

**DOMESTIC TEXTILES, ACRYLIC FIBRE
& OVERSEAS SPINNING BUSINESS**

**SUSTAINABILITY REPORT
2019-20**

INNOVATIONS FOR A NEW TEXTILE ECONOMY



ADITYA BIRLA GROUP

CONTENTS

ABOUT THIS REPORT



ABOUT ADITYA BIRLA GROUP TEXTILE BUSINESS

7

From Business Head's Desk

9

Message from CEO, Domestic Textiles

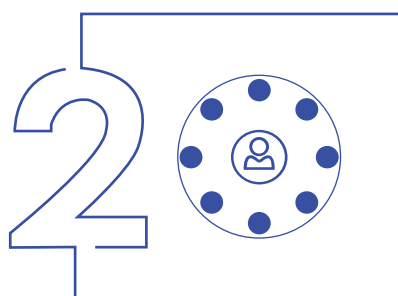
11

Message from CEO, Overseas Spinning

13

Awards and Recognitions

19



SUSTAINABILITY GOVERNANCE

21

ABG Sustainability Framework

22

Code of Conduct & Our Values

23

Message from Chief Sustainability Officer

24

Governance Structure

26

Sustainable Business Performance Against Targets 2025

27

Value Creation Model

31

Material Sustainability Issues

33

Responsible Stewardship & Our focus areas

34



FINANCIAL CAPITAL

35

Message from Chief Finance Officer

36

Our economic performance

37

Risk and opportunities due to climate change

39



OPERATIONAL CAPITAL

41

Message from Chief Manufacturing Officer, Domestic Textiles

42

Message from Unit Head, Thai Acrylic Fibre

43

Message from Chief Technical Officer, Overseas Spinning

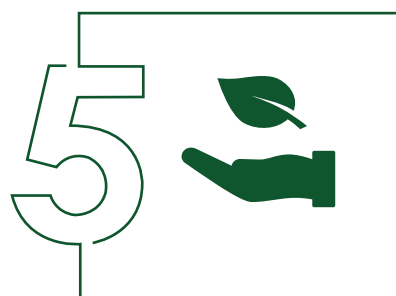
44

Operational Assets

45

Operational capabilities

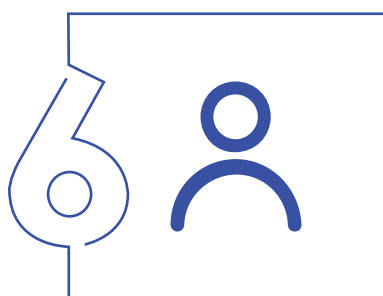
47



NATURAL CAPITAL

55

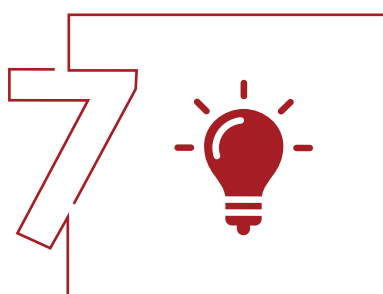
Stewardship of Nature	56
Water Stewardship	62
Chemical Management	66
Effluent & Waste management	67
Bio Diversity	69



HUMAN CAPITAL

71

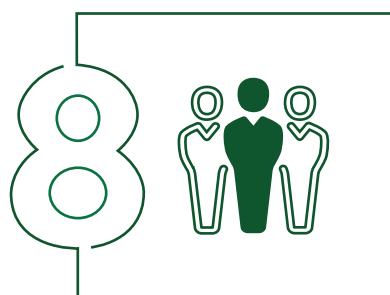
<i>Message from Chief Human Resource Officer</i>	72
Fair, safe, healthy, lively and compliant workplace	73
Employee Engagement and Development	73
Employee and Labour Relations	81
Health and Safety	85
Health and Safety in COVID-19 times	90



INTELLECTUAL CAPITAL

91

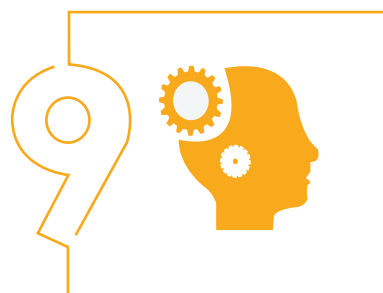
<i>Message from Chief Information Officer</i>	92
Digital Transformation and Automation	93
<i>Message from Head Value Creation, Domestic Textiles</i>	96
<i>Message from Chief research & technology officer, Acrylic Fibre</i>	97
Product Innovation	98
System and Processes	105



SOCIAL & RELATIONSHIP CAPITAL

109

Collaborations & Partnerships for Sustainable Development	110
Stakeholder Engagement	112
Responsible Supply chain	114
Product Stewardship	116
Community Engagement	120



FUTURE PROOFING

131

Future Proofing Response	132
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INNOVATIONS FOR A NEW TEXTILE ECONOMY

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 of at their highest value and minimize the waste by closing the loops of the system. Innovations for a new textiles economy – creating clothing that by design circulates in a system that maintains its value.

Our continuous innovations in this direction provide us with the opportunity to deliver substantially better economic, societal, and environmental outcomes.

Launching of various recycled fibres, value-added fibres, making use of resources and move to renewable inputs are part of Aditya Birla Group's textile business' commitment to circularity and sustainable practices.

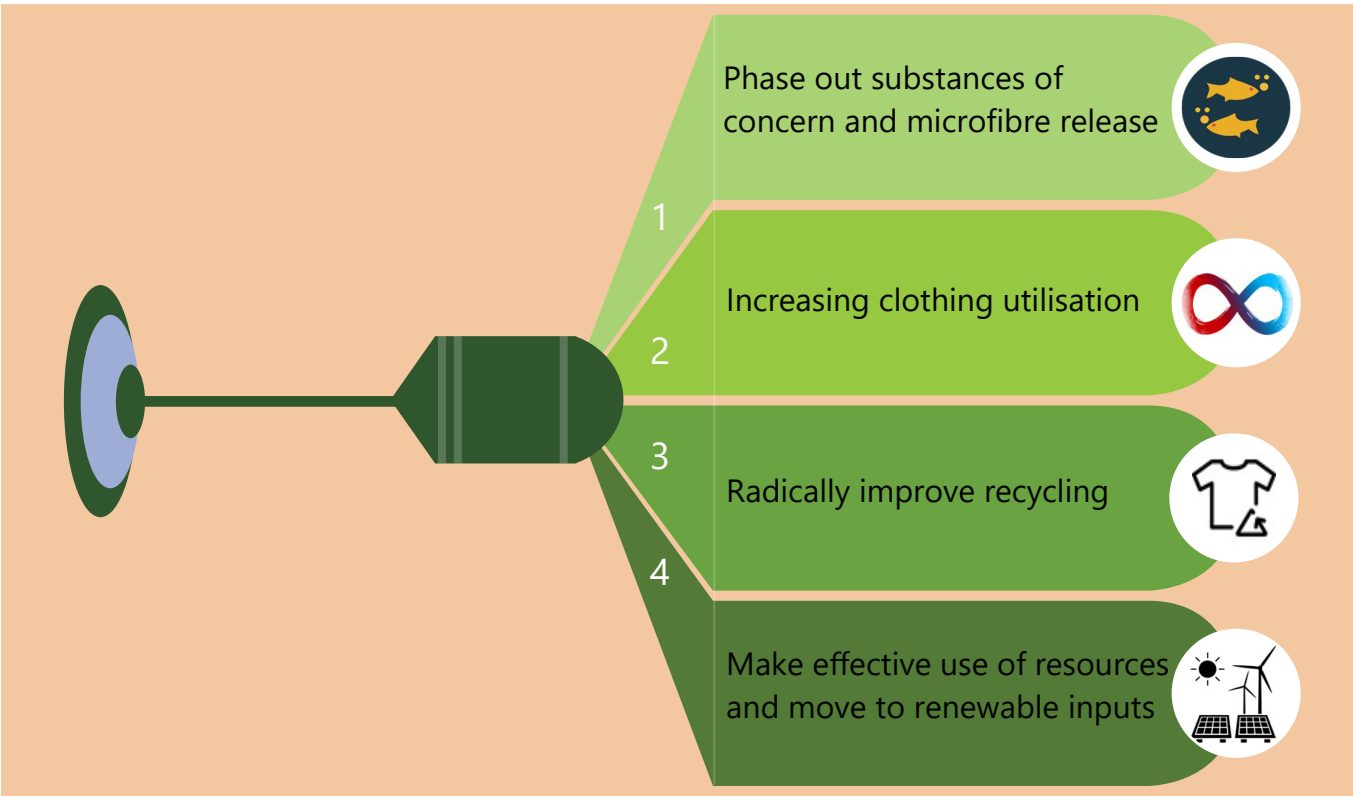
We are also envisioning a process of developing fibres using post-consumer clothing as inputs, for which we are actively looking for technology enabled partners to achieve our goals.

Our innovative products based on the idea of circularity and sustainability are appreciated by various stakeholders who provide strength to develop our portfolio through significant Research and technology.

Our new textile economy is based on the vision of the Ellen MacArthur foundation which defines Attractive Vision of a New Textile Economics that Works.

- A new textiles economy produces and provides access to high-quality, affordable, individualized clothing.
- A new textiles economy regenerates natural systems and does not pollute the environment.
- A new textiles economy runs on renewable energy and uses renewable resources where resource input is needed.
- A new textiles economy reflects the true cost (environmental and societal) of materials and production processes in the price of products.
- A new textiles economy is distributive by design.

A new textiles economy is an attractive vision for redesigning the fashion's future



SUBSTANCES OF CONCERN AND MICRO FIBRE RELEASE

Substance of concern

- No use of a restricted substance in manufacturing and supply chain

Oeko Tex®
REACH SVHC

- **Durashine:** Zero colour discharge during further processing
- **Lumos:** Avoiding the hazardous bleaching process at the customer's end
- **Tropics:** Close replacement of cotton, which consumes more water
- **Warmos:** Close replacement of wool avoiding shearing of Sheep Fur for clothing.



Micro-fibre

- **Pilbloc™:** resists pilling over repeated use and washing.
- **Unifeel:** Compact attachment reduces the hairiness by 30%, thus less generation of microfibre.

Many of our antibacterial fibre, yarn, fabric and apparel require less washing and hence generate less micro fibre



Ensuring traceability

- Worsted yarn with traceability.
- Worsted yarn with special origin wool.
- Worsted yarn on request with
 - GOTS certified organic wool,
 - RWS wool (Responsible wool standard),
 - NM (non-mulesed) wool.

INCREASING CLOTHING UTILISATION

More functions

- PyroTex Medic – Anti Microbial & Anti-Viral fibre (including SAR-CoV-2 Coronavirus, first & only fibre in the world achieving this milestone)
- PyroTex Classic – Heat & Fire-retardant fibre
- Antimicrobial Acrylic (Amicor)
- Chitosan viscose
- Worsted yarn with performance finish :
 - Anti-moth/mothproof
 - Antibacterial/antiviral
- Flame retardant yarn
 - Wool blend with PyroTex or FR Viscose (Lenzing).
- Total-easy-care (TEC) wool tops, yarn



IMPROVE RECYCLING

Recycled Inside

- Waste to wealth, Cavallo by Linen Club is an upcycled sustainable product with offerings in both fabrics and apparel.
- First to introduce recycled Acrylic Fibre
- Recycled/Biodegradable/Sustainable blends
 - Wool blends with Polyester/Nylon/Eucalyptus, etc.



Recycled Outside

- Recycled Yarn (made with reused material)
- Recycled polyester - 100% Recycled Polyester & Blends with Cotton, Rayon, Modal
- Recycled Nylon - Recycled Nylon Blends with Cotton, Livaeco
- Worsted yarn in sustainable wool blends with:
 - Recycled polyester,
 - Biodegradable nylon,
 - Eucalyptus



EFFECTIVE USE OF RESOURCES AND MOVE TO RENEWABLE INPUTS

- The major raw material is renewable and FSC certified
- Radianza: Green Gel Dyeing fibre technology, reducing energy, water and effluents at customers end
- ABY™ Bio-Degradable Yarn
 - PBS based biodegradable yarn
 - PLA Yarn
 - Sorona Powered flexible yarn: 37% biodegradable than petrochemical-based spandex
 - Bamboo Yarn
- ABY™ Yarns Made of Plant Based Fibres
- ABY™ Yarns Made of Low Environment Impact Fibres: Livaeco Viscose yarn, FSC Viscos and Poly/Viscose blended yarn, Excel and Excel blended Yarn



ABOUT THE REPORT

“

This is our sixth sustainability report, prepared according to the GRI Standards: Core Option. In this report, we present our performance, provide insights into the outcome and achievement during FY 2019-20 in generating and distributing both financial and non-financial value. Further, the report also delineates our journey in addressing various environmental, social and governance risks across business units. The information included in this report has been structured under six capitals in line with the International Integrated Reporting Committee (IIRC) Framework. It follows the principles of stakeholder inclusiveness, materiality, sustainability context and completeness. We publish our sustainability report annually. Through sustainability reporting, we strive to highlight the steps taken towards reducing our environmental footprint by building upon the three pillars of Aditya Birla Group's Sustainability Framework: Responsible Stewardship, Stakeholder Engagement and Future- Proofing.

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United Nations (UN) Sustainable Development Goals (SDGs)

We have aligned the report to the 17 SDGs released at the UN Sustainable Development Summit in 2015 which embraces a universal approach to the sustainable development agenda.

Scope and Boundary

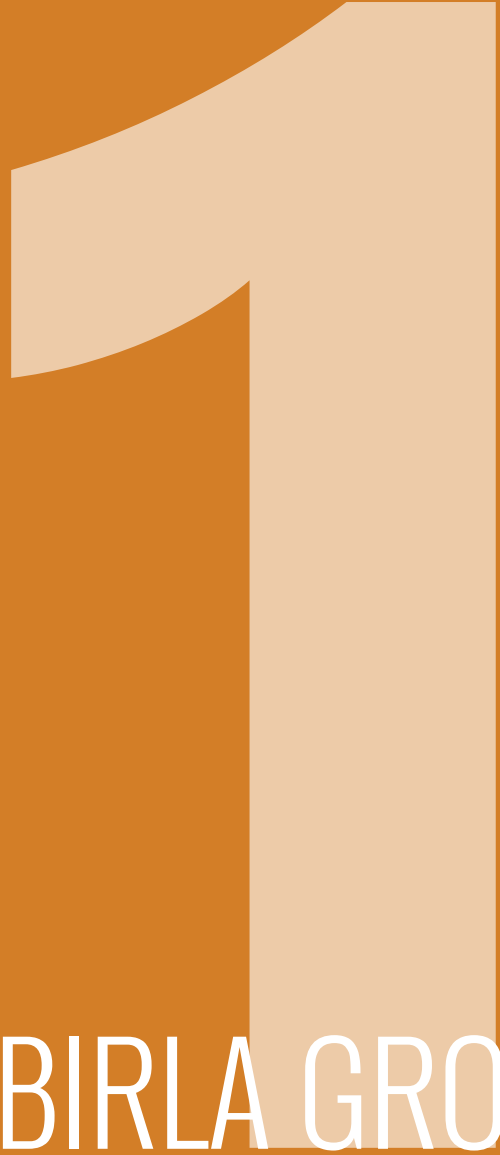
This is a combined sustainability performance and progress report of ABG Textiles - Domestic Textiles, Acrylic Fibre and Overseas Spinning located in India, Indonesia and Thailand.

This report presents the performance of Jaya Shree Textiles and Vikram Woollens (grouped as Domestic Textile Business), PT Elegant Textiles, PT Sunrise Bumi Textiles, Indo Liberty Textiles and Indo Thai Synthetics (grouped as Overseas Spinning Business) and Thai Acrylic Fibre (grouped as Acrylic Fibre Business) but exclude the Indo Phil Textile Mills (IPT), Philippines, Grasim Premium Fabric Private Limited (GPFPL), Kolhapur. Spinnerei Lampertsmuhle GmbH (SPL), a German Technical Textiles spinner and PyroTex Industries GmbH, Germany. GPFPL, Pyrotex and SPL have been acquired/merged very recently and are preferred to be out side for this combined reporting.

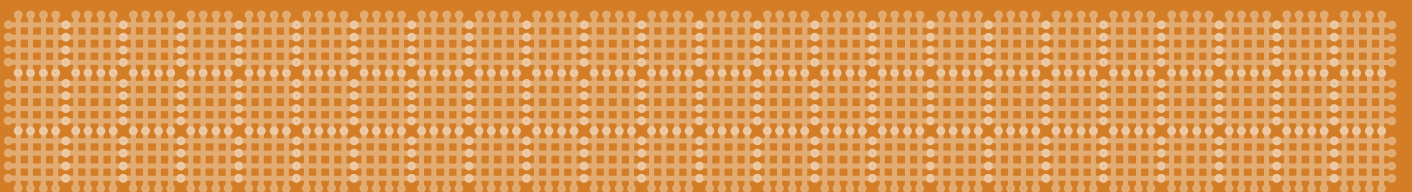
The purpose of this report is to detail the sustainability initiatives implemented, progress made and plans and milestones in the business operations of these units.

Sustainability report feedback

We want to improve sustainability practices continuously to ensure that we meet the highest performance and disclosure standards and expectations of all our stakeholders, as well as increase the visibility of our efforts in creating sustainable value for our stakeholders. We, therefore, welcome any views on the sustainability performance and plans reported herein, content and design of the report. Queries related to this report may be written to jagadish.barik@adityabirla.com



ABOUT ADITYA BIRLA GROUP **TEXTILES BUSINESS**



ABOUT ADITYA BIRLA GROUP

ADITYA BIRLA GROUP

A US\$ 48.3 billion corporation, the Aditya Birla Group (ABG) is in the League of Fortune 500, anchored by an extraordinary force of over 120,000 employees, belonging to 42 nationalities. Over 50 per cent of its revenue flows from its overseas operations spanning 36 countries.



TEXTILES BUSINESS

Aditya Birla textiles is a part of the Aditya Birla Group (ABG). Aditya Birla Textiles businesses are a voluntary coalition of its textile units which comprises of Domestic Textiles, Acrylic Fibre and Overseas Spinning. The manufacturing facilities are present in India, Indonesia, Germany, Spain and Thailand with market presence across the globe.



FROM BUSINESS HEAD'S DESK

Sustainability at Aditya Birla textile has been a long, remarkable and rewarding journey. We started structured sustainability initiatives seven years ago and, have realized and discovered how sustainability has become an element of our survival, growth, and better life. It is becoming increasingly evident, that we have taken the right path.

In our Sixth edition of the sustainability report, we delineate our performance during the FY 2019-20 and also highlight our transformational journey. As a business, we are guided by the Aditya Birla Group sustainability framework consisting of responsible stewardship, stakeholder engagement and future-proofing and the sustainability vision of our Chairman. The journey we have undertaken to achieve various milestones has involved revisioning our business and the value chains. It is our conscious actions that led us to a multitude of sustainable products across the markets at a size and scale.

Our businesses have shown tremendous growth towards acting out various initiatives to optimize operations, reduce carbon footprint, adopt energy efficiency measures and protect natural resources across our value chain. The adoption of renewable energy across our operations has significantly reduced GHG emissions and has provided energy security and long-term price stability. On the customer side of our value chain, we have pioneered innovative value-added products that have low resource use and environmental footprint in manufacturing, usages and disposal.

Health & Safety

Health and safety at the workplace is top priority and during the last few years we have made engineering, awareness, training and behavioural change interventions to eliminate unsafe working conditions and unsafe events. The number of recordable incidents in the workplace, lost time injury and injury rate have significantly decreased. Our improved performance both in lagging and leading indicators assure us that the recorded trend in decrease in unsafe incidents and conditions will continue in the future too.

As the COVID pandemic spread, many governments in our geographies had declared lockdown. We have followed the SOPs as in our Business Continuity Plan during the lock down and were preparing for the resumption and new normal post lock down. We have communicated extensively with our employees on taking precautions, ensuring continued learning, and staying healthy. The objective for us has been to ensure the safety and well-being of our employees and partners, to deliver on our commitments to customers and consumers in the true spirit of partnership and to secure the financial and operational resilience of the Company.

Mission happiness

Mission happiness is to delight our customer and make him a promoter of our product/brand. This has created a strong culture of customer-centricity in all aspects of our operations. For some of our products, as many as 70 percent of our customers are our promoters. This is incredible achievement and we want to reach such bench marks for all our products.



Responsible Supply Chain

We are diligent in selecting our suppliers. Adherence to supplier code of conduct is mandatory for all suppliers and vendors. My colleagues organize periodic sample audits to check such adherence. In addition, we work with suppliers in partnership and we pursue co-creation projects with them. This improves our innovative capabilities and agility in implementing market demands.

Digitalization

We are strengthening our digital capabilities, bringing greater resilience into our operating model and nurturing an agile digital culture. The digital capabilities are being used to address customer orientation, enhance traceability and transparency, increase flexibility and agility and finally resource and energy efficiency. We visualize the potential of digitalization in achieving our sustainability targets and goals.

Climate

In pursuit of our commitment to combatting climate change, we have undertaken energy efficiency and renewable energy initiatives. While energy efficiency initiatives have become a part of our quarterly progress reports, in recent years, We have already commissioned 2 MW solar plant and other 6.4 MW solar plant is under commissioning. We have assessed physical climate risks to our manufacturing premises and will undertake risk-mitigating actions.

Circular Economy and Product stewardship

We see that circular economic pursuits by governments and customers would transform our market and create

new opportunities for us. We also realize that to harness these opportunities we have to think through the value chain and not just product development. Last few years and this reporting period is characterized by our range of products harnessing circularity and improving market penetration. Our waste-to-wealth program has given birth to the products and brand such as Cavallo. The Acrylic Fibre business has successfully conducted a pilot to use 50% recycled waste and avoid virgin acrylic fibre. Beyond using recycled and waste raw material, we also are increasing the product range that is 100% natural and hence causes the least environmental impact at the end of life. In addition, we have a range of products that use less water and chemicals during processing by our customers, require less washing and durable during use, and sheds less micro fibre during the wash. Our range of sustainable, readiness of our marketing and communication teams to use sustainability as the central message is clear evidence that we have come a long way into transforming our business into a sustainable business.

We along with many of our stakeholders, are excited about the enormous challenges and opportunities that sustainability represents to our business and look forward to your views and active response on our sustainability performance and journey.

THOMAS VARGHESE
Business Head (DT, AF, OS)



MESSAGE FROM CHIEF EXECUTIVE OFFICER, DOMESTIC TEXTILES

It gives me great pleasure to share with you our sixth sustainability report depicting our economic, social and environmental processes and performance across our operations. We also describe how our sustainability efforts are contributing to the United Nations Sustainable Development Goals and progress towards our target of 2025.

We are committed to the adoption of best sustainability practices and hence charter our strategy to realize our target. As we strive to reduce our waste and create value out of it, last year we launched Mazury and Cavallo made out of Linen waste and now we have scaled up this initiative. We are positioning Cavallo as a major brand and dropping Mazury. We have also extensively repositioned both fabric business 'Linen Club' and apparel's 'Linen Club Studio' in stores and Cavallo studio as e-commerce.

Leveraging the power of technology has significantly led our business processes to create unique solutions for our customers. Utilizing digital technologies, we are increasing reach, improving customer experience, personalizing offerings and, of course, building greater efficiency and scalability.

We have, in the FY 2019-20, acquired Kolhapur-based Turkish brand Soktas which is premium cotton shirting business. It twines and has synergies with Cavallo as we can do the blending at our unit, with flexibility and quality control. We now will be able to supply premium cotton and linen and their blends across the markets in India.

We also have increased our share of renewable energy in our operations with 1.8 MW solar power plant installation at Kolhapur which cater to 30% of total power requirement. At JST, we have installed 1.5 MW Solar Power Plant and 3MW Solar Power Plant will be commissioned soon. This 4.5 MW solar power plant will cater to 5% of total energy. We are looking to source renewable energy through Open Access to the tune of ~35% of total electricity consumption at VW.

We are proud to be associated with the "ZDHC Roadmap to Zero Programme." Through this collaboration, we align ourselves with a holistic, open approach, supporting safer chemical management practices across our entire value chain.

Our culture of learning enables our people to continuously take up challenging roles that the growing business offers. During FY 2019-20, we restructured our business leadership into functions. This flattening of the structure provides agility in the system and speed in the desired outcome.

Proactive innovation is ingrained in the DNA of Aditya Birla Group. Product development with Cotton and Linen, Waste to wealth program has been fruitful and we continue innovating with other materials. We have increased use of renewable sustainable materials like Viscose, Modal, bamboo etc., and presented to the market very innovative sustainable products. Our commitment to responsibility is reinforced by various traceability systems and certifications like FSC and GOTS. At the onset of the pandemic, we swiftly responded with



protective wears, like masks, protective finishes etc.

Going forward, we are putting marketing effort in launching linen club and Cavallo with new brand colors and names. Our brands would communicate our adherence to sustainability across the value chain and delivering the value of nature to the customers and society.

We will continue to build on our leading position in the market for a responsible and prosperous future and look forward to continued support from all our stakeholders.

SATYAKI GHOSH

Chief Executive officer, Domestic Textiles



MESSAGE FROM CHIEF EXECUTIVE OFFICER, OVERSEAS SPINNING

We are delighted to revert to you with our sixth sustainability report delineating the sustainability performance of ABG Textiles. We at Overseas Spinning Business have adhered to the ABG framework of sustainability and pursued missions of responsible stewardship. We have also identified directions to future proof our business from climate change, water challenges, digitalization, consumer preferences, textile technology and demographic shifts. .

Our sustainability efforts of over five years have begun yielding visible outcome. We are witnessing that the brands and markets have begun perceiving us as preferred supplier of sustainable yarn viz., made out of the recycled fibre, blended with natural fibre, that requires less water and chemicals while processing, that has anti-microbial property etc. Our range of value-added products deliver sustainable value and these now have grown in scale and constitute good part of our sales. We will expand our range in each sustainable product segment viz., recycled, natural, green in processing, protecting customer and protecting the earth. We are exploring the development of products that could reduce micro fibre contamination of water bodies.

We understand that major brands desire that assurance be provided through traceability that the product has indeed used organic cotton, fibre from sustainably managed forests, responsibly recycled polyester, etc. Accordingly, we have established robust traceability systems and have certifications such as GRS and use

raw materials that are RCS, BCI, GOTS, FSC, etc. certified. Further to many apparel and fashion brands, the retailer Inditex has assessed and audited our products, people and systems.

Our units in PTE, Indonesia uses more than 85% renewable energy and we have installed 3.5MW of solar at Indo Thai to reach closer to our goal in all geographies.

OS has been at the forefront in terms of sustainability during these years. At all our units we have implemented rainwater harvesting and other measures to ensure water security. We have strengthened our efforts with our suppliers to ensure that they continue their efforts to achieve full compliance, improve health and safety, energy efficiency and resource stewardship. We have majority of women workforce in our company and we have provided equal opportunity for growth to each employee. Across all plants we have Unions, and their grievances are discussed and addressed regularly.

Going forward in our sustainable business journey, we will strengthen the portfolio of our sustainable products. We will make all efforts to reach or exceed our 2025 sustainability targets. We look forward to engaging our stakeholders in the sustainability journey. Be assured that your queries, concerns and suggestions will be addressed by me and my colleagues.

KAPIL AGARWAL
Chief Executive officer, Overseas Spinning



DOMESTIC TEXTILES (DT)

The Domestic Textile business comprises of a flagship business of Aditya Birla Group, Jaya Shree textiles (JST) and Vikram Woolens (VW). JST and VW are the units of Grasim Industries Limited. Grasim Industries Limited is a company incorporated and domiciled in India and ranks amongst the top publicly listed companies. Today, it has evolved into a leading diversified player with a leadership presence across many sectors. It is a flagship company of the Aditya Birla Group. Grasim is engaged primarily in Viscose (Pulp, Fibre and Yarn), Chemicals (Caustic Soda, Epoxy and allied Chemicals), Fertilisers, Insulators, Textiles and other businesses. At Grasim, there is an endeavour to create sustainable value for 24,123+ employees, 2,33,934 shareholders, society and customers. It has a consolidated net revenue of over ₹77,625 Crore and an EBITDA of over ₹13,846 Crore in FY 2020.

JAYA SHREE TEXTILES

Jaya Shree Textiles (JST), a unit of Grasim Industries Limited, is a part of the Domestic Textiles Business. It was incorporated in 1949 and has its only manufacturing unit at Rishra in Hooghly district, West Bengal, India. It is the first integrated Linen factory in the country with state-of-the-art facilities equipped with the latest spinning, weaving and finishing systems from Switzerland and Italy. JST has provided the evolving Indian fashion industry with an international edge with its product portfolio containing 100 per cent pure linen

flax sourced from France and Belgium. JST is the pioneer in creating awareness about Linen and Linen attributes in India with the launch of "Linen Club" brand in India. The awareness created among Indian consumers helped national apparel brands to include and promote linen in their portfolio.

A leading player in the domestic linen and worsted yarn segment, the company has significantly revolutionized the Indian textile market by popularizing linen in India across a wide customer base with its brand "Linen Club". Over the years, JST has become a preferred Textile company for Wool Tops, 100% Wool & Wool Blended Yarns- both for Weaving & Knitting, Pure Linen Yarn, Pure Linen Fabrics, Linen Blended Fabrics and pure linen and blended apparels.



Retail Stores

Linen Club is the pioneer linen brand in India with over six decades of experience. Linen Club enjoys leadership status in the Indian market and is a brand of choice for linen connoisseurs across India. Linen Club has Ready-to-Wear garments and accessories under the brand "Linen Club" and "Linen Club Studio". The linen club has an extensive range of 200 exclusive brand outlets, also a wide conglomerate of 6800 multi brand outlets for showcasing and selling finely crafted products. The entire Linen range includes extensive product line Viz. shirts, Trousers, Jackets, kurtas, T-shirts & accessories.

VIKRAM WOOLENS

Vikram Woollens (VW), a unit of Grasim Industries Ltd was established in 1995 and has its manufacturing unit at Malanpur in Bhind district, Madhya Pradesh, India. Vikram Woollens (VW) is the wool processing unit and a prominent player in the worsted segment of the textile industry. It has recorded robust growth in the Indian textile market across a wide customer base. VW operates exclusively in the wool segment, manufacturing worsted yarn.

ACRYLIC FIBRE (AF)

Thai Acrylic Fibre Co. Ltd (TAF), an Aditya Birla Group company, is among the world's top 5 quality acrylic fibre producers.

THAI ACRYLIC FIBRE

Incorporated in 1987, TAF produces more than 30 different types of speciality fibres including technical fibres for high-end applications. It has a production capacity of 120,000 MT/year. With over 30 different varieties of acrylic fibre, we serve both the commodity and the specialty high-end markets. The product range comprises a variety of acrylic fibres used for making sweaters, blankets, carpets, upholstery, soft toys and awnings, etc. Our products enjoy worldwide recognition. The products are sold in more than 40 countries covering all continents. Our final products are marketed by a number of prestigious brands in Europe and America.

Thai Acrylic Fibre plant is also one of the greenest, cleanest and most environment-friendly acrylic fibre plants in the world. From an installed capacity of 14,000 TPA (Tonnes Per Annum), the company has grown consistently to reach 120,000 TPA.

Marketed under the 'Birlacril™' brand, the product the range comprises a variety of acrylic fibres used for making sweaters, jogging suits, socks, stuffed toys, blankets, carpets and upholstery. . We also have a range of differentiated branded products focused on various end uses like Outdoor technical fabrics, anti-microbial apparel, carpets & home-textiles, premium no pilling sweaters, functional innerwear etc. We sell our fibres to customers in over 40 countries and market our products across the textile and apparel value chain.



Products

- Acrylic fibre
- Acrylic staple fibre (raw White)
- Raw white
- Worsted
- Acrylic tow (worsted spinning)
- Semi worsted & woollen spinning

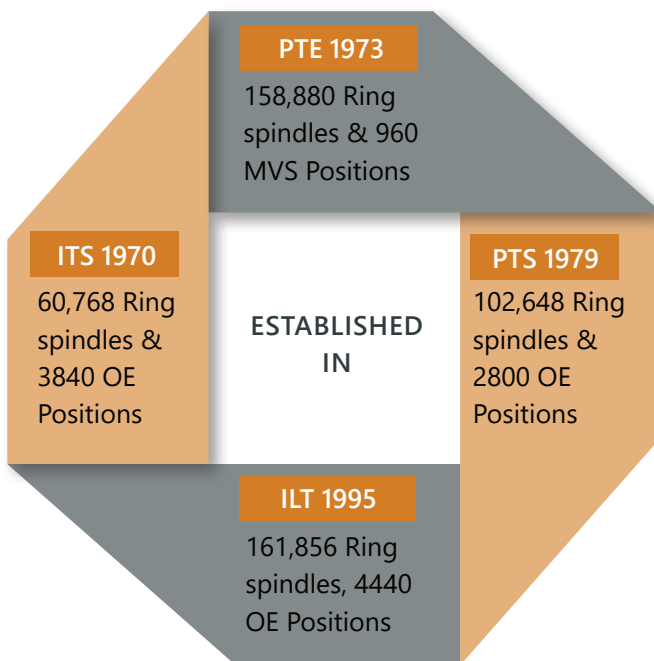


OVERSEAS SPINNING (OS)

Our products are synonymous with quality, consistency and assurance. We are covering 4 entities and 4 manufacturing plants, in two countries – Indonesia and Thailand with an annual production capacity of 170,000 MT. We have been continually upgrading our manufacturing facilities by investing in cutting-edge technology and best in class machines across all the manufacturing setups. Our combined capacity is around 500,000 Equivalent ring spindles.

Aditya Birla Yarn (ABY™)

Aditya Birla Yarn (ABY™) is the brand of yarn manufactured and marketed by OS of Aditya Birla Textiles. ABY™ yarns consist of classical, specialty, performance, sustainable and other iconic yarns.



PT SUNRISE BUMI TEXTILES

PT Sunrise Bumi is among one of ABG's yarn manufacturing plant located in Bekasi, Indonesia. Established in the year 1979, we have increased the capacity from 17,280 spindles to 102,648 spindles and 2,800 open-end rotors. Engaged in continuous innovation and improvements across manufacturing plants for supplying best in class, quality and customized yarn, we serve the needs of our clients around the world. We are catering to ABY™'s three major segments, namely, fashion and apparel accommodating 65-70% share of total capacity, home textiles 15-20% share of total capacity and technical textiles 10-20% share of total capacity.

PT ELEGANT TEXTILE INDUSTRY

PT. Elegant Textiles marked the Group's foray into Indonesia in 1973. PTE currently having a production capacity of 158,880 spindles in addition to the latest Vortex spinning technology with 960 MVS Positions, is the world's largest producer of rayon spun yarn, contributes to 10% of the global rayon spun yarn trade. PTE is the largest exporter of rayon and rayon-polyester spun yarn with a market share of 20-30% from Indonesia. About 70-80% of its products are exported to customers in the US, Turkey, Korea, Japan, Italy, Greece, Spain, Brazil, Argentina and other locations in Europe and the Asia Pacific region. Nearly half of PT. Elegant's production caters to niche segments, such as high-quality fabrics for medical applications, car seat covers, upholstery and fancy yarn production among other uses.

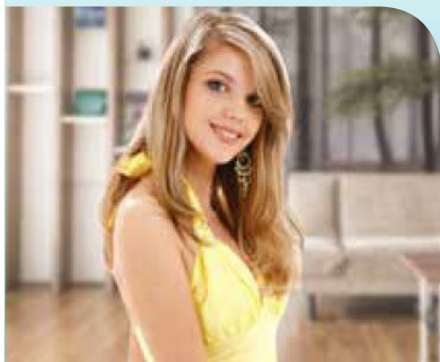
PT INDO LIBERTY TEXTILES

PT Indo Liberty is among one of ABG's yarn manufacturing plant located in Karawang, Indonesia. Established in 1995 with 21,120 Spindles, the facility is equipped with 161,856 Spindles and 4,440 Open End Rotors. We serve the needs of our clients around the world and supply the best quality of customized yarn by engaging in continuous innovation and improvement in manufacturing plant.

INDO THAI SYNTHETICS

The first overseas venture of the Group, Indo Thai Synthetics commenced operations in 1970 with a capacity of 12,768 spindles. Today, it is Thailand's leading synthetic yarn spinner and the largest exporter of synthetic yarn from Thailand with a 50 per cent share in the total synthetic spun yarn exports from Thailand. The current capacity has grown to 60,768 Ring Spindles and 3,840 Open End Spinning positions.

ABY™ UNIFEEL



Low hairiness yarn ensures uniformity, comfort, drape & performance.

Application: Women's dress wear, active wear, kids wear

ABY™ STYLE



Yarn devised to offer innovative designs & trendy patterns.

Application: Outdoor wear, night wear, men's / women's wear

ABY™ FLEXO



Yarn offers super softness with comfort stretch & excellent recovery.

Application: Yoga wear, denim wear, sleep wear

ABY™ SNOW



Yarn gives option of creating multiple aesthetics by playing with dyeing or finishing.

Application: Casual wear

ABY™ WOOLTOUCH



Yarn offers wool like hairy effect.

Application: Fashion wear

ABY™ GLITTER



Yarn offers metallic / shiny effect in the garment.

Application: Evening wear, party wear

ABY™ COLOURLAST



Yarn offers deep, everlasting colour in every single fibre to have vibrant shades wear after wear & wash after wash.

Application: Formal wear, casual wear

ABY™ PROTEK



Inherent flame resistant yarn which are highly durable to multiple washes.

Application: Protective clothing, uniforms, work wear

ABY™ HOMETECH



Range of yarn for hometech segment.

Application: Mattress ticking, carpet, outdoor textiles, upholstery

ABY™ INDUTECH



Range of multifold yarns for industrial applications.

Application: Hot gas filtration, conveyer belting, bag closing threads

ABY™ MEDITECH



Range of products like Antimicrobial yarns for Medical application.

Application: Crape bandages, uniforms & bed linen for hospitals

ABY™ SPORTTECH & CLOTHTECH



Range of performance yarns.

Application: Performance sportswear, woven interlining, sewing threads

AWARDS AND RECOGNITIONS

ENTITY	FY 2018-19	FY 2019-20
JST & VW	Winner of "Outstanding Accomplishment in Corporate Excellence" CII-ITC Sustainability Awards 2019	<ul style="list-style-type: none"> Certificate of Merit in the Textiles (Large Units) at the National Energy Conservation Award (NECA) – 2019 by the Bureau of Energy Efficiency, DT Rated 5 STAR in Energy ENCON Awards 2019, CII Eastern Region in the Large Scale Category, DT Award for Best Practices in Corporate Social Responsibility during Global CSR Excellence & Leadership Awards 2019, JST
	All the FY18-19 awards were won in 2019. NECA & CII ENCON mentioned twice for same award in different FYs.	<ul style="list-style-type: none"> SR Leadership Award for Community Development at World CSR Day in 2019 Award for Best Practices in Corporate Social Responsibility during Global CSR Excellence & Leadership Awards 2019, JST
	2nd Runners Up at "12th CII Energy Conservation Awards 2019" Category: Large Scale Companies CII Energy Conservation Awards 2019	

JST & VW PERFORMANCE AT CCQC & NCQC AWARDS ORGANISED BY QCFI

Year	Competition	TEAM (JST+ VW)	RESULT
FY 2018-19	CCQC	6 + 3	8 (GOLD), 1 (SILVER), 2 (BRONZE)
	NCQC	6 + 3	3 (PAR EXCELLENCE), 4 (EXCELLENCE), 1 (DISTINGUISHED)
FY 2019-20	CCQC	5 + 3	7 (GOLD), 1 (Silver)
	NCQC	5 + 2	2 (PAR EXCELLENCE), 5 (EXCELLENCE)

TAF	<ul style="list-style-type: none"> Best Improved Performance in Sustainability 2017(Mar 2018) 2nd Highest Savings Achieved Through Sustainability Initiatives 2017(Mar 2018) 	AMCHAM CSR Excellence Recognition' Award: Aditya Birla Group, Thailand
ILT	2nd Most Innovative Project 2018 Aditya Birla Group (Textiles Business)	IMC RBNQA Performance Excellence Trophy 2019 cycle in the Overseas Category (3 unit) South East Asia (Indonesia) Winners REPRISM 2019 - De Risking of open End (Aditya Birla Group)
PTS	<ul style="list-style-type: none"> Finalist in Asia's Best Supply Chain Reporting Asia Sustainability Reporting Awards (ASRA) Reward from Customs Duty - Getting the yellow service category(2017-2019) Customs Duty Indonesia Reward Best Tax Payer Directorate General of Taxation 	RBNQA National Quality Award, 2019-20
PTE	2nd Best Improved Performance in Sustainability 2018 5th Sustainability Conference of the Textile Business Aditya Birla Group, 2019	RBNQA National Quality Award, 2019-20
ITS	Nil	Finalist in Asia's Best Supply Chain Reporting, Asia Sustainability Reporting Awards (ASRA)



5th Sustainability Conference of the Textile Business Aditya Birla Group, 2019



The National Energy Conservation Award (NECA) – 2019 by the Bureau of Energy Efficiency, DT

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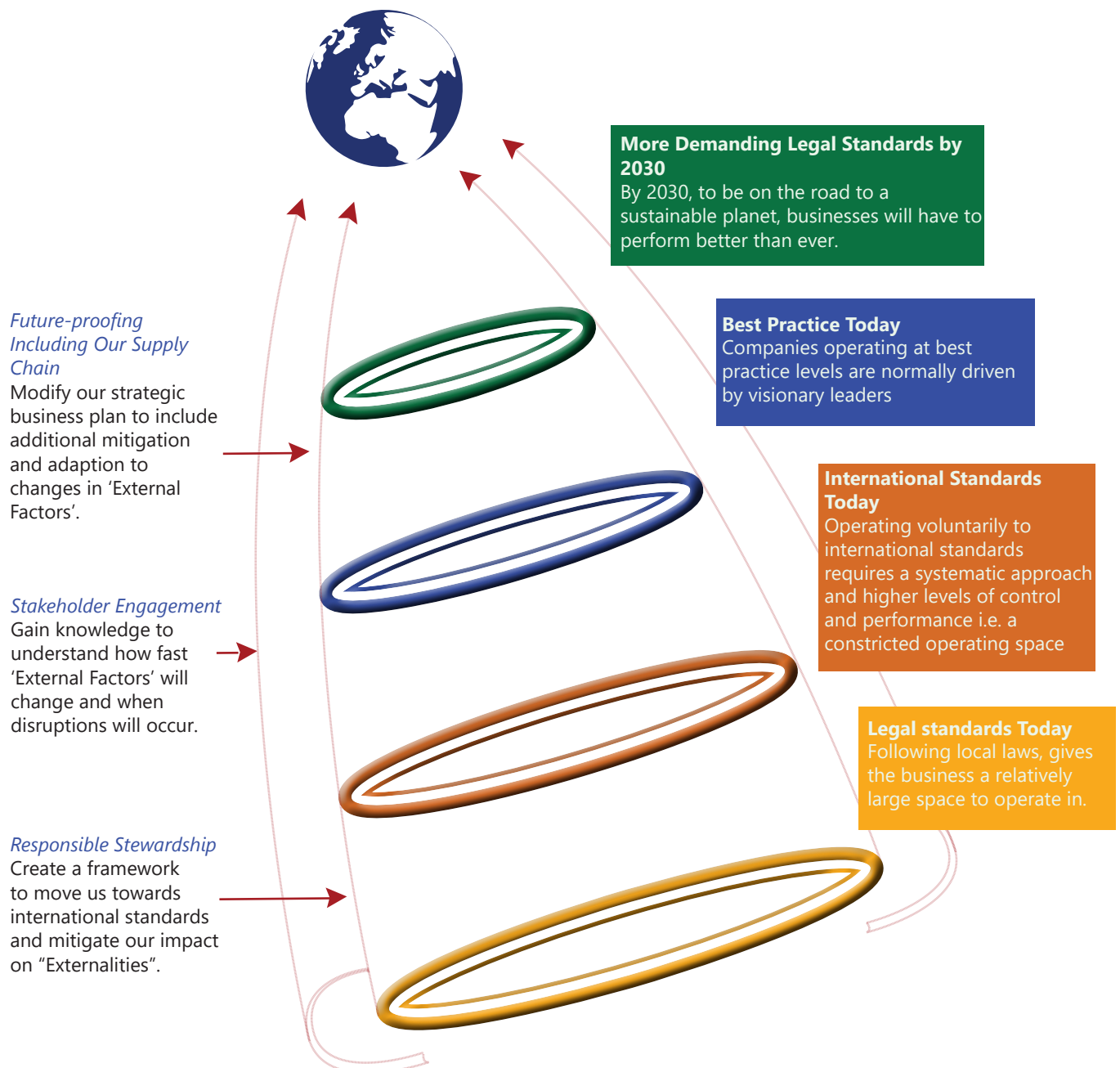
OUR SUSTAINABILITY **GOVERNANCE**



ABG SUSTAINABILITY FRAMEWORK

The sustainability vision of Aditya Birla Textiles is aligned with Group's vision to be the leading Indian conglomerate with sustainable business practices across its global operations, stands on three pillars: Responsible Stewardship, Stakeholder Engagement and Future Proofing. The Framework provides the direction and ambition of our sustainability approach.

LEGAL STANDARDS NEEDED FOR A SUSTAINABLE WORLD 2050








CODE OF CONDUCT

Our corporate governance framework and philosophy stems from our responsibility towards stakeholders and the need to conduct business ethically and fairly. We are committed to continuously adopt and adhere to the best governance practices to achieve the goal of being a value-driven organization aligned to the objectives of the Aditya Birla Group.

All our businesses voluntarily follow the Code of Conduct of the Aditya Birla Group. The CoC comprises the business principles, is our central guidance document for norms of behaviour. To ensure that there is a common minimum standard of professional behaviour, all employees are expected to adhere to the Code of Conduct. This Code lists the identifiable and non-negotiable set of actions/behaviour applicable to all employees across the Group, to the Management cadre in particular.

The Aditya Birla Group Values of Integrity, Commitment, Passion, Seamlessness and Speed are the foundation for all actions and decisions at ABG. They set standards for the organization and employee conduct.

OUR VALUES

				
Integrity	Commitment	Passion	Seamlessness	Speed
Acting and taking decisions in a manner that these are fair, honest, following the highest standards of professionalism and are also perceived to be so. Integrity for us means not only financial and intellectual integrity but in all other forms as are commonly understood.	On the foundation of Integrity, doing whatever it takes to deliver value to all stakeholders. In the process, taking ownership of our actions and decisions, those of our team and that part of the organization that we are responsible for.	A missionary zeal arising out of emotional engagement with the organization that makes work joyful and inspires each one to give his or her best. A relentless pursuit of goals and objectives with the highest level of energy and enthusiasm, that is voluntary and spontaneous.	Thinking and working together across functional silos, hierarchies, businesses and geographies. Leveraging the available diversity to garner synergy benefits and promote oneness through sharing and collaborative efforts.	Responding to internal and external customers with a sense of urgency. Continuously seeking to crash timelines and choosing the right rhythm to optimize organization efficiencies



MESSAGE FROM CHIEF SUSTAINABILITY OFFICER

At ABG Textiles, we began the sustainability journey following the structured framework of the ABG Sustainable Business Framework. We expected that the sustainability initiatives will prepare us to stay ahead of the curve and harness sustainable business opportunities as they open up. In the initial period, we laid down a long term road map and strong sustainability governance and management framework. The APEX Council has been reviewing sustainability as a part of business review each quarter. Such leadership commitment and persistence, sustained the enthusiasm and activities of unit-level sustainability teams and cross-unit ten mission teams.

In the first few years of the sustainability journey, we have begun responding well to customers' requirements on chemicals management and customer's health and safety. We have obtained quality, environment, occupational health & safety and social accountability certifications of our manufacturing operations and obtained Oeko-Tex and REACH certification as necessary.

Going further, we have adopted the Higg Index of SAC, WASH pledge of WBCSD, conducted water risk assessment using tools of WRI and adopted many similar such global initiatives. Through the last six years, the business APEX council and the functional leaders with perseverance and commitment pursued sustainability initiatives. As a result, today we are the preferred destination for brands seeking sustainable products. Our range of sustainable products reduce the environmental footprint in processing, use only

natural resources, use synthetic alternatives to naturals to reduce the ecological footprint, use recycled raw material to reduce the virgin material, deliver durability, anti-microbial and anti-viral properties and many more health and safety functionality. Our linen and cotton products are designed for degradability and cause-no-harm at the end of the life cycle.

Nearly a decade old sustainability efforts have given us adequate confidence to approach the market with a preeminent position on sustainability practices. Our product development teams, who have been responding to the sustainability-pull of brands and fashion leaders are now ready with sustainability-push product range. Our marketing and communication teams across the businesses are devising and planning campaigns with the sustainability message.

Going forward, leaders in sustainable textiles have to address the challenge of micro-fibre that is released by synthetic textiles during use and washing. AB Textiles already have products that require less washing and also release less micro fibre while in use or wash. This product range has to be expanded and the opportunity is to be harnessed. Also, we have to begin considering blends and product designs that are fit for recycle and reuse and/or degradation.

We are adopting principles of circularity into every stage of our value chain, from sourcing sustainable, renewable and recycled raw materials to produce products



which have extended life and have a minimum environmental impact. Our innovation for the new textile economy contributes towards the optimization of resources and minimization of waste so that resources stay in use for as long as possible before getting disposed of. We believe the key to our future is to ensure that we move away from linear and environmentally hazardous systems to a circular one that ensures long-term environmental sustainability. We use our extensive research and development across all units towards innovating circular and renewable products.

As we make sustainability an important theme of business, our internal practices have to be not just be reinforced but reinvigorated. Our digital initiatives have to establish traceability in our value chain. Our value chains have to be as responsible and as innovative as we are for the sustenance of this journey. We need to go forward and be aggressive on water and climate.

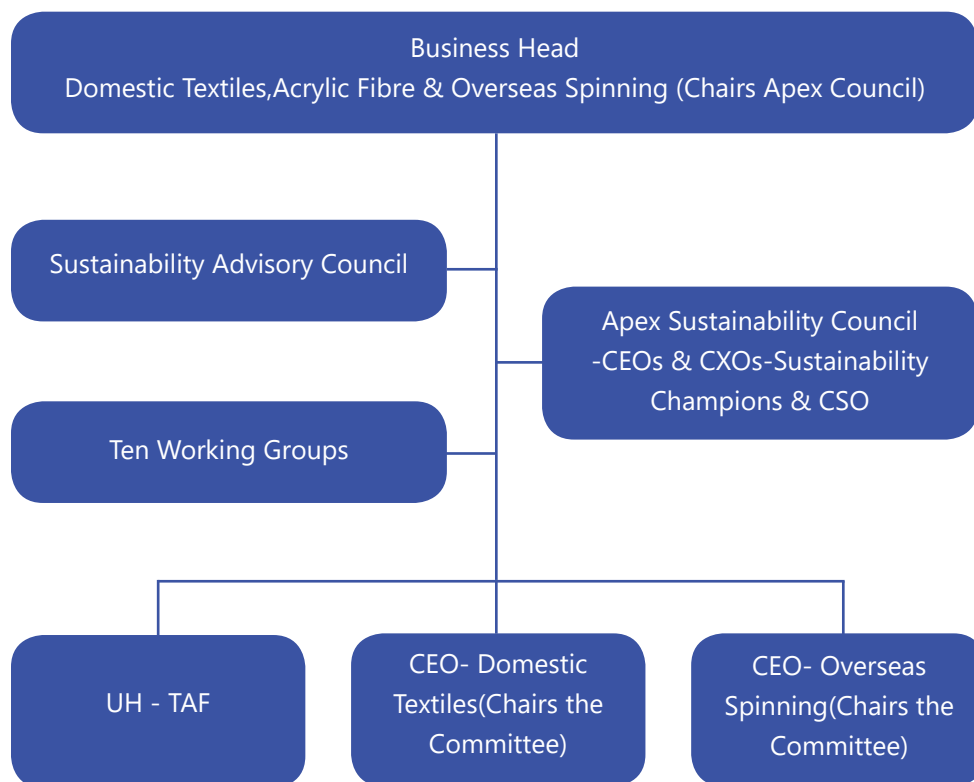
We have to prepare for NET ZERO emissions well before 2050 which is a global target and demonstrates water stewardship across hotshots in our value chains. Further we have to transform our diverse employee base into a lively, innovative and agile workforce to seize available opportunity in the market.

The culture of sustainability-driven by our people and backed by the overarching ABG Sustainable Business Framework, is truly our greatest achievement. Our internal and external stakeholders have been an active part of this journey. We look forward to strengthening the links along the value chain and strengthen sustainable innovation. I take this opportunity to thank all suppliers, vendors, customers, industry and sector associations, communities and government authorities for all their contributions. I am happy to receive feedback, comments and suggestions on our sustainability report.

Dr. JAGADISH BARIK
Chief Sustainability Officer

GOVERNANCE STRUCTURE

The respective companies' boards provide oversight to the environmental, social and economic performance of the organization and oversee upholding a broad set of governance principles and delegating management authority to the Chief Executive within the defined limits. The boards review key risks including risks arising from imperatives of sustainable development and how they are managed. The management exercises risk management through appropriate internal controls and periodically reports to the board. All of our companies have a sustainability subcommittee that works with the overseas spinning/domestic textiles/ acrylic fibre sustainability committee who in turn works with the apex sustainability council of business. In the medium term, we want sustainability to be integrated with different functions of our businesses. In the short term, separate identity for each unit is being maintained for focus and emphasis.



Sustainability Committee at each business comprises personnel from different departments which are monitored by their leaderships as well as Apex Sustainability Council. These meetings are conducted once a quarter to review and monitor the development of sustainability initiatives.

SUSTAINABILITY ADVISORY COUNCIL (SAC)

The Sustainability Advisory Council of Aditya Birla Textiles Business is a part of the Green Team which oversees implementation of sustainability initiatives in our Domestic Textiles Business, Acrylic Fibre Business and Overseas Spinning Business.

The Sustainability Advisory Council also evaluates the performance of each of our businesses on certain Key Performance Indicators and these are monitored and tracked periodically. The outcomes are discussed at the Apex Sustainability Council Meetings every quarter. The Sustainability Advisory Council comprises a highly multi-disciplinary team of global experts on sustainability and climate change.



DR. ANCHA SRINIVASAN

Principal climate change specialist
Asian Development Bank



DR. SHIRISH SANGLE

Professor of Sustainable Business
NITIE (National Institute of Industrial
Engineering)



DR. SATISH WATE

Ex-Director-NEERI
National Environmental Research
Institute



DR. RAM BABU

C.E.O - RSM GC Advisory
Ex-M.D-PWC



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

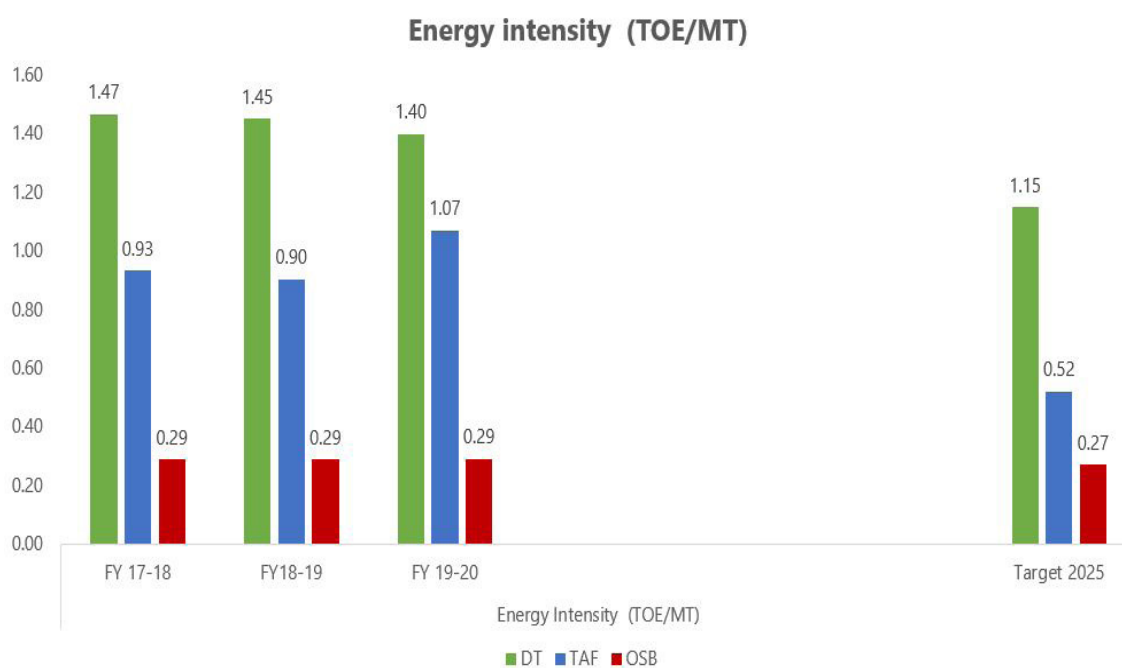
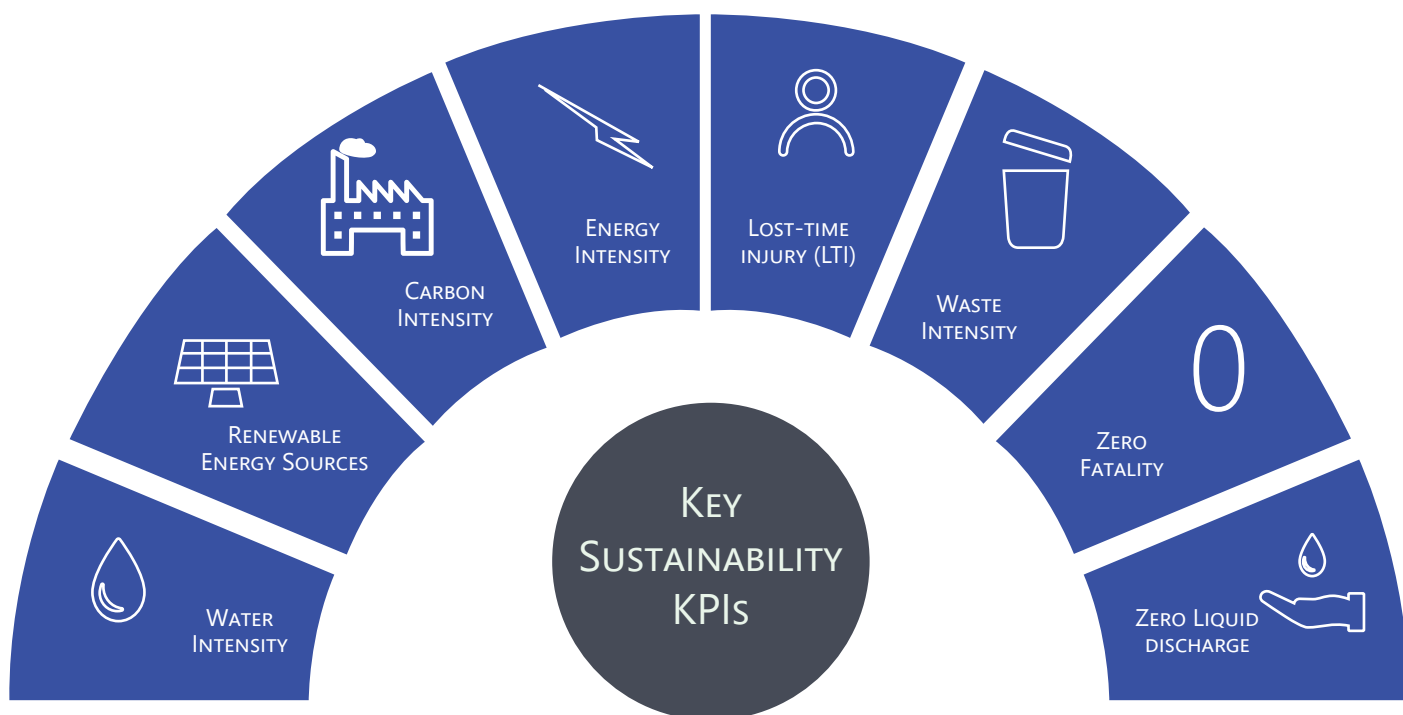
Indonesia Vice regional Manager of
the Climate Reality Project

Member of the Advisory Board of
the Indonesia Energy Efficiency
Society

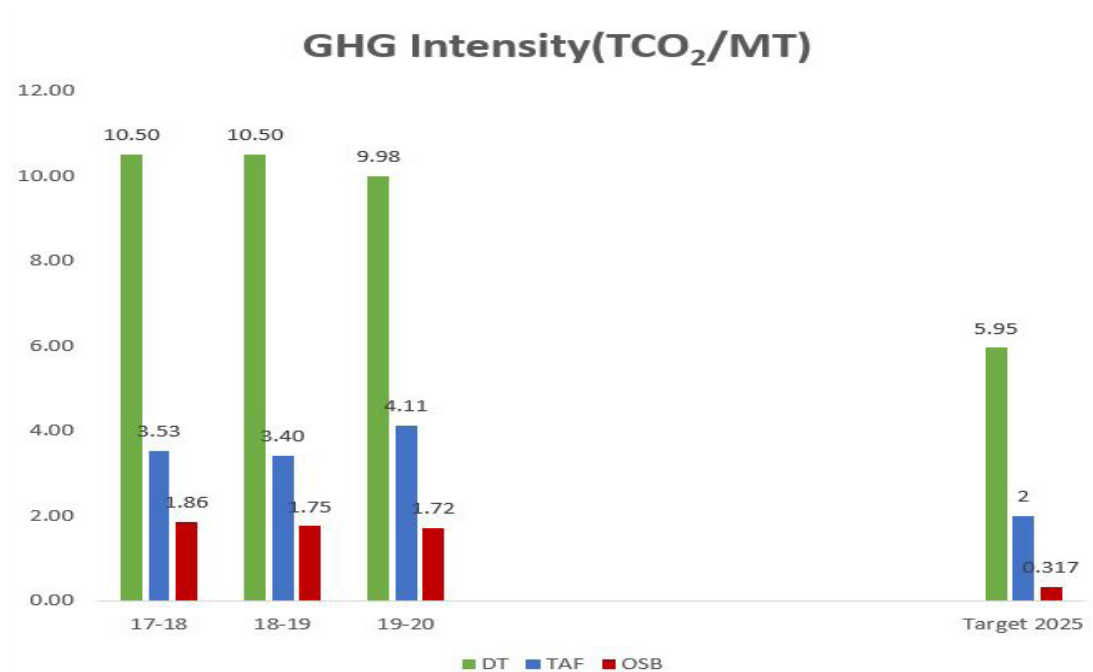
Our transparent governance structure allows us to completely integrate sustainability across the value chain. There are various initiatives, policies, and workplace awareness programs that are being conducted for effectively driving sustainability across the Group. Our adherence to various roadmap and guidelines keeps us on the foot and staying action-oriented. Our corporate philosophy is deeply rooted in the principles of sustainability that commits to stewardship while adding economic value, promoting human rights and building social capital. The activities and functioning of various committees contribute to sustainability governance at our units.

SUSTAINABLE BUSINESS **PERFORMANCE** **AGAINST TARGETS 2025**

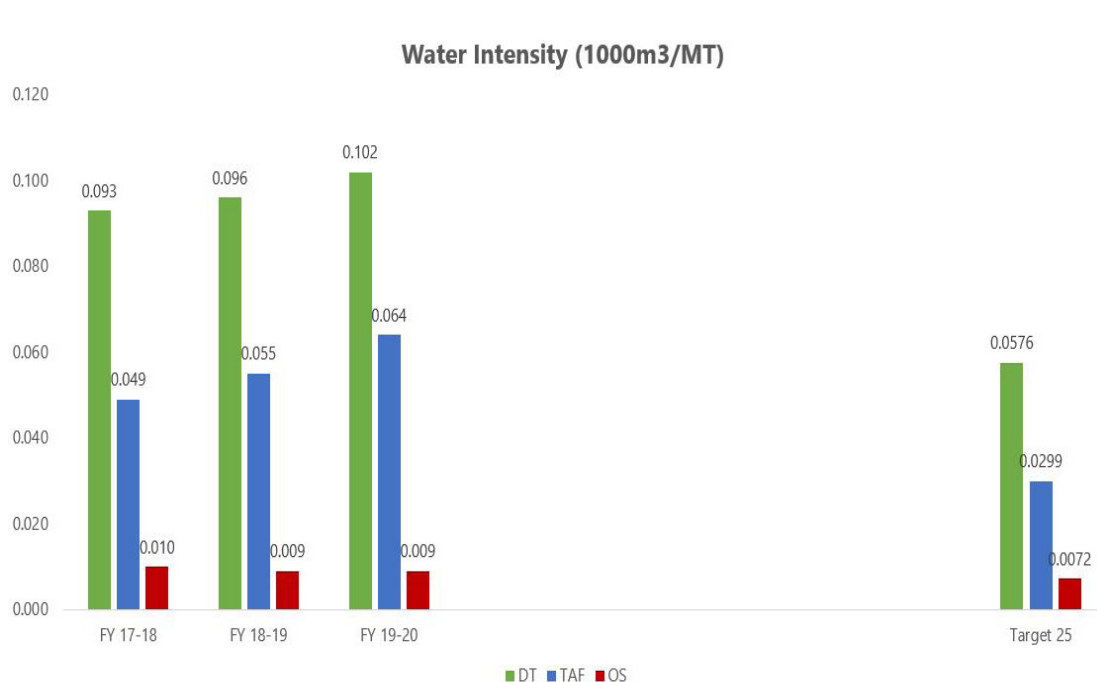
As we embark upon a new decade, we are presented with tremendous opportunities and new challenges in the area of sustainability. We are now determined to position ourselves for further sustainable growth and are setting our sights on something bigger as we announce our 2025 Sustainable Business Targets 2025. We believe to succeed in today's volatile and changing world, we must do three things exceedingly well: focus on delivering strong financial performance, do it in a way that is sustainable over time and be responsive to the needs of society.



Units	Energy Intensity by the year 2025 if the trend continues	Energy Intensity target by the year 2025	Remarks
DT	1.27	1.15	Efforts can be intensified
AF	1.31	0.52	Efforts can be intensified
OS	0.29	0.27	Can be achieved

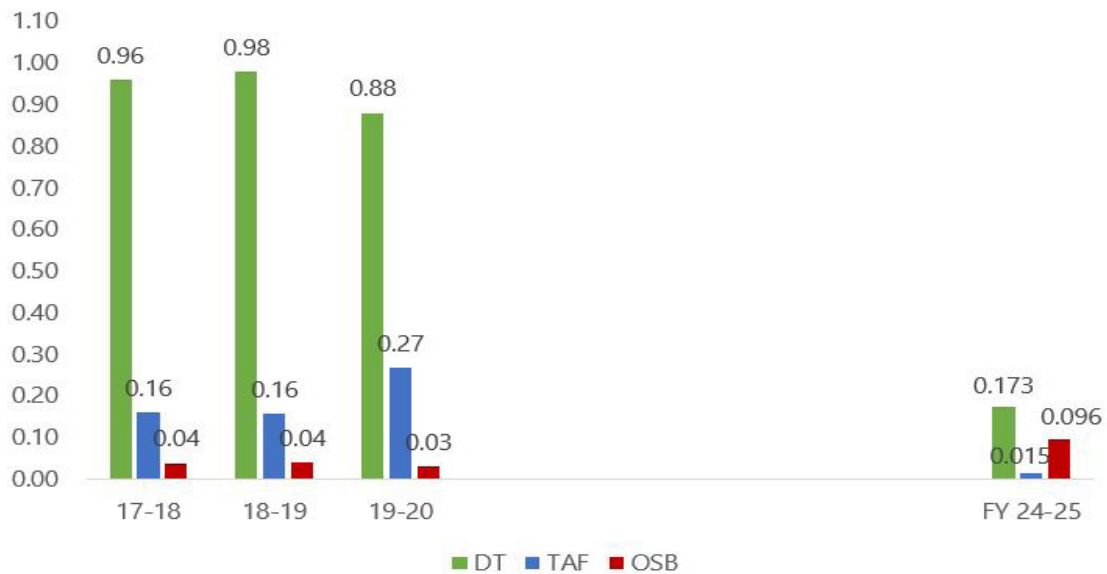


Units	GHG Intensity by the year 2025 if the trend continues	GHG Intensity target by the year 2025	Remarks
DT	9.03	5.95	Efforts can be intensified
AF	2.41	2.00	Can be achieved
OS	1.40	0.31	Efforts can be intensified



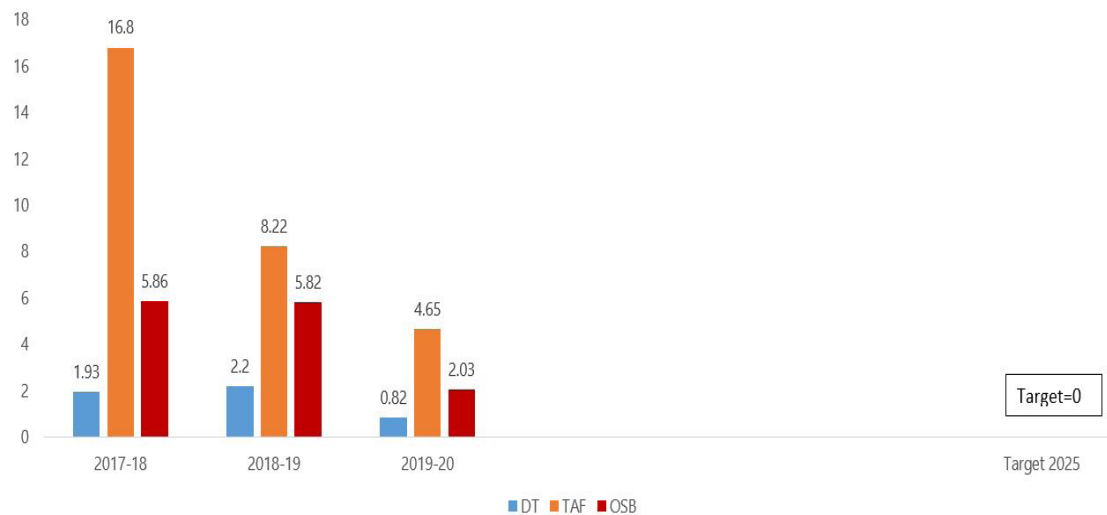
Units	Water Intensity by the year 2025 if the trend continues	Water Intensity target by the year 2025	Remarks
DT	0.089	0.057	Can be achieved
AF	0.0373	0.029	Can be achieved
OS	0.013	0.007	Can be achieved

Waste Intensity (MT)



Units	Waste Intensity by the year 2025 if the trend continues	Waste Intensity target by the year 2025	Remarks
DT	0.570	0.173	Efforts can be intensified
AF	0.458	0.015	Efforts can be intensified
OS	0.013	0.096	Can be achieved

Lost Time Injury Frequency Rate (LTIFR)



Units	LTIFR by the year 2025 if the trend continues	LTIFR target by the year 2025	Remarks
DT	1.12	0	Can be achieved
AF	-20.48	0.015	Can be achieved
OS	5.01	0	Can be achieved

Sustainability KPI/Goal	Unit of Measurement	Domestic Textiles Target FY 2025	Overseas Spinning Business Target	Acrylic Fibre Target
Zero fatality	Progress in place	★	★	★
Zero liquid discharge	Progress in place	★	★	★

★ Indicates the progress towards achieving target is in place

SUSTAINABLE VALUE CREATION MODEL

INPUT

Financial Capital

Our financial capital supports our ambition to grow sustainably, economically, and contribute to both society and the environment.

- FC 1. Debt and Equity
- FC 2. Cost of capital

Intellectual Capital

Our intellectual capital supports our ambition to grow sustainably, seek new opportunities, reduce the complexity of operations, and build innovative product portfolios

- IC 1. Management Systems
- IC 2. Transparency and traceability systems'
- IC 3. Code of conduct
- IC 4. R&D and Product development
- IC 5. Digitalization

Operational Capital

Our operational capital supports our ambition to have better operational efficiency, ensuring sustainable manufacturing and adopt new-age technologies.

- OC 1. Modern and efficient machinery
- OC 2. Manufacturing Excellence and O&M practices
- OC 3. Flexibility for manufacture-to-order

Human Capital

Our human capital supports our ambition for developing people, nurturing talent and ensure safety of our people.

- HC 1. Skilled and talented work force
- HC 2. Fair, safe and healthy work space
- HC 3. Training and development

Social & Relationship Capital

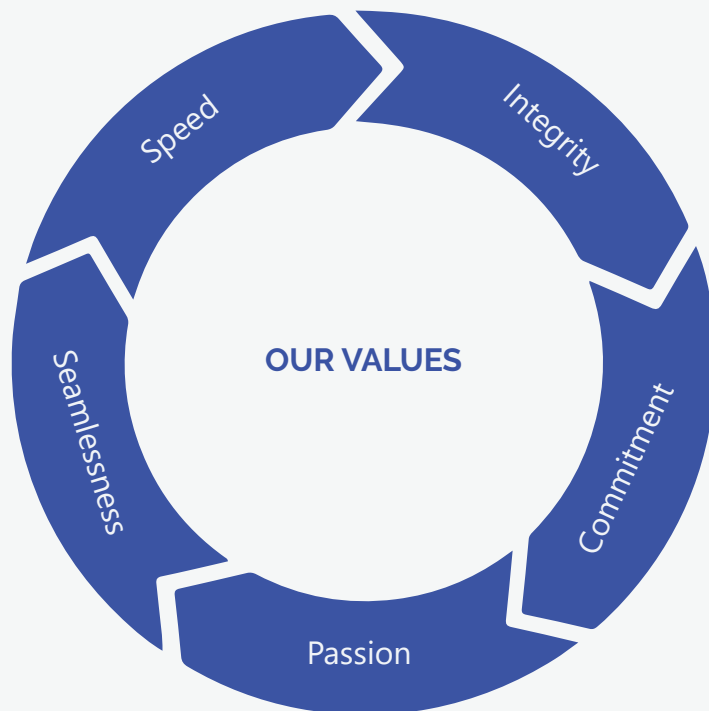
Our social and relationship capital guides us in conducting our business sustainably, regular stakeholder engagements and community development.

- SRC 1. Engagement with suppliers, customers and the community
- SRC 2. Community development initiative

Natural Capital

Natural capital supports our raw material, resources for manufacturing, during the product utilization and assimilate the product at its end of life.

- NC 1. Share of renewable raw material
- NC 2. Share of recycled raw material
- NC 3. Share of renewable energy and energy efficiency
- NC 4. Use of water and energy resources
- NC 5. Recycle and reuse of waste



OUR BUSINESS

DOMESTIC TEXTILES

- Jaya Shree Textiles
- Vikram Woollens

ACRYLIC FIBRE

- Thai Acrylic Fibre

OVERSEAS SPINNING BUSINESS


- PT. Indo Liberty Textiles
- PT. Elegant Textile Industry
- PT. Sunrise Bumi Textiles
- Indo Thai Synthetics



OUTPUT	OUTCOME	CONTRIBUTION TO SDGs
Financial Capital <ul style="list-style-type: none"> FC 1'. Profit FC 2'. Dividend FC 3'. Economic Value retained FC 4'. Shareholder trust 	Financial Capital <ul style="list-style-type: none"> Sustainable business growth Social and Economic development 	
Intellectual Capital <ul style="list-style-type: none"> IC 1'. The compliant organization IC 2'. Value added products IC 3'. Sustainable products IC 4'. Certifications of manufacturing and products IC 5'. Violations or corruptions reduced 	Intellectual Capital <ul style="list-style-type: none"> Sustainable products Circular economy 	       
Operational Capital <ul style="list-style-type: none"> OC 1'. Production OC 2'. Quality OC 3'. Sales through retail outlets and e commerce OC 4'. Response time to orders 	Operational Capital <ul style="list-style-type: none"> World class infrastructure & manufacturing 	 
Human Capital <ul style="list-style-type: none"> HC 1'. Employee retention HC 2'. Lost time injury frequency rate 	Human Capital <ul style="list-style-type: none"> Happy workforce 	     
Social & Relationship Capital <ul style="list-style-type: none"> SRC 1'. Stakeholder trust SRC 2'. Customer and supplier retention SRC 3'. Beneficiaries of community development initiatives SRC 4'. NPS Score SRC 5'. Access to new brands and markets 	Social & Relationship Capital <ul style="list-style-type: none"> Community development Harmonious and balanced ecosystem along the value chain 	 
Natural Capital <ul style="list-style-type: none"> NC 1'. Waste, emissions and effluents generated NC 2'. GHG foot print NC 3'. Sustainable products 	Natural Capital <ul style="list-style-type: none"> Environmental stewardship Eco-efficiency 	       

MATERIAL SUSTAINABILITY ISSUES

IDENTIFIED MATERIAL ISSUES

					VALUE CREATION INPUT	VALUE CREATION OUTPUT
01	Policies, Standards & Code of Conduct				IC 1 & IC 3	IC 5'
02	Regulations & Legal Compliance				IC 1 & IC 3	IC 1'
03	Grievance mechanisms (employee, Env, HR, society)				SRC 1	SRC1', 2' & 3'
04	Economic Performance				FC 1 & FC 2	FC 1' & FC 2'
05	Market Presence				SRC 1	SRC2', 4', & 5'
06	Indirect Economic Impact				SRC 2	SRC 3'
07	Renewable & non-renewable materials				NC 1 & 3	NC 3'
08	Responsible procurement				SRC 1 & NC 1	SRC1', NC 1' & 3'
09	Packaging				NC 2 & 5	NC 1'
10	Energy management				NC 3	NC 1' & 2'
11	Waste management and effluents				NC 5	NC 1' & 3'
12	Water stewardship				NC 4	NC 1' & 3'
13	GHG emissions and air pollution				NC 3	NC 1' & 2'
14	Compensation & benefits to employees				HC 2	HC 1'
15	Employee Recruitment & Retention				HC 1 & 2	HC 1'
16	Employee relations				HC 2 & 3	HC 1' & 2'
17	Employee health & safety				HC 2 & 3	HC 2'
18	Training and education				HC 3	HC 1' & 2'
19	Diversity and equal opportunity				HC 2	HC 1'
20	Collective bargaining				HC 2	HC 1'
21	Human rights assessment of operations				HC 2	HC 1' & 2'
22	Community Impact, Relations and Development				SRC 2	SRC 1' & 3'
23	Payments terms and negotiations with suppliers				SRC 1	SRC 1' & 2'
24	Supplier screening and Audits (Labour, HR, Community)				SRC 1	SRC 1' & 2'
25	Investments in developing local supplier network				SRC 1	SRC 1' & 2'
26	Customer health and safety				SRC 1	SRC 1' & 2'
27	Product and service labelling				SRC 1	SRC 1' & 2'
28	Marketing communications				SRC 1	SRC 1', 2' & 4'
29	Customer satisfaction				SRC 1	SRC 2' & 4'

Aspect importance across the business value chain

 -Supply chain
  -Manufacturing
  -Transport
  -Customer

RESPONSIBLE STEWARDSHIP & OUR FOCUS AREAS

Responsible Stewardship is inherent in our nature of doing business. It encapsulates our approach to employees, the environment and our business systems & processes. Our values of Integrity, Commitment, Seamlessness, Passion and Speed has instituted within our organizational ethos and it steers us towards being accountable and responsive to the operating environment.

Responsible stewardship is integrated into every aspect of our businesses. We are continuously on the path to transform the way we operate to meet future uncertainty. Our commitment to Responsible Stewardship guides us in engaging well with the people, exercise appropriate management to carry out operations and responsible use of resources. With this perspective, we manage all our operations and services in a sustainable, innovative and ethical way. Through this, we aim to transform business and raise the bar of our potential to help move our businesses forward.

While assessing ways to minimize any environmental or safety impact of our products, we have ongoing and mandatory internal initiatives to focus on safety during every step – from manufacturing to transportation to product use. This foundation towards building a sustainable organization has enabled us to implement a set of fifteen sustainability-oriented policies for the Textile Business applicable across locations. These policies as illustrated in Intellectual capital articulate our position on the subject principle; and how we will approach and address the same.

Our vision is to have a positive impact on all the critical resources in our value chain by stewardship actions. We recognize our responsibility to address environmental impacts across our value chain, understand utilizing sustainable packaging and raw material sourcing, phasing out hazardous chemicals, and safeguarding water resources in a way that respects nature as well as people. We aim to serve all the responsibilities through the principle of Responsible Stewardship. Further, people are the most important component and purpose of our business. Our employees are our strength and providing them a fair, safe, healthy and lively workspaces are our primary responsibility. Our communities and our suppliers provide a critical support system to our business and we steward a harmonious, mutually beneficial and co-creative engagement with them. We refer to our customers as BOSTOMER, to remind us all the time that they are our bosses. The health and safety while using the product and having appropriate, adequate and timely product information are as important as exceeding the expectation on product quality.

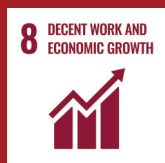




FINANCIAL CAPITAL

Our financial capital supports our ambition to grow sustainably, economically, and contribute to both society and environment.

United Nations
Sustainable
Development
Goals





MESSAGE FROM CHIEF FINANCE OFFICER

"We take a longer-term view of economic value generation and distribution at the Textile Business of the Aditya Birla group with stress on future-proofing the business and delivering value to all our stakeholders. We believe that balancing value amongst all stakeholders and focusing on financial and non-financial values is key to delivering sustained shareholder value. Preserving the strength of the balance sheet and enforcing disciplined decision-making in allocating capital is fundamental to the long-term health of the business. Our balance sheet, at all entities, is a reflection of our growth, carefully optimized overhead, costs, and capital expenditure, while also investing in the sustainability of our organization.

Our business environment across all Units has been driven by strong, experienced and passionate teams who exemplify the fundamental values of Aditya Birla Group. Our dedicated & passionate employees focus on people, safety, processes and sustainability.

Our contribution to all the stakeholders is carefully distributed in congruent proportion to our growth in revenue. We are very proud of our community engagement, in managing community expectations and their development.

We have long term strategic risk management for environmental and social risks across the value chain, where we have identified risks and aggressively pursuing measures to mitigate risks.

We assess the risk of climate change and undertake integrated action to long-term investment to mitigate those risks. As we identify these risks, we examine, discuss and take mitigating measures, and wherever required appropriate financial resources are allocated to

mitigate it. To achieve our objectives, we have installed various renewable energy sources across the sites to increase the share of renewable energy.

We have acquired brands such as SÖKTAS, Excellence by Söktas, and Giza House along with the manufacturing unit which complements our linen business. PT Elegant acquired a technical textile company in Germany. Further, Pyrotex, a subsidiary of Thai Acrylic fibre, has signed long term MOUs with suppliers assuring long term business and value generation.

We have set ambitious targets for the year 2025. We are determined to consider sustainability in all our endeavors and stay competitive, being the first choice of customers. Our financial budgets and allocations are planned year on year basis, prioritizing CAPEX related to safety, compliance and sustainability. The focus is always to stay committed to our priorities and targets. The projects/initiatives related to targets are categorized, and return on investment is not expected to cross the usual hurdle rates when it comes to essential CAPEX for safety & sustainability. In all other areas, our choices of investment are evaluated for technological advancement; customer needs and we carefully analyze its lifecycle cost. Going forward, we will create value by building competitive global products with a clear understanding of resource optimization and evolving consumer preferences. Our greatest strength is our agility to adapt quickly, innovate and stay competitive.

We value our stakeholder's perspectives on our businesses and strive to address their comments and concerns on our annual sustainability performance."

ASHOK MACHHER
Chief Finance Officer

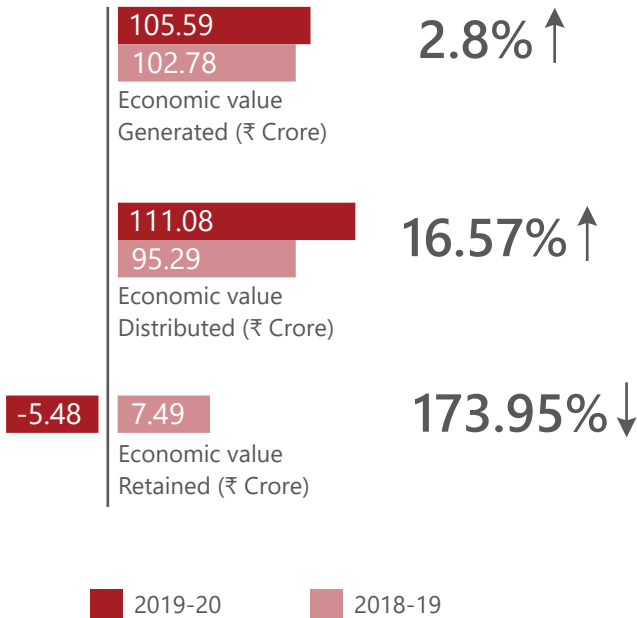
OUR ECONOMIC PERFORMANCE

We endeavour to generate economic value in an environmentally responsible and socially inclusive manner. Our investment is carefully channelized to expand our capacities, groom our human asset, create employment opportunities, and bring advanced technologies in manufacturing and giving back to society and nature.

We have continued to grow and evolve, creating value by building competitive global-scale businesses. Our performance is benchmarked among the best textile businesses and we have consistently outperformed.

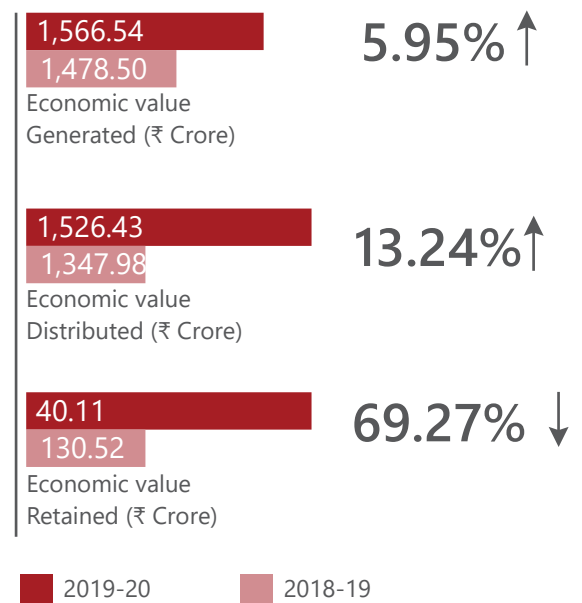
VIKRAM WOOLLENS

During the FY 2019-20, Vikram woollens economic value generated grew by 2.8%, while the distributed value also increased by 16.57%. However, retained value saw a significant decline of around 173%.



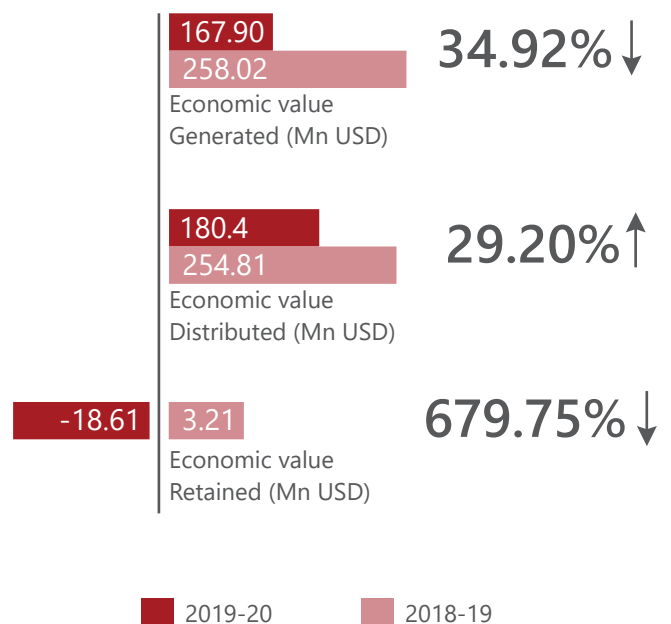
JAYA SHREE TEXTILES

During the FY 2019-20, JST economic value generated grew by 5.9%, while the distributed value also increased by a good margin in the operating costs. However, retained value saw a significant decline in comparison to the last year.



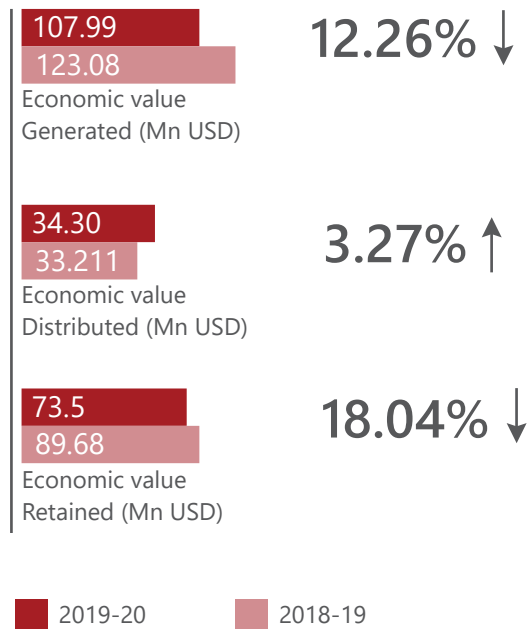
THAI ACRYLIC FIBRE

During the FY 2019-20, TAF economic value generated decreased by 34.92%



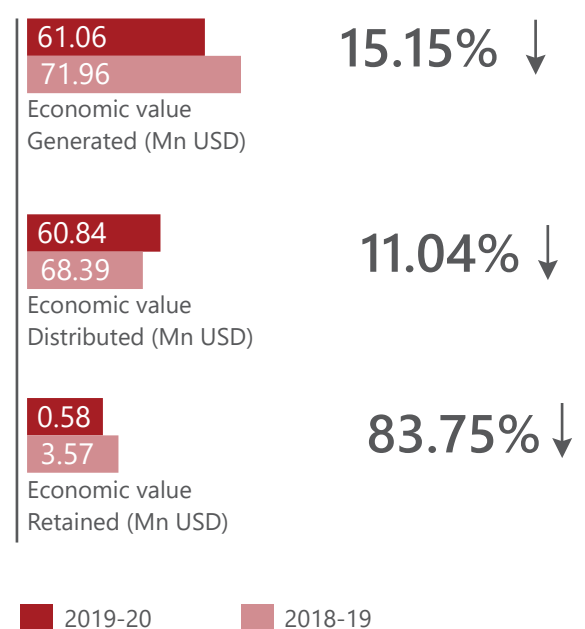
PT ELEGANT TEXTILE INDUSTRY

During the FY 2019-20, PTE economic value generated declined by 12.2%, while the distributed value increased by a small margin. The year also saw double in spending related to community development. However, retained value saw a significant decline in comparison to the last year.



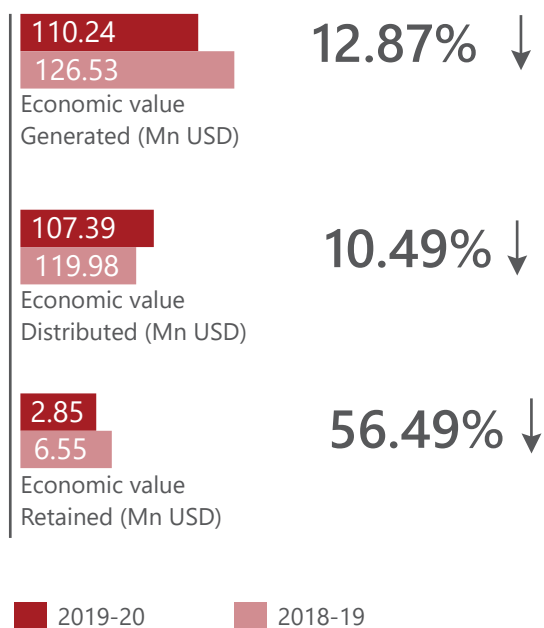
PT SUNRISE BUMI TEXTILES

During FY 2019-20, PTS economic value generated declined by 15.15%, while the distributed value decreased by a small margin for the employees. The year also saw a double in spending related to communities development. However, retained value saw a significant decline in comparison to the last year.



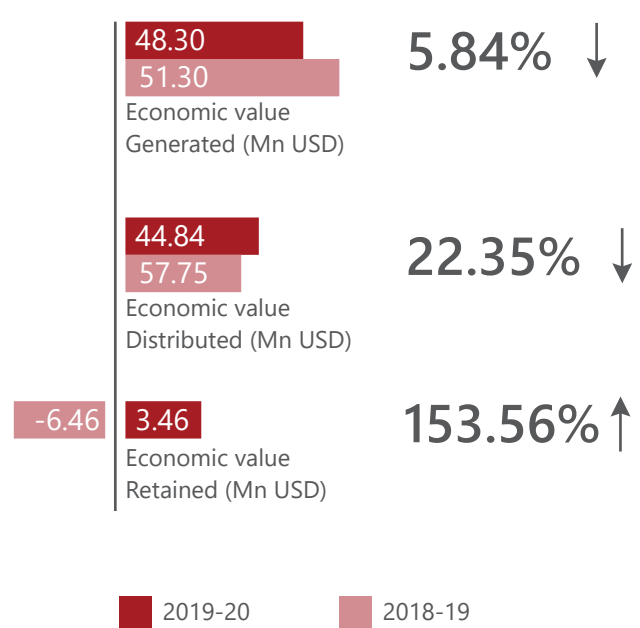
PT INDO LIBERTY TEXTILES

During the FY 2019-20, ILT economic value generated declined by about 12%, as well as distributed and retained value declined by 10% and 56% respectively.



INDO THAI SYNTHETICS (ITS)

During FY 2019-20, ITS economic value generated declined by 5.84%, while the distributed value also decreased by 22%.

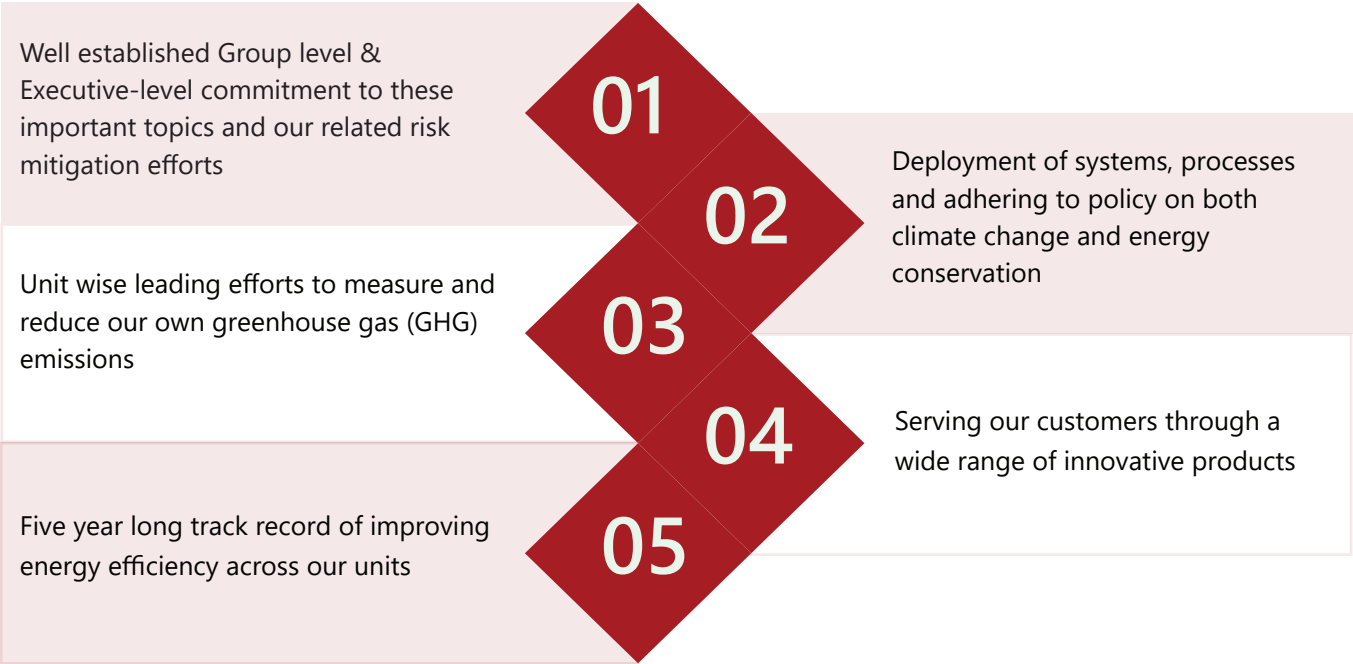


RISK AND OPPORTUNITIES **DUE TO CLIMATE CHANGE**

We recognize that climate change is the greatest challenge we face as a global community. Its impacts are widespread, and its risks are not limited by continent, industry, or even species. Climate change has the potential to impact our business operations, economic value generated and retained across the supply chain, and revenues.

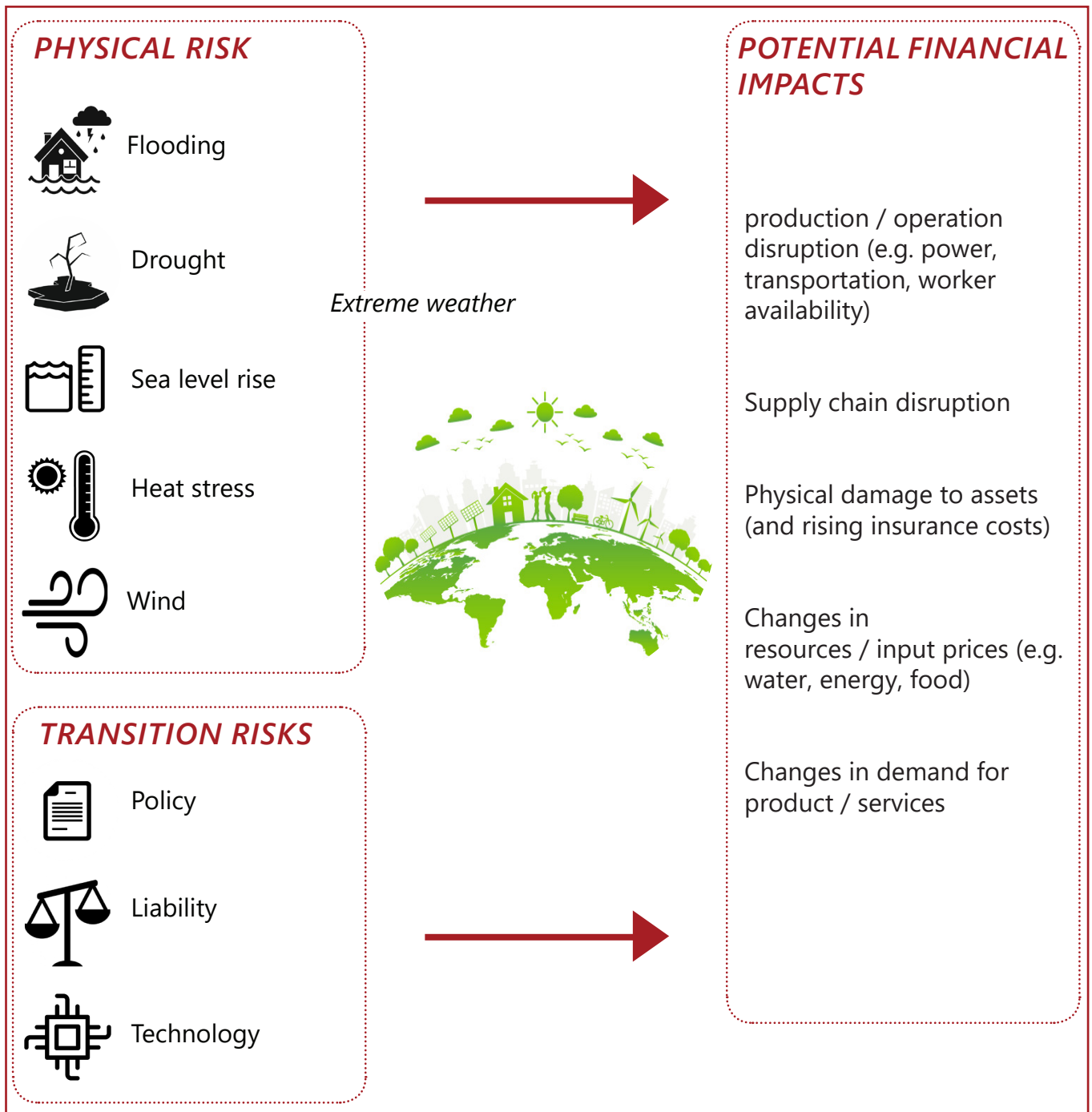
Textile being the major sector which is closely monitored on many ESG related issues, the focus areas of stakeholders center around climate change, waste from operations, fresh-water shortages, energy use, human rights, and the reduction of toxic substances.

We proactively address challenges and seek opportunities presented by climate change by:



We assess the risk of climate change and undertake integrated action to long-term investment to mitigate those risks. It is an integrated approach and constitutes a part of the risk management framework. As we identify these risks we examine, discuss and take mitigating measures, and wherever required appropriate resources, particularly financial resources, are provided to mitigate and monitor it continuously. These major risks and opportunities due to climate change are:

- **Physical Risk:** We focus on understanding the nature and extent of physical risk arising from a changing climate over the next decade. Some of our units are located in the flooding zone due to excessive rainfall. Being in the coastal zone, cyclones sometimes impact our operations. Rising sea level is a cause of concern for us.
- **Regulatory (Transition) Risk:** Our presence across the nations put regulatory risk due to climate change as extremely important. We closely monitor related regulatory developments and establish our processes as per law.
- **Others:** These include the use of new technologies, products, and services to address climate change challenges, as well as changes in customer behavior.



4

OPERATIONAL CAPITAL

Our efforts to strengthen and enhance operational capital include operational efficiency, sustainable manufacturing and new-age technologies.

United Nations
Sustainable
Development
Goals





MESSAGE FROM CHIEF MANUFACTURING OFFICER (CMO), DOMESTIC TEXTILES

Our strength in manufacturing lies in asset efficiency and reliability, digitalized monitoring and future-proofing. We have consistently invested in upgrading our manufacturing plants keeping in mind life cycle costs as well as flexibility and adaptability to withstand the future demands of markets. Another important factor in some of these investments were our targets for GHG emission, energy, water and waste. Further, our ongoing efforts of manufacturing excellence are focused on resource and energy efficiency and productivity.

We practice best in class preventive maintenance that results in a low mean time between failures and extends the life of the equipment. We have been and will continue to practice repair and reengineer practices in our workshops and will reinforce these practices as a part of our circular economy drive.

Our environmental infrastructure is designed, updated, maintained and operated following best practices and to achieve the voluntary commitments of the ABG to the global best practices. During recent years, we have upgraded our ETP infrastructure to achieve Zero Liquid Discharge. Our efforts to be future-ready and one ABG have also included upgradation of drainage infrastructure keeping in line with the local authorities' actions to mitigate flood risks that may increase in intensity due to climate change.

We have integrated the functional information across the value chain in SAP and are able to do better scheduling and make real-time information available seamlessly at all decision points. This has improved the manufacturing and supply chain response to market demand.

We follow World-class manufacturing (WCM) and have received awards from the Quality Circle Forum of India - NCQC, CCQC. Our new entity at Kolhapur, recently acquired, is now getting integrated with entire practices

of ABG on WCM and sustainability. Some of these efforts are also complementing our cost reduction exercises on our products, energy etc.

We are increasing the share of renewable energy to comply with renewable energy obligations and reduce GHG emissions. In addition, this strategic move ensures long term energy price stability as well as energy security. At JST, we have installed 1.5 MW Solar Power Plant and 3MW Solar Power Plant will be commissioned soon.

Due to the COVID-19 pandemic, we had to recast some elements of our BCP. In our operations we have mapped our processes, prepared SOPs for social distancing, sanitization, work mode, canteens etc. We have specified the response under different possible scenarios as Covid evolves and the BCP is evolved through multiple consultations with the customers and partners. The long term impact of uncertain events will still be there for some years, however, our proactive measures have significantly led to the sustainability of the organization during these times.

We invite and keenly look forward to your suggestions on how we can further strengthen our operations to deliver value to all stakeholders.

JASVINDER KATARIA

Chief Manufacturing Officer (CMO), Domestic Textiles



MESSAGE FROM UNIT HEAD, THAI ACRYLIC FIBRE

Six years ago, TAF has started its sustainability journey and since then every year we are recording improvements in different aspects of sustainability and we believe that we have successfully placed TAF in alignment with the Group's sustainability vision.

This reporting period signifies the consolidation of systems practices and new initiatives in the areas of carbon management & water conservation. During the last few years, we have been focusing on contributing to the environment through our product stewardship. We are aware that our product innovation can drive much deeper and extensive environmental conservation. In the reporting period, we have made two advances in product stewardship.

- Radianza™, which is a gel dyed product has been accepted as a preferred substitute for yarn dyeing by many of our customers. Recently we have developed an eco-friendly sweater collection with Radianza™ for a well-known global brand, which will be launched next year. *All our endeavours made on Radianza™ for its contribution towards Sustainability has started delivering results. The sales volume of Radianza™ has reached 10,051 tons this year, an annual growth of 1.16%*
- Another product that has been the highlight this year is the "Recycled fibre from sweaters". The fibre is developed by recycling the waste generated across the textile value chain. It is one of the unique innovations in the industry where acrylic fibre is being made with 50% recycled resources. We have already generated a first bulk trial and have manufactured 12MT of recycled fibre.

Our sales of Amicore™ Antimicrobial fibre (anti-bacterial) product has also increased this year. It has a very less washing requirement due to its antimicrobial nature by the end-user leading to less water consumption & less discharge of micro-fibre.

In the endeavor of practicing sustainable business operations, we are focusing on: Zero paper usage, by creating awareness about benefits, ways & means of implementing a paperless office, providing training to the SAP users, monitoring issuing & consumption of papers by each department.

As our primary focus is on Reduce, Reuse and Recycle, we are also taking many initiatives for energy reduction as we started a new program of strictly switching off the ACs during lunchtime and 15 mins before leaving – to reduce the power consumption.

We have reduced our water intensity by 2000 M³ per day and planning to reduce it further in the next year as well. We are also planning for a rainwater harvesting project during the next year. Simultaneously, we have also reduced our consumption by 10% in the lubricant oil that we are utilizing.

During the pandemic, we started face scanning and social distancing in the initial phase itself. We had constituted a crisis management team as per Aditya Birla Group guidelines.

We are moving ahead satisfactorily in our journey towards excellence in all aspects of sustainability. Our great foundation has provided us with success and confidence to take up more ambitious projects in years to come.

SHESH GUPTA
Unit Head, Thai Acrylic fibre



MESSAGE FROM CHIEF TECHNICAL OFFICER, OVERSEAS SPINNING

We have progressed significantly in using recycled fibre and blending it with other fibres since the first pilot in 2017. We are now using special fibres - modal, micro modal, bamboo, glitter fibre, recycled polyester, Livaeco, dope dyed fibre and with special attachments -slub and compact attachment, siro attachment. Going further, we add subsequent value in the ring-spinning, viz.

- Multi fold yarn (10 ply-12 ply) - for industrial use.
- Used as a design and fashion element.

Our range of sustainable products now extends to use natural material i.e. bamboo fibre with anti-bacterial property to be used in socks and inner garment. We also use bamboo-cotton, bamboo-modal. We are now using raw material that is responsibly produced with the least impact on ecosystems and resources. Livaeco- Brand from Birla cellulose and Dope dyed fibre/yarn are some examples. We are using 100% recycled polyester from Unify-US based brand and blend it with viscose, cotton & modal blends for variety of ABY™ products.

We are consciously addressing the challenge of microfibre generated during the use. The compact attachment in Unifeel reduces the hairiness by 30%, thus less generation of microfibre. Further, we started piloting the technical textile products for firefighting and the new generation of fibres in technical textiles.

ENSURING TRACEABILITY

Traceability assures the customer and the end-user that the raw material used and manufacturing process followed is as per the claims made for sustainable

products. In all these cases, we ensure traceability at our supplier end and established verifiable systems in our manufacturing facilities. For FSC mix credit, we maintain traceability from pulp to spinning. Similarly, we are GRS Certified, for recycled certifications at all our units, For Eco Vera, traceability is embedded in the fibre itself.

Our pilot plant and Centre of excellence have been driving the development of sustainable products. As sustainable products and it's demand are scaling up, our marketing teams have identified markets and segments that are potential and opened conversations. Our marketing communications have begun lacing sustainability as a theme for ABY™.

SANJEEV GUPTA

Chief Technical Officer, Overseas Spinning

OPERATIONAL ASSETS

We continually upgrade technologies in our manufacturing operations that make our manufacturing facilities smarter, safer and more environmentally sustainable. Our state of the art manufacturing facilities has evolved and kept pace with advances in manufacturing technologies over the years. We are located strategically to access raw materials, supplier ecosystems and markets.

DETAILS OF EQUIPMENT AND MACHINERY

DOMESTIC TEXTILES

JAYA SHREE TEXTILES

- JST is the largest linen integrated facility in India and one of the largest linen spinners globally.
- Having more than 42,000 spindles in linen yarn making, 148 looms linen fabrics, 8 carding M/Cs and 38,740 spindles in worsted yarn (including VW)
- Over the years, we've added power looms to our portfolio and today we have a production capacity of more than 10 million metres of linen fabric/ annum
- Quality assurance and World Class Manufacturing systems have been practiced and matured

Retail stores

Linen Club is the largest and famous linen fabric brand in India with expertise in linen manufacturing and design, for more than 70 years. Linen Club is the pioneer of linen in India and is now retailed through both exclusive retail outlets and multi-brand outlets. It is the largest linen retail chain in the world.

VIKRAM WOOLENS

- A prominent player in the worsted segment of the Textile Industry
- Have more than 11,000 spindles

ACRYLIC FIBRE

TAF's manufacturing process uses the technology of aqueous suspension polymerization and wet spinning with sodium thiocyanate as a solvent. This is the safest & environment-friendly technology for Acrylic Fibre manufacturing in the world, at the highest level of productivity. The experience and expertise with this technology enables us to experiment with the recycling of fibre, dope dyeing and many such innovations and their deployment.

79,621.5

FY 2019-20

101,079.7

FY 2018-19

CAPACITY (MT)

OVERSEAS SPINNING BUSINESS

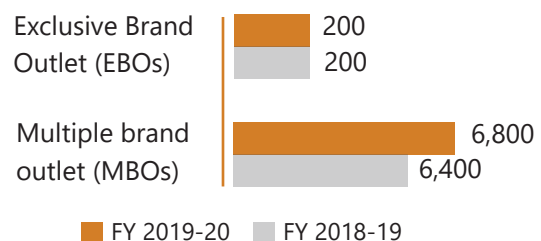
The manufacturing facilities of ABY™ are equipped with textile machinery from best in class suppliers globally. Our business is equipped with the highest levels of automation, integrated online process control systems. We follow stringent quality control procedures to give you yarn which is globally benchmarked.

ABY™ Spindle Installation Capacity Snapshot

PT. Elegant Textile Industry	PT. Sunrise Bumi Textiles
158,880 Ring spindles, 960 MVS Positions	102,648 Ring spindles, 2800 OE Positions
PT. Indo Liberty Textiles	Indo Thai Synthetics
161,856 Ring spindles, 4440 OE Positions	60,768 Ring spindles, 3840 OE Positions



Number of Linen Club Stores:





ACQUISITIONS

1. In line with its business strategy to strengthen its presence in premium fabrics, we entered into the premium cotton fabrics business in FY 2019-20 by acquiring 100% equity shareholding of Socktas India Private Limited ("SIPL"), Later renamed as GPFPL (Grasim Premium Fabric Private Limited) – world-renowned producer and marketer of premium cotton fabrics. GPFPL's state-of-the-art manufacturing facility is located at Kolhapur, Maharashtra, with a plant capacity of about 10 million meters per annum of the finished fabric. GPFPL continues to sell premium cotton fabrics in India under the 'SÖKTAŞ', 'Giza House' and 'Excellence by SÖKTAŞ' brands and remains a preferred supplier to several leading Indian and global menswear brands.
2. Acquisition of Technical Textile, PyroTex Industries GmbH Germany

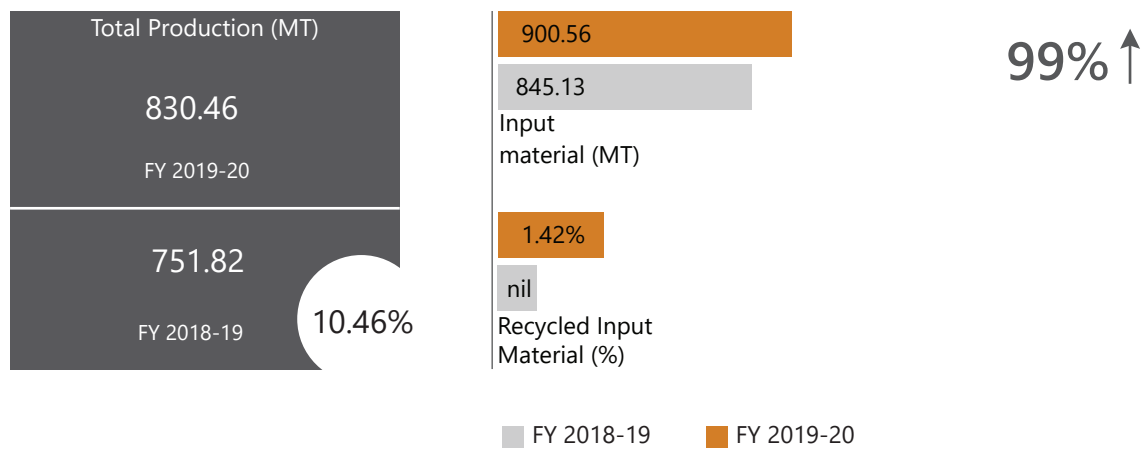
PyroTex Industries GmbH Germany, a new subsidiary of TAF, has established itself in two primary segments in the world market to protect human being as well as assets –

 - PyroTex Classic – Heat & Fire-retardant fibre with an LOI of 43
 - PyroTex Medic – Anti Microbial & Anti-Viral fibre (including SAR-CoV-2 Coronavirus, first & only fibre in the world achieving this milestone)
3. PT Elegant (PTE) part of Overseas Spinning entered into a definitive agreement to acquire 74 per cent stake in Spinnerei Lampertsmühle GmbH (SPL), a German Technical Textiles spinner. The manufacturing facilities located in Kaiserslautern, Germany and Levice, Slovakia have a cumulative capacity of over 6,000 tons per annum of high-end technical yarns.

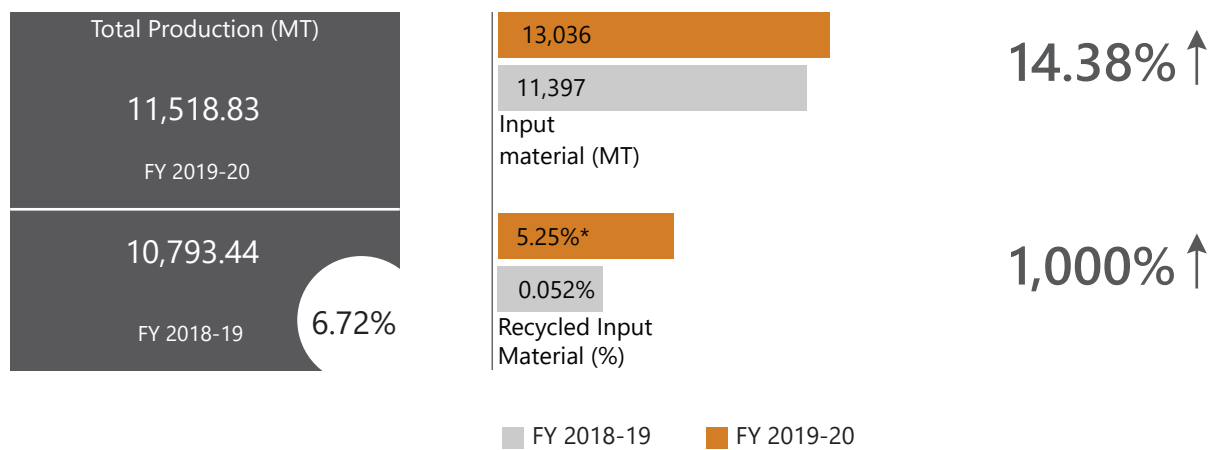
OPERATIONAL CAPABILITIES

Our manufacturing facilities are efficient and have optimized resource consumption. Our operational excellence and inclusion of best in class technologies ensure safe, reliable and efficient operations.

VIKRAM WOOLLENS

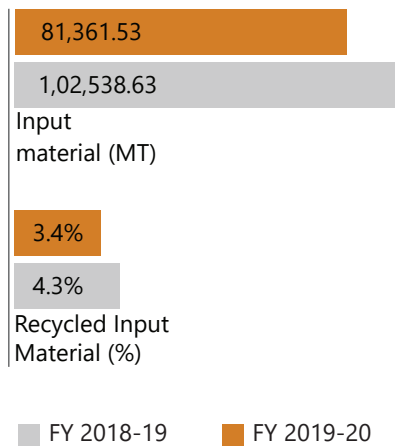
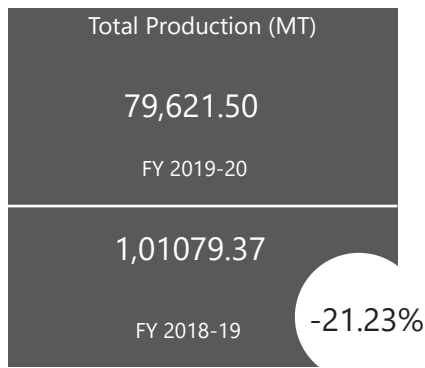


JAYA SHREE TEXTILES



* In FY 2019-20, JST started evaluating recycled input material for the product Cavallo and FY 2018-19 the recycled input material was evaluated for packaging material.

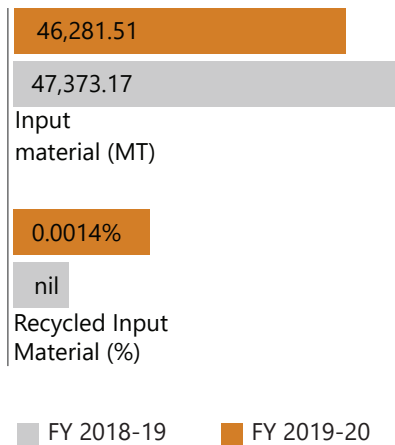
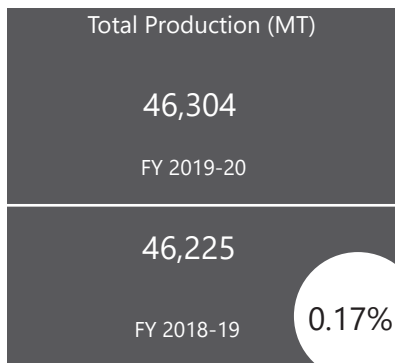
THAI ACRYLIC FIBRE



20.65% ↓

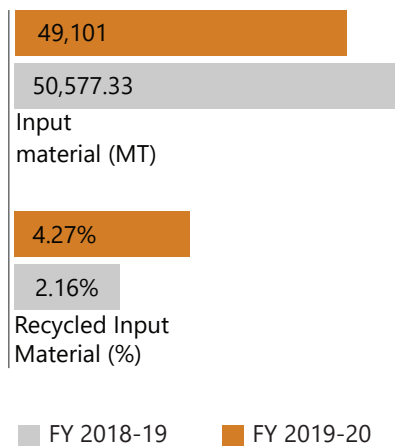
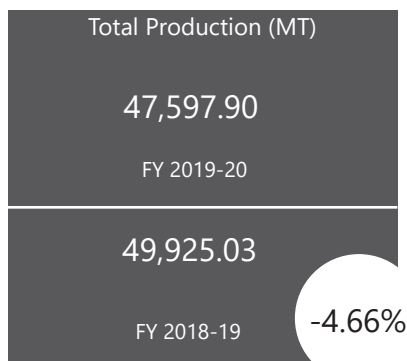
20.93% ↓

PT ELEGANT TEXTILE



2.30% ↓

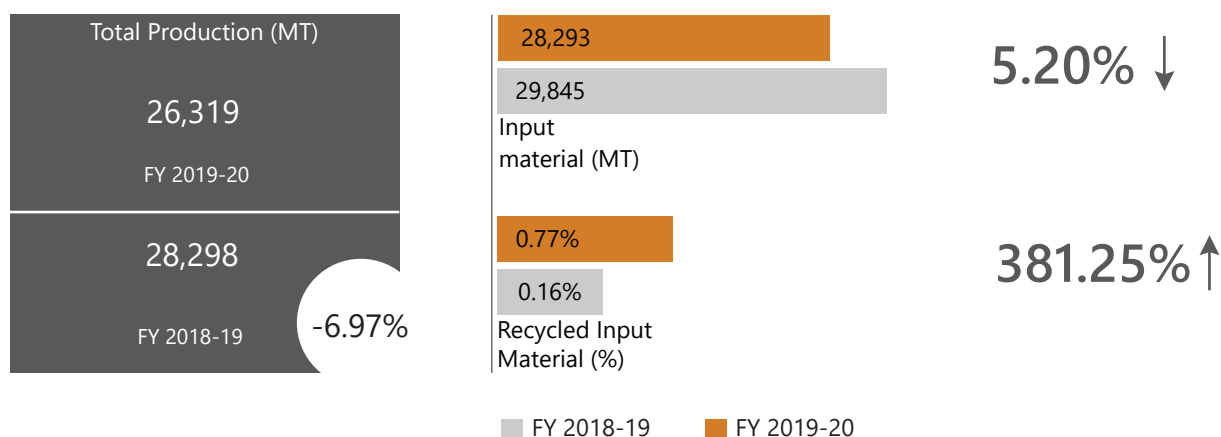
PT INDO LIBERTY TEXTILES



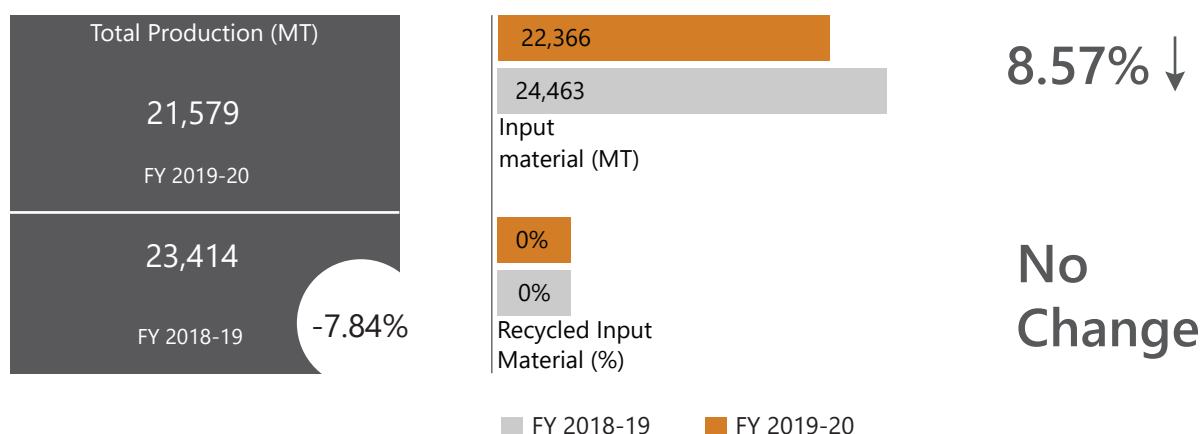
2.92% ↓

97.68% ↑

PT SUNRISE BUMI TEXTILES



INDO THAI SYNTHETICS



SALIENT POINTS ABOUT OUR MANUFACTURING CAPABILITIES ARE:

1. Manufacturing for market

We are slowly transforming ourselves from 'make to stock' towards 'made to order'. We explore and understand the challenges within the market, anticipate our customers' needs and deliver the right content at the right time. Our designer and R&D team has ability to respond to consumers' expectations.

2. Manufacturing excellence

Our manufacturing equipment and machinery provide the best efficiency and quality. Our selection of raw materials is diligent, and employees are well trained technically and procedurally to undertake various manufacturing excellence goals. Our industrial engineers/engineer team develop the best ergonomic workplace and conducive environment for the manufacturing processes. Our quality system provides the best results and minimum losses.

3. Smart Manufacturing

We have begun exploring Smart Factory Automation in our manufacturing process. For this, we aim for Integrator based production capacity, wherein Production units will be coupled to sensors, followed by data collection leading to manufacturing intelligence.

4. Predictive Maintenance

We have been following very rigorous maintenance schedules that avoided disruptions in operations. From the last five years, in a phased manner, we are implementing predictive maintenance, thus reducing unanticipated interruptions in production, improvement in quality and asset health.

5. Manufacturing with Traceability

We have deployed the processes and systems for traceability across the entities and capacity to extend traceability to any given product range or batch. For traceability in manufacturing, we assign each product or

lot an identification number, the work details, inspection results, and dimensions are linked to this identification number in each process so that it can be utilized for labelling a product.

6. Manufacturing for Circular economy

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.

MAINTENANCE

We adhere to the best in class maintenance of our machinery and equipment. We aim to maximize the longevity of assets as well as keeping quality and stay efficient.

We do best in class preventive maintenance. Our production and engineering team meet often and undertake the survey and plan together. There is well planned scheduled maintenance resulting in minimization of breakdown. The efficacy of preventive maintenance results in a low undesirable breakdown.

We are in process of Integrating SAP, for better scheduling on a daily and monthly basis and share updates with all concerned departments.

We follow machine SOPs, recommendations and guidelines very conscientiously and adhere to predictive maintenance. We follow World-class manufacturing (WCM) and are awarded by Quality Circle, NCQC, and CCQC. JST, VW, TAF & OS are well recognized for WCM and Business Excellence. Kolhapur GPFPL is now getting integrated with the practices of ABG.

CIRCULARITY AND THE VALUE CHAIN

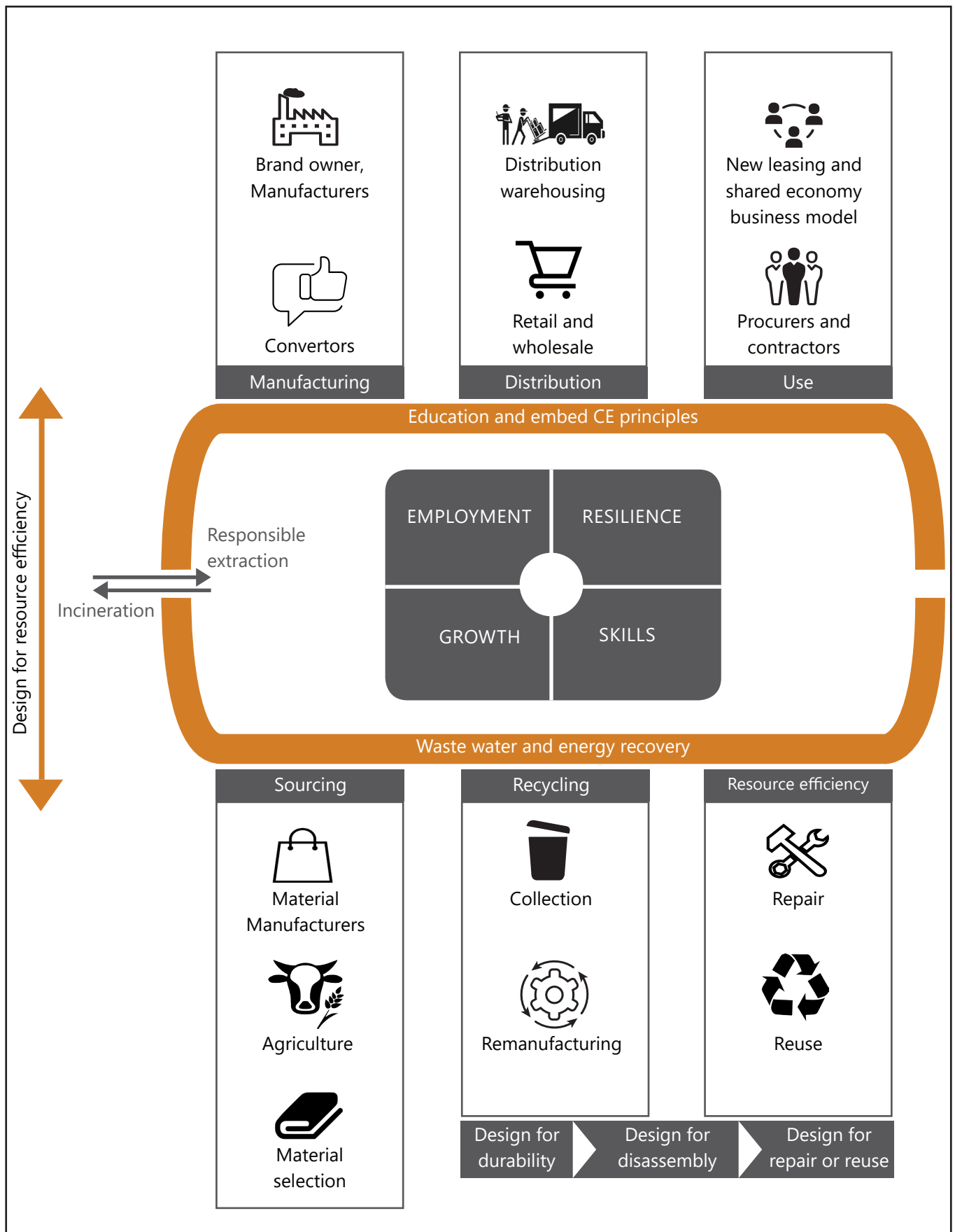
Aditya Birla Textile has chartered the pathway towards building its business to the model of the circular economy, transforming from a linear economy. We aim to follow circular economics principles for process and product innovation, building scalable solutions and unlocking the market potential for sustainable products. By advancing towards circular economies we strive to reduce the impact of global warming, reduced material input costs, access to new markets, decrease resource scarcity, revitalize process waste and increases the sustainability of the business.

By these initiatives, we venture towards creating thriving, resilient economies in a greener and healthy environment with restored natural resources. We are

constantly adapting, innovating and developing our sustainability initiatives in line with other developments in the sector.

Our robust material management ensures conservation, use of renewable recovered and recycled material and materials with a low environmental footprint. We strive hard and put our best efforts to improve our material use efficiency.





RECIRCULATION: WASTE TO WEALTH, CAVALLO BY LINEN CLUB

Cavallo by Linen Club is an upcycled sustainable product with offerings in both fabrics and apparels. Last year we had launched Mazury and Cavallo brands which are manufactured using Linen waste. The upcycling of flax waste with a 45% blend ratio of cotton, led to brilliant value-added product development. We aggressively scaled up our product to tap the opportunity in the Value for Money segment. We had conducted a series of research and trials to come up with a product for the Indian market.

This year we have scaled it on both marketing and production level. With this, we continue to maintain the quality and value of materials and resources over the long term. This value-added product created out of waste, opens up many possibilities.

To achieve the circular economy goal throughout the value chain, we also have set a new circular packaging strategy. We are advancing towards the use of alternative renewable packaging material and using waste generated during the production for packaging.

ACRYLIC FABRE IS MOST SUITABLE FOR RECYCLING

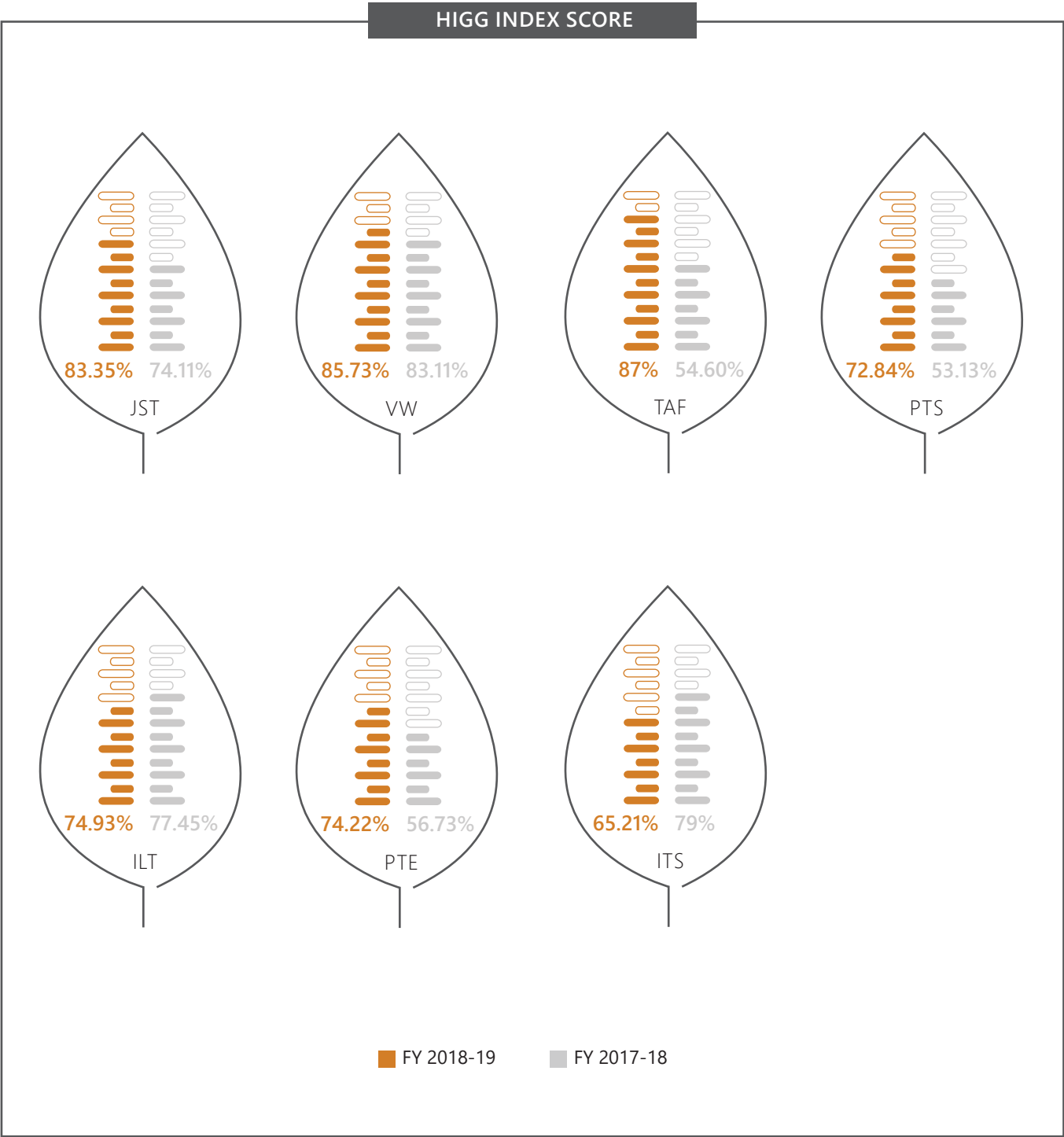
Sustainability is the biggest growing trend in the textile and apparel industry with concerns on the environment coming from the consumers, Governments, the UN, NGOs and brands and retailers. As brands & retailers are under serious pressure to convert their products and processes to achieve their internal and external sustainability goals. Customers (direct and downstream) are looking at alternate fibres and technologies that can help them claim that their offering is sustainable and environmentally friendly. There is a growing perception that acrylic is not a sustainable fibre and bad for the environment as it doesn't decompose or get recycled like polyester.

TAF R&D is in the process of developing a unique technology where 50% recycled polymer from waste will be used along with virgin polymer for a manufacturer of regular acrylic fibre. After a series of trials in the R & D pilot plant, the first bulk trial has been undertaken in the main plant. Product characteristics & processing performance evaluation are in progress for fine-tuning the process technology. Globally renowned brand has already shown interest in this sustainable product using recycle technology.

We are in the process of developing & marketing "first-of-its-kind" acrylic fibre made with recycled resources. TAF gained a significant value addition to TAF's offering and established the "first mover advantage".

HIGG INDEX

Developed by the Sustainable Apparel Coalition, the Higg Index is a set of tools that enables brands, retailers, and facilities` to accurately measure and score a company or product’s sustainability performance. We have been applying these tools and assessing our effort in all the units for several years.



*Higg Index 2019-20 values are under process

SUCCESS STORY

Improving process efficiency by establishing super wash plant for Merino wool

With wool having a scaly surface, and its fibres not uniformly set, the fibres move together get entangled with one another. This process of felting increases when exposed to Warm, humid environment. So in order to stop felting in the wool, it is a dry wash, which is tedious and costly. In 2019, after the identification of the problem we set up a superwash plant that makes wool less susceptible to felting when it is washed and dried by machine. Super wash make the wool resists shrinking & felting & converts wool from dry-cleaning products to domestic /machine washable products.

Machine washable wool got us good recognition in the international market as we started servicing many international brands like Uniqlo, H&M etc. Due to this initiative we have become preferred merino wool worsted yarn suppliers globally. The process has helped us to become a preferred supplier as well as it has opened new business opportunities for us. It has initiated the exploration of new product application, cater sustainable product needs, as well as it leads to Value-added product growth.

During FY 2019-20, we produced 800MT wool and blended yarns with the help of a superwash facility at JST.

5 NATURAL CAPITAL

Protecting and Preserving Natural capital is our commitment, and we achieve it through sourcing responsibly, managing emissions/ discharges/wastes, and balanced use of natural resources.

United Nations
Sustainable
Development
Goals



STEWARDSHIP OF NATURE

Aditya Birla Textile lives by its vision of creating value through sustainable initiatives and contribute towards cleaner air, pure water, preservation of flora & fauna and enhancement of biodiversity across the sites we operate in. Every manufacturing unit works towards minimizing its environmental footprint and endeavours to be in harmony with the ecosystem.

With growing stakeholder expectations and supported by advances in technologies, our commitment to efficient use of natural capital gets strengthened and we strive to improve our environmental footprint continuously. Our policies for effective management of natural resources has been established and is supported by a list of standards and guidelines to mandate acceptable practices. We have articulated Biodiversity policy, Energy and Carbon policy, Environmental policy and Water Stewardship policy signed by the top management and circulated among all our employees. These policies enable us for proactive management of issues relating to energy, environment and climate action which forms a core component of our business strategy and drives the culture at all the manufacturing units of Aditya Birla textiles. We are also committed to reducing the environmental footprint of our operations and our products.

We also have a written Integrated management system (IMS) manual that ensures that all our operations comply with all national and international environmental laws and regulations. Our engineering team guides and ensures effective implementation of the IMS manual about biodiversity management, energy and carbon management, water management, solid and hazardous waste management, air quality management, noise management etc.

The Unit Heads of all the manufacturing facilities makes the specific effective implementation of the ABG standards. This includes procedures about energy and carbon management, water management, solid and hazardous waste management, air quality management, noise management etc.

The reports about environment management key indicators are reviewed by our top management every month to understand and support the mission.

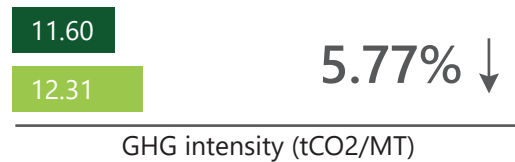
OUR GHG FOOTPRINT

The textile manufacturing value chain is the source of the highest GHG emissions, but it also has the potential to reduce global GHG emissions significantly. We are conscious of the fact that energy is the most significant contributor to greenhouse gas (GHG) emissions, accounting for more than half the total emissions. We monitor our GHG emissions closely and aim to reduce across the value chain. We are conscientious of the roadmap we have planned and therefore undertaken several energy-saving initiatives to reduce GHG emissions. Our investment decisions on projects prioritize GHG emission reduction potential. We are investing in efficient technologies and renewable energy to effect GHG emission reduction.

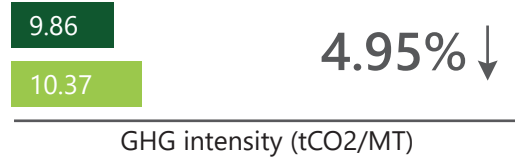
GHG EMISSION INTENSITY

The table below showcases our total GHG emission for FY 2018-19 and FY 2019-20 and its respective emission intensity for each entity.

VIKRAM WOOLLENS



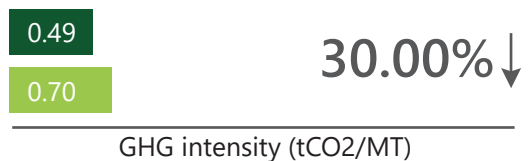
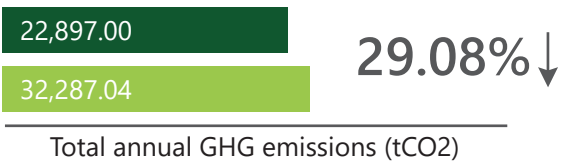
JAYASHREE TEXTILES



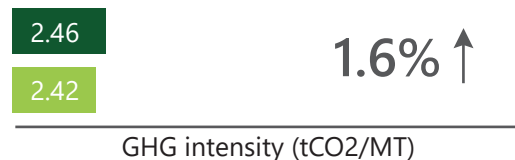
THAI ACRYLIC FIBRE



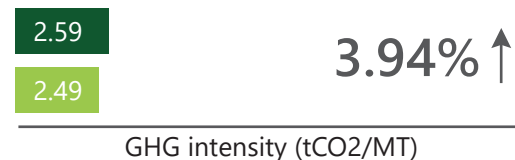
PT ELEGANT TEXTILES



PT SUNRISE BUMI TEXTILES



PT INDO-LIBERTY TEXTILES



INDO THAI SYNTHETICS



■ 2019-20 ■ 2018-19

ENERGY

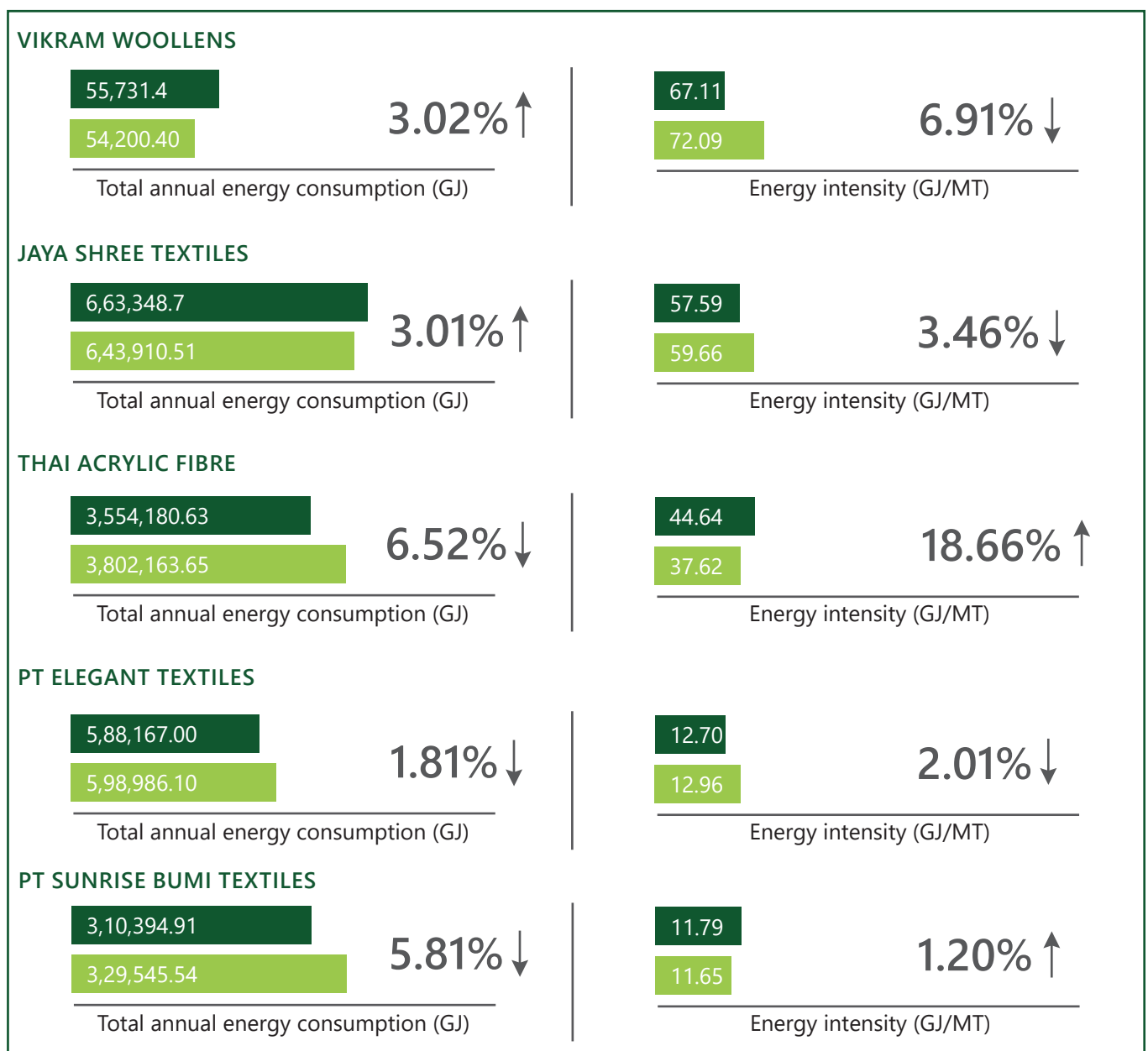
We focus on using energy resources responsibly as these are scarce and create a significant environmental footprint in extraction, processing and use. Our energy stewardship has two components viz., energy efficiency and renewable energy. Both these routes have the potential to reduce life cycle costs of energy and besides provide energy security and long-term cost assurance.

As a responsible organization, we believe in reducing the carbon footprint of our energy through efficient operations and the adoption of better technologies. To balance the growing energy demand, we invest our resources in creating safe and efficient infrastructure, equipment intended for economical use of energy and in the adoption of advanced technology. At all our manufacturing units, environmental and energy concerns are essential aspects in the planning of productions and investments.

Our well-planned roadmap guides us in improving our quality and modernizing technologies that guide us in improving our operational efficiency, the energy efficiency of the existing equipment and processes.

A dedicated team works relentlessly to identify and implement energy conservation initiatives, resource optimization and renewable energy projects at all our manufacturing sites. It also helps us reduce our dependence on fossil fuels.

Annual Energy consumption (GRI 302) and Energy Intensity



PT INDO LIBERTY TEXTILES

5,94,959.36

6,00,034.58

0.85% ↓

Total annual energy consumption (GJ)

12.50

12.02

3.99% ↑

Energy intensity (GJ/MT)

INDO THAI SYNTHETICS

2,25,819.00

2,39,476.00

5.70% ↓

Total annual energy consumption (GJ)

10.46

10.23





2.32% ↑






Energy intensity (GJ/MT)

■ 2019-20 ■ 2018-19

SUCCESS STORY

ENERGY EFFICIENCY INITIATIVES AT PTE

Initiatives	Activities	Outcome
Installation of Inverters for Air Washers 	Installed Inverters in air washers in the closed-loop.	A total of 840 kWh/day Energy Saving
Replacement of High-Efficiency chiller in M-2 Exp. Capacity-600 TR 	Replaced old High power-consuming chiller capacity 600 TR in M-2Exp.	A total of 1,200 kWh/day saving
Inverters for Suction Motors in Ring frame LR6 	Installed inverters in suction motors of LR6 Ring frames in M-3 Exp	Energy savings: saving of 343 kWh / day
Energy Efficient New Chiller of capacity 800 TR 	Replaced of old Inefficient Chiller at Mill 1 front side at PTS	Energy savings of 1.088 kWh / day

Initiatives	Activities	Outcome
<p>Auto tube cleaning in chillers in Mill 1 & 2 for power saving by maintaining the chiller condenser approach</p> 	<p>Energy-saving of 192 kWh/day</p> 	<p>192 kWh/day</p>
<p>Replacement of old/Rewound motors with Premium Efficiency IE4 Motors in RY Ring Frame mcs. (M-1) - 48 mcs</p> 		<p>Daily saving of 773 kWh/day</p>
ENERGY SAVING INITIATIVES AT ILT		
<p>Installation of Auto tube cleaning system condensor side in Unit 3 & 4</p> 	<p>Installation of Auto tube cleaning system condensor</p>	<ul style="list-style-type: none"> • Savings of 790 kWh/day • Saving of 22,815 USD
<p>Installation of Auto tube cleaning system Evaporator side Mill-Exp</p>	<p>Installation of Auto tube cleaning system evaporator side mil-Exp</p>	<ul style="list-style-type: none"> • Saving of 294 kWh/day • Saving of 8,491 USD
<p>Replacement of tubes/fitting/valve in Winding section.</p>	<p>Arresting air leakages in Winding section/carding timely through monitoring & schedule replacement of tubes/ Fitting /valve etc.</p>	<ul style="list-style-type: none"> • Saving of 44,180 USD
<p>Replacement of LED tube lights (1000 nos)</p> 	<p>Replacement of LED tube lights (1000 nos), Saving 652 kWh/day</p>	<ul style="list-style-type: none"> • Total Saving up to 31st March 2020 is 28060 kWh resulting in saving of 2,245 USD
<p>Modification in Regulated Pressure in COP sorter in Link Coner Machines to reduce the CFM from 3.5 CFM to 1 CFM at Winding section</p>	<p>Using Regulated Pressure in COP sorter in Link Coner Machines to reduce the CFM from 3.5 CFM to 1CFM, already trial taken on one Machine, Balance 94 machines to be modified</p>	<ul style="list-style-type: none"> • Energy Savings of 652 kWh/day • Saving of 7,928 USD

Adoption of Renewable Energy

We promote the development and utilization of renewable energy across all the units with the goal to, improve energy mix structure, ensure energy security, protect the environment and contribute to sustainable development. At PTE (OS), we source more than 85% of our energy requirement from renewable energy sources.

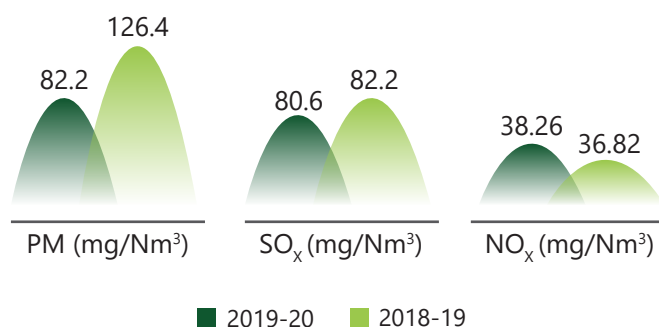
Table 2 Share of renewable energy %

	FY 2018-19	FY 2019-20
VW	NA	NA
JST	0.20	0.77
TAF	*3.52	0.03
PTE	85	85
PTS	NA	NA
ILT	0.013	0.013
ITS	NA	NA

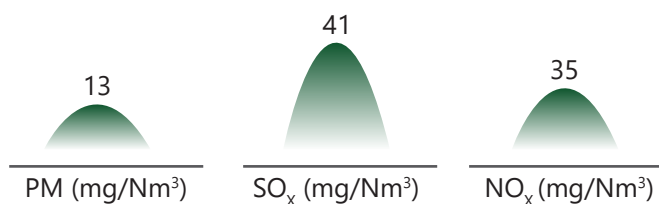
*TAF used woodchips in 2018-19

AIR OR GASEOUS EMISSIONS

VIKRAM WOOLLENS



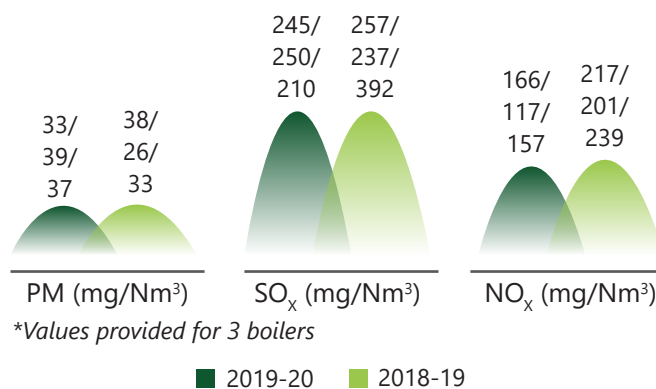
JAYASHREE TEXTILES



The overall generation in terms of Tonnage of emissions made were not recorded in FY 2018-19

■ 2019-20

THAI ACRYLIC FIBRE



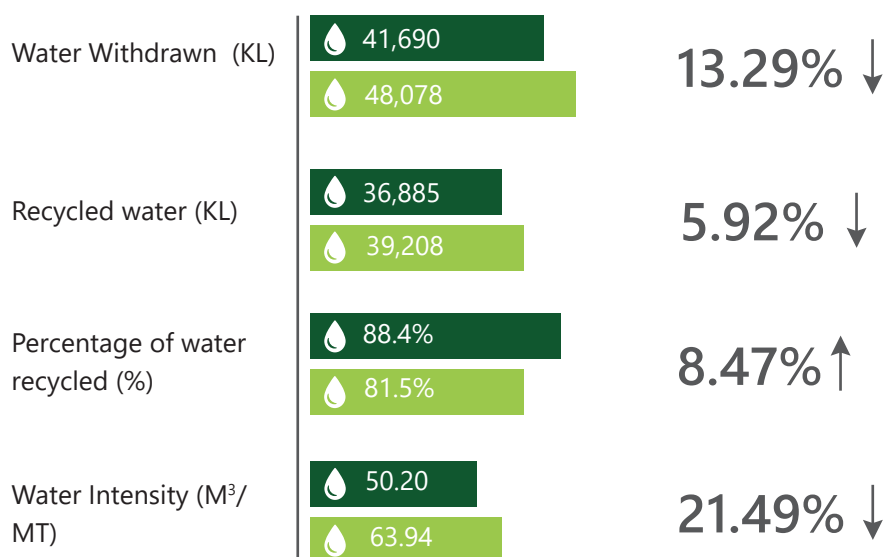
In Overseas Spinning, the emissions were reported as zero as there were no direct source of SO_x and NO_x emissions.

WATER STEWARDSHIP

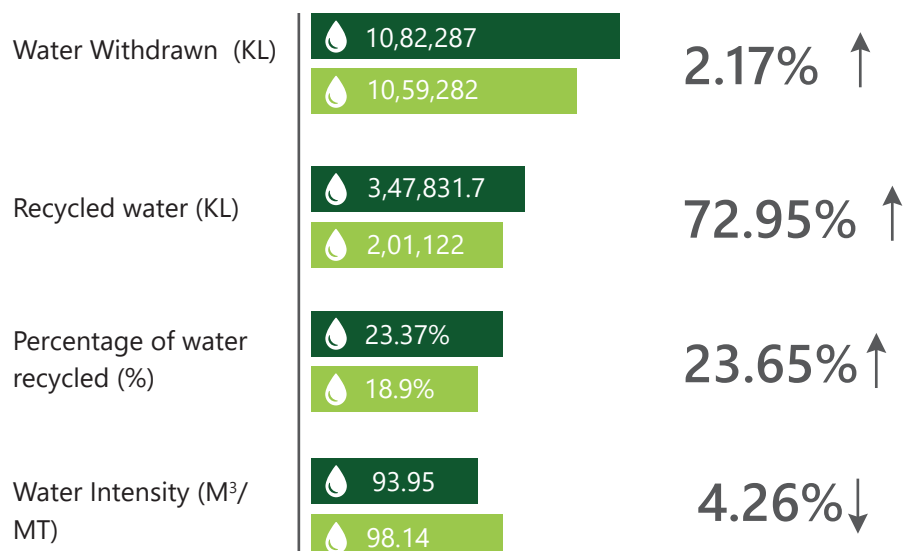
As a group, we believe water is a crucial resource and needs to be used responsibly with equitable sharing by the end-users, respecting the demands for domestic and agricultural uses. We recognize that good quality water has strong sustainability and ecosystem service value. Protecting and conserving water resources through excellent water management practices and governance systems are a priority for the Group and is integral to our commitment towards water stewardship. We focus on reducing water use, recycle-reuse wherever possible and harness water harvesting and water recharge opportunities.

We measure our water consumption, set targets, monitor, and optimize our water resources. We also assess risks, business cases and explore solutions for water risks within our manufacturing locations and proactively work toward mitigating the risks. Our performance is reviewed quarterly.

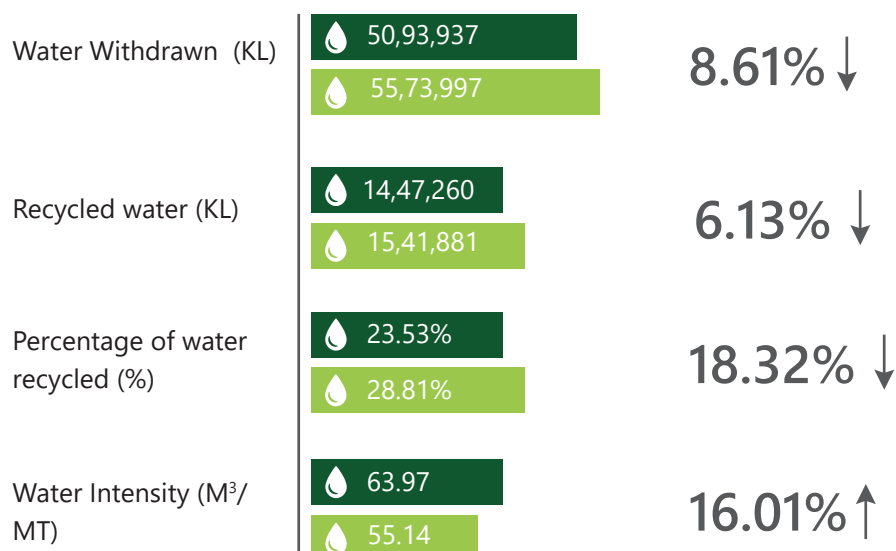
VIKRAM WOOLLENS



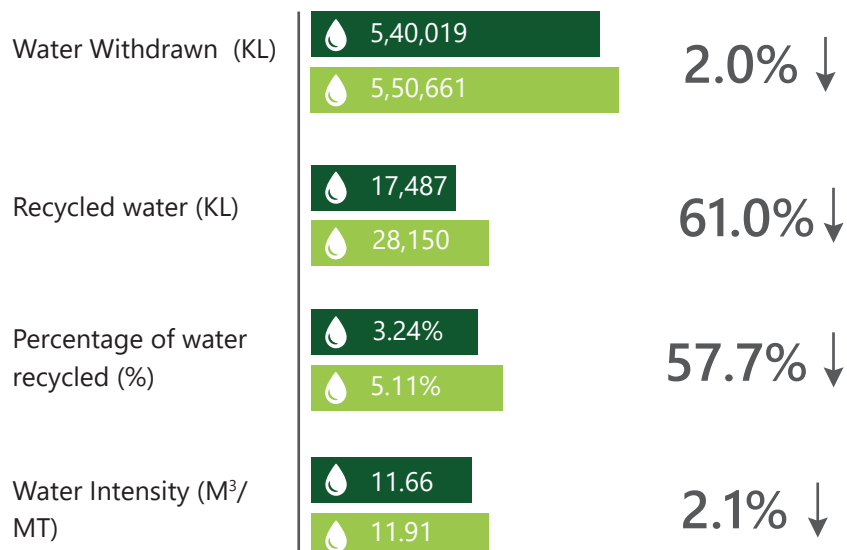
JAYA SHREE TEXTILES



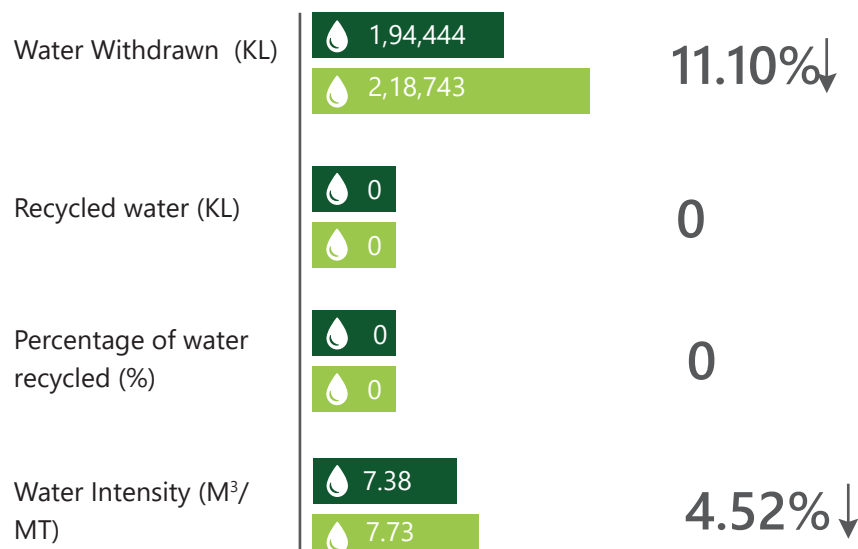
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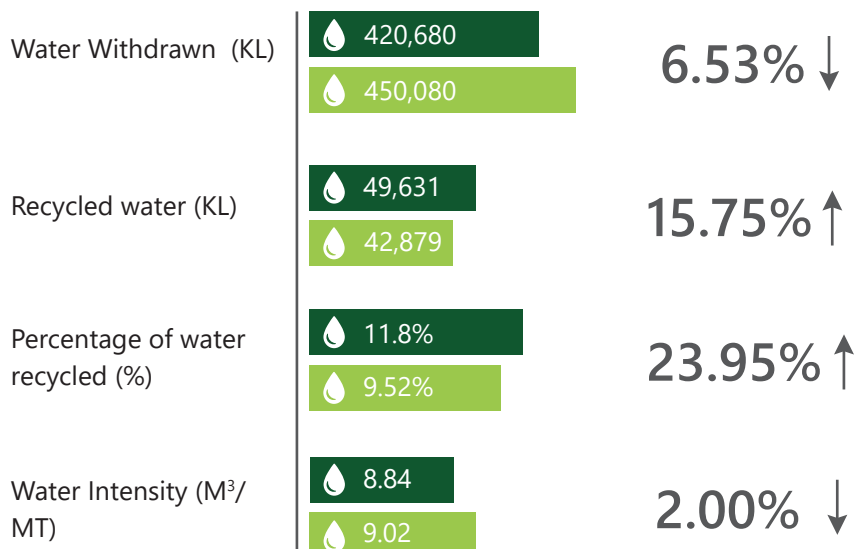
PT ELEGANT TEXTILES



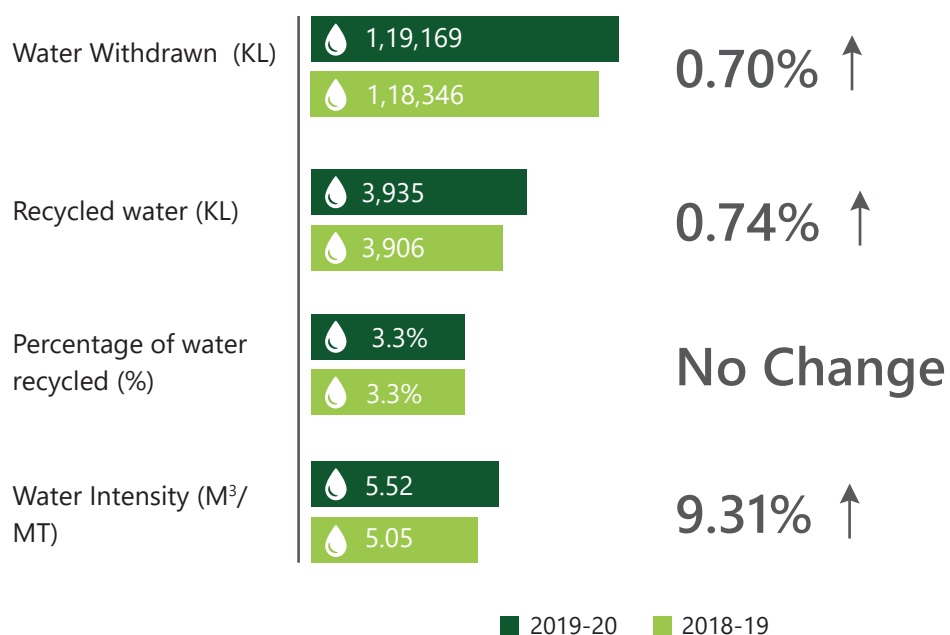
PT SUNRISE BUMI TEXTILES



PT INDO LIBERTY TEXTILES







INDO THAI SYNTHETICS



SUCCESS STORY

WATER MANAGEMENT & CONSERVATION INITIATIVES

INITIATIVES	ACTIVITIES	OUTCOME
Reduction of Cooling Tower Blow Down Water at PTE		
<p>A Step towards Zero Discharge</p> 	<p>During the FY 2019-20, we installed online conductivity monitoring & auto blow Down system for controlling conductivity & COC (Silica in CT / Silica in make-up water) of cooling tower water, which were earlier being checked manually weekly and blowdown valve was being adjusted.</p>	<p>Due to this activity, there was a reduction of CT Blow Down water by 31%. After installing at all 05 Mills – 45 -50 m³/day water saving was achieved in blowdown which resulted in a decrease of freshwater consumption.</p>
Avoiding wastage of Rainwater at PTE		
<p>Reduction in freshwater Intake from other sources by using rainwater harvesting.</p> 	<ul style="list-style-type: none"> • We placed the water tank to collect rainwater at roof of Mill-1. • Automatically operating pump installed for pumping harvested rain water to primary water tank • All Piping & fittings used in the system made by PVC material to avoid corrosion & enhance life. 	<ul style="list-style-type: none"> • Reduction in water Intake due to Water Harvesting. • Depending upon the rainfall We can save 25-50 M3 per day reduction of alternate source of water Intake
Fixing the leakages in the pipelines at PTE		
	<ul style="list-style-type: none"> • We used HDPE /PVC Pipes & Fitting for water wherever there were leakages • Underground corroded Pipelines replaced with overhead position to reduce hidden water leakage losses. 	<ul style="list-style-type: none"> • Check on water consumption not leading to use in production
Installation rain water harvesting (phase-1) 300 m³ at ILT		
	<ul style="list-style-type: none"> • We placed a water tank to collect rainwater at the roof of the canteen • Automatically operating pump installed for pumping harvested rain water to primary water tank. 	<ul style="list-style-type: none"> • Reduction in water intake due to water harvesting. • Depending upon the rainfall we are able to save 30 m³/ day reductions of alternate sources of water intake.
<p>Recycled of water in water treatment plant - phase 1</p>	<p>Phase 1 April-19 Phase 2 December-19</p>	<ul style="list-style-type: none"> • Saving 50 m³/day reduction of alternate source of water intake. • Saving 100 m³/day
<p>Replacement of old and corroded hydrant lines</p>	<p>Jan-19 Phase-1 Dec-19 Phase-2</p>	

CHEMICAL MANAGEMENT

Chemical and dyes are an integral part of the textile value chain. Some of the processes involve intensive use of chemicals during its manufacturing process. Due to the hazardous nature of some of these chemicals used, adverse impacts are possible in the work environment, water bodies receiving effluents and end-users due to residual chemicals. At Aditya Birla Textiles, we aim to deliver healthy products to our consumers with minimized environmental footprint during its production. Our chemical management forms an essential element during product design, safe operations, safe effluents disposal, & no residue in the product for use. We strategize our management of chemicals to achieve a reduction in toxicity.

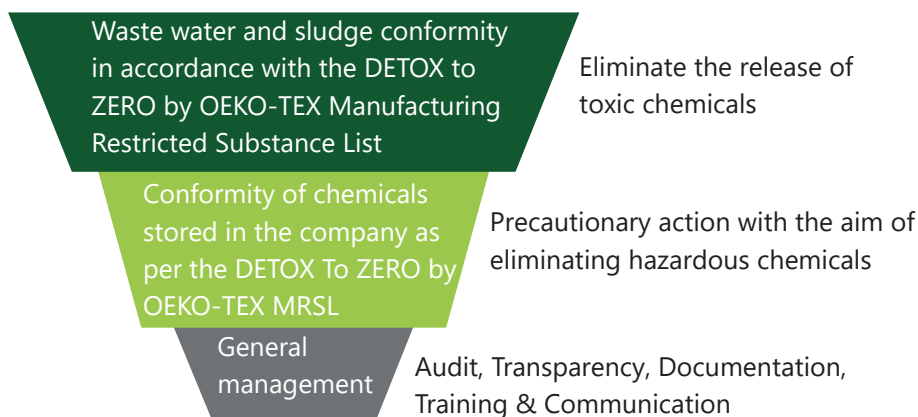
To address these challenges, we adopted Manufacturing Restricted Substances List (MRSL) of Zero Discharge of Hazardous Chemicals program as a mechanism to address and reduce the use of hazardous chemicals at the beginning of the manufacturing and production process, as opposed to at the end. We manage chemicals through our IMS, following ISO standards and REACH requirements. Any known/identified toxic, harmful and bioaccumulative chemicals and substances are avoided. We regularly train and update our employees on effective chemical management. We continuously conduct an assessment of chemical inventory and chemical management procedures at all the units and measure our compliance with international chemical legislation.

We evaluate the chemicals suppliers' compliance concerning binding certificates and as per law. A scorecard for every dyestuff and chemical used within our units has been developed and assessed against the chemical supplier and rated chemicals for compliance with the above requirements.

During the FY 2019-20, we conducted Zero Toxicity Action Plan, in which we assigned responsibility to all the units, to recreate process flow where chemicals are used and prepare its impact. We conducted training of all the employees, on Chemical related document management, Preparations of chemical safety norms, transportation and hazard tracking log and reassured ourselves on our chemical management for compliance. We conducted stage-wise inventory mapping for chemicals. We also assessed our suppliers on their uses of toxic materials. During the plan or activity, projects have been identified for cost savings in chemicals. We also did an external assessment of the chemical management system.

Zero Toxicity Plan

The textile industry's primary concern is the quantity of effluent generated and the high chemical load it contains. For the zero toxicity plan to be successful for us, we assess, audit and report on these parameters:



We also comply with product health and regulatory safety requirements in almost all countries of our exports and showcase our global good practice of product stewardship. During the reporting year, there were no significant Spillage in our operations.

EFFLUENT & WASTE MANAGEMENT

The textile industry's primary concern is the quantity of effluent generated and the high chemical load it contains. Maintaining the quality of effluents is an essential aspect of chemical management. The level of BOD/COD monitors our diligent use of chemicals in our effluents.

Quality of discharged effluent (mg/L)

	FY 2018-19		FY 2019-20	
	BOD	COD	BOD	COD
JST	2.78	53.33	25	41
VW	10.6	80	15.70	215.60
ITS	6.80	28.0	6.45	22.5
PTE	9.00	25.00	9	26
ILT	7	34.5	4.65	19.48
PTS	16.08	40.81	12.58	39.09
TAF	2	39	4	47

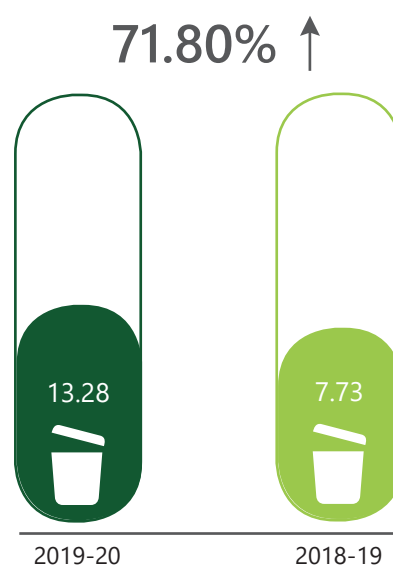
We strive to improve our material use efficiency. We adhere to our waste management policy and provide a structured approach to waste collection, handling, storage and disposal. Segregation of waste on the criteria of hazardous and non-hazardous, Recyclable and Non-Recyclable is practiced at our sites. We ensure proper disposal of waste with authorized waste handlers. Also, we set waste reduction targets at our budget conference.

QUANTITY OF HAZARDOUS WASTE (IN TONS)

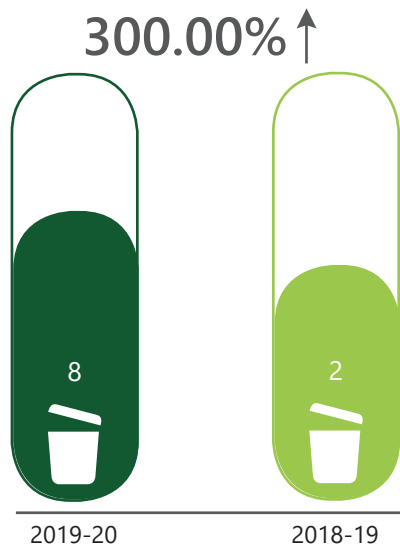
JAYA SHREE TEXTILES



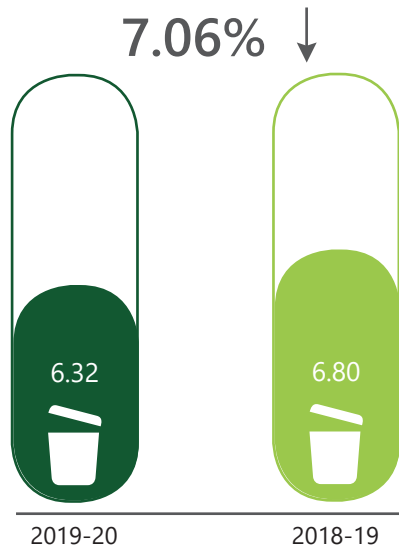
VIKRAM WOOLLENS



INDO THAI SYNTHETICS



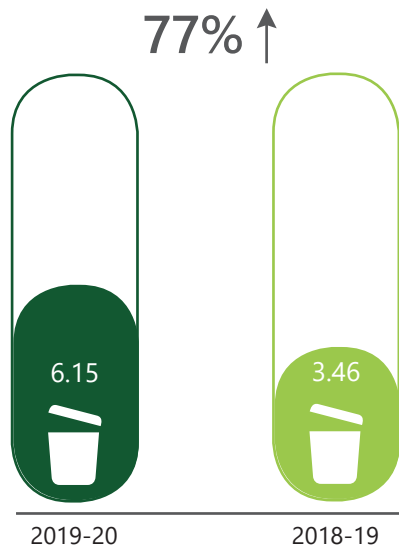
PT ELEGANT TEXTILES



PT INDO LIBERTY TEXTILES



PT SUNRISE BUMI TEXTILES



THAI ACRYLIC FIBRE



We strive to minimize the generation of hazardous and toxic waste and dispose of such waste scientifically while conforming to regulations and industry-accepted practices.

BIO DIVERSITY

In 2016-17, we had conducted an IBAT point based study where we identified the Legally Protected Areas; Internationally Recognized Areas and Priority Sites for Biodiversity that are located within 1 km, 10 km and 50 km of the location. We also indicate the potential biodiversity-related features close to the locations.

OS:

ILT

Features	Priority Sites for Biodiversity (Key Biodiversity Area)	
Within 1 km	no features	no features
Within 10 km	no features	no features
Within 50 km	Gunung Sanggabuana Triggers: endemic	2500 ha
	Muara Gembong-Tanjung Sedari Triggers: VU, migratory birds/congregations	23630 ha
	Telaga Warna-Cibulao Triggers: CR/EN, migratory birds/congregations	548 ha

PTE

Features	Priority Sites for Biodiversity (Key Biodiversity Area)	
Within 1 km	Muara Angke Triggers: VU, endemic	25 ha
Within 10 km	no features	no features
Within 50 km	Muara Gembong-Tanjung Sedari Triggers: VU, migratory birds/congregations	23,630 ha
	Pulau Rambut Triggers: UV, CR/EN, VU, migratory birds/congregations	18 ha

Features	Priority Sites for Biodiversity (Key Biodiversity Area)	
Within 1 km	Muara Angke Triggers: VU, endemic	25 ha
Within 10 km	no features	no features
Within 50 km	Gunung Pancar Triggers: CR/EN, endemic	447 ha
	Gunung Sanggabuana Triggers: endemic	2500 ha
	Muara Angke Triggers: VU, endemic	25 ha
	Muara Gembong-Tanjung Sedari Triggers: VU, migratory birds/congregations	23,630 ha
	Pulau Rambut Triggers: UV, CR/EN, VU, migratory birds/congregations	18 ha
	Telaga Warna-Cibulao Triggers: CR/EN, migratory birds/congregations	548 ha

All of our manufacturing units are located away from any biodiversity areas which can get harmed by our operations. We are strategically placed where neither water withdrawal nor any air emission has any direct impact on biodiversity.

HUMAN CAPITAL

We, at the Aditya Birla Group, take pride in the cultural diversity at all our business units spread across geographies. We seek to promote equitable economic growth and ensure more sustainable, inclusive and people-centric development with effective use of technology.

United Nations
Sustainable
Development
Goals



3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



MESSAGE FROM CHIEF HUMAN RESOURCE OFFICER

We, at the Aditya Birla Group take pride in the people-oriented approaches at all entities spread across geographies. We are guided by the broader objective of achieving group-wide employee welfare, fair remuneration, occupational health and safety, training and development, and continuous employee engagement. Our people play an integral and indispensable role in achieving the sustainability of our business and we recognize their contributions, talent, and zeal in driving our success.

Employee recruitment and retention, implementing equal pay for equal work, employee health, and safety, training and education, diversity and equal opportunity have been identified as our material issues with respect to our workforce and we are working towards ensuring a just, equitable, inclusive, and fair workplace for all. We aim to eliminate gender pay disparity across all entities and increase the presence of women in all our leadership roles going forward.

Our people are our pillars of strength and employee engagement is our driving force. We have established a robust employee evaluation mechanism and increased employee evaluation and engagement to regularly review their career development. We saw a significant increase in overall workforce productivity and satisfaction. We have designed a program for our workmen to upgrade their skills and knowledge to keep up with technological advancements and innovations.

We endeavor to continue to build our human and social capital and build a fair, safe, healthy, lively and complaint workplace where every employee's rights are respected. We deliver awards both quarterly and annually for best

employee of the year, 5S area improvement award, Diligent award, Best kaizen theme award, Best PM circle award, Best machine improvement award and many more.

KH VENKATACHALAM
Chief Human Resource Officer

FAIR, SAFE, HEALTHY, LIVELY AND **COMPLIANT** **WORKPLACE**

We endeavour to establish a fair and equal workplace for all employees. We recruit employees based on their skills and qualifications and provide them with fair remuneration and equal opportunities for career advancement, training and development. We welcome a diversified workforce and select potential employees strictly on merit. We have established a robust employee engagement mechanism and career development plans for our employees so that they can grow as the Company grows. We strive for a common goal of making the workplace a source of creativity, innovation, and self-fulfilment for all employees. We aim to establish a harmonious and lively relationship with our employees and ensure their continuing long-term development.

In addition, we are dedicated to creating safe and healthy workplaces for all employees. To protect our staff, we operate in strict compliance with our occupational health and safety policies and practices. We aim to prevent workplace lost-time incidents by establishing robust safety mechanisms and strengthening our safety management. We operate in strict compliance with local labour laws and regulations where we operate. We instil the importance of establishing a compliant workplace in our employees to prevent any mishap.

EMPLOYER OF CHOICE

At ABG, we want to be the employer of choice for our employees. We endeavor to develop our employees with relevant upskilling and training opportunities where possible, and we conduct regular performance reviews for all employees. Our action plans are strictly followed to guide continuous learning and performance improvement across all the businesses. Our customized approach to nurturing our employees based on the need has proven to be effective.

We promote diversity in the workplace and treat everyone fairly, regardless of age, gender or nationality. We recognize ourselves as an equal opportunity employer. We are committed to providing a safe and

healthy workplace for all employees and we aim to develop a strong culture of safety in our organization. We provide a wide range of benefits for all employees and operate in strict compliance with local labour laws and regulations where we operate.

EMPLOYEE ENGAGEMENT **AND** **DEVELOPMENT**

At ABG, we are dedicated to developing our employees. They undergo a diverse range of career development opportunities and training and we equip them with the relevant skills to develop their potential. In addition, as part of our employee engagement efforts, we have deployed employee engagement channels to identify their grievances and manage them in an effective and timely manner.

LEARNING AND DEVELOPMENT

We have implemented various training programs to upskill and develop our employees. At our manufacturing units, learning begins at the commencement of the employees' career. Through learning and development, we empower our employees by developing their business skills and career advancement.

We have established various structured human resource development programmes such as Quality Circle (QC) and Kaizen. Through these programs, we align our employees to develop a sense of belonging, team morale and self-management skills. In addition, we have deployed a skill matrix framework to identify the key strengths and weaknesses of employees, to nurture their strengths effectively. Through analyzing the results of this matrix, we have created a training calendar for all employees to ensure their growth. We regularly review the talent and potential of our employee base. We also identify the potential leadership talent to strengthen our leadership pipeline and stay future proofed at all times.

To embark on our employees on new trainings and diversify their learning, we have started to educate them on environmental, social and technological issues and opportunities such as Circular Economy, Scope 3 emissions, IoT, Global Warming, Artificial Intelligence, Uses of plastics and many more.

HR TRAINING MODULE: DOMESTIC TEXTILES

In FY2019-20, the following training topics were selected for management and workers at Jaya Shree Textiles:

MANAGEMENT

Risk Analysis and Decision Making

- To develop a culture of responsiveness

Leading Change – Together

- To develop the ability to challenge status quo and *thus ushering-in agility*
- To develop a collaborative culture

Managing Customer Expectations

- To shift the focus from 'Make to Stock' (MOS) to 'Make to Order' (MTO)

Dil ki Baat

- To make customer centricity a way of life

General Management Skills - JST & VW

- To develop/ hone general management skills

SA 8000:2014

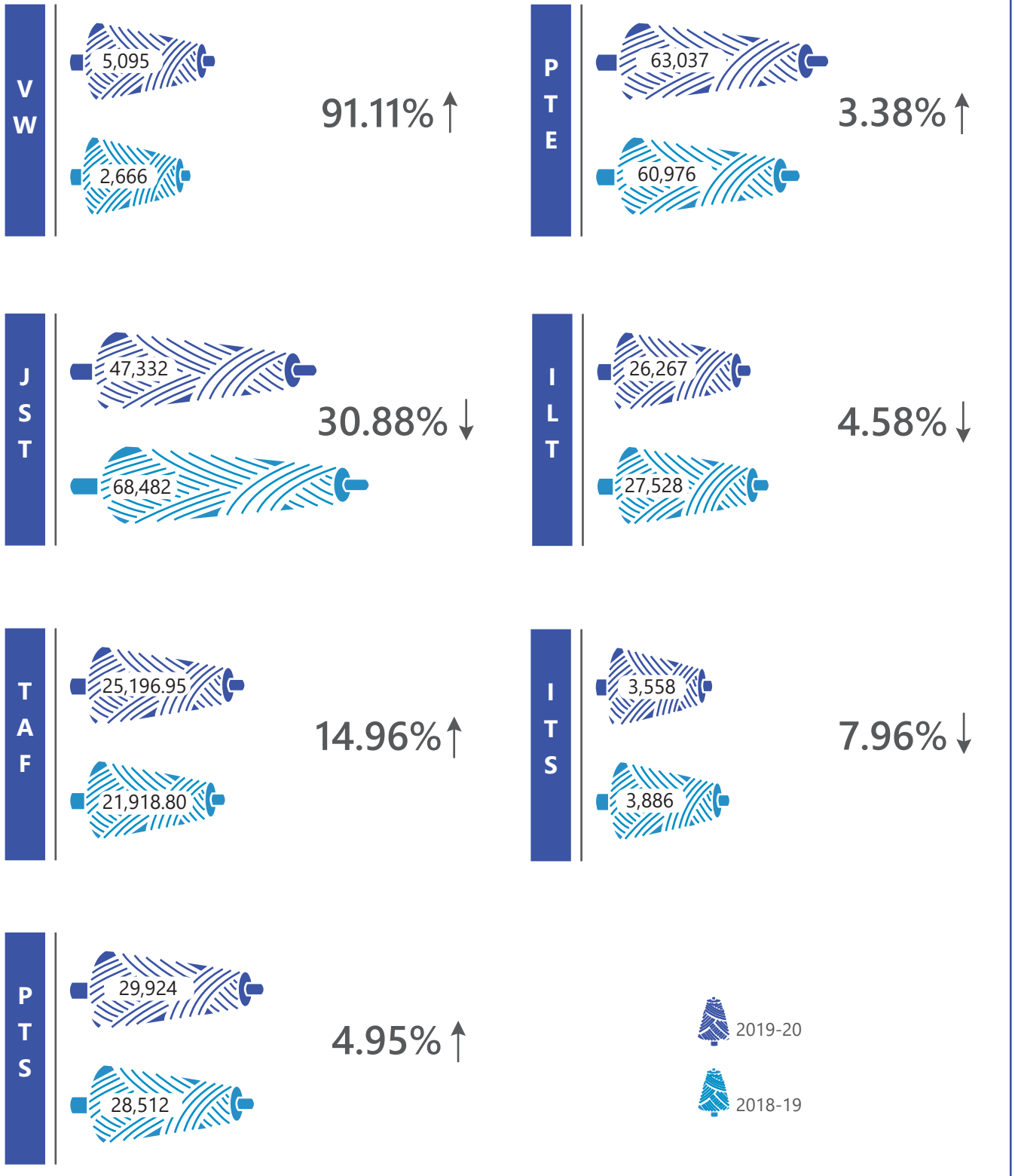
- Changes in new version, social performance team and their roles and responsibilities, social fingerprint, identification of stakeholders, risk management and risk mitigation

WORKMEN

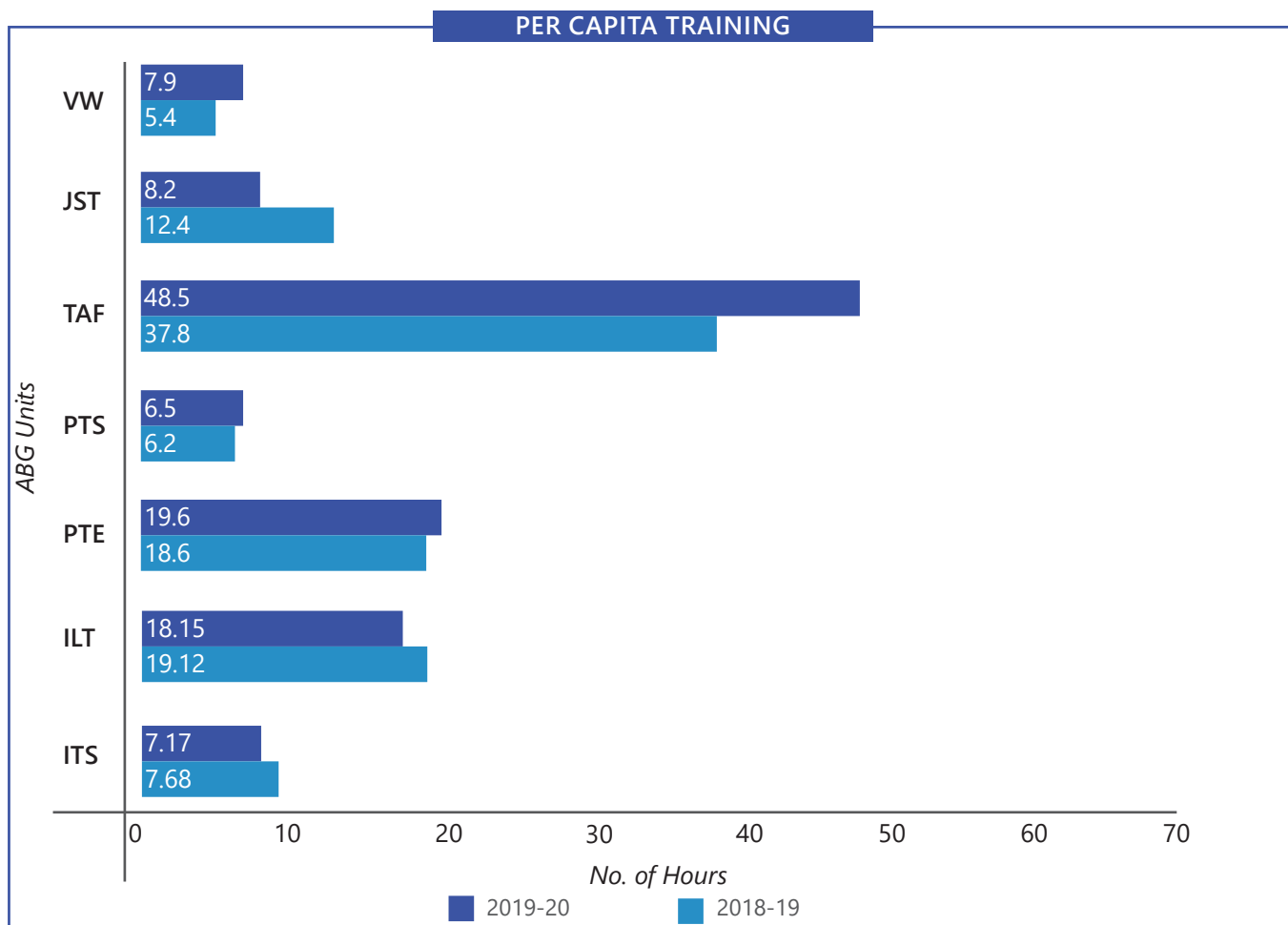
- Culture Change, Alignment & Business Awareness
- General awareness
- Self-awareness – insights and barriers
- Attitude and behavior
- Work ethics and spiritual foundation for work
- Inner conflicts, balancing – roles and goals
- Nature and types of costs in Industries
- Different cost control/mechanisms

Apart from the abovementioned training modules, we conduct regular safety training for employees, workmen and contractors. Furthermore, we conduct business excellence training, sales training, follow-up sessions and online trainings. We also provide on-the-job training and safety induction training for new employees.

TOTAL TRAINING HOURS

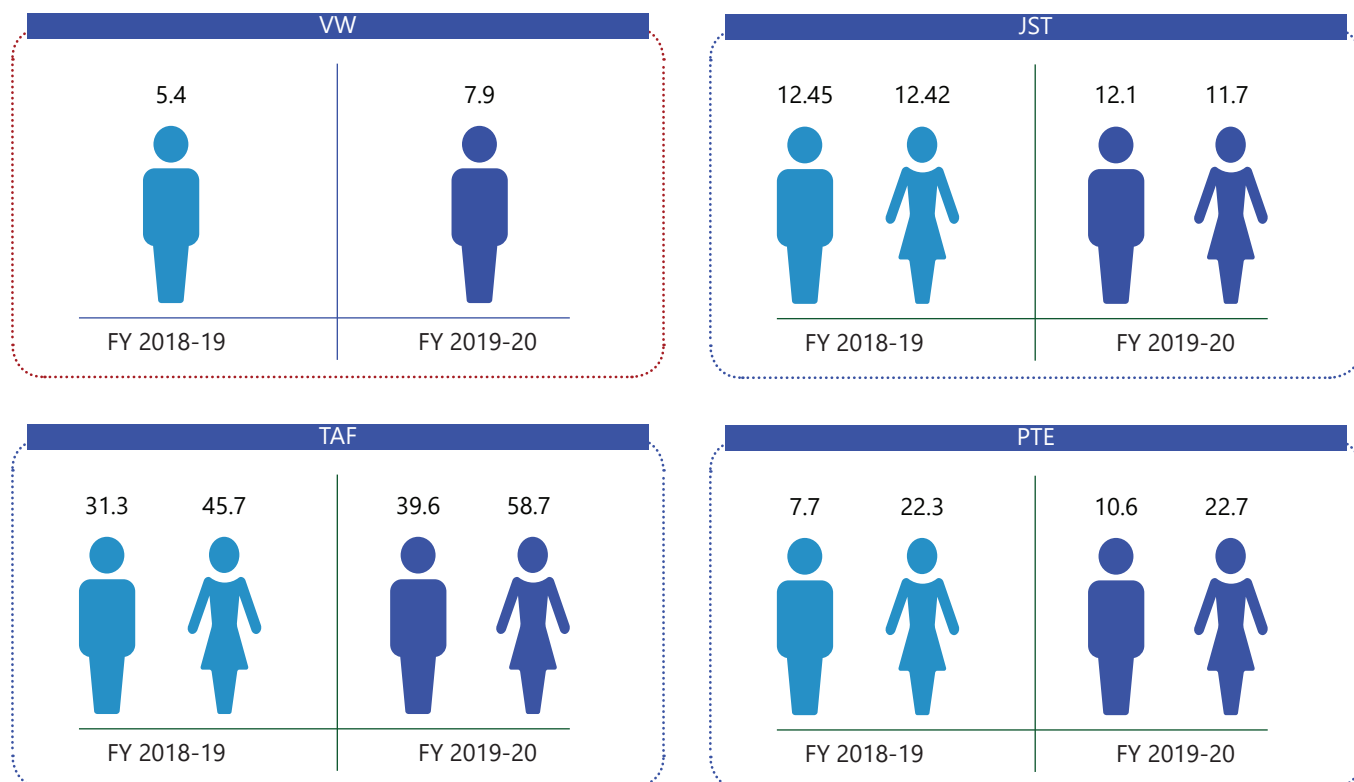


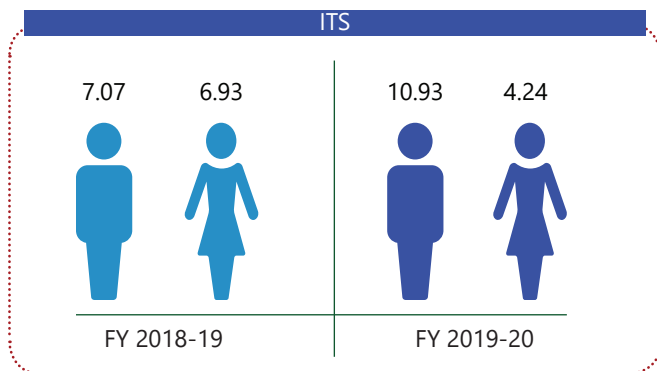
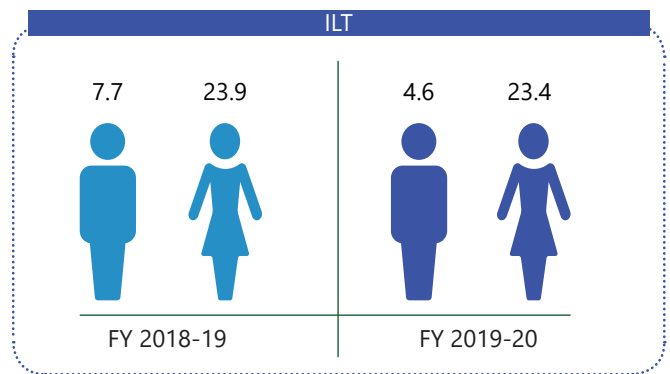
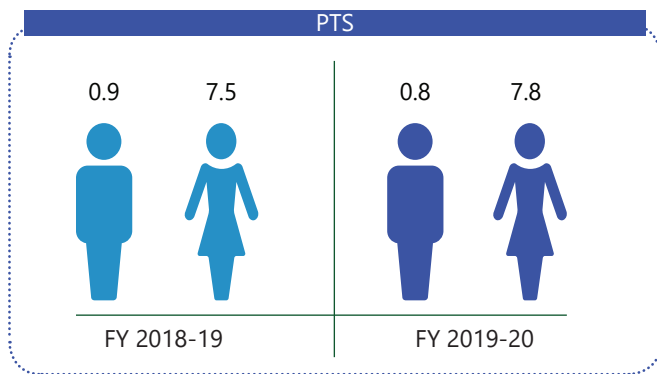
As Linen Spinning plant IV was going through optimisation post its commissioning in FY 2017-18, all the newly joined workforce were trained on different work systems & safety practices in FY2018-19. There was a reduction of 4% at ILT, 46% at ITS and 30% at JST, while rest of the unit saw increase in the total training hours. VW training hours grew by 90% while that of TAF, PTS, and PTE grew by 15%, 5% and 3% respectively.



During the FY 2019-20, PTE, PTS, TAF, VW and ILT increased there per capital training hours. TAF per capita training hours increased by 28%, while that of other units there were increase in single digit.

TRAINING HOURS PER CAPITA (BY GENDER)

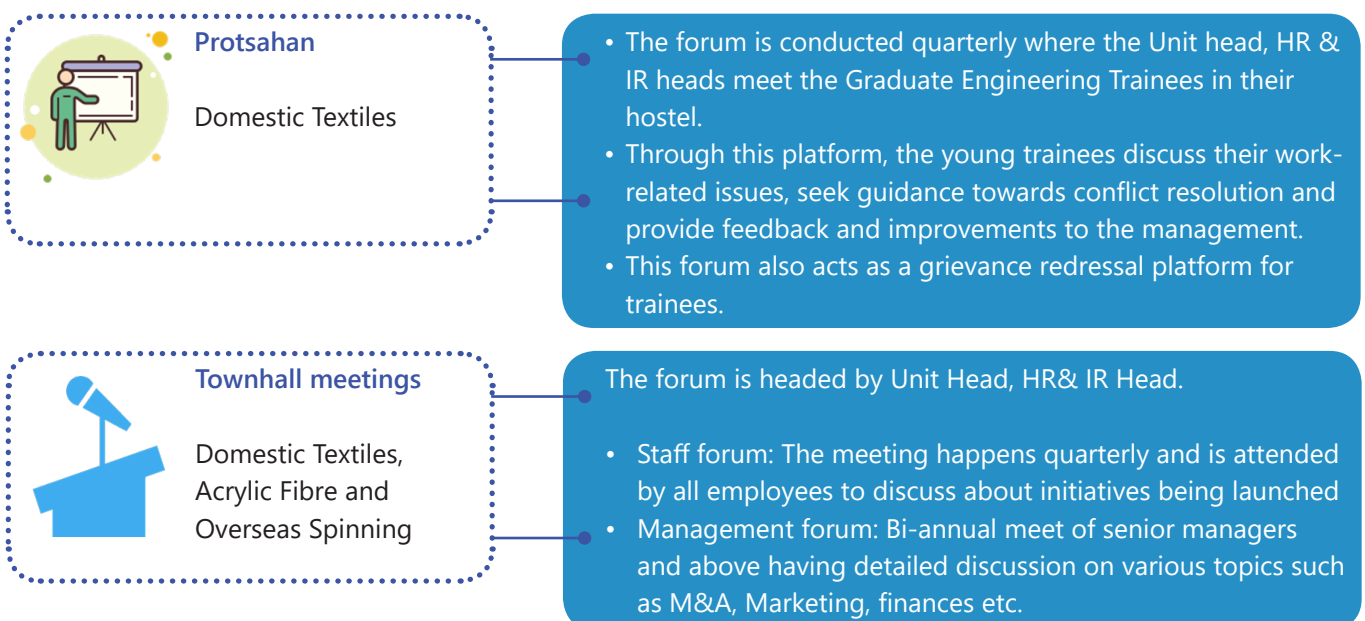


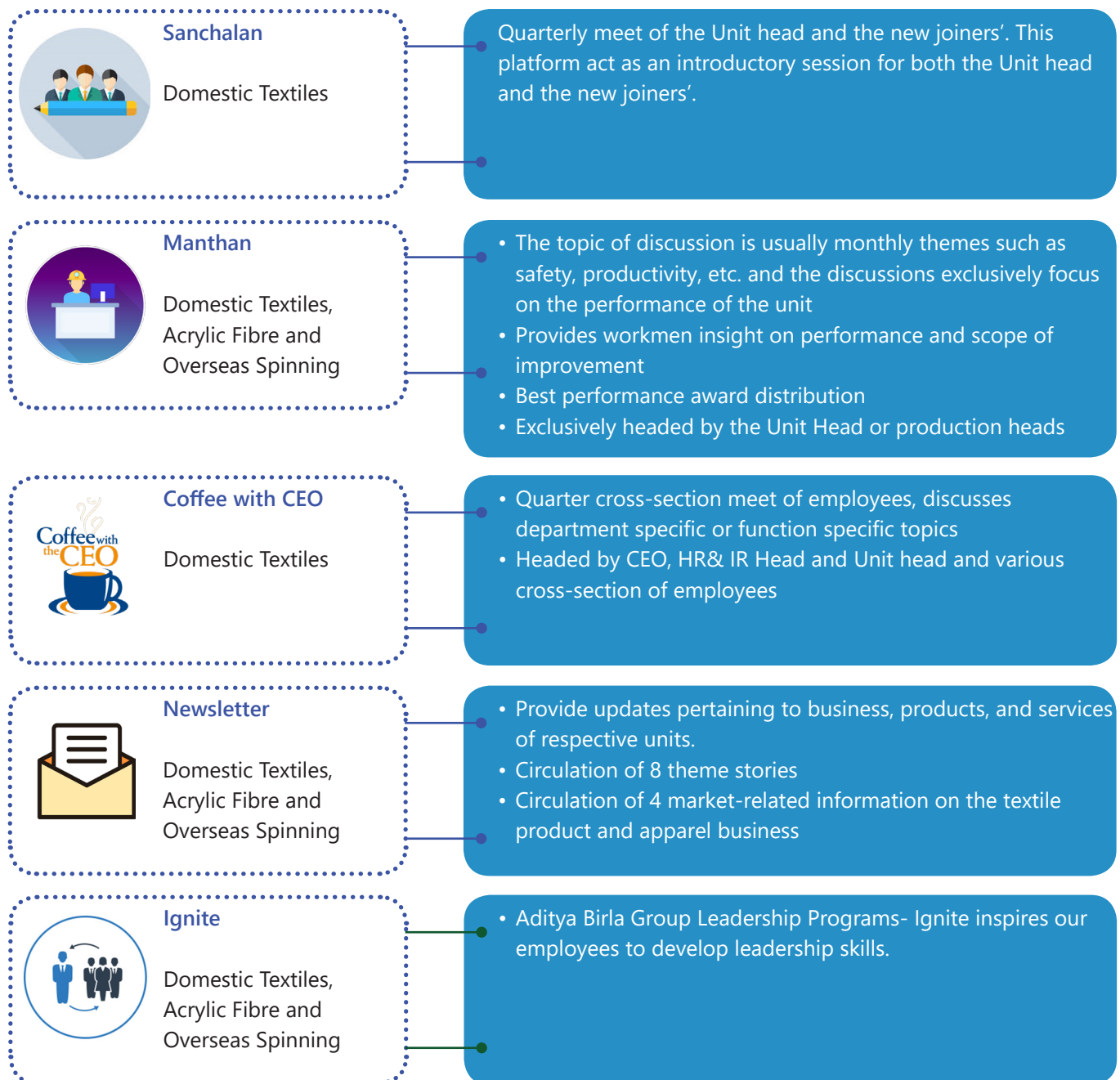


EMPLOYEE MOTIVATION AND EMPOWERMENT

We endeavour to increase our employee satisfaction, motivation and empower them to deliver performance and productivity. We reward our employees in recognition of their contributions through various means to continuously and effectively motivate them.

In addition, we have 7 formal communication forums between our senior management and employees to increase employee engagement:





We organized numerous employee engagement activities, including festival celebrations, competitions and plantation day. We also have several platforms where innovative thinking is encouraged, including internal competitions such as:



Town Hall Meeting with CEO to update information. Encourage team to ask questions of management and give their feedback. During these meetings everyone to understand the goals of the organization.



Plant visit by Ms. Rajashree Birla & Senior Executive



The program 'REPRISM' brings together entry-level and young employees, who compete with each other across businesses and showcase their innovations.



Regular meet ups by the leadership assist in building good rapport with the employees.



We help our employees, leaders and teams to build an innovation mindset focused on creating the future of work, customer experience and employee experience. We celebrate our achievement. Extra activities also provide sense of belonging to our employees.



Employee Recognition is paramount in a workplace. When employees are well recognized they feel empowered and motivated. We encourage our employees to take further steps to boost their career also we provide them opportunity to build caring human potential (Picnic for Employee & family by company), we reward our employees to further assist them in their career growth.



Cultural events provide us with the opportunity to witness our employee talents, hobbies and brings personal belonging to the organization. We celebrated Culture Night at ABY™ Day Event.



Our employees are source of live energy that brings organization a live space. Cooking competition held among employees were positively received by our employees.



Planting trees is an awesome way for your team to give back and connect with nature. We organize tree planting events in various units and it is received positively.



Meeting of production leaders at PT Indo Liberty Textiles is held almost every month. This meeting is conducted with the aim of:

1. Provide guidance on the performance of subordinates to stay in accordance with the vision and mission of the organization.
2. Remind the subordinates to always apply Standard Operational Procedures in each of the jobs he does.
3. Delivering information that is considered important in the implementation of the work.
4. Communicate the thoughts of the leader to his subordinates, so that the subordinates align and follow the leader's thoughts.



PT. Indoliberty Textiles held Fire Fighting Competition, Safety Quiz program And OHS Poster Slogan.

EMPLOYEE AND LABOUR RELATIONS

International Labour Organization (ILO) is our guiding international standard to ensure that we implement free and fair employment practices in the Group. We carry out management system audits, formal monitoring programs and grievance mechanisms to bring to our attention any deviations in our practice. Discrimination on any grounds of race, nationality, gender, religion, political opinion and social origin is a BIG no-no. We are also strictly against the use of forced and child labor. Regular monitoring measures have been developed to prevent such transgressions. We also perform a rigorous process of due diligence as per supplier's code of conduct before engaging suppliers to ensure a sustainable and ethical supply chain.

At all our units there are labor unions and we continuously engage with them and respect their rights. The labor unions at some of our sites have been positively contributing to improving safe and healthy working conditions.

In FY2019-20, there were no reported cases of discrimination, child labor and forced labor. We ensure that multiple benefits are provided to our full-time employees for their welfare. Apart from the benefits that are required by law, we also provide life insurance, healthcare, medical insurance, transportation services and housing. We ensure equal remuneration to male and female employees based on their experience and qualification. We also have robust procedures to identify instances of non-compliance with labor laws.

We have a grievance redressal box available to all employees to inform the management of their grievances. The resolution process would involve all parties in a formal forum to come to a collective decision. We are happy to report that there have been no grievances reported in FY2019-20.

EMPLOYEE WELFARE

All of our employees enjoy a variety of benefits to promote work-life harmony. We believe that employee well-being is of utmost importance and we go above and beyond the local labour requirements to ensure their welfare.

We provide life and disability insurance, healthcare,

26 weeks of parental leave, transportation, extra paid holidays and housing where necessary to our permanent employees.



Cancer Cervix Training on prevention of cervical cancer



ABY™ Day activities are: Sport Competition, We organize sports day to keep employees involved and bring the energy into the organization

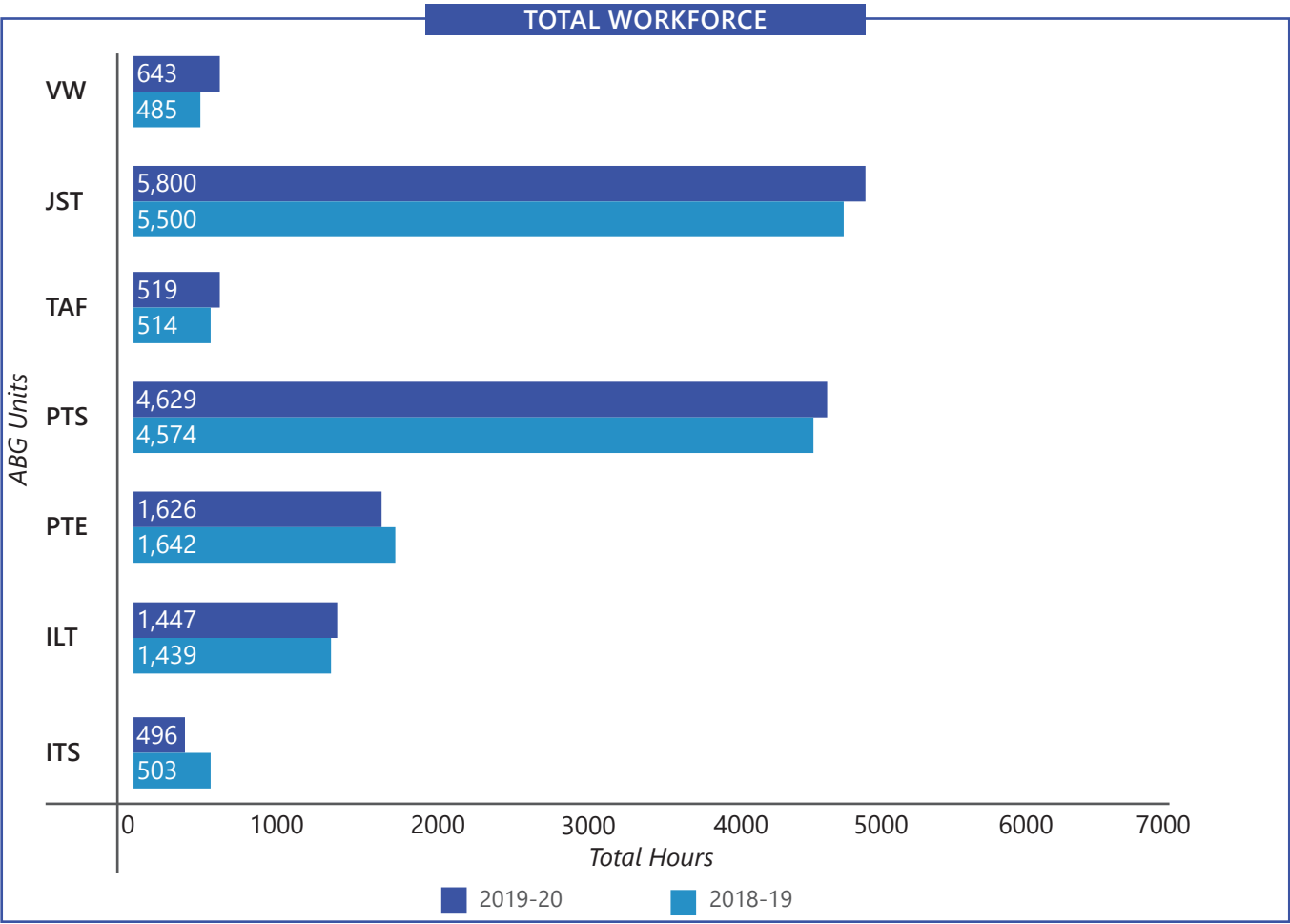


The Inter Unit Sport Competition held in PT Indo Liberty Textiles. The participations is All Management Cadre and All Staff. Sports competed are single / double Badminton, Volley Ball, single / double Tennis Table and Futsal for Men and Women.

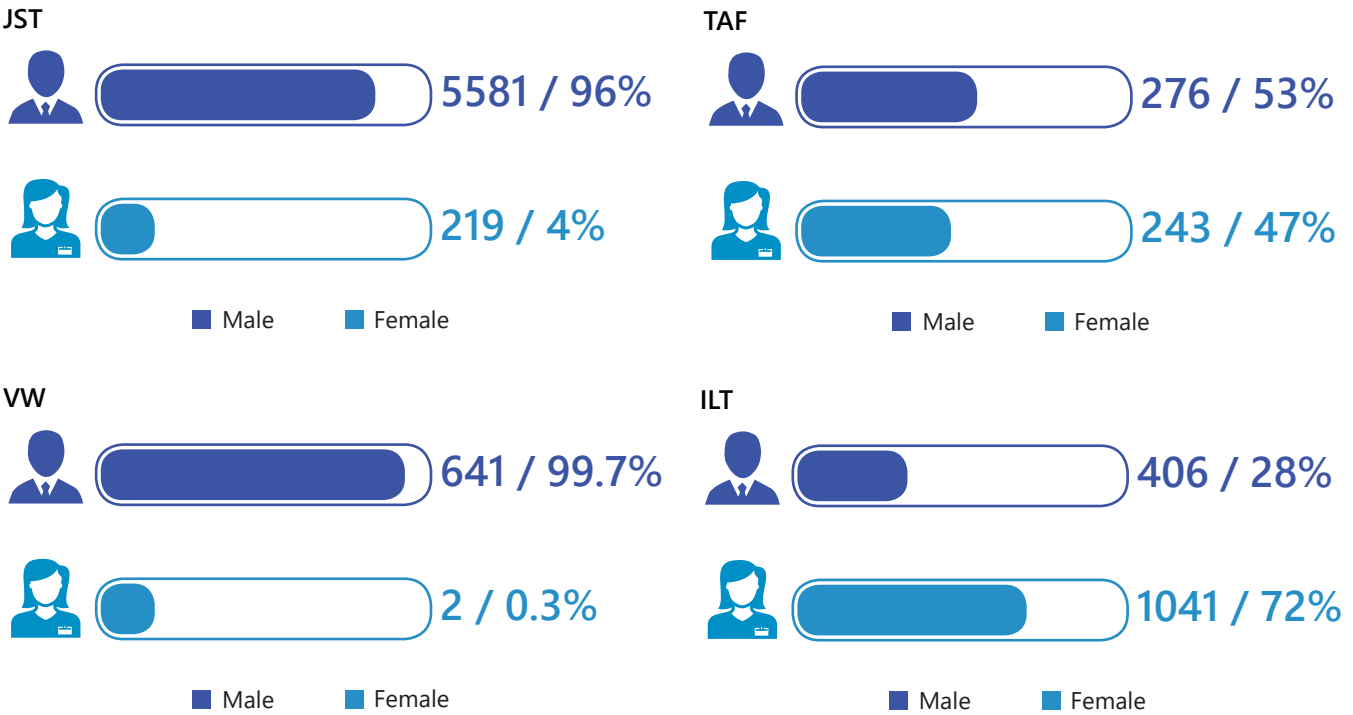


To commemorate World AIDS Day (December 1st), PT Indoliberty Textiles Conduct the HIV and AIDS Training for Employees, both at the Management Cadre level, Staff or Representatives of Operators.

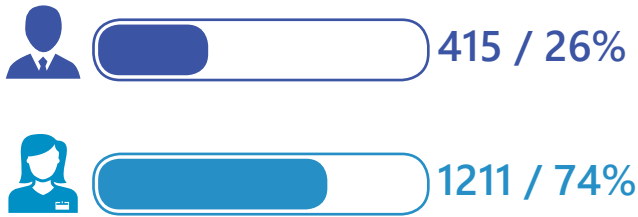
Diversity and Equality



TOTAL WORKFORCE BY GENDER FY 2019-20

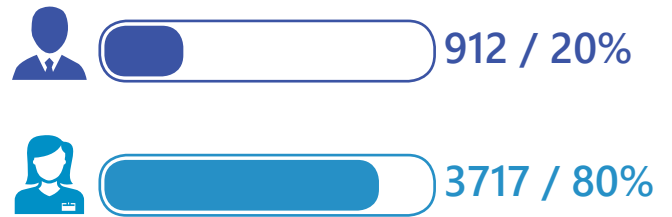


PTE



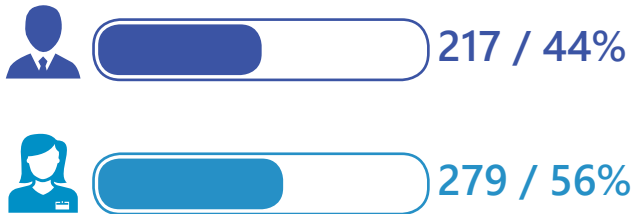
■ Male ■ Female

PTS



■ Male ■ Female

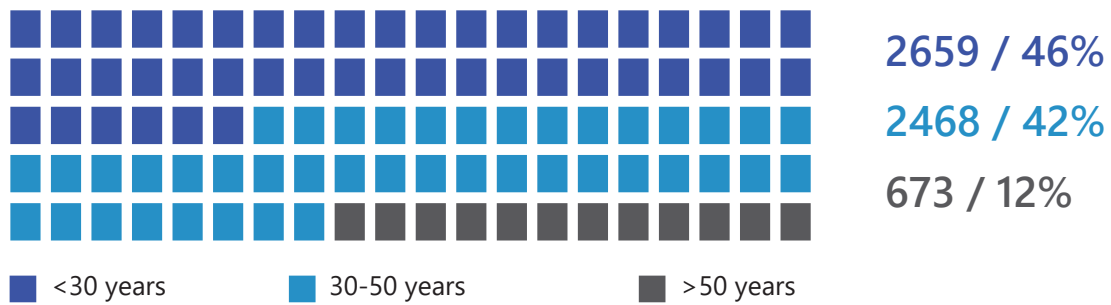
ITS



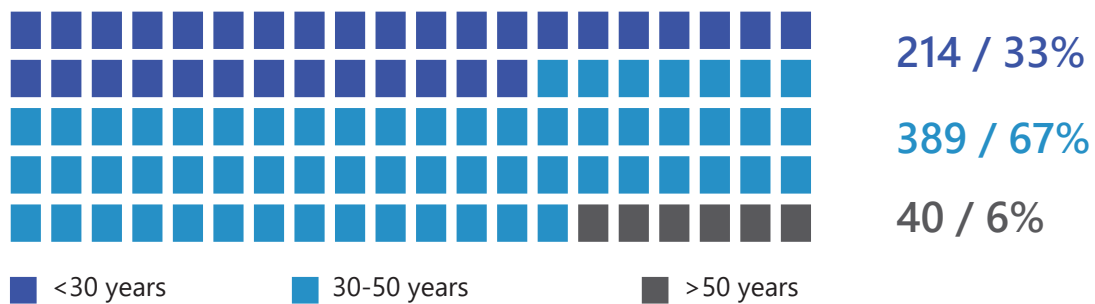
■ Male ■ Female

WORKFORCE BY AGE GROUP FY 2019-20

JST



VW



TAF



105 / 20%

332 / 63%

82 / 17%

■ <30 years ■ 30-50 years ■ >50 years

ILT



863 / 60%

554 / 38%

30 / 2%

■ <30 years ■ 30-50 years ■ >50 years

PTE



843 / 52%

735 / 45%

48 / 3%

■ <30 years ■ 30-50 years ■ >50 years

PTS



1450 / 31%

2759 / 60%

420 / 9%

■ <30 years ■ 30-50 years ■ >50 years

ITS



120 / 24%

255 / 52%

121 / 24%

■ <30 years ■ 30-50 years ■ >50 years

HEALTH AND SAFETY

In order to ensure proper implementation of health and safety measures, we have set up Health, Safety and Environmental (“HSE”) committees at all entities to monitor and advise on occupational health and safety programs.



Safety training, rehearsal and planning of evacuation and managing crisis



Proper documentation is crucial to identify and assess hazards and unsafe working conditions. We provide trainings to identify, document and assess our unsafe conditions and unsafe acts.



Safety department personnel providing guidance to their team members and other employees on dealing with any safety issues.

HSE COMMITTEE

There are 2 HSE committees at every entity, namely the Central Safety Committee and Departmental Safety Committee. The Central Safety Committee comprises 100% of the management to oversee the safety performance of the whole entity, while the Departmental Safety Committee comprises both management and non-management staff to ensure that there is adequate representation from all departments.

SUCCESS STORY

SAFETY IS ALWAYS A PRIORITY FOR ABG

During the FY 2019-20, our focus was solely on reducing the number of injuries, for which JST prepared the Safety Manual. We also launched a Safety Incentive scheme started for contractual workers to motivate them towards safety. We extensively covered tool box talks at different JST departments & project areas for hazard communication & to motivate employees towards safety. We also organized tool box talks at a mass level. We also formed contractual safety rules and linked to Progressive Consequence Management. We provided safety training on:

- Contractor safety training meeting conducted on contractor safety rules, Revised Consequence Management and Scope of Improvement with respect to safety
- Fire & Safety Training, TBT is being conducted at different department regular basis
- Safety patrolling is done on regular basis & observations are communicated to the concerned department & contractor for their rectification.



Fireproofing training program for Contractor & their workmen



Mass Tool-Box Talk at Linen Spining-2

Our focus on Safety has significantly increased, at our Vikram wollens sites, we conducted awareness session for all staff by DT sustainability Head and workmen by operation Head in all shifts in which Poka-Yoke (mistake proofing system) was created on both machines. In order to check the preparedness, we initiated weekly surprise visit of one management staff in the Night shift. We also have begun certified course on BBS (Behavior Based Safety) which was arranged for 28 influencers/core members of the unit. Contractor Safety Rules formed & linked to Progressive Consequence Management. We regularly conduct mock drills and other things in order to minimize our injury rate.

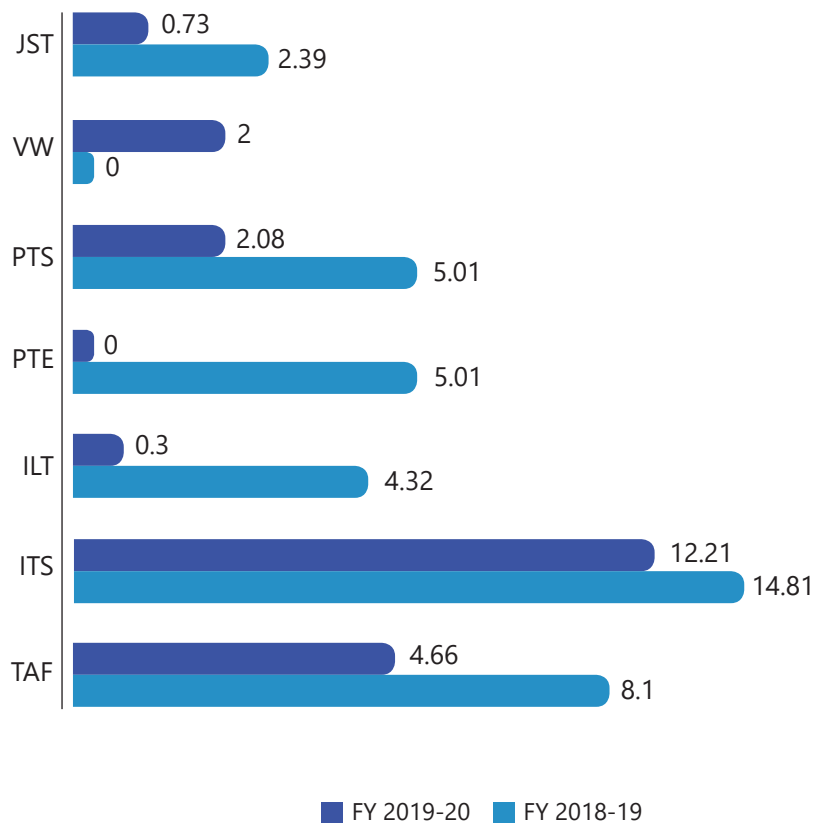
During the year, we undertook much Safety patrolling on a regular basis & its observations are recorded and communicated to the concerned department & contractor for their rectification.

We conducted various Contractor safety training meeting conducted on contractor safety rules, revised Consequence Management and Scope of improvement.



We believe in Safety first approach. All the employees are encouraged to prioritise Safety as part of their every day job & responsibility. "Safety person award" honours employees who have shown leadership in every action & simultaneously helped in imbining safety culture at their workplace.

LOST TIME INJURY FREQUENCY RATE (LTIFR)

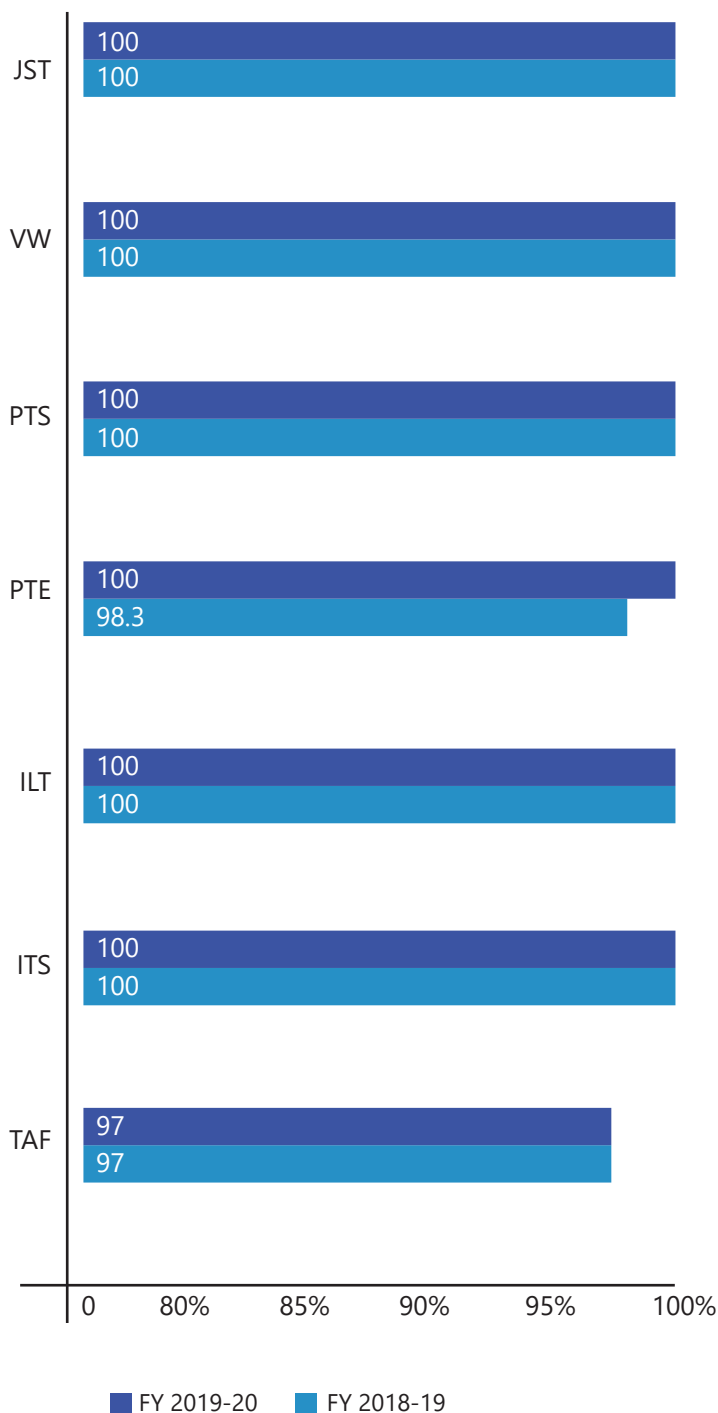


HUMAN RIGHTS

We at Aditya Birla Group recognize the valuable role that business can play in the longer-term protection of human rights. We are committed to respecting the human rights of our workforce, communities and those affected by our operations irrespective of location (including our contractors and suppliers) in line with internationally recognized frameworks including the Social Accountability 8000 International Standard and its associated international instruments. Our commitment entails respecting human rights and seeking to avoid involvement in human rights abuses, identifying, assessing and minimizing potential adverse impacts through due diligence and management of issues, and resolving grievances from affected stakeholders effectively.

WASH PLEDGE SCORE

WASH Pledge commits to ensure appropriate access to safe water, sanitation and hygiene for all employees on all premises. The pledge supports the implementation of the United Nations’ Sustainable Development Goal – 6, ‘Ensure access to water and sanitation for all’.



HEALTH AND SAFETY IN COVID-19 TIMES



In FY2019-20, the COVID-19 outbreak resulted in a global pandemic which had an unprecedented impact worldwide. During these unsettling times, we stay committed to prioritizing the health and safety of our employees, workmen their family members and the complete eco system with which we operate including our vendors, customers, contractors.

OUR STRATEGIC WAY FORWARD IS PROVIDED BELOW:

PRE-LOCKDOWN

Pre-planning

- Adequate safety measures
- Employee Communication and Training
- Perform risk assessment
- Self-declaration prior to resuming work
- Quarantine and Occupational Health Centre ("OHC") facility to facilitate employees' and workers' access to medical and healthcare service
- Set up an Executive Committee to monitor COVID-19 updates and ensure that operations are in compliance with safety protocols on a daily basis

DURING LOCKDOWN

SOP

- Flexible working arrangements to allow work from home
- Adequate provision of essential items such as masks
- Disinfection / Sanitization
- Released advisories to all employees on regular frequency
- Standard Operating Procedure (S.O.P) for Resumption of Operations post lifting of COVID-19 Lock Down

POST-LOCKDOWN

Safety measures

- Entry/exit measures (social distancing, daily temperature screening, health declaration, etc.)
- Regular disinfection at the premises



COVID 19 precautionary measures undertaken as per SOP developed by the team, continuous monitoring and keeping vigil has paid us to restart our operation without glitch

In recognition of our efforts to combat COVID-19, Vikram Woollens at Malanpur received a surprise visit from the local officials who appreciated our social distancing and self-declaration practices. In addition, 18 employees were awarded for their security and housekeeping services during the COVID-19 lockdown.

INNOVATION

At ABG Textiles, we explore alternate approaches towards product, process and technology to achieve our innovation targets. We continuously encourage our employees to come up with improvement ideas with respect to operational procedures and product quality. We also have formal communication forums between our senior management and employees to deliberate on improvement ideas. Such ideas are evaluated, pursued and rewarded in a transparent manner.

INTELLECTUAL CAPITAL

*Our intellectual capital supports
our ambition to grow sustainably,
seek new opportunities, reduce the
complexity of operations, and build
innovative product portfolios.*

United Nations
Sustainable
Development
Goals





MESSAGE FROM CHIEF INFORMATION OFFICER

Increasing capabilities of digital technologies and their extensive application possibilities make it imperative for every business to digitalize the business to improve competitiveness and future viability. We at Aditya Birla Textile group are introducing digital means across our businesses in a phased manner. We are initially, focusing on key four areas - communication and collaboration with the partner/customer, automating production to improve quality, digitizing product development process and utilizing data analytics to improve response to the market.

We are digitalizing and simplifying our business processes to improve efficiency and agility. We are leveraging Radio - frequency Identification (RFID), Wireless & IoT Technologies to strengthen the planning and optimization of our supply chain also to provide a real-time update on production status. With data analytics, we are improving our forecasting which significantly helps in keeping up with the latest trends and client demands. We are also inching towards the automation of equipment and utilizing data to predict maintenance, quality and various other parameters. While adapting to these transformations we continuously monitor and review the changes occurring during the implementation. Our vision is to implement a coherent and comprehensive strategy for Smart Manufacturing across all the units and the value chain.

We also have a strong information security network in place, ensuring the confidentiality of data, also to protect the Information Systems infrastructure from malicious attackers. Our data centers are certified with

ISO27001, and we are also in process of getting our IT infrastructure to be GDPR compliant.

We are very excited about our initiatives to prepare our employees and the workforce for the digital driven business. Our program "Seekhne ka Keeda" has been very popular among our employees. It makes our employees digital ready and assist them in learning and development.

Moving ahead our focus is to develop the capability for traceability at both supplier and customer levels. We envision to be future-ready and moving ahead fast enough to stay ahead.

SAUGATA BASU
Chief Information officer

DIGITAL TRANSFORMATION AND AUTOMATION

We are focusing around five areas as per digital perspective, as we are slowly transforming from make to the stock business model (manufacturing to capacity) to make to order (customer demand-driven model). This perspective is the important factor that is driving us towards the adoption of digital technologies and its advancement.

- **Customer Partner Collaboration:** Digital technologies are deployed for providing real-time information to our customers by enabling real-time tracking of movement of our raw material and finished goods (including road, container). It helps us in meeting customer expectations and assisting in better planning for customers. Building a digital platform across the supply chain, enables us to provide information to the customer on the status of the order in the supply chain (real-time information/tracing/alert). We have implemented the process at Domestic textiles and Overseas spinning business and are planning to extend to Acrylic fibre.

- **Manufacturing / Operational Processes: Deployment of digital technologies enables us to do predictive maintenance.** Monitoring and processing manufacturing data, operating parameters, product quality is used to predict potential failures/breakdown. Accordingly, plant maintenance schedules are drawn and implemented. This initiative has improved and has the potential to improve efficiency, quality, and downtime. This focus area looks into predictability for better asset management, better uptime, product quality, reduction of waste and cost.

- **Power Saving through Digitization:** We are digitalizing to improve energy efficiency through technologies that gather and analyse (power consumption of equipment) data to effect changes to energy consumption and optimization.

- **Product development process:** We have digital samples replacing the physical samples at design meetings. We are transforming the complete process into a digital showcasing of samples. We have also conducted digital trade shows. This resulted in reduced costs as well as agility in customer management. We will add to the customer experience in the near future.

customers can experience the product and can process the order with us with the contact details mentioned. It makes the customer interaction fast, agile, much more iterative.

- **Data analytics:** Our internal analytics team use big data and related techniques to forecast product prices, manage inventory, track raw material price movement, customer segmentation and sales forecast.

Video Analytics (Veda platform): We have implemented across all the entities our video analytics which helps in safety and security. Video analytics are being extended to Linen Club Stores, to manage customer expectations. During the Covid times, we are using video analytics for managing safe distancing at workplaces and stores.

2.1 DIGITAL AWARENESS

We had conducted a digital assessment survey of our business to assess our capacity and preparedness for digital transformation. To address the gaps identified in the survey, we have planned for increasing digital learning across the organization. We are trying to reach to employees and impress on what value it brings to them and encourage them to use more data.



Making our products available on the platform where

SUCCESS STORY

ESTABLISHING LIVE LEARNING SESSIONS: SEEKHNE KA KEEDA

We believe a learning organization and its people will make us innovative, resilient, and future-ready. With digital innovation, global connectivity, and the constant need for upskilling and reskilling, we have been developing new frontiers for learning. Seekhne Ka KEEDA series was conceived and launched on April 5th, 2020 for augmenting managerial capability of DT Staff during the lockdown. We seek ways to make the most of the wealth of knowledge, expertise and skills from within our workforce.

We precisely identified Subject Matter Experts within the business, prepared schedule and started deliberations on probable topics that may be interest of employees. Topics ranged from our value chain, enabling technologies, finance etc. Some of the topics were "Retail Levers – Behind the Scene", "Analysis of Financial Ratios", "Global SCM – Post COVID 19", "Digital Mindset and Culture", "Equity Investment" etc. Thus, we tried to cover not only themes related to the work we are engaged-in currently but also developing a sense of imminent changes and wealth creation!

The sessions are held on Thursdays between 12 noon to 1 pm followed by Q&A. On an average attendance of 125 was recorded. Employees were extremely interested in what they'd learned from these sessions. We have planned Series 2, which is now in progress wherein we have focused on topics which are driven by popular demand of the employees. Hence, it is a situation akin to 'demand pull'.

This initiative has turned-out to be one of the most popular learning and engagement interventions in the last six months.

2.2 INFORMATION SECURITY AND CUSTOMER PRIVACY

Our Information Security System is efficient in safeguarding the data and the user identity. Our systems and processes are well defined as per the Aditya Birla Group guidelines which also prevent the unauthorized access of data. We put security controls in place to limit who can access the information.

Framework for Privacy, Protection and Security

Ensuring Information Security and Customer Privacy



Privacy

1. Using and disclosing personal information in authorised manner
2. Educate users on continuous basis through E-learning course and regular cautious emails



Data Protection

1. User based access of information and transaction of data
2. Authorized access
3. Authorised due approval.
4. Individual users and Data security- Our team work with ABG level security center SOC 2.0 where we monitor those attacks and try to prevent on proactive mode and take corrective actions.



Data Security

1. SAP as a data storage primary application hosted at group data center, managed internally by Aditya Birla team, It adheres to all the data guidelines of ABG and certified by external authority
2. We have necessary approval process in place to ensure privacy and security
3. Product information- We have done annomization of the key recipe, and ensured these are not known to all the users but to the selected few who have rights to information.

SUSTAINABILITY WITH DIGITAL INNOVATIONS

We explore the opportunities of digitization that can assist in driving sustainability and achieve our target 2025. We ensure upgrading our technology infrastructure to have a lower social, economic and environmental impact. We leverage the power of technology to improve our performance and contribute to the United Nations Sustainable Development Goals.

We have deployed Enablon - Sustainability, EH&S and Operational Risk Management Software. It has been primarily deployed for

- Managing operational risks
- Ensuring compliance
- Improving sustainability performance
- Stakeholder Engagement

We are analyzing regulations of GDPR, and PCRA and their applicability to our business. We are preparing for ISO 27001 and conducted the VAPT (Vulnerable assessment and penetration technique).

ALLIANCE WITH ENABLON



Enablon helps us manage safety and environmental performance, ensure compliance, minimize risks and improve profitability. Its module and application assist in risk management, performance improvement KPIs, action plans, gap assessment and assist in managing regulatory compliance.



MESSAGE FROM HEAD VALUE CREATION, DOMESTIC TEXTILES

Our focus is on product development around delivering sustainability features besides viability, feasibility and availability. Our products are sustainable as we use natural fibres linen, wool and cotton. We deliver sustainability in our Mazury and Cavallo products by using linen waste. We have improved the share in revenue from the sales of these products, as well as have begun selling now yarn and fabric made out of recycled linen. When our customers prefer blending, we do not blend linen with synthetic fibre but mix with natural fibre. The viscose that we source is produced from sustainably managed forests.

Wool is the most natural fibres and the product range have natural blends, like silk, cotton. We use it with synthetic fibres as well and with recycled polyester fibre. We also make blends of wool with bamboo, Tencel, viscose etc. In 2020 we have developed biodegradable Nylon and used the same for blending.

We have a systematic approach to chemicals, dyes, etc. The chemical management committee, reviews the chemicals and its use in the product development and approves. Chemicals cannot be used from restricted category and it has to be safe in processing, use and disposal.

In the Linen Club range, we are planning to use more blends beyond viscose. The demand for Organic linen is increasing in home textiles and we will address this. Our early initiatives in establishing traceability have been useful in meeting the demands of many customers today.

We have always believed in extended producer responsibility. Our efforts in chemicals management viz., REACH and Oeko-Tex and sustainable products are a part of our commitment to extended producer responsibility.

We have also established systems for managing plastics used in packaging as per Plastic Management Rules in India as a part of extended producer responsibility.

We look forward to continuing with our sustainable products and making this a central theme of our product innovation.

NARASIMHA MURTHY

Head Value Creation, Domestic textiles



MESSAGE FROM CHIEF RESEARCH & TECHNOLOGY OFFICER, ACRYLIC FIBRE

The core strength of Acrylic Fibre business is the expertise and experience in operating the manufacturing process using aqueous suspension polymerization technology and wet spinning with sodium thiocyanate as a solvent. This is considered to be the safest & environmental friendly technology for Acrylic Fibre manufacturing in the world, at an optimal level of productivity.

REDUCING ENERGY FOOTPRINT BY PROCESS TECHNOLOGY

TAF developed a new process technology "TEXLON", which consumes less steam & power per ton of manufacturing of Acrylic Fibre.

Over a period of time, TAF's R & D team has developed series of Value Added Products which have significant positive impact on the environment and deliver value to the customers and end users.

IMPROVING CUSTOMERS' ENVIRONMENTAL PERFORMANCE

Our gel dyed fibre Radianza reduces water, energy and chemical usage at our customers' end and simplifies their environmental compliance requirements. Similarly our product Lumos, avoids the hazardous bleaching process at the customer's end by proving a super white fibre.

DELIVERING NEW FUNCTIONAL VALUE

We have been able to deliver, using this unique technology, new and exciting functional features viz., Pilbolic that does not pill over multiple washes and extends life; Durashine that lasts longer in outdoor applications; Warmos that effectively delivers the functionality of wool in cold weather; Tropics replicating

the functionality of cotton.

DELIVERING HEALTH AND SAFETY TO THE USER

Further, we have introduced Amicor with antibacterial & antifungal properties that protects the user from allergies and saves washing cycles.

PyroTex Industries GmbH Germany, a new subsidiary of TAF, has developed and launched, PyroTex Classic – Heat & Fire-retardant fibre with an LOI of 43 and PyroTex Medic – Anti Microbial & Anti-Viral fibre.

USING RECYCLED FIBRE

TAF R&D is in the process of developing a technology where 50% of the recycled polymer will be used along with virgin polymer for the manufacture of regular acrylic fibre. After a series of trials in the R&D pilot plant, the first bulk trial has been undertaken in the main plant. Product characteristics & processing performance evaluations are in progress for fine-tuning of the process.

We are confident of generating and delivering sustainable value to all stakeholders through continual innovation in technology and processes.

SIDDHARTHA CHAKRABARTI

Chief research & technology officer, Acrylic Fibre

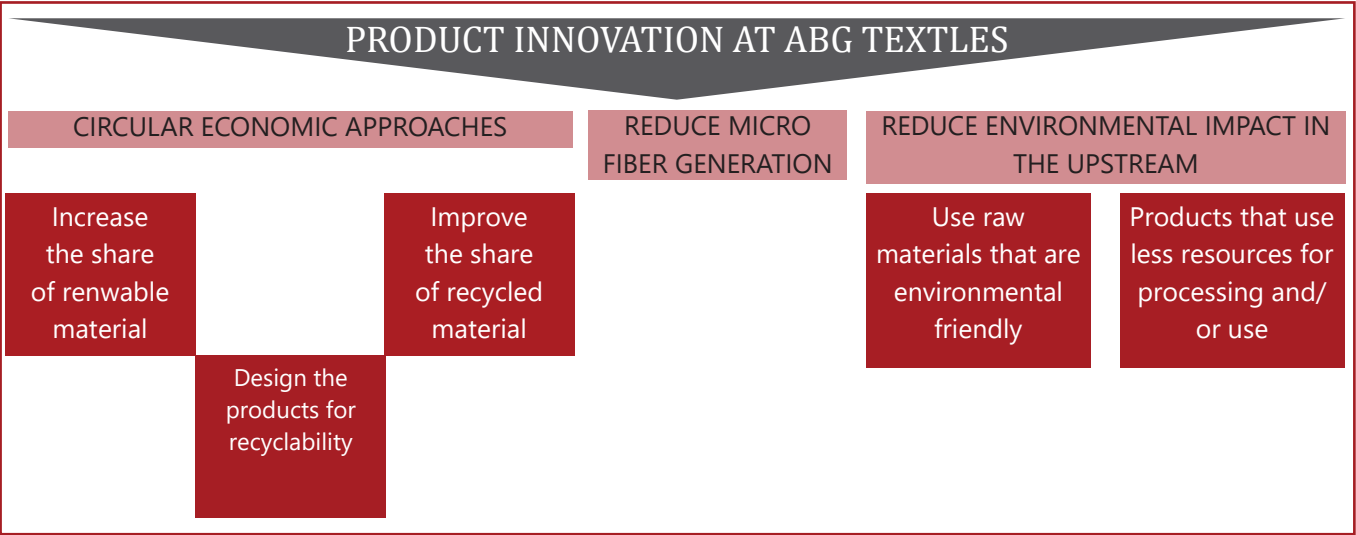
PRODUCT INNOVATION

We foster a robust research and innovation culture to address emerging challenges and demands of our diverse customer base across the globe. Our R&D efforts span across the entire value chain and explore the possibility of increasing value at any part through our intervention. . We continually evaluate various opportunities to excel and benchmark existing products and processes with best-in-class technological progressions.

We continue to invest in scientific research and product development in close partnership with our customers and the marketplace. R&D fosters a constant stream of unique and cutting-edge products that drive organic growth.

We associate with and draw from Aditya Birla Science & Technology Company Private Limited, India which is the main Research & Technology provider for our businesses. We also have R&D across our units which focuses on product and process-related solutions. Innovation at our Units is led by Value Creation Engine (VCE) at DT, the Chief research & technology officer at AF.

Our philosophy in innovations is derived from responsive feedback mechanism.



DOMESTIC TEXTILES

JAYA SHREE TEXTILES- SUSTAINABLE LINEN & WOOL PRODUCTS, DETAILS AS BELOW:

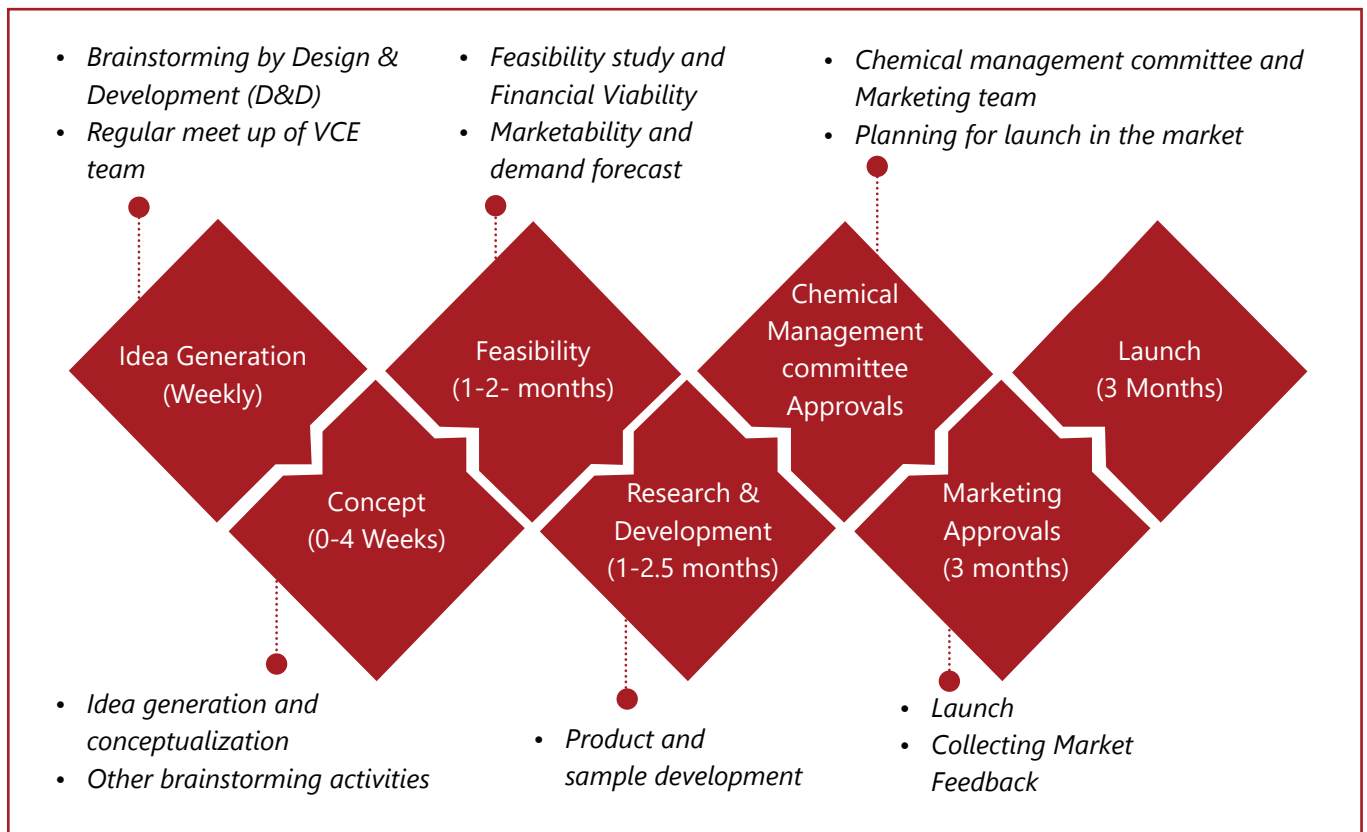
1. **Linen:** is 100% Natural, Sustainable, Bio degradable & inherently antibacterial fibre, It is one of the oldest fabric known to mankind & Jayashree is one of the pioneers in introducing the finest & most fashionable Linen in Indian & global Textile/apparels market.
2. **Linen attributes:** High strength, highly breathable, Moisture management, Versatility, Inherently antibacterial, UV protection, Durable.
3. **Linen sustainable blends:** Linen blends with Cotton, Silk, Excel & other regenerated cellulosic fibres, Recycle Poly etc.
4. **Merino wool:** is Natural, sustainable, Bio degradable fibre, Jaya Shree textiles is one of the largest vertically integrated merino wool & wool-blended worsted yarn manufacturers & exporters serving global & domestic brands.

Our machine washable merino wool – makes the wool apparels easy to handle/easy to care, it's applications covers active, athleisure, sportswear, Travel & Outer wears, Woven & Knit fashion apparels, suits/jackets, Sweaters, Socks & other accessories.

MERINO WOOL ATTRIBUTES:

Merino wool is 100% Natural. It has best moisture management properties, inherent odour resistant, inherently flame resistant, naturally breathable, elastic and protects UV-rays. These are warm & cool and are recyclable & bio-degradable. Jaya Shree textiles produce merino wool with sustainable fibre blends like silk, cashmere, bamboo, lyocell, viscose, recycle green poly, biodegradable Nylon etc.

At ABG Textiles, we follow an approach to innovation and the subsequent process of Design & Development (D&D) divided into six stages. We encourage our people to experiment and innovate.



All the developed products are being displayed in our design studio where we engage with the customers.

SUCCESS STORY

Wool has been considered an environmentally and socially responsible fibre. It is a sustainable fibre, naturally oriented, renewable, biodegradable, and recyclable. However washing wool products has been a challenge for the consumer as Washing wool too frequently wear out the fabric, making it lose its shape and making it felt, hence shortening its life.

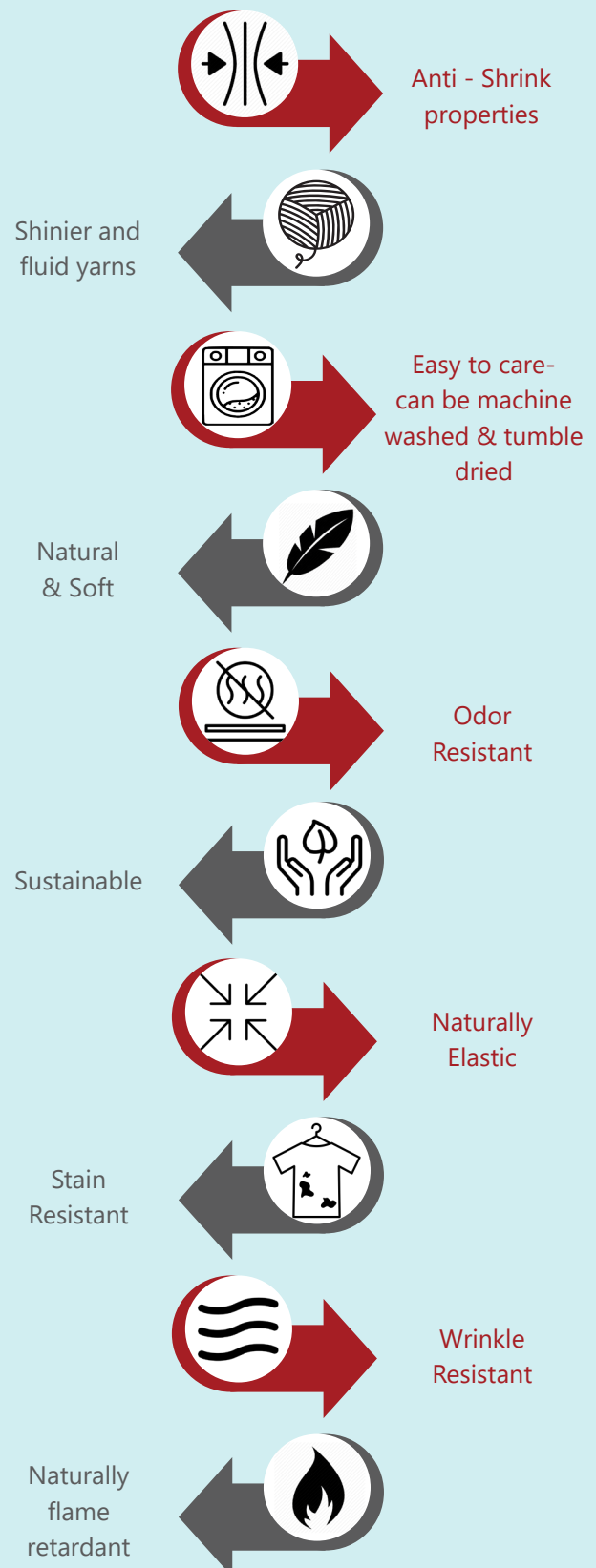
With the advent of the latest technology and after extensive research & laboratory tests, Jaya Shree Textiles has started offering to its customer its latest collection of Machine Wash Wool products. The advanced process prevents the felting / shrinkage of the wool, resulting in a fibre that provides more longevity and comfort than synthetic material, while also retaining its shape.

The yarns used in manufacturing are crafted from specially chosen superfine wool fibre, which in turn makes the product lightweight, itch-free & ideal for round-the-year usage. These products are stylish, trendy, and lightweight and are all-season wool range. The machine wash wool is used for all-weather fabric. Its versatility has been showcased as the latest consumer fashion products like-athleisure wear, activewear, sportswear, suiting, women's fashion wear, shoes, socks, stoles, shawls & other accessories.



The properties which enable it to offer versatility are due to its properties of keeping body temperature under control, the possibility of a wide range of suiting, light material which enables staying outdoor for a longer time, readily accepted among the new generation and come out as trendsetter. Consumers are also delighted as it takes minimal storage space in wardrobes. The washing and cleaning of Machine Wash shoes are as comfortable as washing canvas shoes and offers similar longevity. These products are suited for both outdoor and indoor activities.

Jayashree textiles state-of-the-art facility and conscientious research have enabled us to provide yarns that can be used to manufacture a forever young wool product.

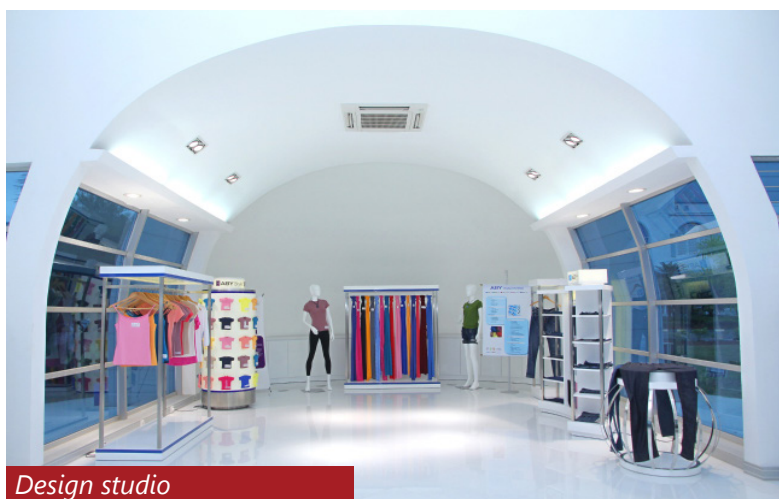


OVERSEAS SPINNING BUSINESS

To provide value to our customers and value chain partners, we have set up an R&D center comprising of Pilot Spinning Plant, Centre of Excellence & state-of-the-art product display center (Design Studio). ABY™ Centre of Excellence works towards greening the supply chain.

This R&D center is also equipped with facilities encompassing fibre testing and fabric dyeing. It also enables us to study the emerging trends in fibre technology, textile technology and fashion to keep pace with the changing market trends and achieve benchmark quality standards to meet every requirement in the value chain.

ABY™ specializes in yarns having value addition of unique fibres and extraordinary technological improvement.



Recycled Yarn (made with reused material)	
Recycled polyester Recycled Nylon	100% Recycled Polyester & Blends with Cotton, Rayon, Modal Recycled Nylon Blends with Cotton, Livaeco
ABY™ Yarns Made of Plant Based Fibres	
Organic Cotton	<ul style="list-style-type: none"> • 100% Organic cotton • Blends with Polyester, Nylon and other functional fibres • Blend with Viscose and natural fibres i.e. wool, linen, kapok • Blended yarns with Polyester, Viscose and cotton
Linen (Max Linen blend 30%)	<ul style="list-style-type: none"> • Tri-blends with Polyester and Viscose or Polyester and cotton <p>Flax plant uses less water, fewer pesticides and are processed without chemical.</p>
Kapok (Max Kapok blend 30%)	<ul style="list-style-type: none"> • Blended yarn with Polyester • Blended yarn with Excel/ Viscose/Modal • Blended yarn with Cotton (Max kapok 20% with cotton) <p>Kapok is a sustainable natural biodegradable fibre. It grows wildily.</p>
Ramie/Stinging Nettle (Max Ramie blend 20%)	<ul style="list-style-type: none"> • Blended yarns with Polyester, Viscose and cotton • Tri-blends with Polyester and Viscose or Polyester and cotton <p>Ramie is a highly sustainable eco-friendly fibre. Ramie is naturally resistant to bacteria, mold, and mildew as well as light damage, rot or any insect attack. It does not require pesticides or herbicides to grow healthily</p>
ABY™ Bio-Degradable Yarn	
PBS based biodegradable yarn PLA Yarn Sorona Powered flexible yarn Bamboo Yarn	<p>Biodegrades within 6 months</p> <p>Starch derived biodegradable yarn</p> <p>37% biodegradable than petrochemical based spandex</p> <p>Bamboo plant is potentially one of the world's most sustainable resource</p>
ABY™ Yarns Made of Low Environment Impact Fibres	
Livaeco Viscose yarn	Livaeco is sustainable, traceable Viscose fibre which can be blended with any fibre.
FSC Viscos and Poly/ Viscose blended yarn	FSC (Forest Stewardship Council) certified Viscose and its blend with Non-forest fibres
Excel and Excel blended Yarn	Excel is sustainable 3rd generation viscose i.e. lyocell fibre where raw material comes from responsibly cultivated forest and production takes place in a closed cycle where about 99 percent of all process chemicals are recycled.
ABY™ Green Café (Coffee ground fibre)	ABY™ Greencafe uses coffee ground fibre which recycles coffee waste and process is a low temperature, high-pressure and energy saving process, combines coffee grounds onto the yarn surface, changing the characteristics of fibre and offers up to 200 % faster drying time compared to cotton.
Dope dyed Polyester, Viscose and Acrylic Yarn	Dope dyed fibres in Polyester and Viscose avoid fabric dyeing and thus effluent exhaust and saves energy too.
Cataionic dyeable Polyester	Cationic dye-able polyester is dyed at lower temperature than normal polyester and gives brighter dye, thus saves energy

SUCCESS STORY

LAUNCHING OF LEADER'S CHOICE COLLECTION

We developed a product Leader's Choice Collection for the section like Politician/ Leaders/ Consumers who prefer stiff finished, shape retention linen garments. Our product development team replicated the Khadi / Paper touch stiff finished products in cotton & Linen/cotton blends in the domestic market with our premium 100% Linen.

As 100% linen products has difficulty in forming crease, pressing, retaining shape & are not durable in maintenance for long time. In order to overcome these challenges for our target customer, Linen Club introduced specialty finished - Khadi/ Paper Touch/ Stiff hand feel range in the brand name - The Leaders Choice collection.

We are also focusing upon developing products with broad Linen Lea range- covering shirt & bottom weight qualities, preferably in white shade.

The Leader's Choice collection is the preferred choice of Politicians, Leaders & ardent Linen Lovers for whom Linen with luxury, Comfort & better shape retention without starch finish even after repeated washes are the prime expectations. During the FY 2019-20. we produced 56,000 Meters.

The Application Development Centre (ADC) at Acrylic Fiber business is a state-of-the-art setup to study developments in fibre spinning with cotton, modified cotton and worsted systems. The Centre helps to conduct studies on optimization and benchmarking of different products and processes.

SUCCESS STORY

THE GREEN FIBRE FROM ACRYLIC FIBRE BUSINESS

Radianza fibres are made by a technology, where the dyes are added to the fibre while it is in the gel stage. The environmental impact of this product is much less compared to a standard yarn dyeing process.

Radianza™ gel dyeing:

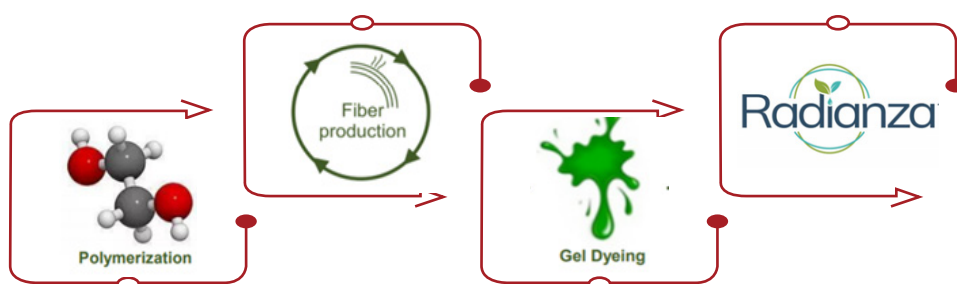
- Consumes much less water (around seven times less than conventional dyeing for one piece of garment)
- Consumes much less energy (around 20 times less than conventional dyeing for one piece of garment)
- Needs no additional chemicals
- Discharges much less unused dye

Requires 30 litres less water than similar sweater made with regular fibre

Approx 1.45 Kg less CO2 equivalent Global Warming potential

Consumes approx 25 MW less energy

Approx 3/4th of the Kg SO2 equivalent Human Toxicity potential



SUCCESS STORY

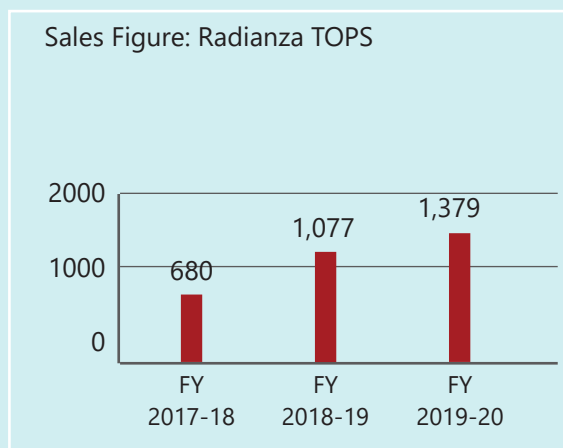
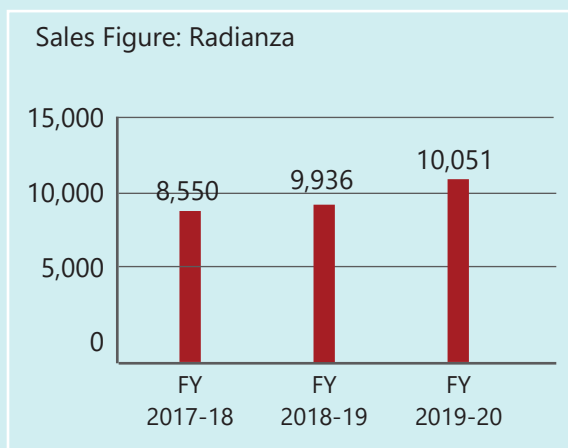
SUSTAINABLE PRODUCT INNOVATIONS: GROWING ACCEPTANCE OF RADIENZA™

The fashion industry and our customers are regularly asking for sustainable solutions. Radianza™ has been accepted as a preferred substitute for yarn dyeing by many of our customers. There is also a lot of interest by brands and retailers in knowing more about Radianza™ and understanding how it could contribute positively in their efforts to make their supply chain and products more sustainable. Recently we developed an eco-friendly sweater collection with Radianza™ for a very famous global brand, which will be launched at retail in the next financial year. We are also in process of developing more projects and the growing demand for the existing product.




We are working on changing the brand identity of Radianza™. With the growing acceptance and popularity of the product, we have launched our new brand logo for Radianza™. We kick-started this two years back by launching a campaign called "Nature Thanks Back" which talks about the environment benefits of Radianza™. A new brand logo of Radianza™ was also launched which identifies more with the environmental and water conservation benefits of Radianza™. Recently we launched a small movie about the state of the fashion industry with regards to the environmental issues of pollution and resource consumption and how Radianza™ is one of the most effective solutions. The video was much appreciated by many people in the value chain. One of the world's largest retailer has shown an interest and developments have started for them.



The environmental friendliness; contribution towards lower carbon footprint has already been Understood & acknowledged by many value chain partners. The campaign made on Radianza for its contribution towards sustainability has started bringing fruits in the growth of sales which is reflected in the sales volume trend:



Radianza has grown by 17.56% in sales and revenue in comparison with its performance 2 years back.

-  1. Radianza™ - Virtual Booth
<https://www.youtube.com/watch?v=1iQo0gkS7nM>
-  2. Radianza™ - Presentation
<https://www.youtube.com/watch?v=YvWo8-cD9rM&t=134s>
-  3. Radianza™ - Sustainable Fashion Full Documentary
<https://www.youtube.com/watch?v=jKtMDIBJ5F4>

Over a period of time, TAF's R&D team has developed series of Value Added Products which have significant positive impact on environment as well as flora and fauna:

Radianza™	Green Gel Dyeing fibre technology, reducing energy & water usage and water pollution
Pilbloc™	No pilling after repeated washing & long use, which gives a fresh look, helping the consumer to use for a long period of time
Ecofur™	Provides soft feel & touch like animal fur, without shearing any animal hair
Durashine™	Provides weathering fastness & protects strength with zero colour discharge during manufacturing, so fabric with long outdoor exposure to UV rays of sun, lasts longer
Amicor™	Enables repeated use of fabric in blends without washing & odour, because of antibacterial & antifungal property and protects the user from allergy
Warmos™	Close replacement of wool without shearing hair from animal
Tropics™	Close replacement of cotton, which needs high water usage during cultivation
Lumos™	Avoiding the hazardous bleaching process at customer's end by proving a super white fibre.

TAF developed a new process technology "TEXLON", which consumes less steam & power per ton of manufacturing of Acrylic Fibre. The same technology has been replicated while designing our newly commissioned Value Added Product manufacturing line.

SYSTEMS AND PROCESSES

Intellectual capital is an indispensable asset for us. Managing and continually upgrading it is an essential component of our businesses. Systems and processes constitute a core element that helps us maintain consistent quality and adapt businesses to evolving environmental conditions. We continue to evolve our systems and operating model, as our companies scale.

COMPLIANCE AND RISK MANAGEMENT

Compliance and Risk management at each of our unit is immensely structured and governed by the Aditya Birla Group policies, standards, guidance notes, and technical and management standards that have been derived from the global best practices.

In FY 2019-20 there are no fines, non-monetary sanctions, or cases brought forward regarding non-compliance with environmental and social laws and regulations against any of the units.

Risk Management

We have a well-established risk management framework at all our units, where we periodically update long, medium, and short term risks. We have also instituted a risk management committee at the unit/ business level and group level. These committees regularly meet to review existing risk, define new risk, and formulates risk mitigation measures.

The risk team has launched and deployed a 4*4 risk assessment matrix which helps in analyzing and monitoring our risk profile. The new framework encompasses both likelihood and impact with quantified information which assist in identifying and implementing mitigation measures. We manage, monitor, and report on all the potential risks and uncertainties that can impact our ability to achieve our objectives. The framework constitutes identified risks, probability of the risk, possible consequences, mitigation plans and residual risk. The mitigation plan encompasses the actions, responsibility, target date and current status, which are regularly reviewed and updated. The entity's Board guides the tolerance levels of residual risks.

We have long term strategic risk management for environmental and social risks, where we have identified risks and aggressively pursuing measures to mitigate risks. We have identified water and climate risks for each of our entities and put in place mitigation plans.

Compliance Management

We recognize the importance of effective compliance management as both our businesses and customers are globally spread, and the compliance requirements vary. Our proactive planning, organizing, controlling, and leading activities that ensure compliance with local and international laws/standards. The CEO of all three businesses are responsible for developing business-specific standards and strive to implement and execute the industry best practices for compliance.

Our Legal Compliance Management Plan covers corporate, company law, tax, accounting, labour-related compliance requirements and IMS covers product quality, factory, electrical, environmental and social related compliance requirements of regulations and voluntary commitments. All our organizational policies and standards are referenced and complied with the following institutions:

 <p>International Finance Corporation WORLD BANK GROUP</p> <p>IFC Performance Standards</p>	 <p>BETTER POLICIES FOR BETTER LIVES</p> <p>OECD Guidelines</p>	 <p>Principles for Responsible Investment</p> <p>United Nations Principles for Responsible Investment</p>	 <p>United Nations Global Compact (UNGC)</p>
 <p>United Nations Guiding Principles for Business and Human Rights</p>	 <p>Occupational Safety and Health Administration</p> <p>US OSHA Standards</p>	 <p>National Institute for Occupational Safety and Health</p> <p>United States National Institute for Occupational Safety and Health (NIOSH)</p>	 <p>Defining the Science of Occupational and Environmental Health®</p> <p>American Conference of Governmental Industrial Hygienists (ACGIH)</p>
 <p>International Organization for Standardization</p> <p>International Standards Organization</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>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</p> <p>US Environmental Protection Agency (EPA)</p>			

Policies and Management Frameworks

For us, Policies helps to guide decisions and achieve rational outcomes while frameworks act as a support structure comprising of initiatives across the value chain. Across all the units we have similar policies and frameworks which keep us complaint and future-ready.

Policy	Management System/Standard
Environment Policy	ISO 14001, Oeko-Tex, Higg Index
Energy and Carbon Policy	ISO 14001, ISO 50001, Oeko-Tex, Higg Index
Biodiversity Policy	ISO 14001
Health Policy	Wash Pledge
Human Rights Policy	UNGC, SA8000
Product Stewardship Policy	ISO 9001, 14001, Oeko-Tex, Higg Index
Quality Policy	ISO 9001, Oeko-Tex
Safety Policy	ISO 45001, ISO 26000, SA 8000
Security Policy	ISO 9001, 14001, ISO 45001
Stakeholder Engagement Policy	AA1000
Supply Chain and Procurement Policy	ISO 9001, 14001, ISO 45001
Transportation Policy	ISO 9001, 14001, ISO 45001
Water Stewardship Policy	ISO 14001, Oeko-Tex, Higg Index
Crisis Management Policy	Business Continuity Plan
Anticorruption	Code of Conduct

Commitments, Accreditation or Certifications

The commitments, accreditation and certification demonstrate our commitment to environmental concerns and a system to monitor, manage and improve our performance. For Aditya Birla Textile Group customer satisfaction is our highest priority. Our commitment to sustainability is evident in our products, our processes and our work environment.

The commitments, accreditation or certifications like the ones outlined below are applicable across our operations at Aditya Birla Textiles:

International Wool Textile Organization	Responsible Wool Standard (RWS)	OEKO-TEX®:
Global Organic Textile Standard (GOTS)	European Flax®	Global Recycled Standard (GRS)
Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)	Forest Stewardship Council (FSC)	ISO 17025
Better Cotton Initiative (BCI)		

INTEGRATED MANAGEMENT SYSTEM (IMS)

Integrated Management System (IMS) integrates quality, environment, energy and health & safety processes into a single framework. The Integrated Management System (IMS) is also designed in keeping with the ABG Standards, management process guidelines, standard operating procedures and implementation guidelines. The IMS modules that we follow are well structured and updated that allow us to track and comply with the existing regulations while effectively planning for contemporary and future risks.

This Integrated Management System (IMS) serves as a framework to deploy the policies and has a scope for continuous improvement.

BUSINESS CONTINUITY PLANNING

Our Business Continuity Planning (BCP) is based on a group-level policy on crisis management and framework consisting of Crisis Management manual, escalation protocol and Business Continuity / Disaster Recovery plans to maintain production and customer service levels. We also are compliant to applicable legal and regulatory requirements and conform to the requirements of Aditya Birla Group Crisis Management Technical Standard, and have also established and maintained a Crisis Management with defined roles and responsibilities for managing a

Crisis. We have a robust Business Continuity Plan in place to manage any business interruption and help our units to respond in the event of any contingency, ensuring recovery of businesses as usual.

We are committed to providing a safe and healthy work environment. We achieve this by preventing accidents and occupation-related ill-health and assessing risks related to manufacturing facilities and equipment. Employees/labour are communicated, instructed and trained to handle various scenarios that could develop in a crisis situation. We ensure the location of our critical infrastructure in different seismic zones, to spread out risk. All the units have a well-defined strategy to combat local and large-scale disasters and have recovery plan and capacity to implement the same.

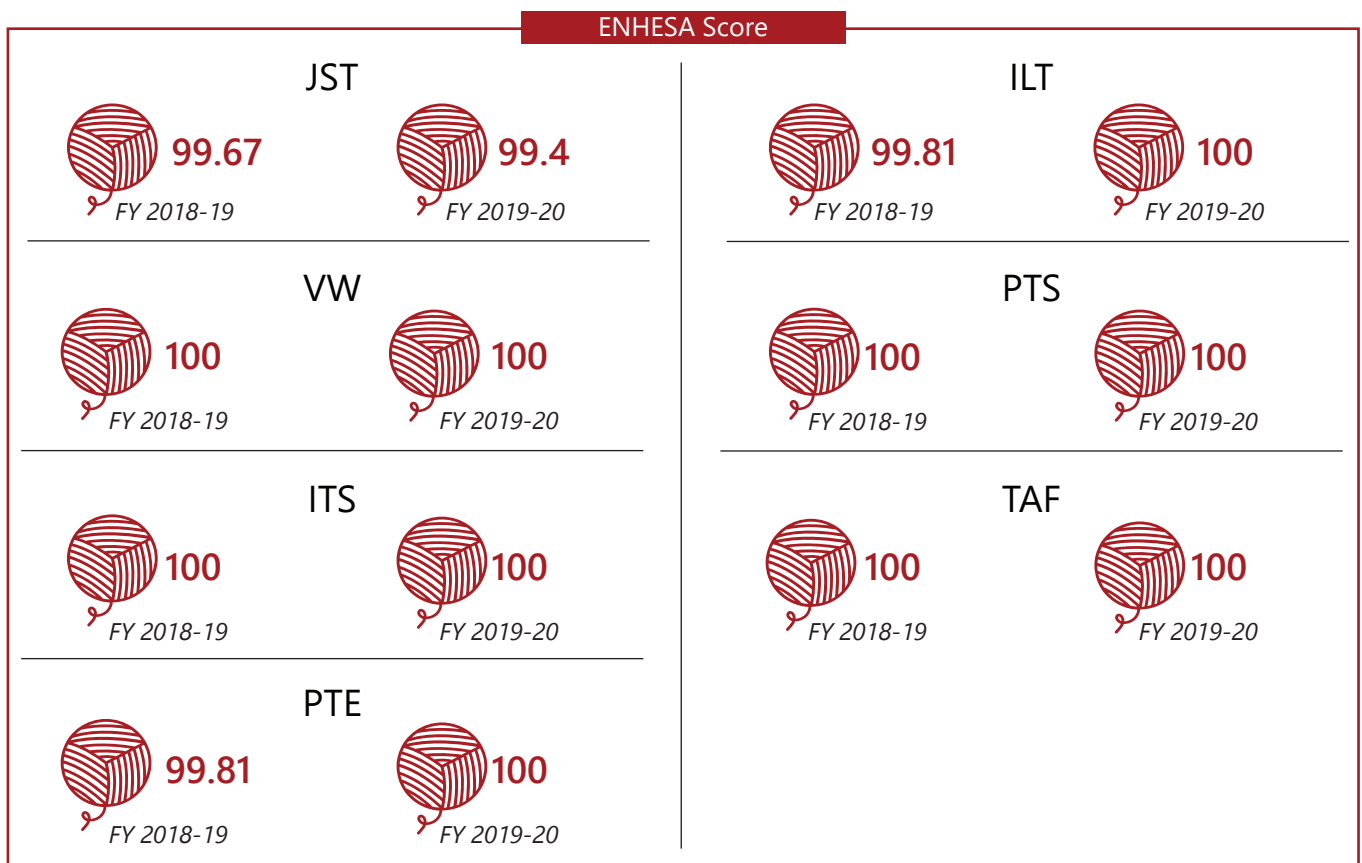
SUCCESS STORY

STARTING BUSINESSES POST LOCK DOWN DURING COVID-19 PANDEMIC

In India, the government had imposed complete lock down for a prolonged period in the initial stages of the pandemic. With well institutionalized IMS, we had well-defined Business Continuity Plan that guided our response to such events. We conducted scenario analysis and charted plans under different scenarios. We mapped potential hazard due to prolonged shut down to the assets and the surrounding population and took necessary remedial action. We also drafted a Standard Operating Procedure (SOP) for resumption of operations post lifting of COVID-19 lock down. This included comprehensive action plan laying out the mode of operation for resuming work after COVID-19 lockdown and during the lock down essential care that need to be taken.

ENVIRONMENT, HEALTH AND SAFETY (ENHESA) MODULE

All the entities in the group have implemented ENHESA (Environment, Health, Safety and Social compliance software tool) and report quarterly to the APEX Council of the group. This keeps us updated and helps us understand the changing operational regulatory landscape and ensure proactive and positive compliance.



SOCIAL & RELATIONSHIP CAPITAL

Our social relation capital guides us in conducting our business sustainably, in partnership, collaboration and co-creation with regular stakeholder engagements and contribution to community development.

United Nations
Sustainable
Development
Goals



COLLABORATIONS & PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

Aditya Birla Textile actively participates and contributes to sustainability-related sector-specific global associations and initiatives, such as the Sustainable Apparel Coalition (SAC). We collaborate with governments, regional industry bodies and many other businesses. We play an active role in many trade organizations and industry groups across the world on a wide range of topics. We define collaboration as all forms of working with organizations outside our business entity. These collaborations range from working together on a project to participating in a voluntary initiative along with others in the sector, across the sector or non-business entities.

GLOBAL

- Sustainable Apparel Coalition (SAC)
- International Association for Research and Testing in the Field of Textile Ecology
- (Oeko-Tex)
- World Business Council for Sustainable Development (WBCSD)



THAILAND

- India – Thai Chamber of Commerce
- Thai Chamber of Commerce
- The Federation of Thai Industries
- Thai Weaving Industries Association
- Hazardous Substances Logistics Association
- Responsible Care – Chemical Associations of The Federation of Thai Industries
- Thai Synthetic Manufacturing Association
- Thai National Shipper's Council



INDONESIA

- India-Indonesia Chamber of Commerce
- Indonesian Textile Association
- Business Forum of India
- Assoasi Pertextilan Indonesia (API)
- Assosiasi Pengusaha Pertextilan
- Indonesia (APINDO)
- Economic Association of India and Indonesia (ECAII)
- Social Security Employment Agency (BPJS Ketenagakerjaan)
- BPJS (Health Insurance)
- Forest Stewardship Council (FSC) on progress certification



INDIA

- Confederation of Indian Industry (CII)
- National Safety Council (NSC)
- Hooghly Chamber of Commerce
- The Bengal Chamber of Commerce
- Northern India Textile Research Association
- Federation of Indian Chambers of Commerce
- Federation of Indian Exports Organization (FIEO)
- Madhya Pradesh Textile Mills Association.
- Northern MP State HR forum
- Bharat Chamber of Commerce
- Indian Woollen Mills Association
- Indian Association for Occupational Health West Bengal (IAOH)
- Bombay Textile Research Association



STAKEHOLDER **ENGAGEMENT**

We believe in building strong relationship with all our stakeholder. We proactively approach and engage with our external stakeholders an openly and transparently. The engagement provide us with an opportunity to understand the needs and expectations of our stakeholders. We seek their feedback in improving our non-financial performance. We intend to build strategic partnerships with all our stakeholders and increasingly engage them in our activities and operations.

We extensively communicate our business purpose and objectives to our stakeholders and assess, evaluate and subsequently address our stakeholders’ concerns and then incorporate those in our process of decision making. Our stakeholder engagement strategy ensures advocacy and transparent communication on the challenges as well as the opportunities.

Our engagement with suppliers and customers involves collaboration and co-creation. We follow the AA 1000 framework in identifying and engaging with the stakeholders.

Our Stakeholder Engagement Policy covers the following aspects:

- Engagement processes specific to each stakeholder group, that is inclusive, material and responsive
- Inform, encourage, and build capacity
- Delineate scope and mode of engagement
- Integrate stakeholder engagement
- Review mechanism
- Communicate to stakeholders

We strongly believe that transparency and accountability of our actions will help in generating positive impacts for all our stakeholders; therefore, we have appointed a third party to conduct external reviews and evaluate our stakeholder engagement & materiality assessment process.

Our sustainability portal facilitates internal and external stakeholder engagement. On this portal, our stakeholders can record their grievances, queries, suggestions and also have interactions with other stakeholders, potentially leading to collaboration and co-creation projects. This portal also allows the ABG Textiles business to share sustainability success stories and disclosures.

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

OUR STAKEHOLDERS

Internal Stakeholders

1. Employees

2. Workmen

External Stakeholders

1. Local Comunity

2. Suppliers

3. Customers

4. Investors

5. Govenment/Regulatory bodies

6. Environmental and Animal Species

7. Media

8. Future Generations

STAKEHOLDERS	FOCUS AREAS	MODE	FREQUENCY
Employees	<ul style="list-style-type: none"> • Productivity • Talent management • Learning and development • Training • Health & Safety 	<ul style="list-style-type: none"> • Regular interactions • Training sessions • Performance appraisal • Employee development initiatives • Annual reward and recognition programs 	Continuous & Ongoing
Workmen	<ul style="list-style-type: none"> • Productivity • Training • Health & Safety 	<ul style="list-style-type: none"> • Training sessions • Performance appraisal • Workmen development initiatives 	Continuous & Ongoing
Local Community	<ul style="list-style-type: none"> • Environmental and Resource impacts • Local vendor spend • Community development 	<ul style="list-style-type: none"> • Community engagement to elicit concerns on environmental impacts • Community festivals • Co-creating CSR programmes with implementing partners • Local vendor development 	Continuous & Ongoing
Suppliers	<ul style="list-style-type: none"> • Supplier capacity • Responsible supply chain • Quality and payments-on-time 	Supplier grievance mechanism Supplier surveys	Ongoing
Government & Regulatory bodies	Compliance Public infrastructure	<ul style="list-style-type: none"> • Meetings • ENHESA Tracking 	Ongoing
Customers	<ul style="list-style-type: none"> • Requirements with respect to the products & services • Customer data privacy and security • Transparent and fair advice • Grievance redressal mechanism 	<ul style="list-style-type: none"> • Regular business interactions • Customer satisfaction survey • Press releases • Regular media interactions • Ad campaigns • Social media 	Ongoing
Investors	<ul style="list-style-type: none"> • Financial performance -Business strategy -Return on equity -Long-term business performance -Goals and targets -Risk assessment and management 	<ul style="list-style-type: none"> • Annual general meetings • Quarterly and annual results • Investor and analyst quarterly meetings and con calls • Investor conferences • Non-deal roadshows • Annual report • Quarterly results • communications through social media and ad campaigns etc. 	Need-based, quarterly/ annually
Media	Major initiatives	Press releases	Ongoing
Future Generations	Interns Students	<ul style="list-style-type: none"> • Internships • Factory visits • Lectures by staff at schools and colleges 	Ongoing

RESPONSIBLE **SUPPLY CHAIN**

Our global supplier base includes suppliers of input materials, engineering, construction companies, machines manufacturers, installation and commissioning service providers, joint ventures etc. Our constant effort is to navigating our supply chain to be responsible, inclusive, sustainable and agile.

We are cognizant of risks and challenges intertwined with the textile supply chain that use ESG risks and business continuity. Climate-related risks could cause business disruptions and can increase our raw material costs.

Our supplier code of conduct forms an important indicator of our commitment to sustainable and responsible growth and also ensures protocols are followed. This guiding document outlines the Standardized Operating Procedures that the suppliers have to follow in general and specifically in addressing our supply requirements.

Our suppliers and contractors, both domestic and international, are required to comply with this code covering Environment, Health & Safety, Human Rights, and Ethics & Compliance parameters. We require that our suppliers adhere to our policies on emission, environmental regulations, provisioning a safe and healthy work environment, and prohibiting child labour, among others.

We also have carried out supplier assessments, at select supplier operations, to drive supply chain sustainability on ESG aspects as well as traceability. We intend to drive supply chain sustainability through targeted raw material traceability and supplier performance assurance. We also set water reduction and energy reduction targets for our suppliers.


We have a strategic and sustainable partnership with our suppliers where we hand - hold them in improving their sustainability performance going beyond supplier code of conduct and regulatory compliance. Our engagement with our suppliers is characterized by long-term relationship as these entities have evolved with us and been by our side for decades.



SUPPLIER EVALUATION AND ASSESSMENT ON CODE OF CONDUCT

Vendors are assessed based on the following specific ESG parameters:

ENVIRONMENTAL(E)



- Compliance with applicable environmental legislation
- Managing environmental performance to minimize negative impacts
- Compliance with the all ABG-Textile environmental policy
- Efficient use of resources
- Traceability and Standards
- Responsible Sourcing

SOCIAL (S)



- Child Labor
- Freely Chosen employment
- Freedom of association
- Occupational Health and Safety
- Fire prevention and fire fighting
- Non-discrimination
- Fair treatment
- Wages and benefits
- Working hours

GOVERNANCE(G)



- Business ethics
- Anti – trust laws
- Anti – bribery and corruption legislation
- Responsible financial behavior
- Business licenses

SUPPLIER ASSESSMENT FOR HUMAN RIGHTS

Suppliers are assessed for compliance with human rights requirements in alignment with Aditya Birla Group Human Rights Policy which includes fair, safe and healthy workplace, workplace security, work hours and wages, freedom of association, the prohibition of child labour, forced labour, human trafficking.

We are committed to respecting the human rights of our workforce, communities and those affected by our operations wherever we do business (including our contractors and suppliers) in line with internationally recognized frameworks including the Social Accountability 8000 International Standard and its associated international instruments.

PROMOTING LOCAL SUPPLIERS

We undertake initiatives towards enhancing the skills and capacity development of the local workforce and community that are present in our supply chain. We extensively support and encourage our local suppliers to expand their capabilities across all the units. We normally engage with local supplier for material handling, transportation, procuring various raw materials etc.

The proportion of spending on local suppliers

Having local suppliers helps in reducing procurement costs, improving efficiency, monitoring and controlling workflows, and regulating compliance. It affects and manages various activities across the procurement cycle. ITS and VW have improvised their efficiency and workflow by spending on local suppliers. ITS has increased their spending by almost 110% from last year and VW has also significantly increased their spending on local suppliers.

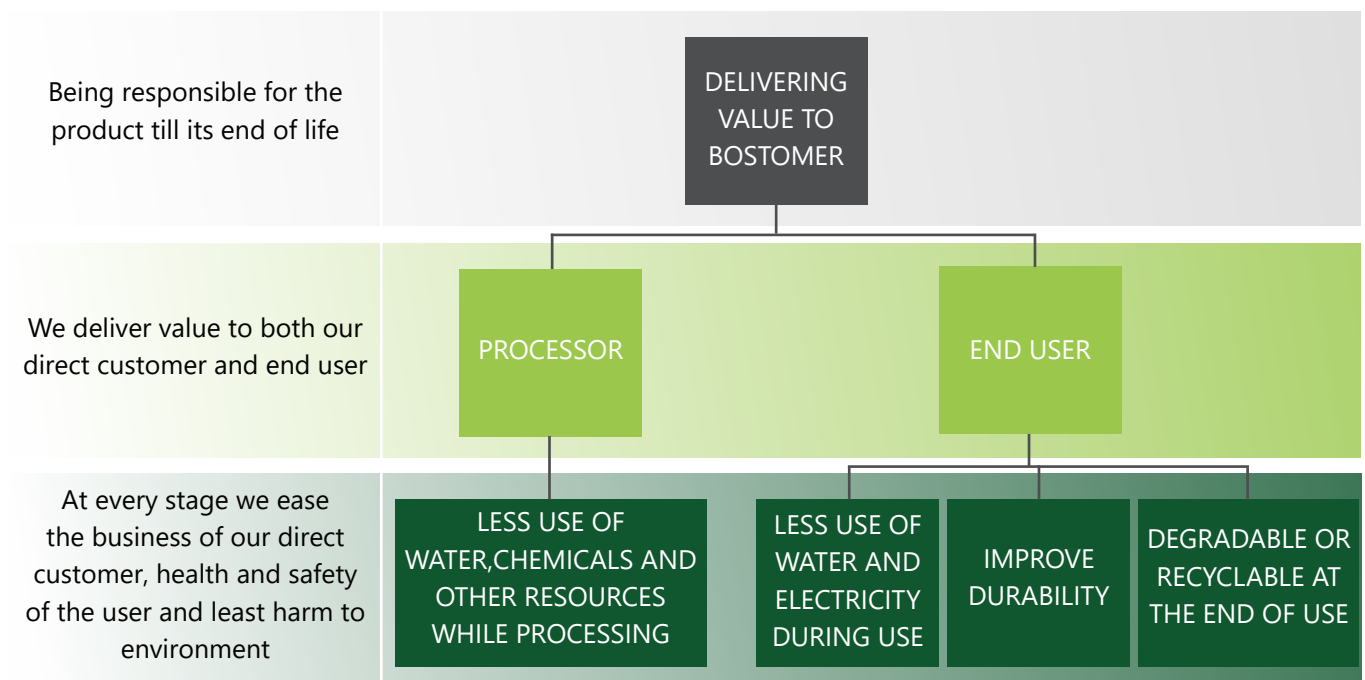
NUMBER OF CO-CREATION PROJECTS

Beyond understanding and addressing concerns, our engagement with suppliers and customers involves collaboration and co-creation projects. We intend to scale up the engagement to collaboration and co-creation with stakeholders.

Number of Co-Creation Projects FY 2019-20	
JST	4
VW	4
TAF	2
PTE	4
PTS	1
ILT	1
ITS	Nil

PRODUCT STEWARDSHIP

Our responsibility to our customer does not end at the execution of sale. We believe that our responsibility extends to our customer's experience with our product during processing, use and disposal. Our product stewardship initiatives are mainly focused on reduction in environmental cost and requirements during processing, health and safety impacts of products during use and degradability or recyclability at the end of use.



LIFE CYCLE ANALYSIS (LCA)

Product stewardship requires that the business understands the impacts of its products across the life cycle and improvement options at each stage of value chain. Life cycle assessment (LCA) helps understanding the impacts of our products across their life cycle, on the environment. The insights and knowledge from LCAs enable us to compare our new and existing products; measure or benchmark the environmental profiles and evaluate the consequences of improvement options. This information helps to guide our product development team during the innovation process and forms an important aspects to communicate the environmental performance of our products to customers. We have collated here LCA results of some of the products. These studies were conducted as per ISO 14040/44 standard.

DOMESTIC TEXTILES

Life Cycle Assessment of Linen Garment

We conducted an LCA of 1 piece of Linen garment to environmental impacts from raw material extraction to the final product disposal (Cradle to Grave as the System boundary). The system boundary includes the complete value chain of manufacturing from flax to yarn, weaving, garment making, packaging, consumers usage and its disposal.

Impact category	Environmental impacts
Abiotic Depletion (ADP elements) [kg Sb-Equiv.]	3.38 ^{E-05}
Acidification Potential (AP) [kg SO ₂ -Equiv.]	6.77 ^{E-01}
Eutrophication Potential (EP) [kg Phosphate-Equiv.]	3.72 ^{E-02}
Global Warming Potential [kg CO ₂ -Equiv.]	59.90
Human Toxicity Potential (HTP inf.) [Kg DCB-Equiv.]	20.10
Photochem. Ozone Creation Potential (POCP) [kg Ethene-Equiv.]	3.29 ^{E-02}
Primary energy demand (net cal. value) [MJ]	735.00
Blue water consumption [kg]	1560.00

As per the study findings,

- Linen fabric manufacturing process is a highly energy-intensive manufacturing process for which 1 piece of Linen garment has global warming potential of 59.9 kg CO₂ equivalents over entire life cycle (Cradle to grave).
- During the entire value chain, use - phase washing is the largest contributor with global warming potential of 24.9 kg CO₂ equivalents.
- The study also suggests the cultivation of flax and the manufacturing of the garment have significantly less contribution to the overall impacts.
- The end-of-life stage has nearly no impact compared to the other stages of the life cycle

We use the life cycle analysis (LCA) process to better collate the improvement points, and identifying opportunities to reduce the environmental impact. It assess our product and process redesign with the goal of reducing their environmental impact.

ACRYLIC FIBRE

LCA study of Radianza™ & Birlacril™

At Acrylic Fibre portfolio, we conducted LCA studies (Cradle to Grave) for 2 of our flagship products, Radianza™ and Birlacril™ (One piece of 450 gm of garment (sweater) during the entire life cycle i.e. cradle to grave 450 grams).

Impact Category	Radianza™	Birlacril™
Abiotic Depletion (ADP elements) [kg Sb-Equiv.]	5.97 ^{E-06}	6.06 ^{E-06}
Acidification Potential (AP) [kg SO ₂ -Equiv.]	0.04894	0.05507
Eutrophication Potential (EP) [kg Phosphate-Equiv.]	0.00912	0.00966
Freshwater Aquatic Ecotoxicity Pot. (FAETP inf.) [kg DCB-Equiv.]	0.12449	0.12653
Global Warming Potential (GWP 100 years) [kg CO ₂ -Equiv.]	8.20	9.66

During the study, it was found that process of manufacturing Radianza™ has a much lesser negative impact on our environment than some other conventional processes used in our industry.

As Radianza™ fibre is manufactured using gel-dyeing technology. After the dope (polymer) is injected through the spinneret, and before it becomes the solid fibre, it is in the gel form (neither completely solid nor completely liquid)

and we add basic dye solution at this stage. The polymer in the state immediately absorbs the dye solution without additional water, chemicals and energy.

Compared fibre dyeing (dyeing the fibre after it is made) to yarn/fabric dyeing (one of the biggest sources of pollution in textiles), in gel-dyeing-

- Consumes much less water (around 7 times less than conventional dyeing for one piece of garment)
- Consumes much less energy (around 20 times less than conventional dyeing for one piece of garment)
- Needs no additional chemicals
- Discharges much less unused dye

OVERSEAS SPINNING BUSINESS

LCA study of 1 pc of Rayon garment (Blouse)

The life cycle of a Rayon garment (blouse) comprise various stages which primarily includes Viscose production and transport, Spinning at ABY™, transport of Rayon yarn, Yarn blending and dyeing, Fabric manufacturing, Transport of fabric, Blouse manufacturing, Use of the garment at user stage, and finally the end of life (disposal).

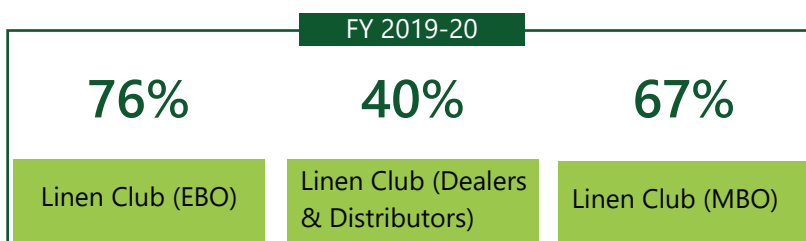
Impact category	Environmental impacts
Abiotic Depletion (ADP elements) [kg Sb-Equiv.]	2.53
Acidification Potential (AP) [kg SO ₂ -Equiv.]	4.62
Eutrophication Potential (EP) [kg Phosphate-Equiv.]	3.45
Global Warming Potential [kg CO ₂ -Equiv.]	0.60
Human Toxicity Potential (HTP inf.) [Kg DCB-Equiv.]	0.84
Ozone Layer Depletion Potential (ODP, steady state) [kg R11-Equiv.]	6.34
Photochem. Ozone Creation Potential (POCP) [kg Ethene-Equiv.]	2.27
Primary energy demand (net cal. value) [MJ]	7.86
Blue water consumption [kg]	3.64

CUSTOMER RELATIONSHIP MANAGEMENT

We have created a strong culture of consumer-centricity in all aspects of its operations. The consumer-centricity framework is based on continuous customer research, real-time customer feedback. We have adopted the Net Promoter Score (NPS) framework to assess customer satisfaction through a Company-wide program. This feedbacks are rigorously monitored, and training is imparted to the employees to understand and take care of the concern. Through this initiative we have developed inherent culture within the organization, where every employee in each department is tuned to listen to the customer. Our customers are our assets and we put all our efforts to delight them.

Net Promoter Score

We launched Net Promoter Score (NPS) which focuses on measuring long-term happiness, on customer loyalty. Here we ask questions based on the likelihood of recommendation to family and friends. We measure our detractors here by finding out the issue, try to bring them on becoming our promoter. The scores are measured between 0-10 or in percentage of which 0-6 are considered to be detractors and those who scored 9 or 10 are only considered promoters. We are able to measure customer's opinion across channels, contact moments and experiences.



	FY 2019-20*
ABY™	8.01
Birlacril™	10
	*Out of 10

SUCCESS STORY

ABY™ NPS SCORE REMAINS UNCHANGED DURING FY 2018-19 & FY 2019-20



CUSTOMER HEALTH AND SAFETY

Our commitment to health extends to the customers and the ultimate user of our products. This is achieved through undertaking Oeko-Tex certification of our fabric and yarn, periodic evaluation of our Higg Index, environment and social & labour module scores ensures that our commitment is adhered to in our operations. We provide guidelines to our customer on how to use our product. We take adequate care during transportation of our product to customers and ensure that packaging is robust enough to avoid any deterioration of product quality.

We also have a customer technical service (CTS) department which proactively reaches out and manages customer's requirement. Occasionally we engage with our supply chain partners in this activity.

Chemicals management is an important aspect of safe operations, maintaining the quality of effluent and most importantly customer health and safety. Our certification with REACH and OEKO-TEX conform to our effective and efficient chemical management.

All our products comply with REACH regulations which restrict the use of identified chemicals and substances, and also comply with product health and safety regulatory requirements in almost all countries of our exports and showcase our global good practice of product stewardship.

COMMUNITY ENGAGEMENT

At Aditya Birla group, we have always undertaken initiatives with an objective to improve the quality of life and ensure the holistic development of our surrounding communities. Our CSR initiatives are based on the United Nations Sustainable Development Goals. Our initiatives focus on various challenges, these community-based projects cover Health Care, Education, Sustainable Livelihoods and Social Welfare & Empowerment, Promoting gender equality and empowering women, Ensuring environmental sustainability, Rural Development Projects, Donations to institutions etc.

We collaborate with several regional partners who help us to execute our social vision and inclusive growth. We deliver value to society, in the region where we operate through the development of the community, by working with local authorities, direct social investments and donations.

These activities are carried in close involvement of community members. We conduct baseline surveys to understand the needs of communities and these surveys are extensively discussed in management meetings.


HEALTH CARE

Contribution to
UNSDGs



DT: VIKRAM WOOLLENS

Our CSR initiatives are carried out under the aegis of "The Aditya Birla Jan Seva Trust ". The Unit prepares the CSR plan for the year in line with the Group Social Vision. Our Social initiatives have a direct synergy with their business goals, and it is of strategic importance.

Initiatives	Key Interventions	Impact
Preventive Health Care Facilitated the immunization drive in collaboration with local Sub Health Centre Malanpur and surrounding villages	Immunization camps in collaboration with the government programs	Immunization of 1503 children  <i>Pulse Polio Camp</i>
Community Health Centre Providing free medical consultation and basic medicines for the most deprived section of the community	Running community health centre at Tilori village Malanpur, Singwari villages & Kas-turba Gandhi Balika Vidyalaya (KGBV), Rithourakalan in collaboration with Family Planning Association of India (FPA India) Gwalior	In the year 20219-20, 3128 patients were treated at the community health centre  <i>Health Check-up Camp</i>

Initiatives	Key Interventions	Impact
General Health Camp Providing services in general health, Ante and Post Natal services to the community members	<ul style="list-style-type: none"> Organized 10 Free Health Check-up camps for the community in Tilori, Malanpur, Singwari villages & Kasturba Gandhi Balika Vidyalyaya (KGBV), Rithourakalan in collaboration with Family Planning Association of India (FPAI) Engaged local Anganwadi & Asha Workers to increase the outreach of our Health Services 	Through health camps, we covered 3087 persons  <i>Health awareness camp</i>
Blood Donation Camp Organised with a concept of #LETUSDOIT wherein employees volunteered to donate blood and contributed by giving back to the society	Organized a Blood Donation Camp along with The Red Cross Society of India Gwalior Branch & Rotary Club Gwalior	Total of 41 units of blood was donated by employee volunteers
Launched Ambulance services for nearby villagers Access to healthcare	<ul style="list-style-type: none"> Collaboration & co-ordination with our NGO partner (FPAI) The inauguration was done at the Vikram Woollens premises at Malanpur 	The ambulance service will cater to the needs of 25 villages  <i>Ambulance Services during inauguration</i>

OS: PT Sunrise

Blood Donation Camp at PTS by PMI (Palang Merah Indonesia)
Organized a Blood Donation camp Give Blood & Give Life



Blood Donation Camp


EDUCATION

Contribution to
UNSDGs



ACRYLIC FIBRE

We are involved in projects that foster education, healthcare, vocational training, sports and native festivals in the Provinces in which they operate. We engage with our local community through Aditya Birla Knowledge Foundation. Our CSR vision is to actively contribute to the social and economic development of the communities in which we operate. In so doing, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

Initiatives	Key Interventions	Impact
Educational Projects: Child adoption program offering scholarship money for village students	Birlacril™ works with schools near the plant by providing scholarship money to the local village	 Child adoption program offering scholarship money for village students

DOMESTIC TEXTILE

JAYA SHREE TEXTILES

Initiatives	Key Interventions	Impact
Gyanranjan Free specialized coaching class for mostly the class X, Class-XII students of the Government aided vernacular medium schools at Rishra & Barasat.	Partnership with Galaxy Welfare Trust headed by one of the IIT Alumni	100 students enrolled •100% of students passed Xth Result •100% of students passed XIIth Result •14 Students awarded Aditya Birla GYANARJAN Scholarships



VIKRAM WOOLLENS

Initiatives	Key Interventions	Impact
<p>Girl Child Education</p> <p>Providing support to Kasturba Gandhi Balika Vidyalaya (KGBV), Rithorakalan-dist. Morena, [MP]</p>	<ul style="list-style-type: none"> Various initiatives including a tailoring training centre and Providing learning material, Installing drinking water facility, and other infrastructure support to the school. 	<p>The objective of our intervention at KGBV is to improve the learning environment of 150 girl students.</p>

Health Checkup at KGBV



Tailoring Centre at KGBV, Rithourakalan



School Infrastructure support
Construction of two classrooms and one verandah in Primary school in Tilori village of Malanpur

Permission from the District Education department

Infrastructure will benefit all 240 students and their future generations.

OS: Indo-Thai Synthetics

Sponsoring and Participating in the National Children day
At Chiengraknoi Municipality Office

Distribute and sponsor the national Children day 2020 activity with Chiengraknoi Municipality

Building relationship with local authority and community



OS: PT Elegant Textile Industry

Giving books & stationery to primary school at nearby PTE
264 packet books & stationery to SDN Kembang kuning 03 and 203 packet books & stationery to SDN Kembang Kuning



SUSTAINABLE LIVELIHOODS

Contribution to UNSDGs



DOMESTIC TEXTILES

JAYA SHREE TEXTILES

Project Kaushalya

The free Skill training centre for Youth

We provide short term vocational training courses, in industrial skill sets to the college dropouts and unemployed youths and enhancing their employability. We also provide them with placement opportunities with suitable employers or inspire them to be entrepreneurs. The skills are certified by the National Skill Development Council (NSDC).

Key Components Developed

- In 2014, 2 KAUSHALYA centres were established at Rishra & Barasat in collaboration with CII and ICA respectively.
- In 2015 one more KAUSHALYA centre was established in collaboration with the ICA Eduskliis Ltd at the Regent Garment Park of Barasat on Sewing Machine Operator.
- We collaborated with LabourNet Services India Private Limited to establish Training centres to provide free training and placements to the selected tout.

Key Interventions

The centres trained youths in Retail Sales, Electrical Wiring, BPO, garments and Beauty & Hair Care.

Impact

During the FY 2019-20, we have

- 200 Total Number of youths certified
- 133 Total Number of Youths placed
- 74% Placement Percentage
- 1 Job Fair conducted

4,0777 students trained till FY 2019-20



Project Anya

Empowering and training underprivileged women to create sustainable livelihood

- In Project "Anya" project we train underprivileged women to make jute bags so that they can generate regular and sustained income
- Tailoring training centre under Project ANYA in Singwari village

Impact

Jaya Shree Textiles, Rishra

During the FY 2019-20,

- 7.50 Lacs Total Budget
- 30 women enrolled
- 26 women working
- 25- 30 thousand monthly production of jute bags
- Approx 3500 – 4000 monthly income generated by women

<p>Key Components Developed</p> <p>Identification of a master trainer. Establishment of machines along with proper setup for the production general training</p>	<p>Vikram Woolens</p> <p>The Centre was shifted to Singwari village after covering women members from Tilori and nearby villages.</p>
<p>Key Interventions</p> <ul style="list-style-type: none"> • Regular Training sessions • Investment by vendors in acquiring raw material for the women. • Market linkage established for ensuring sustainable livelihood. • The vendor further buys the finished product, print or dye the same and sell the product to Aditya Birla Retail Ltd. 	
<p>Tailoring Training Centre</p> <p>Providing Sustainable livelihood</p> 	

OS: Indo-Thai Synthetics		
<p>Sponsoring the differently-abled people to open shop at factory</p>	<p>Invite the differently abled people to open the shop at Company,</p>	<p>Enabling differently-abled people as entrepreneur and building brand image of the company.</p>
		

SOCIAL WELFARE



Vikram woollens

Wall Painting

Wall Paintings as communication and awareness on sanitation, environment protection, girl child education Celebration the World Environment Day and mass awareness rally organized by the school children.

Supporting to migrant workers in aftermath of COVID 19 Pandemic

Provided 2000kg (02 ton) pulses to the local administration.

Short term support to migrant workers

OS: PT SUNRISE BUMI TEXTILES

Hari Raya contribution to the local community



Providing instant noodles to flood victims around the company



Providing tent and chairs for local community



OS: PT INDO LIBERTY

Bintang Alam village- Teluk Jambe: Giving 10 blocks of cement for the construction of the gate Bintang Alam Village – 16 July 2019



Assisting the Mosque Jami' Nurul Iman



Providing groceries (noodles, rice, cooking oil, bread, baby diapers) to flood victims around the company of ILT.



OS: PT ELEGANT TEXTILE



Giving water tank to kembang kuning village



Providing cement to repair waterways or drainage to prevent flooding in RW 08 Kembang kuning Village

OS: INDO-THAI SYNTHETICS

Providing food to the employees in self-quarantine at home	Foods distribution to employee	Employee Welfare
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ENSURING ENVIRONMENTAL SUSTAINABILITY



OS: PT SUNRISE BUMI TEXTILES

Habitat Team Building Camp 2019 at Mauk, Tangerang





PTE, ILT & PTS jointly building a house at Tangerang city

A large, stylized number '9' in a light orange color, positioned in the upper right quadrant of the image. It has a thick, rounded stroke and a circular top loop.

FUTURE **PROOFING**

FUTURE PROOFING **RESPONSE**

Future Proofing our business means making them resilient to the changes that are happening around us. In the future, many of these changes in external factors have the ability to apply severe pressure on our ability to be sustainable.

DESIGNING THE ORGANIZATION FOR RESILIENCE

COVID-19 PROTECTIONISM-FRAGMENTATION OF GLOBAL MARKETS

- With the surge in COVID-19 cases leading to global lockdown, harming economy and trade, we focus on domestic markets in Indonesia, India, Thailand and Philippines and other South Asian and South-East Asian countries.
- Expanding into a new market with innovative products such as technical textiles and increase presence across the Nations

LABOUR

- Safe & Healthy workplace will continue to be a priority with unsafe work being automated
- Ensure equal pay for equal work for all including ex-pats/migrants
- Work culture and practices to be made gender-neutral, suitable for differently-abled and vibrant for all

STRUCTURAL CHANGES

- Organizational culture has to be built around to be agile, responsive and innovative.
- Be prepared to harness the policy initiatives to multiply manufacturing/ employment generation in India, Philippines, Thailand and Indonesia.

CLOTHING CARE & SUSTAINABLE CONSUMPTION

- Product development is suitable for being anti-bacterial, dust repelling, anti-microbial/wrinkle-free, requiring fewer chemicals and water in washing, durability
- Product development suitable for recyclability and improve the share of products from recycled materials
- Prepare for product information management and disclosures and systems to demonstrate traceability to customers
- Explore the possibility of ABY™ becoming top 10 brands for Yarn made from recycled material

GHG MITIGATION AND ENERGY CONSTRAINTS

- Increase share of renewable energy across the Units to atleast 50 % share
- Continue with efforts in GHG Mitigation/Energy Efficiency and Renewable Energy and its disclosure
- Continue GHG footprinting assessments and disclosures for select products

ADAPT TO CLIMATE CHANGE

- Assess whether the risk alleviation measures initiated by public authorities are adequate in the face of climate change at the manufacturing locations
- Monitor forecasts of climate change on regions of production of raw materials and markets and respond appropriately

FRESH WATER AVAILABILITY

- Continue with efforts in water conservation as the regions face freshwater availability risk and all industry may face the risk of water resource Allocation
- Product innovation to alleviate customer risk in water resources and Effluents
- Keep information/assessment of customers that are likely to face water resource risk

INFORMATION MANAGEMENT, AUTOMATION & INFORMATION TECHNOLOGY

- Integrated (Supply Chain, Manufacturing, Customer) real-time information management
- Improve functionality(antibacterial/microbial /anti-crease/weather window/ dust repellent/less water in washing/ sports etc.) of fabrics and garments
- Improve Traceability through information management
- Continue focus on automation and explore robotic applications in operations with risk of safety and occupational health
- Predictive forecasting of sales, maintenance, manufacturing using Data analytics, Utilize IoT and artificial intelligence to improve efficiency as well as make factory future-ready

R&D AND INNOVATION

- Explore developing yarn products for enhancing fabrics in health care and sports applications as well as products which can be used as precautionary measures to different micro element


SHAREHOLDERS

- Disclosures to shareholders are on par with listed entities
- Improved efforts to contribute to the local economy

REGULATORY

- Aggressive continuation of positive compliance in manufacturing
- Increase products under product stewardship performance and disclosures
- Begin to use a fair share of recycled polyester and explore innovations to design products for recycling/reuse
- Take full advantage of the primary raw material being renewable by taking appropriate care of animal-based raw material
- Identify and watch significant customers and suppliers with high environmental compliance risk
- Ensure diversity in executive management and accessibility of workplaces to differently-abled
- Strict adherence to international guidance/agreements related to human rights

[illegible]



We welcome your feedback on our Sustainability Report 2019-20. For any additional information, or to provide feedback on this report, please write to:

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ADITYA BIRLA GROUP

Domestic Textiles | Acrylic Fibre | Overseas Spinning Business