapting to contemporary and potential future risks.

The management process guidelines of the company and how they are implemented can be found in the ABG Sustainable Business Framework. Using these tools and documents, we are able to go about troubleshooting at our units and can aim to continuously improve our practices. We also have in place Self-Assessment Questionnaires (SAQs) which allow us to define gaps in our strategies and make provision for filling these gaps.

Using our own ENHESA (Environment, Health and Safety) module, we are able to capture the changes in the regulatory landscape and translate these into modifications to our operations.



ENHESA Module at Aditya Birla Textile

ENHESA

- » Comprehensive regulatory compliance tool for EHS and Product performance, effectiveness, risk management, etc
- » Analyses 10 applicable thematic areas: enables gap identification and self-correction

10 THEMATIC AREAS

Applicability
or screening
questionnaire

Requirement/
compliance
questionnaire

GENERAL ENVIRONMENT

AIR

WATER

WASTE

CHEMICALS

HAZARDOUS MATERIALS

TECHNICAL SAFETY

HAZ-MAT MANAGEMENT

EMERGENCY PREPAREDNESS

OCCUPATIONAL HEALTH

Example of Compliance
Metrics

Percentage of progress

Number of findings

Risk categories

Percentage of compliance

BENEFITS OF ENHESA

Prompts our business/
unit about new
updates.

Proof and justification
of compliance serve
as a repository on our
common platform
(ENABLON).

Summary/ dashboard
of findings for
monitoring and
administering our EHS
program.

Generates EHS legal
register (for ISO based
IMS) and creates basis
for tracking continued
compliance.

Streamlining workflows,
saving time on
regulatory tracking,
identifying/mitigating
risks and fines,
ensuring business
continuity.

Regulatory Compliance Management (RCM)

- » Application for Risk & Compliance management
- » Key features: Identification of Compliance Obligation (CO), Register of CO, Maintenance of Compliance register, Operation Control System, procedures and mechanism, New Project, M&As, Resources, Training & Awareness, Information sharing, Compliance Registers, Compliance Strategy, Compliance Tasks, Compliance Watch.

ENHESA

- » Environment, Health and Safety regulatory compliance management tool

Policies, Code of conduct

- » Sustainability policies of the Aditya Birla Group as guidance for our Unit.
- » Policies on Biodiversity, Energy & Carbon, Environmental Health, Human Rights, Product Stewardship, Quality, Safety, Security, Stakeholder's engagement, Supply Chain and procurement, Transportation, Water Stewardship, Future Proofing and Crisis Management

Self-assessment questionnaires (SAQs)

- » Ensures conformance with International Standards and ABG Standards of compliance
- » Evidence-based approach to ensure rigour and consistency in processes and operations
- » Based on principles of: Thoroughness, Completeness, Relevance, Consistency, Transparency, Conservativeness, Truthfulness

Integrated management system (IMS)

- » The IMS details the management approach towards planning; support in resource management, awareness building, communications, competencies, etc. operations management in OHS, design & development; performance evaluation; improvement mechanisms based on the ISO Standards.
 - » Standards conforming to: ISO 9001:2015, ISO 14001:2015, ISO 50001:2011, ISO 45001:2018
-

Sustainability Governance

Sustainability at our units follows a top-down sustainability vision:



Aditya Birla Group

“

The Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations ”

Mr. Kumar Mangalam Birla
Chairman of Aditya Birla Group



Textiles Business

“

The Textiles Business endeavours to become the Industry Benchmark in sustainability Processes & Performance, through qualitative engagement with all Stakeholders ”

Mr. Thomas Varghese
Business Head-Textiles, Acrylic Fibre and Overseas Spinning



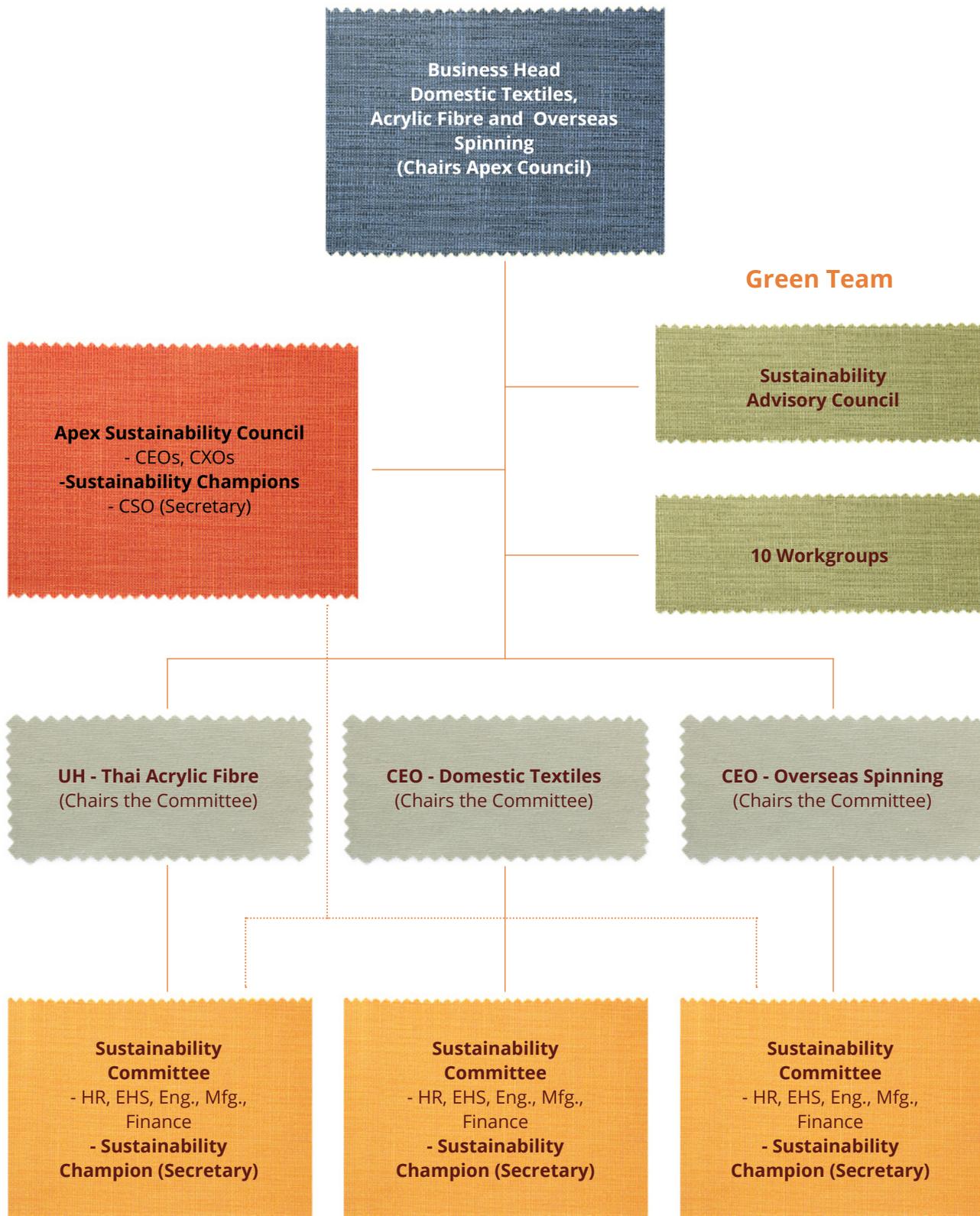
Domestic Textiles

“

The domestic textiles endeavors to become the industry benchmark globally for sustainability performance by balancing economic growth with environmental and societal interest.

Mr. Satyaki Ghosh ”
CEO, Domestic Textiles

Governance Structure



Sustainability Advisory Council

Teams are led by senior members and reviewed quarterly in apex council meetings by Business Head.



Dr. Ancha Srinivasan
Principal climate change specialist,
Asian Development Bank (ADB)



Mr. Joseph Scaria
Director- Development,
Asia Pacific, Habitat for Humanity International



Mr. Dicky Hindarto
Head of Advisory Board of the Green Partner Foundation
Member of the Expert Board of Indonesia Renewable Energy Society.
Indonesia Vice Regional Manager of the Climate Reality Project.
Member of the Advisory Board of the Indonesia Energy Efficiency Society



Dr. Satish Wate
Ex-Director – NEERI
(National Environmental Research Institute)



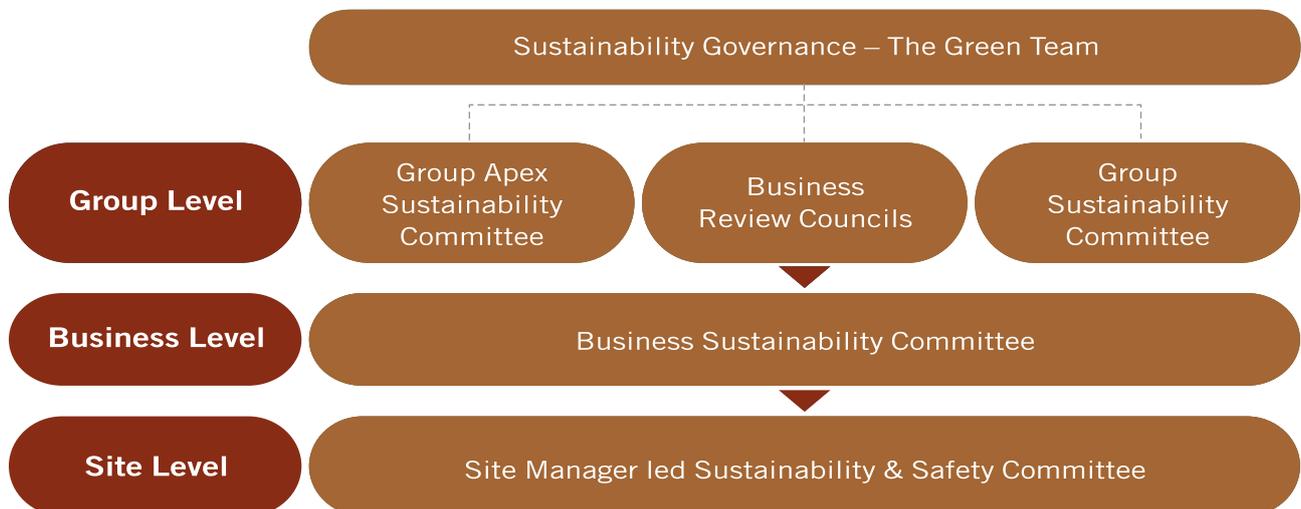
Dr. Ram Babu
Managing Director,
Advisor, Greenko
Ex-MD- PwC



Dr. Shirish Sangale
Professor of Sustainable Business,
NITIE (National Institute of Industrial Engineering)

The Green team: A Three-tier Organisational Framework

We have developed a three-tiered organizational structure to embed sustainability across our teams. Each of these groups work hand in hand through a combination of a bottoms-up and top-down approach



The apex sustainability committee:

The function of this committee is to guide and advise different parts of the organization on the implementation of the Group's policies and standards. In addition to this, the committee observes and acts on major trends that could potentially affect the business. On a periodic basis, the Chairman and Business Review Councils are informed on the performance of the business and they in turn collaboratively take stock of sustainability risks and whether they are being addressed and managed adequately. Based on their view of sustainability issues that are material to ABG, budgets for sustainability initiatives are approved, to help the company further its commitment to achieving the best practices in the industry

The group sustainability cell

The role of this team is to provide insights to the leadership teams on the sustainability standards and strategies that ABG should aim to achieve. Additionally, they are also responsible for planning how to integrate these strategies into operations through Horizon Scanning and Future Proofing.

Business Sustainability Committee

The function of this committee is to facilitate the incorporation of the sustainability framework across ABG's operations. This committee is headed by the Business Head and CEO. To ensure that the framework is applied uniformly across domestic textiles. These site-level committees take the necessary steps to meet the requirements as per Group Policies on a site-to-site basis, while also ensuring the completion of self-assessment questionnaires and creating site specific action plans that are in accordance with the ABG standards. Additionally, the committee also manages the training and development needs of different parts of the business, working closely with the Group Sustainability Cell.

In conclusion, the ABG Sustainable Business Framework forms the foundation of all sustainability related activity in the company and put into practice through the multi-tiered sustainability governance system.

Sustainability Committee at DT

The table below provides the details of the sustainability committee at DT. This committee is supported by different HODs and other employees at a plant level when required.

Chairman Chief Executive Officer-DT	Vice chairman Chief Manufacturing Officer- DT	Sustainability Champion and Secretary Head Engineering and Sustainability - DT	Member Head - HR &IR - DT
Member Operation Head: GPF	Member Operation Head: VW	Member FH Procurement	Member FH Wool Marketing

Policies and Management Framework

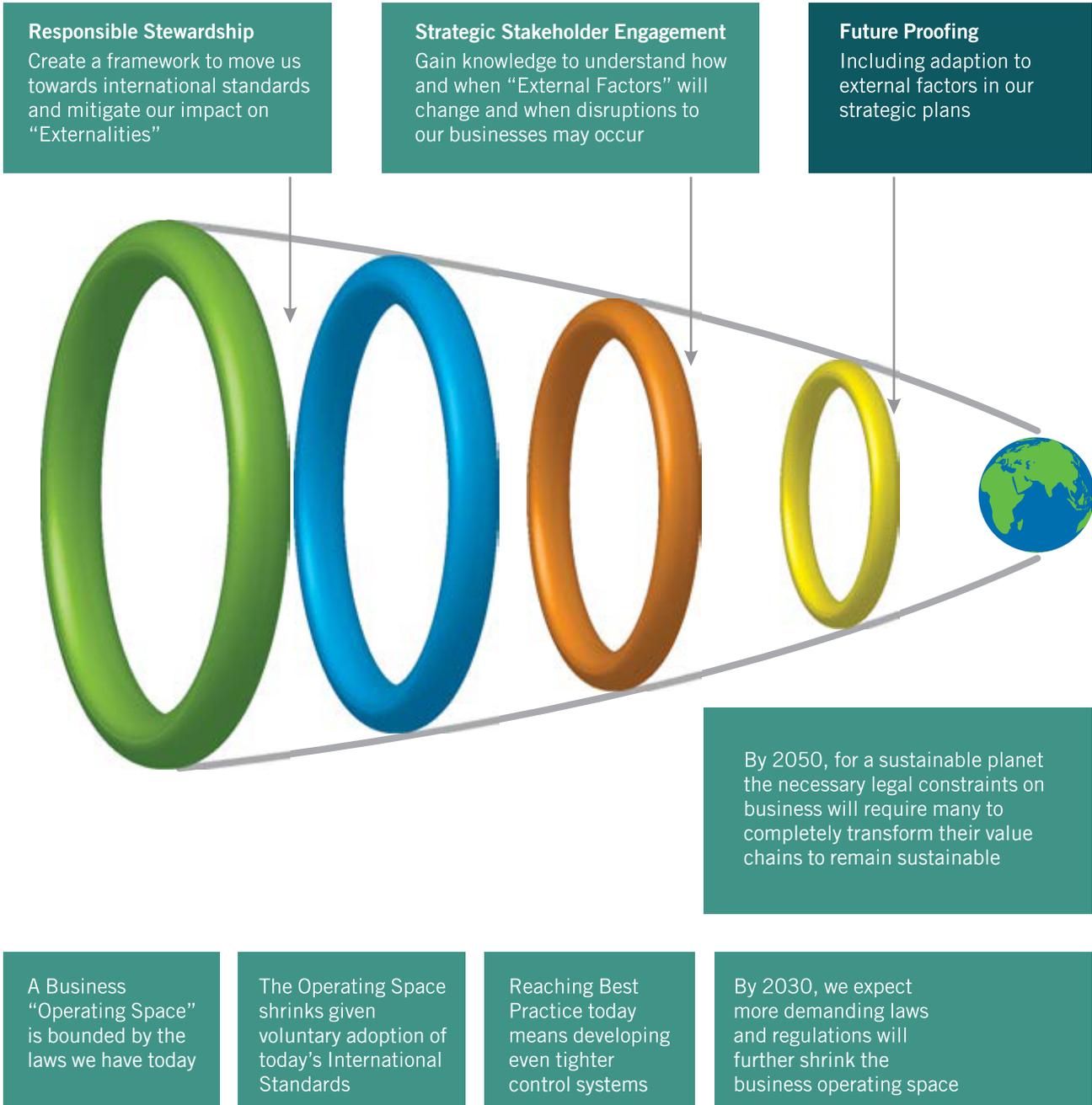
Environmental Policy ISO 14001:2015, OEKO-TEX®, Higg Index, FSC™ CoC, GRS, RCS	Water Stewardship ISO 14001:2015, OEKO-TEX®, Higg Index	Procurement ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, FSC™ CoC, GRS, RCS
Bio-Diversity ISO 14001:2015	Supply Chain ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, FSC™ CoC, GRS, RCS	Anti-Corruption Code of Conduct
Stakeholder Engagement AA 1000	Supplier Code of Conduct ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, Higg Index	Health ISO 45001:2018, Wash Pledge
Product Stewardship ISO 9001:2015, ISO 14001:2015, OEKO-TEX®, FSC™ CoC, GRS, RCS	Safety ISO 45001:2018	Human Rights UNGC
Energy and Carbon ISO 14001:2015, OEKO-TEX®, Higg Index, ISO 50001:2018	Quality ISO 9001:2015, OEKO-TEX®	Transportation ISO 9001:2015, ISO 14001:2015, ISO 45001:2018





Aditya Birla Group Sustainability Framework

Operating a business in today's context requires a radical approach to solve complex global problems. The Aditya Birla Group Sustainability Framework was designed with the objective of aligning the company's business development with its overarching commitment to conduct business responsibly and with minimum impact on the environment. Equipped with our Group Sustainability Vision, we believe that we have the potential to develop into the largest Indian conglomerate for sustainable business practices (across global operations). The funnels of our sustainability framework demonstrate our approach in various legislative and operating contexts, which is governed by the following three pillars:



Management Approach

Governance

We have adopted a “Code of Conduct for all our employees” of the company, which is publicly available on the company’s website. This policy ensures manifestation of the Company’s commitment to lawful and ethical business conduct which is critical to the successful operation of the Company.

The Chief Sustainability Officer at Aditya Birla Textiles oversees all sustainability initiatives across the Group. He drives the sustainability Initiatives at business level under the leadership of Business Head. This is followed by designated Sustainability Champions in each of the Units across the Aditya Birla Group to focus on the Sustainability Aspects and drive the Unit initiatives as per the guidelines and requirements of the Group, Business and Units.

Through our Sustainable Business Framework of Policies, all employees at Aditya Birla Group have a platform to understand, get trained and improve on various performance indicators, Technical Standards and Guidance Notes and apply improvement techniques to help our businesses reach better heights.

We comply and adhere to international standards set by global bodies of the International Finance Corporation (IFC), the Organization for Economic Cooperation and Development (OECD), the International Standards Organization (ISO), Occupational Health and Safety Organization (OHSAS), the Global Reporting Initiative (GRI), the Forestry Stewardship Council and others.

Economic Performance

DT is driven by its financial performance. It is essential that we use the funds we create to grow our direct and indirect economic benefits by expanding our assets, geographical reach and market presence, as well as creating jobs and constructing local infrastructure. Our vision involves a commitment to continue manufacturing high-quality products while addressing our organization’s numerous sustainability challenges, as well as a commitment to our staff, communities in which we operate, shareholders, customers and society. Wherever possible, mitigate and control the social and environmental repercussions.

The revenue generated by us is utilized for our direct and indirect economic benefits by increasing our assets, geographical outreach, global presence, creating employment opportunities and building local infrastructure.

Due to the pandemic, the economic value generated is reduced in the reporting period.



Environmental Performance

At Aditya Birla Group, we are aware of the consequences of the textile industry on the environment. We measure our environmental performance across our various business verticals. In doing so, we have developed a Biodiversity policy, Energy and Carbon policy, Environmental policy and Water Stewardship policy which have been approved by the senior management and circulated among all our employees. Further, we have developed an IMS manual that ensures that our operation is in compliance with all national and international environmental laws and regulation.

Our engineering team ensures effective implementation of the IMS manual. This includes procedures referring to biodiversity management, energy and carbon management, water management, solid and hazardous waste management, air quality management, noise management etc. On a monthly basis, we report on key environmental indicators to our top management for review. In addition, we also have an ISO 14001 accreditation.

Circulated among all our employees, we have developed a detailed IMS and a social responsibility manual that fosters an inclusive culture. These manuals ensure the highest order of compliance in our operations with national and local labour laws and other regulations.

Under our responsible stewardship commitments, we aim to mobilise the infrastructure required to achieve 100% water recycling and Zero Discharge of Hazardous Chemicals (ZDHC) at both our units.



Employee Practices

Our dedicated HR, IR and H&S team effectively implement and execute all procedures laid down in these manuals relating to human rights and health and safety.

JST has implemented SA 8000. The Legal Compliance Management Plan ensures that our operation is in compliance with all national and local labor laws and regulations.

For the wellbeing of all our employees, we have adopted a Health policy, Safety policy and Crisis management policy, in addition to the HR policy. All these policies are approved by the top management and circulated among all our employees.

At ABG group, we prioritize our employees' career ambitions and support career growth. In doing so, we conduct training under our learning and development initiatives. It also includes health & safety aspects for the employees.

Additionally, we have several communication channels as a platform for all our employees to share ideas, innovate and express any concerns they may have to our top management.

Our HR and IR team regularly conducts needs assessment and various other forms of training in compliance with our Training Awareness and Competence Procedure.



Society

We are deeply committed to the society at large, in which we operate and consider it is our social responsibility policy and philosophy to guide us in offering better services and uplifting the larger community and society.

Through our social responsibility policy and manual, signed by the Technical Head, we have led several community development programs and initiatives. In doing so, our HR & IR team ensures effective implementation of the procedures laid down in the manual. These procedures laid down in the social responsibility manual act as guidelines for our implementation strategies.

Further, our CSR team conducts frequent need assessment surveys, monitors and evaluates ongoing initiatives as part of program execution. We also address the challenges that arise from the surveys to mitigate issues and additionally implement definitive action plans.



Responsible Products

All our employees abide by the product stewardship policy and quality policy signed by the top management at Aditya Birla Group.

We have developed an IMS manual to safeguard conformity of products and customer satisfaction enhancement. This IMS manual includes a design & development procedure to develop new products. We also have robust procedures and conduct internal customer satisfaction surveys to resolve customer complaints.

Additionally, we conduct regular monitoring and evaluation exercises, to evaluate our customer needs, product knowledge sharing sessions and maintain strong communication with our customers.

We have the following accreditations: ISO 9001, ISO 50000, ISO 14001, OSHAS 18001, OEKO - TEX.



Supply Chain

We have adopted a robust supply chain and procurement policy approved by the top management of ABG – Textile business.

We have also adopted an ABG Textile supplier code which is in line with ABG Group's values, vision and sustainability vision and ABG Textiles sustainability vision

Complying with national and local labour laws and regulation, we have drafted an IMS manual that ensures compliance of our operations and our suppliers' operation. Further, in doing so, our procurement team ensures effective implementation of the mandated HR guidelines in the IMS manual relating to supply chain.

We evaluate and screen all our suppliers based on Higg Index guidelines. We have segmented our suppliers and evaluated our critical suppliers for compliance on applicable regulations. Further, all our suppliers are assessed on environmental, social and HR aspects.

We continuously explore opportunities to collaborate with our suppliers to substitute materials and improve quality.

We also have a strong supplier grievance mechanism in place to address the complaint handling process

We screen and evaluate 100% of our suppliers based on Higg Index guidelines and have segmented our suppliers and evaluated our critical suppliers for compliance with applicable regulations



Domestic Textiles Sustainability Journey and Roadmap

Sustainability is at the core of Aditya Birla Textiles. This creates positive impacts for the people and the planet. DT has embarked on its sustainability journey in 2013 and has only strengthened its resolve to become a sustainable and responsible business ever since.

2013-2014

- » Sustainability dashboards - Unit and Business
- » Roadmap preparation
- » Hired RSM GC as consultant for SR publication (GRI G4)
- » Identification of sustainability projects
- » SAC Higg Index web tool implementation

2014-2015

- » Deployment of Enablon (SIMS)
- » Published first sustainability report - FY15
- » Phase 1 SAQ implementation
- » Water & effluent initiatives, energy & carbon initiatives, vision realization plan
- » Stakeholders' awareness & engagement

2015-2016

- » Safety APP - Enablon
- » LCA, Future proofing and SAC Higg Index validation
- » CII sustainability award application
- » Domestic Textiles Business
- » Won CII-ITC Sustainability, Award for Domain Excellence- CSR

2016-2017

- » Revised Sustainability Vision - 2020
- » ENHESA - Regulatory compliance
- » CII-ITC sustainability awards
- » Social Responsibility: ISO 26000
- » Safety Inspire-III program
- » GRI 4.0 indicator mapping - Enablon



Vision

To be a leader in Textile Industry by providing the most innovative products in the line of our business and to maintain leadership position in the Domestic Linen Business, Preferred Choice Globally in Wool Business.

2017-2018

- » GOTS certification for Linen & Wool
- » SAC Higg Index – modified version
- » Zero Liquid Discharge targets through water recycling initiatives
- » SAQ phase- 2, 3 & 4 implementation
- » Taproot Software for Incident Investigation

2018-2019

- » Future proofing - Linen business
- » Renewable Energy
- » Zero Discharge of Hazardous Chemicals (ZDHC)
- » Collaborations with Brands & other organizations

2019-2020

- » Product stewardship and branding for green product - Wool & Linen
- » Combined Sustainability Report with financial report (Integrated Reporting)
- » Centralized Integrated Management System (IMS)
- » Acquired Grasim Premium Fabrics

2020-2021

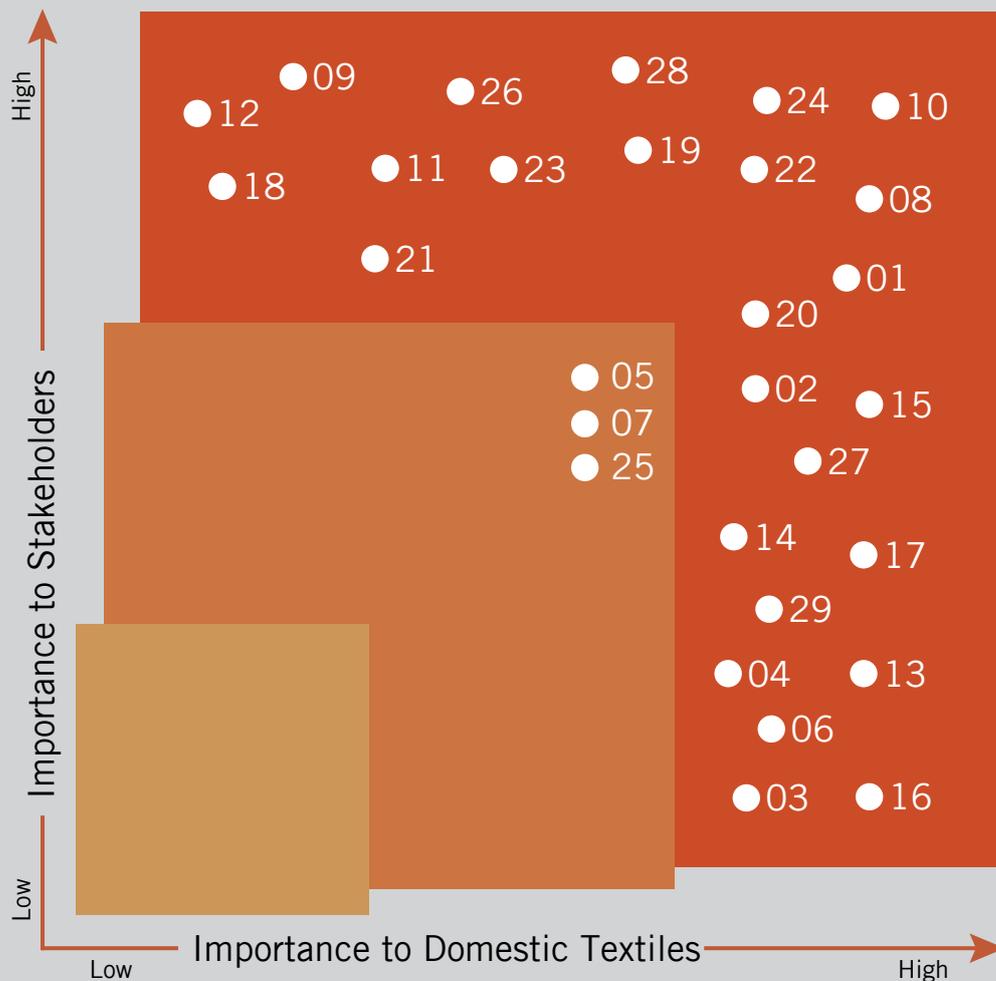
- » New Higg Index Module (FEM-3.0 and FSLM)
- » Renewable Solar energy project
- » Rain water harvesting
- » Phase 5 SAQs on Permit to Work, Hazardous Chemical, Supply Chain, Stakeholder Engagement 7 Grievances

We have developed a roadmap to achieve our vision while keeping sustainability at the heart of our operations. We set targets with the cooperation of our business heads and constant support from the Aditya Birla Group. Our targets are defined by what we have done in the past and where we are now, in order to know where we ought to be tomorrow. We develop roadmap and action plans to meet the targets we have set for ourselves. The Green Team monitors our performance across sustainability KPIs.

Materiality Matrix

The materiality mapping exercise included two types of inputs- one was key business challenges derived from Environmental & Social Impact Assessment study and the second was a rich set of qualitative insights and responses. These invaluable inputs help in determining our trajectories and orienting our businesses with our core business strategy and stakeholder interests.

We have identified 29 topics, the list below showcases the identified topics and their relative importance to the stakeholders and the business:



S. No.	Key Material Topics Identified	Aspect importance across the business value chain			
		Supply Chain	Manufacturing	Transport	Customers
1.	Policies, Standards and Code of Conduct	✓	✓	✓	
2.	Regulations and Legal Compliance	✓	✓	✓	✓
3.	Grievance mechanisms(Employee, Environment, HR, society)	✓	✓	✓	✓
4.	Economic Performance	✓	✓		
5.	Market Presence		✓		
6.	Indirect Economic Impact		✓		
7.	Renewable and non-renewable materials		✓		
8.	Responsible procurement	✓	✓		
9.	Packaging		✓		
10.	Energy management		✓		✓
11.	Waste management and effluents		✓		
12.	Water stewardship		✓		✓
13.	GHG emissions and air pollution		✓		✓
14.	Compensation and benefits to employees	✓	✓	✓	
15.	Employee Recruitment and Retention		✓		
16.	Employee relations		✓		
17.	Employee health and safety	✓	✓		
18.	Training and education		✓		
19.	Diversity and equal opportunity		✓		
20.	Collective bargaining	✓	✓		
21.	Human rights assessment of operations	✓	✓		
22.	Community Impact, Relations and Development		✓		
23.	Payments terms and negotiations with suppliers	✓	✓		
24.	Supplier screening and Audits (Labour, HR, Community)	✓	✓		
25.	Investments in developing local supplier network		✓		✓
26.	Customer health and safety		✓		✓
27.	Product and service labelling		✓		✓
28.	Marketing communications		✓		✓
29.	Customer satisfaction		✓		✓



Message from the Head Operations - VW

We are researching the use of solar power through open access channels and installing solar power through equity-based installations.

Our aim is that our fabric reflects our beliefs and hard work. There are numerous efforts that go into spinning each yarn and weaving each piece of cloth. VW has assumed responsibility for safeguarding the safety of all stakeholders involved in these initiatives. We outline all the sustainability actions implemented and the way forward in the Units' sixth sustainability report.

The Aditya Birla Group's Sustainable Business Framework has provided us with a strong foundation on which to build. At VW, the ABG guidelines serve as a roadmap for our sustainability efforts. Every manufacturing unit has charted its own course toward a larger goal: a cleaner environment and a more contented community. All of VW's sustainability-related efforts have been highly embraced, with our employees' contributions steadily increasing. We have always strived to go beyond compliance for our targets. We are researching using solar power through open access channels and installing solar power through equity-based installations. We continue with our ZLD strategy in our operations.

We will continue to prioritise stakeholder discussion and collaboration by implementing a variety of activities to meet all of the stakeholders' concerns. The aspects of education, healthcare, sanitation facilities, local infrastructure development and fostering self-sustaining business models are all part of our community engagement framework. All these projects are aimed at having the greatest possible positive impact and identifying the drivers that will allow us to accomplish so.

Our global collaboration efforts are aided by our commitment to textile industry standards such as GOTS, RWA, RSL, OEKO-TEX®, European Flax® and others. We appreciate all our customers' continuing support and welcome any suggestions for improving our sustainability performance.

- Mr Samiran Nag



Message from the Head Operations, GPF

We are operating on 100% non-fossil fuels. To increase the renewable energy basket, a 1.8 MW roof top solar system was successfully installed and generating commenced on a BOOT basis.

As we continue to grow and broaden our horizons, we believe it is our responsibility to proclaim our commitment to social and environmental responsibilities, which will aid us in creating a more positive community and an environmentally conscious culture. We endeavour to contribute to sectors such as education, culture and art in order to reduce the environmental impact of our operations.

We strictly adhere to international quality and environmental standards and ensure that all our operations meet these requirements. We have been certified with ISO 9001, ISO 14001, ISO 45001, Oekotex and GOTS. Our certifications demonstrate how committed and socially responsible we are when it comes to developing products that are not only effective, but also safe for our customers, staff and the environment. Our certifications demonstrate how reliable we are as a company in every element of our products and services, especially quality and safety.

Our cultural and humanitarian activities are intrinsic to our principles and we think that in order to have a

positive impact on the world around us, we must provide a worthwhile experience to society.

We believe in sourcing natural and environmentally friendly raw materials in order to make products that contribute to our sustainability efforts, therefore keeping sustainability at the forefront of our operations. We are operating on 100% non-fossil fuels. To increase the renewable energy basket, a 1.8 MW roof top solar system was successfully installed and generating commenced on a BOOT basis. In terms of solar irradiation, we are getting 85-90% efficiency and we are receiving about 17% to 20% units of total plant consumption.

We have been doing things like using ethical, eco-friendly ways and safeguarding natural resources for a long time. We have taken significant steps to make the world a better, safer place for future generations and we have set ourselves sustainability goals to meet by 2025.

- Mr. Sadanand Gupta



Message from our Finance Controller

Due to our robust business strategy, which has attempted to incorporate sustainability into all our activities, the company was not as badly affected by the pandemic as it would have been otherwise.

Delivering the highest quality products has always been the goal of the textiles business of the Aditya Birla Group. Despite the pandemic, which has negatively impacted businesses around the world, we have still managed to grow our business and take huge steps in terms of innovation. With the acquisition of GPF, we have three total units that make up the group's domestic textiles and in each of these units, we have undertaken huge investments and ground-breaking initiatives which have not been done before in the market space at a commercial scale.

The textile sector was one of the worst hit by the pandemic. Despite this, DT ensured that it paid salaries in full to all its full-time employees and 75% to contractual workers through the lockdown. This resulted in significant losses in the 1st and 2nd quarters of 2020 and even though the market recovered since, it is not nearly as good as it was prior to the pandemic. Linen yarn, linen fabric and garmenting and worsted woollen yarn sales were all affected, as nearly 70% of export commitments were unable to be met due to COVID-19 restrictions.

Some of the measures taken to tackle the challenges posed by the pandemic include connecting the members of the ABG family through periodic meetings and WhatsApp groups, monitoring of the cash flow on a monthly basis by the finance team, creation of new scenario based contingency plans and maintaining/rebuilding relationships with customers.

In the wake of the pandemic, there are a number of

steps that we have taken to prepare for similar risks in the future. These include:

- » Maintaining a lean working capital and managing cash flow: In FY20, we had a net working capital of 124 crore and a credit of more than 550 crore. During the pandemic in 2021, the cash flow dipped by 100 crore and creditors levels were down to 300 crore. Now, we have started engaging our various brands for channel financing and have started bill discounting.
- » Modifying our communication channels with customers with more focus on reaching out to them through WhatsApp, e-com, digital channels etc. (this was done based on inputs received from the marketing)
- » Effecting a digital transformation in every part of the company.

We believe that our environmental and social performance must be on par with our financial performance in order to have a meaningful impact as a company. Due to our robust business strategy, which has attempted to incorporate sustainability into all our activities, the company was not as badly affected by the pandemic as it would have been otherwise. Our strategic investments in various sustainability initiatives have helped boost both the efficiency of our operations and the development of local communities. We hope to maintain similar holistic development of the company in the years to come.

- Mr Sachin Kumar



Message from our Sustainability Champion

Currently, 6.2MW of solar power is being generated across all Domestic Textile units. Zero Liquid Discharge has been achieved in two of our three units - JST and VW.

Sustainability has always been a vital part of Aditya Birla's heritage of producing high quality, innovative products and our commitment to our various stakeholders. From our past experiences and results, we have found that sustainability performance and sound corporate citizenship are key to the success of a business of our nature. Our goal is that every textile we produce should reflect the core values of our organisation and as we release our fifth sustainability for our Domestic Textiles units, we will describe the various initiatives in the past two years that have strengthened our sustainability practices.

The Sustainability Business Framework of ABG makes up the backbone of our sustainability strategies at JST, VW and the newly acquired GPF. Each of these units have their own targets with regard to sustainability, with the overarching goal of minimising our overall environmental impact and effecting positive change in the communities in which we operate. The three sustainability pillars define the scope of our practices - Responsible stewardship, stakeholder engagement and future proofing. Responsible stewardship is further broken down into 5 thematic areas (responsible supply chain, chemical management, product innovation, customer centricity and digital transformation) in order to present a holistic view of how sustainability has been implemented throughout the organisation.

The pandemic took a toll on our business, much like the rest of the world, but owing to our robust

business model, we were able to weather the storm and come out of it stronger than before. Conducting business during the pandemic requires a shift in mindset, because of the numerous risks associated like disruption of supply chains and inaccessibility of customer base. We had to ensure that we had an efficient hybrid model in place for our operations team and guarantee them access to all utilities whether they were working remotely or not. At JST, we provided laptops and desktop computers to our employees at their residences. We also provided SAP control at remote locations and allowed employees who travelled using public transport to work from home. In VW, we encouraged employees to use their personal vehicles and they were reimbursed for their travel costs.

We constantly strive to improve our environmental performance and go well beyond the basic compliances in order to have a positive impact on our surroundings. Our units already had detailed sustainability strategies in place, which have only improved in the last two years. Reduction of water use and wastewater, energy usage and waste generated were the main points of focus. Due to closure of plants and low utilization during the pandemic, the maximum benefits of our sustainability initiatives could not be reaped. JST has almost achieved Zero Liquid Discharge and would it have done so if not for the closure of units. VW has been Zero Liquid Discharge since 2018-19. GPF currently meets 50% of the treated effluent requirements as per the Maharashtra government's regulations. This was achieved through a project which augmented the unit's entire ETP plant.



GPF has reduced hazardous waste production by nearly 50% through culture based biological treatments for BOD COD demands, micro and nano filtration and RO technology for water recycling. The culture based biological treatments have been developed as per the quality of effluents generated by GPF.

With regard to energy, we have one 4.4 MW solar plant at JST and a 1.8MW plant in GPF. In total, 6.2MW of solar power is generated across all three units. We have also recently added a new steam accumulator which helps reduce coal usage and therefore carbon emissions. From its inception, GPF has been operating using non-fossil fuels for its boiler operations. Additionally, JST has invested over 1 crore rupees to upgrade its pollution control system in order to achieve a level of 50ppm emissions. All these initiatives collectively contribute to the establishment of a robust sustainability management system for the ABG as a whole.

Besides the various sustainability initiatives that have been implemented in our manufacturing processes, we also have stringent protocols in place for the finished fabric that we produce to ensure that we are following the industry best practices. Our adherence to reputed textile industry standards like SAC Higg Index, WASH, Oeko-Tex, BCI, FSC, ISO and GOTS reflects this.

In the coming years, we plan to build on the solid foundation that we have created, with the goal of achieving the status of a sustainability leader in our industry. In JST, we plan to cut the boiler fossil fuel usage by half, after which we will do the same for VW. In the next financial year, we also plan to set up a solar plant through a joint venture on an equity basis - this will be set up in West Bengal and the power it generates will be used in our operations. This sustainability report serves to publicly disclose our sustainability based on the GRI framework. We appreciate the constant support that we have received from our customers and welcome any feedback on how we can improve our sustainability performance.

- Mr Vivek Kumar Singh

Our Approach to Combat COVID-19

COVID-19 has wreaked havoc on communities and businesses around the globe, impacting people in a variety of ways. It has challenged the world on every front, be it economy, health care, politics, planning, or social values at large, the textile sector has become the most seriously hit among manufacturing sectors. Many of us have experienced the loss of loved ones and many of us are uncertain about the future.

All of us are concerned about the safety and well-being of our families, co-workers, customers and partners who make up our vibrant global family during this time of unprecedented uncertainty. Changes in our sector have intensified in the last year, including alterations in customer behaviour and expectations. It is apparent that developing even better relationships with our consumers, beyond one-time purchases and with our partners has been critical to weathering the epidemic and will be equally critical to our recovery and future growth. Our long-term survival necessitates a greater emphasis on circular business models, co-creation and operation within planetary boundaries.

COVID-19 pandemic had a significant impact on our business and results of operations.

- » It led to a decrease in our net sales, reduced working hours for employees in response to production slowdowns and concerns about employee retention.
- » We had factory closures, transportation issues, reductions in future orders and slowdown in the demand for fabric which impacted our supply chain as well.
- » There was a delay or pause in several sustainability-related activities.
- » People employed in the value chain have been affected particularly hard, with inadequate social security.

Our Response

Despite the pandemic's challenges, we have accelerated our sustainability efforts on a number of fronts, including elevating our brand, investing in digital tools and capabilities and accelerating our efforts to diversify across geographies, product categories and distribution channels. We are continuing to invest in innovation, and are trialling and scaling new circular business models.

It's a difficult time for all of us and our first priority is to protect our employees' health while minimising the impact on our customers' orders. We have launched an artificial intelligence platform for the employees which is scalable and designed for quick deployment, allowing users to analyse numerous video streams in parallel, apply advanced video analytics in real time, build on model output using configurable business logic and receive real-time alerts, notifications and reports.

We have formed a task force at our Domestic Textiles units to deal with the current situation. The following are some of the initiatives:

- » **Working remotely:** Work can be done remotely for many teams. We keep in touch with all of them by leveraging the digital tools and technologies at our disposal.

- » **On site safety:** Strict symptom checks, disinfection measures and restricted access to the factory and the residential complex are all in place. We communicate with the local health officials on a regular basis and receive regular updates on the situation in the areas. Also, we continued doing the temperature checks and distribution of masks and sanitizer.
- » **Travel and events restriction:** There is a virtual ban on all forms of travel. Meetings are held by teleconferencing and video conferencing on MST teams to maintain as much social distance as feasible. Despite the obstacles we face individually, we can remain strong and resilient as a group.



Figure: Vaccination on 14th June and regular sanitisation in the entire operations



Figure: Sanitisation of OHC on regular basis

Ensuring employee safety and wellbeing

We instituted COVID-19 protocols and SOPs to ensure the safety of all our employees in our manufacturing facilities, which were functioning in compliance with the government guidelines. Steps and measures taken:

- » Early assessment to prevent COVID-19 by checking body temperature for all employees and visitors and checking negative test reports for visitors
- » Provision of masks to each employee and hand wash, hand sanitizer, disinfectant sprays at factory touch points
- » Socialization of COVID-19 prevention to build awareness among employees (protocols, SOPs, government regulations and health and safety covered), through certified medical experts
- » Social distancing, regular disinfection and posters on COVID-19 prevention in all public places including canteen, offices, toilets, guest house, meeting rooms and dormitories
- » Procurement of Rapid Antigen Test kits, oxygen concentrators and air purifiers
- » Distributed around 5000 masks within the operations and externally to the communities as well

COVID-19 Task Force

At Domestic Textiles, we formed a COVID-19 Task Force for spearheading actions to suppress the spread of COVID-19. The Task Force members are responsible for organising initiatives (awareness sessions, poster displays etc.) for socialization against COVID-19. They maintain active communication with the government authorities and monitor the situation in our region, updating all Department Supervisors accordingly. They are also responsible for implementing routine controls so that employees and visitors comply with the COVID-19 protocols.

Ensuring business continuity

With the onset of the pandemic, we leveraged technology to conduct business. Leaders leverage technology for large meetings set up and frequent employee connections. Our managers and teams established goals and review mechanisms for efficient virtual working. Our IT and support teams provided strong back-end support to our staff to enable smooth functioning from home/remote location. We also reviewed and modified our leave policies to accommodate the COVID-19 situation and new ways of working.

We stayed in regular touch with our suppliers, customers and other industry partners using digital tools and technologies (video conferencing and messaging platforms, webinars, town halls etc.). We also digitized our Value Added and New Product samples and launched the digital collections in 2020.

Using Artificial Intelligence to fight COVID-19 – VEDA Platform

In this acute health crisis, the Aditya Birla Group has prioritised the protection of its employees. To keep its employees safe at their manufacturing plants and offices, the group turned to artificial intelligence (AI) and deep learning. The group data and analytics cell, the group's analytics and artificial intelligence arm, developed a cost-effective and efficient strategy to create a safe environment in both production and office settings by utilising AI.

Following COVID-19, the team created a new version with expanded features to meet the needs of manufacturing units and offices. VEDA (Video Enabled Decision and Alerts) is an AI platform, which is a first-of-its-kind unique solution, employing computer vision to deliver alerts and insights so that real-time decisions can be taken.

The platform is scalable and designed for quick deployment, allowing users to analyse numerous video streams in parallel, apply advanced video analytics in real time, build on model output using configurable business logic and receive real-time alerts, notifications and reports.

“We Can Fight Corona Virus Together & Be Safe”

Symptoms	Do's	Don'ts		
High Fever Cough & Sneezing Severe illness Shortness of breath, and/or difficulty in breathing	Wash hands frequently with soap & water. Use Hand Sanitizers. Cover your mouth with tissue/ handkerchief while sneezing or coughing. Use masks, and stay at home if you are sick. Sneeze into your elbow.	Handwash with Dettol before Biometric. Throw tissue in covered dustbin after use. Clean things that are frequently touched. Do Namaste instead of shaking hands.	Please ensure sick person is sent to the dispensary. Consult a doctor if you have the symptoms. Wash handkerchiefs / masks daily. Cook food items thoroughly.	Don't touch eyes, nose, mouth with unwashed hands. Don't spit in public places. Avoid non-critical business/ personal travel. Don't sneeze into your palms. Avoid large social gatherings. Don't shake hands.

* For more information, connect with the Factory Dispensary or Team HR-IR. **“Hygiene & Awareness is key to Prevention.”** Domestic Textiles Business

Why COVID - 19 is Spreading Fast?

3 Major Reasons



They are my colleagues
So I can speak without Mask



They are my close friends
So I can speak without Mask



They are my relations
So I can speak without Mask

Don't Do Above 3 Mistakes
Wear your mask properly always
Save yourself & Society

100% of the employees in the DT operations are vaccinated.

Responsible Stewardship

Responsible stewardship is a crucial pillar of Aditya Birla Group's Sustainability Framework. The quality of being accountable and responsive to our operating environment comes with the values of integrity, commitment, agility and resilience that is ingrained in our system.

Sustainability is a natural and value creating part of daily business at the Aditya Birla Group. Our objective is to transform the way we operate to meet future challenges. We recognise our responsibility to address environmental impacts across our value chain to minimize climate risks. For this, we at Domestic Textiles (DT), subscribe ourselves to operate in accordance with the principle of responsible stewardship. This helps us engage well with our stakeholders, exercise appropriate operational management and use resources in a responsible manner to create value. We manage all our operations and services in a sustainable, innovative, transparent and ethical way. Through this, we aim to transform our business and raise the bar of our potential to help move spinning business forward.

Our operations are governed by a set of fifteen sustainability-oriented policies laid down for the textile business. A culmination of these policies puts us on a path to responsible stewardship at domestic textiles.

Environment Policy

Energy and Carbon Policy

Water Stewardship Policy

Biodiversity Policy

Transportation Policy

Product Stewardship Policy

Supply Chain and Procurement Policy

Quality Policy

Security Policy

Crisis Management Policy

Health Policy

Human Rights Policy

Stakeholder Engagement Policy

Safety Policy

Future-Proofing Policy

We aim to offer our customers high-quality products with low environmental impact, taking into consideration the principles of all the stakeholders involved. For this, we deploy innovative and responsible solutions for our suppliers and customers and work with our value chain partners to reduce negative environmental impact. Responsible procurement, cleaner production, sustainable packaging, recycling and responsible supply chain solutions are implemented in a way that respects nature and people.

Within responsible stewardship, we have identified five thematic areas in this report, which encapsulate our key sustainability initiatives. These focus areas also align with the UN Sustainable Development Goals (SDGs) and other global standards.

Product Innovation and Customer Centricity

Our relentless focus on product innovation coupled with customer centricity has led us to develop many sustainable and value-added products (VAP).



Resource Efficient Cleaner Production

We take measures for resource efficient cleaner production to reduce our energy, water, chemical consumption and waste generation.



Circular Economy

We aim to achieve circular economy principles through product and process innovation, scalable solutions and unlocking markets for sustainable products.



Responsible Supply Chain

Responsible Supply Chain We are constantly finding new ways of working with our stakeholders to make our supply chain responsible, ethical, inclusive, resource-efficient, agile and resilient.



Digital Transformation

Our textile business is incorporating digital solutions to make our operations as well as our supply chains more efficient, safer and economical.



Product Innovation

To address the evolving expectations and demands of our diverse client base across the globe, we cultivate a strong research and innovation culture. Our research and development efforts span the entire value chain, looking at the possibilities of boosting value at any stage through our intervention. We are constantly evaluating new ways to improve and benchmark existing products and processes against best-in-class technical advancements.

We follow a proactive approach towards product innovation, forecasting trends and identifying the needs of the market to develop our products. We have a centralised marketing team that provides intelligence global market landscape and trends. We continue to invest in scientific research and new product development in close partnership with our customers and industry stakeholders. R&D fosters a constant stream of unique and cutting-edge products that drive organic growth. We follow industry best practices and fully understand the importance of our human resources, production processes and organisational culture in achieving innovation targets.

Product Innovation at JST is driven by the Value Creation Engine (VCE) developed by our centrally driven Research & Development team. It is a six-stage process that begins with idea generation by the team (production, engineering, marketing and so on) and concludes with approvals from relevant stakeholders and the Chief Technology Officer. Post the feasibility assessment comes the product development stage, which includes the creation of prototypes and is then authorised by the marketing team and the product is launched in the market.

Proactive and reactive innovation are the two types of product innovation at JST. Market research and product design initiatives are used in proactive innovation to target prospective improvement possibilities. Customers are at the forefront of reactive innovation. It essentially draws conclusions from the different feedback systems we use and responds to market demands for product modifications or new product development.



Success stories

An Innovative first - Linen Club Uncrushable: At Linen Club, we are constantly taking note of consumers. Wrinkles in linen is one barrier that limits customers and usage. As a consumer centered brand, we usually try to deal with consumer feedback and with this spirit, our teams have labored intensively during the last 12 months to innovate and expand a product that may be a Linen+, a brand new product that brings collectively all of the benefits of linen with the delivered advantage of wrinkle-resistance. Our most modern creation – Linen Club Uncrushable.

Linen Club Uncrushable is a wrinkle resistant 100% linen offering from Linen Club, developed for consumers who love linen without having to worry about wrinkles. The key features of this product are:



Wearable on multiple occasions

The Linen Club Uncrushable shirts ensure a pleasing wrinkle-free appearance and can be worn on numerous occasions.

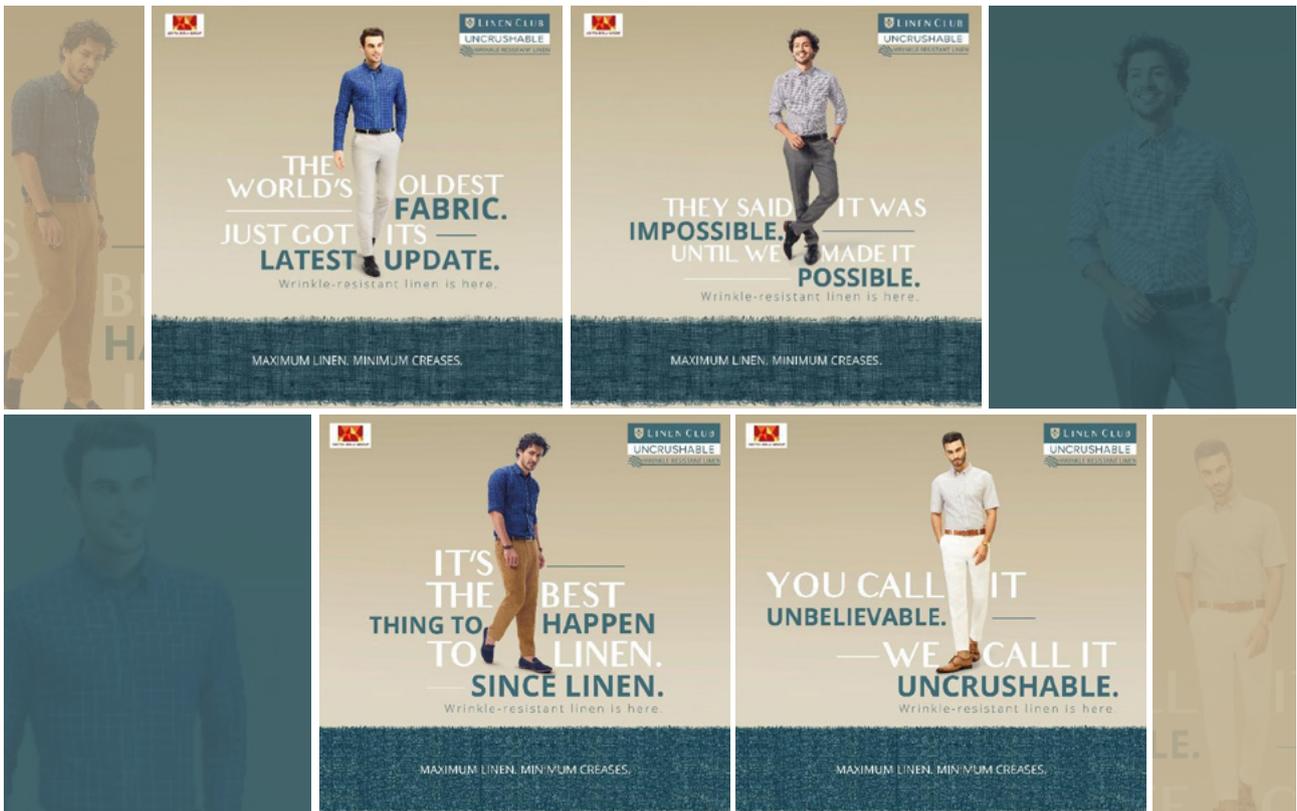
Stays wrinkle-free for hours

This product lets in comfort and a neat presentable look for hours.

Needs much less maintenance

High protection is taken into consideration to be one in all obstacles that restrict customers to strive for linen. The new wrinkle-resistant linen needs much less maintenance and care than other linen outfits, enhancing the customers' convenience.

It is Linen Club's delight to introduce the wrinkle resistant linen Uncrushable, which aims to boost sales in its category by catering to new customers. Linen Club **Uncrushable** is ready to continue to break limitations in style with passion and zeal.



Linen Club LinShield:

At Domestic Textiles, your protection is our priority. Linshield is a specially treated, green antiviral fabric. It is cautiously curated with the usage of advanced antiviral technology, after extensive research and development. These fabrics are powerful against a wide variety of viruses and bacteria, providing you with unmatched safety and comfort at all times. The technology is tested and approved as per AATCC 100 MS2 RNA virus test method.



Linen Club Lino Herbal:

Lino Herbal is a 100% natural, antiviral fabric that is made with the goodness of Neem, Tulsi and other healing herbs. It prevents an extensive variety of bacteria, microbes and viruses from growing. Linen Club Lino Herbal is another offering in the bouquet of protective antiviral fabrics, where the technology is tested and approved as per AATCC 100 MS2 Bacteriophage RNA virus test method.

Super Wash Merino Wool:

Wool has been used in the clothing industry for a long time, from primitive men first clothing themselves in the woolly skins of wild sheep to the ascendancy of wool during the middle ages in Europe. Merino sheep, referred to as the supply for greatest wool, had been first reared in Spain. In 1797, the primary Merino sheep, derived from the famed Royal Merino flocks of Spain, had been added in Australia, which is today globally renowned for its Merino wool quality.

Jaya Shree Textiles is one of the few companies worldwide that has a comprehensive in-house processing facility to make raw wool ready for knitting or woven yarn, even with the newest innovative washable machine that is easy to handle "Super Wash." At our newest technology super wash plant, we have a new age treatment facility that converts regular dry-cleaning wool into washable materials. The super wash range consists of versions such as TEC, hercosett, basolan, mercerised wool surfaces and yarns. Super wash wool benefits are:

- » Anti-shrinking
- » Easy to handle, drying and drying of the machine
- » Shinier and luminous colours
- » Maintains all natural wool properties such as weightlessness, lengthening, moisture, odour and comfort.
- » Preferred by global brands & distributors



We also have 'The Woolmark Company' certification. Woolmark is the world's highest certification mark in the wool industry, indicating that the product complies with a range of international performance measures.



Customer Centricity

Global trends such as climate change, depleting natural resources, responsible consumerism and the impact of COVID-19 have transformed the needs and expectations of our customers. There is a rise in responsible consumerism and customers are demanding more sustainable and ethical products. As a response to this, we focus on developing sustainable products having low environmental impact which can contribute to sustainability performance of our customers.

We keep strong and healthy relationships with our consumers by utilising technological advancements and digital platforms to better serve them. We will grow by focusing on our core competencies, maintaining a customer-centric mindset and adding value to our customers. And, as we invite customers to participate in a circular fashion ecosystem, we are investing in new experiences and services to engage with them in new ways.

We have transformed our approach to customer centricity from acting on customer feedback to a data-driven, innovation-based approach to customer excellence. To ensure customer centricity, we execute a series of initiatives, broadly under "Mission Happiness".

These initiatives are undertaken in order to deliver a positive customer experience. Mission happiness is primarily focused on a closed loop feedback process that requires employees of all departments to listen to the customers. It incorporates the most crucial feature of learning directly from the source and ensures that prompt action is taken in response to that information.

In addition, we use a Net Promoter Score (NPS) to gauge the strength of our customer relationships. We get regular feedback from customers to remedy any issues virtually in real time; this is the feedback provided to our teams, who meet weekly in a huddle. This allows us to increase client satisfaction and boost our net promoter score (NPS).

We also have customer testimonials stating their happiness and feedback around our services that we offer.





Make a Revolutionary Upgrade to Your Machine Washable Collection

For the first time, in the history of Indian textile manufacturing, Jaya Shree Textiles is offering its latest collection of Machine Wash Wool products; for all season wear.

Gone are the days when washing woollens was a nightmare!

Our latest Machine wash wool collection is comfortable, easy to wash and stylish to wear. There's a reason the world is crushing on the latest Machine Washable products!

Some Outstanding Features



It is a game changer!

Made with love and a revolutionary process!

This latest technology is brought to you after extensive research & laboratory tests. With our state-of-the-art facility and subject experts, we now provide yarns that can be used to manufacture a forever young wool product!

Figure: Mission Happiness: Superwash wool – a game changer!

Co-creation projects:

Jayashree textiles and Dupont collaborate to launch a new sustainable fabric collection: JST is a sustainable fashion powerhouse that uses advanced European technology to manufacture finest, most fashionable and high-quality linen from Belgium and France. JST has cemented as the leading linen provider in India combined with an unwavering commitment to innovation and perfection.

JST and Dupont collaborated to launch a fabric collection made with DuPont Biomaterials Sorona®, a sustainable, partially bio-based polymer. The collaboration caters to the needs of the increasing demand for sustainable options. The collaboration blends Sorona linen and partly biofibers to create garments with an extraordinary stretch and recovery, luxurious clothing and a smooth, soft hand. The new

collection expands the future of durable textiles, to be used for comfortable casual and fashion by brands and retailers.

As a high-performance, responsible material option, Sorona is composed of 37% renewable plant-based ingredients. Sorona polymer fibre is currently used for various applications such as athletic, athletic wear, insulation, swimwear, outerwear, fit, faux fur etc.

As we talk about the customer centric approach, having a complete product knowledge in terms of its technical and commercial aspects gives a better understanding of customer's requirement. For setting targets internally, we tried understanding the upward trend for the last six years for customer requirement for linen yarn.

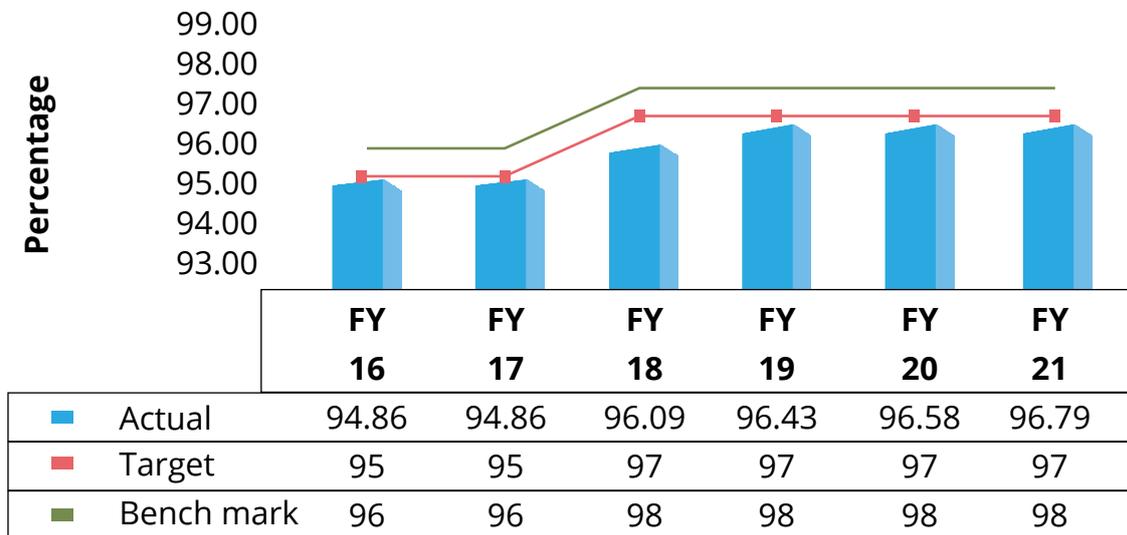


Figure: Upward trend for the last six years (customer requirement for linen yarn)



Message from our Chief Manufacturing Officer

Between 2019-21, we focused on creating a completely digital platform, including the option to sell products through applications like WhatsApp.

Sustainability has become a buzzword for businesses in recent years. This can be attributed to the impacts of climate change making themselves more apparent and the awareness that is growing among people about the importance of sustainability. As a result, 'price' is no longer the only factor which draws people to a product. In addition, consumers are also concerned about the environmental and social impact of the products/companies they endorse and this influences their decisions. We at ABG believe that partnering with similar brands to achieve sustainability goals, would serve as a good differentiator, positively affecting the business.

Between 2019-21, we focused on creating a completely digital platform, including the option to sell products through applications like WhatsApp. This objective was fuelled by the COVID-19 pandemic, which transformed all interactions that would normally be physical, into virtual interactions. Despite the pandemic, we did not stop our operations, nor were our various sustainability initiatives affected. Though our mode of doing business changed, one could make a case that our entire cycle, from showcasing a product to the final order, has been made easier, by moving from a physical to virtual mode.

ABG Textiles also came out with a number of new products and in the years 2019-21.

- » Blends of linen with cotton and waste have allowed us to create more affordable linen wear, which is also more sustainable, under the 'Cavallo' brand

- » 'Uncrushable' is a new line of linen apparel where innovative design ensures that unlike typical linen apparel, these garments do not crush very easily
- » Antiviral fabrics created in collaboration with Healthguard, helps neutralize the Coronavirus.
- » As a result of the pandemic, people are moving away from formal clothing and towards casual clothing. Our brands are typically viewed as 'formal shirt brands', a perception which could pose a risk to our business. Suktas India (a part of Grasim India) production before the pandemic was 90% formal wear, but since then, they have moved to 60% casual apparel. They have made a foray into the 'athleisure' segment, which is becoming increasingly popular.
- » Another perception of the company was that it produces only men's clothes, a tag that we want to lose. We are now a fabric supplier for women's tops and bottoms, athleisure, etc.

Most of the innovation in the past two years has been spurred by the pandemic, which has forced us to mitigate the various risks that it brought with it. These innovations have allowed us to capitalize on business opportunities, while also allowing the business to grow, something cannot be said for a lot of companies.

- Mr. Jasvinder Kataria



Message from our Head, Design & Development

Our design and product development operations are in line with the Domestic Textile Industry's sustainability roadmap.

We are quite proud to present this year's sustainability report because of the success we have made in several areas of sustainability. We have launched Linen Club Studio, a cutting-edge design firm where we meticulously design and manufacture artistic linen clothes. Our design and product development operations are in line with the domestic textile industry's sustainability roadmap. Linen products have seen tremendous expansion in India in recent years, inspiring and challenging us to provide variety and range while maintaining quality and safety.

We have also established chemical management systems and are transitioning to the use of sustainable chemicals, whose effects are experienced all the way

down to the use of safe fabric by toddlers. By reinventing our process techniques and aligning them to changing market dynamics, we will continue to develop in order to offer bacteria-free, chlorine-free and natural fabric for our customers.

- Mr. V.K. Kishore

Cleaner Production

With the rising population and demand, there is increasing pressure on our planet's natural resources and the need to focus on resource efficient cleaner production is crucial. At Domestic Textiles, we are committed to creating value through cleaner production initiatives that contribute to cleaner air, cleaner water, the preservation of flora and fauna and the enhancement of biodiversity in all of the locations where we operate.

Every manufacturing facility strives to reduce its environmental impact and live in harmony with the environment. We continually upgrade our production technologies and processes to make our manufacturing facilities smarter, safer and more environmentally sustainable.

We have a biodiversity policy, an energy and carbon policy, an environmental policy and a water Stewardship policy, all of which have been signed by top management and sent to all of our staff. These rules enable us to manage challenges related to energy, environment and climate action in a proactive manner, which is a major

component of our business strategy and drives the culture at all our facilities.

At JST, VW and GPF, we have used technology and automation to streamline our production processes, thereby increasing efficiency, reliability and equipment uptime. Over the past few years, we have also implemented predictive maintenance in a phased manner, thus reducing unanticipated interruptions in production and improving asset health. In order to increase efficiency in our operations, we invest in developing our human resources who have perfected our work with their skills. Our industrial engineers and engineering teams continuously work on operational improvement projects to optimise resource utilisation.

We are focused on attaining our sustainability targets by 2025 as our domestic textiles business strives to become the leading Indian conglomerate for sustainable business practises across its global operations.

<p>ZERO HARM</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p>Eliminate any fatalities and unsafe conditions at workplace and focus on behavioral based safety, until we reach our goal of 'Zero Harm'</p>	<p>CO2 EMISSIONS</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p>35% reduction in carbon intensity, with the help of solar power and various energy saving projects, by 2025</p>	<p>WATER USE</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p>40% reduction in water use intensity by 2025 and making all our businesses water active</p>	<p>WASTE WATER</p> <hr style="border: 0; border-top: 1px solid white; margin: 5px 0;"/> <p>Zero liquid discharge to be implemented at all our units in water-stressed areas, by 2025</p>
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Energy Conservation

We emphasize on conserving energy resources, which are limited and have a significant environmental impact during extraction, processing and usage. Energy efficiency and renewable energy are two aspects of our energy management. Both of these paths have the potential to reduce energy life cycle costs while also ensuring energy security and long-term cost certainty.

Our energy and carbon policy drives us to explore and implement energy efficiency measures, low carbon solutions and renewable energy in our operations. We budget investments in machinery maintenance and

upgradation, which not only improves the operational efficiency, but increases energy efficiency of the existing equipment and process. We are digitizing to improve energy efficiency through technologies that gather and analyse (power consumption of equipment) data to effect changes to energy consumption and optimization.

JST and VW have been audited under ISO 50001 Energy management systems since 2011 and GPF has undergone implementation of ISO 50001 in the current reporting period.

GPF has been operating on non-fossil fuel for boiler



operations since its inception. Some of our key initiatives are:

- » **Variable frequency drives:** Installing VFDs for pumps and fans to reduce the energy consumption
- » **Green efforts - Plantation of trees:** 6000+ trees planted in and around company premises to contribute to the eco-green environment
- » **Solar plant installation:** To increase the renewable energy basket, a 1.8 MW roof top solar system was successfully installed and generating commenced on a BOOT basis. In terms of solar irradiation, we are achieving 85-90 % efficiency. We are obtaining about 17 to 20% of overall plant consumption in this way.
- » **Biodiversity of fuel:** Use of agro-waste briquettes to minimize the impact of flue gas on the environment
- » **Pollution control units:** Installed filter for boiler stack emission
- » **Lighting with LED:** Installed with high efficiency LED lights, with 50% power capacity to conserve energy

We have taken steps to replace the old air compressor with an energy efficient air compressor in order to reduce compressor power consumption by about 1500

Water Stewardship

Water scarcity has been identified as one of the most serious environmental threats as a result of effects such as reduced water resources and pollution as a result of the world's expanding population. We follow statutory obligations and concentrate on efficiency studies for the appropriate use of water, which has a direct impact on our manufacturing operations and is a risk element in our operational location.

Our direct customers and ultimate users value water as well. This is a factor that we take into account when developing new products. The key management

units per day. We are transitioning the ETP/R.O system from chemical to biological treatment, which will reduce ETP sludge.

JST:

- » Installed a 3 MW of solar power plant in the operations
- » Added another steam accumulator for reduction of coal consumption and thus, reducing the carbon emissions
- » Replaced and upgraded air pollution control systems (invested ~1 cr) to achieve 50 ppm emissions
- » Replacement of a few motors and 750 LED lights

In next year, we are planning to go for a joint venture on an equity basis in Bengal and use that power in operations. We are also exploring the use of solar power through open access routes, installation of solar power through equity-based installations at JST and VW. We will be blending 30% non-fossil fuel in the boilers at JST and alternate fuel at VW and also targeting to reduce 50% fossil fuels at boilers.

instruments to handle this challenge are OEKO-TEX® certification and the Higg Index score. In order to improve water, wastewater, sanitation, hygiene and health, we have assessed ourselves against the WASH commitment. JST and VW have been the ZLD plants from 2018-19. Rainwater harvesting is done in all three units. We have also reduced ground water extraction at JST and eliminated hazardous generation at GPF. We are planning to change our treatment technology from chemical to biological for removal of non-hazardous waste from wastewater.

JST

- » **Draining of dirty water from bowls** had been controlled by increasing the frequency looking at the condition of water visually
- » **Feed rate of greasy wool** had been increased by 100-200 kg/hour depending on the microns processed in order to reduce consumption in Litres/Kg
- » **Leakages of water** through discharge valves had

been stopped and maintained

- » **Automatic discharge of water** through valves had been reduced by increasing the frequency through PLC wherever possible without affecting the quality
- » **Monitoring of water consumption** on a daily basis and controlling it as quickly as possible, if found any deviation.

GPF

- » **Wastewater recycling and reuse:** 50% wastewater recycling and reuse of water to reduce water intensity

- » Reusing sanforising machine cooling water in ETP for chemical preparation and reusing hot water which returns from the machine in processing

Waste Reduction and Recycling

Waste management is a vital part of environmental impact management. As a result, we prioritise waste management by reducing and separating waste at the source, as well as adhering to relevant regulations in their disposal. DT aspires to implement circular economy concepts through innovation, scalable solutions and the creation of new markets for sustainable goods.

We are constantly working to increase our material

utilisation efficiency. We implement our waste management policy and have a well-organized waste collection, handling, storage and disposal process. At our facilities, waste is separated into hazardous and non-hazardous, recyclable and non-recyclable categories. We assure proper waste disposal with licenced waste handlers and set waste reduction goals for our operations.

JST

- » **Revised ratio of 'Lubricant: Antistatic oil'** used in treatment of scoured wool from 80:20 to 70:30 which has improved workability of machines and reduced waste generation
- » **Changed card cleaning procedure:** Dismantling rollers and refitting them after thorough cleaning to ensure better carding action with minimum dropping of fibres
- » **Introduced system for checking card cleaning efficiency (VM removal)** and restricting it to not go below 60% from STD of 80% to ascertain effectiveness of carding action
- » **Changed comb nip distance** from 34 to 32 mm for reducing noil generation
- » **Changed vario sequence of combing** m/cs after trials in order to avoid harsh combing minimizing fibre breakages for ultimate reduction of noil
- » **Increased swift speed** from 650 to 800 m/min successively to minimize fibre recycling
- » **Maintained fresh fibre density (FFD)** below 1.0 to minimize fibre recycling

GPF

- » **Waste heat recovery system:** Installed a waste heat recovery system to reduce fuel consumption
- » Selling of cotton waste to the recyclers

Chemical Management

Chemicals are an important part of the textile value chain. Some of the processes in the manufacturing process use a lot of chemicals. Residual chemicals may have detrimental consequences on the work environment, aquatic bodies receiving effluents and end-users because of the toxic nature of some of the chemicals used. We work on hazardous chemicals and zero waste discharge; we have certified chemical management professionals at DT sites.

At Aditya Birla Textiles, we endeavour to produce healthy products with minimal environmental impact throughout the manufacturing process. Our chemical management is critical for product design, safe operations, safe effluent disposal and no residual in the product for usage. We strategize our chemical management to reduce toxicity.

Any known/identified toxic, harmful and bio-accumulative chemicals and substances are avoided. Each of our workers have been trained on chemical handling. Our facilities go through three steps of chemical testing to achieve Zero Toxicity:

Phase 1: A list of chemicals in use is compiled, inventory levels are mapped and use and purchase patterns are investigated.

Phase 2: Collecting and filing TDS and Material Safety Data Sheets (MSDS) for the substances.

We assess the chemical suppliers' adherence to all applicable laws. Every dyestuff and chemical used in our units has a scorecard that has been produced and compared to the chemical supplier's rated chemicals for compliance with the parameters.

Phase 3: A necessity check of chemicals utilised at our facilities is being planned, with the goal of reducing unnecessary chemicals. The removal would be based on the risks they represent to human health and the environment. Inventory management would benefit from this channelling in the long run. However, we will use a substitution process that is based on greener, cleaner and new technologies with a greater chemical content per unit to fill the voids left by chemical removal.

Circular Economy

At Domestic Textiles, our goal is to adhere to the concepts of circular economy in terms of procedure and product development, scalable solutions and creating commercial opportunities for sustainable products. By advancing towards a circular approach, we strive to reduce the impact of global warming, reduce material input costs, access to new markets, decrease resource scarcity, revitalize process waste and increase the sustainability of the business.

Our innovations for a new textile economy are based on the principles of a circular economy, in which we envision fibres, fabric and clothes are manufactured, utilized and disposed off at their highest and waste is minimised by closing the loops of the system. Launching of various recycled fibres, value-added fibres, making use of resources and moving to renewable inputs

are part of Aditya Birla Group's textile business' commitment to circularity and sustainable practices. All our manufacturing plants have already experimented, piloted and manufactured with the recycling of internal/ external waste as raw material to avoid virgin raw material.

At JST, VW and GPF, we emphasise on efficient utilisation of raw materials from sustainable sources, as well as the recycling and reuse of process waste. Waste generated by the usage of packaging and other materials is also a significant aspect of our waste management practices.

JST took an initiative to unlock value from flax waste and introduced a blend product line. The waste is converted into yarn and it further goes for market sale in the form of cotton rich linen blends. The waste from spinning is made into flax carry bags.

OUTCOME | COTTONISED BLENDS BUSINESS OVERVIEW



Figure: Reusing flax spinning waste

In the domestic market, linen is used by older affluent individuals, because of its high price. In order to attract a different stratum of customers, we have introduced Cavallo (linen combined with cotton and waste material, with the aim of democratising linen apparel by making it more accessible and affordable. Creating WOW and delivering delight

Linen Club has been a pioneer in linen-based fashion for over seven decades, with countless designs and inventions that have made an imprint in the industry. It continues to seek new ways to deliver enticing products to discerning clients under the aegis of Grasim's JST division. Linen is well-known for being a long-lasting,

environmentally friendly fabric. We have capitalised on linen's unique properties and launched our wealth-from-waste (WOW) initiative. We used flax waste to make blended yarn and linen-rich fabric, as well as a ready-to-wear clothing line called Cavallo by Linen Club. Cavallo, which has been warmly accepted by the Indian market, is also our market expansion strategy, with the goal of attracting new and younger customers to the category. It's aimed at a youthful, discriminating clientele looking for budget-friendly options that also up their style quotient with adaptable and mixed linen.

Our unique "Wealth-Out-of-Waste" (WOW) programme, which is connected with the principles of circular

economy, has resulted in the creation of intimate mixed yarn and linen rich fabric utilising flax production waste. The upcycling of this flax waste resulted in two appealing value-added products (VAP): fabric and garments. The blended fabric is an over-the-counter (OTC) product sold under the name “Mazury,” while the garment is sold by Linen Club under the brand “Cavallo” on e-commerce sites such as Flipkart, Myntra and Amazon.

Our unique selling point is a line of low-cost linen-rich mixed textiles. Intimate blend fabrics has established

itself in the brand and retail segments. We are utilising our Over-the-Counter experience by introducing an exclusive basket of products that will be difficult for the competitors to match.

Based on the response to our current offerings, we will increase our offerings. We will also make them available to a few offline retailers, mostly large format stores. We will also use the brand to enter any new low-cost segments, such as corporate gifting and multilevel marketing.

Birth Of CAVALLO



Figure: Birth of Cavallo





Responsible Supply Chain

At Domestic Textiles, Sustainable Supply Chain is recognized as integration of environmental and socio-economic elements right from product design and development, to raw material selection, manufacturing, packaging and subsequent transportation. We are always looking for new ways to improve our supply chain's responsibility, inclusivity, sustainability, agility and resilience. Human rights breaches, child labour and severe environmental effect are all concerns associated with the global textile supply chain network, which encompasses a diverse stakeholder ecosystem. To avoid these dangers, we follow a robust Supply Chain Management (SCM) strategy that incorporates all the necessary social and environmental aspects as per global standards.

We provide high-quality, low-environmental impact products that satisfy client requirements through a comprehensive SCM system that includes all

stakeholders. With the innovative and responsible solutions to both our suppliers and customers, we are able to expand our influence. We communicate our sustainable philosophy, encourage their growth and thereby reinforce the ecosystem. Due to the pandemic, climate-related hazards and market dynamics that determine its availability year-round, our raw materials supply has been prone to disruptions. We have deployed a number of supply chain best practices and are striving diligently to adhere to our supply chain and procurement policy.

We have a handbook at JST, VW and GPF outlining the standardized operating procedures for engaging with our supply chain, as defined in the Aditya Birla Group Textiles Business supplier code of conduct. This detailed document sets out our supply chain's sustainability expectations.

Responsible Procurement

Flax is sourced from Europe while wool is sourced from Australia in JST. Both these materials are subject to price fluctuations on a regular basis, owing to long lead times. In order to overcome these fluctuations, a system of price hedging is in place, where ABG involves more qualified and certified suppliers in procurement.

Our raw materials (linen and wool) have certain certification requirements, which are as follows:

- » International Wool Textile Organization: Organic Wool and Animal Welfare certifications
- » Responsible Wool Standard (RWS): The Responsible Wool Standard is a voluntary global standard that addresses the welfare of sheep and of the land they graze on.
- » OEKO-TEX®: OEKO-TEX® is a union of 18 independent research and test institutes in the field of textile and leather ecology in Europe and Japan. The institute carries out their accredited testing processes to suit specific target groups and in close cooperation with the manufacturers. They thus make an important contribution to the development of high-quality textile and leather products at all stages of the value-creation chain.

- » Global Organic Textile Standard (GOTS): GOTS is recognized as the world's leading processing standard for textiles made from organic fibers. It defines high-level environment criteria along the entire organic textiles supply chain and requires compliance with social criteria as well.
- » European Flax®: This is a standard for premium European linen fibre for all applications. It preserves, highlights and safeguards a uniquely European agriculture and industry, its regional origins and its inherent non-relocatable know-how. An ambitious global label that aims to be recognized by the final consumer.

Apart from these certifications, we also set water and salt reduction targets for our suppliers. Our Research and Technology provider Aditya Birla Science and Technology Company Private Limited has been testing alternative materials for shade change and alternate chemicals for a chlorine free product. Our chemical and dye suppliers are hazard-free, OEKO-TEX certified, GOTS certified and ZHDC Roadmap to Zero.

Product Stewardship:

Our policy with regard to product stewardship describes how a product must be used and managed until the end of its life in order to support Sustainable Development Goals in a socially and environmentally responsible manner. For this reason, we took up the Life Cycle Assessment for a linen garment, to determine at which stages of production we can improve on in order to make it more sustainable.

The objective of this analysis was to determine the environmental impact of 'average 60 lea linen garment with 60% yarn dyed, 15% white and 25% white dyed as per ISO 14040/44 standards. A cradle to grave boundary system was kept in mind for the assessment, from raw material extraction to final product disposal. A hotspot analysis was conducted at each stage of the life cycle to assess impacts.

It was found that linen fabric manufacturing is an energy intensive process. Manufacturing one tonne of linen fabric has the global warming potential of 37.3 tCO2 eq. One piece of linen garment has the global warming potential of 24.9 kg CO2 equivalents. It was also found that compared to the 'use phase', the cultivation of flax and the manufacturing of the garment have significantly less of a contribution to the overall environmental impact. Interestingly, the end-of-life stage has no impact compared to the other stages of the life cycle.

The table below shows a source-wise breakup of the environmental impacts associated with the production of one piece of linen garment.

Background

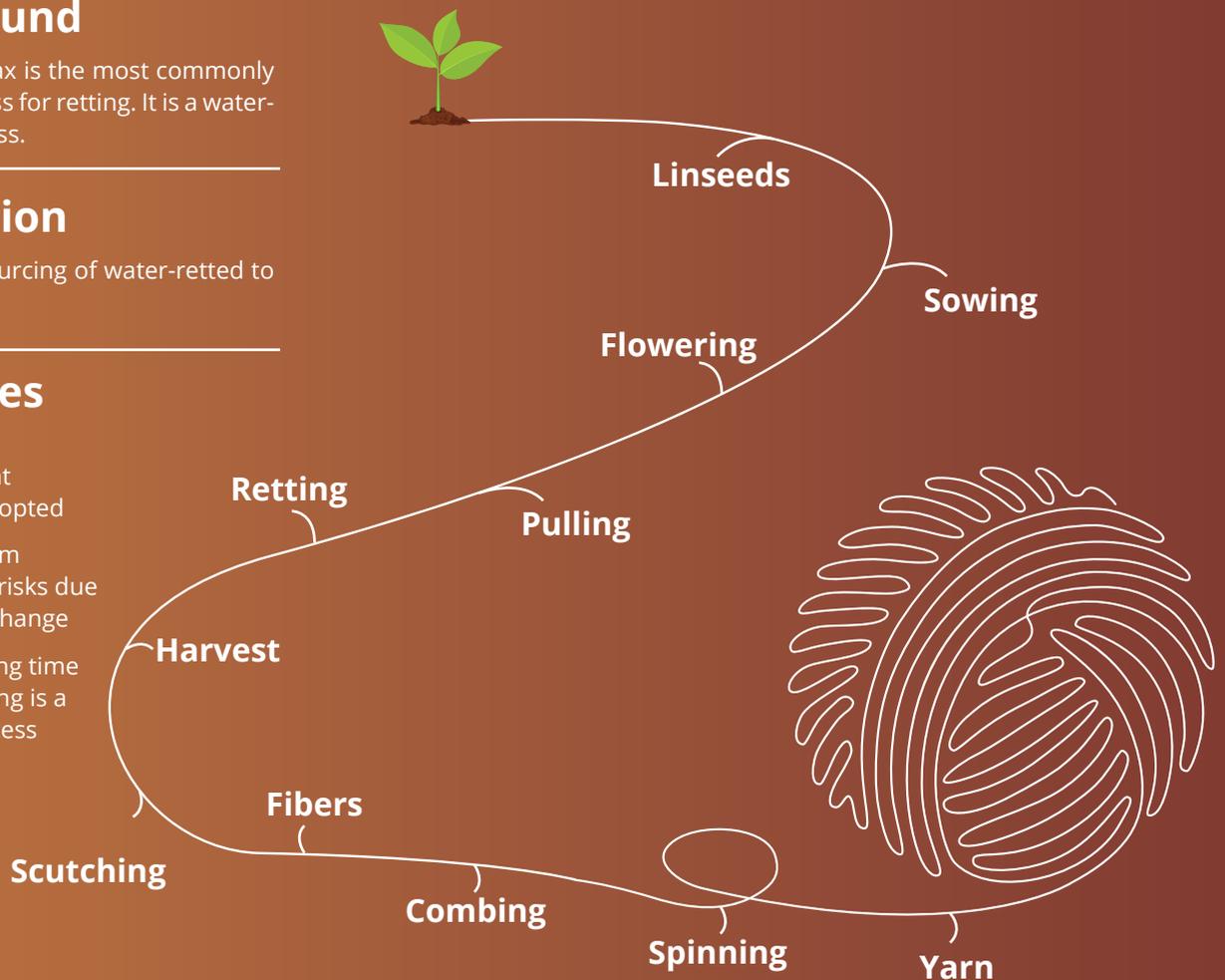
Water-retted flax is the most commonly followed process for retting. It is a water-intensive process.

JST's Action

Moved from sourcing of water-retted to dew-retted flax.

Outcomes

- » Responsible Procurement practices adopted
- » Proofing from agricultural risks due to Climate Change
- » Longer retting time as dew-retting is a natural process



Sustainability through Digital Transformation

Technology and Digitisation is impacting the textile sector in a big way, even more so after the onset of the COVID-19 pandemic. The COVID-19 pandemic has changed the way we live and work, shifting the whole world to digital platforms. At ABY, we endeavour to adapt to the changing scenarios and minimise our risks by investing in technology and digitisation. We are focusing around five areas in our digital transformation journey, which helps us in increasing our business efficiency and sustainability by saving resources and effectively managing operations.

We are incorporating digital solutions to make our operations safer, more efficient and more economical. Communicating through digital platforms such as MS teams, zoom and other video conferencing platforms with all the key stakeholders. In addition to this, we continue to explore new opportunities to develop process software, online monitoring and control and use of field bus technology for monitoring. We have also received an award in digital conclave - innovation award for best use of digital for customer solutions in December 2020.

Success stories

Fabric



Shirting



Suiting



Dhoti

Apparels



Shirts



Trousers



Kurta



Nehru Jacket

Figure: Digital catalogue at Lincasa portal

Product development process: We are transforming the complete process into a digital showcasing of samples, with the launch of a digital product library. We have a Lincasa Portal on which we upload our digital catalogues. We have made our products available on the platform where customers can experience the product and can inquire with the contact details mentioned. This has made the customer interaction fast, agile, much more iterative and also resulted in reduced costs as well as agility in customer management operations.

Manufacturing and operational processes: We have integrated our operations with SAP, which helps us in data capturing and monitoring and processing

manufacturing data. We have created online dashboards for analyzing KPIs in production sales, product/customer-wise margin etc. Different modules in SAP have helped us in rescuing data inefficiencies and streamlining our manufacturing and operational processes. For example, the supply chain management module enables us to plan the organisation network of resources and logistics in a more structured manner. Its interactive dashboards help in real time stock monitoring, load capacity analysis, demand planning and forecasting.

We have also implemented Enablon, a risk management software covering sustainability, EHS and operational aspects.

Enablon Modules	Application
Incident Management	To report any event that has potential/real impact on ABG
Metrics	To report GRI, BRC indicators, WASH Pledge
Action Plan	To report corrective action related to all modules
Assurance	To conduct gap analysis using Self-assessment questionnaire with ABG Sustainability Framework and ENHESA legal compliance
Regulatory Compliance	To manage regulatory compliance

During COVID we launched a Digital Track focusing Customer Centricity

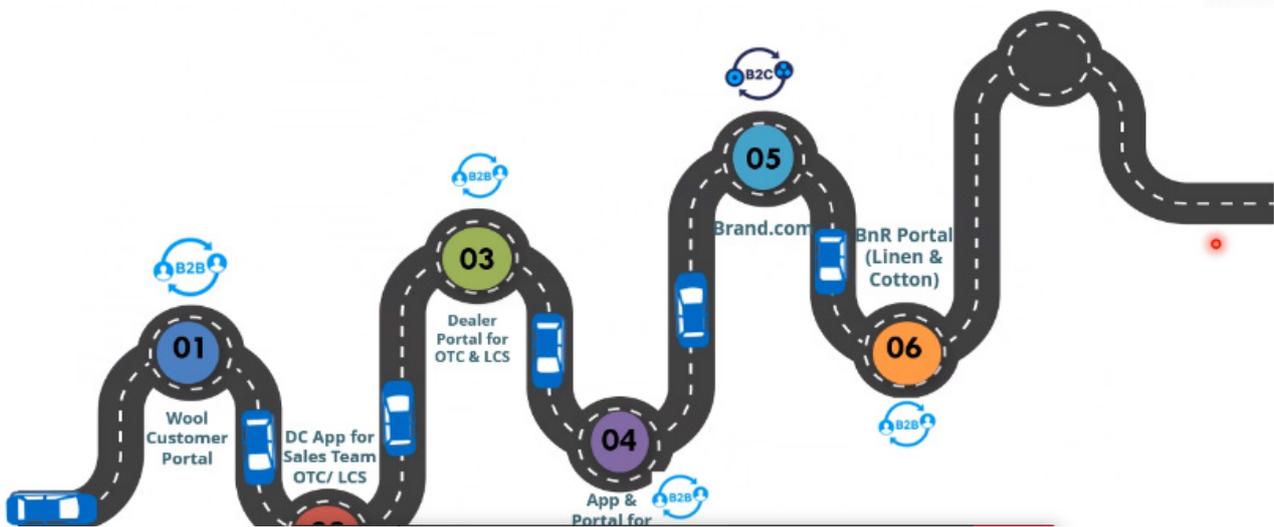


Figure: Digital track focusing customer centricity

Customer partner collaboration: Our partners are an important part of our sustainability journey. COVID-19 pandemic has reinforced the importance of cultivating the long-term relationships with value chain partners. During the pandemic, we leveraged digital platforms such as MS teams, Zoom and various messaging platforms to communicate with all our key stakeholders on a regular basis. We are also in process of developing and implementing a supplier development portal, which will act as a one-stop-shop solution for our suppliers’ operations, right from procurement to payment.

Data analytics: Our internal analytics team has been working towards using big data and related techniques to forecast product prices, manage inventory, track raw material price movement, customer segmentation and sales forecast.

The rise of artificial intelligence to fight COVID-19: During this acute health crisis, the Aditya Birla Group has prioritised the protection of its employees. To

keep its employees safe at their manufacturing plants and offices, the group turned to artificial intelligence (AI) and deep learning. The group data and analytics cell, the group’s analytics and artificial intelligence arm, developed a cost-effective and efficient strategy to create a safe environment in both production and office settings by utilising AI.

Following COVID-19, the team created a new version with expanded features to meet the needs of manufacturing units and offices. VEDA (Video Enabled Decision and Alerts) is an AI platform, which is a first-of-its-kind unique solution, employs computer vision to deliver alerts and insights so that real-time decisions can be taken.

The platform is scalable and designed for quick deployment, allowing users to analyse numerous video streams in parallel, apply advanced video analytics in real time, build on model output using configurable business logic and receive real-time alerts, notifications and reports.



Stakeholder Engagement

Our stakeholders are the various people and organisations who are impacted by our operations in some way. Whether it's in our role as a sustainable fibre product provider, an employer of choice, or a company that earns and distributes revenues while helping to enhance local economies and nurture local communities, every function of the organisation entails a relationship with stakeholders.

Many of the hallmarks of good relationships - trust, mutual respect and understanding - are intangibles that develop and evolve over time, based on individual and collective experiences and interactions. At Domestic Textiles, we take proactive measures for engaging with our stakeholders, as we believe that our stakeholders play a significant role in our growth and development as an organization. Stakeholder engagement has always been a part of the company's history. Our Board of Directors and top executives have always been passionate about social concerns. We believe in effectively conveying our goals to our employees and stakeholders, providing the maximum potential value from our design planning.

We clearly communicate our goals and assess, evaluate and then resolve the concerns of our stakeholders, incorporating them into our decision-making process. We are convinced that by being transparent and accountable in our actions, we will be able to generate beneficial outcomes for all of our stakeholders. Therefore, we have appointed a third party to conduct external reviews and evaluate our stakeholder engagement and materiality assessment process.

The sustainability portal of AB textiles facilitates internal and external stakeholder engagement. Our stakeholders can use this portal to submit their complaints, questions and suggestions, as well as engage with other stakeholders, potentially leading to collaboration and co-creation projects. Textile companies can also use this platform to share sustainability success stories and disclosures.

During the reporting year, we identified the following categories as our primary stakeholders:

List of our stakeholders

Internal

- » Employees
- » Workmen

External

- » Local Community
- » Suppliers
- » Customers
- » Investors
- » Regulatory bodies
- » NGOs
- » Media



Message from our HR Head

We also believe in offering employees career growth opportunities within the organization. In the last three years, there have been over 200 job rotations

We at Domestic Textiles have always strived to offer the best possible services to our clients. This was challenging in the past two years owing to the global pandemic, but we believe that we have shifted our business priorities appropriately so that our various stakeholders are positively impacted.

Our success as a leader in the market today is largely due to our employee-centric approach to business. We believe that through investments in our people, our operational efficiency can be improved and we can strengthen our VAP portfolio. While growing the business is a priority, we aim to do so in a manner that promotes capacity building and emphasises on the importance of the wellbeing of our employees. Today's market demands astute decision making to adapt to the required technical and functional capabilities with shorter lead times. To make the shift from a company that delivers products to one that offers solutions and experiences, the people working at the organization are central.

Today's constantly evolving market makes the upskilling/multiskilling of our employees an issue of paramount importance. We have made many efforts in this regard, including collaborations with established consulting firms, who specialize in this field. We also believe in offering employees career growth opportunities within the organization. In the last three years, there have been over 200 job rotations. Through the 'Aspire for Roles' initiative started in 2019-20, employees who wanted to change their roles were given the opportunity to do so through this upskilling program.

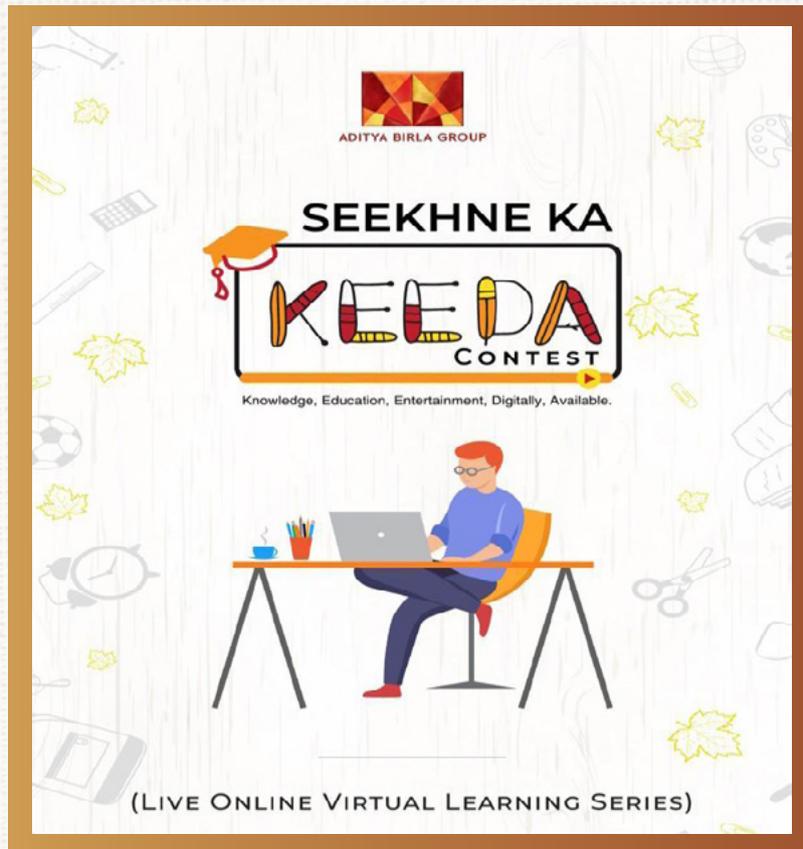
The roles of digital marketing and e-commerce have increased significantly in the wake of the pandemic.

We have also taken steps to affect a much larger digital transformation within the organization. For the past one and a half years, we have been driving efforts to digitize workmen payroll and compliances (including PF, ESIC). Our monthly 'Town Hall' meeting between management and employees has been moved to a virtual platform, to allow effective communication in a safe manner. Our workforce has also been receiving the relevant trainings to perform optimally in a digital business environment.

Diversity and inclusion within our workforce have always been a priority for Domestic Textiles business. In JST, since 2019, the number of female employees has grown from 7.5% to 10%. Of the total number of employees hired during this period, 30% of them were female. Of the total number of campus recruitments, 50% of the recruits were women. We also offer career development sessions for women in our organization.

Finally, we take great pride in some of our initiatives that aim to further our employee's wellbeing and professional capabilities. The Parivarthan program for employee welfare comprises 14 different initiatives which includes regular calls to check up on employees, mental wellness programs and conducting recreational activities like online games (Antakshari). As part of the Seekhne ka keeda initiative, experts connect and interact with employees through live online virtual learning series. With regard to employee health during the pandemic, continuous employee engagement was conducted by group HRs. We also worked closely with doctors, who visited the colonies/residences of employees to spread awareness on health and safety.

- Mr. Amlan Das



Our People

Providing all of our stakeholders (especially employees) with long-term value is one of our main focuses. One of the primary ways in which we do this is through investment in human capital development. As an equal opportunity employer, we seek to embrace the power of a diverse workforce within an inclusive culture in order to tap into the full potential of our employees. The number of women in the workforce has doubled from 6% to 12%, with active efforts being made to hire more women in marketing, in the field, etc. We have also increased our efforts in engaging with and taking on people with disabilities to be part of the ABG family.

DT strives to make the workplace a source of creativity, innovation and self-fulfilment for all of its employees. Keeping this in mind, we continue to provide services to employees that promote career advancement, health, well-being and safety, as well as competitive compensation and benefits.

Across divisions and businesses, we have implemented action plans to guide continual learning and performance improvement. We used a personalised approach to nurturing our employees in FY 2019-20 and FY 2020-21, based on their needs and duration of employment.

Learning and Development

While development, training and leadership programmes help workers achieve their career goals, they also help businesses achieve their strategic objectives and acquire a competitive advantage. We design training and development programmes and build new leaders with the goal of long-term value creation for both our workers and DT. The topics for these training and development programmes are determined based on surveys conducted by the HR and L&D teams, which identify the source of training need, the target group, the objective and the budget.

List of training topics for management and workers:

Management	Workers
Risk analysis and decision making <ul style="list-style-type: none"> To develop a culture of responsiveness 	<ul style="list-style-type: none"> Culture change, alignment and business awareness General awareness Self-awareness- insights and barriers Attitude and behaviour Inner conflicts, balancing – roles and goals Work ethics and spiritual foundation for work Nature and types of costs in industries Different cost control mechanisms
Leading change – together <ul style="list-style-type: none"> To develop the ability to challenge the status quo and thus ushering in agility To develop a collaborative culture 	
Managing customer expectations <ul style="list-style-type: none"> To shift the focus from ‘Make to Stock’ (MOS) to ‘Make to order’ (MTO) 	
Dil ki Baat <ul style="list-style-type: none"> To make customer centricity a way of life 	
General management skills – JST and JW <ul style="list-style-type: none"> To develop/hone general management skills 	
SA 8000 – 2014 <ul style="list-style-type: none"> Changes in new version, social performance team and their roles and responsibilities, social fingerprint, identification of stakeholders, risk management and risk mitigation 	

In addition to these trainings, there are separate safety trainings conducted regularly for employees. We also conduct training and safety induction programs for new employees.

Product quality optimization: Trainings were conducted in VW to improve product quality standards. HODs conducted these sessions for 97% of the workforce

- » Aspire for roles initiative: This initiative was created based on an analysis of people movement which discovered that 35% of our management staff have spent more than 3 years in the same role. On raising this issue with a large cross-section of employees, it was clear that majority of them were keen on opportunities to experience other roles within the company. In this light, we have started this initiative, to invest in our employees’ continuous skills development by exposing them to different roles and cross-functional learning opportunities
- » Seekhne ka keeda: Initiative where experts connect and interact with employees through live online virtual learning series.
- » Ignite program (GPF)
- » Sustainability trainings (GPF)

Employee Engagement

It is important for any company to have in place employee engagement programs, which are representative of local cultures and customs. In this regard, our HR team organises socio-cultural events to keep the employees motivated and foster a healthy work culture. We also have in place certain projects centred around employee well-being and engagement.

We ensure that all workers have a positive work environment with a decent work-life balance. All of our employees are covered by a comprehensive employee benefit plan that covers parental leave, medical insurance, term life insurance, travel insurance, leave benefits, festival bonus, shift allowance and provident funds.

Geet Gaatal Chal Program

JST initiated a virtual event for the employees in FY2021. It is an online Antakshari programme where employees of domestic textiles joined on one platform and had some fun time during the heavy stressful times. The event involved even the family closer by mandatory participation of the family members along with the employee.



Figure: Geet Gata Chal programme

Women's Day celebrations

Different competitions are organised for women employees. Books are distributed as gifts to the employees

Parivarthan Initiative for employees

Domestic textiles organised a cultural change initiative in their operations. There were organised themes with initiatives and each initiative aims to bring a change in the culture of the company. There were themes such as:

- » Personal touch – care and compassion, empathy and understanding: There were 3 initiatives taken under this theme – HR at your desk where employees were able to meet and converse with the HR directly via virtual calls/ plant rounds etc, employees also celebrated their work anniversaries and top-rated employees and other such winning awards were also conducted.
- » In good times and bad: We maintained a personal touch with employees through WhatsApp video calls on birthdays and anniversaries, by meeting employees in-person in case of hospitalisation, demise of family members and conducted bi-annual MS teams/personal meetings with all functions driven units.
- » Beyond abilities: Assist employees with high stress jobs/roles, employees in transition, mental health issues, performance anxiety by offering scope for counselling via ABG program
- » Becoming better People Managers: We facilitate monthly virtual meetings between managers with 3 or more reportees and encourage direct reportees to take decision on their behalf every second Friday of the month and constantly send mailers and conduct quizzes relating to domains beyond work.
- » Building a psychologically safe workplace: We send mailers to the employees on various aspects of psychological safety and we conduct awareness sessions under GVC pathway on psychological safety at the workplace.

Festival celebrations

Makar Sankranti, Independence Day, World Environment Day were all celebrated with the appropriate social distancing.



Figure: JST celebrating World Environment Day on 05th June 2020

Theme	Initiative	Details
Personal Touch - Care & Compassion, and Empathy & Understanding	HR @ Your Desk	Meeting & Conversing with employees via daily plant/office rounds/virtual/telephonic calls. Bi-Annual MS Teams/Personal meetings with all functions driven by Units' DH & SH HR
	In Good Times and Bad	Celebrating work anniversaries, top rated employees, & employees winning awards/contests. Meeting employees in-person in case of hospitalization, demise of family members etc. Maintaining personal touch with employees through WhatsApp video calls on birthdays and anniversaries.
	Beyond Abilities	Assist employees with high stress jobs/roles, employees in transition, mental health issues, performance anxiety by offering scope for counselling via Life Unlimited (ABG Program). Courtesy Call to parents/family members. Awareness on yoga, health tips, COVID, diet, work-out etc. Weekly call to employees who are home quarantined/hospitalized/recovering.
Becoming better People Managers	Knowing my People	Facilitate monthly virtual Meetings between Managers with 4 or more reportees
	A day in the life of a Function Head	Direct Reportees to Function Heads will take decisions on their behalf (Every 2nd Friday). (JB 10-8)
	Know Your Family	Quizzes & Mailers relating to domains beyond work.
Build capability to grow and meet new challenges	Education & Awareness	GVC Pathway on Psychological Safety at the Workplace
Building a Psychologically Safe Workplace	Communication Campaign	Mailers on various aspects of Psychological Safety

Figure: Parivartan: a culture change initiative

Health and Safety

We aim to establish a health and safety management system centred on zero accidents throughout the whole value chain, paying the utmost regard to the health and safety of our employees. Within the scope of Occupational health and safety (OHS), which is one of our top priorities, we assess and evaluate all working environments, particularly production processes. We implement improvements as rapidly as possible where they are deemed required and we ensure that preventive measures for risky situations and emergency plans are in place. As a result, we are constantly improving our OHS performance.

To avoid incidents, we aim to maintain the highest safety standards possible. The EHS Management System is used to implement the safety culture, which is led by top management. Specific responsibilities at each level have been defined and are being implemented through various forms of management programmes and regular audits. DT is OHSAS 18001 certified, which allows for risk assessment of all activities in order to meet organisational health and safety objectives. Some of the OHS initiatives are:

- » Few Mental health topics have been covered under Seekhne ka Keeda
- » Health talks as part of Parivarthan initiative
- » For tackling COVID-19 - prepared SOPs and explained the SOP to operators and staff in both Marathi and English. [GPF]
- » WASH Initiative: Commitment to implementing safe access to water, sanitation and hygiene in the workplace.

Some of the initiatives taken in this respect include:

- » Wash basins with self-dispensing soap devices across the plants
- » Systemized cleaning protocol, provision of standard PPE to cleaners
- » Improve hygiene in canteens and toilets by improving ventilation and infrastructure systems.
- » Other COVID-19 precautions on social distancing, canteen rules updation, sanitation in each department and plant is sanitized every week. [GPF]

Employee and Labour Relations

The International Labour Organization (ILO) is our guiding international standard for ensuring that the company implements free and fair labour standards. To bring any irregularities in our practice to our attention, we conduct management system audits, formal monitoring programmes and grievance channels. In all aspects of recruitment, remuneration, performance and career management, we treat all of our employees equally, regardless of age, disability, ethnic origin, gender, belief, or sexual orientation. Finally, we conduct annual satisfaction surveys for all categories of our employees through a program called Vibes which is conducted throughout the Aditya Birla Group.

We are also opposed to the use of child and forced labour. To prevent such violations, regular monitoring mechanisms have been created. We also go through a thorough due diligence procedure before working with vendors to ensure a long-term, ethical supply chain.

In the reporting period, no incidences of discrimination, child labour, or forced labour have been documented. We provide a variety of benefits to our full-time employees to ensure their well-being. We also provide life insurance, healthcare, transportation and housing, in addition to the benefits mandated by law. We ensure equal remuneration to male and female employees based on their experience and qualifications. We also have comprehensive systems in place to identify cases of labour law non-compliance.

All employees have access to a grievance redressal box where they can report their issues to management. The settlement process would bring all stakeholders together in a formal forum to reach a consensus. We are pleased to announce that no grievances have been filed in FY 2019-20 and FY 2020-21.

In our GPF unit, there was no migrant labour crisis caused by the pandemic. Since there were only 13 employees from other states in this unit, there were not many who travelled out of the state during lockdown. Of the few who did travel, HR was regularly in touch with them.

Our Community

We consider the community as a key stakeholder and communicate with them effectively to address their concerns. DT takes a consultative and collaborative approach to identify community needs and developing initiatives that produce long-term value for the entire community.

Our CSR vision: *To actively contribute to the social and economic development of the communities in which we operate. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.*

Our projects are managed by the Aditya Birla Centre for Community Initiatives and Rural Development, which is chaired by Mrs. Rajashree Birla. The Centre sets the strategic direction and focus of our activities, as well as ensuring performance management. We are usually involved in projects that foster education, healthcare, vocational training, sports and native festivals in the provinces in which they operate but because of the pandemic, we majorly focused on community health in the reporting period. We conducted regular meetings with the communities to understand their concerns and resolve them and conducted a community satisfaction survey.

Some of the CSR initiatives are:

JST and VW:

- » Connecting with local communities through sarpanch and gram sevak to understand the needs and requirements of development of villages. GPF is carrying out community initiatives accordingly.
- » Donated 8 computers to deaf and dumb schools, provided stage for the school
- » We are constructing toilets and washrooms in primary schools for students
- » Donated 8 lakh rupees for ambulance
- » Distribution of masks made from recycled flax.
- » Digital literacy - special coaching centre, teachers were guiding students virtually, skill training to the students/local youth in local communities and will continue next year as well. To 109 students
- » Running a tailoring centre providing training centres to women, supplying face masks, major focus on health services, family planning association in India - Health Partner, providing ambulances for the

community, further medical facilities are provided to them. 15-20 medical camps were running every month. Covering 3 villages under our CSR and targeting 20-25 villages... also created awareness on COVID-19, pot lies (camphor) were distributed.

- » **Project Anya:** As part of Project Anya, we have set up a jute bag production and training centre, which currently supports the livelihoods of 26 women part of a SHG in Lakshmi Mahila Samiti. A total of 36,000 face masks and 26,000 jute bags were stitched by these women, bringing in a revenue of almost 4 lakh rupees. The material used for these products was excess cloth from JST. This helps the unit recycle between 200-300kg of waste material on a monthly basis. Jute products also have significantly lower environmental impacts compared to their plastic and microplastic counterparts. In order to facilitate the sales of these jute products, an exhibition cum sale was held at Old Guest House Jayashree Textiles
- » **Pulse Polio Drive:** Support was provided by us to conduct a polio drive in Rishra and Barasat, where 10,976 children were administered the polio drops at this drive.
- » **Project Aroghya:** As part of this project, 445 patients were provided general OPD in Rishra and Barasat.
- » **Project Gyanaranjan:** A program which enrolled 82 students between Classes X-XII for specialised science coaching programs.
- » **Project Kaushalya:** This was a skills development program aimed at local youths (97). These youths were trained to be retail sales associates and assistant beauty therapists. This project was undertaken in association with LabourNet Services India Pvt. Ltd.
- » **COVID-19 Relief:** Owing to the widespread impacts of the nationwide lockdown, ration kits were distributed to needy families in Rishra and Serampore municipalities. 2350 ration kits were distributed among needy families in these regions. We also conducted an awareness drive where pamphlets were distributed to around 18,000 people. In addition to this, face masks were also distributed in the communities.



GPF

- » GPF provided 8 desktop computers to an organisation called 'Helpers of the Handicapped' in Tarabai Park, Kohlapur. This contribution helped benefit 421 students.



- » In Chetana Anangmati Vikas Sanstha Shenda Park, GPF helped improve a school's infrastructure by installing permanent shade for a large stage area in school that was used for cultural events, trainings, etc. Over 180 students benefited as a result of this.

- » At the ZP High School, Kasaba, GPF improved the school's W.C. and toilet facilities by contributing a number of wash basins, commodes, etc. The outlay of this project was around 2.6 lakh rupees and 140 students benefited as a result. In addition to this, GPF also helped repair one of the classroom roofs in the school.



- » At the Sri Satya Sai Sanmati Foundation and Research Centre, GPF donated a fully equipped ambulance with mobile Medicare. This contribution has positively impacted over 6000 patients to date.

- » At the Rotary Samaj Seva Kendra, Kohlapur, GPF contributed various equipment/materials to the Speech and Hearing Centre and the Nursery for differently abled. This initiative benefited around 70 children with speech and hearing impairments.



- » At the Md Hasan Mushrif Foundation Kagal, Kohlapur, GPF contributed over 2 lakh rupees to provide the organisation with Oxygen concentrators

Other Stakeholders

Suppliers

We aim to collaborate with companies who share our commitment to a more sustainable industry. We select suppliers who are willing to both challenge us and be challenged, so that we achieve positive change together.

- » Our supplier and business partner expectations are outlined in our sustainability commitment. This includes meeting basic requirements and international standards, as well as a desire to go above and beyond for long-term outcomes.
- » All our suppliers and business partners are required to sign and abide by our sustainability commitment and Code of Ethics.
- » As the COVID-19 outbreak caused havoc on global supply chains, we changed our processes to accommodate new constraints and protect the health and safety of our employees and supply chain workers by switching to more digital mediums and focusing more on the workers' health and safety.
- » Changed from onsite data verification to digital assessments and followed up with suppliers on important concerns including salaries and worker safety on a regular basis.
- » By minimising data redundancy and inconsistency with SAP, we were able to streamline our warehouse management. This is more user-friendly, gives procurement transparency and enables live tracking of shipments via GPS and better supply chain management.
- » Due to the pandemic, there were no physical meetings conducted. We frequently stayed in touch with employees through MS teams, zoom and other video conferencing platforms.

Customers

Making sustainable products and services more accessible, inspiring and affordable to our customers is an important aspect to move towards a circular fashion future. As a result, we will be able to enhance our existing relationships with our valued customers while also attracting new ones.

Financial Institutions

Financial institutions, whether in developed and emerging countries, play a key role in determining the long-term sustainability of economies. We engage with the financial institutions over financing case, market information, risk mitigation, business strategy and company performance. We also engage with these institutions over loans off-take. Our mode of communication during the pandemic has been over emails.



Message from our Head, Value Creation Engine

We work with specialty suppliers for the creation of various value added products. Various new natural fibre blends are created using materials like lyocell, bamboo and silk, along with linen.

Publishing this report gives us an immense sense of pride as it showcases the progress we have made in the various domains of sustainability. The value creation department is responsible for product innovation, new product development, brand connect and new product applications. We take a 3C approach to product innovation - Connect (with brands), Collaborate (with value chain partners to increase business and be a solution provider for them) and Create (new products based on stakeholder feedback).

Our approach has led to the development of a number of innovative products. Agile Sorona is the first of its kind linen blend product, which was created in collaboration with Dupont. Smartcare specialty is a product created in collaboration with Nanotex to create a material with a water repellent finish. This material also has the additional benefit of requiring less water for production, without compromising on the quality of the linen. At a time when safeguarding personal health has become so important, we have come out with an innovative 'antiviral fabric', which deactivates/neutralises the CoronaVirus. We collaborate with a number of activewear brands like HRX, Artely's Sports and Gantt for their wool blended performance wear

and athleisure lines and also with shoe companies for the development of the upper shoe layer.

We work with specialty suppliers for the creation of various value added products. Various new natural fibre blends are created using materials like lyocell, bamboo and silk, along with linen. For this process, chemical auxiliaries and dyes, which are approved by the chemical management team are used. It is ensured that the dyes and chemical auxiliaries are certified.

At the Domestic Textile businesses, we take a well thought out approach to innovation. Our 'reactive innovation' mechanism is based on the idea that we design and invent new products based on the feedback we receive from our customers and the market. In a constantly changing world, innovation is the key to staying relevant, especially in an industry like ours. Going forward, we will continue to drive innovation in every aspect of our business, while operating sustainably, to positively impact people and the environment around us.

- Mr. Narasimha Murthy

Key Performance across Indicators

6.1.1. Jaya Shree Textiles

Economic Performance

GRI 201-1: Direct economic value generated and distributed

The following graphical representations showcase the trend of total revenue incurred during FY 2019-20 and FY 2020-21:

Parameters	2019-20	2020-21
Economic value generated (INR in crore)	1556.54	760.2

The table below highlights the employee benefits and wages, payments to providers of capitals, payments to governments and community investments for JST:

Parameters	2019-20	2020-21
Operating Cost (INR in crore)	1370.84	668.38
Employee benefits and wages (INR in crore)	155.2	128.24

The following table representations the economic value retained during FY 2019-20 and FY 2020-21:

Parameters	2019-20	2020-21
Economic value retained (INR in crore)	40.11	-36.82

204-1: Proportion of spending on local suppliers at significant locations of operation

The following table shows the spending on suppliers in FY2019-20 and FY2010-21:

Parameters	2019-20	2020-21
Report the total spending on suppliers for procurement of products and services [INR in crore]	1,037.99	466.54
Report the total spending on locally based suppliers for procurement of products and services [INR in crore]	151.14	112.30

Environmental Performance

GRI 301-1: Materials by weight or volume

The type and quantity of materials used by the industry maps its dependency on renewable and non-renewable resources.

Material Type	Material Name	2019-20	2020-21
Raw Material (MT)	Greasy wool	5,558.41	2,615.82
	Flax fiber	7,477.3	5,043.17
	Total raw material	13,035.71	7,658.99
Semi-manufactured	Outsourced fabric in MT	9.87	9.41
	Outsourced yarn (Cotton Yarn, Linen Yarn, Linen/Excel, Linen/Silk, Linen Cotton,	406.92	475.94
	Silk, Wool/Cashmere, Wool/Linen, Wool/Silk) in MT	-	-
	Outsourced Yarn (Mix Fancy & Poly Yarn, Mod Total) in MT	394.59	51.02
	Purchased sliver in MT	1,504.19	829.33
	Polyester in MT	304.26	218.52
	Nylon Top in MT	44.96	77.63
	Purchased wool in MT	305.97	119.08
	Silk in MT	4.452	0.81
	Total semi-manufactured material	2975.2	1781.7 MT
	Packaging Material (MT)	BOPP Tape	4.72
Cello tape		0.47	0.19
HDPE Bag		16.73	10.58
HOOP Iron Seal		1.55	0.72
HOOP Iron Strip		52.42	20.28
LDPE Granules		0	0.00
PP Box Strip		5.11	7.96
PP Cone and Cheese		154.92	34.78
Poly Bags and sheets		69.86	100.94
PP Fabric		39.36	18.37
Bale wire		18.4	17.02
Card box		608.54	467.59
Cardboard		142.33	75.48
Paper Cone		98.03	70.94
Paper Tube		36.01	17.22
Total packaging material	1245.45	846.7	

GRI 302 : Energy consumption within the organization (GRI 302-1) and Energy consumption outside the organization (GRI 302-1)

The following tables highlights our fuel consumption by fuel type:

Fuel consumption	2019-20	2020-21
Coal (tons)	16,454.6	12270.81
Furnace oil (tons)	287	18.4
Diesel (kL)	37	44.62
LPG	41	24.47

The following table highlights our electricity and steam purchased (renewable and non-renewable sources)

Parameter	2019-20	2020-21
Electricity purchased from grid (GJ)	312405.21	189,039.9

Energy Intensity (GRI 302-3)

The following table highlights our energy consumption and energy intensity:

Parameter	2019-20	2020-21
Total annual energy consumption (GJ)	661,617.84	422,294.49
Energy intensity (GJ/MT)	57.43	60.33

Reduction of energy consumption (GRI 302-4)

The following table highlights our energy savings:

Parameter	2019-20	2020-21
Energy savings (in GJ)	12,532.8	15,436.8

GRI 303: Water

Water Withdrawal by Source (GRI 303-1) and water recycled and reused (GRI 303-3)

The table below showcases our water withdrawal by source and water recycled and reused:

Water Source	2019-20	2020-21
Total water withdrawn (m3)	1,139,953.7	865,362
Total recycled water (m3)	347,831.7	342,288
Percentage of recycled water	23.4%	28.34%

GRI 303: Emissions

GRI 305-2: Direct (scope 1) GHG emissions (GRI 305 -1) & Indirect (scope 2) emissions

The table below showcases our scope 1 and scope 2 emissions:

Scope of Emission	Emission Source	2019-20	2020-21
Scope 1: Direct Emission	tCO2/year	31,059.62	20,411.3
Scope 2: Indirect Emission	tCO2/year	79,836.95	48,310.23
Scope 3 emissions	tCO2/year	-	3,364.43

GHG Emission Intensity (GRI 305 -4)

The table below showcases our total GHG emission and its respective emission intensity:

Parameters	2019-20	2020-21
Total annual GHG emissions (tCO2)	110,896.50	68,721.54
Production (MT)	11,518.83	7,000.02
Emission intensity (tCO2/MT)	9.62	9.81

GRI 306: Effluent and waste

Water discharge by quality and destination (GRI 306-1)

The following table highlights our water discharge by quality type:

Parameter	2019-20	2020-21
BOD (mg/L)	25	6
COD (mg/L)	41	45
pH	8	7
TDS (mg/L)	1,510	778
Oil & Grease (mg/L)	2	-
TSS (mg/L)	26	6
Ammoniacal Nitrogen	8	3

Waste by type and disposal method (GRI-306-2)

The following table outlines the quantity of non-hazardous waste generated:

Source of waste (Tons)	2019-20	2020-21
Fly Ash/Bottom Ash	7,121.3	4,937.8
Plastic jar	102.56	58.8
Sludge (mud)	547.23	257.2
Linen spng (total dust + sweeping waste)	605	-
Linen Fabric (Chindi+ FADIS rewinding + Hank Dyed waste+ Selvedge + Hard Waste)	89.6	54.7
Wool tops (Noil)	512	282.7
Linen Spng (Short fibre +Noil +Hard waste+band waste)	856	-

Source of waste (Tons)	2019-20	2020-21
Worsted Yarn (Single Hw, Double Hw, Soft Waste, Sweeping, Noils, Convertor Waste)	132.4	85.75
Linen spng (short fibre + noir + hard waste + band waste)	-	853.2
Total non-hazardous waste disposal	9,966.09	6530.1

The following table outlines the quantity of hazardous waste generated:

Source of waste (in MT)	2019-20	2020-21
ETP Sludge	199.6	168.3
E-waste	2.01	1.07
Used and old oil (petro, diesel and LDO/ FO mix)	4.52	1.94
Battery scrap	1.71	-
Biomedical waste	0.007647	0.006
Total hazardous waste disposal	207.85	171.31

Social performance

GRI 401: Employment

New employee hires and employee turnover (GRI 401-1)

The following table shows the employee new hires and turnover:

	Parameter	2019-20	2020-21
New Hire	Permanent Employees	97	180
	Contractual Employees	516	516
	Total	613	696
Exits	Permanent Employees	82	94
	Contractual Employees	10	10

	Parameter	Category	2019-20	2020-21
New Hire	Permanent Employees	<30 years	48	149
		30-50 years	42	31
		>50 years	7	0
		Total	97	180
	Contractual Employees	<30 years	63	440
		30-50 years	56	71
		>50 years	2	5
Total		121	516	
Exits	Permanent Employees	<30 years	31	33
		30-50 years	35	34
		>50 years	16	27
		Total	82	94
	Contractual Employees	<30 years	7	7
		30-50 years	2	2
		>50 years	1	1
Total		10	10	

Benefits provided to full-time employees (GRI 401-2)

The following benefits are provided to employees:

2019-20 & 2020-21

Types of Benefits	Permanent Employees	Temporary / Part-time Employees
Life insurance	Yes	No
Health care	Yes	Yes
Disability	Yes	Yes
Parental leave (maternity leave or paternity leave)	Yes	No
Marriage leave (additional to normal leaves allotted)	No	No
Bereavement leave (additional to normal leaves allotted)	No	No
Retirement provision	No	No
Stock ownership	No	No
Transportation	Yes (Partial)	No
Housing	Yes (Partial)	No
Food allowance	No	No
Extra paid holidays	Yes	Yes
Citizenship leave	No	No

GRI 403: Occupational Health and Safety

Employee representation in formal joint management employee health and safety committee (GRI 403 -1)

The following table presents the representation of employees in Health & Safety Committee

Category	2019-20		Total
	Management	Non-management	
Central Safety Committee	32	0	32
Departmental Safety Committee	85	78	163

Category	2020-21		Total
	Management	Non-management	
Central Safety Committee	32	0	32
Departmental Safety Committee	85	78	163

Injury Rate (GRI 403 -2)

The following table showcases the injury rate:

Category	2019-20	2020-21
Working hours (hrs)	12,381,085	7,707,576
Incident (nos.)	9	4
Injury Rate	0.73	0.52

GRI 404: Training

Average hours of training per year per employee (GRI 404-1)

The following table showcases the total hours of training conducted:

Category	2019-20	2020-21
Permanent Employees	41,876	18,766
Contractual Employees	0	1,927
Total	41,876	20,693

6.1.2. Vikram Woollens

Economic performance

GRI 201-1: Direct Economic Value Generated and Distributed

The following graphical representations showcase the trend of total revenue incurred during FY 2019-20 and FY 2020-21:

Parameters	2019-20	2020-21
Economic value generated [crore rupees]	105.5	37.9

The table below highlights the employee benefits and wages, payments to providers of capitals, payments to governments and community investments for DT:

Parameters	2019-20	2020-21
Operating Cost [crore rupees]	89.88	28.81
Employee benefits and wages [crore rupees]	11.28	9.03
Payments to governments [crore rupees]	9.99	3.36

The following table representations the economic value retained during FY 2019-20 and FY 2020-21:

Parameters	2019-20	2020-21
Economic value retained [crore rupees]	-5.68	-3.33

Environmental

Parameters	2019-20	2020-21
Report the total spending on suppliers for procurement of products and services [crore rupees]	86.2	25.81
Report the total spending on locally based suppliers for procurement of products and services [crore rupees]	2.18	0.82

Environmental Performance

GRI 301-1: Materials by weight or volume

The type and quantity of materials used by the industry maps its dependency on renewable and non-renewable resources.

Material Type	Material Name	2019-20	2020-21
Raw Material (in tons)	Acrylic Top	5.72	11.10
	Cashmere	14.09	2.35
	Lycra	0.74	0.52
	Nylon Filament & Top	7.68	3.65
	Polyester	427.46	139.26
	PVA	1.20	0.43
	Silk	14.90	3.70
	Wool	428.77	175.03
	Total raw material		900.56
Associated Material (Tons)	-	-	-
	Total associated material	0	0
Semi-manufactured (Tons)	-	-	-
	Total semi-manufactured material	0	0
Packaging Material	5 PLY CORR.SHEET 21."X21." WT 200 GM MAD	28,334 (Nos.)	3 (tons)
	5 PLY CORR.BOX 15"X15"X7.5" WT 600 GMS	633 (Nos.)	0 (tons)
	CORR. BOX FOR SAMPLE PACKING	500 (Nos.)	0 (tons)
	22.5X22.5X14.25 3PLY140 GSM SK2PLY 150	732 (Nos.)	1 (tons)
	POLYTHENE BAG 8X15" 25/30 GAUGE H M	0.400 (tons)	0 (tons)
	POLYTHENE BAG 50" X 50" X 80/100G(LD)	0.368(tons)	1 (tons)
	POLYTHENE BAG 12"X15"X25/30G HM	0.867 (tons)	1 (tons)
	POLYTHENE BAGS 26"X34" 60 GAUGE (HM)	ons0.609 (tp)	1 (tons)
	HDPE CLOTH FABRIC WHITE 10X10 MESH 800 D	2.763 (tons)	0 (tons)
	NAPHTHALENE BALLS (REFIND)	0.649 (tons)	0 (tons)
	BOPP TAPE BROWN 72MMX65MTR(50 MIC.)	897 (rolls)	0 (tons)
	COMPUTER STICKER 46 X 35 MM,PLAIN VW	19,982 (nos.)	0 (tons)
	CHALLAN STICKER(P/W)145X155MM PRINTED SE	54,353 (nos.)	0 (tons)

Material Type	Material Name	2019-20	2020-21
Packaging Material	PAPER CONE SK 4'20 VELVET FINISH 172MM T	914,374 (nos.)	2 (tons)
	PAPER CONE 3-30 KRAFT 175MM VELVET FINIS	312,850 (nos.)	0 (tons)
	COMPUTER STICKER 46X35MM PRINTED VW	1,107,518 (nos.)	0 (tons)
	7 PLY CORR.BOX 22.5"X22.5"X20.75"(PRINT)	2,280 (nos.)	0 (tons)
	CELLO TAPE 3" (TRANSPARENT)	2,651 (rolls)	0 (tons)
	PRINT 22.5X22.5X14.25 3PLY140 SK2PLY150	20,538 (nos.)	19 (tons)
	PRINT CORR.BOX 23x10x14 3PLY140GSM SK	7,497 (nos.)	3 (tons)
	5 PLY CORR.SHEET 9"X22" WT 90 GM 120GSM	7,981 (nos.)	0 (tons)
	POLYTHENE BAG 10X15" 25/30 GAUGE H M	291(nos.)	0 (tons)
	PRINT 5 PLY CORR.BOX 19.5"X15.5"X14 4PLY	1,048 (nos.)	1 (tons)
	5 PLY CORR.SHEET 19X15" 120 GSM SK 10KGS	1,016 (nos.)	-
	5 PLY PARTITION 4X5"X20GAPS 120GSM SK	1673 (nos.)	-
	COLOUR STICKER CASHEMRE LOGO 136X164MM	505 (nos.)	-
	7 PLY CORR.BOX 31X16 X 14.25 SK 140 GSM	689 (nos.)	-
	22.5X18X13.75 3PLY140SK,2PLY180VK	75 (nos.)	-
	22.5X14.75X13.75 3PLY140SK,2PLY180VK	78 (nos.)	-
	PP BOX STRAPPING 12MM X 0.60MM THICKNESS	96 (rolls)	-
	POLYTHENE BAGS 26"X34" 60 GAUGE (HM)	-	1 (tons)
	POLYTHENE BAGS 14"X17" 40 GUAGE H M	-	0 (tons)
		Total packaging material	24,62,409 (nos.) 5.656 (tons)

GRI 302 : Energy consumption within the organization (GRI 302-1) and Energy consumption outside the organization (GRI 302-1)

The following tables highlights our fuel consumption by fuel type:

Fuel consumption	2019-20	2020-21
Coal (tons)	811	377
Diesel	67.99	61
Petrol (KL)	0.58	0.4
LPG (tons)	3.4	1.17

The following table highlights our electricity and steam purchased (renewable and non-renewable sources)

Parameter	2019-20	2020-21
Electricity purchased from grid (GJ)	25,582.89	12,037.64

Energy Intensity (GRI 302-3)

The following table highlights our energy consumption and energy intensity:

Parameter	2019-20	2020-21
Total annual energy consumption (GJ)	55,731.44	27,419.89
Energy intensity (GJ/MT)	67.11	84.13

Reduction of energy consumption (GRI 302-4)

Parameter	2019-20	2020-21
Energy savings (in GJ)	-	688.94

GRI 303: Water

Water Withdrawal by Source (GRI 303-1) and water recycled and reused (GRI 303-3)

The table below showcases our water withdrawal by source and water recycled and reused.

Water Source	2019-20	2020-21
Total water withdrawn (m3)	41,690	35,992
Total recycled water (m3)	36,885	15,285
Percentage of recycled water	88.47	30.83

GRI 303: Emissions

GRI 305-2: Direct (scope 1) GHG emissions (GRI 305 -1) & Indirect (scope 2) emissions

The table below showcases our scope 1 and scope 2 emissions:

Scope of Emission	Emission Source	2019-20	2020-21
Scope 1: Direct Emission	tCO2/year	2,876.29	1,444.6
Scope 2: Indirect Emission	tCO2/year	6,537.86	3076.29
Scope 3 emissions	tCO2/year		26.03

GHG Emission Intensity (GRI 305 -4)

The table below showcases our total GHG emission and its respective emission intensity:

Parameters	2019-20	2020-21
Total annual GHG emissions (tCO2)	9,414.15	4,520.88
Production (MT)	830.46	325.899
Emission intensity (tCO2/MT)	11.33	13.87

GRI 306: Effluent and waste

Water discharge by quality and destination (GRI 306-1)

The following table highlights our water discharge by quality type:

Parameter	2019-20 (average)	2020-21 (average)
BOD (mg/L)	15.7	18
COD (mg/L)	215.6	103
Oil and Grease (mg/L)	2.4	2
pH	7.59	8
TDS (mg/L)	1292	1840
TSS (mg/L)	88	92
Ammoniacal Nitrogen (mg/L)	1.6	8

Waste by type and disposal method (GRI-306-2)

The following table outlines the quantity of non-hazardous waste disposal:

Source of waste (Tons)	2019-20	2020-21
Fly Ash/Bottom Ash	0	0
Worsted Yarn (Single Hw, Double Hw, Soft Waste, Sweeping, Noils, Convertor Waste)	53	26.5
Total non-hazardous waste generated (tons)	53	0

The following table outlines the quantity of hazardous waste generated:

Source of waste (tons)	2019-20	2020-21
ETP Sludge	7.18	14.73
Discarded containers	.105	0.13
MEE Salt	5.43	-
Used Oil	0.567	-
Oil Filter	-	0.567
Total hazardous waste generated	13.282	15.427

Social performance

GRI 401: Employment

New employee hires and employee turnover (GRI 401-1)

The following table shows the employee new hires and turnover:

	Parameter	2019-20	2020-21
New Hire	Permanent Employees	15	2
	Contractual Employees	219	17
	Total	234	19
Exits	Permanent Employees	4	6
	Contractual Employees	98	33
	Total	102	39

	Parameter	Category	2019-20	2020-21
New Hire	Permanent Employees	<30 years	2	2
		30-50 years	13	0
		>50 years	0	0
		Total	15	2
	Contractual Employees	<30 years	141	8
		30-50 years	70	5
		>50 years	8	4
Total		219	17	
Exits	Permanent Employees	<30 years	0	0
		30-50 years	4	4
		>50 years	0	2
		Total	4	6
	Contractual Employees	<30 years	64	14
		30-50 years	29	13
		>50 years	5	6
Total		98	33	



Benefits provided to full-time employees (GRI 401-2)

The following benefits are provided to employees:

2019-20 & 2020-21

Types of Benefits	Permanent Employees	Temporary / Part-time Employees
Life insurance	Yes	No
Health care	Yes	Yes
Disability	Yes	Yes
Parental leave (maternity leave or paternity leave)	Yes	No
Marriage leave (additional to normal leaves allotted)	No	No
Bereavement leave (additional to normal leaves allotted)	No	No
Leave for Haj (additional to normal leaves allotted)	No	No
Leave for Baptism (additional to normal leaves allotted)	No	No
Leave for Circumcision Ceremony (additional to normal leaves allotted)	No	No
Retirement provision	Yes	Yes
Stock ownership	No	No
Transportation	Yes	Yes
Housing	No	No
Food allowance	Yes	Yes
Extra paid holidays	Yes	Yes
Citizenship leave	No	No

Occupational Health and Safety (GRI 403)

Employee representation in formal joint management employee health and safety committee (GRI 403 -1)

The following table presents the representation of employees in Health & Safety Committee:

Category	2019-20		Total
	Management	Non-management	
Safety committee (unit level)	17	4	21

Category	2020-21		Total
	Management	Non-management	
Safety committee (unit level)	25	15	40

Injury Rate (GRI 403 -2)

The following table showcases the injury rate:

Category	2019-20	2020-21
Working hours (hrs)	999,320	601,688.66
Incident (nos.)	2	0
Injury Rate	2.01	0

GRI 404: Training

Average hours of training per year per employee (GRI 404-1)

The following table showcases the total hours of training conducted:

Category	2019-20	2020-21
Permanent Employees	2,159.5	2,230
Contractual Employees	3,019	133
Total	5178.5	2,363

6.1.3. Grasim Premium Fabrics

Economic performance

GRI 201-1: Direct Economic Value Generated and Distributed

The following graphical representations showcase the trend of total revenue incurred during FY 2019-20 and FY 2020-21:

Parameters	2019-20	2020-21
Economic value generated (INR in crore)	165.18	72.62

The table below highlights the employee benefits and wages, payments to providers of capitals, payments to governments and community investments for DT:

Parameters	2019-20	2020-21
Operating Cost (INR in crore)	119.91	62.32
Employee benefits and wages (INR in crore)	35.30	31.19
Payments to providers of capital (INR in crore)	2.84	3
Payments to governments (INR in crore)	1.44	-
Community investment (INR in crore)	-	0.18

The following table representations the economic value retained during FY 2019-20 and FY 2020-21:

Parameters	2019-20	2020-21
Economic value retained (INR in crore)	5.70	-2.41

Environmental Performance

GRI 301-1: Materials by weight or volume

The type and quantity of materials used by the industry maps its dependency on renewable and non- renewable resources.

Material Type	Material Name	2019-20	2020-21
Raw Material (Tons)	Yarn	1,356.11	450
	Total raw material	1,356.11	450

Material Type	Material Name	2019-20	2020-21
Associated Material (Tons)	Oil lubricants (0.92 per kg)	2,387.4	0
	Sizing chemicals	85.18	33
	Wax bars (1.4kg/bar)	122	0
	Total associated materials	2,595	33
Semi-manufactured (Tons)	Total semi-manufactured material	0	0
Packaging Material (Tons)	Packing Material (BOPP Tape) wt - 0.230 grm	2	1
	Plastic (Consider Avg of kgs of Nos)	9	-
	LDPE	-	4
	Carton	46	20
	HDPE Bags	15	3
	Sticker and Labels	4	8
	Mill board and Paper tube	174	74
	Total packaging material	250	110

GRI 302 : Energy consumption within the organization (GRI 302-1) and Energy consumption outside the organization (GRI 302-1)

The following tables highlights our fuel consumption by fuel type:

Fuel consumption	2019-20	2020-21
Coal (tons)	0	0
Furnace oil (tons)	91	0
Diesel (tons)	41	39
Biomass (tons)	7,010	3,703
LPG (tons)	29	10

The following table highlights our electricity and steam purchased (renewable and non-renewable sources)

Parameter	2019-20	2020-21
Electricity purchased from grid (GJ)	38,708	17,802

Energy Intensity (GRI 302-3)

The following table highlights our energy consumption and energy intensity:

Parameter	2019-20	2020-21
Total annual energy consumption (GJ)	151,503	76,695.56
Energy intensity (GJ/MT)	124.59	137.74

Reduction of energy consumption (GRI 302-4)

Parameter	2019-20	2020-21
Energy savings (in GJ)	0	0

GRI 303: Water

Water Withdrawal by Source (GRI 303-1) and water recycled and reused (GRI 303-3)

The table below showcases our water withdrawal by source and water recycled and reused.

Water Source	2019-20	2020-21
Total water withdrawn (m3)	199,450	97,249
Total recycled water (m3)	9,649	51,943
Percentage of recycled water	4.68%	13.82%

GRI 305: Emissions

GRI 305-2: Direct (scope 1) GHG emissions (GRI 305 -1) & Indirect (scope 2) emissions

The table below showcases our scope 1, scope 2 and scope 3 emissions:

Scope of Emission	Emission Source	2019-20	2020-21
Scope 1: Direct Emission	tCO ₂ /year	541.81	159.53
Scope 2: Indirect Emission	tCO ₂ /year	8,816.52	4,054.9
Scope 3 emissions	tCO ₂ /year		1,103.4

GHG Emission Intensity (GRI 305 -4)

The table below showcases our total GHG emission and its respective emission intensity:

Parameters	2019-20	2020-21
Total annual GHG emissions (tCO ₂)	9,358.33	4,214.43
Production (MT)	1,216.02	556.78
Emission intensity (tCO ₂ /MT)	7.70	7.57

GRI 306: Effluent and waste

Water discharge by quality and destination (GRI 306-1)

The following table highlights our water discharge by quality type:

Parameter	2019-20 (average)	2020-21 (average)
BOD (mg/L)	54	58
COD (mg/L)	172	171
Chloride (mg/L)	188	184
pH	7	7
TDS (mg/L)	-	-
Oil & Grease (mg/L)	2	2
TSS (mg/L)	22	16
Total heavy metals	-	164
Ammoniacal Nitrogen	-	8

306-2

The following table outlines the quantity of non-hazardous waste generated:

Source of waste (Tons)	2019-20	2020-21
Non-hazardous waste (process waste)	112.81	49.70
Total non-hazardous wastes	112.81	49.70

The following table outlines the quantity of hazardous waste generated:

Source of waste	2019-20	2020-21
ETP Sludge	1363	57
Total hazardous waste disposal	1,363	57

Social performance

GRI 401: Employment

New employee hires and employee turnover (GRI 401-1)

The following table shows the employee new hires and turnover:

	Parameter	2019-20	2020-21
New Hire	Permanent Employees	12	7
	Contractual Employees	0	0
	Total	12	7
Exits	Permanent Employees	11	10
	Contractual Employees	0	0
	Total	11	10

	Parameter	Category	2019-20	2020-21
New Hire	Permanent Employees	<30 years	10	5
		30-50 years	2	1
		>50 years	0	1
		Total	12	7
	Contractual Employees	<30 years	0	0
		30-50 years	0	0
		>50 years	0	0
		Total	0	0
Exits	Permanent Employees	<30 years	4	3
		30-50 years	6	5
		>50 years	1	2
		Total	11	10
	Contractual Employees	<30 years	0	0
		30-50 years	0	0
		>50 years	0	0
		Total	0	0

Benefits provided to full-time employees (GRI 401-2)

The following benefits are provided to employees:

2019-20 & 2020-21

Types of Benefits	Permanent Employees	Temporary / Part-time Employees
Life insurance	Yes	No
Health care	Yes	Yes
Disability	Yes	No
Parental leave (maternity leave or paternity leave)	Yes	No
Marriage leave (additional to normal leaves allotted)	No	No
Bereavement leave (additional to normal leaves allotted)	No	No
Leave for Haj (additional to normal leaves allotted)	No	No
Leave for Baptism (additional to normal leaves allotted)	No	No
Leave for Circumcision Ceremony (additional to normal leaves allotted)	No	No
Retirement provision	Yes	No
Stock ownership	No	No
Transportation	Yes	No
Housing	No	No
Food allowance	No	No
Extra paid holidays	No	No
Citizenship leave	No	No

2020-2021

Types of Benefits	Permanent Employees	Temporary / Part-time Employees
Life insurance	Yes	No
Health care	Yes	Yes
Disability	Yes	No
Parental leave (maternity leave or paternity leave)	Yes	No
Marriage leave (additional to normal leaves allotted)	No	No
Bereavement leave (additional to normal leaves allotted)	No	No
Leave for Haj (additional to normal leaves allotted)	No	No
Leave for Baptism (additional to normal leaves allotted)	No	No
Leave for Circumcision Ceremony (additional to normal leaves allotted)	No	No
Retirement provision	Yes	No
Stock ownership	No	No
Transportation	No	No
Housing	No	No
Food allowance	No	No
Extra paid holidays	No	No
Citizenship leave	No	No

GRI 403: Occupational Health and Safety

Employee representation in formal joint management employee health and safety committee (GRI 403 -1)

The following table presents the representation of employees in Health & Safety Committee:

Category	2019-20		Total
	Management	Non-management	
Plant safety committee	14	14	28
Department safety meeting	14	14	28

Category	2020-21		Total
	Management	Non-management	
Plant safety committee	14	14	28
Department safety meeting	13	14	27

Injury Rate (GRI 403 -2)

The following table showcases the injury rate:

Category	2019-20	2020-21
Working hours (hrs)	-	1,089,561
Incident (nos.)	0	0
Injury Rate	0	0

GRI 404: Training

Average hours of training per year per employee (GRI 404-1)

The following table showcases the total hours of training conducted:

Category	2019-20	2020-21
Permanent Employees	27	5,058
Contractual Employees	9	46
Total	36	5104





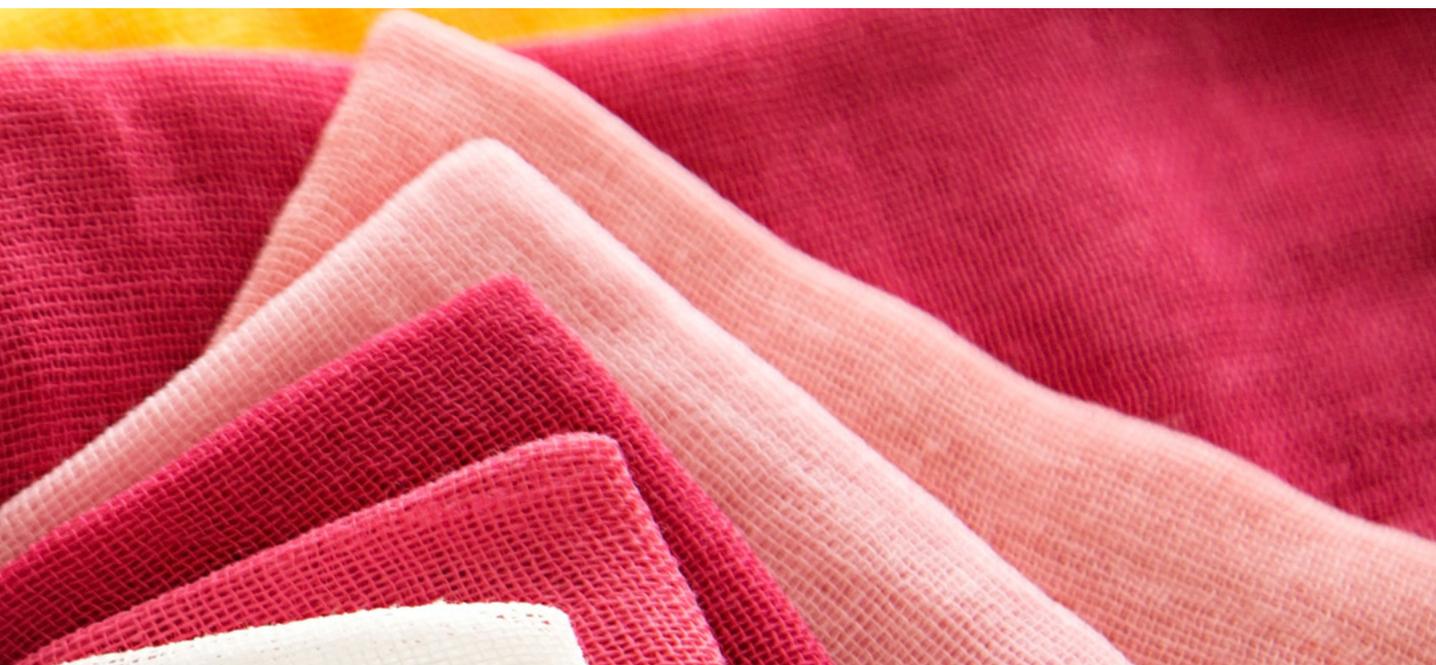
Future-Proofing

Future Proofing means being prepared for the different ways in which our operating environment and business conditions may change, understanding the risks and opportunities these shifts could offer to the businesses and proactively shaping strategies to succeed in a future we wish to see. Businesses need to make themselves resilient to evolving risks and be open to new opportunities. The year 2020 marked the start of the 'Decade of Action' to achieve the UN's Sustainable Development Goals 2030. There is a need for multi-stakeholder action and collaboration to help meet the fast-approaching 2030 deadline. At a group level, we have partnered with the "Forum for Future", a collaboration that we aim to build on to make better decisions today, for our tomorrow. At DT, we have identified our actionable focus areas to build a more sustainable future.

The COVID-19 COVID-19 pandemic brought a mixed bag of challenges and opportunities for our textile business. Safety of our people has been at the heart of our operations. We have kept abreast with the pulse of the textile industry and acted on the mega-industry trends such as responsible consumption and production, digitisation and supply chain resilience.

There is a strong focus on Environmental, Social and Governance (ESG) parameters for businesses to act responsibly and contribute towards building a more sustainable and resilient future. These parameters are embedded in our Group's Sustainability Framework and we strive to adopt an agile approach towards future-proofing our business. We at Aditya Birla Group, refer to this as future-proofing.

What is Future-proofing?	How it works	Outcome of the exercise
Future-proofing is the process of anticipating the future and developing action plans to seize opportunities and minimize risk to business	Future Proofing is a systematic and comprehensive way of analysing how Mega trends (macro-trends) <ol style="list-style-type: none"> 1. Might play out in the future 2. The likelihood of their occurrence 3. Their impact on our business 	Future proofing enables us to relook at our business vision and prioritize actions as well as add new focus areas. This will help us shape business decisions – ' Must do ' and ' Good to do ' initiatives.



In order to future-proof our business, we focus on:

- » Understanding the trends and factors that will influence success of our textile business, including those related to the stability of the supply chain and demand for new value propositions.
- » Identifying potential external factors that could cause a disruption or threat to our operations or business models.
- » Developing mitigation, adaptation or transformational strategies to mitigate these risks.
- » Identifying opportunities for value-driven innovation. These may be new products, processes and services, or new ways of operating our business.
- » Developing the capacity of senior decision makers to manage effectively in an increasingly uncertain and volatile operating and financial environment.
- » Risks and opportunities related to the pandemic: The pandemic disrupted our business significantly in different ways, forcing us to adapt our business accordingly. The first, most crucial step was to ensure that all our employees are vaccinated, so as to minimize the risk associated with the Coronavirus. Further, we have taken numerous measures to enhance safety protocols, like the use of cameras to make sure that employees are wearing masks, training and counselling sessions on the pandemic and exercising caution, etc.
- » The pandemic also presented some opportunities in terms of allowing us to enter new markets with innovative products. The pandemic has restricted movement to the workplace and work from home has become a popular concept. To this end, customers have started moving away from formal clothes (which make up bulk of our products) and towards casual wear. We view this as an opportunity to enter an untapped market and have developed new casual wear lines. Similarly, we have also developed a new fabric with antibacterial properties, which we believe will perform especially well in the present day, given that health and safety has become such a priority.
- » Energy: As the world moves away from carbon intensive fossil fuels, we have done the same and plan to continue to do so in the coming years. We have taken steps to make renewable energy a larger part of our energy mix and have also undertaken energy saving initiatives like the use of LED lights and changing ID fans of boilers.
- » Digitization: The COVID-19 pandemic has irreversibly changed the way we do business, forcing companies to do virtually what they would have otherwise done physically. In order to make this seamless transition from physical events/launches/sales/meetings to virtual, digitization has become extremely important.
- » Future proofing of linen business: Linen is susceptible to physical climate risks as the raw material flax is grown in limited regions.



We are actively working on action plans addressing the external factors which may disrupt our business. We have identified ten impacts on our textile business and identified risks and opportunities in each of these areas.

Climate Change

We are committed to take action to address climate change at our manufacturing locations and regions of production of raw materials to contribute for a better future.

Regulatory Environment

We continue to identify and watch significant customers and suppliers with high environmental compliance risk and explore innovations to design products for recycling/reuse

Demographics and Related Changes

Workplace improvement initiatives are being taken to attract, train and retain talent. The factor of migrant labourers and reliance on contract workers is a dynamic issue we evaluate on an ongoing basis

Employee Wellness

We continue to focus on health and safety, wellness, diversity and inclusion, employee engagement, learning and development and career progression of our employees

Consumer Centricity

Consumers demand innovative, durable, traceable and sustainable products. To address the growing responsibility and consciousness among consumers, our focus will continue to be on cleaner production, recyclability and traceability, going forward.

Product Innovation

Identifying opportunities for value-driven innovation. These may be new products and services, or new ways of operating. Our domestic textiles businesses aim to be well-equipped for the functional and sustainable yarns by focusing on new product development through R&D and increased collaborations.

Resource Efficient Cleaner Production

Resource efficient cleaner production has emerged as a crucial part of the textile industry. To reduce the negative environmental impact, our focus will be on CAPEX and OPEX projects for resource efficient cleaner production.

Circularity

We will focus on embedding circularity at the core of our textile business, by focusing on waste management and recycling, new product development with recycled materials and collaborations with industry stakeholders for circular business models.

Digitisation and Automation

Digitisation and automation trend has been accelerated by the COVID-19 pandemic. We will employ automation, information management systems, blockchain technology, artificial intelligence and other digital technologies to optimise our production and supply chain operations.

Business Resilience

A strong governance structure is in place to assess business risks and develop business continuity and crisis management plans. Our focus will be on staying updated with industry disruptions and making intelligence driven decisions.

CSO's Epilogue



At Aditya Birla Textiles, our sustainability journey is a testament to our commitment towards a greener, cleaner and healthier planet. Governed by the ABG Sustainability Framework, we strive to work with all our value chain stakeholders to optimise the use of resources, promote inclusive and decent work and future-proof our business. 2020 has been an unprecedented year for all of us owing to the COVID-19 pandemic. Throughout this period, our utmost

focus has been to protect the health and safety of our employees and their families, while meeting our customers' expectations. We instituted stringent COVID-19 protocols in our facilities and worked with the Government, local communities and other stakeholders to mitigate the adverse impacts of the pandemic.

I would like to highlight that our operations are aligned with several global standards and frameworks, ensuring that we contribute proactively towards achieving the UN's Sustainable Development Goals. We have a culture of partnerships with institutions committed to ensuring sustainability in the textile value chain. Few notable collaborations include SAC Higg Index, WASH, Oeko-Tex, BCI, FSC, ISO and GOTS.

Beyond standards and certifications, we have a strong sustainability governance structure in place, which enables us to embed the sustainability culture across all levels. Our domestic business has demonstrated a strong sustainability culture through various initiatives as

detailed in this report, particularly in the key thematic areas impacting our business viz. Product Innovation & Customer Centricity, Cleaner Production, Circular Economy, Responsible Supply Chain, Digital Transformation and People Development. We have several sustainability projects in the pipeline to future-proof our business and make a difference to our people and environment.

The demand for transparency increased and this report is an effort to communicate our sustainability performance to our customers, suppliers and industry partners. I express my sincere gratitude to all our stakeholders, especially the talented colleagues at Domestic Textiles who have contributed to the preparation of this report. Please feel free to contact me with all your questions, comments and suggestions regarding this report, at jagadish.barik@adityabirla.com.

- Dr. Jagadish Barik

GRI Content Index

GRI-Standards	Disclosure	Page Number/ Comment
GRI 102: General Disclosures 2016	102-1 Name of the organization	
	102-2 Activities, brands, products and services	
	102-4 Location of operations	
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	102-40 List of stakeholder groups	
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	102-47 List of material topics	
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	102-54 Claims of reporting in accordance with the GRI Standards	
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Economic Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
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GRI 301: Materials 2016	301-1 Materials used by weight or volume	
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
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GRI 302: Energy 2016	302-1 Energy consumption within the organization	
	302-2 Energy consumption outside of the organization	
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	302-4 Reduction of energy consumption	

GRI-Standards	Disclosure	Page Number/ Comment
Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 303: Water 2016	303-1 Water withdrawal by source	
	303-3 Water recycled and reused	
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 305: Emission 2016	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	
	305-3 Other indirect (Scope 3) GHG emissions	
Effluents and Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	
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Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
Occupational Health & Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	

Assurance Statement

DQS- Independent Assurance Statement

To the Management and Stakeholders of Grasim Industries Limited

DQS has been engaged by Grasim Industries Limited (Aditya Birla Group - Jaya Shree Textiles, Vikram Woollens and Grasim Premium Fabrics) to provide independent assurance over (non-financial) based on GRI - Core reporting framework with selected KPIs. The engagement took place from 10th November 2021 to 6th December 2021 through virtual assessment considering current covid-19 conditions.

Objectives

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of Assurance

The assurance encompassed the entire report and focused on all figures, statements and claims related to sustainability during the reporting period FY 2019-20 & FY 2020-21. More specifically, this included:

- Statements, information, and performance data contained within the sustainability report
- Grasim Industries Limited' management approach of material issues; and
- Grasim Industries Limited' reported data and information as per the requirements of the Global Reporting Initiative Standards

The assurance engagement was performed in accordance with a Type 2 assurance of the DQS Sustainability Assurance Framework, which consists of:

- Evaluating the company's sustainability framework and processes using the principles of
 1. Inclusivity
 2. Materiality
 3. Impact, and
 4. Responsiveness
- Evaluating the quality of the reported sustainability performance information

The report has been self-declared to comply with the 'in accordance – core' requirements of the GRI Standards.

Operational Boundary:

1. Jaya Shree Textiles located at Rishra, P.O. Prabasnagar, Pin Code – 712249, Dist.: Hooghly, West Bengal, India.
2. Vikram Woollens (VW) located at GH I to IV, Ghironghi, Malanpur, Bhind District – 477117, Madhya Pradesh – India.
3. Grasim Premium Fabrics (GPF) located at Plot No. T-8, Five Start MIDC, Kagal Hatkanangle, Kasba Sangaon, Taluka Kagal, Kolhapur - 416236, Maharashtra, India.

Level of assurance and limitations

A moderate level of assurance under DQS Sustainability Assurance Framework was provided for this engagement. Information and performance data subject to assurance is limited to the content of the sustainability report. The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability or already supported by existing documents, such as third-party audits or certifications and previous annual reports.

Independence and Competences of the Assurance Provider

The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the report nor have they been associated with Grasim Industries Limited's sustainability program, data collection or strategic processes.



DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality, and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqs-cfs.com. The management of Grasim Industries Limited was responsible for the preparation of the sustainability part of the Corporate Report and all statements and figures contained within it.

Assurance methodology

The assurance procedures and principles used for this engagement were drawn from the International Standards and methodology for data verification developed by DQS as below:

1. Based on GRI - Core reporting framework, Grasim Industries Limited have identified selected corporate KPIs and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Carry out interviews with key functional managers and data owners at Grasim Industries Limited
3. Data quality verification included the following:
 - i. Enquiring about the quantitative and qualitative aspects of the KPI disclosures, including performance information, policies, procedures and underlying management systems.
 - ii. Requesting evidence of the data sources and explanation of relevant collection and calculation methods to substantiate the figures and claims.
4. Challenging the KPI claims, where possible, confirming the presented evidence, including calculation methods, criteria, and assumptions, with multiple data owners and other documentation from internal and external sources.
5. Assess the collected information and provide recommendations for immediate correction wherever required or for future improvement of the non-financial indicators verification within the scope.

Key observations and recommendations

Strengths:

1. It is commendable to note that JayaShree Textile (JST) and Vikram Woollens (VW), units of Grasim Industries Limited, received the innovation award for the best use of digital for customer solution and exemplary performance at CCQC and NCQC awards by QCFI.
2. Grasim Industries Limited, a subsidiary of ABG, has done certification in GOTS, RWS, Woollmark, Interwoollabs and showed commitment towards sustainable product excellence.
3. VEDA – Artificial Intelligence based platform fighting against COVID-19 is a praiseworthy step towards digital Innovation.
4. Good progress is observed in areas of Product Innovation, Customer Centricity & Circular Economy through various initiatives like New Value-Added products, Mission Happiness, Net Promoter Score etc.
5. Grasim Industries Limited is aiming for Net Zero and have started taking important steps to achieve the target.
6. Strong management commitment is noted towards sustainability's initiatives through SAQ's (Self-Assessment Questionnaire) directed by Aditya Birla Corporate Sustainability Team
7. The impact of strategic sustainability measures such as energy saving, water stewardship, and waste reduction is commendable, demonstrating Grasim Industries Limited dedication to a greener planet.

Opportunities for Improvement:

1. Grasim Industries Limited can initiate Stakeholder engagement & Materiality topics assessment again to understand the changing perspectives of their various stakeholders regarding Grasim Industries Limited's Sustainability initiatives & targets.
2. Grasim Industries Limited can work on implementing ISO 20400 (Sustainable Procurement guideline) standards which will help to strengthen the supply chain function.
3. Grasim Industries Limited can enhance their Carbon Footprint emissions measurement using ISO 14064 Standard and also can participate in Sustainability platforms like CDP (Carbon Disclosure Project).

Evaluation of the adherence to DQS Sustainability Assurance Framework Principles

Inclusivity - *How the organization engages with stakeholders and enables their participation in identifying issues and finding solutions.*

The stakeholder identification and engagement process is well documented and implemented through the Grasim Industries Limited Sustainability program and the Report brings out key stakeholder concerns as material aspects of significant stakeholders. In our view, the level at which the Report adheres to this principle is **very good**. Therefore, it is recommended that Grasim Industries Limited should continue with the planned process of direct dialogue with the stakeholders at determined intervals.

Materiality - *How the organization recognizes issues that are relevant and significant to itself and its stakeholders.*

The Report addresses the range of environmental, social, and economic issues that Grasim Industries Limited and its stakeholders have identified as being of material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. A process of stakeholder engagement through sustainability board meetings identified the material issues. The Report fairly brings out aspects and topics and its respective boundaries for the diverse operations of Grasim Industries Limited. In our view, the level at which the Report adheres to this principle is **very good**. It is recommended that Grasim Industries Limited continues with this process.

Impact - *How the organization monitors, measures and ensures accountability for how its actions affect their broader ecosystems.*

Grasim Industries Limited has implemented systems to monitor and measure its economic, environmental, and social impacts. Identified impacts are incorporated into both stakeholder engagement as well as the periodic materiality assessment process. The corporate report discloses impacts in a balanced and effective way, indicating both realized and unrealized goals. In our view, the level at which the Report adheres to this principle is **very good**.

Responsiveness - *How the organization responds to stakeholder issues and feedback through decisions, actions, performance, and communication.*

Grasim Industries Limited is responding to those issues that it has identified as material and demonstrates this in its policies, objectives, indicators, and performance targets. The organization and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control, and risk management in its operations. The responses to material aspects are fairly articulated in the report, i.e., disclosures on Grasim Industries Limited' policies and management systems including governance. In our view, the level at which the Report adheres to this principle is **very good**.



Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the sustainability-related strategies of Grasim Industries Limited and its sustainability-related key performance indicators defined in the FY 2019-20 & FY 2020-21 Corporate Sustainability Report are materially misstated.

The Grasim Industries Limited Corporate Sustainability Report of FY 2019-20 & FY 2020-21 is in line with the GRI Standards Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's reporting principles.

Grasim Industries Limited has made significant strides to introduce innovative solutions toward mitigating impacts and influence supply chain partners in the process. Continued alignment of risk assessments, stakeholder engagement processes, materiality and strategy will further strengthen the global sustainability practice of Grasim Industries Limited

On behalf of the DQS India assurance team Jan 4, 2022

Signature:

Dr. Murugan Kandasamy

CEO & Managing Director

Certified Sustainability Assessor







We welcome your feedback on our Sustainability Report FY 2019-20 and FY 2020-21

For any additional information, or to provide feedback on this report, please write to:
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