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WHERE BEAUTY BEATS

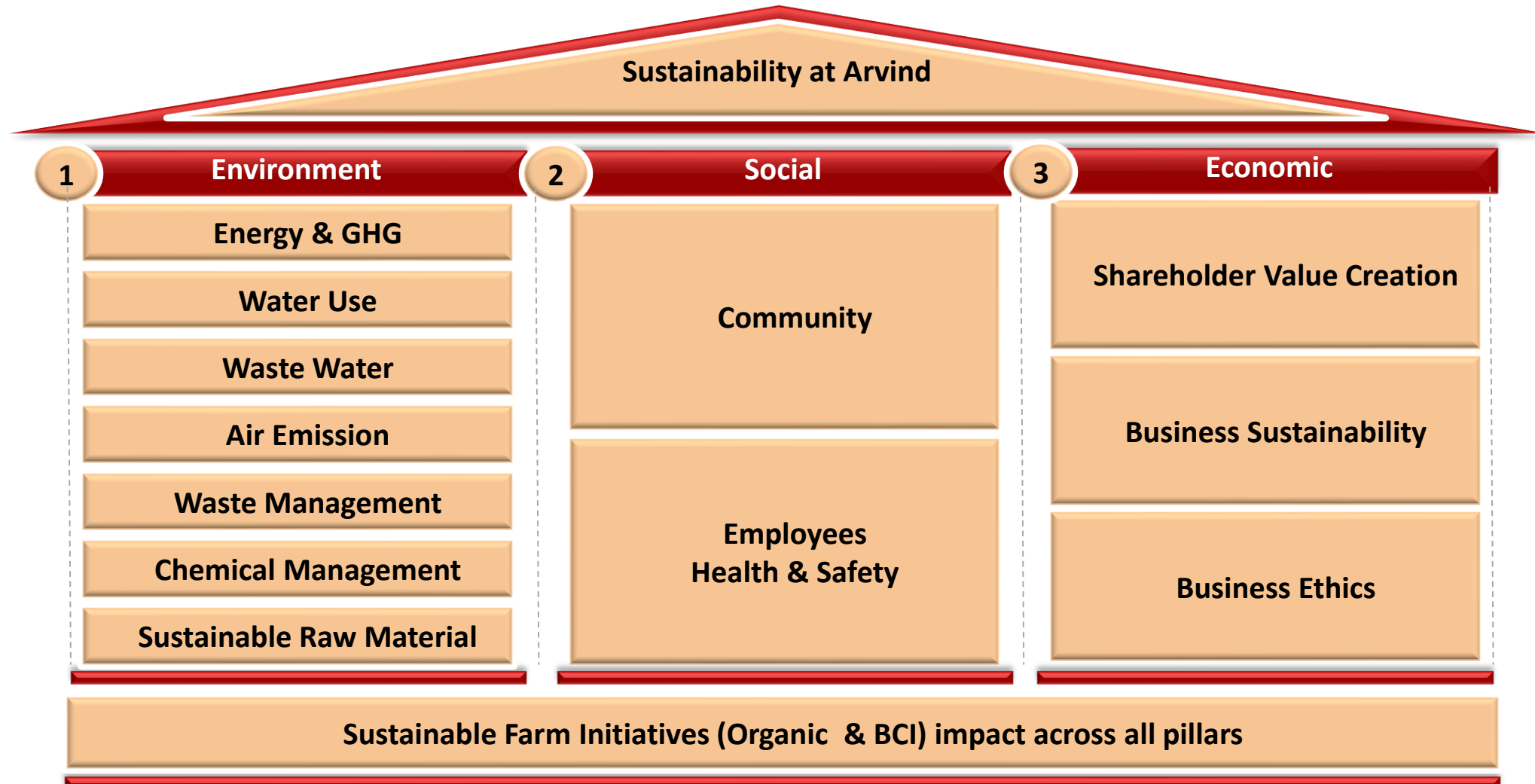
SEPHORA

GAP



# Sustainability @ Arvind

**Our sustainability efforts at Arvind are focussed on the three pillars:  
Environment, Society and Economic**



## We strive to set global benchmarks in environmental sustainability

### Water



One of the largest  
**Zero Liquid Discharge**  
plant



**Group level recycled**  
water usage at 55%;  
target of 85% by 2020



**100% process water**  
from recycled water

### Energy



**India's most energy**  
**efficient** textile unit,  
awarded 3 years in a row



One of the **largest solar**  
**roof-top plant** in India



Specific **energy**  
**consumption reduced**  
**by 20%** over last four years

### Chemicals



**Robust quality check**  
established for incoming  
chemicals



**In house state of the**  
**art IQC lab**

**Ø ZDHC**

**Globally first textile mill**  
to sign a pact towards zero  
discharge of hazardous  
chemicals

## We ensure highest standards of working conditions for our workforce



**SA 8000 certified**  
for last 3 years



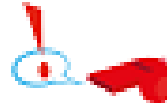
**70% reduction in incidents/accidents**  
over past three years



**Health insurance** for  
workers and their families



**In house hospital** for  
treatment of workers



**Whistle-blower Helpline** against  
Harassment & unethical  
practices



Strict policy and  
implementation **against**  
**child and forced labor**



**Encouraging female participation** in our  
workforce



**Code of conduct**  
for all employees and  
suppliers



Regular initiatives and trainings  
for **skill enhancement**

# Management systems in place

<b>EMS</b>	<b>ISO 14001 for Environment Management</b>
<b>Energy &amp; GHG</b>	<b>ISO 50001 for Energy Management</b>
<b>Health &amp; Safety</b>	<b>OHSAS 18001 for health and safety</b>
<b>Labor Standards</b>	<b>SA 8000 for labor standards and working conditions</b>
<b>Product based certifications</b>	<b>GOTS, GRS</b>





We at Arvind have a commitment for Sustainability of our community and the Sustainability of our planet. For which we have under-taken organic and fair trade cotton farming in Akola district of Maharashtra.

This enables cotton-growing communities of small and marginal farmers to improve the economic, social and ecological sustainability of their production through organic farming. This conserves biodiversity by promoting organic farming of healthy foods and fibers.

This assists transition of conventional fiber cultivation to organic farming system by supporting, co-ordinating and disseminating in a socially fair and ethical manner that will create a healthy ecosystem and promote rural economy.

Better Cotton is produced by farmers who; minimize the harmful impact of crop protection practices

use water efficiently and care for the availability of water

care for the health of the soil

conserve natural habitats

care for and preserve the quality of the fiber

promote Decent Work



Cotton as naturally grown, no genetic modification

Free of harmful fertilizers and pesticides

Maintaining nature's balance through healthy soil

# Implementation activities of Agriculture Initiative

## **Agronomic know-how**

- Provide guidance to farmers on management practices that will help meet 'better cotton' production criteria
- Gap-analysis to identify opportunities to reduce cost and increase yield

## **Post-harvest handling**

- Improving fibre quality by creating awareness about cotton picking, storage and segregation best practices

## **Access to finance**

- Supporting farmers in obtaining credit from partner banks and financial institutions

## **Decent Work practices**

- Sensitizing farmers about not using child / bonded / forced labour
- Equality of wages for both genders (for same work)

- **Deployment of a dedicated agronomists team from Arvind**
- **Focus on establishing self-sustaining producer organisation**

## Sustainability Report

### Fundamentally Right – Maiden Report

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Released first Sustainability Report in 2015 & 2<sup>nd</sup> in 2017

In accordance with GRI G3.1 guidelines

Reported at level B at first attempt; implying high level of disclosure

Next report under preparation, to be in accordance with the latest GRI G4 guidelines

Report to enhance disclosure level

First report won two awards at Asia Sustainability Reporting Awards





**NURTURE TALENT  
BUILD LEADERS** | **DO GOOD  
DO IT WELL** | **EMPOWER PEOPLE  
TO POWER PURPOSE**

**MAKE SAFETY A  
CULTURE** | **OUTSMART LEGACY  
SUSTAIN LEADERSHIP**

**PROGRAMMES  
NOT PROJECTS** | **THE BEST INVESTMENTS  
ARE IN ASSETS YOU DON'T OWN** | **EARN ETHICALLY  
DISTRIBUTE EQUITABLY  
INVEST AGGRESSIVELY**  
**INSTITUTIONALISE  
INTERVENTIONS** | **CO-CREATE  
TRANSFORMATIONS** | **FUTURE-PROOF GROWTH  
THROUGH PRODUCT & BUSINESS PORTFOLIO**

## — THE FUNDAMENTALLY RIGHT — **MANIFESTO**

**INNOVATE  
TO CONSERVE** | **GO GREEN  
GROW CLEAN**

**ENHANCE ENERGY  
ACCOUNTABILITY  
IMPROVE ENERGY  
PRODUCTIVITY** | **RETHINK  
THE ENERGY MIX** | **SEED AGRI-ECONOMIES  
ENHANCE QUALITY • ENRICH QUALITY OF LIFE**  
▶ **RAISE BENCHMARKS, SET STANDARDS**

**SALES IS EARNED** | **HARVEST HIGH IMPACT AREAS AND  
SEED CHANGE**

**ZERO WASTAGE  
DISCHARGE** | **ADDRESS CRITICALITY  
BEFORE IT BECOMES CRITICAL** | **VALUE**

**NO BETTER  
BUSINESS  
COMPASS THAN A  
CUSTOMER'S GOAL** | **CULTIVATE** | **WINNING CHEMISTRIES  
WITH CUSTOMERS**

**FUNDAMENTALLY  
RIGHT**

**Arvind**  
FASHIONING POSSIBILITIES

2014-15  
**SUSTAINABILITY  
REPORT**

### MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Dear Stakeholder,

Arvind is an organisation with a rich legacy of responsible stewardship. While, it is built on a strong foundation of time tested values, it continues to remain modern in both outlook and decisions.

It is this synergy of age-old wisdom, modern management practices and new-age technology that has steered Arvind successfully through its sustainability journey and helped it deliver on its vision of 'enriching lifestyle'.

Keeping pace with the accelerated need for sustainability across the globe, we took bolder and rapid strides to make our operations more sustainable. Last year we unveiled our sustainability philosophy 'Fundamentally Right', this year to turn intent into wide-scale action, we are releasing our sustainability manifesto. The objective is to enable our 30,000+ employees, to translate the 'Fundamentally Right' philosophy into practice in their day-to-day decisions across all six key inputs - Cotton, People, Money, Energy, Water and Chemicals.

Cotton is the most commonly grown non-food plant in the world, accounts for two and a half per cent of arable land, and provides income for more than 250 million people worldwide. Add to it, the water intensive nature of the crop, large-scale use of fertilizers and pesticides, genetic modification, plus certification concerns and we have a complex

environmental and social challenge. To gain deeper insights into the efficacy of various cultivation methods, during the reporting period, we undertook a detailed lifecycle analysis of BCI, Organic & Conventional Cotton and charted new five-year roadmap.

There exists a tight fit between Arvind's mission of 'Enriching Lifestyles' and the overarching purpose of the Sustainable Development Goals. Energy is one parameter that is crucial for achieving almost all of the Sustainable Development Goals - from eradication of poverty through advancements in health, education, water supply and industrialization, to combating climate change. We continued to invest in processes, practices and technology to enhance our energy efficiency, and thus during the reporting period, Arvind became the first Indian company to be awarded the ISO 50001:2011 certification in the 'Composite Textile Industry-Denim Fabric' category. The goal is to follow a globally benchmarked approach to a drive continual improvement of energy performance, including energy efficiency, energy use and consumption.

The world is changing, stakeholder demands are changing even more rapidly. The only way to keep delivering, is to ensure that our key assets - our people, are equipped with new skills and methodologies.

Thus, training was given added impetus during the reporting period and we introduced a range of programmes across hierarchies. Through a combination of intensive training and implementation of safety best practices, we recorded a 56% reduction in injuries.

We made prudent and strategic investments in potentially high-growth industry segments like brands and e-commerce. Additionally, we have also taken a major position in Ethiopia and are building capacity for 2.8 million garments per month over the next couple of years.

Arvind continued to contribute actively to the holistic upliftment of those on the margins of society. Our flagship program 'Gyandai' which provides education to thousands of urban poor children, grew its footprint. We also mainstreamed a new initiative 'Arvind Clinics' to provide quality healthcare at extremely affordable rates.

This report delves deep into our triple bottom-line performance and I hope you find it interesting and informative.

Regards,

Sanjay S. Lalibhai  
Chairman & Managing Director

WITH OUR  
CO-CREATION  
STRATEGY  
AND AN  
ASSET-LIGHT  
BUSINESS MODEL,  
WE ARE SLOWLY  
BUT SURELY  
TRANSFORMING  
FROM A TEXTILE  
AND GARMENT  
PRODUCER INTO  
AN END-TO-END  
SOLUTIONS  
PROVIDER FOR THE  
ENTIRE TEXTILE  
VALUE CHAIN.



# External Engagement (Ratings/scoring)

## CDP

- Reported at CDP (Carbon Disclosure Project) for two years in row now
- Achieved a score of 88/100; Reporting level of B (from A to E)
- CDP is a global body working on behalf of investors for carbon disclosure



## CII – Sustainable Plus

- CII's Sustainable Plus does labelling for top 200 companies and rates them on Sustainability
- Achieved the gold label in our first attempt (Platinum, Gold, Silver, Bronze)



## Higg Index

- Reported on Environment Module at 8 locations
- Reported on Social Module for 7 locations
- Leading implementation
- External verification

Higg Index

# External Engagement (Brand Building, Capacity Building)

## Sustainable Apparel Coalition

- Extensive Engagement with SAC in various working groups
- Collaborating on new Environmental module
- Arvind featured on SAC website as manufacturer in spotlight



## Carbon Pricing Leadership Coalition

- World Bank launched a world wide coalition of Corporates to advocate carbon reduction and putting a price on Carbon
- Arvind is one of the five corporates in India, who are part of this global coalition



## WRI – India GHG program

- Became part of WRI's India GHG program
- Established textile working group for GHG emissions reporting and reduction



# External Engagement (Brand Building, Capacity Building)

## ZDHC

- Engaging with ZDHC to keep up to date on various developments on Zero Discharge of Hazardous Chemicals
- Most of our key buyers are part of ZDHC group
- Arvind featured as first manufacturer at ZDHC group



## Water Resources Group

- Funded and founded by IFC and UN
- Planning to start work on cotton in Maharashtra
- Arvind is engaged since initial days and could emerge as key player



## Sustainable Technology acquired by Arvind

- Zero Liquid Discharge (ZLD) system is based on our patented MVR technology called Polymeric Film Evaporation Technology (PFET).
- Operating cost of our technology is the lowest in the world.
- Our heat exchangers are polymer based rather than conventional metal type
- PFET saves upto 80% energy for ZLD system as compared to other prevailing technologies.
- The technology also aids in recovery of commercial grade salts and lowers the waste going to landfill to maximum extent
- In addition to ZLD, this technology has multiple other applications like Glycerin recovery, Glucose & Dextrose Recovery, Copper/metals recovery for the other industry types
- We hold worldwide patent rights on our unique polymer based heat exchangers used in our evaporators.
- We have successfully installed this ZLD technology at more than 60 plants for our clients





Thank You!!