

OUR SUSTAINABILITY JOURNEY



Arvind
FASHIONING POSSIBILITIES



Message from Suresh

Arvind group has made the journey from being a textile giant to a business conglomerate. Sustainability has been an integral part of our strategy through this fast-paced growth phase.

For us, sustainability is not just about making our operations more sustainable, but to work across our value chain to inculcate the culture of adopting sustainable materials, practices and technologies. This is because we firmly believe that sustainability will be one of the biggest enablers of business growth in the future for the companies that treat it as an opportunity.

We are in the process of developing a concrete strategy to harness the opportunities associated with sustainability. We look forward to hearing your ideas and suggestions on how to make this a meaningful experience.

We took the first step in this direction by undertaking materiality mapping in consultation with relevant stakeholders. We wanted to identify the direction in which we need to push our sustainability efforts, so that we can contribute towards a future of sustainable lifestyles.

In addition to this, we have recently introduced the 'Responsible Supply Chain guidelines' which contain the minimum sustainability standards that our vendors are expected to meet and good practices that may be adopted.

We also experimented with the closed loop recycling of the post-consumer use garments with our brand Unlimited. We are exploring possibilities of shifting to renewable energy sources for some of our operations and have successfully established a skill development program for quality checkers employed in our vendor facilities.

Regards,

Suresh J



What is Sustainability?

Sustainability essentially involves sustaining the ability of the ecological system to remain productive and provide the natural resources that the ecosystem requires indefinitely. It can be achieved by ensuring **environment sustainability, economic sustainability and social sustainability.**

The principle of sustainable development urges everyone to adopt practices that ensure that development needs of the present are met without compromising the balance between the ability of the ecological system to provide natural resources and the developmental demand of our future generations. Governments and corporations across the world are trying to work in collaboration to achieve this goal.



Sustainability as an Opportunity

At Arvind Lifestyle and Brands Limited (ALBL), sustainability has always been an integral part of our business strategy. We strive to constantly look at the challenges that pose a threat to the world, to create opportunities that enable a positive impact both for the world and our business.

The fashion industry is unfortunately the second most polluting industry in the world. It is also associated with a lot of daunting social challenges. Textile manufacturers and retailers have a huge responsibility to take appropriate measures to ensure sustainable development. We at ALBL, perceive this as a huge opportunity.

We are constantly exploring ways to reduce the burden on natural resources & increase the use of sustainable raw materials and chemicals. Reducing and recycling waste from our value chain is an important part of our process. We always strive to improve the skills and socio-economic conditions of our workforce.

Environmental sustainability is the ability to maintain rates of renewable resource harvest, pollution creation, and non-renewable resource depletion that can be continued indefinitely

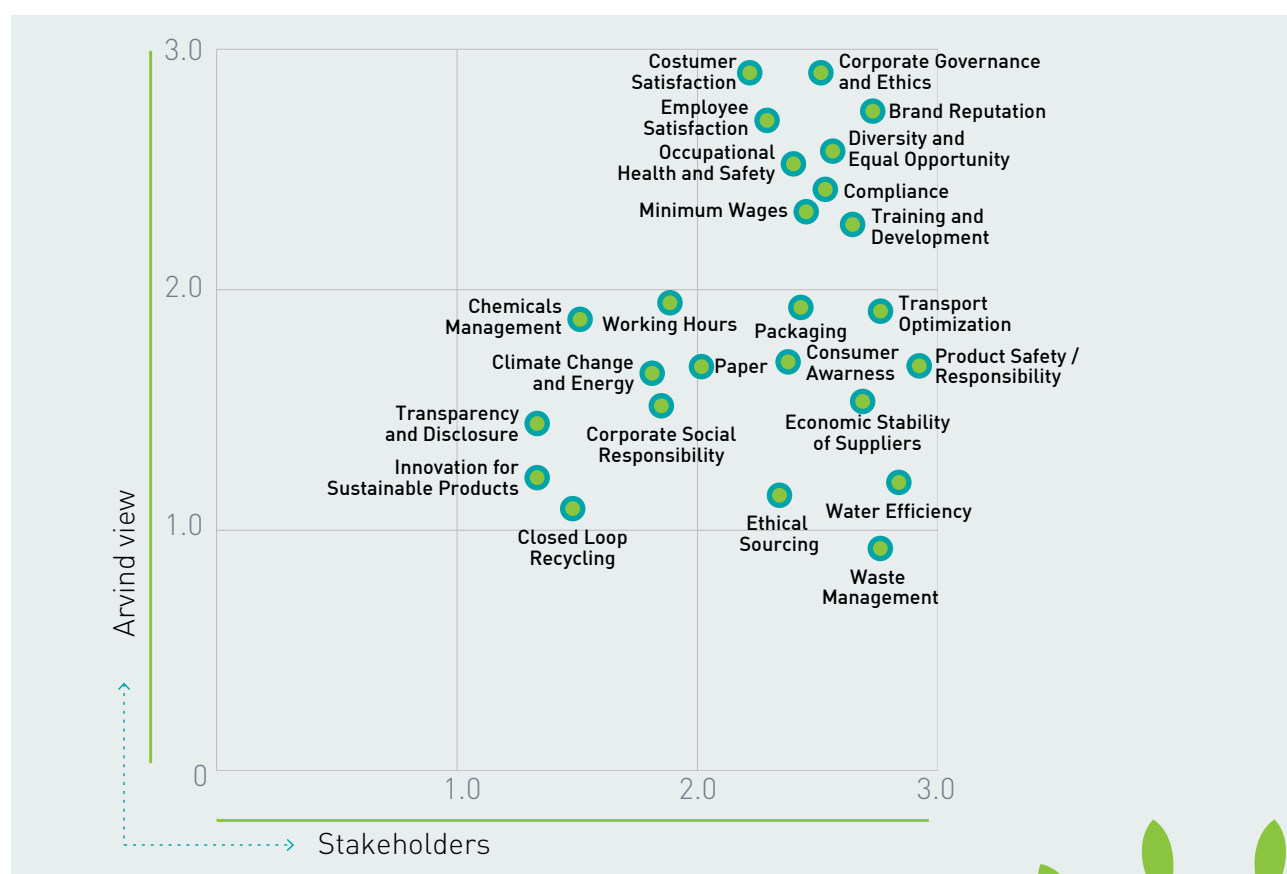
Economic sustainability is the ability to support a defined level of economic production indefinitely

Social sustainability is the ability of a social system, such as a country, to function at a defined level of social well-being indefinitely



Sustainability Mapping: Materiality

ALBL recently conducted a materiality mapping exercise to identify issues that are material to its business and relevant stakeholders. This will guide our sustainability efforts and enable us to effectively utilize our resources so we can contribute towards a future of sustainable lifestyles.



The issues highlighted in the fourth quadrant are highly material for ALBL and its stakeholders. We are developing a systematic and time bound action plan to address these issues. These plans will run across our brands and our associated value chains to ensure we take an integrated approach towards creating sustainable lifestyles.



Initiatives for sustainable development

Here is a summary of some activities that have been initiated/implemented to take forth our action plan for better sustainability.

Responsible Supply Chain guidelines

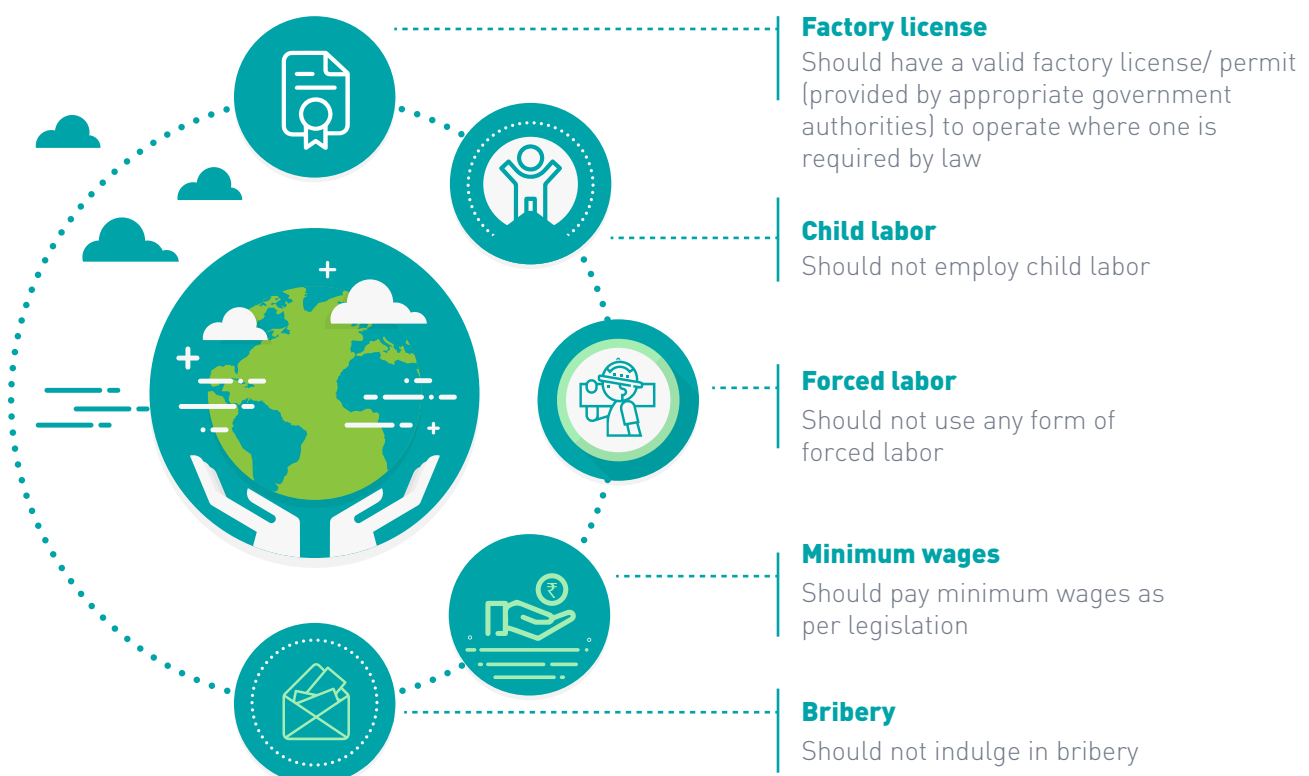
We believe that partnerships based on responsible sourcing, strengthen our supply chain and help us mitigate associated risks. They also help us build trust among our consumers and relevant stakeholders.

Arvind's Responsible Supply Chain (RSC) Guidelines were re-launched in January 2018, which is Version 2 of the previous code of conduct. This is in order to reinforce our commitment towards sustainability. These guidelines are instrumental in ensuring that we achieve desired business objectives while making a positive social impact in the vicinity of our operations and reduce the overall environmental impact of our operations.

The RSC guidelines include a set of **'Mandatory Requirements'** which all our vendors need to meet to be able to do business with us. Beyond this, we encourage our vendors to move up from the Mandatory Requirements, to Basic Requirements, and onwards to Good Practice.

Arvind will verify alignment to and implementation of the Mandatory Requirements, delineated in the RSC guideline, through supplier self-declaration and independent assessment of vendor factories, including third-party audits.

Mandatory requirements





Post-consumer waste recycling:

Unlimited launched a campaign in the festive season (October 2017) to spread awareness among customers on the growing problem of textile waste and provide a platform for them to dispose their old and not-in-use garments in a sustainable manner. As a gesture of solidarity, every customer that dropped old garments was provided with a set of earthen Diyas, to encourage them to celebrate the festival sustainably.

Unlimited collected **~5700 garments**, weighing approximately **1.3 tonnes** through the campaign. These garments will be segregated based on their re-usability. Garments that are eligible for fibre recycling will be shredded and converted into reusable fibre. Whatever cannot be recycled to fabric will be divided into reusable and non-reusable categories. The reusable lot will be handed over to an NGO, post refurbishment, for distribution amongst people in need while the rest will be cut and used in cleaning, washing, etc. Only garments which cannot be used even for cleaning will be sent to the landfill.

Skill development

ALBL understands that skill development is an important intervention to help improve the socio-economic condition of the workforce in our value chain.

The quality team at ALBL runs a program called '**Green channel**'. Under the program, the team has trained more than **250 quality checkers** and **quality assessors employed at 11 vendor facilities till 2017**. The idea is to enhance the skills of quality checkers to gauge the quality of garments as per ALBL standards. It also helps to train and empower a nominated quality assessor (QA) to conduct a comprehensive quality audit in line with customer expectations. In turn, the defect rate for these vendors will be reduced in the short-medium term.

Unlimited



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We are exploring the possibility of using the recycled fibre in production of our products going forward, thereby preserving natural resources and reducing the burden on land due to indiscriminate disposal.

Green channel



250+ quality checkers and quality assessors employed at **11 vendor** facilities till 2017.

