

THE DECADE OF SUSTAINABILITY

10



DECADE OF SUSTAINABILITY

Sustainability is a relentless pursuit. In a multivariate world where situations change instantaneously and crises deepen despite best collective efforts, we understand that a Decade of Sustainability is a milestone we cross, not a destination we rest in.

So, while we recount the successes of the decade gone by, we are taking the learnings and leveraging them for accelerating ESGbilty and strengthening sustainability in the decade ahead.

2013-23

A DECADE OF ACHIEVEMENTS

ABFRL's structured sustainability journey began in FY13 with the launch of 'ReEarth for our Tomorrow' – a mission-led programme, aligned to the ABG Vision and Sustainable Business Framework.

Through dedicated efforts, we achieved remarkable success in all 10 Missions, ranging from sustainable packaging, zero waste to landfill, green building certification, WASH compliance, and the introduction of sustainable products. These achievements also garnered widespread recognition and accolades, including high rankings in global sustainability assessments and awards for reporting.

With Phase 2 of ReEarth in FY20, we took the dialogue and demonstration of sustainability a few notches higher. Our environmental targets included a significant reduction in grid electricity consumption, zero waste to landfills, water neutrality, taking preventive measures to ensure no fatal accidents occur at our occupational workplaces, and massive reduction in our packaging footprint.

Building on these accomplishments, in FY21, we transitioned to Sustainability 2.0, adopting a 'Product-led' approach with three key pillars: product design and development, customer centricity, and supply chain sustainability. We unveiled our 2025 agenda which focuses on six core areas: Energy, Water, Safety, CSR, Waste, and Green Buildings. Circularity and Digitalisation will be the key enablers for most of these areas.

Two years in a row,
ABFRL was declared Asia's

'Most Sustainable Company'
in the Textile, Apparel & Luxury Goods Industry

by S&P Global CSA 2020 and 2021.



2023-33

A DECADE OF ACCELERATION

For the decade ahead, we remain poised to tackle the evolving landscape of the fashion and retail industry. This year, we continued to forge ahead with our 2025 agenda. We have already achieved targets like being water positive, zero waste to landfill, ensuring zero harm and embedding at least one sustainable attribute in over half of our products; and are on track to achieving our emission reduction and renewable energy targets. We are also working towards developing a 'Net-zero' roadmap and will be communicating the same in future reports.

We continue to embed sustainability deeper and deeper into the fabric of our organisation, give it pride of place in our business goals and cascade it into our day-to-day operations and across our entire value chain.

Recognising the impact of changing consumer preferences, climate change, supply chain disruptions, and resource scarcity, we have taken proactive measures to face these challenges. Embracing digitalisation and new technologies like AI, we have integrated innovation across our operations, incorporating greener processes, digitised customer feedback mechanisms, and digital-first fashion brands.

Sustainability will be at the centre of innovation in the fashion industry in the coming decade and while tools and technologies will change, it is intellectual capital, the commitment and the learnings that will see ABFRL honing its edge.

Being **India's largest pure-play fashion & lifestyle player**, we believe it is our responsibility to demonstrate

sustainability excellence

and lead the sector by example.



IN THE REPORT

01 - 04
Executive Messages

05 - 16
Company Profile

17 - 18
Reporting Scope
and Boundary

19 - 32
Sustainability and Us

33 - 38
Corporate Governance

Restoring
ECOSYSTEMS



PERFORMANCES

41 - 64
Environment

65 - 72
Financial

73 - 94
People

95 - 112
Safety

113 - 146
Social

147 - 174
Product

Recognising
TRENDS



175 - 188
Stakeholder Engagement

189 - 210
Future Proofing

Redesigning
BUSINESS



Digitalisation is propelling us forward in our 'Sustainability 2.0' journey. It is amplifying and accelerating outcomes across the ESG spectrum. As a befitting tribute and a demonstration of how closely intertwined sustainability and digitalisation are at ABFRL, the imagery featured on each separator has been created using Artificial Intelligence (AI).

ANNEXURES

211 - 216
TCFD Alignment

217 - 218
SDG Mapping

219 - 224
Assurance Statement

225 - 230
GRI Standard Content Index

Message from Chairman



Dear Stakeholders,

As humanity stands at the precipice of the crucial halfway mark in the 2030 UN Agenda for Sustainable Development, the year 2023 takes on heightened significance. It is a pivotal moment where the promise of a **'Decade of Action'** must prevail over uncertainty and fragility. It is in this context that I am pleased to share that ABFRL has retained its position as

'Asia's Most Sustainable Company', securing the 8th global ranking at the DJSI - CSA in the Textiles, Apparel, and Luxury goods sector.

This is just one of the milestones in ABFRL's sustainability journey.

Over the years, the Company has actively contributed to the achievement of UN Sustainable Development Goals (SDGs). It is also carrying forward this unwavering commitment to sustainability by aligning with the G20 objectives of addressing global economic issues and promoting inclusive and sustainable growth on a global scale.

Over the years, we have remained cognizant of the expectations that the varied stakeholders have from our businesses on aspects of Environment, Social and Governance (ESG). The Group has articulated

'Accelerating ESGbility, Strengthening Sustainability' as its sustainability approach and the businesses have made consistent advancements in their ways of working, processes, products, and people capability.

Above all, they have made an all-encompassing definition of what a sustain-able Aditya Birla Group (ABG) business is.

SECTORAL VIEW

Against the backdrop of escalating climate change, ongoing geopolitical tension, energy insecurity and social inequity, the global fashion industry continues to evolve and find new means to meet ever-changing customer needs and preferences.

Businesses must find a way to decouple their profitability from known business risks and be prepared for the ones yet unknown. They must create avenues for growth that provide long-term shareholder value but also opportunities for social prosperity. ABFRL continued to deliver on all these fronts in FY23.

Circularity-led Process Transition

Digital-led Product Transformation

In FY23, ABFRL continued its transition to Sustainability 2.0 - from process-led to product-led, with a 2025 agenda by focusing on six core areas: Energy, Water, Safety, CSR, Waste, and Green Buildings. Circularity and Digitalisation are the key enablers for most of these areas.

The adoption of digitalisation in internal processes enhances their strength, speed and resource-efficiency. Furthermore, leveraging digitalisation through a Direct-to-Consumer (D2C) platform enables ABFRL to tap unexplored markets and fortify its market share.

ESG FOCUS

The year was also marked by systematic ESG advancements by the Company. While ABFRL achieved its goal of being **'Water Positive'** across operations, it is working on 'Renewable Energy across own operations' by expanding solar rooftop projects to more of its facilities. **The Company is also in the process of validating its climate and emission-related energy and emission targets through Science Based Target Initiatives (SBTi).**

Identifying and proactively mitigating business risks are integral to the Company's future proofing strategy. This year, ABFRL completed a comprehensive risk refresh project that incorporated the COSO framework and TCFD guidelines in the Enterprise Risk Management framework. I believe this will further enhance ABFRL's already stellar governance credentials.

With a focus on ESG principles and digital transformation, ABFRL is strategically positioned to achieve sustainable growth over the long term.

KUMAR MANGALAM BIRLA

Chairman, Aditya Birla Group

Message from Managing Director



Dear Stakeholders,

In FY23, ABFRL continued to lead Indian Fashion Retail Industry by updating wardrobes of millions of customers with new trends and embarking on the journey of product-led sustainability 2.0. To accelerate our progress on the 2025 sustainability roadmap that aims to achieve ambitious targets and business goals, we strengthened decarbonisation and circularity initiatives, infused more capital, deployed new technologies, and introduced new business models.

Decarbonisation: ABFRL is dedicated to formulating a robust climate strategy by adopting the Science-Based Targets initiative (SBTi) approach. Our focus is on reducing Greenhouse Gas (GHG) emissions across our operations through energy efficiency measures and embracing renewable energy initiatives. Despite a significant increase in production, our efficiency endeavours have resulted in an impressive 13% reduction in energy intensity at the garment level.

In line with our commitment to sustainability, we have commissioned solar rooftop systems, augmenting the share of solar energy in our overall energy mix. Currently, our solar PV capacity stands at 3 MW. Additionally, we have harnessed the power of biomass briquettes to fulfil our thermal energy requirements. Our determined efforts have accelerated our progress towards achieving a substantial 4.9% reduction in scope 1 and 2 emissions across all ABFRL operations.

Circularity: We continued to accelerate the transition from linear to circular models by integrating circular principles in our own operations and across the value chain. Our collaboration with Germany's GIZ focuses on material innovation, reducing inputs of harmful substances, increasing textile-to-textile recycling, developing alternatives to plastic packaging, and fostering traceability. We had set two goals of waste reduction and Zero Waste to Landfill.

While we recycled and reused over 90% of waste, we attained Zero Waste to Landfill in all our facilities. One of our units, 'Fashion Craft Ltd.', has been awarded TRUE Zero Waste Gold certification by Green Business Certification Inc. ('GBCI'). It is the first industrial manufacturing unit in India and the second worldwide to receive this certification.

To further boost circularity at ABFRL, we are integrating it into our core business strategies and increasing the assessment of Environmental, Social and Governance (ESG) criteria.

Transitioning to a circular economy is a long-term process. It needs strategic shifts, improvement in business model and adaption of technology-led innovation, supported by strong balance sheet.

Infusion of Capital: In line with our strategic growth plan, we raised capital this year to strengthen our balance sheet. This capital will help us accelerate our growth engine built around strength of our current businesses, emerging high growth business models, and fortifying our position as a leading player.

Brand Building Campaigns: As markets recovered from COVID induced disruption of last two years, ABFRL reinstated the rigor on augmenting brands and building customer engagement. For this, we stepped up investments in advertising and marketing across businesses. We reinvigorated lifestyle brands with high-decibel new campaigns, launched nation-wide campaigns for our new initiative Tasva, a premium men's ethnic wear brand, and for Van Heusen Innerwear business.

Digital-first Brands: ABFRL accelerated its play in the emerging e-commerce landscape by launching a new venture, TMRW, to invest in digital-first brands to build a fashion portfolio targeted at the next generation of consumers.

These initiatives will not only help us in being ahead of the curve in the fashion retail industry, but also to grow sustainably and accelerate the circular transition.

This report details our sustainability performance. It stands as a testimony of our unwavering focus and commitment to achieve ReEarth 2025 - our publicly stated sustainability goals.

ASHISH DIKSHIT

Managing Director,
Aditya Birla Fashion and Retail Limited

Message from Chief Sustainability Officer



Dear Stakeholder,

In any journey, milestones play a significant role. They remind us of how far we have come and symbolise advancement to the next stage of the voyage. This year, ABFRL achieved a major milestone: we completed a decade of sustainability. From FY13 to FY23, this remarkable ten-year period has been dedicated to not only prioritising customers, but also rejuvenating the environment, empowering society, and implementing exemplary governance policies, processes, and procedures for the benefit of all stakeholders.

This mainstreaming of sustainability in our business narrative has established us as leaders in sustainable fashion industry, while creating long-term value for our stakeholders.

- We have been consistently ranked No. 1 in India and Asia, and No. 8 globally by the Dow Jones Sustainability Indices (DJSI). In FY23, Sustainalytics ranked us 12th globally under Textiles & Apparel with a score of 12.15 (Low Risk Category). This commendable achievement marks ABFRL's first assessment on ESG parameters.
- Additionally, we were honoured with the 'Best Green Supply Chain' Award at the ESG India Leadership Awards 2022, presented by ESGRisk and Acuity Knowledge Partners, in recognition of our dedication to sustainability beyond the factory gate.

What began as a vision a decade ago at ABFRL has evolved into an inspiring movement for the industry. We are not stopping here. We are propelling the sustainability journey forward in the next decade by embedding sustainability throughout the spectrum of design development, supply chain and end-of-use for product life cycle thinking and circular approach. To take this movement ahead, we are using unique perspectives, skills, and dedication of our employees, partners, and other stakeholders.

ABFRL will also continue to be at the forefront of the industry implementing suggestions discussed during COP27. Many of these suggestions including reducing carbon footprint, incorporating low-carbon fibres in the manufacturing process, and responsible sourcing are already part of ABFRL's Sustainability 2.0 journey with a 2025 agenda. Our agenda focuses on product design and development, customer-centricity, and supply chain.

In FY23, we made several positive impacts in the areas by improving our ESG efforts.

ENVIRONMENT : In FY23, 70.3% of products by volume had at least one out of five sustainability attributes. We also added 68% of renewable energy across owned facilities and did exceptionally well on the water and waste front. In addition to that, our manufacturing facility, 'Haritha Apparels' got certified LEED Zero Water under the US Green Building Council rating system.

By being water positive and achieving the 'Zero Waste to Landfill' status for all non-hazardous waste, we have already exceeded the 2025 mission targets. Moreover, against our commitment to using 100% sustainable packaging material by 2025, we have achieved over 91.5%. We also committed our near-term carbon emission targets through SBTi commitment.

SOCIAL: The Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFRJKT) continues to do commendable work towards integrating marginalised communities into the economy through initiatives focusing on education, health and sanitation, sustainable livelihoods, water and watershed, and digitalisation. In FY23, we invested over INR 3.55 crores on CSR initiatives, benefitting 231,197 people across Karnataka, Tamil Nadu, Maharashtra, and Odisha.

Our employees come from the community. It is our responsibility to provide them a safe, healthy, happy and diverse work environment. We have a healthy gender diversity with women employees comprising 55% of our workforce and the percentage of women in top management positions stands at a commendable 26.72%. Having achieved the goal of 'Zero Fatality' at the workplace, we are now aiming to achieve 'Zero Severity' by 2025.

GOVERNANCE: We remain committed to continuously adopting the best governance practices of the Aditya Birla Group. This year, we completed a comprehensive risk refresh project that incorporated the COSO framework and TCFD guidelines in the Enterprise Risk Management framework. I believe this will further enhance ABFRL's already stellar governance credentials.

We believe that milestones are not an end but a new beginning of a journey. In the next decade of our journey, we will continue to accelerate ESG efforts and contribute to a better world.

DR. NARESH TYAGI

Chief Sustainability Officer,
Aditya Birla Fashion and Retail Limited

Company Profile

THE GROUP

The Aditya Birla Group is a premium global conglomerate in the League of Fortune-500. Anchored by an extraordinary force of over ~140,000 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. The Group is a member of numerous global sustainability organisations, including the United Nations Global Compact and the World Business Council for Sustainable Development, and has followed responsible business practices for over seven decades.

ADITYA BIRLA FASHION AND RETAIL LIMITED

ABFRL is part of the Aditya Birla Group. The Company has become India's leading fashion powerhouse in recent years. With revenue of INR 12,418 Cr. spanning a retail space of 10.8 million sq. ft., ABFRL is India's first billion-dollar pure-play fashion powerhouse with an elegant bouquet of leading fashion brands, and one of India's most well-known retail format, Pantaloons. The Company is focused on leveraging its strong brand portfolio, evolving product portfolio in line with changing consumer preferences, expanding reach, accelerating omni-channel play and driving D2C growth in India.

ABFRL has also been a pioneer in driving sustainability to the forefront of the fashion and retail industry. For a decade now, we have been driving sustainability in the industry as a thought leader.

Our journey has paved the path for several initiatives and strengthened strategic collaborations with global and national organisations, along with memberships of global platforms.



To align with the evolving market, ABFRL is also partnering with gen-next focused fashion and lifestyle businesses creating a young, aspirational and digital-first brand.

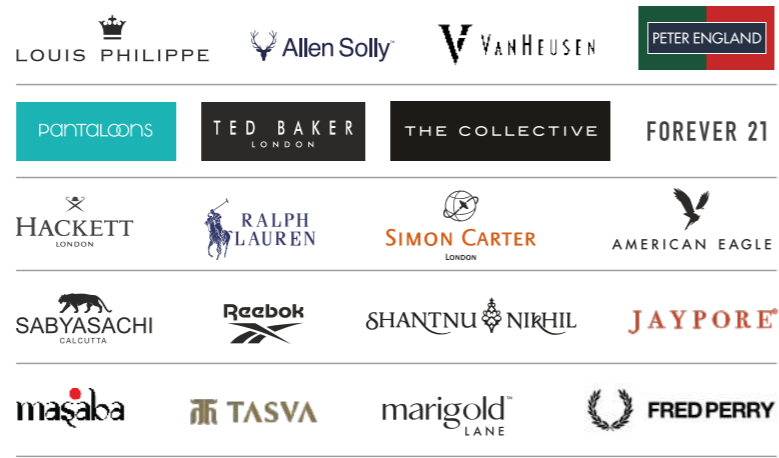
FY23 was a year of steady progress and new forays. With fashion that resonates with consumers year on year, Pantaloons, one of India's preferred fashion destinations, celebrated its 25th anniversary in FY23 with the release of a new brand anthem to commemorate the occasion.

ABFRL'S D2C BRAND - TMRW

Aditya Birla Group announced the formal launch of a new 'House of D2C Brands' entity - TMRW. This move is in line with the group's strategy to launch and back new-age digital ventures. TMRW will create India's largest portfolio of disruptor brands in the fashion & lifestyle space and enable the next phase of direct to consumer (D2C) growth in India, which is poised to be a \$100bn market by 2025. Over the next 3 years, TMRW will acquire as well as incubate 30+ innovative, customer-obsessed brands. The venture will also enable multiple founders to operate within a synergistic 'house of brands' platform that share a common vision and shared capabilities.

Louis Philippe

In FY23, ABFRL also expanded the retail footprint of TASVA, a new ethnic menswear brand by ace designer Tarun Tahiliani, with the launch of seven stores. The outlets offer a premium collection of ethnic and wedding wear ensembles for men. In line with ABFRL's strategy of partnering with India's top-most designers to build a portfolio of distinctive and aspirational home-grown brands across fashion and lifestyle categories, this partnership brings luxury glamour to men's celebration wear.



FY23 saw the successful integration of Reebok into ABFRL. The long-term licensing agreement with Reebok, grants ABFRL exclusive rights to distribute and sell Reebok products through wholesale, e-commerce and branded retail stores in India. We are accelerating brand accessibility and focusing on the product assortment for running. Going ahead, the brand true to its roots in the sports lifestyle market will foray into new product categories that focus on Cricket, Tennis and Badminton.

Besides this, ABFRL has a repertoire of industry's largest, strongest and most resilient fashion brands including Louis Philippe, Van Heusen, Allen Solly, and Peter England. It also holds exclusive online and offline rights to the India network of California-based fast fashion brand Forever 21. The International Brands include - The Collective, India's largest multi-brand retailer of international brands, Simon Carter and select mono-brands such as American Eagle, Ralph Lauren, Hackett London, Ted Baker, Fred Perry.

The Company's foray into branded ethnic wear business includes brands such as Jaypore, Tasva & Marigold Lane. The Company has strategic partnerships with Designers 'Shantnu & Nikhil', 'Tarun Tahiliani', 'Sabyasachi' and 'House of Masaba'.

In addition to this, the Company is also establishing a significant position in new areas including innerwear, Athleisure and Activewear. Van Heusen Innerwear is one of India's most innovative and fashionable brands.

ABFRL, with a network of 6,723 points of sale in department stores, has a presence across 33,535 multi-brand outlets throughout India.



MARKET UPDATES

Market sluggish post festive season

- Gradual softening of demand after October
- Value segment more severely impacted

High demand for quality retail space

- Retail leasing doubled in all major cities*
- Global brands expanding their retail footprint

Recalibration of offline / online mix

- Brands rapidly expanding their offline presence
- E-com growth readjusted to pre-COVID levels
- 'Omni channel' being driven by players as their core strategy

Major players seeking diversification

- Prominent players expanding their portfolios into new high growth categories / segments

ABFRL FY23 HIGHLIGHTS

Aggressive growth momentum

- Consolidated sales grew 53% YoY
- Lifestyle brands & Pantaloons revenue at ~1.5x of LY
- Other businesses up 57% YoY
- Ethnic brands scaled to ~1.8x of LY

Accelerated retail expansion

- Added 450+ brand stores to the network
- Net addition of 54 stores in Pantaloons

Deepened brand investments

- Launched multiple high-impact brand campaigns
- Advertisement spend increased to 2.2 times over LY

Strategic portfolio expansion

- Announced partnership with Galleries Lafayette
- Transitioned Reebok and House of Masaba into ABFRL
- Acquired 7 brands under TMRW

HIGHLIGHTS (CONSOLIDATED)

Revenue

INR **12,418 Cr**



Total Capitalisation (Standalone)

INR **20,332.6 Cr**



(as on 31st Mar 2023)

Equity - INR 3,346 Cr • Net Debt - INR 1,422 Cr

Retail space

10.8 million sq.ft.



28,500+ Employees



3,546 ABFRL stores



431 Pantaloons stores



900+ Cities



Van Heusen



LIFESTYLE BRANDS

- Revenue grew by ~46% YoY to INR 6,608 Cr (vs. INR 4,522 Cr. LY)
- EBITDA crossed INR 1,000 Cr. milestone
 - Increased 39% YoY to INR 1,095 Cr
- Continued expansion journey with addition of 128 stores in FY23
- Penetrated deeper into small-town India
 - Exit the year with 600 stores
- Women's business gaining strong traction
 - ~70% growth YoY
- 40% LTL growth for FY23 on the network of more than 2,500 stores
 - Ecom business contributed 12% of overall revenue for FY23 30% YoY growth

PANTALOONS

- Revenue grew by 55% over LY to reach INR 4,069 Cr.
 - LTL growth of ~48%
- EBITDA grew by ~73% over LY to reach INR 635 Cr
- Added 54 stores during the year
 - Continued to expand our private label portfolio
 - Introduced 7 Alt & Coolsters to our portfolio



OTHER BUSINESS SEGMENTS

Active Athleisure & Innerwear

- Revenue for FY23 grew 33% YoY
 - Retail revenue doubled
- Innerwear and Active wear witnessed ~50% growth
- Athleisure witnessed soft growth as work from home category faded



- Continued the aggressive network expansion
 - Now available across ~32,000 MBOs
 - EBO count reached to 175 stores

Youth Western Wear



AMERICAN EAGLE

- Full year revenue grew 89% YoY
 - LTL growth of 67%
- Continued network expansion
 - Now available at 37 exclusive brand outlets

FOREVER 21

- Full year revenue grew ~40% YoY
 - LTL growth of 25%
- Added 9 stores in asset light model

Super Premium Brands

- Business continued to grow profitably
 - FY23 revenue grew ~60% YoY with 41% LTL
- TheCollective.in on track to be leading luxury ecommerce portal
 - Consistent high growth YoY



- Successfully completed integration into ABFRL in H2FY23
- Signed new brand ambassadors- Taapsee Pannu & Surya Kumar Yadav
- Rapidly expanding brand accessibility
 - All new Reebok.in live
 - Available at 126 exclusive brand outlets
 - Scaling up Departmental store & Trade network
- To further strengthen the product assortment with focus on Running, Lifestyle & Active sports
 - Introduced new sports categories - Cricket, Tennis, and Badminton



ETHNIC

JAYPORE

- FY23 revenue grew by 90% over LY led by rapid
- Network expansion and Ecommerce growth
- Net added 8 stores to the network during FY
- Brand now available @18 EBOs
- Women's business growing strongly

SHANTANU NIKHIL

- Revenue for full year grew by 53% YoY
- Added 5 stores to the network during FY
- Brand available across 15 stores
- Launched Shantanu Nikhil Cricket Club (SNCC) by S&N - Sports Inspired Lifestyle Brand
- Witnessed strong consumer traction

SABYASACHI
CALCUTTA

- Revenue grew by 50% over LY
- Jewelry business grew @75%
- Launched 2 new stores during the year
- New York store already gaining strong traction
- Dedicated Jewelry store in Hyderabad
- Launched a new Mumbai store in April 2023

TASVA

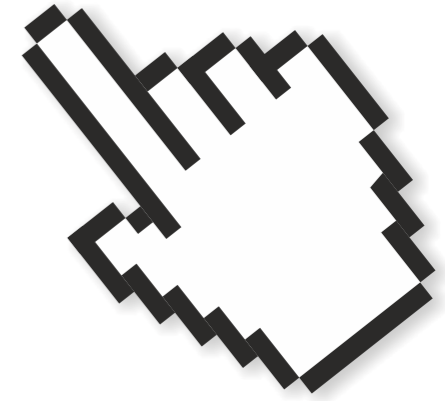
- Continued with rapid store expansion
- Added 19 stores in the quarter
- Total store count starts at 51 stores
- Onboarded franchisees for asset light expansion
- 4 stores opened through partnered model

masaba

- Quarterly revenue doubled over LY
- Launched new retail identity
- Lovechild continued to add new products



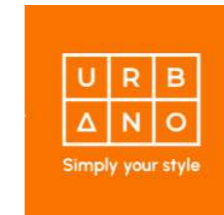
DIGITAL BRANDS PORTFOLIO



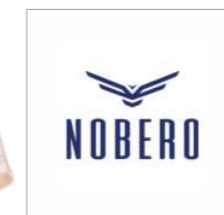
A healthy mix of brands with D2C and marketplace footprint



Leading casual and expressive wear brand with loyal consumer base and distinct brand positioning



Leading denim lifestyle brand with winning marketplace products, robust sourcing ecosystem, low lead times

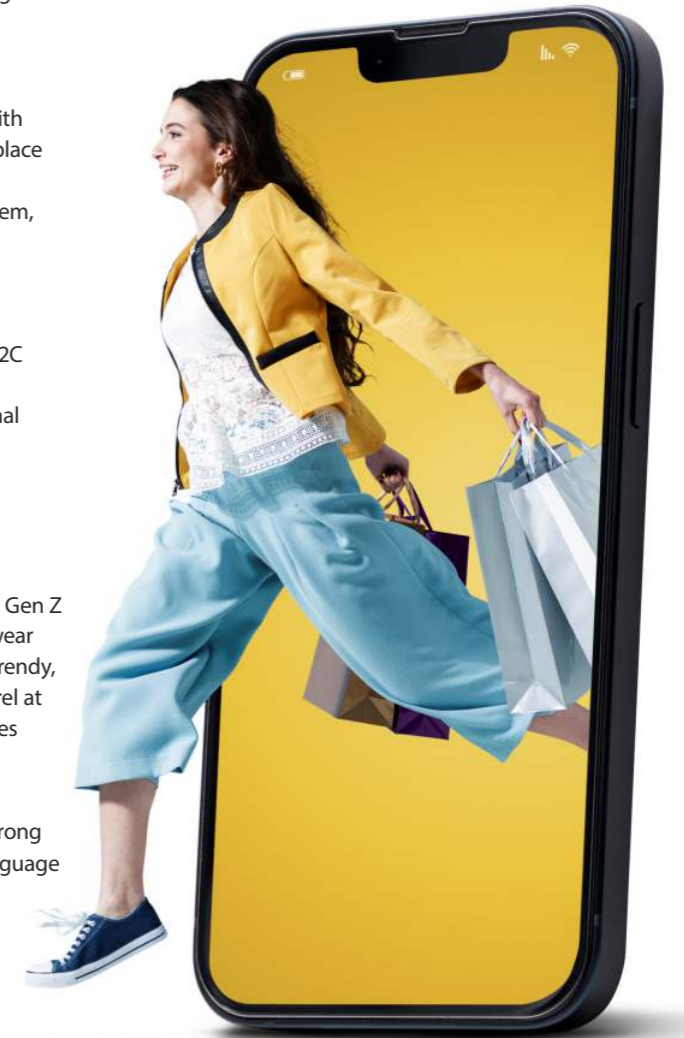


Youth focused D2C athleisure brand offering functional and fashionable designs



Fashion forward, Gen Z focused casual wear brand, offering trendy, expressive apparel at competitive prices

Leading kids and teen wear brand with strong consumer traction and distinct design language



JAYPORE

MEMBERSHIP IN INDUSTRY ASSOCIATIONS

ABFRL believes that collaboration and co-creation helps in achieving newer avenues and striving ahead of peers and industry swiftly. With 2030 in timeframe, the Company is working towards accelerating advocacy and exploring innovative solutions with prime focus on circularity, sustainability sourcing and low carbon pathway. This journey requires deep collaboration across the entire value chain envisaging radical transformation benefiting the entire ecosystem.

Along with existing collaboration with the Sustainable Apparel Coalition (SAC), Ellen MacArthur foundation, Cotton 2040 and Circular Apparel Innovation Factory (CAIF), the Company has also made a large stride in its circularity journey through partnership with the 'GIZ', a German Government agency in a 'private-public development partnership project'.

We have also collaborated with ZDHC Foundation with an objective to drive good chemical management practices across the supply chain, as this helps to assure our end-customer on the sustainability of our value chain.



ABFRL is a member of the Retail Association of India (RAI) and Clothing manufacturers Association of India (CMAI).



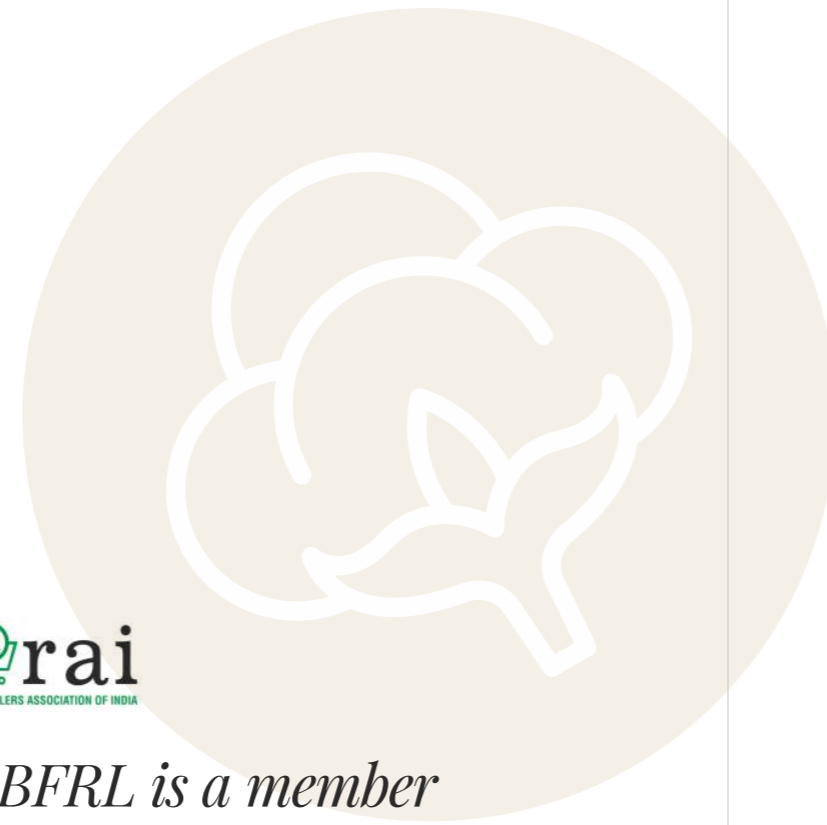
United Nations Global Compact

ABFRL supports the Ten Principles of the United Nations Global Compact (UNGC) for Human Rights, Labour, Environment and Anti-corruption. In October 2022, it expressed commitment to making the UNGC and its principles part of the Company's strategy, culture and day-to-day operations. In recognition of a key requirement of participation in the UNGC, ABFRL will be submitting the annual Communication of Progress (CoP) that describes its efforts to implement the Ten Principles.

GIZ develoPPP Project

The develoPPP project aims to strengthen circular business practices for the Indian market. ABFRL's collaboration with GIZ focuses on material innovation, reduce inputs of harmful substances, increase textile-to-textile recycling, develop alternatives to plastic packaging, and foster traceability. This partnership supports the industry to match supply and demand which is witnessing pressure due to resource constraints.

Please refer the Product Stewardship section for more updates.



Science Based Targets initiative (SBTi)

The Science Based Targets initiative (SBTi) is collaboration between leading organisations, including CDP, the UN Global Compact, World Resources Institute (WRI), and the World Wildlife Fund (WWF), to drive ambitious climate action. The SBTi helps companies set science-based targets for reducing their greenhouse gas emissions in line with the Paris Agreement.

Please refer the Environment Section for more updates.

CAIF

We have collaborated and partnered with like-minded organisations like Circular Apparel Innovation Factory (CAIF), that is driven with an aim to accelerate sustainable fashion concepts and build an industry-level platform for circular textile eco-system for the apparel industry in India. This collaboration intends to bring forth ideas and innovations that will add more strength to our pioneering work around sustainability.

The Project SU.RE

ABFRL is a signatory to game-changing project that breathes new life into sustainable fashion. SU.RE stands for Sustainability Rating for the Ready-made Garment Sector and represents a monumental leap towards a greener and more ethical industry. This revolutionary initiative, led by global organisations in collaboration with the fashion industry, sets a bold precedent for a brighter future. The project was launched in 2019 by the Union Minister for Textiles along with Clothing Manufacturers Association of India (CMAI); United Nations in India; and IMG Reliance.

ZDHC

We envisage to transform our value chain to deliver sustainable fashion beyond traditional approaches and help in reducing the chemical footprint and deliver safe products.

Ellen MacArthur Foundation

In an effort to promote a transition towards a circular economy, we have collaborated with the Ellen MacArthur Foundation for the 'Make Fashion Circular' movement. Through this collaboration, we aspire to redesign the future of fashion by collectively raising industry targets and priority actions and reinforcing complimentary initiatives to progress/advance towards the collective vision.

Textile Exchange

We partnered with an objective to accelerate adoption of alternate materials in the value chain by focusing on various sustainability traits including emission and water reduction as part of our holistic approach to drive positive impact for the entire industry.



We also participate and collaborate with various global platforms and ESG Indices such as ICCE, UNEP, SAC, ZDHC, SU.RE, CII, FICCI, IACC, CAIF, S&P Global. The strategic collaborations and participations assisted us in staying relevant and also provided us an opportunity to benchmark our sustainability performance with domestic and global peer and also ensure alignment with global as well as national sustainability agenda.



AWARDS AND RECOGNITIONS

Awards and recognitions not only validate our deep commitment to the Indian consumers' lifestyle and fashion needs, but also indicate that we are on the right track. These accolades work as morale boosters and encourage us to continue providing reputed and high-quality brands to our customers.

LOUIS PHILIPPE

"Best Loyalty Program in Retail Sector - Single Format" at the Customer Fest Awards 2022 (16th edition)

ALLEN SOLLY

"Most Admired Retailer of the year" for "Kidswear: Allen Solly Juniors" at MAPIC India Retail & Tech Awards Sep 2022

PETER ENGLAND

Newsletter, "Trendsetter" won the Diamond in the "Internal Communication Campaign" category at the Public Relations Council of India (PRCI) Excellence Awards 2022 (12th edition)

PANTALOONS

Won the following awards at The Customer Fest Awards 2022 (16th edition)

- "Champion of Champions" (Loyalty Program of the Year)
- "Rewards Program" for the Loyalty Program 'Insignia'
- "Best Loyalty Program" in Retail Sector (Large/Multi Brand Format) for the loyalty program 'Insignia'
- "Best Use of Contest/Promotion in a Loyalty Program" for the member preview 'Sab Kuch on Sale'
- "Best Integrated Media Loyalty Campaign" for the member preview 'Sab Kuch on Sale'

Won the following awards at the Exchange4Media PrimeTime Awards 2022 (Declared for 2022 & 2023 together)

- Gold for 'This Pujo, you are the celebration, you are the gift' (Sep 2021)' (Sheros)
- Silver for 'Non-Stop Pujo (Sep 2022)' Campaigns for Creative Excellence in Advertising in the Fashion, Jewellery & Lifestyle category

Won the following awards at VMRD Retail Design Awards 2022 (Declared for 2022 & 2023 together)

- Gold for 'New Retail Identity (Phoenix Pallasiostore)' in the "Best Department Store" category
- Gold for 'New Retail Identity (High Street Phoenix store)' in the "Best Shop Fitting" category
- Gold for 'Festive Celebrations Window' in the "Best Window Display (Festivals)" category
- 'New Retail Identity (Gaur City Mall store) - Merit 1' award for "Best Department Store"
- 'New Retail Identity (High Street Phoenix store) - Merit 1' award for "Best Lighting"
- 'Sea Adventure Window - Merit 1' award for "Best Window Display (Products & Collections)"
- 'Frozen Window - Merit 2' award for "Best Window Display (Products & Collections)"

Won the Bronze award for 'Be A Cool Cat, Download the Pantaloons App' in "Best Pivot Initiative" at the E4M Indian Marketing Awards 2022.

TASVA

"Best Indian Menswear Launch - 2022" at the GQ Fashion Awards

"Best Emerging Brand" at The Economic Times' Best Brands Conclave 2022

"Best Emerging Retailer of the Year Award 2023" from Retail Association of India

JAYPORE

Won the following awards at VM&RD Retail Design Awards 2022.

- "Best Store Front Signage"
- "Best Store Design" in Indian Fashion Apparel - Specialty Store category

ABFRL

Corporate Level

"Most Admired Retail Group of the year" at MAPIC India Retail & Tech Awards Sep 2022

"Best In-House Magazine Award" for 'InTouch' newsletter at the Silver Feather Awards 2022

Silver in the "House Journal (Print)" category for 'InTouch' newsletter at the Public Relations Council of India (PRCI) Excellence Awards 2022 (12th edition)

Sustainability Initiatives

ESG India Leadership Awards 2022 in "Best Green Supply Chain" category by ESGRisk, Acuity Knowledge Partners

"ESG Trailblazers" at the ESG World Summit and GRIT Awards 2022

Manufacturing Facilities:

Madura Clothing won 8 Golds for its "Kaizen & Poka yoke concepts" at the Quality Circle Forum of India (QCFI) in 2022-23

Fashion Craft Ltd.

- "TRUE Zero Waste Gold" certification by Green Business Certification Inc. (GBCI). It is the first industrial manufacturing unit in India and the second worldwide to receive this certification
- "LEED Zero Water" by US Green Building Council rating system in 2022
- "Special Award for Workforce Gender Diversity" at the IRIM IGMC Awards in 2022

Europa Garments Ltd.

- "ISO 50001 Energy Management System" by Bureau Veritas (BVQI) in 2023
- "KELP POSH HR Awards" for "Top 25 Safest Places in India"

Haritha Apparels Ltd. won Gold in the India Green Manufacturing Challenge (IGMC) 2022-23.

Crafted Clothing Ltd.

- Gold for "India Green Building Manufacturing Challenge award"
- Gold for "Corporate Excellence Award, 2022-23" by Symbiosis Centre for Management and Human Resource Development (SCMHRD) for Production, Supply Chain and Product innovation

All facilities certified as "Zero Waste to Landfill" by Bureau Veritas (BVQI) in 2022.

ABFRL Innerwear warehouse achieved the "Platinum" Green Building Certification under Logistics and Warehouse Rating System from Indian Green Building Council (IGBC).



Reporting Scope and Boundary

Over the past few years, ABFRL has expanded its business portfolio through both organic and inorganic means. Despite the challenging market conditions following the COVID pandemic, our core businesses, Madura Brands and Pantaloons, have shown significant growth and resilience. Additionally, as a part of our strategy to become a major player across all key market segments, we have steadily built a diverse and promising portfolio of new businesses.

As we continue to expand and cater to the needs of customers across various market segments, we remain committed to the principle of

'GIVING BACK MORE TO OUR ECOSYSTEM THAN WE TAKE.'

This is our 7th consecutive Sustainability Report, showcasing our sustainability journey and maturity over the years towards driving sustainability beyond our own operations and building sustainable fashion creating long-term sustained value for all our stakeholders.

The report covers financial year 2023 (1st April, 2022 to 31st March, 2023)

We believe, the sustainability report acts as a manifesto of our decade long sustainability journey and the impact generated from sustainability initiatives. The report also reinforces trust and augments our accountability across the business ecosystem. We publish our sustainability report annually and the last report was published in August 2022.

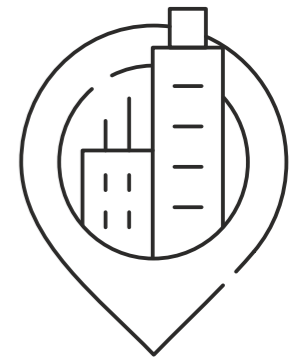
In line with our earlier sustainability report, this report has also been prepared in accordance with the 'reference' criteria of the **Global Reporting (GRI) Standards 2021**. This report is assured under type1 moderate assurance as per AA1000AS. The GRI Content Index and the Assurance statement can be found at the end of this report.

There are no significant changes in value chain, organisation's activities, products, services, and markets served compared to the previous reporting period.

Report Boundary

The sustainability performance disclosures in this report pertain to our corporate office in Mumbai and office in Bengaluru, factories, warehouses, and retail stores. The defined boundary covers significant operations of the organisation. A II subsidiaries details are provided into Business Responsibility & Sustainability Reporting (BRSR) as a part of the annual report.

We have continued using the gate-to-gate approach for disclosures, and unless otherwise stated, this report does not include any data and/or information which pertains to any entity outside our organisation.



Offices	Factories (Only MF&L)	Warehouses	Stores
Office Bengaluru	<ol style="list-style-type: none"> Crafted Clothing - Bengaluru Fashion Craft - Bengaluru Europa Garments - Bengaluru Classical Menswear - Bengaluru 	MF&L (Madura Fashion and Lifestyle) <ul style="list-style-type: none"> Attibele Warehouse - Bengaluru Hoskote Warehouse - Bengaluru E-commerce Warehouse - Bengaluru 	MF&L MF&L Stores ¹
Registered Office Mumbai	<ol style="list-style-type: none"> English Apparels - Bengaluru Haritha Apparels - Bengaluru Alpha Garments - Bengaluru Little England Apparels - Thalli Mancheshwar Apparels Limited - Mancheshwar, Odisha Aditree Apparels Manufacturing Pvt. Limited - Bengaluru 	Pantaloons <ul style="list-style-type: none"> Warehouse 1 - Bengaluru Warehouse 2 - Bhiwandi Warehouse 3 - Hooghly Warehouse 4 - Gurgaon 	Pantaloons Stores - PAN India
		Innerwear <ul style="list-style-type: none"> VH Innerwear - Bengaluru 	

¹Scope is limited to Safety only

FEEDBACK

We seek and appreciate feedback from our stakeholders as it helps in refining and realigning our systems and strategies. Please share your suggestions and observations with:

Dr. Naresh Tyagi | naresh.tyagi@abfml.adityabirla.com
Chief Sustainability Officer | reearth@abfml.adityabirla.com

Aditya Birla Fashion and Retail Limited

Piramal Agastya Corporate Park,
Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502,
L.B.S. Road, Kurla, Mumbai - 400 070 | 080-67271600



Simon Carter

Sustainability and Us



ABFRL began its structured sustainability journey, 'ReEarth - For Our Tomorrow,' in 2012-2013. In a decade-long journey (till FY23), we have achieved a lot - from adopting sustainable sourcing practices to responsible production, taking energy efficiency measures to renewable energy, from waste to circularity, from engaging with people to empowering them. But this is just the beginning; we still have a lot to do.

In the coming decade, we aim to achieve ambitious sustainability goals while balancing risks and opportunities. We are working to embed sustainability throughout the product life cycle, from design to supply chain and consumer use to drive sustainable practices beyond the factory gate. We are also embracing circularity in our operations to reduce overall waste generation and ensure end-to-end traceability.

As we navigate this critical decade of climate action, the goal is to do more and do it faster. During the COP27 UN Climate Conference in Egypt, countries united to accelerate progress towards achieving global climate goals by building upon the achievements of COP26. The conference emphasised the significance of actions that fashion businesses can take to reduce their carbon footprint, such as utilising low-carbon fibres in manufacturing and adopting responsible sourcing practices. With circularity, we are presented an opportunity to achieve global climate goals, ESG goals and business growth. At ABFRL, we believe that ESG is crucial for our long-term viability and success in the face of significant megatrends. Our commitment to ESG is deeply ingrained in our values, fashion, and style, and is reflected in all aspects of our business, including our brand and core strategies.

Peter England



Having achieved significant milestones in 2021, we have embarked on a transition from a process-driven approach to a product-focused one, known as ReEarth 2.0. Our 2025 agenda centres around product design and development, customer centricity, and a sustainable supply chain. With the goal of 'giving back more than we take from our ecosystem', this roadmap sets ambitious targets for sustainability while balancing the risks and opportunities associated with relevant ESG initiatives.

We are focusing on design and development of products through a 'clean by design' approach and enhancing sustainability attributes of the products by adopting alternate materials, eliminating single-use plastic, and deploying sustainable production processes and procurement practices.

ABFRL retained sustainability leadership as Asia's 'Most Sustainable Company' and secured a global rank of 8th in the Textile, Apparel & Luxury Goods Industry by S&P Global CSA 2022

ABFRL secured 12th rank globally under Textiles & Apparel with a score of 12.15 (Low Risk Category) being assessed for the first time by Sustainalytics, a global ESG Rating Standard of repute.



ABFRL's vision is to 'passionately satisfy Indian consumers' needs in fashion, style & value.' Over the years, our discerning customers have become well-informed, aware and conscious and have emphatically voiced their preference for sustainably and ethically manufactured garments that also stand true to their quality and value expectations.

At ABFRL, sustainability has always been a guiding principle for all our core business strategies, operations and investments generating long-term value for stakeholders. We have been leaders, anchor partners and torchbearers for the apparel industry in accelerating sustainable fashion concepts and building circular ecosystems.

In this 'Decade of Action' we are determined to transform our ambition into effective actions ensuring alignment not just to our sustainability goals but also to regional, national and global goals.

ABG SUSTAINABILITY FRAMEWORK

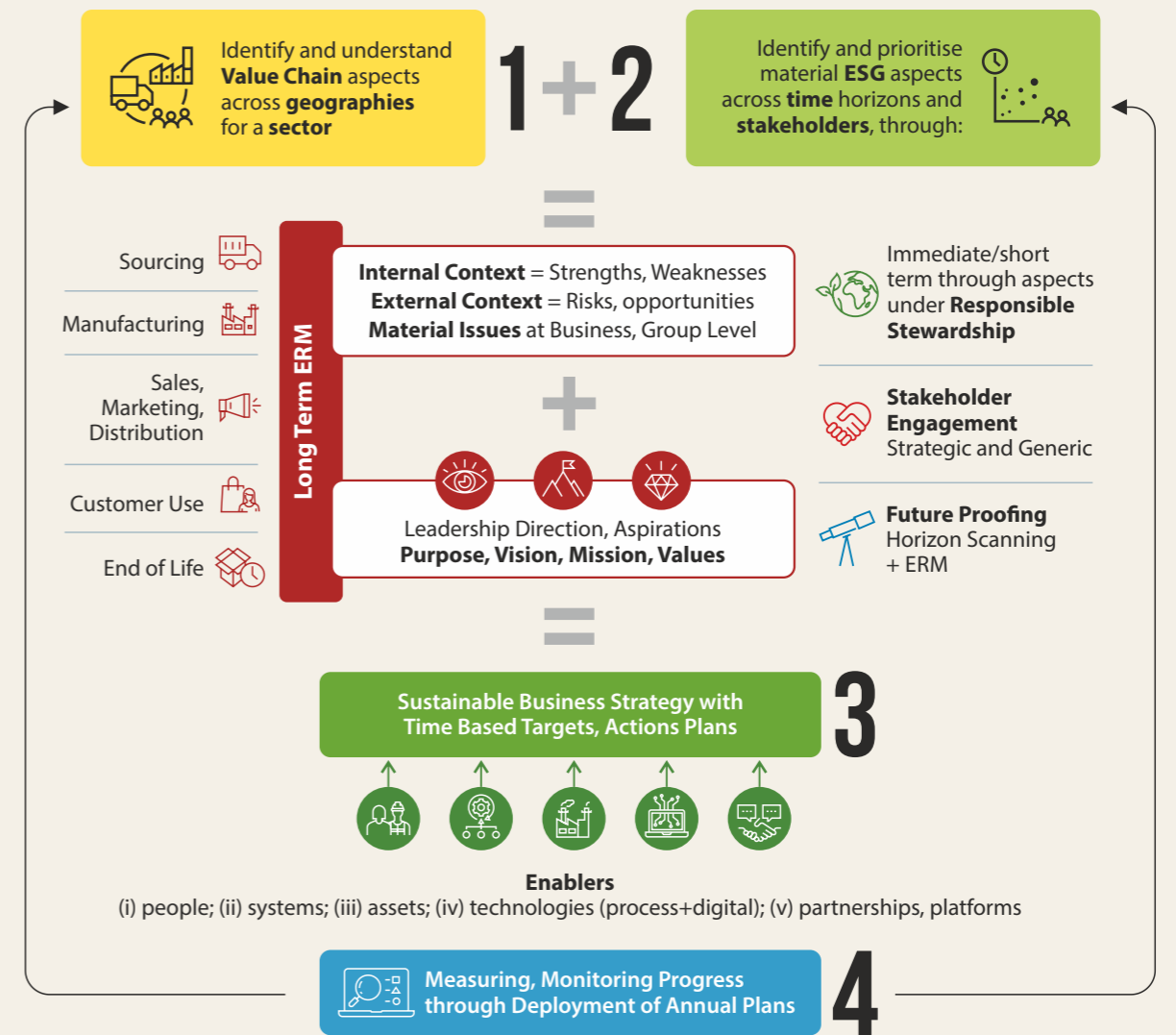
The Aditya Birla Group has laid an ambitious vision to become the leading Indian conglomerate in sustainable business practices across operations. It has also enunciated its Group Purpose as 'To enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust.'

Towards addressing this double materiality of being a sustainable business leader and building businesses that enrich lives and inspire trust, ABG has embarked on Sustainability Journey 2.0. In this, it focuses on what the megatrends 2020-2030 demand from the private sector for the current 'decade of action' in mainstreaming of ESG in executive and operational decision-making.

Our 'Ability to Sustain' approach has also been fine-tuned for better navigation in this ever-shrinking operating funnel via a 4-D (dimensional) approach.



ABG Approach to Sustainability



ABG businesses are Accelerating ESGbilty by building higher resilience in their business strategies and operations. This ensures that their aggregate impact remains within the planet's safe operating limits, taking into account their

business sectoral uniqueness

their geographies of operation

stakeholder expectations across their value chains in keeping with short- and long-term time horizons.

The onus is on every one of us starting from our leadership to take on the understanding of what it means to be a sustainable business leader in their own sectors, in their industries and to plan out a roadmap for how it can be achieved now. **ABFRL is completely aligned to the ABG Sustainability Framework.**

The model 2.0 thus, lays out four steps to be followed by ABG businesses

- 1** Identifying and understanding value chain aspects across geographies for a sector
- 2** Prioritising material aspects across time horizons and stakeholder expectations
- 3** Developing sustainable business strategies with time-based targets
- 4** Creating annual action plans which are measurable and can be monitored to future proof our business strategies, products, operations and supply chains to remain sustainable

ABFRL'S SUSTAINABILITY JOURNEY



At Aditya Birla Fashion & Retail Ltd., sustainability is a key strategy that drives our ability to identify and pursue new opportunities in a rapidly changing world. This year, we made significant strides in achieving our sustainability goals, as outlined in our programme

ABFRL recognises that economic growth must be achieved in harmony with the environment and society. Anchored by the ABG Vision and Sustainable Business Framework, we embarked on our sustainability journey with the launch of the Sustainability 1.0 programme 'ReEarth - For Our Tomorrow' in FY13.

ReEarth Vision:
We are committed to give back more than what we take from our ecosystem.

Post the successful achievement of our mission milestones in 2021, we began our transition from a 'Process-led' approach to a 'Product-led' approach i.e., Sustainability 2.0, with a 2025 agenda focusing on product design and development, customer centricity and supply chain.

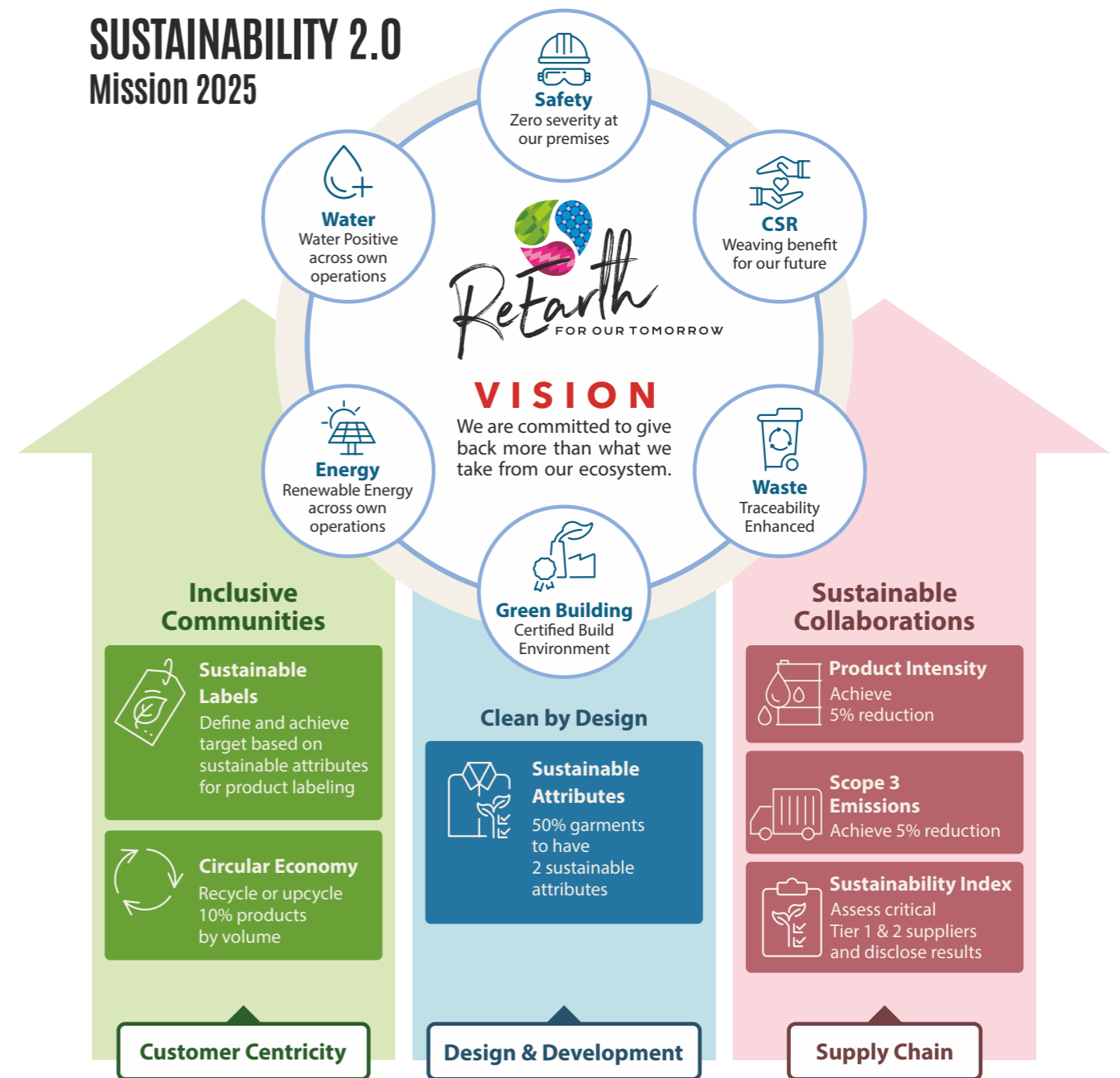
This first phase of our Re-Earth programme was carried forward through 10 key missions by focusing on our operations and seeking to restore the balance between natural and business ecosystems through process-led interventions. The ten key missions were:

- Energy | Carbon Footprint | Green Building
Water | Waste | WASH Pledge | Safety
CSR | Packaging | Sustainable Products*

OUR SUSTAINABILITY STRATEGY



SUSTAINABILITY 2.0 Mission 2025



The three pillars supporting our initiatives are:



We believe that we achieve our milestones through product sustainability, resource efficiency, renewable energy consumption, responsible supply chain, circularity, and strategic collaboration with global and national organisations, along with memberships on global platforms. Our sustainability commitment towards our people and planet has also helped us do some exceptional work that has won national and global recognition.

Our achievements fuel our resolve, and we constantly work to regenerate, restore and revitalise the ecosystems and communities we operate in. To cascade our focus on product design and development, we are integrating our upstream and downstream stakeholders into our strategy and synergising this transition across the value chain.

Going ahead, we will continue to focus on six areas:

Energy	Water
Safety	CSR
Waste	Green Buildings

We are focusing on 'Clean by Design' products by working on alternate materials, sustainable production processes and sustainable packaging practices to achieve 5% reduction in our Scope 3 emissions by 2025.

Similarly, we approach our supply chain through interventions in 'sustainable operations' by establishing the baseline for product intensity, sustainability index and Scope 3. Also, we will be increasing our focus on 'Model Stores' for Safety and Environment parameters in continuation with our aim to achieve the safety target of Zero Severity.

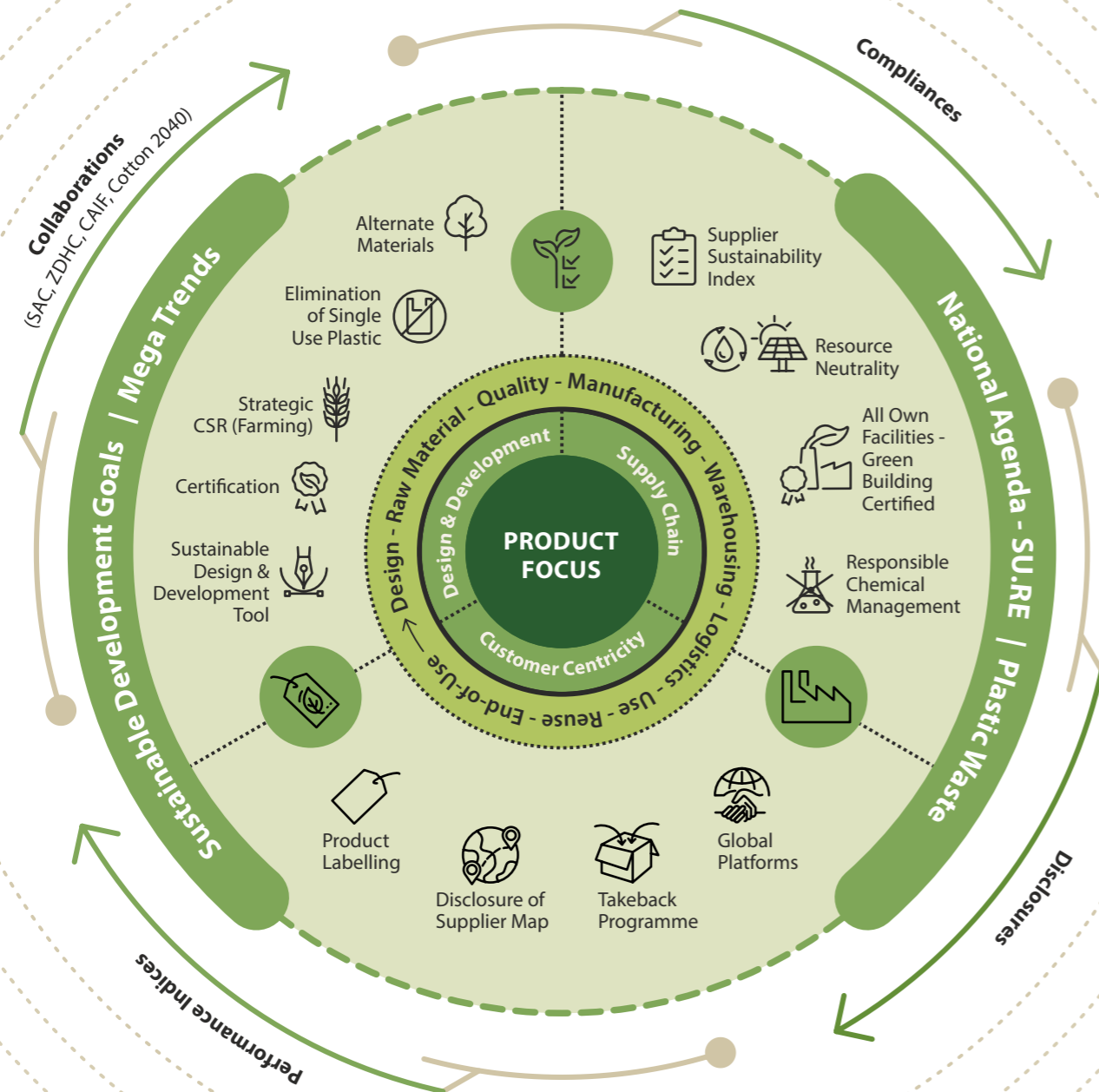
The communities we operate in are very much an integral part of our ecosystem and over the years we have progressed multi-fold in terms of outreach and impact. Going forward, we commit to create a more equitable and inclusive society by nurturing pathways leading to sustainable transformation and social integration.

Along with the three pillars, empowering the communities we operate in and establishing conducive environment through robust health & safety (OHS) framework are equally critical to us.



Here is a snapshot of the steady progress made across some of our key areas of focus.

	<p>ENERGY</p> <p>Our energy strategy is first to reduce demand through energy efficiency initiatives and then to increase the share of renewable energy in our energy mix. In addition to ongoing energy efficiency initiatives that include remote energy management systems, we are planning to expand and extend the solar rooftop projects to more ABFRL facilities. In FY23, 68% of our own facilities Energy Requirement was met through Renewable Energy Sources.</p>
	<p>WATER</p> <p>Under the water mission of our ReEarth programme, we focus on reducing our consumption through the implementation of water-efficient technologies such as rainwater storage tanks, digital rain gauges, and the modification of pipelines with digital meters that monitor water usage across our facilities. As part of our targets for the fiscal year 2022-23, we are proud to report that we have achieved our goal of being 'Water Positive' across our operations, with 68% of our water being recycled and reused.</p> <p>We have also made 'Water' one of our Corporate Social Responsibility (CSR) focus areas, with projects such as rainwater harvesting, borewell recharge pits, and pond renovation programmes, aimed at bringing safe water to our host communities.</p>
	<p>WASTE</p> <p>In line with our circularity focus, we are committed to implementing a closed-loop system. Through this system, we recycle or reuse the waste generated at our facilities, with only a small quantity being composted. Our operations have achieved 'Zero Waste to Landfill' for all non-hazardous waste, and we are continuously exploring innovative ways to incorporate production line waste into our products, thereby reducing the need for raw materials.</p> <p>In addition to our collaborations with the Ellen McArthur Foundation and the Circular Apparel Innovation Factory, we are also working with the German government agency GIZ in a public-private development partnership project to promote circular business practices in the Indian market.</p>
	<p>COMMUNITY</p> <p>Our approach towards community responsibility goes beyond merely providing aid and aims to inspire community members to pursue their aspirations and thrive. We strive to integrate marginalised communities into the economy through initiatives focused on education, health and sanitation, sustainable livelihoods, water and watershed, and digitalisation. These CSR interventions are carried out in Karnataka, Tamil Nadu, Maharashtra, and Odisha by Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFRJKT), which is an independent entity.</p>
	<p>CUSTOMER CENTRICITY</p> <p>Apart from being style conscious, consumers today are also socially and environmentally conscious. Our approach focuses on what our consumers expect of us as a brand. As we move forward, we aim to define sustainable product labelling targets based on specific sustainable attributes.</p>



PRODUCT LIFECYCLE AND THE FOCUS AREAS

The Product Lifecycle Approach is the fulcrum of our Sustainability 2025 strategy. From product design and development, to supply chain and customer centricity, and through use and end-use, this approach acts as a pivot in integrating sustainability into products.



PRODUCT DESIGN AND DEVELOPMENT

Close loop design | Chemical management
Resource conservation | Sustainable materials



RAW MATERIAL SOURCING

Energy management | Human rights and compliance
Water management | Chemical management



MANUFACTURING

Human rights and compliance | Zero defects
Energy management | Water management
Chemical management | Waste management



LOGISTICS, STORAGE AND PACKAGING

Sustainable packaging | Plastic waste management
GHG emission management



MARKETING AND SALES

Sustainable packaging
Sustainable product labelling



USE

Water management | Energy management
Plastic free durability









END TO END



Circularity | Recycling and upcycling



REEARTH MISSION - STATUS DASHBOARD FY23

A summary of the missions, respective targets and status for FY23 is depicted below.

MISSION	TARGET 2025	FY23 ACHIEVEMENT STATUS
Energy 	50% Renewable Energy	68% of energy from renewable energy sources across ABFRL owned facilities 26% of energy from renewable energy sources across ABFRL operation
Water 	Water positive	Water positive across all facilities 53% renewable water i.e., 104,878 kl of Rainwater Harvested and Artificially Recharged within premises 68% recycled / reused i.e., 135,118 kl wastewater treated and reused within premises
Climate Strategy 	5% reduction in Scope 1 & 2 Carbon Emissions (in tCO ₂ e)	4.9% reduction in Scope 1 & 2 emissions across ABFRL operations due to renewable energy and energy efficiency measures
	Scope 3 baseline computation	Streamlined and accounted Scope 3 emissions at ABFRL level - 1,297,038 tCO₂
Green Building 	To minimise the environmental impacts from our built environment across facilities by pursuing green building certification	~12.0 Lakh sq. ft. of our Built Environment is green building certified
	Net-Zero Water Buildings	Haritha Apparels certified LEED Zero Water under USGBC rating system
	Net-Zero Energy Buildings	Pilot of 1 facility to be LEED Zero Energy and carbon under the USGBC rating system is under progress
Circular Economy 	Zero Waste to Landfill	Zero Waste disposed to landfill achieved across ABFRL facilities 100% Waste Traceability across owned facilities
Safety 	Zero Harm - No incident of 'Category 5' at our premises	Zero Harm - No incident of 'Category 5' at our premises

MISSION	TARGET 2025	FY23 ACHIEVEMENT STATUS
CSR	No. of Beneficiaries (Target)	Achievement
Education	19,130	26,689
Healthcare & Sanitation	132,880	49,241
Sustainable Livelihood	2,678	2,416
Water & Watershed	35,341	36,814
Digitalisation	24,241	25,185
Others - Village Development Project (Tree plantation etc.)	13,328	90,852
Volunteering	20,000 (Hours)	29,439 (Hours)
	2,000 (Employees)	4,464 (Employees)
Beneficiaries Impacted	227,598	231,197
Packaging 	100% sustainable packaging	91.5% sustainable packaging Compostable Polybag adopted in several businesses, including MFL and PFRL
Sustainable Products 	50% products by volume to have at least one sustainable attribute	70.3% of products by volume have at least 1 sustainability attribute
	Higg Assessment for Brands & own factories	BRM self-assessment for 6 Brands (Louis Philippe, Van Heusen, Allen Solly, Peter England, Pantaloons and Van Heusen Inner Wear) FEM & FSLM self-assessment for all nine facilities FEM verification through SAC nominated verifying body for 9 apparel manufacturing facilities Achieved an outstanding Higg Score across most of the facilities & in one of our manufacturing unit Alpha Garments Limited we have scored 85.2 post third-party verification
	All Tier-1 suppliers to be covered under Vendor Code of Conduct Programme	More than 98% Tier-1 Vendors covered

Collaborating for Accelerating Sustainability

Through collaborative efforts and partnerships with our value chain partners, innovators and global forums over the years, our business ecosystem has strengthened, garnering innovative, scalable and shared solutions. We have participated in and collaborated with various global platforms such as ICCE, UNEP, SAC, ZDHC, CAIF, GIZ, Ellen McArthur Foundation, SU.RE, CII, FICCI, IACC, and S&P Global.

For more information on our collaboration with other key stakeholder, please refer to the Stakeholder Engagement section.

Beyond Sustainability 2.0

We are committed to operating sustainably across our entire supply chain and recognise that working closely with our suppliers is essential in achieving our sustainability goals and creating a positive impact. Sustainability is not just a business imperative for us, but a way to redesign our business's future. This year, we are taking further steps to validate our energy and emission targets related to climate and emissions by utilising the Science Based Target Initiatives (SBTi) to align with the global goal of keeping the global temperature increase to 1.5°C.

ABFRL committed for short-term carbon emission targets through Science Based Target Initiatives (SBTi) commitment.

Over the years, we have implemented various initiatives to reduce Scope 1 and 2 emissions and initiated dialogues with stakeholders to mitigate Scope 3 emissions throughout our ecosystem. India's ambitious goal of reducing emissions by 45% of GDP by 2030 and achieving net-zero emissions by 2070 underscores the urgency to decouple economic growth from GHG emissions. ABFRL is continuously pursuing strategic areas, such as net-zero transition, building circular ecosystems, and leveraging digital disruption, to inspire a paradigm shift in the fashion industry and deliver sustainable fashion.



SUSTAINABILITY AWARDS & RECOGNITIONS

Our sustainability maturity and leadership has contributed towards achievement of global recognition and various accolades in this decade of sustainability journey. This year, we continued to win accolades from prominent forums and organisations.



ABFRL has retained **Asia's most sustainable company at the Dow Jones Sustainability Index (DJSI)** - Corporate Sustainability Assessment in the textiles, apparel and luxury goods sector ranked 8th globally

ABFRL achieved a **global rank of 12th under Textiles & Apparel** with a score of 12.15 (Low Risk Category) being assessed for the first time by **Sustainalytics, a global ESG Rating Standard of repute**

ESG India Leadership Awards 2022 in the category of Best Green Supply Chain by **ESGRisk, Acuity Knowledge Partners**



Aditya Birla Fashion and Retail has been awarded **ESG Trailblazers** at the ESG World Summit and **GRIT Awards 2022**



Green Building certification: The Van Heusen warehouse - achieved 'Platinum' certification under IGBC Green Logistics Parks and Warehouses



This is the second warehouse to pursue in south region under the aforementioned rating system.

Aditya Birla Fashion Retail Limited has received **TRUE Zero Waste Gold certification**, for its manufacturing site, from **Green Business Certification Inc. (GBCI)**



ABFRL's manufacturing facility **'Haritha Apparels'** certified LEED Zero Water under US Green Building Council rating system



Haritha Apparel Limited awarded with **Gold Award** under Indian Green Manufacturing Challenge



Corporate Governance

With a decade of sustainability behind us, we not only mark a significant milestone in our journey to ReEarth for a better future, but also set higher standards for The Decade of Sustainability that lies ahead.

Sustainability is a continuous process that requires a steadfast commitment and accountability. As we embark on this next decade, we believe sound corporate governance is vital to create long-term value that lasts for generations to come.

Good corporate governance practices ensure greater accountability, transparency, efficiency and a uniform rule of law at all levels. More importantly, they allow efficient management of economic, environmental and social aspects that impact the business.

The Aditya Birla Group has a rich governance legacy spanning over 150 years.

As part of the Group, ABFRL is committed to adopting and adhering to the best governance practices.

We work in line with Group's core values:

INTEGRITY | COMMITMENT | PASSION | SEAMLESSNESS | SPEED

These values are the basis of our corporate governance framework and philosophy. The framework is instrumental in enhancing trust among our stakeholders. At ABFRL, we foster this trust by deploying professionalism and respecting our stakeholders' rights.

At all times, ABFRL strives to develop, strengthen and uphold the corporate governance principles, systems and processes and incorporates the necessary amendments introduced from time to time. At ABFRL, our governance practices are reviewed periodically and benchmarked with global best practices.



Louis Philippe

PHILOSOPHY AND PRINCIPLES

Our governance philosophy is based on the highest standards of business ethics and corporate governance. It seeks to reinforce stakeholder trust and confidence, attract and retain both financial and human capitals and help in fulfilling societal aspirations. The governance philosophy of the Group and ABFRL rests on the 6 pillars viz.



Consistent, responsible growth requires exemplary corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. In line with our governance philosophy, we aim for excellence and focus on creating long-term value for our stakeholders by ensuring best governance practices at all times.

ORGANISATION STRUCTURE

The strength of ABFRL's governance culture lies in how it is structured. Operating within the framework of a well-defined responsibility matrix, the Board is instrumental in the management, general affairs, direction and performance of the Organisation. In carrying out these responsibilities, the Board is duly supported by the Managing Director, Key Managerial Personnel (KMP) and the Senior Management.

ABFRL has maintained a robust sustainability programme with the assistance and approval of senior management, including the Management Committee. In 2021, we developed our 2025 Sustainability Strategy and targets. We utilised the annual business planning process and Impact Report to update the Management Committee on sustainability issues and opportunities, and progress against our strategy.

The Board

The Board is at the core of the corporate governance system of ABFRL. We strive to maintain an effective, informed and independent Board that is responsible for and is committed to sound principles of corporate governance by overseeing how the Management serves the short and long-term interests of the members and other stakeholders.

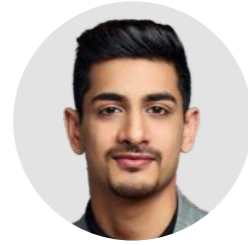
Composition of the Board of Directors (as on March 31, 2023)

The composition, diversity and strength of the Board is reviewed from time to time to ensure that the same is in line with the applicable laws and it remains aligned with the strategy and long-term needs of the Company.

As on March 31, 2023, the Board comprised 14 members. This includes 4 Non-Executive Directors (including one Chairman and one Nominee Director), 3 Executive Directors, and 7 Independent Directors.



Kumar Mangalam Birla
Chairman & Non-Executive Director



Aryaman Vikram Birla
Non-Executive Director



Ananyashree Birla
Non-Executive Director



Ashish Dikshit
Managing Director



Sangeeta Pendurkar
Whole-time Director



Vishak Kumar
Whole-time Director



Arun Adhikari
Independent Director



Nish Bhutani
Independent Director



Preeti Vyas
Independent Director



Sukanya Kripalu
Independent Director



Sunirmal Talukdar
Independent Director



Vikram Rao
Independent Director



Yogesh Chaudhary
Independent Director



Pankaj Sood
Non-Executive (Nominee) Director

For a detailed profile of the Board of Directors, please refer to the ABFRL Annual Report

THE BOARD COMMITTEES

The Board Committees play a crucial role in our governance structure. Formed with the approval of the Board, the Committees function under their respective terms of references framed in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committees meet at regular intervals and take necessary steps to perform the duties entrusted by the Board. Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields.

These Committees devote time and provide focussed attention to various issues placed before them. The guidance provided by these Committees lend immense value and support, thereby enhancing the quality of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

At ABFRL, the following Committees have been instituted:

Audit Committee (AC)

ABFRL has a qualified and independent AC which acts as an interface between statutory and internal auditors, the Management and the Board. The Audit Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reposting process.

Nomination and Remuneration Committee (NRC)

The overall responsibility of the NRC is to approve and recommend to the Board matters relating to the appointment and remuneration of the Company's Executive Directors, KMP and senior management, in line with the Nomination Policy and Executive Remuneration Policy of the Company.

Stakeholders Relationship Committee (SRC)

The Board has constituted the SRC to specifically focus on the various aspects of the interest of shareholders, debenture holders and other security holders. It periodically reviews the status of shareholder grievances and redressal of the same.

Corporate Social Responsibility (CSR) Committee

The Committee is inter alia entrusted with the responsibility of monitoring and implementing ABFRL's CSR projects, programmes and activities. It is also responsible for the approval of the annual CSR budget, reviewing Business Responsibility initiatives and other related activities.

Risk Management and Sustainability Committee (RMSC)

Business risk evaluation and its management is an on-going process at ABFRL. The RMSC is inter alia entrusted with the responsibility of monitoring and reviewing the risk management plan, sustainability, cyber security of the Company, and other such functions, as may be delegated by the Board from time to time.

Category	Total Members	<30		30-50		50>	
		Male	Female	Male	Female	Male	Female
Board of Directors	14	1	1	2	0	7	3
Audit Committee	4	0	0	0	0	3	1
Nomination & Remuneration Committee	5	0	0	0	0	4	1
Stakeholder Relationship Committee	3	0	0	0	0	2	1
Corporate Social Responsibility Committee	4	0	0	1	0	2	1
Risk Management and Sustainability Committee	3	0	0	1	0	2	0

The brief description of the terms of reference is available on our website www.abfrl.com.

For more details, please refer to our Annual Report corporate Governance Structure <https://www.abfrl.com/investors/annual-reports/>

POLICIES

ABFRL has formulated and institutionalised several employee-centric policies within the Corporate Governance framework. These policies help foster an organisational culture that is transparent, ethical and responsible. Our employees ensure a professional and mature work environment that reinforces ABFRL's value of integrity. We have grievance mechanism for employees, customers shareholder & Investors. We have well established Grievance mechanism at factory and Warehouse level for employees. There is dedicated The Whistle Blower Policy & vigil mechanism in place and organisation effectively address the grievance mechanisms and other remediation processes.

Some of the policies and codes adopted by the Company are as under:

Name of the Code / Policy	Details of the Policies and Codes / Description / Web Link
1. Sustainability Policy	www.abfrl.com/docs/corporate_governance/policies/Sustainability-policy.pdf
2. Corporate Social Responsibility	http://www.abfrl.com/docs/corporate_governance/policies/Corporate_Social_Responsibility_Policy.pdf
3. Policy on Related Party Transactions	http://www.abfrl.com/docs/corporate_governance/policies/Policy-on-Related-Party-Transactions1.pdf
4. Forex Policy	The policy mentions measures to protect cash flows and shareholder value by reducing the adverse effect of currency rate fluctuations on ABFRL's profitability, business plans and sustainability of operations.
5. Risk Management Policy	The policy covers inherent business risks and appropriate measures to be taken, to manage uncertainty, changes in the internal and external environment to limit negative impacts and capitalise on opportunities, along with minimisation of identifiable risks by the Company.
6. Policy for Determining Material Subsidiary	http://www.abfrl.com/docs/corporate_governance/policies/Policy-for-Determining-Material-Subsidiary.pdf
7. Policy for Determination of Materiality of Information or Event	https://www.abfrl.com/docs/corporate_governance/policies/Policy-for-determination-of-materiality-of-information-or-event.pdf
8. Policy for Archival of Documents	http://www.abfrl.com/docs/corporate_governance/policies/Policy-for-Archival-of-Documents.pdf
9. Policy on Preservation of Documents	https://www.abfrl.com/docs/corporate_governance/policies/Policy-on-preservation-of-documents.pdf
10. Code of Practices and Procedures for fair disclosure of unpublished price sensitive information	https://www.abfrl.com/docs/corporate_governance/code_of_conduct/Code-of-Practice-and-Procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf
11. Code of Conduct to regulate, monitor and report trading by designated persons in listed, or proposed to be listed, securities of Aditya Birla Fashion and Retail Limited	Code to be followed by designated persons for dealing in securities of the Company.

Name of the Code / Policy	Details of the Policies and Codes / Description / Web Link
12. Code of Conduct for Board of Directors and Senior Management of Aditya Birla Fashion and Retail Limited	https://www.abfrl.com/docs/corporate_governance/code_of_conduct/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-of-Aditya-Birla-Fashion-and-Retail-Limited1.pdf
13. Familiarisation Programmes for Independent Directors	http://www.abfrl.com/docs/corporate_governance/policies/ABFRL_Familiarisation-programmes-imparted-to-Independent-Directors1.pdf
14. Vigil Mechanism / Whistle Blower Policy	https://www.abfrl.com/docs/corporate_governance/policies/Whistle-Blower-Policy.pdf
15. Anti-Fraud Policy	http://www.abfrl.com/docs/corporate_governance/policies/Anti-Fraud-Policy.pdf
16. Policy on Prevention of Sexual Harassment at Work	<p>https://www.abfrl.com/docs/corporate_governance/policies/Policy-on-Prevention-of-Sexual-Harrasment-at-work-place.pdf</p> <p>ABFRL has adopted Policy for Prevention of Sexual Harassment at Workplace' (POSH) to ensure the respect and dignity of all the employees.</p> <p>POSH is applicable not only to employees but also to third parties or clients and vendors of the company. During the year under review, no cases were filed under the POSH Act.</p>
17. Tax Policy	https://www.abfrl.com/docs/corporate_governance/policies/Tax-Policy.pdf
18. Human Rights Policy	https://www.abfrl.com/docs/corporate_governance/policies/HUMAN-RIGHTS-POLICY-old.pdf
19. Environmental Policy	http://www.abfrl.com/docs/corporate_governance/policies/ENVIRONMENTAL-POLICY.pdf
20. Safety Policy	https://www.abfrl.com/docs/corporate_governance/policies/Safety-Policy.pdf
21. Vendor Code of Conduct Policy	<p>https://www.abfrl.com/docs/corporate_governance/code_of_conduct/ABFRL-Vendor-Code--of-Conduct-Policy.pdf</p> <p>Our VCoC elucidates the basic requirements that all factories, suppliers and sub-contractors must meet in order to do business with Apparel and Retail. The Code is based on national laws and internationally accepted labour standards including ETI (Ethical Trading Initiative), ILO's core conventions (International Labor Organization) SA 8000, and National Voluntary guidelines.</p>
22. Dividend Distribution Policy	https://www.abfrl.com/docs/corporate_governance/policies/Dividend-Distribution-Policy.pdf



Restoring ECOSYSTEMS



Embracing the interplay between natural and social ecosystems, we prioritise actions that rejuvenate the environment and empower local communities. By adopting sustainable sourcing, circular production, and ethical supply chains, we reduce our ecological footprint and positively impact the well-being of the communities we touch. This commitment to revitalising ecosystems fosters a resilient synergy, ensuring a prosperous future for both; our business and the planet we call home.

RESPONSIBLE STEWARDSHIP

PERFORMANCES

41 ENVIRONMENT	73 PEOPLE	113 SOCIAL
65 FINANCIAL	95 SAFETY	147 PRODUCT

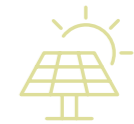


Environmental PERFORMANCE



68% of energy from renewable energy sources across ABFRL owned facilities
26% of energy from renewable energy sources across ABFRL operation

-26 lakh units Solar Power generated leading to a reduction of more than 2,000 tonnes of CO₂e



Water positive across our facilities. **104,878 kl** of Rainwater stored and reused / Artificially Recharged within premises and **64,934 kl** of Rainwater Harvested via community rainwater harvesting programme.

Zero Waste disposed to landfill and **more than 90% Waste** has been recycled & reused



100% Waste Traceability across owned facilities

-12 Lakh square feet of own built environment and facilities is green building certified, out of which, **-10 Lakh square feet of built environment** is under green building **Re-certification process**



One facility **certified LEED Zero Water** under USGBC rating system

Fashion Craft Ltd. awarded **TRUE Zero Waste - Gold Certification**



We have been dedicated to mitigating climate change, adapting to its impacts, and placing it at the core of our sustainability journey for a decade now. We continue to accelerate our initiatives in this direction, recognising the critical risks outlined in the global risk report by the World Economic Forum. According to the report, failure to mitigate climate change and failure in climate change adaptation are the two most severe risks facing the world.

Over the next decade, the interconnections between biodiversity loss, pollution, natural resource consumption, climate change, and socioeconomic drivers will create a dangerous mix. ABFRL acknowledges these intricate linkages and is firmly committed to implementing robust sustainability measures that address these interconnections.

To achieve this, we are actively advancing our initiatives, such as adopting renewable energy sources and implementing carbon reduction strategies, to effectively address climate change and its impacts.

A more circular world can help tackle environmental problems faster, especially climate change, in the next decade. The fashion industry, known for its high levels of waste, pollution, and resource consumption, is seen as a major contributor to climate change. However, the circular economy approach offers a way to transform the industry and make it more sustainable.



As India's largest fashion retailer, we are completely transforming the product design, process, use and reuse to make them more environment friendly.

We are redesigning our products to increase their wardrobe life; revamping production processes to minimise their environmental impact; and creating more avenues to reuse them as raw material once they reach their end-of-life stage.

We are also enhancing the share of renewable energy and reducing our carbon and water footprint at both facility and product levels to be more sustainable throughout the process. We continue our emphasis on integrating circular principles across the value chain and establishing last-mile traceability for pre- and post-consumer waste with a vision to accelerate the transition from linear to circular models.

With the guidance of ABG's sustainability framework, we continue to advance towards our Sustainability 2.0 journey, swiftly transitioning towards building sustainable value chains and thereby delivering sustainable fashion for the end-consumer.

Our Approach

The well-being of business and the natural ecosystem are inextricably linked. Hence, we keep Environmental Social and Governance (ESG) parameters at the core of our business strategy and decision-making. By leveraging our sustainability maturity, emerging business models and technology, we work towards enhancing our ESG performance.

We are continuing our sustainability journey towards preserving and protecting our ecosystem with an agenda to make a difference and thereby achieve our 2025 goals. These goals are pivotal as we move towards a greener, collaborative and resilient future.

Our goal for 2025 is to accomplish



100% built environment to be Green Building certified across owned facilities



Deploying pilot initiative Net Zero as a holistic concept for select facilities



Water positive across owned facilities



Zero waste to landfill with 100% traceability across owned operations and facilities



50% renewable energy across owned facilities*



5% reduction in total GHG emissions (Scope 1, 2 & 3)



Peter England

*Facilities means owned manufacturing units, warehouses, and offices

We are committed to staying agile, thinking differently, and unlocking resilience to mitigate business risks and address customer concerns in their hour of need. In FY23, we refreshed our Enterprise Risk Management (ERM) framework to better align with ESG-related shifts, impacts and dependencies that may affect our ability to achieve the desired objectives. This exercise has contributed towards emphasising our efforts in governance of sustainability risks including climate change across our operations and aligning ourselves with global frameworks and standards.

No significant fines and non-monetary sanctions were received from CPCB / SPCB for non-compliance with environmental laws and / or regulations in the financial year 2023. In the last 4 years, we have not received any fine/penalties related to violation of any environment legal obligations/regulations.”

We have implemented the ISO 14001:2015 - Environment Management System for our 8 manufacturing facilities and were successfully certified by a third-party certification body.

With increasing business footprint and our desire to strengthen sustainability governance system, we have gone digital, migrating our data management, analysis, systems and processes.

Anchored by ABG's vision and pillars of Sustainable Business Framework - Responsible Stewardship, Stakeholder Engagement, and Future-proofing, and with our tailor-made Sustainability 2.0 strategy, we have set ourselves in 'ACT LOCAL - IMPACT GLOBAL' mode, driving a robust, transparent, accountable and resilient business ecosystem. With our actions, we ensure our sustainability strategy results in achieving broader national and global commitments.



DIGITALISATION

We leverage digital opportunities to boost business performance, accelerate our research and development activities, better manage our supply chain, and broaden our existing product portfolio to include innovative digital experiences.

REARTH PORTAL

Our IT platform for sustainability, ReEarth, extends across business operations, including retail, to map the sustainability KPIs. It enables automated data collection, provides comprehensive sources of sustainability data, and makes disclosure efficient, precise, and easy. The ReEarth portal is also an efficient ESG performance and risk management software that provides data and consulting services with a focus on Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management, and Product Stewardship.

HIGG INDEX

Being a core member of SAC, we adopted Higg Index early. It helped us in assessing sustainability performance of the entire value chain. It also led to the development of environmental and social performance strategy within brands, in-house operations, and supply chain. In FY23, we achieved an outstanding Higg score of 80 and above (on an average) for all our nine facilities. We completed the Facility Social Labour Module self-assessment for all our in-house manufacturing facilities -- with a top score of 93.7 for EGL -- and planning for third-party verification for a few facilities in the coming months.

OUR STRATEGIC AREAS TO FOCUS ARE



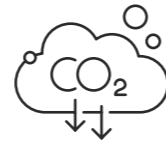
RESOURCE EFFICIENCY



GREEN BUILDINGS



CIRCULAR ECONOMY



NET-ZERO AND CLIMATE CHANGE



Van Heusen

Resource Efficiency



ENERGY

The fuels that traditionally power the production are inherently linear. So, to be truly circular, we must explore and move to alternative sources. As a part of our two-pronged strategy for energy, we are in a constant endeavour to reduce energy use by operational improvements such as remote energy management systems, increase the share of renewables in the energy mix and switch fuel (such as effective use of biomass fuel), so that we can improve our carbon footprint at the facility as well as product level.

Despite challenging circumstances over the last couple of years, we strengthened our systems further with the help of Aditya Birla Group's self-assessment questionnaires that we rolled out across all the factories. We also explored new and innovative renewable energy technologies such as hybrid technology, a combination of solar PV systems, and wind turbines. These technologies serve more energy density in less occupied areas and will boost the share of renewables across our retail space.



ENERGY PERFORMANCE

Energy Consumption in TJ			
	FY 21	FY 22	FY 23
Total Electricity Consumption	126	187	306
Total Fuel Consumption	78	115	144
Total Energy Consumption	205	301	450

Note: 1. Evidenced significant increase (by ~70%) in electricity consumption and (by ~59%) in fuel consumption in retail stores compared to FY22 | 2. Increase in overall energy consumption can be attributed to overall increase in reporting scope (owned facilities) as well as retail stores, post-pandemic normalcy in operations and business expansion in general.

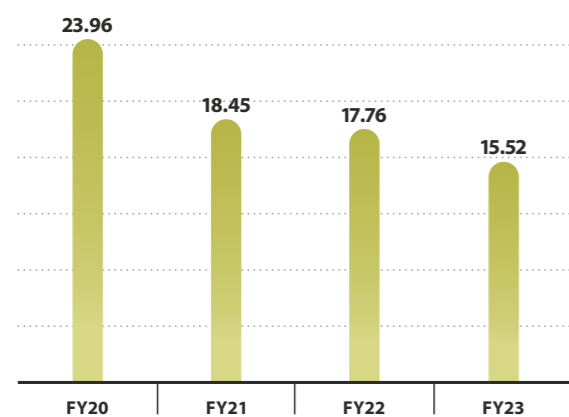
Energy Mix in TJ			
	FY 21	FY 22	FY 23
From Renewable Sources	69	99	119
Total Electricity Consumption	9	8	9
Total Fuel Consumption	60	91	109
From Non-Renewable Sources	136	202	331
Total Electricity Consumption	118	179	297
Total Fuel Consumption	18	24	35

Energy Intensity			
	FY 21	FY 22	FY 23
Turnover (INR Crore)	5,249	8,136	12,418
Energy Intensity (TJ / INR Crore)	0.039	0.037	0.036

ENERGY EFFICIENCY

Though we are not an energy-intensive organisation, we still understand our accountability for every unit we consume. Towards this, we have implemented various initiatives across our operations. This includes optimising internal and external lighting, installation of LED lights, VFDs and efficient equipment, and also designing new facilities and stores embracing green concepts.

Energy consumption at garment manufacturing level TOE/Lakh Garment



The operational efficiency initiatives across our manufacturing units have yielded a reduction of 13% in energy intensity at a garment level, even as the production increased by more than 43% compared to FY22.

RENEWABLE ENERGY

In line with our endeavour to decarbonise our operations and value chain, we scout for cleaner sources of energy. As we move a step closer towards achieving our 2025 goals, we are enhancing the renewable energy share in our energy mix through deployment of solar rooftop, biomass-based briquettes and several RE technologies such as solar streetlights.

- With recently commissioned solar rooftop system of ~750 kWp, our solar PV capacity has become more than 3 MW.
- In FY23, we generated ~2,571 MWh of electricity from rooftop solar.
- We have also leveraged on biomass i.e. briquettes of more than 5,774 tons to meet our thermal energy requirements.



68% of the energy inside owned garment manufacturing units, warehouses, and office spaces comes from renewable sources.

Energy Mix	'000 TOE		
	FY 21	FY 22	FY 23
Renewable Energy	1.64	2.33	2.81
Non-Renewable Energy	3.25	4.84	7.93

Note: Monitoring energy footprint in retail space is challenging considering the large volume of data generated and the complexity of data sources. Additionally, retail data comes from multiple sources, making it difficult to consolidate and analyse in a meaningful way. Factors such as human error, technical issues in software and data integration problems affect the accuracy and completeness of the large data. Furthermore, factors such as footfall, techno-commercial feasibility (of rolling out green initiatives at smaller spaces), location suitability, varying energy demand due to size and operation of retail, regulatory hurdles and lack of in-house technical expertise creates bottlenecks in deploying clean energy initiatives.

On the other hand, monitoring facilities' data separately can help identify opportunities to improve energy efficiency, reduce operating costs of manufacturing, and ensure compliance with regulatory requirements in a focused manner. **Therefore, ABFRL's renewable energy strategy will involve owned facilities, which includes manufacturing units, warehouses, offices, and all upcoming owned facilities of new businesses, which are going to be the part of existing portfolio of ABFRL facilities.**

WATER

Though our operations are not inherently water-intensive, we continuously strengthen our efforts to enhance conservation, reuse, and recycling to the extent feasible. We have embraced a two-pronged approach i.e., conserving water and rejuvenating water sources to reduce dependency on fresh water and thereby establish integrated water management systems.

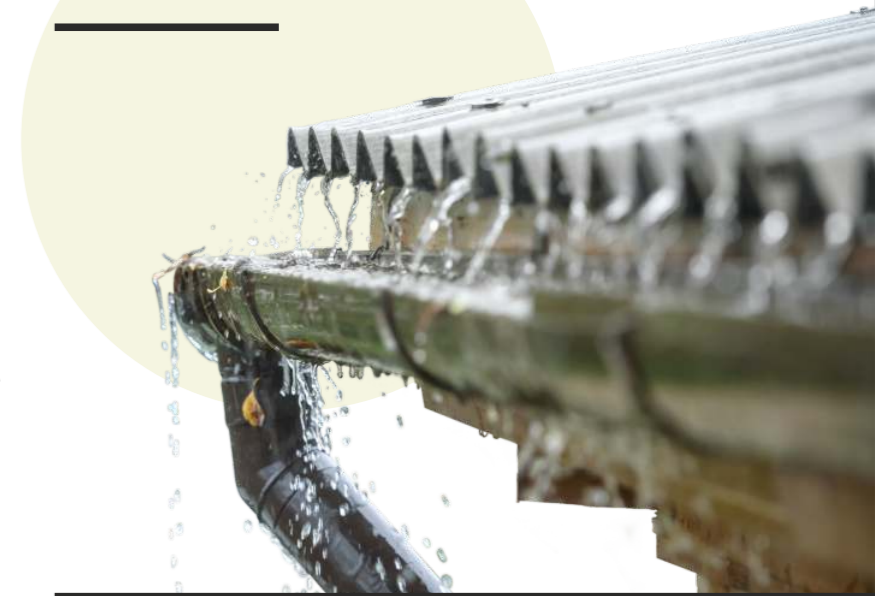
Across our facilities, we have adopted various measures like installation and strengthening of rainwater harvesting systems, sewage treatment plants, and waterless/water-efficient fixtures.

We are leveraging the latest technologies to strengthen and ensure effective monitoring, modelling, and real-time management of water systems. We are in the process of establishing IoT and Cloud-based services across our facilities. This shall assist us in the predictive and proactive analysis of our water management systems.

Our water management practices are aligned with ABG's technical standard on wastewater management and we recognise the need for responsible and safe management of wastewater from the point of generation until the final disposal.

Since ABFRL performs dry operations, the wastewater generated from our facilities is only a domestic sewage. We implemented various measures to manage water discharge related impacts. Measures include establishment of Sewage treatment plants (STPs) at all manufacturing units to treat and recycle wastewater, conducting regular water quality monitoring across all facilities as per state pollution control guidelines.

Despite an increase in reporting scope, ABFRL remains water positive across owned facilities.



All facilities demonstrate compliance to national / regional / local air & water consent, which is monitored by state pollution control board. The water quality is tested for all its physical, chemical and biological parameters in accordance with the consent conditions and 100% compliance is ensured before the treated wastewater is discharged into municipal sewers, wherever applicable.

Water Footprint (kl)	kl		
ABFRL Facilities	FY 21	FY 22	FY 23
Surface Water	9,343	8,726	12,287
Groundwater	99,612	132,530	158,713
Third party Water	9,841	8,774	27,783
Total Water Withdrawal	118,796	150,030	198,784
Total Water Discharged	4,072	4,398	8,005
Total Water Consumption	114,724	145,631	190,778
Turnover (INR Crore)	5,249	8,136	12,418
Water Consumption Intensity (kl / INR Crore)	21.9	17.9	15.4

Note: 1. Groundwater consumption has increased in FY23 due to addition of new facilities in the reporting scope. | 2. Total water consumption is difference in water withdrawal and wastewater discharged. | 3. Area of operation with Water Stress: Bengaluru, Tamil Nadu and Gurgaon; Purpose: Domestic Use | 4. CSR numbers are monitored separately and are excluded from "Water footprint (kl)" table.



Breakdown of total water withdrawal from sources

	in kl
Freshwater (≤1,000 mg/l Total Dissolved Solids)	161,680
Other water (>1,000 mg/l Total Dissolved Solids)	37,104

Water Harvested and Recycled

ABFRL Facilities	FY 21	FY 22	FY 23	in %
Rainwater Harvested	45%	41%	53%	
Water Recycled & Reused	75%	72%	68%	

Water Conservation through community rainwater harvesting

ABFRL Facilities	FY 21	FY 22	FY 23	in %
Total Rainwater Harvested	27,160	36,818	64,934	

Our water stewardship journey, an amalgamation of all the initiatives in the past decade, has enabled us to achieve a significant milestone i.e., Water Positive* at an organisation front, in line with our Sustainability 2.0 vision and ambitious 2025 goals.

In our owned facilities, we have harvested 104,878 kl of rainwater, and recycled & reused 135,118 kl of wastewater.

At a facility level, various initiatives have contributed to achieving this milestone. This includes reducing water demand, enhancing recycling and reuse of wastewater, effective harvesting of the roof and non-roof rainwater harvesting systems and artificial recharge systems, and also offsetting through watershed programmes at the community level.

Along with the initiatives adopted, we have also laid significant focus towards advocating and enhancing awareness amongst stakeholders to ensure effective management, optimal use and conservation of water.

*Note: The Water Positive Index calculated for a particular year considers the Water Debit and Water Credit of a site. The term 'Water Debit' denotes the 'volume of total water withdrawal and consumed'. 'Water Credit' is the 'summation of the volume of recycled/reused wastewater, harvested rainwater for real-time utilisation, the quantity of groundwater recharged, and real-time use of water stored in the check-dams by the community. Water Credit over Water Debit gives the Water Positive Index.

Green Buildings



The emergence of unplanned and resource-inefficient ecosystems globally has manifested in a growing need to establish a low-carbon built environment. Green Building has always been a vital pillar in our ongoing environmental stewardship efforts. Our green building approach emphasises creating a resource-efficient built environment that promotes sustainability principles and embraces the lifecycle approach; one that is positive for people and the planet and is also good for business.

Across our built environment, we have integrated sustainable practices from the design-to-construction-to-operating phase embracing adaptable and flexible initiatives to build and operate high-performance buildings. We ensure that materials used in our infrastructure promote lifecycle thinking, are responsibly sourced, are regional and recycled materials, reduce water and energy use, enable efficient indoor air quality, and ultimately contribute shift from fossil fuels, mitigating or eliminating negative impacts.



We have six facilities certified under the green building rating system at various levels (existing building category – HAL, FCL, CCL, and LEA, Attibele Warehouse, and new building category – Innerwear Warehouse).

This year, five of our facilities (with ~9.1 lakh square feet of built environment) are under re-certification process that involves evaluation of already certified facilities to continue to demonstrate best sustainability practise in green buildings. Four new projects (with ~3.65 lakh square feet) are undergoing new green building certification.

FACILITIES WITH GREEN BUILDING CERTIFICATION



HARITHA APPARELS



FASHION CRAFT



CRAFTED CLOTHING



LITTLE ENGLAND APPARELS



ATTIBELE WAREHOUSE



INNERWEAR WAREHOUSE

OUR CORE APPROACH

For each project, we go through the following steps.



Feasibility study

Involves meetings with project team to understand the project, its operation and data, for existing building. For new buildings, the requirements are explained to all the stakeholders.



Daylighting and Energy Modelling

This is done to arrive at the best possible combination considering envelope of the building, efficient mechanical system, and optimum daylighting



Execution

Once the contractors and other related stakeholders are on board, stakeholder education is carried out on the dos and don'ts of the sustainable building, and relevant record is collected. Frequent visits of subject matter expert to ensure 100% implementation of the envisaged target



Rating

At the completion of the project, we collect all the design and construction related documents and carry out two-stage completion, which usually takes about three months from the time of submission.

OUR CORE STRATEGIES FOR CERTIFICATION PROCESS

- **Aspire for zero run-off.** Harvest more water than the potential consumption
- **100% wastewater to be treated on-site** and maximise wastewater reuse
- **A minimum of 70%** of regularly occupied areas to be planned for daylight
- **At least 50%** of material that is used at the site to be locally manufactured
- **Use of low VOC materials** to limit the exposure of occupants to carcinogenic gases
- **Ensure fresh air requirement** as per the ASHRAE standards
- **Plan for maximum renewable energy** to replace fossil fuels and offset carbon footprint
- **Meters installation to track and record** the performance of the resource use

Over a decade of our sustainability journey, we have unlocked many milestones as part of our green building strategy. Going forward, we envisage to progress further in this area by striving towards Net-zero building rating systems i.e., both Net-Zero Water and Net-Zero Energy across our built environment.

We have adopted the concepts of Net-Zero Energy Building (NZEB) and Net-Zero Water Building (NZWB) in alignment with IGBC and USGBC rating systems to achieve the goal of Net-Zero operations. This is a unique initiative of ABFRL and first in the apparel and retail sector.

LEEDZero
Haritha Apparels certified LEED Zero Water under USGBC rating system.

Last year, we conducted a feasibility study and piloted the concept of Net Zero Water at our Fashion Craft Facility. Taking the initiative forward, this year, we have achieved LEED Zero Water certification for Haritha Apparels.



NET-ZERO FACILITIES

Net Zero Buildings conserve as much energy and water as they consume, accounted for annually. Through measures such as enhancing energy, water efficiency, and harnessing renewable energy and alternate water sources, these buildings help reduce energy and water demand. This in-turn reduces GHG emissions and dependency on raw water consumption to help us meet our international commitments.

Some salient features of Net-Zero Energy Buildings include:

- Improvement in energy efficiency about 25 -30% and water efficiency about 30-50% with respect to the baseline
- Overall reduction in energy and water cost of at least about 30%
- Reliable source of power supply if combined with energy storage devices
- Compliance to national codes & standards on energy efficiency, water efficiency increased daylighting and enhanced thermal comfort for the workforce

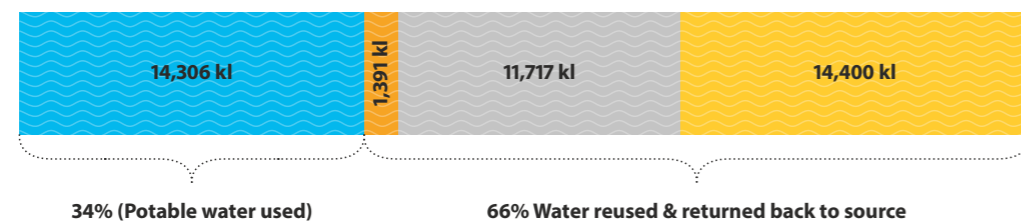
By aligning our built environment with Net Zero Energy Building (NZEB) and Net Zero Water Building (NZWB) rating system, we will be able to achieve our sustainability 2.0 commitments and address national and global priorities.

REACHING THE NET-ZERO TARGET

After the successful pilot to demonstrate the water use balance of zero at one of our facilities last year, we expanded the scope to identify facilities that demonstrate Net-Zero Water potential based on their performance data. Haritha Apparels became an ideal contender in becoming Net-Zero Water Building.

Water Mix of Haritha Apparels Ltd.

■ Ground water ■ Rooftop reused ■ Total waste water recycled/reused ■ Recharged back into the ground



This facility is equipped with low-flow fixtures and smart metering systems to monitor and reduce water consumption in buildings. A water reuse programme has been implemented for collecting and treating non-potable water from various sources and reusing it for toilet flushing and landscape irrigation.

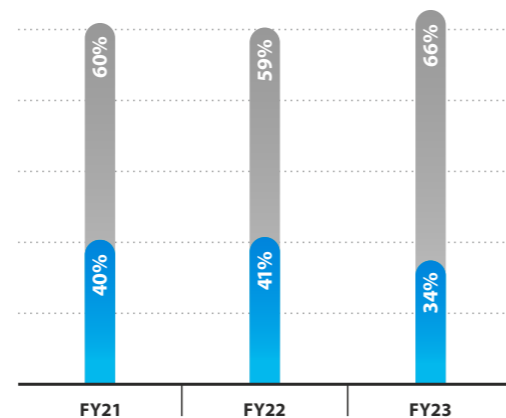
The unit is fully equipped with rainwater harvesting facilities such as sumps for direct potable reuse, an artificial aquifer recharge system to capture stormwater runoff from the hardscape area of the site, etc. The water harvested is then recharged into the ground using a bore well injection. As illustrated here, this unit is consistently using alternate water and returning more water than the potable water used.

Way forward

After two successful pilots, we envisage extending the principles of Net-Zero Water buildings to other facilities.

Water Mix - Y-O-Y performance of Haritha Apparels Ltd.

■ Potable Water ■ Alternate + Returned



Circular Economy

At ABFRL, pioneering circular economy and resource efficiency are integral to our 'ReEarth' programme. The circular economy drives us, and we are constantly seeking solutions that help us minimise the negative impacts of our activity throughout the lifecycle of our products. We have a dual approach for circularity: (i) Reduce overall waste, and (ii) establish end-to-end traceability.

Our initiatives are based on the principles of designing out waste and pollution, keeping materials in use and regenerating natural systems. We are creating a closed-loop system, where waste generated is recycled, reused or upcycled.

ABFRL has also undertaken a 'Zero Waste to Landfill' goal to ensure safe handling and disposal. It focuses on diverting waste from landfills through alternative solutions. The goal is an opportunity for sites to work collaboratively within their internal supply chains with external suppliers and waste management providers to find innovative reduce, reuse, and recycle solutions.

The entire non-hazardous waste in our facilities is either recycled or reused, and a small quantity undergoes composting, which is used as bio-manure for farming.

Hazardous Waste is disposed of following all guidelines and regulations to ensure zero waste to landfill.

In line with our commitment to circularity, end-to-end waste traceability assessments are done to validate and certify the safe disposal mechanism of waste till its last mile, for best practices and adherence to compliance. The aim is to audit and monitor the waste disposal of authorised recyclers, to ensure reliability, and to substantiate our sustainability goals. All facilities dispose waste in compliance with operating permits and legal authorisations, and also engage with waste disposal facilities/waste recyclers after due validation.

ZERO WASTE TO LANDFILL



Allen Solly

EXTENDED PRODUCER RESPONSIBILITY

We are working towards establishing an ecosystem for extended producer responsibility in waste management and enhancing the scope of circularity across our operations. Through our streamlined waste management approach, we continue to ensure 'Zero Waste to Landfill across all our own facilities'.

INITIATIVES

WINNING THE GOLD



ABFRL's Fashion Craft Ltd. has become the first Indian manufacturing unit to receive TRUE (Total Resource Use and Efficiency) Zero Waste Gold certification from Green Business Certification Inc. (GBCI) - the principal organisation independently recognising excellence in green business industry performance and practice globally. The TRUE Zero Waste certification programme is meant to enable facilities to define, pursue and achieve their zero waste goals, cut their carbon footprint and support recycling and extended use of materials.

In order to achieve TRUE Zero Waste certification, ABFRL not only implemented the Reduce-Reuse-Recycle principle, but also diverted waste, which would have otherwise gone to a landfill, through processes like composting, zero waste purchasing, hazardous waste prevention, redesigning, innovation, employee training to bring about an attitudinal change, etc.

We also accrued credits from programmes like repurposing waste generated during operations, the plastic-free packaging initiative, automated marker efficiency and cutting tools to reduce waste generation, among other initiatives.

CASE STUDY

'OUT-OF-THE-CARTON' REUSE IDEA - PANTALOONS

Under the Carton Box Reuse Programme, Pantaloons warehouse collects used carton boxes and repurposes them rather than discarding them as waste. In this programme, we collect used carton boxes from shipments that arrive at the warehouse. These boxes get inspected to ensure that they are in good condition and can be reused safely. The boxes, that are deemed as damaged, are sent for recycling. We have standardised inward boxes from vendors and the same is used for shipping merchandise to stores. Once the reusable carton boxes have been collected, they are cleaned, repaired if necessary, and then repurposed for future shipments.

This involves relabelling the boxes, repackaging the contents, or reinforcing the boxes with additional tape or strapping. The process repeats several times till that carton box is suitable for reuse.



THE REUSE PROGRAMME OFFERS SEVERAL BENEFITS

Reduces waste and the environmental impact associated with the manufacturing and disposal of packaging materials	Saves money on purchasing new packaging materials	Improves the overall efficiency of the warehouse by reducing the time and resources required to handle and dispose of waste
------------------------------------------------------------------------------------------------------------------	---------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------

To ensure the success of this programme, staff members have been trained on how to identify reusable boxes and how to properly clean and repurpose them.

In FY23, Pantaloons warehouses reused more than 6,00,000 carton boxes.

Waste Footprint

	MT			
Total Waste Generated	FY 20	FY 21	FY 22	FY 23
Non-Hazardous	4,140	2,234	3,730	5,480
Hazardous	8	6	5	9.5
Total	4,148	2,240	3,735	5,555.5

Please refer Packaging in Product Stewardship section for details on waste composition.

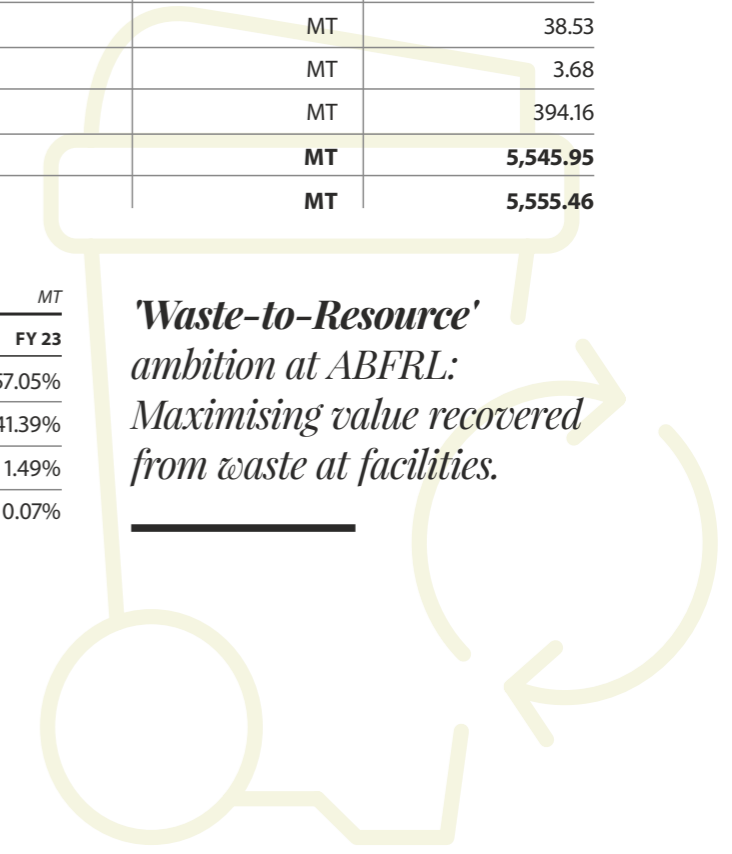
Total Waste Generation

Type of Waste	Unit	Quantity
Used Oil	KL	2.06
	MT	1.78
Batteries	Nos.	189
E-waste	MT	4.09
Bio-medical waste & others	MT	3.65
Total Hazardous	MT	9.51
Paper	MT	375.05
Fabric	MT	2,299.45
Metal	MT	128.58
Plastic	MT	151.02
Carton Box	MT	2,072.62
Canteen Waste	MT	82.73
Any other non-hazardous waste	MT	38.53
Wood	MT	3.68
Briquette Ash	MT	394.16
Total Non-Hazardous	MT	5,545.95
TOTAL WASTE	MT	5,555.46

Waste Disposal and Treatment

	MT
	FY 23
Waste Recyclable	57.05%
Waste Reusable	41.39%
Compostable	1.49%
Incineration (Biomedical Waste)	0.07%

'Waste-to-Resource' ambition at ABFRL: Maximising value recovered from waste at facilities.



Net-Zero & Climate Change



The Global Fashion Agenda and McKinsey analysis found that the Fashion Industry is accountable for 4% of global greenhouse gas (GHG) emissions and under the current trajectory, the fashion industry will miss the 1.5°C pathway by 50%. Delivering sustainable fashion being the core of our strategy, we have adopted a pragmatic approach to accelerate our climate change agenda and decarbonise our operations across the value chain.

Our climate change agenda and sustainability 2025 goals are defined well in accordance with the Paris Agreement.



Over the years, we have adopted various initiatives across Scope 1 & 2 emissions and initiated dialogue with stakeholders for mitigating Scope 3 emissions across the value chain. Along with the initiatives adopted across the operations, over the years we have established protocols and accounting methodologies across Scope 1, 2 and 3 emissions.

Absolute GHG Emissions - Scope 1&2

	FY 21	FY 22	FY 23
	tCO ₂	tCO ₂	tCO ₂ e
Direct Emissions (Scope 1)	1,467	1,926	2,890
Indirect Emissions (Scope 2)	25,841	39,300	66,716
Total	27,308	41,226	69,605
Turnover (INR Crore)	5,249	8,136	12,418
Total Scope 1 and Scope 2 Emissions per Turnover (tCO ₂ e / INR Crore)	5.2	5.1	5.6

Note: 1. Increase in Scope 1&2 emissions is due to addition of new facilities and retail stores in the reporting boundary. | 2. The Global Warming Potential (GWP) taken into consideration while calculating.

Emissions (Other than GHG)

	FY 21	FY 22	FY 23
NOx	2.8	2.2	3.0
SOx	1.6	0.7	1.9
Particulate matter (PM)	5.5	3.0	5.6

Note: 1. Increase in emission other than GHG due to addition of new facilities in the reporting boundary.

Absolute GHG Emissions - Scope 3

	FY21	FY22	FY23
Indirect Emissions (Scope 3)	436,159	1,120,853	1,297,038

Note: Restatement of Scope 3 - We accounted 4 out of 15 categories in FY21 and increased to 10 categories in FY22 & FY23. The increase in reporting categories resulted in rise of emissions.

Along with the ongoing emission accounting in line with GHG protocol, a number of initiatives have been adopted to mitigate Scope 1, 2 and 3 emissions.

This year, we have completed a comprehensive risk refresh project with an agenda to refresh the Enterprise Risk Management framework at ABFRL level. One of the key objectives of the project is to build resilience against emerging sustainability risks like climate change based on the inputs from the Intergovernmental Panel on Climate Change (IPCC), and other global frameworks.

As part of the project, we developed scenarios considering time horizons, technology trends and policy landscape. Based on the learnings and key physical and transition risks identified, we have assessed the implications on our operations and value chains. This rigorous assessment not only helped us in enhancing climate change at ERM level but also complimented in aligning the journey in accordance with Task Force on Climate-Related Financial Disclosures (TCFD).

Going forward, while we are being relevant and staying focussed towards achieving the 2025 goals, we are working towards developing 'Net-zero' roadmap and looking forward to communicate our roadmap as well as milestone year in future Reports.

INITIATIVES

REDUCING CARBON FOOTPRINT | MFL



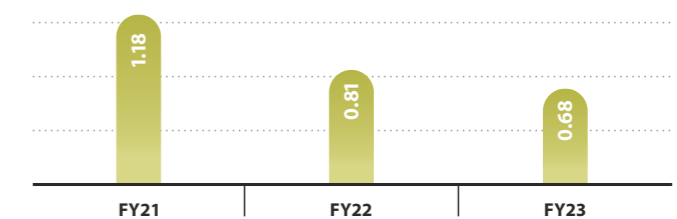
We constantly endeavour to look for ways to reduce our carbon footprint across our facilities. Utilising the warehouse storage space efficiently is a significant area to mitigate energy usage and emissions. These warehouses store and ship products of lifestyle brands to our retail stores. Prior to implementing sustainability initiatives, the warehouse's carbon footprint was significant due to the energy required for lighting and operating small to medium sized equipment within the warehouse.

Over the years, through several initiatives like the installation of energy-efficient lighting systems, comprising motion sensors and LED lighting, rooftop solar panels, solar streetlights, and adoption of O&M best practices in electrical systems,

we observed at least a 40% reduction in carbon emission intensity across these warehouses.

MFL WH - Y-O-Y reduction carbon footprint intensity

tCO₂e per sq. ft.



The efforts have not only helped us avoid more than 1,300 tCO₂e (since FY21) but also increased productivity by setting a baseline even as the warehouses increased their overall energy usage due to business growth.

Regular monitoring and reporting of energy usage and emissions became key to identifying areas for improvement and enabled us to carefully plan and invest in carbon reduction projects while supporting business growth.

ABFRL NET-ZERO JOURNEY

The Net-Zero journey -- to reduce GHG emissions and transition to a low-carbon economy-- requires a significant shift in the way businesses operate, including the adoption of new technologies and changes in consumer behaviour.

Key Steps in our Net-Zero Journey:

Measuring Emissions	Setting Targets	Developing a Strategy & Implementing Changes	Monitoring Progress
Measuring is the first step towards achieving net-zero GHG emissions. It requires conducting a comprehensive carbon footprint assessment, which includes evaluating emissions from all sources, including energy use, transportation, and waste.	Based on the emissions assessment, ambitious targets are set for reducing carbon footprint. These targets are aligned with the Paris Agreement and aim to reach Net-Zero by 2050.	Develop a comprehensive strategy and take concrete actions for achieving Net-Zero targets. This may include transitioning to renewable energy sources, improving energy efficiency, reducing waste, and incorporating sustainable practices in all aspects of operations.	Regular monitoring and reporting on emissions reduction progress is critical for ensuring accountability and transparency. This can be achieved through the use of advanced reporting tools and techniques, such as life-cycle assessments and sustainability reporting.



Allen Solly

SBTI'S NET ZERO STANDARDS

The SBTi's Corporate Net-Zero Standards is the world's first framework for corporate net-zero targets setting in-line with climate science. It includes the guidance, criteria, and recommendations for companies to set net-zero targets consistent with limiting global temperature rise to 1.5°C. The Net-Zero Standard defines Corporate Net-Zero as:

- Reducing Scope 1, 2, and 3 emissions to zero or to a residual level that is consistent with reaching Net-Zero emissions at the global or sector level in eligible 1.5°C-aligned pathways
- Neutralising any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter

We are implementing a multi-stage strategy for reducing our GHG emissions. We are planning to decarbonise our value chain by applying the four key elements of the Net-Zero Standard as below:

- Comprehensive Scope 3 GHG Accounting and set up near term science-based targets
- Achieving carbon neutrality across Scope 1 and 2 emissions
- Setting a long-term target of Net zero across Scope 1, Scope 2 and Scope 3 emissions
- Neutralisation of any residual emissions

Since the inception of the ReEarth Programme, we have been taking steps to reduce GHG emissions and become more environmentally sustainable. Various initiatives are adopted across the operations for mitigating the Scope 1 and 2 emissions. As per the GHG protocol, ABFRL has identified relevant Scope 3 categories and their methodologies to establish a baseline for future opportunities.

Leveraging on the baseline, ABFRL is working towards formulating carbon neutrality and a Net zero roadmap which will help set targets and milestones for future years. The key considerations while forming this strategy are improving the energy efficiency of the organisation and optimising the fuel and energy mix within the organisation.



Vani Heisen

ABFRL plans to engage with the suppliers to work on their fuel mix and encourage the use of recycled materials. These measures will significantly help the organisation meet its goals and targets.

Decarbonising our value chain is on the anvil. We have initiated discussions on short-term and long-term goals with our value chain partners on the feasibility of decarbonisation.

While certain practical challenges exist, we are moving swiftly to decarbonise our value chain to the last mile.

This year, we established calculation methodology and committed SBTi short-term target.

We conducted a comprehensive analysis of the relevant Scope 3 categories:

Category	Significance/Relevance	Methodology and Assumptions	Emissions (tCO ₂ e) FY22	Emissions (tCO ₂ e) FY23
Category 1 Purchased goods and services	Relevant	<ul style="list-style-type: none"> Classifications of purchased goods into product types and categories: We classified the data procured from ABFRL's internal portal Finalisation of product weight by removing the outliers and simple averaging Classification into Tier 1, 2, 3, and 4 and derivation of emission factors from GaBi databases Final Emission Calculations and their bifurcation as suggested in the SBTi Guidance and GHG Protocol 	481,082	508,975
Category 2 Capital Goods	Relevant	<ul style="list-style-type: none"> This category covers all the emissions from the capital goods bought during the reporting period The spent-based approach is used for data collection The emission factor is selected from US EEIO model 	52,282	116,065
Category 3 Fuel related activities	Relevant	<ul style="list-style-type: none"> Covers all upstream (cradle-to-gate) emissions of purchased fuels and electricity The data includes the fuel type and its consumption. Specific emission factors are derived from GaBi depending on the fuel used 	32,393	46,463
Category 4 Upstream transportation and distribution	Relevant	<ul style="list-style-type: none"> The data includes the mass or volume of the products sold and actual distances provided by transportation suppliers The emission factors are considered from the India GHG Program for particular vehicle types 	5,269	6,495
Category 5 Waste generated in operations	Relevant	<ul style="list-style-type: none"> Covers emissions from the waste produced and the disposal mechanism used for the specific waste For each waste type, a specific waste treatment method is applied (e.g., landfilled, incinerated, recycled, etc.) Emission factors are derived from GaBi database and US EPA database depending on the waste and its disposal technique 	1,518	2,010
Category 6 Business travel	Relevant	<ul style="list-style-type: none"> Covers all emissions from business travel in the financial year The distance-based method is followed for data collection Total distance for each travel mode and entry is collected Specific emission factors are derived from the India GHG program depending on the passenger-km travelled and mode of travel 	2,014	7,884

Category	Significance/Relevance	Methodology and Assumptions	Emissions (tCO ₂ e) FY22	Emissions (tCO ₂ e) FY23
Category 7 Employee commuting	Relevant	<ul style="list-style-type: none"> Covers all emissions from the employee commute in the financial year The distance-based method is followed for data collection Total distance for each travel mode and fuel was collected Specific emission factors are derived from the India GHG program depending on the passenger kms travelled, fuel used, and the mode of travel 	7,294	8,871
Category 8 Upstream leased assets	Not relevant.	As there are no leased assets under the organisation.		
Category 9 Downstream transportation and distribution	Relevant but insignificant	<ul style="list-style-type: none"> Distance-based method is used for data collection The data includes the mass or volume of the products sold and actual distances provided by transportation suppliers The emission factors are considered from the India GHG Program for the particular vehicle types 	--	--
Category 10 Processing of sold products	Not relevant.	As there is no processing of sold products required.		
Category 11 Use of sold products	Relevant	<ul style="list-style-type: none"> Classifications of sales data into product types and Categories Finalisation of product weight by removing the outliers and simple averaging Specific assumptions are considered to calculate the energy in the use phase Total Emissions are calculated using relevant emission factors from Gabi database 	437,020	475,588
Category 12 End-of-life treatment of sold products	Relevant	<ul style="list-style-type: none"> Classifications of sales data into product types and Categories Finalisation of product weight by removing the outliers and simple averaging Specific assumptions are considered to identify the End of Life for the products sold Total Emissions are calculated using relevant emission factors from Gabi database 	25,421	38,427
Category 13 Downstream leased assets	Not relevant.	As there are no leased assets under the organisation.		
Category 14 Franchises	Relevant	<ul style="list-style-type: none"> This category covers emission from the stores which are not covered under Scope 1 and 2 The data collection includes the energy and fuel consumed in the respective stores Total Emissions are calculated using relevant emission factors from Gabi database 	76,559	86,260
Category 15 Investments	Not relevant.	The investments are covered in Scope 1 and 2.		



Financial

PERFORMANCE



Aggressive Growth Momentum:
INR 12,418 Cr revenue;
53% growth over previous year and 41% over FY20

Deepened Brand investments:
Launched multiple high-impact brand campaigns



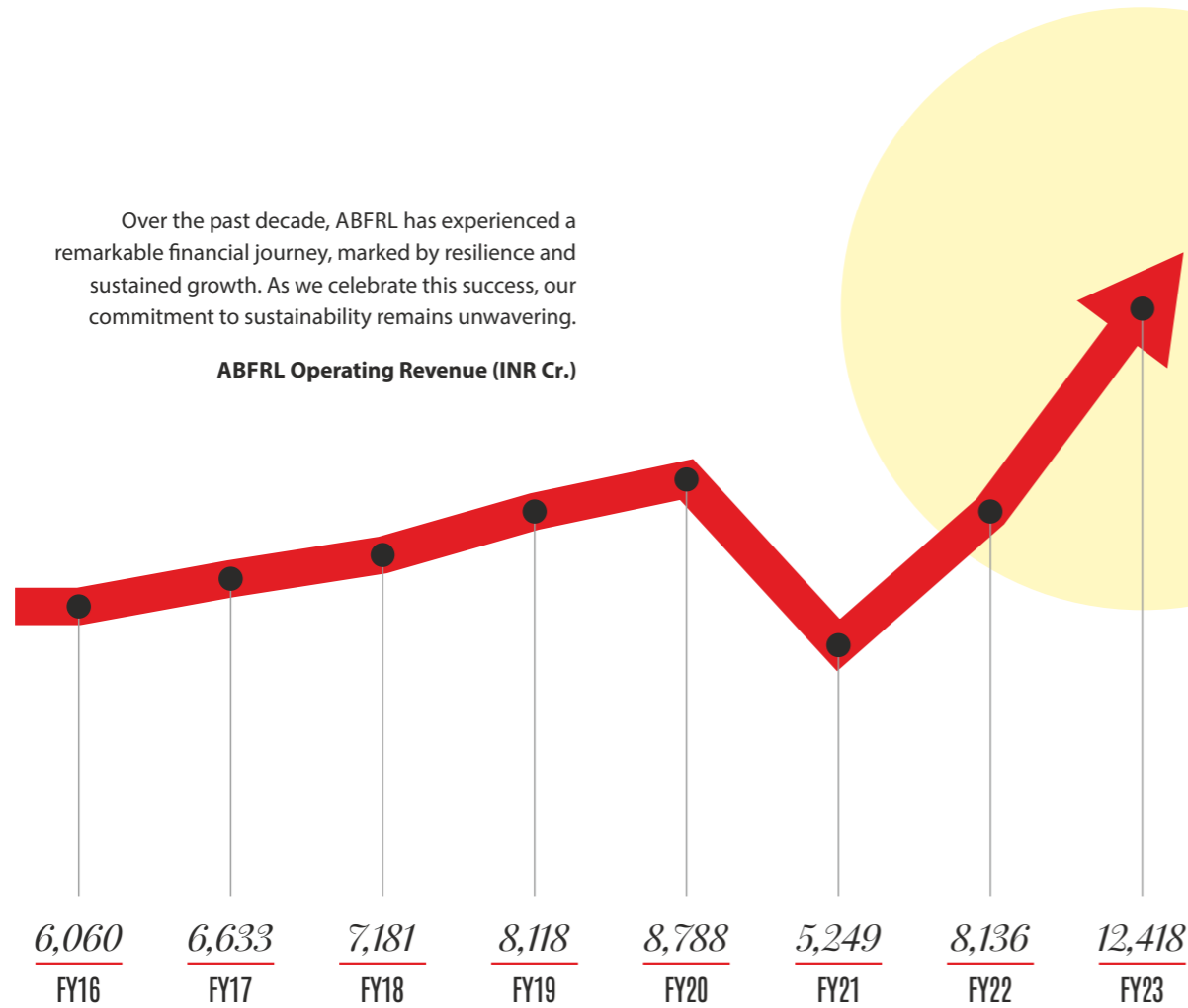
Continued Retail Expansion:
Net addition of 500+ stores

Strategic Portfolio Expansion



Over the past decade, ABFRL has experienced a remarkable financial journey, marked by resilience and sustained growth. As we celebrate this success, our commitment to sustainability remains unwavering.

ABFRL Operating Revenue (INR Cr.)



Note: FY22 and FY21 were largely COVID impacted years. From FY20, the revenue is the total consolidated revenue.

In FY23, we accelerated our growth and continued to make significant progress in line with our long-term strategy of building strong, timeless brands and managing the businesses with flexibility and agility.

Driven by strong retail Like-to-Like performance, omnichannel play and network expansion, in FY23, we recorded our highest ever yearly revenues at both standalone and consolidated level. Strategic growth levers have enabled us to attain remarkable revenue expansion and these levers shall continue to propel our growth trajectory.

The apparel industry is poised for substantial expansion, driven by a sustained rise in discretionary consumption, premiumization, and a notable shift towards branded products. Our brands, on the back of their inherent strengths, loyal customer base, and strategic brand-building initiatives, have continued to thrive.

Furthermore, our continued focus on product excellence, customer satisfaction, sustainability, and distribution expansion, gives us the confidence to strengthen our leadership position in the market.

ACCELERATED E-COMMERCE AND OMNI-CHANNEL PLAY

Driven by effective ecommerce partnerships and an emphasis on brand.com, our E-commerce business grew by 43% over FY22. It currently operates at an annual revenue of ~INR 1,300 crore

We have one of the largest fashion retail omni-channel presence with 50%+ network omni-enabled



Jaypore



STRATEGIC PORTFOLIO EXPANSION

Reebok and House of Masaba were transitioned into ABFRL in FY23



ROBUST RETAIL EXPANSION

Continued retail expansion across markets and brands

ABFRL entered into a strategic partnership with Galeries Lafayette to open luxury department stores and a dedicated e-commerce platform in India. This shall enable us to create a world-class destination for Indian consumers and global luxury brands. Seven digital-first fashion and lifestyle brands were acquired under TMRW in FY23. These brands have presence across diverse range of categories and segments.

450+
brand stores added to the network

60+
ethnic brands stores were added

54
net stores added in Pantaloons

Continued expansion into Tier 2 and below markets

	FY22	FY23
Growth in revenue	51%	50%
Stores added	255+	500+
Revenue (in INR crore)*	7,918	11,847
Economic Value Retained (in INR crore)	833.23	1,282.93

Economic Value Generated and Distributed

	FY22	FY23
Operating Costs	5,684.03	8,782.37
Employee benefits and wages	1,043.43	1,338.06
Payments to providers of capital	340.19	424.23
Payments to Government	14.32	15.93
Community Investments	3.09	3.5
Total	7,085.06	10,564.09

*Includes other incomes. These are standalone Nos.

Business Overview & Developments

LIFESTYLE BRANDS

Consists of



Reported a revenue of INR 6,608 crore, up by 46% over FY22

The EBITDA margin was positive 16.6% at INR 1,095 crore – an EBITDA milestone

Lifestyle Brands continued to expand its retail presence and is now available across 2,650 exclusive outlets. Revenue was driven by strong same store sales growth and robust E-commerce performance. The business also penetrated further into smaller town markets with its presence now expanded to 600 stores.



Louis Philippe

PANTALOONS

Reported an annual revenue of INR 4,069 crore, up by 55% from last year

EBITDA margin was positive 15.6% at INR 635 crore

The Pantaloons business has shown robust growth despite post-festive slowdown in value and masstige segment. It continued to introduce new private labels and newer categories as it adapted to evolving consumer preferences. In line with long-term strategy, Pantaloons opened net 54 stores to exit FY23 with 431 stores.

Lifestyle and Pantaloons together are now 1.5 times of last year. Apart from the established businesses the total size of remaining portfolio which comprises businesses in high growth areas is already more than INR 2,000 Cr. ABFRL has added this scale in the last 5 years.



Jaypore

OTHER BUSINESSES

The segment comprises youth fashion brands, innerwear and athleisure business, global super premium brands and Reebok.

The Innerwear and Athleisure segment grew 33% YoY despite a slowdown in outerwear segment. This growth was driven by distribution expansion through trade and EBOs. The trade network expanded to ~33,000 MBOs.

Youth Fashion segment consisting of American Eagle and Forever 21, delivered strong performance driven by strategic expansion in newer markets and with support of brand building initiatives.

Super premium brands, comprising The Collective and Mono brands maintained their excellent growth trajectory during the year and achieved highest ever annual business.

The Reebok business transitioned into ABFRL in Oct 2022, the brand is now well placed to become one of the leading sportswear brands in the country.

ETHNIC BUSINESS

Ethnic businesses also showed sharp growth in revenue, with scale coming from network expansion, portfolio additions and category extensions. The business posted revenue of INR 574 crore in FY23.

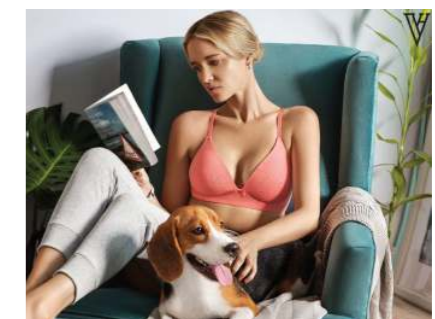
Sabyasachi grew 50% YoY as the brand launched 2 new stores.

Men's premium ethnic wear brand TASVA continued to expand its network aggressively and is now available across more than 50 stores.

Jaypore's FY23 revenue grew 90% YoY as the brand in FY23 added 8 stores to the network to exit the year with 18 stores.

Shantnu & Nikhil (S&N) posted its highest-ever yearly revenue with 53% growth YoY. SNCC by S&N, a sport inspired lifestyle brand continued to gather customer interest.

House of Masaba (HOM) transitioned into ABFRL and continued its impressive growth. HOM also launched a beauty and personal care line 'Lovechild'.



TMRW

With TMRW, we aim to build the next set of iconic brands in the digital space and have already made significant progress in this regard. TMRW acquired 7 brands in FY23 and is on track to build an exciting portfolio of next-gen digital-first brands in fashion and lifestyle segment for the next decade.

Outlook

In recent years, ABFRL has implemented a portfolio-oriented strategy, that focuses on offering a wide range of products across various segments, occasions, and price points. Additionally, recognising the significance of digital transformation in today's market, we have made substantial investments to enhance our digital capabilities. These strategic interventions have positioned us to effectively address the evolving customer needs and provide personalised and seamless experiences.

Our continuous efforts demonstrate a dedicated commitment to proactively adapt to the ever-changing business landscape. This lays a solid groundwork for sustainable achievements in the future and by leveraging these factors alongside our extensive portfolio of well-established brands and a strong focus on brand excellence, we are poised to capitalise on expansion opportunities and strengthen our market presence.



BUSINESS STRATEGY

The key tenets of our business strategy include:

Enhancing portfolio

We have already built a meaningful presence in several high-growth segments like innerwear, casual, ethnic, super premium and sportswear segments. We are now well positioned to scale up these brands and its category extensions to create new growth platforms.

Expanding distribution footprint

In FY23, we added 500+ stores (net) to our distribution footprint. We shall continue to expand our retail network and maintain the momentum in the years to come.

Building strong brands

We shall persist in brand building through impactful campaigns, innovative product design and refreshed new identity. By leveraging these strategies, we aim to strengthen our brand presence and drive further growth in the market.

Accelerate online channel

Continue to enhance our omni-capabilities and maintain a strong focus on brand.com to improve customer retention, generate higher customer lifetime value for business and leverage our extensive store network.

Investing in talent

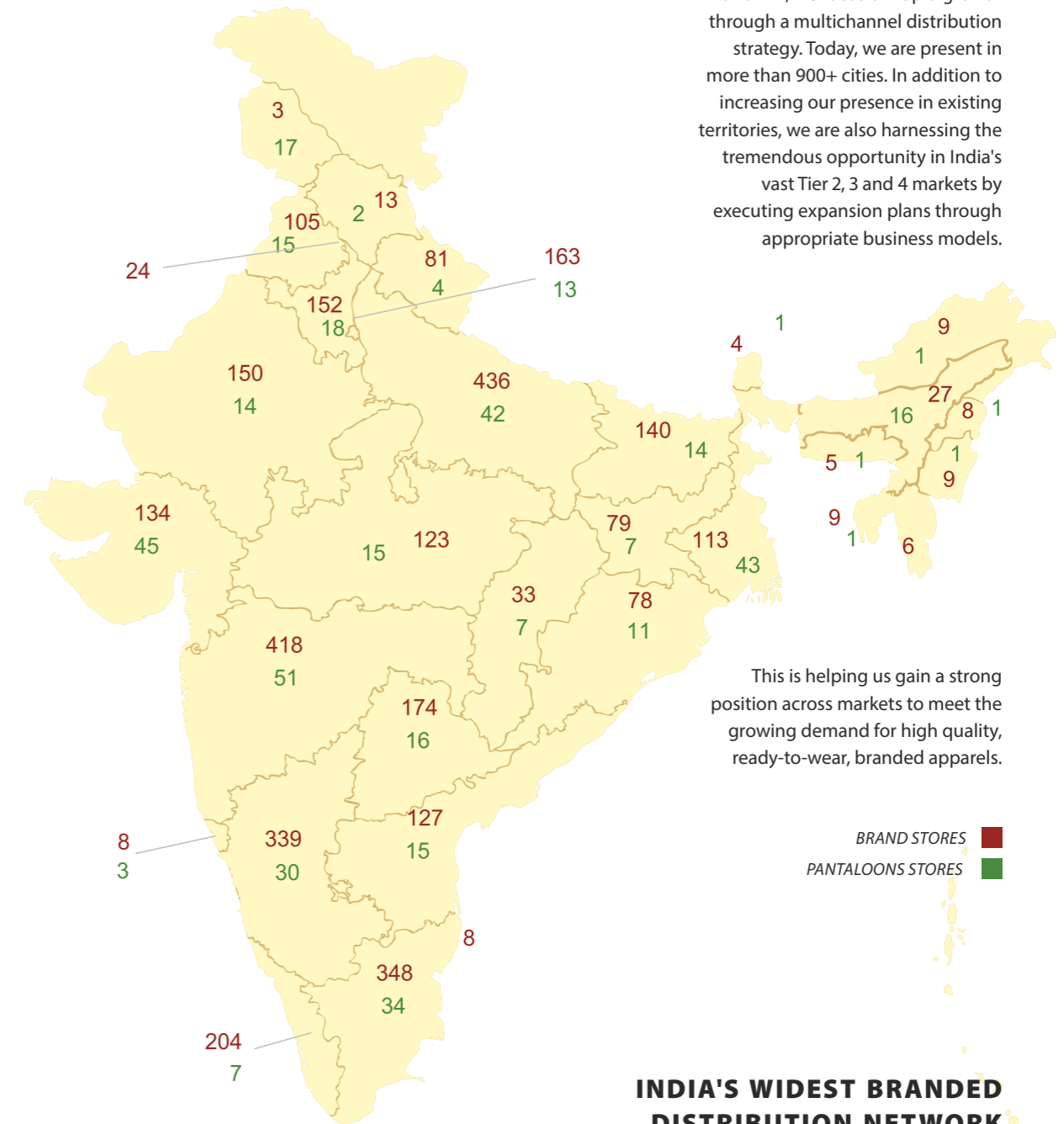
Continue to invest in the acquisition, development, retention and recognition of our workforce.

Value chain sustainability

The sustainability of our supply chain plays a determining role in how sustainable we are as an organisation. We aspire to include the entire supply chain in our initiatives. Some of the key initiatives include Supplier Sustainability Index (SSI), Higg Index, Vendor Code of Conduct (VCO), and Chemical Management.

Footprint

At ABFRL, we focus on rapid growth through a multichannel distribution strategy. Today, we are present in more than 900+ cities. In addition to increasing our presence in existing territories, we are also harnessing the tremendous opportunity in India's vast Tier 2, 3 and 4 markets by executing expansion plans through appropriate business models.



This is helping us gain a strong position across markets to meet the growing demand for high quality, ready-to-wear, branded apparels.

Note: Representative map. Not to scale.

INDIA'S WIDEST BRANDED DISTRIBUTION NETWORK

10.8 million sq.ft. footprint	3,546 Brand Stores	431 Pantaloon Stores	33,535 Multi-brand Outlets	6,723 SIS across Dept Stores
--------------------------------------------	------------------------------	--------------------------------	--------------------------------------	----------------------------------------



People

PERFORMANCE



28,390+
permanent employees
from varying social,
economic, and geographical
backgrounds

55%
of the permanent
workforce are women



2x2x2
formula helps
transform young talent
into all-round leaders



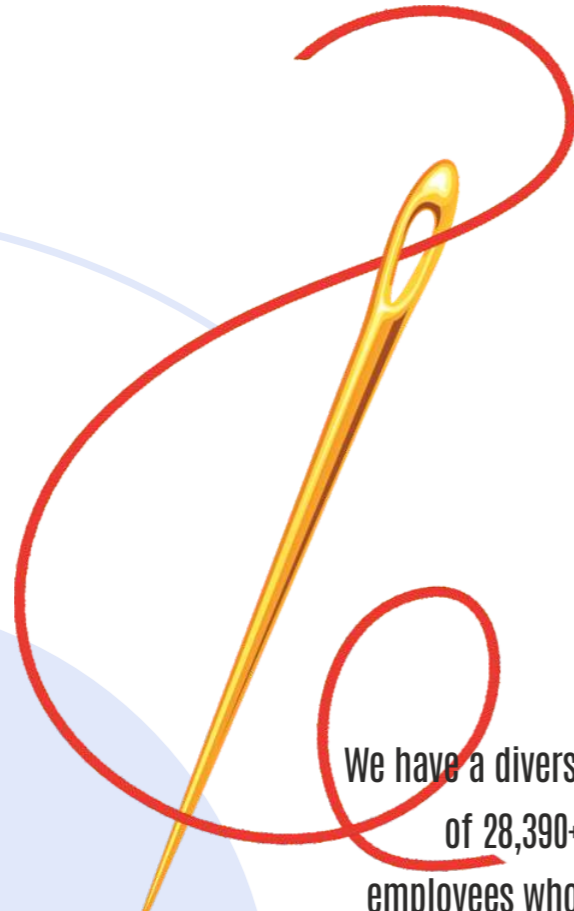
450+ Managers
received training
on Mental Health &
Psychological Safety



97 Internal Committee members
and **13,500+ employees**
undertook a refresher
on POSH



Our decade-long sustainability journey is powered by our people, who drive our commitment to create a positive impact on the environment and society. At ABFRL, our people help cascade sustainability in the organisation. For a decade now, each one of them played a crucial role in shaping and implementing our sustainability initiatives. They bring their passion, expertise, and dedication to the table, drive innovation and find creative solutions to address sustainability challenges. Employees have been instrumental in solving complex problems - be it implementing a strategy or a process, reducing waste, energy, water, and emissions, or helping us generate more value out of the products.



We have a diverse workforce of 28,390+ permanent employees who come from varying social, economic, and geographical backgrounds.

As we continue to build an inclusive environment for our diverse workforce, our people add to the depth of the Company's ever-growing knowledge capital, with a range of educational and industry experience. Our organisation's core values of seamlessness, passion, speed, commitment, and integrity have always guided our actions and are the key to why our employees work with us.



To help our talent sustain this enthusiasm throughout their working lifecycle, we provide them with a positive work environment, career growth and development; recognise their efforts, and reward their achievements. We turn our talent into high-performers by giving them the requisite knowledge and opportunity to learn. Our employees get the freedom to put this learning into practice, while being accountable to the organisation.

Our people vision is to 'Drive a High Performing and Customer Centric Culture with Happy and Value Oriented Employees.'

FY23

Employees - Age-wise		Total	Age Group (Years)		
			<30	30-50	>50
Permanent	Senior Management	341	0	279	62
	Middle Management	955	106	817	32
	Junior Management	13,085	7,385	5,532	168
	Workers	14,009	6,865	6,993	151
Total		28,390	14,356	13,621	413

Note: In addition to the above, we also employ 19,855 contractual workforce

1. There are no significant fluctuations in the number of workers who are not employees during & between the reporting period
2. Methodology used for reporting the number of employees at the end of the reporting period



Differently - abled	Total	Male		Female	
		No	%	No	%
Workers (Permanent)	75	32	43%	43	57%

Note: We do not have differently - abled under employee category

Employee category	FY21		FY22		FY23		
	Gender (No)		Gender (No)		Gender (No)		
	Male	Female	Male	Female	Male	Female	
Permanent	Senior Management	167	49	214	61	268	78
	Middle Management	497	163	587	205	688	267
	Junior Management	7,813	2,081	8,160	2,355	9,737	3,348
	Workers	1,808	9,773	2,017	11,219	2,070	11,939
Total		10,285	12,066	10,978	13,840	12,758	15,632
			54%		56%		55%

Employees - Age-wise		Total	Age Breakup			Gender Breakup	
			<30	30-50	>50	Male	Female
Permanent	New employee hires	16,002	11,214	4,758	30	6,199	9,803
	Total number of employees	28,390	14,356	13,621	413	12,758	15,632
	Rate of New Employee Hires	56%	78.1%	34.9%	7.3%	48.6%	62.7%

Management Approach

Our people approach keeps evolving but continues to remain guided by the Aditya Birla Group philosophy of building dynamic and responsible businesses and institutions that enrich lives and inspire trust. We have put human aspects at the centre of the HR equation. We listen and engage with our employees regularly, take their suggestions and implement ideas that align with the organisation's goal to develop their sense of belonging.

Our unique Employee Value Proposition - **A World of Opportunities** makes us a preferred employer for professionals in the industry.



Employee Turnover Rate	FY21			FY22			FY23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees									
Turnover Rate	22	23	22	22	26	22	34.7	37.8	35.5
Permanent Workers									
Turnover Rate	47	56	55	52	52	52	54.6	59.4	58.6

Turnover rate for permanent employees and workers	FY23					
	Gender Breakup			Age Breakup		
	Male	Female	Total	<30	30-50	>50
Permanent Employees						
No. of persons left the employment	3,410	1,193	4,603	3,074	1,517	12
Average no. of persons employed	9,825	3,157	12,982	6,544	6,201	237
Turnover rate	34.7	37.8	35.5	47.0	24.5	5.1
Permanent Workers						
No. of persons left the employment	1,115	6,874	7,989	4,929	3,023	37
Average no. of persons employed	2,044	11,579	13,623	6,729	6,758	137
Turnover rate	54.6	59.4	58.6	73.3	44.7	27.1

Employee Turnover	FY21	FY22	FY23
No. of employees who choose to leave voluntarily (such as resignation, retirement, early retirement, etc.)	260	513	626
Average No. of persons employed	2,288	2,430	2,985
Voluntary Employee Turnover Rate	11.36%	21.11%	20.97%

Share of Women in the Organisation - Diversity Indicator Percentage (0-100%)

	% (for FY 22)
In management positions	26.72
In junior management positions	25.60
In management positions with revenue generating functions	22.38
In top management positions	22.87
In STEM-related positions	15.25



At ABFRL, the biggest brands meet the best people. These people put in their best work every day to take these brands and the organisation to the next level.

Talent Management And Career Growth



The Employee Value Proposition at ABFRL has two key pillars - career growth and development. Focussed initiatives under these pillars prepare our employees to unleash their potential and achieve personal and professional goals aligned with the organisation's strategy.

Our institutionalised Talent Councils actively review the organisation's talent pipeline, succession plans for key roles and requisite development interventions. The succession planning ensures that all our roles are reviewed for their criticality by the management team and a strong pipeline of talent is identified as successors for these roles. We have in place annual career conversations, which are structured to understand employee aspirations, provide them a clear vision of their career path, and how they may achieve them by identifying their areas of strength and development.



In addition to internal policies and programmes, we also partner with vendors like EdCast, Coursera, as well as the Gyanodaya campus for classroom programmes. These provide employees with a plethora of opportunities to develop and grow in their careers. Exposure to leaders through mentorship and coaching help employees learn from the experiences of industry stalwarts and be future ready. All these initiatives and efforts by the organisation have helped retain employees and it keeps them engaged.

Our focus on the career movements of employees to ensure they get diverse experience in terms of functions, geographies, and formats, buttresses our efforts to build all-round leaders across the organisation.

*We drive the philosophy of giving diverse experiences to our young talent in the formative years of their career and emphasise 2*2*2 experience*

2 Business Units | 2 Functions | 2 Locations

YOUNG TALENT PROGRAMME (YTP)

Over the years, we have initiated a number of programmes to keep our young talent engaged and happy. The programmes include hires across multiple streams such as Business Management, Fashion Management, Chartered Accountancy and Retail Operations.



Our flagship YTP 'STRIDE' offers meaningful roles to young premier college graduates, helps them gain hands-on experience and offers challenging responsibilities early in their careers.



Next Top Designer (NTD) contest was an instant hit in FY22. The programme received 400+ applications and was featured in leading news websites and campus blogs. In FY23, NTD scaled to more than 30 Design Institutes and had 900+ applications working on real-time business problem of Pantaloons.



To strengthen our Campus Branding, we launched **Showstopper** - a business school case study challenge on a digital platform in FY23. A total of 10,965 applicants from 300+ B-Schools participated with 137 students competing for finale and the top 17 joined as Business Management Trainee interns.



LEARNING AND DEVELOPMENT

Our transition to circular economy is changing the way we work. In this evolving ecosystem, we focus on behavioural and functional learning, knowledge and skill development of employees, empowering them with the right knowledge. This also enables us to develop future-ready leaders.

The learning of employees is anchored by our internal capability-building academy, ABFRL University as well as Gyanodaya, the Aditya Birla Group Global Centre for Leadership.



RISE - Leadership Development Programme

Our flagship leadership development programme aimed at grooming talent pool in mid-management for senior leadership roles, RISE focusses on strengthening three key areas - Leading Self, Leading Digital, and Leading Others. **16 employees in mid management roles underwent this development journey in FY23.**

ABFRL University

The University has strengthened and expanded its wings to other lines of businesses. **The programmes work on the principle of 70:20:10 wherein 70% of the pedagogy is live projects and assignments, 20% is mentorship and 10% is classroom training.**

ABFRL Digital Academy

We launched a set of programmes under the umbrella of ABFRL Digital Academy to improve digital fluency within the organisation. Under this programme, we cover SEO (Search Engine Optimisation) and Web Analytics. **200+ employees in Ecommerce, Marketing, and Design roles participated in these programmes. In addition, 500+ employees have completed self-paced e-learning courses in the Data/Digital domain.**



Accelerated Leadership Programme - Step Up

The Step-Up Journey is designed to catapult Manufacturing Department Heads into the Function Heads roles. The programme builds competence in the areas of personal leadership, financial acumen, immunity to change, digital transformation, employee relations, sustainability, problem solving, analytics, and presentation skills. **Four employees from the manufacturing function were part of the Step-Up Journey this year.**

Digital Transformation Capability Building

This programme facilitates building higher levels of Digital Leadership Capability with features including new-age digital leadership assessments, a well-researched digital capability building framework - BLUR model templates to help leaders with strategy, mentoring on digital projects, etc. **Five participants are actively involved in driving digital transformation projects.**



ACE Programme

The programme provides employees with functional development opportunity aligned with their career aspiration. This year, an organisation-wide functional capability building initiative was developed based on the experiential learning principle and driven by the Madura Senior Leadership Team. The programme focussed on providing key experiences through projects and exposures - both from internal and external leadership perspectives. The Core Curriculum spanning 7 months was designed in collaboration with internal subject matter experts, deans and convenors. Learning inputs were delivered through expert lead sessions, speaker sessions focusing on external perspectives, assignments, assessments, quizzes, and learning check-ins.

Springboard Programme

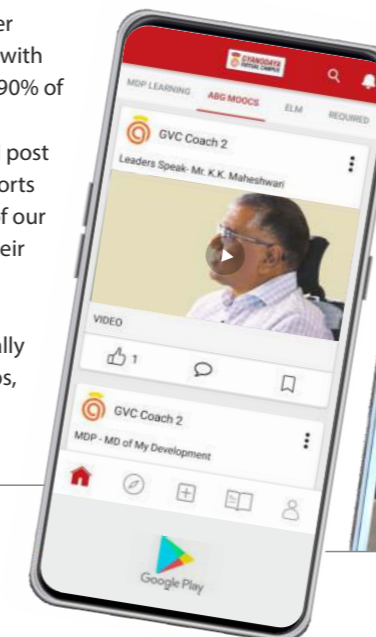
Five women leaders from middle management underwent the Springboard accelerated programme, a learning intervention that facilitates self-insight and enables awareness of Strengths, Areas of Development, Management and Leadership style. This leads participants to develop their identities as leaders and managers.

Visual Merchandising (VM) Academy

To strengthen our learning and development offerings from a functional programme perspective, we launched functional capability & operational excellence of visual merchandisers - critical to develop and retain best-in-class VM talent. **In the first phase, 80 store and area visual merchandisers enrolled for VM Academy and taught tips and tricks to attract and enhance customer experience.**

Gyanodaya Virtual Campus (GVC) App

The GVC App clocked over 10,00,000 learning hours, with a coverage of more than 90% of the workforce as learning shifted online during and post pandemic. The App supports rapidly changing needs of our employees to upgrade their knowledge and skills, placing a host of content and topics tailored specially for them at their fingertips, based on interests and learning goals.



Store Managers Academy

The programme has been designed to minimise the gap between current skills and the future role of a store manager. Based on a detailed study on the qualitative and quantitative factors for this role, it covers all professional life stages of a store manager, starting from on-boarding to taking up the leadership role. Through the implementation of this programme, 90% of Cluster Business Manager (CBM) and Area Business Manager (ABM) positions are filled internally every year.



India's Finest Store Manager (IFSM) Programme

IFSM Programme grooms store managers in industry best practices through learning and development initiatives. The programme leads them towards senior roles in the organisation. 11 best-in-class store managers were selected for this programme through a stringent four-stage selection process in FY22. They have undergone a 12-month learning journey with IIM Indore faculties and internal leadership. The participants successfully completed their mid-term projects in September 2022.

i-PEARL

Daksha and Saksham are two career development programmes under i-PEARL designed for front-end sales force offering a career path for fashion assistants to become store managers. The programmes are designed and delivered in close collaboration with business leaders and are executed through a 70:20:10 learning approach to provide the participants with a holistic learning environment.

FA STAR Certification

It is a skill-based certification programme for Fashion Assistants in stores. The project, launched to bring the service credo alive, has four stages of certification and every stage is linked to defined competencies as per the roles and responsibilities of the FA.

Madura University

Madura University has developed into a comprehensive learning and development entity, leveraging the TOT Model (Training of Trainers). Besides the three-tiered structure of Unnati, Pragati and Shikshan, there are multiple initiatives undertaken at the university. Some of the key ones include:

MC Shikshak

Cross-functional sessions by internal functional experts on Finance, Warehouse Operations, Quality, Labour Laws, Emotional Well-being

Project SPARSH

Cascading mental health awareness and counselling know-how

Nimhans Lay

Counsellor's programme

Namma Kalike

Vernacular learning through digital media on POSH and Safety designed and created in-house by employee relations officers and HR team

UNNATI Learning Programme

The intention of this ACE equivalent programme is to provide technical expertise, behavioural development and cross functional learning for non-management & management staff in enhancing their performance in the current role. In FY23, we have constituted two segments under the ambit of UNNATI - Super30 and Six Sigma Green Belt training.

Super 30 initiative

Super 30 initiative is aimed to build a talent pipeline within Madura Clothing, specifically for the roles of 10 factory managers and 20 functional experts.

Six Sigma Green Belt

Six Sigma Green Belt training encompasses problem-solving techniques and live project implementation under expert guidance. It is an attempt to up skill and qualify our engineering talent who form the backbone of the production process. **12 such real-time projects are currently underway.**

SHIKSHAN

A 14-day fast-track training programme prepares new workers to work on the shop floor. The training period includes behavioural training and factory induction. Shikshan also covers retraining of these workers. **In FY23, 4,836 new workers underwent this training.**



Pratibha Scholarship Programme

We support our employees in building a future for their children with the **Pratibha Scholarship Programme**. Under this programme, employees' children are granted a scholarship for pursuing graduate and post-graduate education in their chosen fields.



A World of Opportunities

We have '**A World of Opportunities' (AWOO) Foundation** which supports the funding of education for children of our workmen and store associates.



As a result of this multi-faceted effort, Madura Manufacturing has increased its learning person-hours to 17,308.75, a 1.8x increase from FY22 (9,327.56 person-hours).

Performance and Career Development Reviews of Employees and Workers

	FY22			FY23		
	Total (A)	No (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	8,961	8,961	100%	10,674	10,674	100%
Female	2,621	2,621	100%	3,707	3,707	100%
Total	11,582	11,582	100%	14,381	14,381	100%
Workers						
Male	2,017	2,017	100%	2,088	2,088	100%
Female	11,219	11,219	100%	11,921	11,921	100%
Total	13,236	13,236	100%	14,009	14,009	100%

REWARDS AND RECOGNITION



Remuneration and Benefits

We have a comprehensive, agile, balanced, and inclusive approach toward remunerations and benefits and our rewards programme aims to attract, engage and retain top-class talent in the industry.

Our rewards value proposition is anchored in Total Rewards where we incorporate both the monetary (Fixed Compensation, Variable Pay and Long-Term Incentives) and the non-monetary elements (Benefits, Recognition, and Work-Life Effectiveness). Pay decisions are rooted in pay for performance, the long-term potential of the individual, and competitiveness for our market peers.

We strive for absolute non-discrimination in pay because of gender, age, and/or experience of the individual and we have fairness measures in place for specific scenarios such as maternity leave and talent mobility across the businesses. We continuously review our people's productivity to prepare the organisation to be future-ready in the context of changes happening at Work, Workplace, and Workforce.

Our reward approach lays significant emphasis on programmes that incentivise both short-term and long-term business performance. We have also put in place fairness measures in certain scenarios such as maternity leave, inter- or intra-business transfers.



Details of minimum wages paid to employees and workers

		FY22				FY23					
		Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
			No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Permanent employees	Male	8,961	1,706	19%	7,255	81%	10,688	496	5%	10,192	95%
	Female	2,621	626	24%	1,995	76%	3,693	238	6%	3,455	94%
Permanent workers	Male	2,017	273	14%	1,744	86%	2,070	87	4%	1,983	96%
	Female	11,219	4,263	38%	6,956	62%	11,939	3,191	27%	8,748	73%

Details of median and average remuneration

	Male (FY23)		Female (FY23)	
	Number	Median remuneration/salary/wages (in INR)	Number	Median remuneration/salary/wages (in INR)
Key Managerial Personnel	4	68,752,842	1	73,200,765
Employees other than BoD and KMP	10,684	297,756	3,692	204,577
Workers	2,070	188,250	11,939	143,075



FY23

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)	12,578,708	12,171,259
Executive level (base salary + other cash incentives)	16,733,470	16,441,280
Management level (base salary only)	1,567,901	1,616,219
Management level (base salary + other cash incentives)	1,786,425	1,823,556
Non-management level (base salary only)	279,794	347,526

Benefits Details

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Male	10,688	6,404	60%	10,688	100%	0	0%	2,378	22%	0	0
Female	3,693	1,713	46%	3,693	100%	3,693	100%	0	0%	0	0
Total	14,381	8,117	56%	14,381	100%	3,693	26%	2,378	17%	0	0

The above benefits do include 'Permanent employees' category

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Male	2,070	0	0%	0	0%	0	0%	0	0%	0	0
Female	11,939	0	0%	0	0%	11,939	100%	0	0%	0	0
Total	14,009	0	0%	0	0%	11,939	85%	0	0%	0	0

The above benefits do include 'Permanent workers' category

As part of the benefit programme this year, medical insurance coverage was reviewed for the entire frontline retail staff. Special financial assistance in case of a medical emergency was made available for our retail and manufacturing employees.



Recognitions

There are multiple platforms for recognition for employees and the teams - at the ABG, ABFRL or at a business level.



ABG Awards

Launched in the year 1996, the Aditya Birla Group Awards are amongst the Group's most cherished traditions. The ABG Awards 2022 in Jaipur recognised contributions and efforts of all employees across businesses at a group level. ABFRL successfully secured total 12 awards in the Chairman's Individual Awards category and 1 Team award.

ABFRL Awards

ABFRL Awards recognises high-performing teams and individuals across brands. 10 Awards in the individual category and 5 Awards in the team category were given away and 198 winners were felicitated. In FY23, new award categories were introduced: MD Focus Awards - to recognise Star People Managers, Most Inclusive Managers and High on Collaboration Manager, and the Manufacturing Team category. Nine people were awarded with the MD Focus Awards. More than 650 employees including 300+ nominees participated in the event.

Business Level Awards

PACE Awards

The Pantaloons Annual Conference for Excellence (PACE) Awards recognises store and zonal employees for business achievements and upholding group values. Total 144 awardees were recognised at the FY23 PACE Virtual Awards.



GEMS Awards

The GEMS Awards at Pantaloons celebrates the contributions of employees while displaying the Business's cultural tenets of result orientation, customer centricity, and collaboration. 122 awardees were recognised in the GEMS Awards in FY23.



MFL Awards

The MFL Awards is an event that celebrates excellence by acknowledging and recognising individuals and teams of Madura Fashion & Lifestyle who have made remarkable contributions in their fields every year.



Enrich Your Life

At ABFRL, we are consistently working towards creating a supportive, friendly and happy workplace. Our Leave Policies, Work from Home policy, Flexible Work Arrangements, and Employee Wellness Programmes aim to impart a healthy work-life balance for employees to better manage their professional and personal commitments.



EMPLOYEE WELLNESS

Employee Wellness has always been one of the priority areas in enriching life and strengthening the Employee Value Proposition at ABFRL. **In this regard, we pioneered a three-pronged approach: Physical, Emotional & Financial Wellness initiatives to rollout a holistic employee wellness & well-being agenda.**

Digital Health Assessment (DHA)

To focus on the health and well-being of our employees and encourage our workforce to stay healthy, Pantaloons launched a holistic wellness initiative for its workforce.

The stages of the initiative include:

Self-guided **Digital Health Assessment**

Stratification of all employees in **high, medium and low risk** categories

Company sponsored diagnostic tests for employees in high risk categories

Graded support programmes to employees in high and medium risk category and work stress reduction plan

Rolling out **wellness policy** for store employees

This Digital Health Assessment tool is a state-of-the-art digital tool brought to us by AB Capital and their digital health partners. 9,000 employees including 6,000+ retail employees took the self-guided Digital Health Assessment. Employees in high-risk category underwent company sponsored diagnostic testing to identify underlying issues and underwent three-month nutrition programme including one-on-one counselling, and diet plans to achieve desired results.

ANNUAL HEALTH CHECK-UP

We have an annual, comprehensive health check-up for all our employees that are managed by a third-party vendor to maintain confidentiality. It includes physicals, checking blood sugar levels, ECG, echocardiogram, taking X-rays when needed, and more. Few businesses also adopted a policy of allowing employees to take a 7-day break from work and do something purposeful, something which allows them to follow their passion like voluntary teaching, donating, investing in self-learning and development etc.



ON-CAMPUS HEALTH CAMPS

Eight health camps were conducted across different offices/units of ABFRL. These camps were concentrated around body composition, blood sugar testing, eye check-up & bone density. More than 1,000 people availed the benefit. In addition to this, five camps focussing on Obstetrics & Gynaecology and Paediatrics were also conducted in corporate offices.



ANAEMIA ALLEVIATION PROGRAMME

1,350 workwomen in our factories underwent detailed assessment to ascertain anaemia and were put on rigorous nutrition and corrective programmes thereafter to work on anaemia alleviation.

SESSIONS ON MENTAL HEALTH SESSIONS

Four workshops by Mpower were conducted on topics related to Mental Health & Psychological Safety. **450+ managers underwent this programme.**

WOMB-TO-CRADLE

Madura Manufacturing has an employee base of about 14,000, of which 85% are women, having an average age of 29 years. The Womb-to-Cradle Programme is a crucial part of the larger wellness initiative of Sanjeevani, focussing on the needs of a woman as she steps into the role of a mother for the first time. It encompasses pre-natal and post-natal care and includes not just medical care but also personal and social aspects.

FINSPIRATION

Financial well-being is one of the key pillars to achieve psychological and physical well-being. 3,000+ employees underwent this programme to understand the basics of savings, FDs & SIPs, government schemes, NPS & PPF, financial goal & tax planning, will writing, funding child education & retirement funds.

Holistic well-being at ABFRL

Holistic well-being of employees at ABFRL is supported by four key dimensions -



PHYSICAL



EMOTIONAL



FINANCIAL



SOCIAL WELLNESS

We conduct series of expert sessions, webinars, informational communication and interactive engagement activities on wellness to create awareness among our employees about a healthy lifestyle.

MADURA CHAMPIONSHIP

A four-month long tournament that brings together all the brands and functions of Madura Fashion & Lifestyle in a healthy competition for the top spot on the leader's board and to claim the highly coveted trophy. The championship aims to promote a fun, vibrant and engaging work atmosphere, while also promoting physical and mental well-being of our employees through sports and cultural events. The event involves more than 20 activities, including badminton, cricket, table tennis, dance and singing competition, antakshari, foosball, fashion show and much more. **800+ employees across MFL participated in the championship.**



MENTAL WELLNESS LEAVE

We introduced a mental wellness leave in our policy - ensuring we accept mental wellness as one of the reasons for leave.

PRODUCTIVITY

The pandemic pushed organisations to relook at their productivity measures and move towards a leaner organisation. To implement more effective productivity norms, Pantaloons introduced a footfall-based Gig Workforce Model at their stores.

GIG WORKFORCE MODEL

The Gig Project was piloted by Pantaloons after its analysis revealed that footfalls during the weekends go up significantly. Hence, a dynamic deployment model was introduced to have flexible Gig Workforce that caters to the increased workload during the target period. As part of the initiative, we on-boarded 150+ Gigs in ~60 stores with 70% repeat workforce. Apart from efficiencies on cost and manpower, the experiment has also proven to provide operational agility and would soon be expanded in reach to other parts of the organisation.

Communication

We encourage informal and direct communication to facilitate a friendly and open work environment at ABFRL. We also have a systematic and established set of platforms, including town halls, internal journals and emailers, for structured and important communication with employees. To have a continuous finger on the pulse of employees' satisfaction and feedback on policies/practices, there are multiple surveys for different employee segments.



EMPLOYEE FEEDBACK SESSION

We regularly conduct open houses, chaired either by HR Leadership, CEOs or the MD on specific topics ranging from inclusion at workplace to making work processes efficient. This is followed by requisite action planning and its progress is reviewed over a period of the next 2-3 months.

TOWN HALL

CEO town halls are conducted frequently (on monthly and quarterly basis) to reiterate our mission, relay updates on the business's direction, share key milestones, hits and misses, policy updates as well as recognise good performers. Many new formats of town halls or leadership connect sessions were conducted in FY23 on virtual platforms like 'Yours Truly Sandeep', CEO - Anything you can ask Sangeeta, etc.

VIBES SURVEY

Vibes is an enterprise level, engagement survey that is conducted biennially. It measures employee satisfaction on engagement, alignment, performance culture, managerial effectiveness, agility and more.

ABFRL's engagement index witnessed an increase from 80% in 2017 to 87% in 2022.

PARTICIPATIVE DISCUSSION

At ABFRL, we follow deep operational rigour to ensure that we do not lose sight of our targets and to speedily resolve concerns. Weekly and quarterly review meetings are held as closed group meetings, wherein the functional, departmental and/or organisational leadership reviews their respective team's progress.

EMPLOYEE ENGAGEMENT

A calendar of events and celebrations to engage with employees has been drawn up to keep them involved. The programmes encourage a sense of belonging and ownership among employees, resulting in workplace satisfaction, retention and enhanced productivity.

HR STAKEHOLDER SATISFACTION SURVEY (HRSS)

An annual survey aimed at collecting overall satisfaction with respect to HR Service Delivery and serves as an important instrument to unearth key highlights on its effectiveness and feedback needed to bring in improvements. In FY23, the survey received a response rate of 69%, showing an improvement across 11 categories against the last HRSS scores.



Policies and Processes

Effective implementation of policies and processes play a make-or-break role in an organisation's human resource strategy. Policies provide clarity and structure to guide employee conduct. We periodically review our HR policies and processes to keep them up to date with the latest industry trends and best practices.

EQUAL OPPORTUNITY EMPLOYER

We do not discriminate against any employee on the grounds of race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other factor under applicable laws and contemporary practices at the workplace. Recruitment, placement, promotion, transfer, compensation, training, and other benefits are strictly based on the merit and competency of the individual and the business needs of the organisation.



OCCUPATIONAL WELLNESS

We help promote and ensure employees' wellness by improving the work environment. For example, while designing offices we have given due importance to ambience, atmosphere and ergonomics.

- Apart from being open, spacious, relaxed and well lit, the offices are decorated with warm colours, enhanced with live plants and are designed to provide sufficient daylight throughout the day
- We have introduced ergonomic workstations with adjustable office chairs and screens to support the natural curve of the spine and maintain proper body alignment
- At our manufacturing sites, we also have a five-minute ergonomic exercise break every morning, which includes stretching and bending exercises
- All our offices, manufacturing sites and retail outlets are compliant to the fire safety norms
- Every employee is briefed on emergency procedures and evacuation routes/assembly points
- We also conduct regular safety drills to check emergency preparedness and accordingly take corrective actions, if required



POLICY ON SEXUAL HARASSMENT (POSH)

ABFRL has adopted the POSH Framework, which ensures a work environment that is professional, mature, and free from animosity, while simultaneously reinforcing integrity and respect for the individual. It is applicable to all the employees of ABFRL, as well as our vendors. Apart from legally mandated guidelines, the policy adheres to the 'Vishakha' guidelines, which entails the chairperson to be a woman and the Complaints Committee to include a majority of female members. The guidelines for communication and redressal are clearly outlined and are available on the company intranet and are communicated via e-mail and awareness posters.

As a regular practice, all the POSH committee members underwent refresher training by an external facilitator in FY23 where all 97 IC members were retrained. 13,500+ employees were covered under the e-learning and instructor-led POSH refreshers.

In case of complaints, detailed investigations are conducted by the designated POSH committee members governed by the principles of natural justice and within prescribed timelines. In FY23, 30 cases of POSH were reported and 1 case is a pending case, received at the end of March.

WHISTLE BLOWER POLICY

All employees are expected to adhere to the organisation's Values Framework and Code of Conduct to ensure prevalence of a common minimum standard of professional behaviour in the workplace. This covers Value Violations, Violation of the Code of Conduct and Fraud. The Whistle Blower Policy provides a platform and mechanism for employees to voice genuine concerns or grievances about unprofessional conduct without the fear of reprisal. In FY23, 133 Value Violation cases were reported and 1 case is a pending case, received at the end of March.

CHILD LABOUR

We strongly prohibit child labour at all our facilities and in our suppliers' premises. We also prohibit any form of forced or compulsory labour. To enforce this, we ensure stringent, regular audit checks of vendors. The robust implementation of our Code of Conduct (CoC) further fortifies human rights protection across our value chain.

FREEDOM OF ASSOCIATION

An association of employees, which is for their betterment under the overall goals of the business, is given its due credit. At present, there is a management-recognised employee association in our factories, which covers 3.20% of our employee membership.

For more details on policies and process followed by the Company, please refer to our website and annual report.



Workforce Snapshot

Workforce	FY21	FY22	FY23
Total permanent employees	22,351	24,818	28,390
Total contractual employees	14,336	16,959	19,855
Total permanent women employees	12,066	13,840	15,632
New employees joined in the reporting period	6,788	11,871	16,002
Specially-abled employees	75	80	75
Percentage of employee under the age of 30 years (%?)	0.48	0.49	0.51

There is no major variance in number of employees in the Company and all the headcount numbers are reported as on 31st March, 2023.

HUMAN RIGHTS

ABFRL respects human rights and believes that everyone deserves to be treated with dignity. To ensure this, we protect human rights and uphold labour standards within our premises and across our supply chains.

Our business units, factories and offices respect the human rights of our workforce, communities and those affected by our operations, wherever we do business (including our contractors and suppliers). Our Human Rights Policy is in-line with internationally recognised frameworks, including the UN Global Compact Principles of Human Rights and Labour, 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 minimising potential adverse impacts through due diligence and management of issues, and effectively resolving grievances received from affected stakeholders.



We established a Human Rights Assessment Framework for all our facilities which includes factories, warehouse, offices and retail stores. Third-party assessment of human rights related risks is also completed for all our facilities. Human rights related risks are a part of our supplier evaluation process. We have established effective human rights governance system and monitor the effectiveness of the system.

Note:
 1. We do not report gender break-up of contractual employees
 2. We do not have any part-time employees





Safety

PERFORMANCE



Zero fatality
at workplace

15,217 Man-days
of safety training



121,737 Man-hours
of safety training

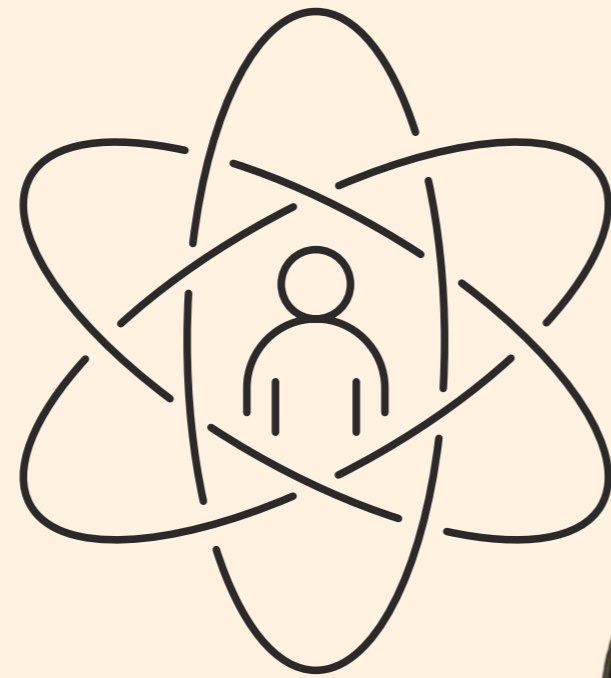
80 Trainings
on an average
conducted monthly



3 Lost Time Injuries
with no fatalities in
operations under our
control; 0.03 LTIFR¹

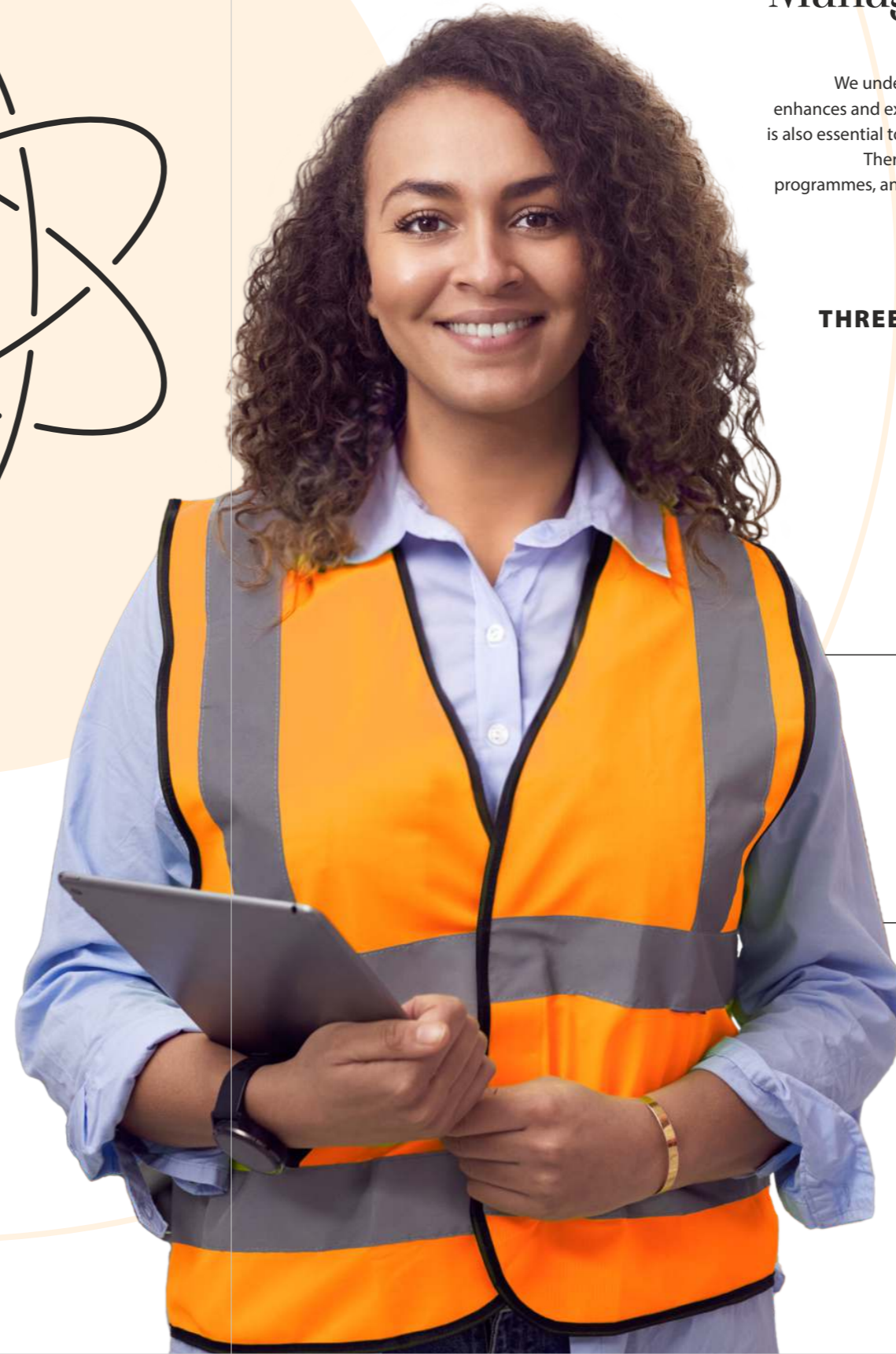
¹ We track LTI and LTIFR on a consolidated basis for both employees and contractors. Note: A lost time injury is any work-related injury, illness, adverse health condition or exposure which renders the injured person [employee or contractor] temporarily unable to attend next scheduled work shift after the day on which the injury occurred.





If it is not safe, it is not sustainable. The decade of sustainability at ABFRL has empowered employees to prioritise safety as a core value. It has instilled a sense of pride and purpose among them, helping us create a culture of safety, innovation and collaboration.

ABFRL has implemented enhanced safety measures to protect employees in the workplace. We introduced comprehensive health and wellness programmes for employees, and engaged with them on safety through training and initiatives, fostering a safer and healthier workplace environment.



Management Approach

We understand that a safe and healthy work environment enhances and extends the productive life of the workforce. Safety is also essential to attract talented and engaged future employees.

Therefore, we implement well-thought-out initiatives, programmes, and leverage technology and digitalisation to make ABFRL the safest place to work.

THREE-TIER APPROACH TO SAFETY

Our three-tier approach to safety performance includes an initial review by the Site Safety Committee, followed by the Business Safety Committee/Sub-Committee and finally, by the Business Review Council.

Goal

ABFRL shall commit to pursue the goal of 'Zero Harm' and demonstrate visible progress.

Target 2025

We aim to achieve Zero Category 5* incidents at the workplace. In order to ensure this, we have instituted various mechanisms to assess, manage and improve safety practices.

Note: Category 5 - work related injuries resulting in the death of an employee/contractor or third party.

Vision

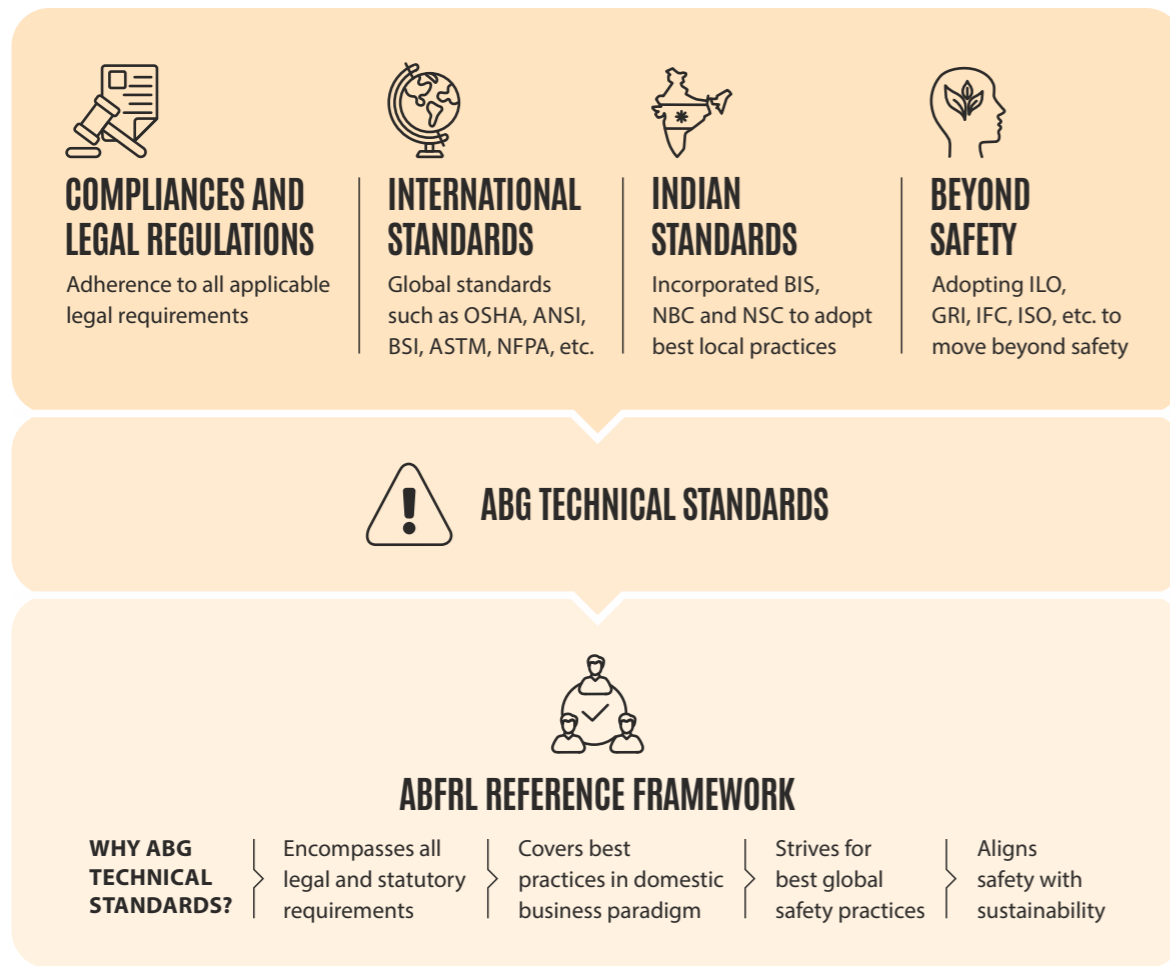
Maintain a safe and healthy workplace for employees, customers and contractors in compliance with applicable laws and regulations. Promote a positive attitude towards safety by providing industry-leading training.

Key enablers of the safe work environment at ABFRL

STRICT ADHERENCE TO SAFETY STANDARDS

To ensure a safe environment, our safety management system framework takes reference from ABG Technical Standards, which follow legal, international and national standards, making our safety framework exhaustive.

Statutory Safety Standards | International Standards on Safety | International Labour Organization (ILO) | GRI | International Finance Corporation (IFC) | International Organization for Standardization (ISO) | Indian Safety Standards (BIS)



RIGOROUS ON-GROUND IMPLEMENTATION

We have a robust safety management system and Occupational Health & Safety (OHS) roadmap in place to anticipate and avoid workplace hazards. We have also implemented a comprehensive OHS Policy across all operations and have established central and regional OHS committees along with committees at our factories, warehouses, and regional and corporate offices to monitor our safety performance.

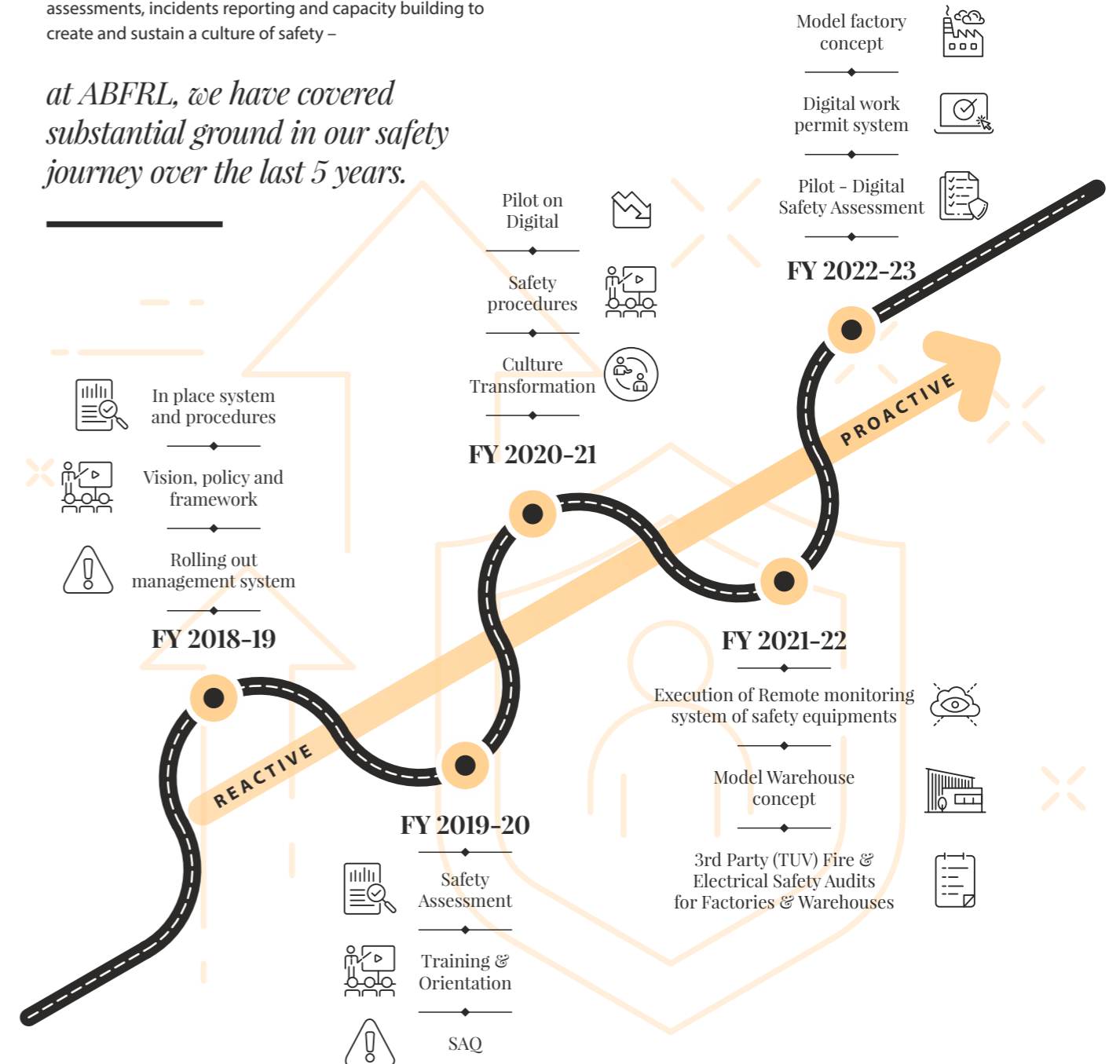
EFFECTIVE SAFETY COMMUNICATION

The employee-centric safety feedback system identifies issues and fixes gaps to boost our safety performance. It also empowers our employees with the knowledge that fosters well-informed safety decisions in routine tasks.

Our Safety Journey

From creating policies and identifying targets, to setting up a safety governance system that oversees safety assessments, incidents reporting and capacity building to create and sustain a culture of safety –

at ABFRL, we have covered substantial ground in our safety journey over the last 5 years.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

We have implemented the ISO 45001:2018 - Occupational Health and Safety Management System across our manufacturing facilities and were successfully certified by a third-party certification body.



FROM REACTIVE TO PROACTIVE

Taking proactive safety measures is about being ahead of the game, resolving any issues before any safety incident or an accident occurs. A comprehensive Occupational Health and Safety (OHS) policy is in place across all operations to remain vigilant and stay on guard.

Apart from committees at our factories, warehouses, and regional and corporate offices, we have also established business level OHS committees to monitor our safety performance. We conduct monthly meetings to review safety performance and fix any gaps.

A Risk Assessment and Management Process form an integral component of our Safety Management System (SMS).

We believe that Hazard Identification and Risk Assessment are strategic tools, that give us necessary information about workplace hazards and the risks related to the health and safety of our employees, enabling us to take corrective actions and mitigate or eliminate expected impacts.



As a part of our proactive approach, we ensure employees are given comprehensive safety training to identify 'Near Miss, Unsafe Condition, Unsafe Act' and to report workplace injuries.

All injuries and near-misses are investigated, and corrective or preventive actions are implemented to eliminate the root cause. All safety observations reported by employees are monitored, addressed and closed on priority.

Additionally, we carry out regular audits and third-party assessments to identify any possible gaps and take corrective actions. These constant assessments, as well as monitoring and upgrading our safety interventions, help us build a safe working environment for our employees.

100% of all employees and workers (who are not employees but whose work and/or workplace is controlled by the organisation) are covered by Occupational Health and Safety Management System that is internally audited or certified by an external entity.



ACCELERATING TOWARDS ZERO

ABFRL has established the Safety Observation Programme to achieve the dual objective of achieving 'Zero Severity' target and instilling a proactive safety approach in all employees.



The management is committed to ensure that the safety observation process is practiced at all sites by participating in and encouraging dialogue with employees on human behaviour at their workplace. These safety observations (i.e., Unsafe Condition, Unsafe Act & Near Miss) are used to identify gaps and develop a strategic improvement plan.

Employees have the right and the obligation to report unsafe conditions, unrecognised safety hazards, or safety violations of others. **In doing so, they are protected by ABFRL policies and may do so without the fear of reprisal.**

ABFRL's safety management system is established to protect employees from hazards by either eliminating risk or minimising it. This is done through numerous ways like restricting access to the hazard, automating hazardous procedures, reducing the time employees are exposed to the hazard, and by providing training and ensuring use of Personal Protective Equipment (PPE).

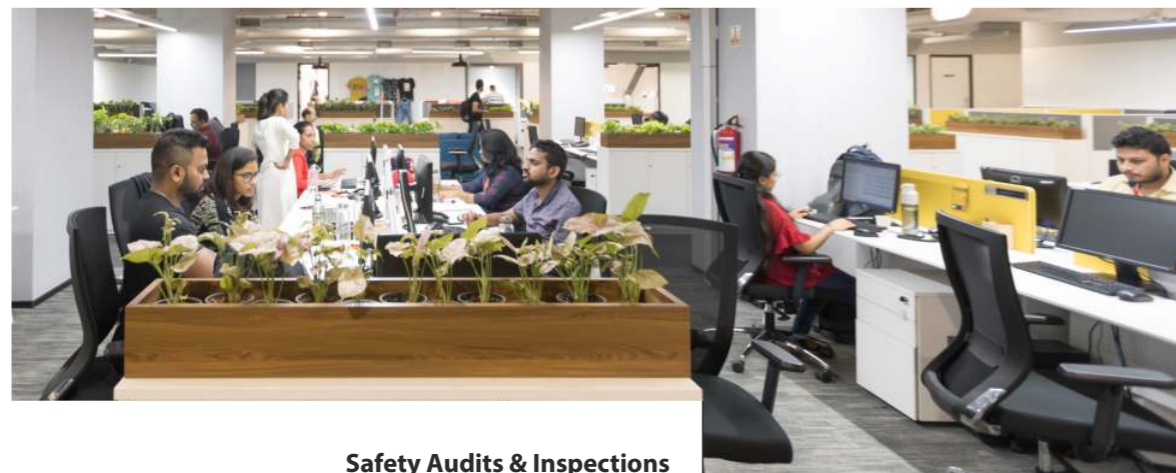
Our well-articulated OHS roadmap and monitoring framework covers internal capacity building, training, implementation of standards & procedures, hazard identification & risk assessment, and emergency preparedness. We also carry out regular audits and inspections to identify any possible gaps and take corrective actions. While gap assessment is done to ensure safer facilities, OHS is also taken into consideration at the design and planning stage of new projects.

As part of our endeavour to facilitate the creation of a positive safety culture and achieve our goal of Zero Harm, ABFRL has also established Life Saving Rules, mandatory for all employees.

ENABLING A SAFER WORKPLACE

As we evolve and mature in our sustainability journey, we are inching towards achieving excellence in safety. To ensure our employees are not exposed to high-risk incidents or high-risk diseases related to their occupation, we insist on continuous monitoring, reviewing and upgrading of our safety mechanisms and practices. The Occupational Health and Safety Policy we have in place ensure increased vigilance and awareness and assist us in our collaborative efforts toward achieving our safety goals and targets.

Some of the key activities undertaken this year to promote a safe workplace are:



Safety Audits & Inspections

Audits and inspections are conducted on-site and followed by a report requiring the facility to address deficiencies or best practices in covering health, safety, industrial hygiene, and industrial ergonomics through emergency preparedness policies and action plans. These policies and action plans are reviewed by the corporate safety function on regular basis.

Real-Time Safety Equipment Monitoring System

Staying at par with industry best practices, we implemented a real-time remote monitoring system for critical safety equipment. This helps us monitor the critical equipment's working condition and readiness.

Safety Newsletter and E-Posters

To enrich a Positive Safety Culture among our employees, we have initiated a Safety Newsletter program that will provide safety information and insights to them. Frequent e-posters on safety aspects like hazards, road safety, travel safety, ladder safety, etc. have been circulated to employees.

To ensure the highest level of safety at all our facilities, there is rigorous implementation of the safety roadmap, consistent and clear communication from our Leadership to employees, integration of safety in all ABFRL trainings, and non-negotiable points for ABG's 'Life Saving' rules and consequence matrix.

Safety KPIs

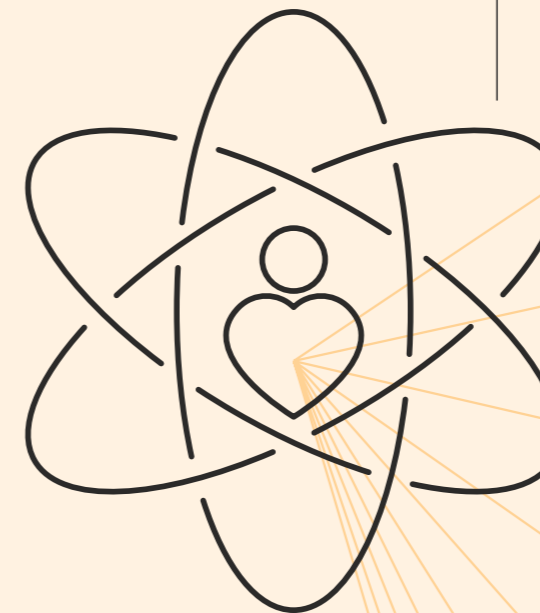
With the introduction of target based KPIs for factories and warehouses, we seek to achieve the ABFRL Safety Goal.

Safety Training Videos

Continuing our efforts in capacity building, we have developed safety-training videos to train all employees in our retail stores and we garner its impact through online assessments

In our ongoing efforts to create a positive safety culture at ABFRL to achieve our goal of Zero Harm, we have established 10 Life Saving Rules. Strict adherence to these rules is mandatory for all employees.

LIFE SAVING RULES



All incidents shall be reported investigated and recommendations must be acted upon in a time-bound manner.



All operations must be carried out within design and safe operational limits.



Work with a valid work permit when required. Prior hazard identification and risk assessment shall be done.



Use the energy isolation process (LOTO) prior to commencing any maintenance or servicing work in the facility.



Secure against a fall while ascending, descending and working at a height equal to 1.8 meters or more.



Obtain written authorisation before disabling safety critical equipment.



Obtain written authorisation before entering a confined space.



Obtain authorisation on written lift plan before lifting material including prevention of people movement under suspended loads.



Wearing a seat belt (in 4-wheelers irrespective of seat position) or a crash helmet (in case of 2-wheelers, both rider and pillion) is compulsory at any time.



Driving under alcoholic and intoxicated conditions, over-speeding, and using a mobile phone while driving shall be prohibited.

ABFRL employees and their stakeholders shall be responsible for adherence to the following mandatory Life Saving Rules, facilitating the creation of a positive safety culture and achieving our goal of 'Zero Harm'.



Safety Training

Safety is not something that manifests overnight – it takes meticulous training and awareness building initiatives to establish a safety mindset among employees. Through regular trainings, we ensure that employees are well-versed with and follow the statutory safety requirements; and stay on top of the latest safety practices as well.

To aid us in our efforts in capacity building, we have created animated safety-training videos to train our retail store employees. We have also uploaded these training videos on an online platform so that they can be accessed by employees from anywhere, at any time.

Additionally, to encourage employees and increase engagement, we also award e-certificates to them once they complete the training videos. The topic covered in these videos includes -

Fire Safety, Electrical Safety, Ergonomics, Slip, Trip & Fall, and Road Safety.



These online and audio-visual interventions are in addition to the classroom training and workshops we conduct across our retail operations and facilities. The programmes provided training related to:

FIRE SAFETY	INCIDENT REPORTING	EMERGENCY PREPAREDNESS	ELECTRICAL SAFETY	WORK PERMIT SYSTEM
LEGAL REQUIREMENT UPDATES	ROAD SAFETY AWARENESS	MACHINE GUARDING	HAZARD IDENTIFICATION & RISK ASSESSMENT	LOCK OUT, TAG OUT (LOTO)



MULTI-TIERED SAFETY COMMITTEES

Tiered Safety Committees have been formed across all facilities to improve our safety governance system and align the Site Safety Committee with the Business Safety Committee. Committee members review the safety performance, gaps in safety trainings, and suggest safety improvements and suggestions.

Our Safety Committee meetings see the active participation of employees in discussions revolving around safety issues and solutions. We believe that getting workers from the shop floor invested in the safety process helps create a sense of ownership, leading to greater responsibility towards safety protocols, and ensuring fewer safety lapses. Committee members are selected from among the shop floor employees through an election process to maintain transparency.



The role of the Safety Committee is to:

- Coordinate with the management to implement OHS policy
- Promote and maintain employees' interest in health and safety issues
- Help make health and safety activities an integral part of the organisation's operating procedures, culture and programmes
- Educate managers, supervisors and employees through awareness and training activities
- Provide opportunities for an open dialogue on health and safety concerns
- Ensure compliance with health and safety standards

TOTAL EMPLOYEES TRAINED

To enhance awareness and upgrade skills, we conduct an average of 80 trainings per month on safety. We also conduct our regular safety training sessions covering all employees in manufacturing units, warehouses and stores.

In FY23, we conducted 15,219 Man-days of safety training.

ABFRL Training Man-days		
MFL	Factories	3,922
	Warehouses	1,397
	Stores & Offices	488
PFRL	Warehouses	265
	Stores	8,841
VH IN	Warehouses	304
Total		15,217

Average No. of Employees Trained Per Month		
MFL	Factories	4,439
	Warehouses	1,192
	Stores & Offices	955
PFRL	Warehouses	220
	Stores	15,243
VH IN	Warehouses	325
Total		22,374

COMMITTEES	COMMITTEE MEMBERS	OBJECTIVES
ABFRL BOARD	<ul style="list-style-type: none"> Board Members Managing Director Mancom Members 	<ul style="list-style-type: none"> Review of safety performance progress Key decisions on safety improvement
ABFRL MANCOM	<ul style="list-style-type: none"> Board Members Chief Executive Officers Chief Operating Officer 	<ul style="list-style-type: none"> Review of safety performance Gaps in safety trainings Safety compliance status Budget related discussions
BUSINESS SAFETY COMMITTEE	<ul style="list-style-type: none"> Chief Sustainability Officer Chief Operation Officer ABFRL Corp Safety Head ABFRL Safety Head - Business Business Safety Head Chief Medical Officer Factory Managers 	<ul style="list-style-type: none"> Review of safety performance Gaps in safety trainings Safety compliance status ind. change Budget related discussions
SITE SAFETY COMMITTEE	<ul style="list-style-type: none"> Factory Manager HR Manager Medical Officer (Doctor) Safety Lead Maintenance Dept Lead Production Dept Lead Purchase Dept Lead Employees from each department 	<ul style="list-style-type: none"> Safety related issues & corrective actions Communication of injuries & incidents Training needs Safety communication

Self-Assessment Questionnaire

Self-assessment questionnaires have been deployed in our factories and warehouses to identify gaps in existing systems like Safety Management System, Fire Risk Management, Emergency Preparedness & Response, and Road & Driving Safety.

Through the results of the questionnaire, we have identified risks and zeroed-in on opportunities for improvement to achieve our goal of zero harm.



Managing Safety Digitally

To put policy into practice and keeping track of safety KPIs, we have launched a digital portal that provides our facilities to report all safety-related information like incidents, safety observations, and inspection details on time to improve safety data management.

With this information, we ensure that all incidents are reported and investigated to get to the root cause of the problem areas and enable us to course-correct as needed. By focusing on the horizontal deployment of corrective action, we proactively prevent similar incidents from reoccurring.

We have also created a safety checklist through this digital portal to ensure all the facilities are following ABFRL's safety standards. Going forward, we are building integrated and dedicated robust systems and protocols ensuring dynamic tracking and monitoring of safety legal compliance, safety audits, and inspections.

Incident Management

Incidents when reported ensure prevention of other serious accidents. Our Digital Dashboard helps register incidents related to the safety and health of our employees – and this is precisely what enables a safe workplace becoming a reality. Each duly reported incident enables us to fix the problem and ensures safety. Analysis and learnings are shared, illustrating the importance of prevention in ensuring mistakes are never repeated. All incidents are investigated, root causes are identified, and corrective actions are implemented.



The principles that guide incident investigation are:

Incidents don't just happen, they are caused

Incidents can be prevented if causes are eliminated

Causes can be eliminated if all incidents are investigated properly

Unless the causes are eliminated, the same situation will reoccur

All incidents including near-misses shall be reported regardless of the severity of injury, and duly investigated

All incident investigation shall be conducted based on prevention and not on the basis of attributing fault

Categories	Description	FY23		
		Number	Rate	Description
For all employees	Fatalities as a result of work-related injury	0	0	-
	High-consequence work-related injuries (excluding fatalities)	0	0	-
	Recordable work-related injuries	46	0.70	Employees
	Main types of work-related injuries	-	-	Bruises, Minor Cuts, Minor Crush, etc.
	Number of hours worked	65,990,256	-	-
For all workers who are not employees but whose work and/or workplace is controlled by the organisation	Fatalities as a result of work-related injury	0	0	-
	High-consequence work-related injuries (excluding fatalities)	0	0	-
	Recordable work-related injuries	17	0.37	Contractors
	Main types of work-related injuries	-	-	Bruises, Minor Cuts, Minor Crush, etc.
	Number of hours worked	4,693,488	-	-
The work-related hazards that pose a risk of high-consequence injury, including	How these hazards have been determined	<ul style="list-style-type: none"> Structured method of Hazard Identification & Risk Assessment Process (HIRA Process) Safety Observation Programme 		
	Which of these hazards have caused or contributed to high-consequence injuries during the reporting period	None		
	Actions taken or underway to eliminate these hazards and minimise risks using the hierarchy of controls	Continuous actions are underway to eliminate the hazards and risks as per following hierarchy <ul style="list-style-type: none"> Elimination Substitution Engineering Control Admin Control Personal Protective Equipment (PPE) Systems in Place: <ul style="list-style-type: none"> Work permits for high risk activities LOTO for electrical maintenance Machine guarding and fencing Daily and monthly workplace inspections SOP's and OCP's for all tasks 		
Any actions taken or underway to eliminate other work-related hazards and minimise risks using the hierarchy of controls	Other hazards which have medium and low-risks are being controlled as per the hierarchy of controls as mentioned above.			
Whether the rates have been calculated based on 200,000 or 10,00,000 hours worked	1,000,000 hours			
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	Nil			

We use Hazard Identification and Risk Assessment (HIRA) to identify physical hazards that cause maximum injuries. After the incident takes place a Root Cause Analysis (RCA) is done, and the gaps are identified. We also look at elimination of the hazards by using different and appropriate hierarchy control. For e.g., there was an incident of a person falling from a height where he had mistaken the ACP hard sheet to be the true flooring. The ACP sheet could not hold his weight. When checked with the store manager, it was learnt that there was no work permit used. We thereafter conducted training and introduced work permit system. This is an example for administrative control.

Post incident, we do RCA and thereafter take corrective actions using Hierarchy of Control. **The rate has been calculated using 1,000,000 hours worked.** We have not excluded any type of worker from the scope. We are using BIS Standards (IS: 3786 - 1983), OSHA, Factory Act as standard methodology.

Better Prepared for Faster Response

Better preparedness not only leads to faster response in case of an emergency, it also gives the workforce higher confidence in dealing with the situation. To prepare our employees in facing emergencies, special Emergency Preparedness Drills are conducted regularly in compliance with regulatory requirements, across our facilities.

We identify and train personnel from each of our facilities for the cccc (ERT) covering a range of topics including evacuation techniques, basic first-aid and firefighting. This enhances conditioning and readiness of employees for a faster response time and facilitates faster recovery. The de-briefing after the mock drills helps in identifying opportunities for improvement and closures.

An on-site emergency response procedure has been developed containing all possible emergency scenarios such as fire, explosions, spills and natural calamities, along with a list of emergency response team members and important telephone contacts.



National Safety Week & National Road Safety Week

ABFRL believes that safety events create awareness and help build a stronger safety culture. This year, we celebrated 'safety week' and 'road safety' campaign across all business levels to achieve our goal of 'Zero Harm'. Our safety campaign was aligned with the National Safety Council of India's (NSC) theme for the National Safety Week campaign 2023 – 'Our Aim – Zero Harm'.

Key activities undertaken as part of the safety campaign:



Hoisted Safety flag at all manufacturing and warehouse facilities



Conducted safety-themed drawing competitions



Safety-themed puzzles, safety board games, and hazard searches were held



Safety pledges were taken by employees



Safety wall - displayed big-sized posters for employee awareness



Organised spoaSafety rally done at shop floor level by senior managementt quiz programmes



Conducted fire and evacuation mock drills



Organised spot quiz programmes



Imparted defensive driving training

Occupational Health & Work Environment

Employees who are healthy are not only more productive at work, but they also have a higher standard of life outside of work. As a result, ABFRL offers a safe and stress-free work environment to employees as well as assist them in instilling healthy lifestyle choices. This year, we implemented the following initiatives to enhance our employees' health and safety.



WORKPLACE ENVIRONMENT

Air Quality

In a Quantitative Exposure Assessment (QNEA) of all the manufacturing units, we found employees' exposure limits to health hazards are within the prescribed limit of OSHA standards due to existing control of ventilations -- natural, mechanical, and exhaust -- and proper personal protective equipment. We also conduct annual indoor air quality studies to monitor hazards such as particulate matter, carbon dioxide, and carbon monoxide levels to ensure it doesn't exceed the limit.

Ergonomics

Sound ergonomics makes economic sense. We are mindful of growing occupational health issues at workplace and therefore train staff adequately to combat the effects of repetitive work, constant sound, heat and other extremes that the workers may face.

ABFRL has adopted the following principles of ergonomics in operations:

- Maintaining a neutral posture
- Allowing stretching and other simple exercises
- Providing adequate lighting to minimise straining of eyes

Further, we are taking initiatives to prevent ergonomics-related issues:

- Layouts and workstations are designed to minimise wrong and problematic postures
- Provided ergonomically designed chairs to support the natural curves of the spine
- Routine visits by doctors and safety officers to reinforce the correct postures
- Ergonomic exercise breaks, including stretches are a part of daily work management

Monitoring Indoor Noise and Illumination

To ensure good working conditions and occupational health of the employees, we monitor indoor noise and lighting illumination levels at regular intervals.

Hygiene Audit

We conducted monthly audit to ensure adequacy level of hygiene controls like housekeeping, ventilation, sanitation, drinking water quality, etc. across the plant. Based on the findings, we developed an action plan and implemented corrective actions.



Social PERFORMANCE



INR 3.55 crore spent on Corporate Social Responsibility in FY23

29,439 hours contributed by employee volunteers in FY23



Total 231,197 beneficiaries covered through various initiatives

3 model villages achieved 100% relevant attributes as per Sansad Adarsh Gram Yojana (SAGY) guidelines in FY23.

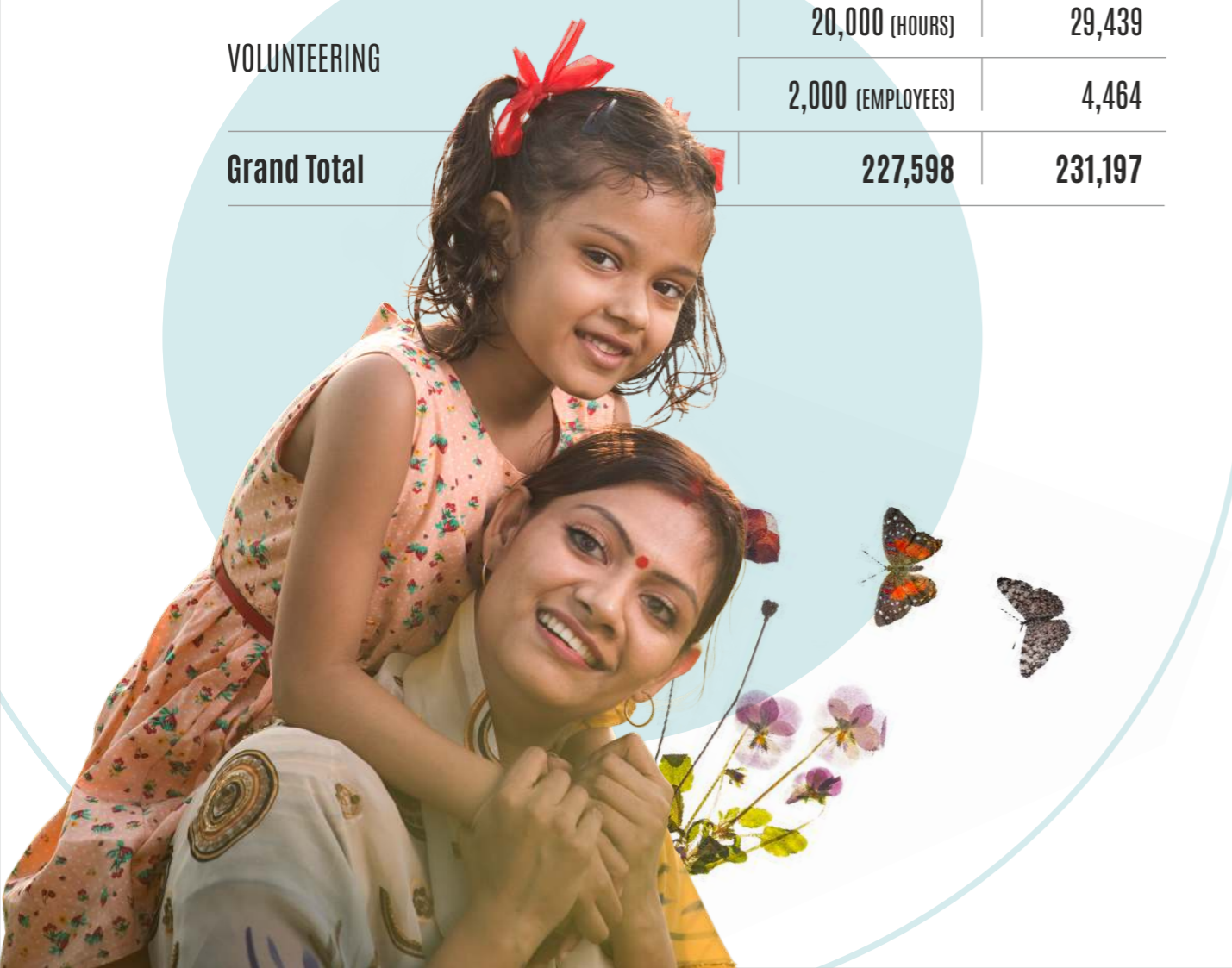


~ 64,934 kl of water conserved in Karnataka, Tamil Nadu and Odisha



CSR MISSION PROGRESS FY22

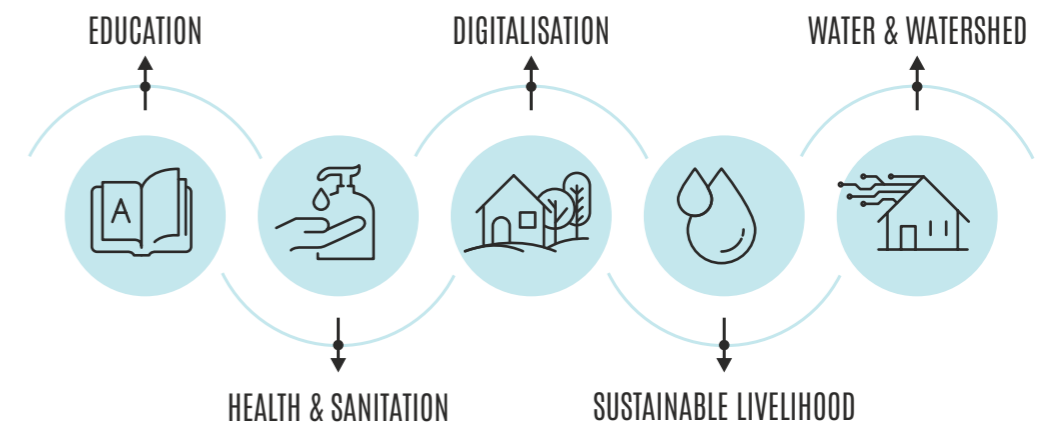
Focus Area	Targeted Beneficiaries FY23	Achievement
EDUCATION	19,130	26,689
HEALTH & SANITATION	132,880	49,241
SUSTAINABLE LIVELIHOOD	2,678	2,416
WATER & WATERSHED	35,341	36,814
DIGITALISATION	24,241	25,185
OTHERS - VILLAGE DEVELOPMENT PROJECT (TREE PLANTATION ETC.)	13,328	90,852
VOLUNTEERING	20,000 (HOURS)	29,439
	2,000 (EMPLOYEES)	4,464
Grand Total	227,598	231,197



Introduction

Inspired by the visionary leadership of Mrs. Rajashree Birla, Chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, and guided by Dr. (Mrs.) Pragnya Ram, Group Executive President & Group Head - CSR, Legacy Documentation & Archives, ABFRL unwaveringly upholds the Aditya Birla Group's CSR Policy. Our commitment lies in serving marginalised communities and embodying the profound concept of Trusteeship, transcending mere business interests to create a substantial, lasting impact.

ABFRL's CSR endeavours are concentrated within five pillars that define our focus:



In order to execute these initiatives effectively, we have established the Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFR Jan Kalyan Trust) as an independent entity. Through this Trust, we carry out CSR interventions across Karnataka, Tamil Nadu, Maharashtra, Odisha, and Andhra Pradesh.

We have implemented robust systems to ensure effectiveness and uphold the highest standards of integrity.

Moreover, we strongly encourage our employees to actively participate in our CSR activities, facilitated by our dedicated policy. By harnessing the expertise and passion of our employees, we enhance the scale, reach, and efficacy of our CSR initiatives.

Our Approach

Key stakeholders of our business are treated with the utmost respect and the communities around us are no less. We strongly believe that for a business to flourish, we must drive positive change in the society by addressing their needs to the best of our abilities. Thus, we have integrated Corporate Social Responsibility (CSR) into our business strategy and undertake multiple initiatives to address crucial developmental challenges. Our robust CSR policy guides us in formulating effective CSR programmes and sets up ambitious but attainable targets for the advancement of our surrounding communities.

To monitor our programmes and progress, once in every three years we conduct impact assessments and Social Return on Investment (SROI) studies of CSR projects to identify any gaps and implement corrective actions, if needed.



Our Vision

To actively contribute to the social and economic development of the communities in which we operate. In so doing, be in sync with the United Nations Sustainable Development Goals to build a better, sustainable way of life for the weaker sections of society and raise the country's Human Development Index.

Holistic Development

We believe that igniting positive action on a macro level is achievable only through focus on interventions at a micro and local level. Designed to empower communities in a holistic manner, our interventions aim to create sustainable societies in alignment with the Sustainable Development Goals (SDGs).

Our community engagement in the five focus areas have been linked with 16 SDGs.

Here's a glimpse of key initiatives mapped with respective SDGs:

SDGs Covered: 1, 2, 4, 5, 8, 10

We are committed to promoting inclusive and equitable education of high quality, with a focus on providing lifelong learning opportunities for all. Our proactive initiatives to foster education in villages, schools and colleges across Maharashtra, Karnataka, Tamil Nadu, Odisha and Andhra Pradesh have yielded encouraging results and have **benefitted 26,689 students**.

Across all our key focused areas, we prioritise women's empowerment and strive to make it an embedded outcome.



SDGs Covered: 1, 2, 3, 6, 11

To prioritise basic healthcare needs for the underprivileged communities, we organise eye camps, cancer screening camps and other health-related programmes in villages. Additionally, we have implemented Water ATMs to enhance access to drinking water and developed a Yoga training programme and recreational parks for promoting holistic well-being. **49,241 community members benefited through these initiatives.**



SDGs Covered: 1, 2, 4, 8, 9

To provide employability and entrepreneurship opportunities for rural youths, we offer skilling courses such as self-employed tailor training, data entry operator, warehouse pickers and career readiness training. In addition, we extend financial assistance to Self Help Groups (SHGs) involved in trades like mushroom cultivation, badi-papad making, cattle rearing and bag making. Through our Sustainable Livelihood initiatives, we have helped lift some of the most marginalised community members out of poverty. **2,416 community members benefited through these initiatives.**



SDGs Covered: 2, 6, 11, 12, 13, 15

Our goal is to manage and utilise runoff water for useful purposes, enhance groundwater storage, increase crop intensity in watershed areas, and improve the socio-economic status of farmers. For this, we implement various measures and activities like rainwater harvesting, water body renovation, borewell recharge pits, check dams, farm ponds, borewell recharge measures, and desilting of common tanks. These initiatives are crucial for conserving water resources and promoting sustainable agriculture. In FY23, the watershed programme helped **save/recharge approximately 64,934 kl of water, benefitting 36,814 community members.**



SDGs Covered: 4, 8, 9, 11, 17

To propel India into the 21st century, we set up village information centres, provide digital literacy training to youth and adults, install smart classrooms and offer free Wi-Fi facilities in rural areas. **The initiatives benefitted 25,185 community members.**



SDGs Covered: 7, 16

In addition to the above-mentioned programmes, we also implement various sustainability initiatives like solar streetlights, solar plants at schools, e-trolleys for waste collection and segregation. To ensure effective implementation and service delivery, we collaborate with the government in all our project areas. Additionally, we have launched a flagship sustainability accelerator programme to raise awareness and encourage young minds to participate actively in addressing the planet's pressing issues.



Stronger Together

Our partnerships continue with several institutions, NGOs, local authorities and government bodies that help us leverage our core competencies and amplify the impact of our initiatives. Several of our collaborations with major institutions in the past, while helping seed change, was carried out largely in an indirect capacity. However, in the past few years, we have moved towards a more direct approach in implementing our strategies to uplift our communities.

At ABFRL, our employees too, share our commitment towards a better future, and they actively support us through volunteering initiatives. In this regard, this year we have released a revised employee volunteering policy to encourage them to volunteer and channelise their expertise towards community building.



In FY23, 4,464 ABFRL employees volunteered 29,439 hours towards community good.

CSR Value Chain

We have developed a robust CSR value chain that designs and implements effective strategies based on the shared vision with our partners. With these efforts, we have reaped positive outcomes, which are valued by all our stakeholders.

CSR COMMITTEE OF THE BOARD

- Ensures compliance of CSR initiatives to the law of the land
- Provides strategic direction for CSR initiatives
- Approves the CSR plan and monitors its progress

ABFRL MANCOM

- Ensures alignment of CSR initiatives to ABG's CSR policy
- Provides direction and funds
- On-boards new partners and ensures execution as per the Board approved CSR plan

Aditya Birla Fashion and Retail Jan Kalyan Trust

- Ensures the Alignment of CSR activities with its stated mission and objectives
- Ensures compliance with applicable trusts laws and regulations
- Oversees the financial management of the trust, and ensures transparency and accountability in all decision-making processes
- Seamless cross functional deliverables
- Periodically reviews CSR initiatives
- Provides guidance and direction in programme implementation

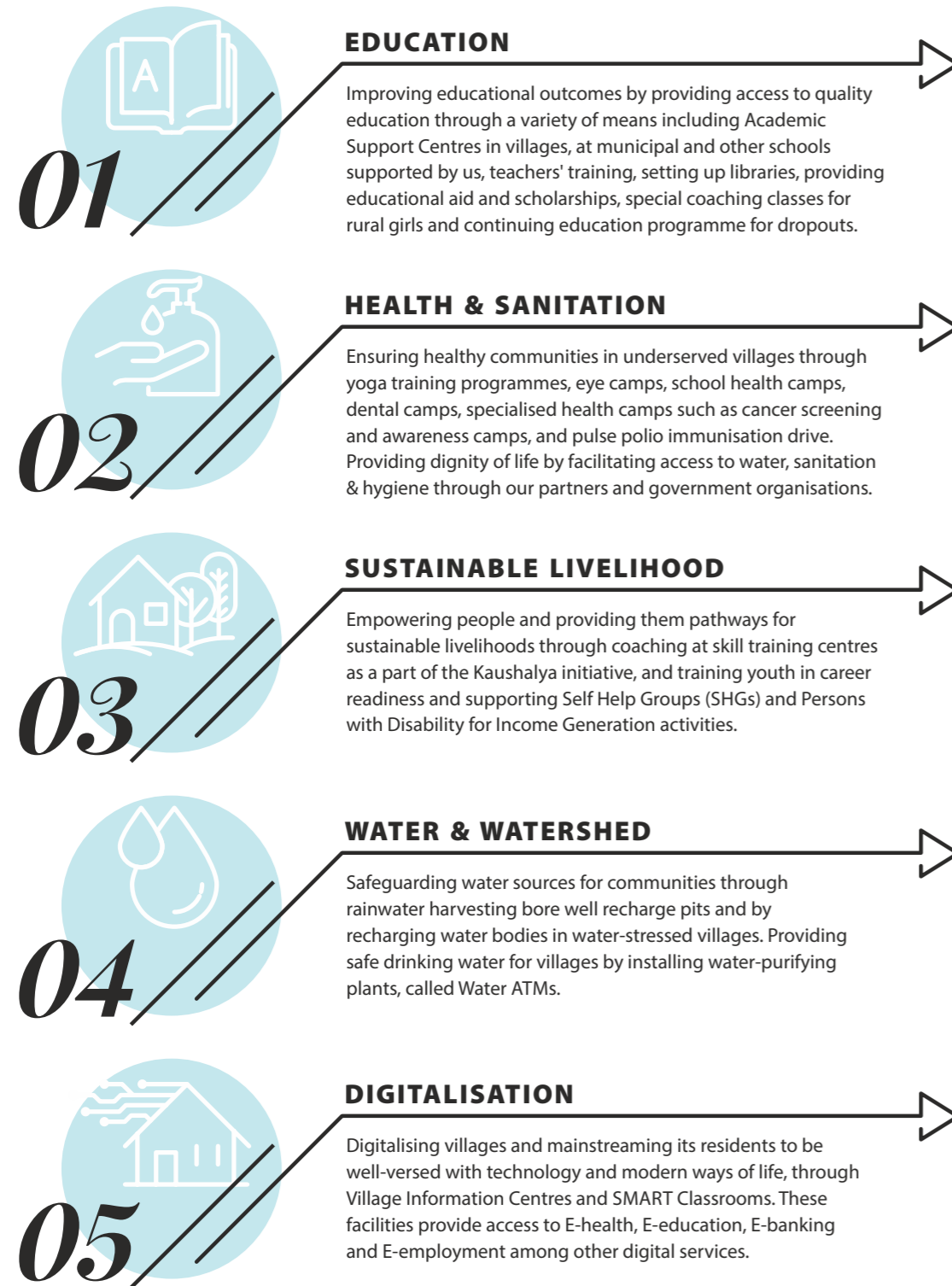
ABFRL CSR TEAM

- Ensures execution of the CSR plan
- Monitors CSR partners, reports progress to MANCOM
- Formulates of MOUs with partners (in consultation with Legal and Finance teams)

EMPLOYEES

- Volunteer their skills and expertise for CSR activities

Our Focus Areas



These pillars are the guiding thematic areas for our initiatives. Our primary initiatives are:

- 1 **Girl Child Education Project**
 - a. School Transformation Project
 - b. Gyanarjan
 - c. Kasturba Gandhi Balika Vidyalaya (KGBV)
- 2 **Village Development Project**
 - a. Tamil Nadu and Karnataka Programme
 - b. Odisha Programme
- 3 **New Business CSR Projects**
 - a. Andhra Pradesh Programme
 - b. Nelamangala (KA) Programme
- 4 **Sustainable Livelihood**
 - a. Project Kaushalya
 - b. Bag making project
- 5 **Spread the Joy**
 - a. Take Back programme
 - b. Reaching the needy
- 6 **Employee volunteering**



Girl Child Education

At ABFRL, we are committed to ensuring that girl students get opportunities to attend school, receive quality education, continue higher studies and become financially independent. We are leading an intensive programme on Girl Child Education through our successful interventions under the School Transformation Project, Gyanarjan and KGBV schools.

Our Education Initiatives have reached 26,689 students across four states.

SCHOOL TRANSFORMATION PROJECT - PANVEL, MAHARASHTRA

In 2017, we signed an agreement with the Panvel Municipal Corporation (PMC) to transform 11 Panvel Primary Municipal Corporation Schools by improving the quality of education and health of the students. Through the programme, we aimed to create a nurturing environment for young students, while providing age-appropriate academic skills. To achieve the same, qualified teachers were appointed at the 11 schools. **In FY23, the project benefitted 9,582 students.**

English Classes

ABFRL's support teachers conduct English classes with support from the Education department of PMC. **This initiative benefitted 1,970 children.**

Yoga and Nutrition

As part of our efforts to promote the holistic wellbeing of students, we organised Yoga and Nutrition sessions in all 11 Panvel Municipal Corporation schools. **Over 1,240 children participated in these sessions**, which aimed to encourage healthy habits and improve physical and mental health. The sessions were highly appreciated by teachers and officials, who have requested the continuation of these sessions in the next academic year.

Children's Fair

After a brief hiatus due to the pandemic, we organised a special Children's Fair also known as Bal Melas in FY23. **Over 1,970 children along with their parents participated** in various activities such as mask making, drawing, origami, developing scientific models, mathematical games and face art. The Education Officer and Municipality representatives witnessed the event and appreciated the effort.

Art Classes

Art Classes along with drawing competitions were conducted in Panvel, to spark an artistic inclination in children who seldom got a chance to engage in art or craft activities. **Till date, 949 children benefitted from these art classes.** To expand their imagination, we took a few of the children to Sir J.J School of Art, Mumbai.

Martial Art Classes

To enhance immunity, we have introduced martial art classes for students, with **1,053 students from 11 schools having received training in self-defence.** Additionally, the Aditya Birla Fashion and Retail Jan Kalyan Trust organised a Martial Arts Tournament and Award Ceremony on February 25, 2023, in Panvel Municipal Corporation schools. During the event, children displayed their self-defence skills in front of the audience, and the best performer was presented with a medal and a memento. The ceremony **recognised the achievements of 240 students** in their academic and non-academic pursuits, and was attended by parents, teachers, and education officials who applauded the trust's efforts in promoting extracurricular activities among students.

PROJECT GYANARJAN

'Gyanarjan', ABFRL's flagship initiative, focuses on improving the overall academic performance of rural girl children belonging to underprivileged families. Students of 10th to 12th standard are provided quality coaching in core subjects to prepare them for competitive exams such as NEET, CET, among others

In FY23, we supported 1,312 students in three centres, the Government Girls PU College in Channapatna, Maharani Government Girls Junior College in Mysuru, and RV Institute of Management, Jayanagar, Bengaluru.

Results obtained by Gyanarjan students in the 2022 10th and 12th Board Exams are 89.60% and 65.30% respectively.



In the aftermath of COVID-19, while educational institutions started functioning normally, the learning ability of students took a hit. To tackle this, the education department implemented Kalika Chetarike, a learning recovery programme to help students overcome the learning loss that they suffered on account of the schools closing for a period of two years during the pandemic. Hence, Gyanarjan classes resumed in line with Kalika Chetarike, emphasising greatly on uplifting the learning abilities of students.

Additionally, to support the Gyanarjan Alumni, who graduated during the pandemic and were looking for job opportunities, **we organised coaching classes for 120 students on various staff selection exams such as KAS, PSI, PDO, SDC, FDC, Banking, Railways etc.** Conducted by professional trainers the classes focus on building capabilities to crack these highly competitive exams.

- In FY23, 1,686 students enrolled for special coaching classes which is conducted by subject experts
- The 2023 Board Exam results for the 12th standard and 10th standard students have been released. In the 12th standard, an impressive 82.06% of Gyanarjan students successfully passed the exams, surpassing the pass rate of 67.99% for Non-Gyanarjan students. The State Average pass percentage for the 12th standard was 74.67%. Similarly, in the 10th standard, Gyanarjan students achieved a pass rate of 89.11%, while Non-Gyanarjan students had a pass rate of 84.67%. The State Average pass percentage for the 10th standard was 83.89%. These results demonstrate the consistent academic excellence of Gyanarjan students in both the 12th and 10th standards, exceeding the overall state averages
- Value addition programmes such as - **Personality Development, How to Prepare for Exams, Career Counselling**, etc., were conducted by professionals, as well by our employee volunteers. Special awareness sessions, followed by written tests and personal discussions were also conducted
- Meritorious students from the previous academic year 2021-22 were recognised with scholarships to encourage them to continue their higher education
- To support the digital literacy, computer labs were set up at our Mysuru and Channapatna Centres. Overall, enrolment has been increased for Computer Science stream. The computer labs also serve as Digital Library for the students. So far, **254 students have been benefited through this initiative**

To improve the initiative, we collect regular feedback from our students as it helps us chart a roadmap for the future. Around **65.88% beneficiaries have rated this initiative as Excellent** and **25.88%** rated it 'Very Good'

Till date, the Gyanarjan initiative has supported 8,798 girl children.

KASTURBA GANDHI BALIKA VIDYALAYA (KGBV)

An initiative under 'Sarva Shiksha Abhiyan', these schools motivate underprivileged girls from rural regions to continue their education and not drop out due to societal pressures.

Continuing our KGBV intervention to support Girl Child Education, during the year we,

Supported 7 Kasturba Gandhi Balika Vidyalaya (KGBV) schools located in Karnataka and Tamil Nadu.

Organised Special Coaching classes on core subjects (Maths, Science and English), benefiting 792 rural girl students.

Conducted value addition programmes such as 'Personality Development', 'How to Prepare for Exams', 'How to Memorize' etc., for these students.

Carried out **health check-up camps** for the children



Since its inception in 2010-11, the initiative has supported 5,935 rural girl students studying from 6th to 10th Std., of which 241 students have completed their 10th Std.



'Support to Continuing Education Programme' is another initiative that helps underprivileged students further their studies. Under this programme, students looking for job opportunities post their graduation are placed in reputed organisations. So far, 40 students are studying in PU Graduation or have completed their Graduation, 6 students placed in reputed organisations and 8 students are looking for job opportunities.



Our students from Byrapatna School in Ramanagara District, Karnataka have been achieving over 95% results in their 10th exams year-on-year. This trend has continued this year, as our supported students have achieved a remarkable 100% results. To take schools to the next level, we have conceptualised the 'Model School' initiative that is being implemented on an experimental basis in KGBV schools at Gollapalli and Bollupalli in Tamil Nadu. In the first phase, we supported the development of infrastructure such as AV room equipment, rainwater harvesting systems, smart kitchen items, uniforms for the staff, sports equipment and a developed school campus.

In the second phase of the Model School initiative, we are concentrating on 'Capacity Building' initiatives to strengthen the skills of the teaching staff. We collaborated with reputed education institutions and subject experts for the Capacity Building programme. Students experiencing these new learnings methods share their learnings as well as any new requirements which are then addressed during Training-of-Trainer interventions. A year-long programme, the initiative will continue till September 2023. With positive results already visible at school-level, we are confident that we are on the right track.



Village Development Programme

A nation's growth is linked to the growth of its villages. With a 65% rural population, it is essential we focus on developing our villages to ensure equitable progress across the nation. Built upon the framework of Sansad Adarsh Gram Yojana (SAGY) guidelines, our Village Development Programme is a unique and innovative initiative that aims to transform villages through integrated and holistic development. The model adapts the 'hub and spoke' system to escalate the impact on a maximum number of beneficiaries.

The project interventions are categorised as per the SAGY attributes of personal, social, economic and environmental development, and strategies have been developed to mitigate challenges faced by these villages, specifically in the areas of Education, Health & Sanitation, Sustainable Livelihood, Water & Watershed and Digitalisation. To build a sense of ownership over the initiative, each village is assigned with a community tutor and health worker. These villages serve as Model Centres and help provide the foundation needed to replicate it in other spoke villages as well.



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The village development project is currently implemented in three geographies, namely Karnataka & Tamil Nadu, Odisha, and has benefitted 1,41,212 individuals.

KARNATAKA AND TAMIL NADU PROGRAMME

The Project was initiated in eight villages around our factory locations in Karnataka and Tamil Nadu with two primary purposes - to scale up ongoing initiatives, and to take up new initiatives that contribute to the growth of the village. The eight villages in Karnataka and Tamil Nadu serve as a 'Hub' to seven nearby 'Spoke' villages which caters to 64 villages.



In the journey to become a Model Village, Basavanapura and Madivala villages achieved 100% of the relevant SAGY attributes in FY23. This brings the total number of model villages in Karnataka (KA) and Tamil Nadu (TN) to three (Sollepura, Basavanapura, and Madivala). During the year, we have also conducted need assessments in 8 spoke villages for expanding the program. In FY23, we touched the lives of 1,14,775 community members through our Village Development Program, Karnataka and Tamil Nadu.

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Education

Academic Support Centres

We continue to run the Academic Support Centres for the underprivileged and mostly first-generation learners from 1st - 7th standard in all the eight villages. Operated by our trained community tutors, these centres offer students a variety of services to foster academic and holistic growth. Additionally, the support teacher conducts intensive after-school tuition sessions for academically weak students.

Through worksheets and other creative methods, the community teachers have been able to provide online classes, benefitting 289 students and 97.23% of students have achieved grade specific competency through this endeavour.

Support through Scholarships

To ensure better education opportunities for the bright students from economically weak backgrounds, we offer scholarships that cover the expenditure that students would incur during the tenure of their education. The students are identified through a merit-based process.

In FY23, 80 students were provided with scholarships to continue their higher education.

Smart Classroom

The smart classroom helps teachers deliver lectures more effectively. The set-up has an interactive digital board, projector and computer facility to help impart quality education and enhance the students' learning experience. Teachers can use resources available on the internet to explain complex topics to students.

983 students of class 1st - 10th standard are getting benefited through this programme at Government High Schools in Rayasandra, Madagondapalli, Shanuboganahalli and Mayaganahalli Villages.



Prathiba Karanji

An innovative talent hunt programme where cultural and literary competitions are conducted at Cluster, Block, District and State level. We supported the Mayaganahalli Cluster level talent hunt for Primary and High School students organised by the Ramanagara District Education.

Around 5,750 children participated in various events like quiz competition, singing, drawing, essay writing, athletics, sports and other events.

ABFRJKT held a prize distribution ceremony for all the winners, and children from Mayaganahalli High School were also selected for the State Level Competitions.

Help Vidya Write

Initiated in 2012, this notebook distribution programme supports students and helps them excel in studies.

In FY23, through this initiative 2,819 underprivileged students in 28 Government Schools were supported with distribution of 10,175 notebooks.

School Building Renovation

We initiated CSR programmes at Nelamangala warehouse, with the painting and renovation of a government school building at Lakkenahalli village. A handwash facility was also constructed as a part of renovation and will benefit the 35 children studying in the school.

Solar Powered School Project

The Solar Powered School project was initiated at the Government School in Rayasandra Village. The project aims to encourage sustainable living using clean energy sources. To achieve this, solar panels were installed on the school rooftop to address the energy needs of the school and in the process inculcate an awareness and preference for solar power.

The project has been in operation since December 2022, and has produced 241 kWh of energy till March 2023, benefiting 301 students through the programme.



Sustainability Accelerator Programme

The programme creates awareness and encourages participation of young minds by making them more aware and sympathetic to the problems staring at our planet today. It aims to educate students / youth on their role in the preservation of the planet while making them cognizant of their actions in their day-to-day lives that are impacting the planet in more ways than they can imagine. **500 students were positively impacted through this programme.**

A 7-day programme, the Sustainability Accelerator is designed to provide hands-on experience to high school and university students. The mission is to:

- Encourage them to be valuable contributors to climate change/action
- Introduce them to the role of technology in shaping a greener planet
- Provide top students from the programme a workplace experience and internship to bring to light sustainable practices that are in action at top corporates
- Get them mentored by global leaders to build prototypes that will lead to a sustainable planet and pitch their innovations

HEALTH AND SANITATION

Awareness Programmes

A vast number of issues in underserved communities can be tackled through simple awareness programmes. Through effective tools, we educate community members on preventive measures and resilience building techniques. The knowledge imparted through these sessions is cascaded by these participants into their social circle, thereby increasing the radius of impact.

During the reporting period, health workers reached out to 29,105 community members through various awareness programmes.

The following themes were covered in these programmes:

- Parents' awareness meeting on Early Childhood Care (ECC) and nutrition by involving staff from Anganwadi Centres and Public Health Centres
- Mothers' Meet sessions on the links between learning environment and nutrition, health and sanitation
 - Awareness on disease prevention like Malaria, Dengue, Typhoid, Deworming etc. and promotion of Pulse Polio campaign
 - Awareness on personal hygiene with special focus on Menstrual Hygiene Management

Cancer Camps

Cancer awareness is worryingly low in India, especially among rural women. Cervical cancer is the second most common cancer in India in women; accounting for 18.3% of all cancer cases in women. Evidence shows it is more common among the lower economic strata. The lack of awareness about the disease compounded by limited access to prevention and treatment facilities, makes this a grim situation. Our aim is to sensitise women by organising cancer camps and awareness programmes on how to detect cancer and the treatment options available. **Throughout the financial year 2023, a total of 8 cancer awareness and screening camps were conducted, which benefitted 584 women. Out of these, 206 women underwent Pap tests, and fortunately, there were no cases of cancer detected.**

Eye Camps

Aditya Birla Fashion and Retail Jan Kalyan Trust, in association with Narayana Nethralaya, has been organising eye camps for the underprivileged since 2011. At every camp, the patients diagnosed with cataracts are counselled and given free surgery while those diagnosed with refractive errors are given spectacles free of cost. The number of cataract cases reported in the eight focus villages have reduced, and thus we are now organising camps in nearby villages.



In FY23, 10 community eye camps were organised, benefitting 2,091 people. 1,147 patients were given support in the form of spectacles, while 321 underwent cataract operations.

School Health Camp

We organised health camps in 8 government schools. BMI measurements were taken for all the children and awareness on following hygienic practices for good health was provided. ENT check-up was also conducted. **948 students benefited through these camps.**



Solid Waste Management

The semi urban villages are overpopulated and many people from low socio-economic background are forced to live in unsafe and unhygienic environment in the villages. To make two such villages Marsur & Billawaradahalli clean and healthy, we provided two e-trolleys for garbage collection at household level under waste management project. **This benefits 3,500 community members.**



Yoga Training Programme

We organised All Round Training in Excellence (ART Excel) programme, in collaboration with International Association for Human Values (IAHV), at five Government schools. Focusing on Yoga, the programme benefitted 459 children.

The ART Excel programme connects with children in a fun and light atmosphere through simple exercises, activities and games that encourage:

- Creativity and learning
- Valuable lessons in sharing, working together, conflict resolution & playing in harmony and developing a sense of belonging with others
- Self-expression and becoming more comfortable and natural with diverse groups of people
- Integration of human values, self-discipline, value of service to others into their daily lives, resulting in developing their personality to be healthy and well-rounded
- Overall well-being of the children by teaching them a variety of vital non-academic skills - empowering techniques that foster peace of mind, mental clarity and focus, physical relaxation and emotional stability



SUSTAINABLE LIVELIHOODS

Income Generation Activity

Self Help Groups (SHGs) are known to be the most effective means of empowering women. In FY23, ABFRJKT trained 11 SHGs and provided revolving funding. These SHGs commenced income generation activities such as livestock, accessory store business, saree business, and agricultural activities such as flower and vegetable cultivation.



By FY23, a total of 34 SHGs with 628 members were involved in income generation activities to increase family income.

Income Generation Programme for the Differently Aabled

A Model Village must be all-inclusive and the SAGY framework highlights the need for strong focus on the special needs of Persons with Disabilities (PwD), particularly children and women. Keeping in line with the framework, upon completion of our survey, we started a livelihood programme for individuals with special needs. **With initial financial assistance provided to 61 people, who have started income generation activities like animal rearing and petty businesses.**

Career Readiness Training & Workplace Experience Programme

We initiated career readiness programme empower rural job seeking youth and enterprising women. This program is designed to provide practical solutions for the real challenges faced by the rural youth in the Anekal Taluk villages. It offers accelerated Future Skills training aligned with the 4th Industrial Revolution to help the youth build foundational skills. The training includes professional skills, IT skills, and placement training. Additionally, we have also launched a 3-month tailoring program in Madivala village to support enterprising women.

So far, we have successfully trained 1,068 youth and women through these initiatives.



WATER & WATERSHED

Water ATMs

All eight Model Villages and focus villages have access to pure and safe drinking water through Water ATMs, benefitting 14,700 community members. The community as well as panchayat members are self-reliant in managing the Water ATMs.



Watershed Programme

A world without water is becoming a grim reality at an accelerated pace. In such a scenario it becomes imperative that we do all that we can to prevent water loss. In this regard, the integrated watershed programme aims to manage and utilise runoff water for useful purpose, enhance groundwater storage, increase crop intensity in watershed areas and improve the socio-economic status of farmers.

In FY23, the watershed programme helped save/recharge around 47,864 kl of water, benefitting 16,681 community members.

Other than awareness sessions on water conservation, the following programmes were commenced to conserve water and improve agricultural yields.



Water Structures	Agricultural Activities
Water absorption trenches	Green manure cultivation
Farm ponds	Mulching
Gully plugs	Weed management
Masonry check dams	Micronutrient mixture application
Sunken ponds	Vermicompost units
Bore well recharge pits	Deep ploughing
Renovation of traditional ponds	

Rainwater Harvesting

Rainwater harvesting units were established in two government schools at Mayaganahalli and Marsur Villages. The collected rainwater would primarily serve the purpose of handwashing, toilet flushing, and irrigating kitchen gardens. The implementation of these systems is a significant advantage for these schools as it reduces their reliance on bore wells. This initiative has benefited 400 children.



DIGITALISATION

Village Information Centre

Digitalisation is key to ensuring that rural and underserved urban communities are not left behind as we progress into the future. To address these concerns and equip rural communities to be digitally savvy, ABFRJKT has established Village Information Centres in four villages. These centres come with computers, printers, WIFI, etc. and are run by a knowledgeable 'Digital Champion'. The centres support community members to avail e-schemes, e-banking, online courses, e-library, job portals, printing services, and health insurance etc. 17,894 community members have benefitted from these services.



This year, we have initiated new village information centres in S.Kurbati, Naganayakanahalli, Rajapura and Rampuradoddi.

OTHERS

Solar Lights

Aditya Birla Fashion and Retail Jan Kalyan Trust has installed 60 Solar Street Lights in Hinnaki village. These lights will save 73,456 kg of CO₂ emission over their lifecycle.



Women's Day Celebration

To mark International Women's Day, we organised a Women's Day celebration in all the villages where we carry out CSR interventions. Our factory team conducted various games, and prizes were distributed along with snacks. The event saw the participation of 681 women from 8 villages.



Odisha Programme

ABFRJKT conducted an extensive Need Assessment at Janla Gram Panchayat in Khordha district, Odisha to understand the immediate and long-term needs of the community. The findings led to initiation of village development projects in three villages. The project interventions would also create a positive ripple impact on two other villages in the vicinity.

In FY23, Uttarmundamuhan from Odisha have achieved 100% relevant attributes as per SAGY guidelines.



EDUCATION

Academic Support Centre

The Academic Support Centres, aimed at providing academic assistance to underprivileged children, have been operational and currently have 93 attendees. The centres have been successful in improving the academic performance of the students as per the end-line assessment, with 84% of students achieving grade-specific competencies. This achievement showcases the effectiveness of the programme in addressing the educational needs of the children and highlights the importance of continued support to ensure academic excellence for all.

Learning Material Distribution

The CSR team distributed learning material (Jodo Gyan - Math Kit) to 241 children of 11 Anganwadi Centres. During the event all Anganwadi workers and parents were present. They appreciated the learning kits and shared that it will surely help children to grasp mathematical concepts.



School Library

In Janla Panchayat, three school libraries were established that will benefit 285 children. The libraries were equipped with children's books, bookshelves and better seating arrangement. The Sarpanch and Panchayati Raj Institution (PRI) members of the respective villages were integral part of this initiative.



HEALTH AND SANITATION

Eye Camp

In collaboration with ASG Eye Hospital and Janla Panchayat, we organised three free eye check-up camps. The participants were provided with free spectacles and were referred to the hospital for free cataract operations if required. The camp successfully benefited a total of 281 people.



Solid Waste Management

We provided four e-Rickshaws to the Panchayat to facilitate garbage disposal in the dumping yard 8 km away from the intervention villages. This initiative is benefitting 8,074 community members from all three villages.

Training Anganwadi Workers

In FY23, we trained 12 Anganwadi Workers and Sahayikas on the concept of early child learning (Language and Number system). Supporting them with learning materials, the training also provided learning modules to Anganwadi worker for future reference.

Village Cleanliness Drive

To create a culture of cleanliness among youth of respective villages, we initiated a cleanliness drive to keep the villages clean wherein 30 youth from three model villages participated.

Children's Day Celebration

On 14th November, we celebrated Children's Day in three schools. 377 children participated in various events conducted as a part of the celebration. A health camp with support from Utkal Hospital was also organised for the children.



Kishori Samvad

The HR team, OHC and CSR team together organised Kishori Samvad event to create awareness among adolescent girls on malnutritional health issues at Palasuni High School. 80 girls of standards 8th to 10th participated in the programme.



SUSTAINABLE LIVELIHOOD

Livelihood programme through SHGs

The Government of India has launched the Atmanirbhar Bharat Abhiyaan to revive every sphere of the economy from demand, supply to manufacturing, in the mission to make India self-reliant. In the same spirit, we provided financial assistance and support to 15 SHGs to help them become self-reliant through income generating activities like cage fishing, inland fishing and more. **This programme is benefitting 165 families.**

WATER & WATERSHED

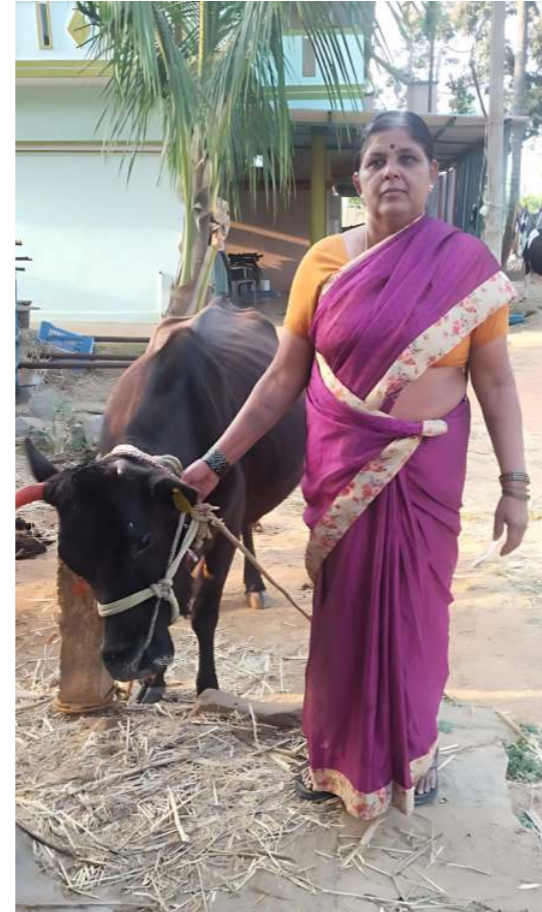
Pond Renovation Programme

We have renovated community ponds to help farmers in irrigation and promote fishery as a livelihood activity. **In addition to benefitting 4,793 community members, this programme also saved 16,824 kl of water.**

DIGITALISATION

Village Information Centre

Two Village Information Centres were set up in Janla Panchayat. The villagers now have access to a range of digital requirements like online travel ticketing, online bill payment, keeping village records, employment records, photocopying, printing and more. **The Centre is aiming to create 100% digitally literate villages and is benefitting 7,289 community members.**



EDUCATION

Early Childhood Care and Development (ECCD)

Our initiative for Women's Development and Child Welfare made a significant impact in the lives of over 200 children and 150 pregnant mothers. We provided assistance in painting and renovating five Anganwadi centers located in Yerraballi Harijanawada, Yerraballi Thanda, Sydapuram, Krishanamvaripalli, and Thunder villages. By enhancing the infrastructure and environment of these centers, we hope to create a better future for the children of these communities.

Installation of Water Purifiers at Anganwadi Centers

As part of our efforts to provide safe drinking water, we installed three water purifiers at Anganwadi centers in Yerraballi Harijanawada, Paluru, and Velpula villages. These water purifiers have a combined capacity of 200 liters of the storage tank and 100 LPH, and each has two tap connections and wall mounting supports. **Around 200 children and 100 pregnant mothers now have access to clean drinking water at these centers.**

Establishment of Libraries in Government High Schools

As part of our efforts to promote education, we have established four new libraries equipped with book racks, chairs, and tables in government high schools. These new libraries will provide more girls and boys access to books and resources, supporting the improvement of their learning, thinking, reading, and writing skills.



With this initiative, we aim to help 2,000 children improve their academic performance.

Studies have shown that reading to young children promotes interpersonal development, language development, and brain and imagination growth. We hope that these libraries will serve as valuable resources to the students and help nurture a love for reading and learning.

New business CSR Projects

ANDHRA PRADESH PROGRAMME

In FY23, we initiated our CSR programmes in Pullivendula in Andhra Pradesh with the aim of addressing the critical needs of the seven mandals in the Pulivendula Division of YSR Kadapa district.

As part of our efforts, we engaged with a range of stakeholders, such as schoolteachers, village panchayat, and administrative officials. Our visits to villages and schools allowed us to identify areas with urgent needs before finalising our interventions.

Our project is specifically designed to tackle the most pressing issues in these areas and provide meaningful support to the local community. YSR Kadapa district is recognised as an Aspirational District under the Aspirational Districts Program of the Government of India and is widely regarded as one of the most underdeveloped districts in Andhra Pradesh.



SUSTAINABLE LIVELIHOOD

Organising Veterinary Camps

We partnered with the Government of Andhra Pradesh's Animal Husbandry Department to conduct medical camps that covered 7 mandals, 115 revenue villages, and 311 hamlets. A total of 34 free veterinary camps were set up for animals. Farmers who brought their livestock, including cattle, sheep, goats, or poultry, received free medical care and vaccines. The practitioners also provided advice and guidance on the best management strategies.

71,550 households in Pulivendula Division benefited from these camps, improving the health and well-being of animals in the region. This initiative compliments Government of AP's new pilot project specifically in Pulivendula called 'Jagananna Pala Velluva', which focuses on improving the livestock and financial situation of dairy farmers in the area.

NELAMANGALA PROGRAMME

In FY23, we initiated CSR Programs in the vicinity of our Nelamangala warehouse, with the aim of replicating the successful Model Village concept. We actively engaged with various stakeholders, including school teachers, Anganwadi teachers, Panchayat Members, and the Panchayat Development Officer. We identified areas with urgent requirements and carefully assessed the needs before finalising our interventions in Lakkenahalli Village, under the Kuluvanahalli Panchyath.

EDUCATION

Educational Support

We extended educational support to the Lakkenahalli Village community by providing one computer and distributing play materials to the local Government School and Anganwadi centre. **This initiative aimed to enhance the learning experience and development of 70 children in the village.** The computer would enable access to digital learning resources and technology, while the play materials would contribute to their cognitive, physical, and social development. This educational support initiative provides them with the necessary tools and resources for holistic growth and development.



Supporting Cricket Tournament

In February, the Kuluvanahalli Panchyath organised a Tennis Ball Cricket tournament involving 19 villages, with the participation of over **3,000 youths and village people.** As part of our commitment to promoting sports and youth development, ABFR Jan Kalyan Trust provided partial support for the event. The tournament provided an opportunity for the local community to come together, showcase their skills, and promote a healthy and active lifestyle. It aimed to encourage community engagement and support the development of sports talents in the region.

School Building Renovation & Painting

As part of our commitment to improving access to quality education, we undertook a school building renovation and painting project in Lakkenahalli village. The school building was given a fresh coat of paint, and necessary repairs were made to ensure a safe and conducive learning environment for the 35 children studying there. Additionally, a hand wash facility was created as part of the renovation, promoting good hygiene practices among the students. This initiative aims to uplift the infrastructure of the school and enhance the learning experience of the children, contributing to their overall well-being and academic success.

Sustainable Livelihood

PROJECT KAUSHALYA

Project Kaushalya (Skill Training Centre) is one of our core initiatives under our focus area of Sustainable Livelihood. It aims to impart appropriate employable skills and create sustainable livelihood opportunities to the rural youths. We are incorporating physical classes, and as per market demand, we provide skill training in Self Employed Tailoring, Data Entry Operator, & Warehouse Picker course.

During FY23, 387 youth enrolled in Project Kaushalya. 378 were trained and certified while 292 youth benefitted from job placements.



Apart from imparting skill, we also organised value addition programmes that include communication skills, mock interviews and financial literacy programmes.

BAG MAKING PROJECT

We encourage the communities around us to become self-reliant and independent. An example of this is our recent initiative of conducting bag making workshops for SHGs in collaboration with Peter England brand and supported by our Manufacturing team. **Through this initiative more than 90 rural women from 4 Self Help Groups are on their way to become financially self-reliant.** We have plans to extend this project to other brands as well.



HEALTH AND SANITATION

Eye Camps

As part of our Health Initiatives, we collaborated with Dr. MC Modi Hospital and District Blind Control Organisation to organise an Eye Camp at Kuluvanahalli Village. **The camp provided free eye check-ups for 120 individuals, distributed free spectacles to 82 people, and referred 12 individuals for free cataract surgery.** This initiative aimed to promote eye health awareness, provide preventive and corrective measures, and improve the overall well-being of the community.

Cancer Camps

Cancer awareness is extremely low in India, especially among rural women. Accounting for 18.3% of all cancer cases, Cervical cancer is the second most common cancer in India in women. This lack of awareness about the disease is compounded by limited access to prevention and treatment facilities. We aim to sensitise women by organising cancer camps and awareness programmes on how to detect cancer and the treatment options available. In February, we conducted a cancer awareness and screening camp at Lakkenahalli Village. **A total of 61 women participated in the camp, which included awareness sessions and screenings.** Out of these, 23 individuals underwent Pap tests, and fortunately, no cases were detected.

Spread the Joy

'Spread the Joy' programme is an CSR initiative in collaboration with different ABFRL Brands. This initiative aims to reach out to the marginal and rural communities and provide them access to clothing and thereby a dignified life.



Reaching The Needy

This initiative seeks to donate garments with minor quality issues. During the year, we donated **4,93,134 garments** to reputed NGO' like Goonj, AOL, BOSCO Mane and KGBV Schools.

These resources are used by NGOs as 'Secondary Economy' (specially by Goonj) to ensure:

- Developmental work such as construction of schools, bridges, roads, water bodies etc.
- Some quantity of these garments is also used/converted to make Sanitary Napkins, school bags and other items addressing rural women's health and hygiene issues and other needs
- It also ensures basic clothing to people in need when it is required during natural calamities like floods, earthquakes etc.

Take Back Programme

Peter England joined hands with Goonj NGO and American Eagle joined with Clothes Box Foundation to run a nationwide campaign among their customer base in different cities to collect used clothing across its retail stores and deliver them to the beneficiaries with the help of the NGO partners.

361 stores participated in the 'Take Back Programme' through which we were able to reach more than 19,394 people in need.



Employee Volunteering

Employee volunteering is a key part of our CSR strategy. Fostering collaboration and teamwork, through volunteering we are also strengthening stakeholder engagement and relationships. The Company recognises the contribution that volunteers make to the community and is committed to providing them with volunteering opportunities.

In the financial year of 2023, we witnessed over 4,464 employees volunteering from over 25 cities across the country, contributing a total of 29,439 hours.

Some of the key highlights include:

Physical & Virtual Employee Volunteering Programme

Through physical and virtual means, employees from across India the conducted Online Classes, Youth Mentorship Programme, Mock Interviews and Awareness sessions on Fire & Safety, Entrepreneurship, etc. **860 employees participated in these activities and clocked 6,114 volunteering hours.**



Community Initiatives at Manufacturing Units and warehouses

In Odisha, employees volunteered to carry out activities such as library sessions for children, tree plantation, blood donation camp etc. In Karnataka and Tamil Nadu too, the employees participated in activities like Namma Library sessions, tree plantation, blood donation camp as well as distribution of scholarships. Employees from warehouses in West Bengal and Karnataka also participated in volunteering. Overall, **1,728 employees contributed 15,323 volunteering hours.**



Community Initiatives by Pantaloons

1,876 volunteers from Pantaloons stores from North, East, West and South regions engaged in community initiatives and **clocked 8,002 volunteering hours.** The employees organised a range of activities by collaborating with local NGOs.



Rahat Flood Relief

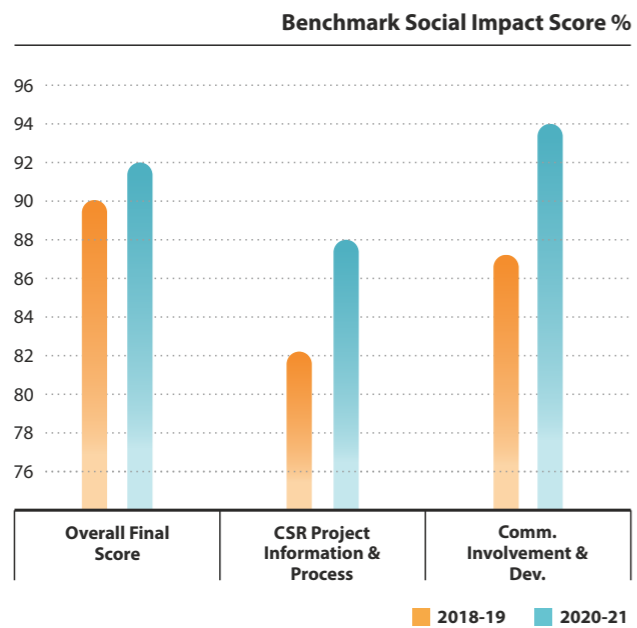
Heavy rains caused floods in and around Ramanagara district, Bengaluru affecting thousands living in the area. To support those who were severely affected, the CSR team along with the Factory team organised a Flood Relief initiative at Arkeshwara Layout near our Haritha factory. In collaboration with Goonj, we conducted a baseline survey and identified the affected families. **Initially 192 identified families were supported with relief kits. Further, 400 more families were identified and were supported with relief kits.**

Impact Assessment

Social Impact Assessment

Every three years, we carry out impact assessments of the CSR projects we undertake in order to identify gaps and implement corrective measures. Our last Social Impact Assessment was conducted in FY21 with Bluesky Sustainable Business LLP, and the next is scheduled to be implemented in FY24. The impact assessment was conducted using the accredited Bluesky CSR Inspection Framework (BSCIF) methodology. The assessment comprised of a combination of documentation review, validation, and sample stakeholder interaction through online video calls, conference calls and online group discussion, mobile surveys across selected sites.

The graph below highlights the scoring of the CSR programmes under two domains: **CSR Project Information & Processes** and **Community Involvement & Development**.



Social Return on Investment

We undertake Social Return on Investment study every alternate year. In 2021, we undertook an Evaluative SROI of all CSR Projects implemented. SROI is planned again in FY23-24.

Social Return on Investment is an internationally recognised, principles-based approach for understanding and measuring the impacts of a programme or an organisation. It measures the social, environmental and economic outcomes of a project or an organisation and uses monetary values to represent them. It is calculated by establishing an impact model for a specific project, programme or an organisation.

The objective of the study was to understand and measure the social value created by CSR Projects. SROI methodology of Social Value UK International was deployed to measure the social value. Theory of change and seven principles were applied to know the outcomes and impacts of the projects. Deadweight, Displacement and Attribution factors were considered to avoid any overclaim. SROI of the projects is 5 which implies that ABFRL's CSR projects create an SROI of INR 5 for every INR 1 invested.

Project Name	OVERALL RESULTS OF ALL CSR PROJECTS
Location	Karnataka, Tamil Nadu, Odisha and Maharashtra
Score	1:5

Project Name	GYANARJAN	KGBV
Location	Channapatna, Bangalore and Mysore	Channapatna and Krishnagiri
Score	1:16	1:15

Project Name	VILLAGE DEVELOPMENT PROGRAMME, KARNATAKA AND TAMIL NADU		
Location	Hinnakki	Jakkur Layout	Sollepura
Score	1:6	1:5	1:4

Location	Rayasandra	Madiwala	Nyanapanahalli
Score	1:4	1:7	1:5

Location	Basavanapura	Billawardahalli
Score	1:4	1:4

Project Name	KAUSHALYA
Location	Anekal
Score	1:3

Project Name	SCHOOL TRANSFORMATION
Location	Panvel
Score	1:3

Project Name	ODISHA PROGRAMME		
Location	Uttaramundamunha	Dakhnamundamunha	Ogalapada
Score	1:1.48	1:0.81	1:0.42

Awards – Recognition for Our Village Development Programme by CII

Our Village Development Programme case studies have been featured in a compendium published by the Confederation of Indian Industry (CII), where we are the only ones representing the 'Rural Development' category. This recognition highlights the impact of our initiatives in empowering and improving the lives of people in the villages.

STORIES OF IMPACT

Empowering Young Minds Through School Libraries and Smart Classrooms in Odisha



Schools relied completely on online sessions during the pandemic, however these could not replace blackboard sessions. Apart from limiting reading material to textbooks, children were often discouraged by complex texts in classrooms and lost interest in reading as habit. Additionally, books suitable for early readers were often limited or non-existent. To address these issues, ABFRJKT designed a library programme for schools and provided sitting desks, storybooks, bookshelves and encouraged children to take books from the library to read at home.

The programme aims to inspire children to read, cultivate a lifelong passion for learning through reading, improve linguistic intelligence or language learning, which is key to acquiring and establishing a linkage with other subjects.



The programme helped improve reading speeds and comprehension for the participating children by two to three times as compared to peers in non-programme schools. In addition to the library programme, ABFRJKT also installed SMART classrooms equipped with the SCERT curriculum in three schools to help the children learn concepts on their own with little help from teachers. Overall, ABFRJKT's efforts in promoting reading and learning with the library programme and the use of smart classrooms has created a positive change in the way children perceive reading and learning.

STORIES OF IMPACT

Bringing Clean Energy to Rural Education: A Case Study of Rayasandra Village

Access to electricity in rural areas is a major challenge, particularly when it comes to ensuring that children have access to education. To overcome this issue, the Solar Powered School Project was initiated at a Government School in Rayasandra Village, Karnataka. The project had three primary objectives - addressing the energy needs of the school, educating children about clean energy sources, and promoting sustainable living practices in the community.

The installation of solar panels on the school's rooftops was carried out in collaboration with the local community and educational authorities.



The Solar Powered School Project is a shining example of how clean energy sources can address the energy needs of rural schools while also educating children about sustainable living practices. This project serves as a model for other rural communities to follow, encouraging the adoption of sustainable practices and the reduction of carbon footprints.

The project had remarkable results: 301 children have been benefited and 241 kWh of green energy has been produced.



Product PERFORMANCE



> 98% Tier-1 garment vendors audited for Vendor Code of Conduct

56 Critical Suppliers ESG assessment done through Supplier Sustainability Index (SSI)



91.5% sustainable packaging material (non-pollutant) used

Used sustainable raw materials, such as **BCI Cotton, Liva, and Recycled Materials**



Compostable Polybag adopted in several businesses, including MFL & PFRL

Collaborated with GIZ Germany under 'develoPPP' program to promote Circularity in India



Our Approach

ABFRL's vision is to 'passionately satisfy Indian consumer needs in fashion, style and value', across wearing occasions. We believe that our products are not just about creating something that meets today's needs – they are about designing for tomorrow's world, with a deep understanding of the impact we have on the planet and the responsibility we bear towards future generations. In the last decade, we have done everything to fulfil this vision while being environmentally and socially responsible.

We design and create products that are not only beautiful and comfortable, but also sustainable.

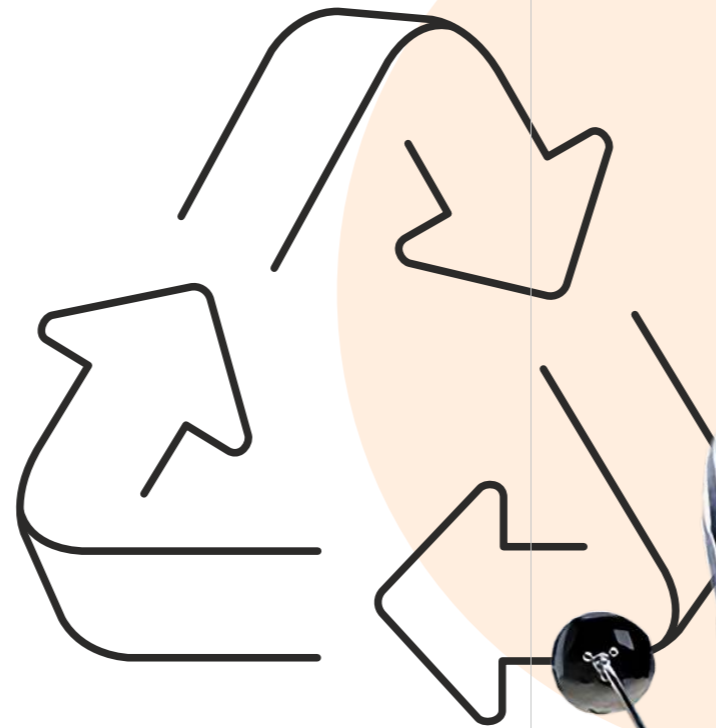
While achieving this goal, we are strongly motivated to return more to Earth than what we consume and strive harder to be net positive. Our objective is to make sustainable fashion a mainstream choice. By incorporating sustainability in our products and business decisions, we aim to implement a product-led sustainability strategy.

ABFRL has a well-defined system to ensure accountability at every stage of product creation. Our management systems and processes are specifically structured to achieve our product responsibility objectives, which are reviewed regularly through transparent evaluation procedures. To ensure our commitment to responsibility extends beyond the point of sale, we engage with our customers through various feedback mechanisms, both during and after the purchase.

Our brands also have their own distinctive voice to educate customers about the significance and consequences of sustainable products.

We adopt a lifecycle approach to product responsibility, which prioritises each stage of the product lifecycle – from raw material sourcing to end-of-life disposal.

We emphasise the usage of various sustainable and recycled materials, explore new circular product concepts, and ensure that workers in our supply chain are treated with dignity and respect.



Product Responsibility

We strive to create products that satisfy not just the heightened expectations of customers regarding quality, innovation, and durability, but also ensure that there are no negative social, health, or environmental impacts. To achieve this, we partner with industry-leading organisations to foster knowledge-sharing and go beyond conventional methods.

We continue our journey towards achieving the Sustainability Goals 2025 through ReEarth 2.0, our product-centric approach that revolves around six fundamental aspects:



- DESIGN & DEVELOPMENT
- SUSTAINABLE RAW MATERIALS
- SUSTAINABLE PRODUCT PACKAGING
- SUSTAINABLE SUPPLY CHAIN
- CUSTOMER CENTRICITY

Allen Solly

Design and Development

In the realm of brand differentiation and expansion of product offerings for consumers, product innovation is a critical component that stimulates curiosity and sets brands apart from the competition. From the beginning, we have prioritised product innovation, which has bolstered our competitive advantage in the industry. When conceptualising and creating new products, we emphasise crucial concepts like resource efficiency, higher quality, durability, circularity, reduced emissions, and safe disposal.

We, at ABFRL, stay attuned to the shifting trends and strive to gain a comprehensive understanding of evolving customer preferences to create products that exceed their expectations. To achieve this, we employ a new product development methodology that encourages cross-functional collaboration to co-create novel designs and concepts. Additionally, we work closely with our suppliers to co-create new products by bringing together our brand designers and their designers to develop innovative designs.

CULTURE OF INNOVATION

At ABFRL, we foster a culture of innovation and creativity that inspires individuals to stay ahead of the curve and push boundaries.

In line with this approach, we have established multiple Centres of Excellence that serve as conduits for industry best practices and product stewardship.

We rely on our Centres of Excellence - Technology Management Centre (TMC), Garment Technical Cell, Knowledge Management Centre, and Product Lifecycle Management (PLM) to monitor and measure market trends, and customer preferences, which helps us in upholding our market leadership position.



Sustainable Raw Materials

Incorporating sustainable raw materials and responsible sourcing practices into the product lifecycle is vital for creating sustainable products. We adopt a progressive approach to sustainable sourcing, regularly evaluating materials and considering their potential for recycling or regeneration for use in closed-loop systems.

At ABFRL, we classify Sustainable Raw Material as materials that generate positive social value and possess a lower environmental impact compared to conventional materials. To identify the most sustainable materials, we refer to global standards such as Higg Materials Sustainability Index (MSI), Textile Exchange's Preferred Fiber and Material Matrix (PFMM), and manufacturers' claims based on Lifecycle Analysis.

We incorporate a range of eco-friendly raw materials such as BCI Cotton, Organic Cotton, FSC-certified Liva Eco and Birla Modal, Recycled Cotton and Recycled Polyester, Hemp, Linen, and their blends to create sustainable products. Additionally, we actively promote artisanal fabrics and garments that utilise indigenous techniques. This supports India's cottage industries, which face significant challenges due to the competition posed by mill-made fabrics.



FSC CERTIFIED LIVA ECO FIBRE

Our efforts to promote sustainable fashion include expanding the use of LIVA Eco, which are fabrics made from sustainably sourced viscose. The wood used to make these fibres is FSC certified, ensuring responsible forest management, and their production has a low environmental impact with minimal greenhouse gas emissions. We also use Blockchain technology to trace the journey of each LIVA garment from its origin to the final stage, providing transparency and accountability in the supply chain.

BETTER COTTON INITIATIVE (BCI)

ABFRL is among the biggest cotton consumers in the country. While cotton is a natural and renewable fibre, it also poses several challenges due to its chemical and water-intensive nature. To mitigate the negative impact of conventional cotton, we are prioritising the sourcing of sustainable cotton and to achieve this goal, we have partnered with the Better Cotton Initiative (BCI) as a fundamental component of our commitment to building a sustainable ecosystem.

The Better Cotton Initiative (BCI) is the world's leading sustainability initiative for cotton. Its mission is to improve global cotton production for the benefit of the people who cultivate it, the environment in which it grows, and the future of the industry.



BIRLA MODAL FIBRE

ABFRL uses Birla Modal, a second-generation viscose innovation that is derived from 100% renewable natural resources and can fully biodegrade and return to nature. We have incorporated modal blended fabrics in our women's wear category, which not only makes our customers look good but also feel good about wearing sustainable and environment-friendly materials.



RECYCLED MATERIALS

The fashion and retail sectors are increasingly emphasising on sustainability by incorporating recycled materials into clothing. This push for recycled raw materials aligns with the global trend toward a circular economy, and at ABFRL, we are dedicated to working towards a closed-loop production cycle.

In order to promote sustainability in our product portfolio, we have implemented strategies to incorporate more recycled materials.

To this end, we have used Recycled Polyester that is certified by GRS in some of our products. This not only diverts plastic waste from landfills but also reduces our reliance on petroleum-based materials. Additionally, recycled polyester production requires less energy and generates fewer CO₂ emissions compared to virgin polyester.



Sustainable Products

In recent times, the phrase 'sustainable fashion' has gained widespread usage, driven by consumer awareness of the ecological impact of clothing. Consequently, an expanding worldwide demand for 'sustainable products' has emerged.

Product sustainability is a fundamental aspect of ABFRL's product offerings. Our primary objective is to produce high-quality and sustainable products that not only conserve natural resources but also positively impact the health & well-being of our customers and society. We achieve this goal by sourcing a variety of sustainable materials, enhancing our production processes, and ensuring that the workers in our supply chain are treated fairly and respectfully.

To increase awareness and evaluate the sustainability performance of our products, we have developed a comprehensive guideline called the 'Product Sustainability Attribute'. This guide outlines five sustainable attributes that a product must have to be considered sustainable. These five sustainability attributes are:

SUSTAINABLE RAW MATERIALS

SUSTAINABLE PRODUCTION PROCESS

SUSTAINABLE MANUFACTURING FACILITIES

SUSTAINABLE PACKAGING

SUSTAINABLE LIVELIHOODS

These attributes are based on the environmental and social impact of the product throughout its lifecycle.

We measure the sustainability attributes of our products by volume bi-annually and annually, and we communicate these findings to individual brands and significant stakeholders through a specialised Management Information System (MIS) called the 'Brand Sustainability Dashboard'. This system allows brands to evaluate their sustainability performance, develop action plans, and enhance their overall sustainability efforts.

70.3%

of ABFRL (MFL, PFRL, and VH innerwear only) products by volume have at least one sustainability attribute out of the five attributes, during the reporting year.



Examples of Sustainable Products

VAN HEUSEN MOVE LABS COLLECTION

Van Heusen's Move Labs Collection is a versatile range of shirts, trousers, suits, and blazers, tailored to the modern man who values both fashion and functionality.

This collection targets young professionals and is characterised by its exceptional style, remarkable comfort, and engineered design for unrestricted movement. The collection features ultra-stretchable, lightweight, and wrinkle-free fabric that suits the fast-paced lifestyle of today's consumers.

The collection's ergonomic design is created in collaboration with international Parkour artist, Chase Armitage.



ENGINEERED TO MOVE

LOUIS PHILIPPE JEANS GREEN CREST



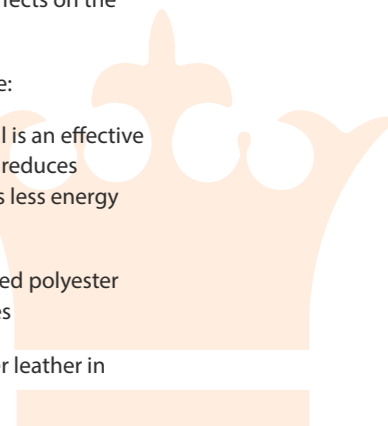
Louis Philippe has introduced Green Crest denims, which are a perfect accompaniment for any occasion. These denims are crafted using sustainable fabric, providing unmatched comfort and stretchability.

PULCRA fabric, which is made from recycled cotton and requires less water during the dyeing process, is utilised in this collection. As a result, the carbon footprint is also minimised.

The manufacturing process for this product utilises an eco-friendly laser dry process, which eliminates the need for hazardous manual labour. Additionally, the chemicals used in this product have zero harmful effects on the ecosystem.

Trims used in this product are sustainable:

- Recycled shank & rivet - recycling metal is an effective way to conserve natural resources as it reduces greenhouse gas emissions and requires less energy than producing metal from raw ore
- Recycled stitching thread - 100% recycled polyester yarn from post-consumer plastic bottles
- Bonded leather patch - reuse of leftover leather in nature without extra farming
- Recycled paper tag
- Compostable polybag for storage & transportation



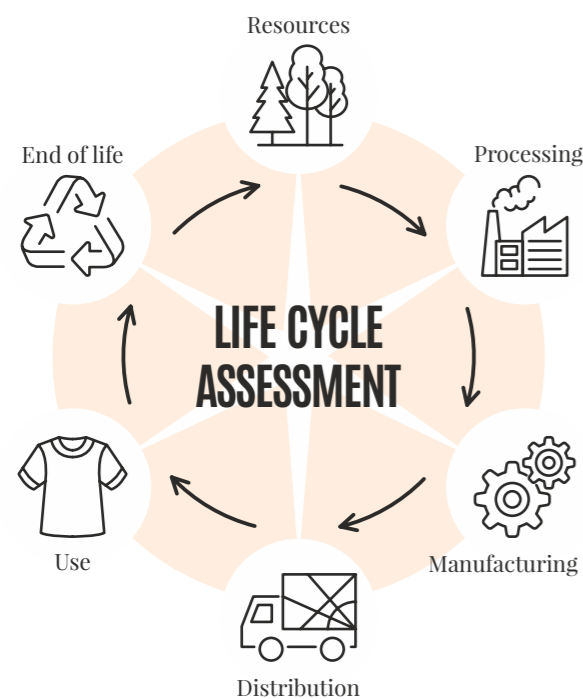
PRODUCT LIFECYCLE ASSESSMENT (LCA)

We see LCA as a lens to assess Business and Supply Chain Sustainability. We strive to provide our customers with products that have enhanced environmental and social sustainability performance and pose minimal health risks. Through Lifecycle Assessments (LCA) utilising a Cradle-to-Grave approach, we identify potential risks and opportunities to reduce material and resource consumption.

The environmental impact of a product is influenced by various factors, and it can differ significantly based on the materials and production processes employed. By conducting a comprehensive lifecycle assessment, areas for improvement can be identified to decrease the product's environmental impact.

ABFRL has implemented various process efficiencies to minimise environmental impacts, and we continue to strive for resource efficiency. Additionally, we have integrated eco-design and decision-making into our LCA approach.

We conducted an LCA study last year to evaluate the environmental impact of our Casual & Formal Shirts throughout the value chain. We continue to prioritise product lifecycle thinking and this year, we are conducting LCA studies of two more products: T-shirts and Denim Jeans. The aim is to identify areas where we can reduce the environmental impact of our products and strive for greater sustainability.



BRAND SUSTAINABILITY THROUGH HIGG BRM

The Higg Brand & Retail Module (Higg BRM) is a tool that assists brands and retailers in their sustainability efforts by highlighting areas of improvement and opportunities for growth throughout their value chain. This aids in the integration of corporate responsibility and sustainability strategies into their business operations, allowing for better alignment and implementation of these initiatives.

We have integrated the Higg BRM into our brand operations and strategy to promote 'clean by design' principles throughout the product development process. This approach complements our overarching efforts to develop various sustainability initiatives that assess and reduce the impact of our product footprint and processes. Every year, we conduct a self-assessment using Higg BRM to redefine, identify and manage our sustainability priorities, and evaluate our environmental and social performance at the brand level.

During the present reporting year, we utilised the Higg BRM self-assessment tool to evaluate six of our brands – Louis Philippe, Van Heusen, Allen Solly, Pantaloons, Peter England, and Van Heusen Innerwear.

Additionally, we have undergone third-party verification for the Pantaloons brand and established a plan of action to enhance its score, exemplifying our dedication to sustainability and continual advancement across our brands.



Circular Fashion

The fashion industry is facing growing scrutiny for its environmental impact, with consumers demanding that it address production issues like excessive water usage, toxic chemicals, and the accumulation of clothing in landfills. The current linear economic model of 'take, make, dispose' is reaching its limits, and natural resources are becoming increasingly scarce, jeopardising the fashion industry's growth. By embracing circularity, the industry can not only assess and improve existing business models but also establish a deeper connection with its customers.

A circular system regenerates and restores materials, offering opportunities to reduce environmental pressures, ease demand on natural resources, secure future supply, and capture the maximum value of a product. In previous years, we have taken many initiatives towards circular fashion, like

- Launched Liva Reviva (recycled Viscose) Peter England shirt in collaboration with Birla Cellulose
- Use of 100% recycled polyester sewing thread (Coats Eco Verde) in garments
- Produce shopping bag from Chindi waste



This year, we have undertaken some of initiatives as given below:

DEVELOPPP CIRCULARITY PROJECT | ABFRL & GIZ

ABFRL has partnered with GIZ Germany to enhance circular business practices and promote circular business in India. This initiative, which is part of the 'develoPPP programme' and is supported by the German Federal Ministry for Economic Cooperation and Development (BMZ), will run for three years.

The primary goal is to build the capacity of India's textile and apparel industry to incorporate circular approaches in their business practices.

The joint project will emphasise material innovation, reducing the use of harmful substances, textile-to-textile recycling, developing eco-friendly alternatives to plastic packaging, and increasing traceability. This project will complement existing practices such as downcycling, recycling, reusing, and promoting new sustainable production processes.

Three key deliverables under four work packages have been identified for this project:

- Strengthening of circular business practices within ABFRL and other corporates in the industry
- Creating a common understanding among textile industry players around circular textile and apparel in India
- Creation of 'Voluntary Circular Business Guidelines' for Indian textile industry

The outcome of the project is aimed at promoting a more sustainable and eco-friendlier textile and apparel industry, resulting in a reduction of waste and pollution.





CIRCULARITY INNOVATION CHALLENGE

As a part of develoPPP project between ABFRL and GIZ, we have initiated an innovation challenge to provide a platform for innovators in the textile and apparel industry to develop new and creative solutions for circularity within the sector. The challenge has a primary emphasis on promoting innovation in the Indian textile and apparel value chain, and has been launched on the GIZ Leverist platform, with a specific focus on 8 categories related to circularity.

BANARASI SAREE UPCYCLE | JAYPORE

Jaypore's unique clothing line showcases a contemporary take on the classic Banarasi and Ikat Patola Sarees, which have long been a staple of Indian wedding trousseaus. In an industry that is often characterised by rapid mass production, Jaypore instead takes a slow and sustainable approach, with a focus on minimising the environmental impact of discarded materials. By using natural resources judiciously, we aim to reduce our carbon footprint.

Our approach involves upcycling these heirloom sarees, which would otherwise end up in landfills, into beautiful lehenga-cholis, kurtas, and other pieces. This not only reduces manufacturing costs, but also creates unique and distinctive products that celebrate the artistry and craftsmanship of traditional techniques.

Through this initiative, we are not only preserving these precious heirloom pieces, but also taking steps to establish environmentally friendly and sustainable practices in the industry.

CHINDI BAG FOR SHOE COVER | FOREVER 21

We keep taking various projects as a part of our circularity efforts. This year, one such project is converting pre-consumer fabric waste (chindi) into recycled fabric that can be used for shoe bag covers. This involves collecting all types of fabric chindi waste from our own manufacturing units and then shredding it in a recycling plant to produce fibers. The resulting fibers can only produce coarser yarns.

Currently, we are utilising this recycled chindi waste fabric to produce Shoe cover bag for the Forever 21 brand, ensuring that our efforts achieve 100% circularity.



Jaypore

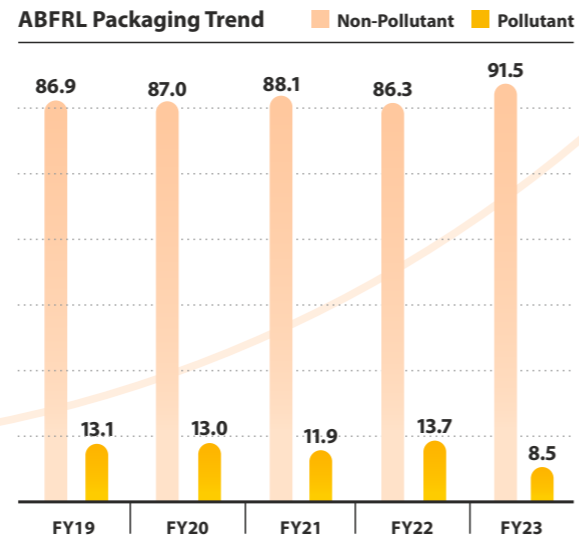
Packaging

Packaging is an essential component of product delivery, ensuring the safe and secure transportation of products.

The apparel industry employs various materials for packaging, such as paper, cardboard, plastic, fabric, and metal. While some of these materials are eco-friendly and biodegradable, others, like plastic, pose a threat to the environment due to their inability to decompose. In response, numerous efforts are underway to minimise the environmental impact of plastic worldwide.

ABFRL, as a leader in the apparel retail industry, has committed to using 100% sustainable packaging materials by 2025, eliminating the use of plastics altogether.

Our approach to sustainable packaging is comprehensive, and considers various factors such as materials, design optimisation, reduction, and recycling. We have been monitoring our packaging consumption since 2013 and acting to reduce our environmental impact. By the end of FY23, we have achieved 91.5% sustainable packaging.



In order to attain our packaging objectives, we have been consistently and diligently pursuing a range of initiatives:

- Use of reusable plastic crates instead of carton box for internal transportation in Bengaluru
- Launched #BetterThanPlastic challenge in collaboration with Circular Apparel Innovation factory (CAIF) to find new sustainable packaging materials or business models
- Implemented 'One Garment, One Tag' programme in MFL Lifestyle brands
- Adopted plastic-free packaging in Louis Philippe Green Crest
- Introduced Simon Carter-Plastic Mukht Packaging
- Incorporated recycled plastics in packaging items like M-Clips, U-Clips, Hangers, etc.

ABFRL PACKAGING MIX (BY VOLUME)

Type of Packaging Material	Category	Weight (Tons)	% by Volume
Paper	Product Box, Carton Box, Collar Support, Back Support, Barcode etc.	12,866.25	88.7%
Compostable	Compostable Polybag	215.34	1.5%
Wood	Hangers	181.77	1.3%
Plastic	Polybag, Foam, Collar Traveller, U & M Clip, Butterfly, Plastic Hanger etc.	1,238.19	8.5%
Others	Fabric, Leather, Rubber, Metal Pins etc.	8.47	0.1%

SUSTAINABLE PACKAGING

INITIATIVES

Compostable Polybags

Replacing plastic and achieving 100% sustainable packaging was a formidable task. However, with persistent efforts, we discovered innovative packaging solutions, and decided to use compostable polybags as a substitute for HDPE/PP polybags.

Compostable polybags are made from natural resources like PLA-based materials and can break down into natural elements like carbon dioxide, water, and biomass under specific conditions, making them an eco-friendlier alternative to traditional plastic bags.

The adoption of compostable polybags faced significant challenges such as availability, scalability, cost, transparency, and performance. Therefore, a comprehensive market study was conducted before implementing this solution.

In FY23, we utilised 215.3 tons compostable polybags and successfully implemented their uses across the MFL and PFRL brands. This initiative has proven effective in reducing ABFRL's carbon footprint and promoting cleaner and more sustainable production practices.



INITIATIVES

MAKING PLASTIC CIRCULAR WITH EPR

The Extended Producer Responsibility (EPR) approach holds manufacturers, brand owners, and producers accountable for recycling and disposing of plastic packaging material, promoting environmental protection. Under this programme, brands need to ensure collection of post-consumer plastic waste on a state-by-state basis and recycle it using transparent and traceable channels. This circular plastic value chain approach ensures that no plastic waste ends up in landfills.

At ABFRL, we utilise single-layered plastic packaging materials that are fully recyclable. To meet plastic EPR requirement, we have registered with the Central Pollution Control Board (CPCB) under the Brand Owners category with the most recent Plastic Waste Management Rules.

For the current financial year FY23, our target for Plastic EPR under Category-II was 645 tons, which we successfully complied across all zones and states of India.



INITIATIVES

PLASTIC FREE PACKAGING | MFL

It is crucial for brands to focus on improving the existing specifications for shirt presentation at the Point of Sale, as consumers often associate the quality of the packaging with the quality and price range of the product. Therefore, poorly packaged products can negatively impact the perceived value of the brand. To address this, we have explored opportunities to use sustainable materials for packaging without compromising the aesthetic appeal.

To ensure that our packaging is 100% sustainable, we have followed the 3 R principle of Replace, Recycle, and Reduce. We have made significant progress towards this goal by converting the major pollutant materials such as Polybag and Butterfly into bio-compostable bags, replacing the Collar traveller with paper, interchanging the U&M Clip and Slug with recycled plastics from virgin plastics. We have also removed the button-to-button spacer and implemented one product, one hang tag.

With all these changes, we can proudly say that our MFL product packaging is now 100% sustainable.



Supply Chain Sustainability

For sustainability to be comprehensive, it needs to be cascaded across the entire supply chain. We recognise the positive impact of working closely with suppliers to improve sustainability standards and set new benchmarks in the industry.

Our goal is to establish a sustainable supply chain that prioritises fair treatment and safe working conditions for all those involved in making our garments.

This includes:

- Conducting Supplier Sustainability Assessments
- Implementing a Vendor Code of Conduct
- Operationalising the Sustainable Chemical Management System
- Ensuring Quality Management
- Effecting Vendor Development and Collaboration



CONDUCTING SUPPLIER SUSTAINABILITY ASSESSMENT

We place a high priority on sustainable sourcing and carefully select suppliers who are committed to sustainable manufacturing practices. The selection process is based on a variety of factors including product quality, cost, delivery, and sustainability practices.

We also conduct comprehensive sustainability assessments of our suppliers, taking into account their environmental impact, social responsibility, and ethical practices. Through these assessments, we identify areas for improvement and work with our suppliers to develop action plans aimed at achieving sustainability goals.

As part of our sustainability strategy, we provide support to our suppliers in implementing initiatives such as Renewable Energy, Zero Liquid Discharge, Rainwater Harvesting, and Chemical Management. These measures are a crucial part of ABFRL's commitment to sustainable sourcing.

Higg Index

ABFRL has been working closely with the Sustainable Apparel Coalition (SAC) for over a decade and has been an early adopter of their 'Higg Index - Suite of Tools'. This partnership has allowed us to gain a comprehensive understanding of our entire value chain's sustainability performance, helping us to develop a robust strategy to improve environmental and social performance across our brands, in-house operations, and supply chain.

All nine of our in-house manufacturing facilities have undergone self-assessments using the Higg Facility Environment Module (FEM) and Facility Social Labour Module (FSLM), which have been verified by a SAC-appointed verification body.

Our manufacturing units have achieved exceptional Higg FEM scores of over 80, and our EGL unit has received the highest Higg FSLM score of 93.7.

Supplier Sustainability Index (SSI)

To evaluate our suppliers' ESG (Environmental, Social, and Governance) performance, ABFRL has developed an internal assessment framework called the 'Supplier Sustainability Index' (SSI).

The SSI framework assigns a score out of 100 for each of the three categories: Quality, Social, and Environment.

The total SSI score is classified into four ratings: Platinum, Gold, Silver, and Bronze. This hybrid model incorporates global standards and self-assessment questionnaires to assess our critical and high-impact Tier-1 and Tier-2 suppliers across all businesses.

The single SSI score enables us to evaluate a specific supplier's comparable sustainability performance and identify areas for improvement and best practices within the supply chain. A higher score indicates better environmental and social performance and reduced susceptibility to work disruptions, which translates to increased responsiveness and better supply chain efficiency. **In FY22, we assessed 41 critical suppliers and extended this program to 56 Critical suppliers in FY23.**

For this initiative, ABFRL received 'Leadership in Green Supply Chain award' from the ESG India Leadership in 2022.



IMPLEMENTING THE VENDOR CODE OF CONDUCT

ABFRL is committed to conducting its business in a responsible and sustainable manner, while upholding the highest ethical and legal standards. Our objective is to promote equality, social dialogue, and dignity for all individuals across our supply chain, driving improvements and delivering fair incomes and shared values.

To achieve this goal, we have implemented the Vendor Code of Conduct - a Human Rights Due Diligence programme that aligns with globally recognised legal and statutory requirements.

The Vendor Code of Conduct covers 11 principles and falls under five core focus areas of social responsibility.

These are aimed at mitigating risks associated with our supply chain, ensuring compliance with legal and statutory requirements as well as the health and safety of workers, minimum wages and other social responsibilities outlined by the Indian Factories Act 1948, International Labour Organization (ILO), SA 8000, and WRAP standards.

CORE FOCUS AREAS

1 LEGAL COMPLIANCE

All vendors should respect the law of the land and obtain all the required approval and permits



2 EMPLOYEE RIGHTS

- No Child Labour
- No Forced, Bonded, Compulsory Labour
- No Discrimination
- No Harassment & Inhuman Treatment
- Legal Working Hours
- Equal Remuneration
- Freedom of Association and Collective Bargaining



3 HEALTH & SAFETY

- Fire Safety
- Building Safety
- Chemical Safety
- Worker's Health



4 ENVIRONMENT

Vendors shall comply with all the environment standards & global compliance



5 CORPORATE SOCIAL RESPONSIBILITY

Encourage vendors to create connection between their by effective community engagement & development for positive means



All of our vendors and sub-contractors are required to strictly comply with the ABFRL Vendor Code of Conduct policy and improve their ethical, social, environmental, health, and safety standards in the workplace. Our internal Social Compliance and Quality team conducts initial audit at first time of vendor onboarding and annual surveillance audits of all active vendors to ensure proper compliance in place. We also engage an external third-party service provider to monitor and validate compliance whenever necessary.

To promote improvement in compliance, we have introduced a self-assessment checklist for suppliers to evaluate their performance internally. The internal assessment process serves as a motivation for vendors to strive for better results in our monitoring process.



Since the inception of this programme, we have covered > 98% of vendors in MFL, PFRL, VH Innerwear and Forever 21 business, and a significant number of vendors have transitioned from the Non-Compliant (Red) category to the Compliant (Green) category with the use of regular training and monitoring mechanisms.

OPERATIONALISING THE SUSTAINABLE CHEMICAL MANAGEMENT SYSTEM

We place significant emphasis on managing chemicals in our supply chain. We embarked on our chemical management journey in 2016, by beginning with laundry audits for garment washing and dyeing facilities.

Over the years, we developed a manual, policy, RSL, and wastewater discharge guidelines for chemical management,

enabling us to measure, control and reduce our chemical consumption while ensuring a safer working environment and the use of safer inputs.

We have partnered with Zero Discharge of Hazardous Chemicals (ZDHC) as a 'Vendor of ZDHC', bolstering our commitment to sustainability and product safety. Through this collaboration, we aim to use cleaner inputs, minimise our chemical footprint, ensure safer products, promote transparency, and reduce our environmental impact in the supply chain. This initiative serves as a crucial stepping stone in our efforts to transform our value chain and achieve sustainable fashion while moving away from traditional methods.

In FY23, our efforts to implement a Sustainable Chemical Management system included:

- Onboarding 15 Tier-1 laundry units (Denim & Non-Denim) onto the ZDHC Gateway, enabling us to track and monitor their real-time progress on chemical compliance and wastewater management
- Conducting training programmes for suppliers and internal stakeholders such as Brands and Sourcing Teams on the importance of chemical management systems, facilitated by ZDHC experts
- Developing an ABFRL Chemical Management Toolkit comprising SOPs, Audit Standard Templates, Training Manuals and Best Practices Documents, to help our laundry vendors align with our goals and strategy of Chemical Management System
- Initiating on-site Chemical Management System assessment for all laundry units

ENSURING QUALITY MANAGEMENT

Quality and durability are essential to us as a means of differentiation and competitive advantage. Our well-structured quality management system aligns with our overall vision, commitment to customers and strategy.

We have developed a comprehensive quality appraisal system that focusses on customer satisfaction and strives for customer delight. Our quality management system relies on multiple quality audits, which cover raw material testing, process quality audits, supplier performance evaluation, and finished goods inspection, to maintain consistent quality levels according to established standards.

Suppliers play a crucial role in ensuring the quality of the final product. We actively engage and collaborate with them to establish a culture of exceeding customer expectations.

We use various tools, such as the Vendor Quality Performance Index (VPQI) and Quality Index Number (QIN), to assess supplier product quality and share the results with them.

These scores form the basis for informed discussions with suppliers to evaluate their facilities and identify opportunities for improvement. Relevant teams take immediate action on the results of these assessments.



QUALITY IMPROVEMENT PROJECT - WAR ON SHIRT PUCKERING I MFL

Resin-treated fabrics can sometimes result in a garment seam issue known as puckering, which impacts the smoothness of the garment. For formal shirts, it is easier to achieve no puckering but with resin-treated fabrics, we were only able to achieve SS3 level (medium puckering).



To address this issue, we conducted a brainstorming session with subject matter experts from companies like Groz Beekert, Schemetz, Coats, Gutermann, Wendler, Freudenberg, Juki, Brother, and a few fabric mills such as Auro textiles and Arvind Mills.

Additionally, we conducted a product benchmark with 18 different manufacturers from around the world.

We incorporated the best methods from each manufacturer and supplier, as well as the samples provided, to determine the finest machine settings, needles, threads, and handling techniques that would produce pucker-free shirts. We also created store ambient lighting arrangements in our factory to check the aesthetics of the garments.

EFFECTING VENDOR DEVELOPMENT AND COLLABORATION

At ABFRL, vendor collaboration lies at the heart of our vendor development approach. We are committed to cultivating a culture of cooperation and consensus through regular engagement and development programmes that result in more efficient decision-making and reduced lead times.

In the reporting year, we undertook several initiatives to promote vendor development and collaboration, such as:

Green Channel Partnership (GCP)

It is an innovative programme that certifies a supplier's quality system based on their self-assessment and internal quality report, enabling quicker acceptance of merchandise quality. This initiative creates a collaborative partnership between buyers and suppliers, promoting better alignment with sourcing strategies and expectations.

The GCP fosters a strong partnership that benefits both parties involved. MFL and suppliers can establish a shared understanding of product and process quality, leading to a consistent supply of high-quality raw materials and products, timely delivery, and minimal inventory requirements while operating within limited resources.

In FY23,

- Raw Material Green Channel Partners share of shirting fabric is 30% from 7 world-class fabric mills
- Finished Goods - 12 Green Channel Garment Partners have delivered 14 % of the total volume

Supplier Summit at Dhaka

As part of our ongoing efforts to foster collaboration and innovation with our suppliers, we organised the ABFRL Sustainability Summit in Dhaka this year, on the side track of CAIF Conclave 2023. We extended invitations to all our 35 critical suppliers to participate in this summit.

The objective of the summit was to provide our suppliers with an overview of ABFRL's sustainability initiatives and set the agenda for driving our sustainability vision and strategy for the coming years. Some key outcomes from the meeting included the establishment of a Sustainability Council in Bangladesh, an extension of our supplier sustainability assessment, and the provision of subject matter expertise wherever required.



Customer Centricity

We firmly believe that prioritising the preferences and needs of our customers is critical to our long-term business sustainability and competitive advantage in the fashion industry. Our goal is to consistently deliver high-quality products and services that provide superior value and a positive customer experience, making us the preferred choice for our customers.

To achieve this, we continuously innovate and analyse customer feedback to develop a range of lifestyle brands that cater to every consumer's needs for multiple occasions.

Our customer-centric approach includes several key strategies:



Allen Solly



MISSION HAPPINESS
Let's make it happen. Everyday.

MISSION HAPPINESS - POST PURCHASE

Introduced at MFL in 2014 to establish standardised procedures for addressing complaints, Mission Happiness promotes a positive and consistent customer experience. This initiative has proven highly effective in gathering, sharing, and implementing customer feedback, enabling us to continually improve and exceed customer expectations, building a loyal customer base and a strong reputation in the process.

To gather customer feedback at the point of purchase, we have implemented various channels such as iPads, SMS, and surveys on our web pages. However, to understand the entire customer journey, we recently launched an e-commerce Mission Happiness initiative.

This initiative covers all aspects of the customer experience and includes several components, such as website order confirmation surveys, post-delivery experience surveys, refund experience surveys, and post-30-day product purchase surveys to monitor the customer's ongoing service and product usage experience. Through an electronic interface, our customers can provide detailed feedback and rate their in-store, e-commerce, and post-purchase experiences.

We carefully monitor and analyse the feedback and provide training to our employees to help them respond to it. In addition, we support this initiative through CRM strategies such as loyalty cards and a complaint resolution mechanism.

By continuously improving our understanding of customer demands and enhancing our ability to cater to their ever-changing needs, we can better serve our customers and remain competitive in the marketplace.



Marigold Lane

MFL

1.26 crore+
feedback collected till date

8 lakh+
consumer conversations through Mission Happiness till date

25 lakh+
feedback via in-store and online channels (FY23)

VH INNERWEAR

13,817
feedback till date | FY23: 3,105

3,522
consumer conversations through Mission Happiness | FY23: 1,015

10,295
feedback via in-store and online channels | FY23: 2,090

PANTALOONS

57 Lakh+
store feedback (FY23)

59,000+
online feedback (FY23)

CUSTOMER VOICE RESPONSE SYSTEM (CVRS)

To ensure transparency and manage customer grievances effectively, we have implemented a Customer Voice Response System (CVRS) that uses an online Complaint Management System. Through this system, customers can share their experiences, feedback, and complaints, which enable us to identify areas for improvement and enhance customer satisfaction.

With the CVRS, we guarantee resolution of all product and service-related complaints within a 24-hour turn-around time, allowing us to promptly address any issues and maintain customer trust.

OMNICHANNEL EXPANSION

During the reporting period, the company persisted in its efforts to strengthen its digital platform, placing particular emphasis on enhancing its omnichannel capabilities. E-commerce sales grew 43% YoY across the portfolio. We have continually expanded our omnichannel reach, with over 50% of the network equipped with omni capabilities throughout India. This represents consistent advancement of our digital initiatives, as we continually adapt to the changing demands of our customers.

As a part of our future proofing strategy, Madura, one of the largest e-commerce apparel players in the country, strengthened its presence on both owned and partnered e-commerce channels.

This has led to a 30% growth in e-commerce revenues for Lifestyle brands in FY23 compared to FY22. Our Lifestyle brands launched a new super App that aims to offer customers a seamless experience and curated range of options across our 4 Lifestyle brands.

With a network of 431 physical stores across the country, Pantaloons continued to scale up its omnichannel plan with ~70% of network now omni-enabled on its own website. Pantaloons has scaled its e-commerce channel by introducing a mobile application, while also making notable improvements in technology and logistics.

HYPERLOCAL CAPABILITY

Revolutionising E-commerce with Localised Convenience

In today's fast-paced world, customers are seeking convenience and instant gratification in their shopping experiences. The emergence of our Super App has disrupted the traditional retail landscape by offering a wide range of services within a single platform. One standout feature of our Super App is their hyperlocal capability, enabling customers to purchase items from nearby stores. This article explores the significance of hyperlocal as a feature and its potential to revolutionise the e-commerce industry.

Bringing Nearest Stores to Your Fingertips

Hyperlocal capability which we call as Express Delivery model on our website allows customers to browse and choose from a selection of stores available in their vicinity. By utilising this feature on our Super App, customers can complete their purchases quickly and effortlessly. Instead of waiting for deliveries from distant warehouses, express delivery orders are fulfilled by the nearest store, ensuring faster delivery times.

The express delivery capability on your Super App offers customers the flexibility to utilise this functionality across multiple brands and locations. This means that customers are not limited to using the express delivery services for a single brand, but they can enjoy its benefits across a diverse range of brands available on our platform.

By implementing the express delivery capability across multiple brands, we provide customers with a comprehensive ecosystem of products and services tailored to their specific location. This enables them to explore and engage with various brands and businesses within their vicinity, creating a seamless and convenient shopping experience.

Reducing Transportation and Carbon Footprint

Traditional e-commerce often involves lengthy supply chains, resulting in packages traveling hundreds or even thousands of kilometers before reaching their destination. This not only increases transportation costs but also contributes to carbon emissions. Hyperlocal addresses these challenges by sourcing products directly from the nearest store's inventory. By minimising the distance travelled, this feature significantly reduces transportation costs and carbon footprint.



Louis Philippe

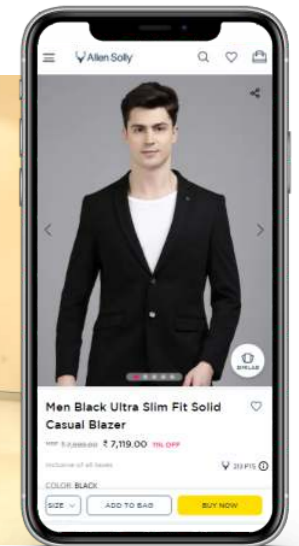
Enhancing Customer Experience and Reducing Returns

The express delivery mode on websites and apps allows customers to connect with store staff directly. This interactive feature enables customers to receive personalised assistance regarding size, fit, and other product-related queries. By having knowledgeable store staff available on call, customers can make informed purchasing decisions, resulting in a reduced return rate. This, in turn, translates into cost savings in terms of manpower, fuel, and vehicle trips.

Expanding Hyperlocal Reach

Currently, hyperlocal capability is live on The Collective and on Super App which has brands like Louis Philippe, Van Heusen, Peter England, Allen Solly, with pilots underway for other brands. However, the potential impact of this feature can be exponentially greater if implemented across all 3,700+ stores in various other brands. By embracing hyperlocal, we will be able to extend our services to over 20,000 pin codes in India while further reducing the carbon footprint associated with e-commerce operations.

Hyperlocal capability on our websites/apps is transforming the e-commerce landscape by offering localised convenience, reducing transportation costs, and minimising environmental impact. By connecting customers with nearby stores and streamlining order fulfilment processes, hyperlocal delivers faster delivery times, reduced return rates, and enhanced customer experiences. As the scope of this feature expands, it holds immense potential to reshape the future of e-commerce, catering to the evolving needs of customers while promoting sustainability.



Customer Privacy and Data Aspect		FY22	FY23
Total number of substantiated complaints received concerning breaches of customer privacy, categorised by:	Complaints received from outside parties and substantiated by the organisation	00	00
	Complaints from regulatory bodies	00	00
Total number of identified leaks, thefts, or losses of customer data		01	00

STAKEHOLDER ENGAGEMENT



Recognising TRENDS



Stakeholder engagement plays a pivotal role in detecting unmet needs and identifying emerging trends at an early stage for strategic advantage. While conventional engagement effectively captures real-world concerns from diverse societal sections, it falls short in predicting a trend well before it evolves into a widespread phenomenon. We, therefore, engage with industry experts and leverage their deep domain knowledge and expertise. By merging stakeholder engagement with materiality, we forge exceptional partnerships that drive progress.

In the age of collaboration and shared responsibility in creating a sustainable future, stakeholder engagement has been ABFRL's vital strategy for a decade now. We recognise the power of working hand-in-hand with our stakeholders to drive positive change. By listening to perspectives of employees, customers, suppliers, communities; understanding their concerns and incorporating their feedback, we ensure that our sustainability initiatives align with their needs and aspirations.

Stakeholder engagement is like a radar that helps us identify service gaps before they widen underserved needs before they snowball and emerging trends before they become mega and overworn.

While the traditional stakeholder engagement model is effective at capturing real-world concerns and lacunae across various segments of society, it often falls short in spotting the megatrends in the making. Therefore, we actively engage with industry experts who sieve through the intersection of their areas of expertise and our material issues to bring deep domain knowledge and insights that are distilled, focused and actionable. This dovetailing of stakeholder engagement with materiality creates high-quality partnerships that push the boundaries of what is possible.

As we continue to expand our ambit of circularity and accelerate steadfastly towards our ESG commitments, we partner with stakeholders to identify the most relevant and material issues. We maintain an ongoing dialogue that fosters trust, accountability, and mutual benefits. By incorporating their feedback in our ESG strategies, we ensure that together, we can build a more sustainable future that benefits everyone.



Management Approach

At ABFRL, we value transparent and constructive communication with our stakeholders. Through years of experience, we've honed our processes to identify the attributes of our stakeholders that are crucial for our business. We involve them in decision-making, product and process improvement, and create an environment for progress. By collaborating with them, we achieve sustainable outcomes that benefit everyone.

We recognise the importance of global partnerships in achieving sustainable development, as reflected in the 17th Sustainable Development Goal of the United Nations.

To ensure that we stay on track with our commitments and goals, we've implemented a structured method for evaluating materiality that aligns with the GRI standards and SDG framework.

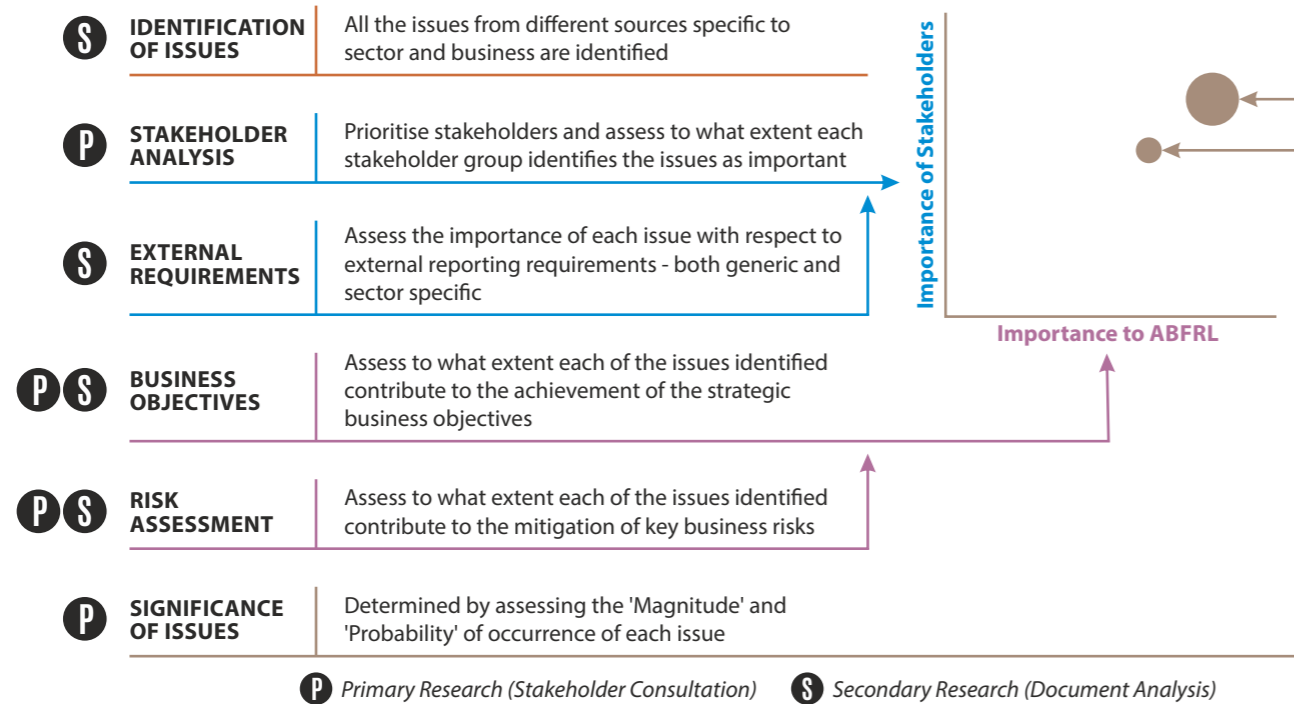
We prioritise pertinent issues based on evolving business requirements and feedback from our stakeholders, ensuring that we remain focused on what matters most.

STAKEHOLDER ENGAGEMENT FRAMEWORK

Our sustainability framework aims to unite stakeholders from every part of the value chain to address the most significant environmental challenges in our industry.

We have carefully identified stakeholders from diverse stakeholder groups - investors, employees, customers, suppliers, regulatory authorities, media, industry associations, communities, NGOs, and peer companies. Then, through a comprehensive stakeholder engagement exercise, we prioritise stakeholders from each group and consistently interact with them through time-tested as well as new-age channels, such as one-on-one meetings, annual general meetings, training, group discussions, surveys, and supplier and custodial relationships.

In 2019, we conducted a rigorous materiality analysis to guide the development of our 2025 sustainability strategy. We engaged with senior management, employees, functional heads, suppliers, customers, the local community, and industry associations to gather their inputs and considered sector trends, peers' performance, and internal strategy documents to develop a comprehensive list of material issues.



The fashion industry has ever-evolving consumer expectations, so we have tapped into the insights of domain experts to guide our choices around styles, materials, colours, and marketing communications. By incorporating these insights into our decision-making processes, we are better able to retain and enhance consumer preferences while also driving positive environmental outcomes.






Engagement Mechanism

Our stakeholder engagement framework defines our approach to effectively interact with and address the concerns of our stakeholders.

The group-level principles and policies guide us in developing a robust strategy for stakeholder engagement. Furthermore, by participating in different discussions and forums, we benchmark our sustainability performance against both local and international peers, which also fulfils the criteria for preparing our annual sustainability report.

The following table encapsulates the direct and indirect engagement we have with the stakeholder groups.

Stakeholder Groups	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
SUPPLIERS 	No	Periodic vendor communications, supplier meets/summits	Continual	<ul style="list-style-type: none"> Supply Chain mapping Integration of sustainability aspects in supplier assessment process Sustainable Packaging material Factories certified as per international standards (such as ISO, Green Building) Business ethics and transparency Training and development of partners and suppliers
INVESTORS 	No	Annual report, annual general meeting, company website, analyst calls, investor meets and roadshows, press releases, communication from stock exchanges, SEBI, bank's registrar and transfer agents	Continual	<ul style="list-style-type: none"> Performance and growth with respect to revenue and market share Capital allocation to investments for improved environmental performance Product & Process innovation Increased manufacturing efficiency Internal and external communication about sustainability practices

Stakeholder Groups	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
EMPLOYEES 	No	On-ground employee engagement platforms like Retail Sports Meet, Retail Premier League, Retail Got Talent and other such structured platforms for top-down, bottom-up and horizontal communication	Continual	<ul style="list-style-type: none"> • Refer People Section
CUSTOMERS 	No	Interactions at stores, social media interactions, online and mobile initiatives, customer satisfaction surveys, customer feedback mechanisms (Mission Happiness)	Continual	<ul style="list-style-type: none"> • Customer centricity • Mission happiness • Post purchase survey
MEDIA 	No	Press releases, media interactions by senior management, PR agency partnerships	Continual	<ul style="list-style-type: none"> • Internal and external communication about sustainability practices
COMMUNITY 	Yes	Community need assessment surveys, disaster management workshops, community visits, satisfaction surveys, meetings with community heads	Continual	<ul style="list-style-type: none"> • Refer Social Section
GOVERNMENT AND REGULATORY 	No	Mandatory filings with regulators (including SEBI)	Quarterly / Half yearly / Annual	<ul style="list-style-type: none"> • Lesser usage of Chemicals or alternatives for hazardous / toxic chemicals • Focus on occupational health and safety of all individuals at the workplace • Ensuring compliance with local laws and regulations

SUPPLIERS

The quest for circularity requires more collaborative relationships with suppliers to unlock potential through shared innovation and alliances.

It is our suppliers who power our processes and ensure that we deliver on our promise as a business. As our growth partners, suppliers are instrumental in contributing towards our economic, social, and environmental sustainability. We interact with a broad range of suppliers based on domain, sector, geography and supplied material type. To encourage vendors to improve and grow along with us, we support them in optimising their performance, reducing costs, mitigating risks, and aligning with global standards.

Some of the initiatives that strengthen our relationship with our suppliers and enhance their sustainability capacity are:

PARTNER INNOVATION SUMMITS

QUALITY/JOINT IMPLEMENTATION PROGRAMMES

GREEN CHANNEL PARTNERSHIPS

VENDOR CODE OF CONDUCT

SUPPLIER ESG ASSESSMENT PROGRAMME

CHEMICAL MANAGEMENT SYSTEM



INITIATIVES

Partner Innovation Summits

The Partner Innovation Summit offers an opportunity for suppliers to connect and engage with the top decision-makers of all our brands, providing a forum for new idea development and inspiring brands to adopt fresh concepts. A wide range of partners across the value chain, including trim, fabric, and accessory suppliers, participate in the summits, showcasing their innovative products and designs.



Green Channel Partnerships

Through Green Channel Partnerships, we collaborate with key fabric suppliers to reduce lead time and cost, and improve efficiency. This results in establishing long-term relationships with our vendors and procuring fabric from responsible sources. In the reporting year, Green Channel Partners' share of shirting fabric is 30% from 7 world class fabric mills.

12 Green Channel Garment Partners have delivered 14% of the total volume in Finished Goods.

To know more about other initiatives with suppliers and vendors, please refer to the 'Product Responsibility' Section of this report.

CUSTOMERS

At ABFRL, our focus on customer centricity drives our product centricity. We prioritise understanding the expectations and concerns of our customers, particularly with regard to our responsibility as a corporate citizen and our impact on communities and the planet.

Our ReEarth journey is tailored to align with these customer expectations. By continuously engaging with our diverse customer base across different age groups, lifestyles, genders, cultures, and geographies, we are able to identify and meet their needs.

We actively seek out customer feedback, and welcome ideas as well as suggestions to ensure we deliver the best possible products and create an exceptional brand experience. We employ various media to gather customer feedback, which is used to enhance their experience. Our initiatives include:

MISSION HAPPINESS

CUSTOMER VOICE RESPONSE SYSTEM

POST PURCHASE SURVEY

QUALITY CARE CELL

TAKE BACK PROGRAMMES

To know about these initiatives in detail, please refer to the 'Customer Centricity' under Product Responsibility Section of this report.



There have been no complaints and none pending against the Company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour over the years, as of 31st March, 2023.

EMPLOYEES

At ABFRL, our employees' knowledge, talent, and passion are integral to our success. It is their innovation and willingness to embrace agility, and continuous professional and personal development that propel us forward. As we strive to fortify our position, we concentrate on enhancing and leveraging the skills and enthusiasm of our workforce.

At all our offices and stores, we have an employee engagement calendar that lists various events and celebrations across our offices and stores. We are committed to creating a supportive, friendly, and joyful workplace while promoting a healthy work-life balance.

For more information on our employee engagement initiatives, please refer to the 'People' section of this report. To know more on Labour Relations and the Human Rights Policy, please visit our website <https://sustainability.adityabirla.com/> and Annual Report 2023.



STRATEGIC COLLABORATIONS

As one of the leading players in the apparel and garment industry, we believe it is our duty to actively collaborate with various industry bodies to strengthen sustainability across the value chain. This not only enables us to contribute to policies impacting the industry, but also keeps us updated on the latest norms and trends.

Through our collaboration with the German Government agency GIZ, in a private-public development partnership project, we have taken significant strides in our circularity journey. This collaboration focuses on material innovation, reduction of harmful substances at the input stage, increased textile-to-textile recycling, development of alternatives to plastic packaging, and fostering traceability. These efforts will help the industry match supply and demand, which is under pressure due to resource constraints.

We have also partnered with the ZDHC Foundation to drive good chemical management practices across the supply chain, ensuring the sustainability of our value chain for our end customers.

To strengthen our commitment to quantifying our sustainability targets, we will commit to the Science-Based Target Initiative (SBTi) specific to the apparel and footwear sector, developed by the World Resources Institute (WRI).

ABFRL has signed up for 5 commitments under the Sustainable Resolution (SU.RE) linked to our product responsibility missions. Additionally, we have collaborated with International Council for circular economy (ICCE), Sustainable Apparel Coalition (SAC), Ellen McArthur Foundation, Cotton 2040, and Circular Apparel Innovation Factory (CAIF). ABFRL is also a member of the Retail Association of India (RAI) and Clothing Manufacturers Association of India (CMAI).

For more information on our collaborations, please refer to the 'Future Proofing' section of the report.

Materiality

We consider materiality assessment as a crucial process in developing a customised sustainability strategy for any business. By engaging extensively with stakeholders and performing material assessment, we can identify, review and analyse potential aspects that may impact our operations and influence our stakeholders.

Here is a snapshot of how materiality assessment is carried out at ABFRL:

ASSESSMENT

The first step in our Materiality Assessment identification of potential material topics through analysis of mega trends, global peer groups, previous engagements, and research studies, including one with Forum for the Future. The identified universal issues are further evaluated based on their contribution to achieving business objectives and mitigating risks identified under the Risk Management Framework.

RELEVANCE AND ALIGNMENT

After stakeholder engagement, we assess the universe of issues for relevance and importance in alignment with external requirements such as the Global Reporting Initiative (GRI) and Sustainable Development Goals (SDGs), as well as sector-specific tools like the Higg Index. We also incorporate ESG materiality themes based on prospective considerations from GRI and SDGs.

IDENTIFICATION AND PRIORITISATION

Material issues with potential impact on us were identified from the universal list and prioritised based on stakeholder responses. The analysis was used to create the Materiality Matrix, which reviewed each universe of issue in the short, mid, and long-term time frames to assess the 'magnitude' and 'probability' of occurrence.

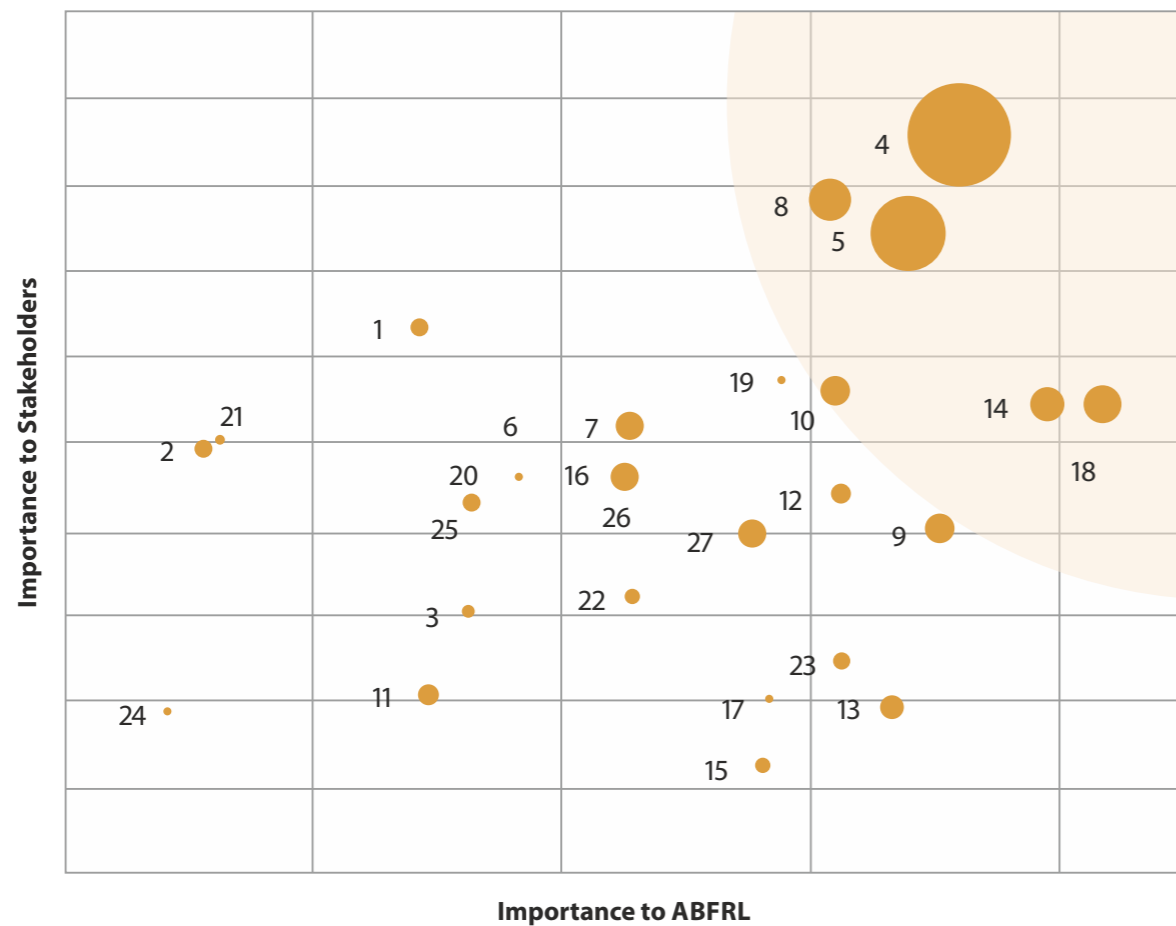
Based on the determined probability and magnitude, the universe of issues is plotted in a 2 by 2 matrix to identify and prioritise material issues for ABFRL based on their influence on stakeholders and significance to the business.

ENGAGEMENT

The next step is a comprehensive stakeholder engagement exercise involving approximately 300 internal and external stakeholders, including leadership, senior management, key internal stakeholders, industry associations, suppliers, customers, and local community stakeholders. Each stakeholder is assigned a weightage based on their ability to influence or get influenced by ABFRL's performance and operations.



Margold Lane



Note: Size of the bubble indicates significance

Key material topics

NO.	MATERIAL TOPIC
01	Renewable Energy
02	Energy Efficiency
03	Carbon Footprint of Logistics
04	Water
05	Waste
06	Supply Chain Traceability
07	Environmental Aspects in Supplier Assessment
08	Sustainable Product
09	Chemical Use
10	Packaging
11	International Standard Factories
12	Revenue & Market Share Growth
13	CAPEX for Environmental Performance
14	Innovation

NO.	MATERIAL TOPIC
15	Manufacturing Efficiency
16	Supplier Capacity Building
17	Cluster Development
18	Health & Safety
19	CSR
20	Ethical Workplace
21	Diversity
22	Training
23	Compliance with Laws & Regulations
24	Grievance Redressal
25	Human Rights
26	Supplier Social Practices
27	Communication

For each identified material aspect, strategic approach adopted and action taken have been mapped below.

Material topic identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
SUSTAINABLE PRODUCT 	Opportunity	Influence on Stakeholders vis-à-vis Significance to Business	Creating products by embracing lifecycle thinking, designing out waste and pollution, keeping material in use and enabling regenerative natural systems	<ul style="list-style-type: none"> Increase in the share of sustainable products in the portfolio
PACKAGING 	Opportunity & Risk	Influence on Stakeholders vis-à-vis Significance to Business	Exploring environment-friendly substitutes for packaging while continuing the rigour on standardising, eliminating, and minimising the primary, secondary and tertiary packaging of the product	<ul style="list-style-type: none"> Transitioning towards 100% sustainable packaging Adherence to legal compliance
INNOVATION 	Opportunity	Influence on Stakeholders vis-à-vis Significance to Business	Investing in innovation and technology to accelerate the journey ahead across product development, manufacturing, supply chain, and consumer engagement	<ul style="list-style-type: none"> Breakthrough technology and processes Process improvement
WASTE MANAGEMENT 	Opportunity & Risk	Influence on Stakeholders vis-à-vis Significance to Business	Establishing integrated waste management system with a focus to reduce overall waste generation, encourage circularity, dispose zero waste to landfill and drive last mile traceability	<ul style="list-style-type: none"> Zero Waste to landfill Adherence to legal compliance
WATER MANAGEMENT 	Opportunity & Risk	Influence on Stakeholders vis-à-vis Significance to Business	Conserving and rejuvenating water sources through reducing fresh water withdrawal and enhance share of alternate water i.e., rainwater, recycled water	<ul style="list-style-type: none"> Water positive operations Adherence to legal compliance
HEALTH & SAFETY 	Risk	Influence on Stakeholders vis-à-vis Significance to Business	Strengthening safety management systems to establish a conducive workplace which is safe and healthy	<ul style="list-style-type: none"> Zero fatality or loss of asset Adherence to legal compliance

The Management Committee and the Risk Management & Sustainability Committee (RMSC) at ABFRL oversee the progress of our material aspects and risks, ensuring alignment with our business strategy and long-term vision. We adopt our sustainability goals, considering the material aspects, to address all environmental, social and governance-related risks and opportunities.

After engaging with our stakeholders, we found that the material aspects were still relevant, and we continued to focus on them this year. In the coming year, we plan to adopt the 'Double Materiality' concept, which considers risks and opportunities that can be material from both an impact and financial perspective.

For more information, please refer to the 'Corporate Governance' section of the report.



FUTURE PROOFING

Redesigning BUSINESS



Our current reality is rife with disruptions that affect every aspect of life. Frequent natural calamities, complex globalisation challenges, the emergence of a multi-polar world influenced by geopolitical factors, constantly shifting consumer preferences, and the fracturing of longstanding social contracts – all of it, roils businesses, economies, and societies. Though we can't always anticipate disruptions, we must be prepared for them. Guided by this philosophy, ABFRL institutionalised a structured, dynamic and ongoing practice of future-proofing its business over a decade ago.

The future is in a constant state of flux. Anything that happens today - from evolving consumer preference to dawn of artificial intelligence; from supply chain disruptions to intense supply chain scrutiny; from tightening of regulations to freefalls in economies, every event has an impact on our collective tomorrows. While we may not always be able to look ahead of the curve, we can be prepared to take the turn successfully and continue with our journey sustainably, no matter what the future holds.



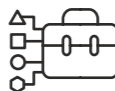
To address multi-dimensional risks and opportunities, our future proofing approach is multi-faceted and amalgamates several modules such as:



RISK MANAGEMENT



SCENARIO PLANNING



CIRCULAR ECOSYSTEM



NET-ZERO COMMITMENT



DIVERSIFIED PRODUCT PORTFOLIO



DIGITALISATION



BRAND SUSTAINABILITY

In recent years, the frequency of black swan events has risen considerably. But having these strategies in place to foresee and manage the known risks also gives us the bandwidth and ability to seamlessly pivot focus and respond to the unknown with more agility and conviction.

It is this passion to remain prepared for both – the expected and the unexpected, that shapes ABFRL's practice of future proofing.



Van Heussen

Risk Management

In the spirit of continually improving our risk management framework, ABFRL has implemented a refreshed risk management approach incorporating COSO framework and TCFD disclosures. It now includes identification, evaluation, ranking and reporting of risks arising from a climate standpoint and strikes the right balance between financial, social and environmental priorities.

This is in sync with the changing nature of risks impacting the industry such as enhanced regulatory focus on climate risks, increased investor focus on ESG, and the amplified consumer focus towards sustainable products, value-for-money fashion and personalised experience.

Our refreshed Risk Management Framework has five components:

GOVERNANCE & CULTURE

- The governance structure comprises the Board of Directors, Risk Management and Sustainability Committee (RMSC), Chief Sustainability Officer and Format-level teams, with specific roles and responsibilities
- The Board-level RMSC monitors the identified risks and mitigation plans on a continuous basis
- The desired culture is defined, and operating structure is established for effective management of risks

STRATEGY AND OBJECTIVE SETTING

- With the support of the Chief Risk Officer and the Sustainability Head, and risk management committees constituted, the business risks are identified, ranked and monitored from a strategic, operational, financial and compliance standpoint
- The ABFRL leadership team and management are prompted to express their views and perceptions of risk regarding their specific business area and across the business

PERFORMANCE

- Risks are identified across each key business area in relation to achieving our business objectives
- Risk management/mitigation plans are built in alignment with business objectives
- Through the monitoring of established mitigation plans, the key risks are managed to minimise residual risk

REVIEWS AND REVISION

- The risk management committee monitors internal and external business environment to identify risks impacting our Company
- Risks and opportunities are periodically assessed by the established committees and internal functions
- Further, we have benchmarked the risks with industry players to identify potential risks and opportunities that can impact the Company

INFORMATION COMMUNICATION AND REPORTING

- This includes proactive monitoring of emerging risks where the full extent and implications may not be fully understood but need to be tracked
- While a comprehensive risk review is prepared for the Audit Committee highlighting key risks and any significant changes, we also have a regular dialogue with our Executive Committee on how effectively the risks are being managed

Scenario Planning Circular Ecosystem

The rapid worsening of climate change is now supported by scientific evidence and acutely felt in our everyday lives.

At ABFRL, we have embraced a 'product-led' sustainability strategy, aligning with global commitments like the Paris Agreement and UN Sustainable Development Goals.

We are also committed to following TCFD recommendations in four key areas: governance, strategy, risk management, and metrics.

Following TCFD guidelines, we have analysed two key risks - Physical Risks and Transition Risks - for all assets, including manufacturing units, warehouses, and retail stores. We have assessed climate-related risks in three time-horizons: short-term (up to 2030), medium-term (2030-2040), and long-term (above 2040). We have also identified associated physical risks and conducted scenario analyses based on Representative Concentration Pathway (RCP) and Shared Socioeconomic Pathways (SSP).

For more information about our alignment with TCFD guidelines and scenario analyses, please see the Annexures section of this report.

The fashion industry's environmental impacts are gaining more public attention, and consumers now demand that the industry tackles production issues like excessive water usage, toxic chemicals, and the accumulation of clothes in landfills.

Today's linear 'take, make, dispose' economic model is reaching its limits, and natural resources are becoming increasingly scarce, threatening the growth of the fashion industry. By adopting circularity, the industry can not only assess and enhance existing business models but also establish a deeper connection with its customers.

A circular system restores and regenerates materials, in addition to providing opportunities to reduce environmental pressures and ease demand on natural resources while securing future supply and capturing the value of a product to the greatest extent possible.

In previous years, we have undertaken many initiatives towards circular fashion like:

- Launched Liva Reviva (recycled Viscose) shirt in Peter England in collaboration with Birla Cellulose
- Use of 100% recycled polyester sewing thread (Coats EcoVerde) in garments
- Project shopping bag from Chindi waste

In recent years, we have collaborated with GIZ, Germany to boost circular business practices in Indian apparel sector.



ABFRL & GIZ – DEVELOPPP PROJECT ON CIRCULARITY

As one of the largest branded apparel manufacturers and retailers in India, we consider it our responsibility to not just 'self-disrupt' existing practices and transition to a more circular approach, but also promote a common understanding of sustainable development for the entire apparel and textile industry sector in India.

Our collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH seeks to bolster sustainable practices across the industry. The three-year joint programme, being implemented on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), is designed to introduce material innovation, reduce inputs of harmful substances, increase textile-to-textile recycling, develop alternatives to plastic packaging, and foster traceability. It will complement existing business practices such as downcycling, recycling, reusing and introducing new sustainable production processes.

The key deliverables identified for this project are:

- Strengthen the capacities of the Indian textile and apparel industry to implement circular approaches, with a particular focus on reducing inputs of harmful substances, recycling textiles and garments, reusing old clothes, and making use of alternative materials and renewable energy
- Introduction of circular business practices through demonstration projects and preparation of voluntary circular business guidelines / circularity manifesto for the textiles sector in India
- Strengthen and institutionalise an industry-level platform for consultation, knowledge exchange, innovation and collaboration



Net-zero Commitment

As we traverse the path towards prosperity in the aftermath of the pandemic, sustainability strategies have emerged as a quintessential ingredient for safeguarding business sustainability. The inexorable push of the investor community has propelled the sustainability agenda to centre stage in corporate strategies. Nevertheless, the true realisation of ambitious sustainable goals will only come to fruition when corporates are self-motivated and embrace sustainability as an integral part of business.

We are implementing a multi-stage climate strategy for reducing our greenhouse gas emissions and 2023 has been adopted as the base year for SBTi near-term science-based target.

As a part of our Sustainability 2.0 transition, we are formulating our Net-Zero Roadmap and it will include the four key elements that make up a corporate net-zero target as per the Net-Zero Standard.

- Near-term science-based target
- Long-term science-based target
- Mitigation beyond the value chain
- Neutralisation of any residual emissions

The greenhouse gas (GHG) emissions of the global apparel and footwear sector are significant and have the potential to increase considerably given trends such as fast fashion and growing consumption in emerging middle-income economies. Setting science-based targets will help us in prioritising our emissions reduction efforts, setting specific goals, and measuring progress towards those goals. ABFRL aims to accelerate its transition to a low-carbon economy and gain a competitive advantage in the marketplace.

The methodology used and the performance on Scope 1 & 2 reduction and Scope 3 contraction are provided in the Environment Performance section of this report.

Diversified Brand Portfolio



A diverse brand portfolio gives us the ability to cater to a larger consumer cross-section: from the well-heeled to the world-aspiring; from schools and colleges to office and wedding venues; from metros to fast-growing tier 2 and 3 cities and towns. In addition to a wider audience, it also gives us a larger wallet share.

LUXURY/SUPER PREMIUM RETAIL FORMATS	THE COLLECTIVE			
	BRANDS	WESTERN BRANDS	ETHNIC BRANDS	DIGITAL FIRST BRANDS
	LOUIS PHILIPPE VAN HEUSEN POLO RALPH LAUREN AMERICAN EAGLE HACKETT LONDON RALPH LAUREN PETER ENGLAND FRED PERRY	VAN HEUSEN INNERWEAR VANHEUSEN FOREVER 21 Allen Solly TED BAKER LONDON Reebok SIMON CARTER LONDON	TASVA JAYPORE SABYASACHI CALCUTTA SON SHANTNU NIKHIL TARUN TAHILIANI SHANTNU NIKHIL marigold LANE masaba	TMRW PORTFOLIO OF 7 BRANDS
MASSTIGE AND VALUE RETAIL FORMAT	PANTALOONS STYL UP			

Reinforcing and constantly updating this portfolio in line with new markets and evolving consumer tastes, is a vital component of our future-proofing strategy.

- This year, we focused on category extension through brands like AS Tribe, VH Flex, Street Armor, etc. and strengthened Pantaloons' private label play in Home, Saree & Athleisure
- PE Kids wear Scaled up kids' wear in Allen Solly & Pantaloons
- While the acquisition of Reebok's India operations strengthened our sportswear portfolio, we also expanded premium men's ethnic wear brand 'Tasva' & women's ethnic wear brand 'Marigold Lane'
- To capture the next gen mindspace, the TMRW platform established a strong D2C portfolio across multiple sub-categories in seven brands namely Bewakoof, Juneberry, Natilene, Nauti Nati, Nobero, Urbano, and Veirdo
- House of Masaba' launched 'LoveChild,' a beauty and personal care brand that adds to digital-led portfolio across the affordable luxury segment in the fashion, beauty, and accessories category
- We also unlocked new growth avenues by going beyond India with brand Sabyasachi opening its first international store in New York to introduce the world to authentic Indian fashion

E-commerce business grew by 43% over LY; currently operating at annual revenue of ~INR 1,300 crore.

This was driven by effective e-com partnerships and emphasis on brand.com - one of the largest fashion omni-channel plays with 50%+ network omni-enabled.



Digitalisation

With our focus firmly on expanding our business via acquisitions and growth of existing portfolio of brands, building an infrastructure that enables digital-first thinking and actions has become even more important. Clearly differentiating between digital transformation and digitalisation, we are bullish on digital and sustainability being the flywheel to approach scale, distribution and shopper delight through both back-end and shopper-facing tranches of initiatives.



The goal is to leverage digitalisation to drive commerce, build stronger engagement and affinity for our brands and harness strong efficiencies. We are using the power of digital technology to make our Company smarter, intelligent, more efficient and sustainable.

This year saw us focus on a few key areas which coincide with sustainable consumption and efficient manufacturing:

DIGITALISING THE DESIGN

Design as a function is at the core of our apparel product creation process. We have been able to make the end-to-end process – from design and creation to customer feedback, more efficient through deployment of initiatives such as:

1

Design through AI

To optimise the process of artwork creation and leverage the Artificial Intelligence (AI) revolution we have focused on creating collections through AI, based on prompts of articulation. When augmented by 3D garmenting, this leads to faster build of visual creations and resource saving through reduced physical sampling.

2

Digital Product Creation

This year, we scaled up 3D garmenting not just for creating 3D assets but also for increasing the number of applicable use cases exponentially. This includes the processes of design shortlisting, booking, marketing and shopper-facing experiences. All of this without the load on our sampling and manufacturing teams who would have had to manufacture more in less time, thereby directly impacting sustainable and responsible design processes.

3

Design Grading System

The Fabric Grading System has been initiated with the objective of collating the impactful voice of frontline store employees who interact with shoppers every day. The decisive consumer feedback enables our buying and merchandising teams to evolve at the style level and make our business process calendar more agile. This feedback helps us in creating products to be at par with the market demand and hence, minimise wastage while maximising deployment of resources for manufacturing.



DECODING THE DEMAND

We rely on data and insights to bridge the demand-supply gap and ensure that the voice of customer is heard better, and the learnings are passed on to the teams that work tirelessly throughout the value chain. To this end, some of the key projects include:

Demand Forecasting

We forecast sales at a granular level (Style pack and Location level) using historical sales data, and product master data. The benefit is that the tool provides sharper sales forecasts over a longer period, leading to optimal planning and hence, optimal usage of inventory space and transportation. All these will result in a smaller carbon footprint and make the whole supply chain a little more environment friendly and sustainable.

Inventory Redeployment Optimisation

Internal development of an indexing and recommendation model is in the pipeline to optimise inventory redeployment. By analysing inventory levels and demand patterns, we can identify opportunities to redeploy current inventory to areas of need. This has a significant impact on sustainability by reducing waste, increasing efficiency, optimising liquidation, and minimising the carbon footprint of the supply chain.

Fabric Design Forecasting

We have been successfully using data-first approach to monitor sales and inventory since quite some time now. This year, we went a step further with successful creation of a forecasting model at fabric-design level.

This model enables the design teams at pre-booking point in business process calendar to:

- Quantify the probability of success of an upcoming collection
- Confidently channelise and shortlist the designs that will hit the shopper's experience points
- Minimise the sampling of non-go-to market designs which earlier used to contribute to inefficient deployment of resources across the value chain

Markdown Optimisation

Active Markdown Management (AMM) is a Group-level initiative to optimise markdown strategy in a systematic way across all the ABFRL brands and sub-brands. This will eventually create a tool to enable businesses with the flexibility to incorporate in-season markdown, End of Season Sale (EoS), Monthly or ad-hoc markdowns to achieve higher liquidation with optimal sell through ratio (STR) and ensures the profitability guardrails. Madura Brands are transitioning into AMM where active stocks will be discounted in-season using heuristics and a manual process, thus selling the product within its lifespan and reducing the quantum of textile waste that ends up in landfills.

ENGAGING STAKEHOLDERS DIGITALLY

At ABFRL, sustainability goes well beyond sale of the product. We are consciously working towards digitalisation of post-shopping and related logistics journey as well. Here are some key projects:

Metaverse Activation

Metaverse as a digital touch point has accelerated in the world of fashion as a new avenue for the community of shoppers and fans to interact with the brands. **Van Heusen became the 1st premium brand in India to organise an event in the Metaverse** where digital avatars of our shoppers and fans were able to join a digital concert with a popular band and interact with the brand at the center. A real-life event of this magnitude would have been resource intensive and emission heavy, the Metaverse approach mitigated this without any loss of branding or engagement metrics.

Digital Trade Show

With a focus on going completely paperless and sample-less to a large extent, our seasonal B2B interaction format of engaging with sales partners has transitioned to a digital forum. This was done through modernisation of our app for the tradeshow with integration with our existing tech stack of PLM, ERP and 3D garmenting in a seamless and accurate manner. The Digital Trade Show brings alive efficiency and sustainable use of resources to the pre-booking stage of business process calendar.

DECLUTTERING THE DATA

Data might be the new oil, but retrieving, managing, augmenting and refining data is an energy intensive activity. To make data storage and retrieval more sustainable, we have been focusing on:



Switching to the Cloud

This upgrade project of migrating the existing on-premises Data Warehouse (Teradata) to Data Lake on Cloud is being taken up for MFL, Pantaloons and other business units. It overcomes the challenges of ingesting unstructured data, storing larger datasets where capacity can scale up and down based on requirements. This leads to reduced power consumption and lower carbon emission, and thereby to a better environment.



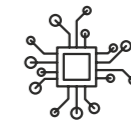
Product Lifecycle Management

With the objective of bringing transparency and accountability in the end-to-end process i.e., from product development to sale in the stores or online, we are implementing solutions which digitalise the product lifecycle management across the new and upcoming business units like Tasva, Pantaloons etc. The deployment of this digital platform provides 360-degree seamless connectivity amongst all stakeholders (internal and the external supplier ecosystem) operating across the concept-to-shelf spectrum.



Content Management System

With digital channel at the centre, efficiency in digital cataloguing and its accuracy has come up as a ripe area for focus. While an internally developed application has been at the core of this, focus has now evolved to ensure single flow of attributes and parameters connected to products and other properties without involvement of manual efforts. This is an ever-evolving journey with impacts on redundancy of information and data storage keeping access and usability at the centre.



S/4 HANA – The Single Digital Core Platform

ABFRL has embarked upon a transformation journey by moving to a 'Single Digital Core' on the S/4 HANA platform which is vertically integrated from manufacturing to wholesale to retail. Implementation of S/4 HANA FVB 1909 will help in prevention of data duplication and process redundancies, removal of unnecessary storage and re-purposing of hidden space. With successful implementation for one brand already, we are currently scaling this up across the portfolio of brands.



DIGITALISATION OF RE-EARTH PROGRAMME AND INITIATIVES

While digitalisation of processes has its sustainability benefits, sustainability as a function can also benefit tremendously through digitalisation. It can make data collection, storage and retrieval more efficient and make monitoring of sustainability initiatives timely and decision-making more effective. Some key efforts in digitalisation of sustainability function include:

ReEarth Portal

Our IT platform for sustainability, ReEarth Portal enables automated sustainability data collection and makes our disclosures more efficient, precise and informative. This has significantly enhanced our data accuracy, timeliness and future planning.

Business Intelligence & Application Modernisation

One of the key objectives of sustainability digitalisation is integration of insights from data into decision-making, based on insightful and action-oriented dashboards. We are currently working on moving towards system integrations to enable a data pipeline such that source and end state systems communicate with each other with minimal manual intervention. One example of such initiative is automation of Scope 3 transport data from external travel portals.

Advanced Analytics

With a wide array of data collection system across multiple touchpoints, this year we took our first steps towards using advanced analytics to provide forecast model for different missions across multiple use cases.

Data scientists were deployed along with subject matter experts from within sustainability team to create prediction models starting with energy and emissions use cases focusing on forecasting the impact of manufacturing on energy and emissions across facilities. This kind of forecasting would help drive emission and energy KPIs in alignment with Sustainability Development Goals of 2025.

Safety Process Digitalisation

To uphold safety across everything we do, we follow an elaborate system that uses a consistent array of forms to minimise and eliminate the scope of safety lapse. We have taken up the process of digitalisation of earmarked and most frequently used forms to bring them all under a one-stop application deployed on internal messaging environment.

Brand Sustainability

Our brands are ahead of the game - whether it's shaping the latest fashion trends or making fashion more sustainable. Sustainability is becoming a dominant fashion agenda among consumers today. They want to know where the material comes from, how products are made, and whether the people involved are treated fairly.

At ABFRL, our brands are adopting a pragmatic approach and life cycle thinking in alignment with business vision and objectives to make our products more sustainable and circular.

Here are some new and ongoing initiatives concerning design, sourcing, manufacturing and delivery of sustainable fashion to our customer base seamlessly. We are also boosting the sustainability of our supply chains. Overall, we aim to be proactive in delivering the best possible sustainable product for our customers.



PANTALOONS

VENDOR CODE OF CONDUCT (COC)

Pantaloon's supply partners are graded and evaluated as per ABFRL's defined environmental, social & legal parameters. We have a CoC in place for suppliers to take ownership of legal and 'good to do' requirements on sustainability.

This year, Pantaloon's audited 90% of active apparel vendors. The brand is also in the process of developing factories that comply with the Green category requirements. 47% of the active apparel vendors are at present in this category.

RAW MATERIAL AND TRIMS USED

- 8% of fabric used in sourced garment in FY23 is sustainable
- 100% of all branding trims in FY23 (Main Labels and Hang Tags) for apparels were made of sustainable raw material (Recycled Polyester & FSC Paper)
- 52% of apparel sourced in FY23 is packed using compostable polybag

SUSTAINABILITY INITIATIVES AT WAREHOUSE

- Reused more than 6,00,000 corrugated boxes at Pantaloon's Warehouse under the box reuse programme in FY23
- Generated average electricity of more than 4,000 kWh per month. 48,700 kWh is the Total Electricity Generated through solar panels for FY23
- Converted all DCs into LED fixtures in the last three years
- Turned all local transport vehicles in Jamalpur North DC to CNG leading to curb pollution and carbon emission
- Fitted electrical charging point at South DC to encourage staff to use electric vehicles
- Installed water-less urinals in West and East DC
- 100% recycling of all plastic waste (28 MT) generated in DC; sent to authorised recycler
- Segregated all plastic waste generated in DC as HDPE and LDPE as per Extended Producer Responsibility (EPR)
- Celebrated World Environment Day on 5th June 2022 with the DC staff taking pledge to protect the Environment. Native tree plantation activity was also conducted within DC premises
- Installing five energy efficient High-Volume Low Speed (HVLS) ceiling fans in Pantaloon's West DC to reduce energy consumption by ~6,000 units/year. HVLS system will improve the air flow & ventilation into the DC while reducing emissions

ACTIONS GOING FORWARD

Ongoing sustainability agenda to deepen further with new initiatives like:

- 50% Sewing Threads to sustainable threads
- Non-woven interlining to sustainable interlining
- 100% shirt packing trims to composite packing trims
- Expansion of green vendor category now our 60% of vendors to comply with the Vendor Code of Conduct
- Signed up for a new Warehouse for South zone with proposed IGBC certification



Pantaloon's

TASVA

VAN HEUSEN INNERWEAR

HAS MADE GOOD PROGRESS IN THE FOLLOWING AREAS

- Vendor's master list and deployment of Code of Conduct guideline
 - Higher coverage and extension to green category vendors
- Innerwear warehouse selected as 1st Platinum rated Green Warehouse based on CII IGBC Green Logistics Parks and Warehouses rating system
- Safety and Sustainability practices at Neelamangala Warehouse
 - Taking steps for safe, green and digital journey in IGBC certification

WOMEN'S WEAR PACKAGING

100% of the packaging used is either recyclable or sustainable.



PAPER-BOARD PACKAGING

VH IW Women's primaries packaging - baby box, J board & tag are made up of virgin paper which is 100% recyclable.

Secondary & tertiary packaging - bulk box and master carton are made up of recycled paper.

Biodegradable pouches are used for packing thermals and other innerwear. These pouches are made using vegetable waste and are decomposed or broken down by microorganisms in 6 to 8 months.

PVC Polybag, Pet Film & PP - Recyclable 120 microns of PVC & PET (Poly bag & baby box window) are used. Poly Propylene hanger, kimble & clips are in 500 microns and are 100% recyclable. PVC recycled granules are used to produce PVC plastic pots, coating for electrical wire, cables coating for fencing etc.

FY23 INITIATIVES

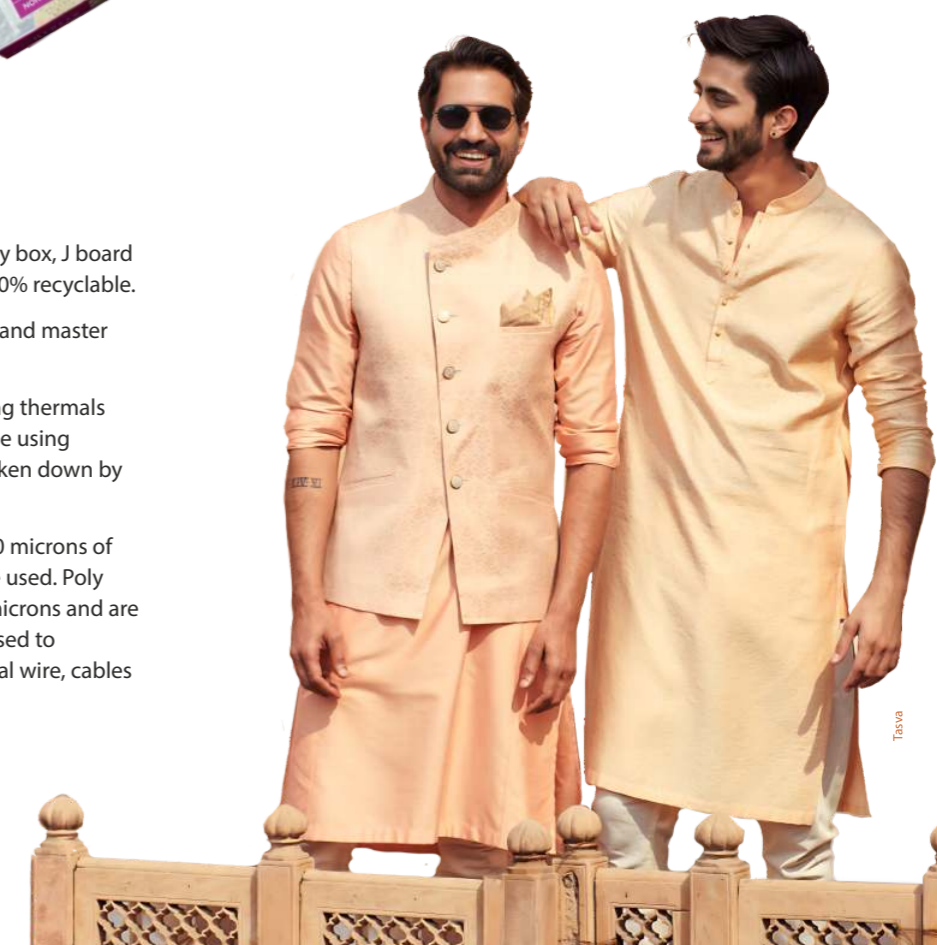
- Replaced plastic bottles in stores with glass bottles
- Initiated hangtags made of recycled paper in place of fresh paper

ACTIONS WORK IN PROGRESS

- Introducing sustainable shopping bags - upcycled bags from fabric waste
- Going de-plastic in office and stores

ACTIONS GOING FORWARD

- Digitisation of alteration process
- More usage of environmentally friendly fabrics and natural dyes
- Embracing recycle and reuse culture in the organisation



Tasva



LOUIS PHILIPPE

GREEN CREST

Aims to bring in 'Responsible Luxury' and weave an eco-conscious future in the fashion industry

GUARDRAILS

Products need all the following or some of the attributes to qualify for Green Crest:

- Fair Trade | Sustainable Development
- 100% Organic Cotton Fabrics
- Recycled Polyester/ Natural Hemp Fabrics
- Responsible Manufacturing | Ecological Dyes
- Traceability | E-Flow Garment Washing Technology
- Sustainable Trims & Packaging | BCI Cotton

 FAIR TRADE	 SUSTAINABLE DEVELOPMENT	 ECO FRIENDLY
 RESPONSIBLE MANUFACTURING	 RECYCLED FABRICS	 ECOLOGICAL DYES
 TRACEABILITY	 BIODEGRADABLE	 SUSTAINABLE PACKAGING

PRODUCTS



Hemp & Hemp Blend Shirt 100% Hemp & Cotton-Hemp Blend is naturally sustainable fabric	Organic Cotton Shirt Louis Philippe Shirts has a collection of 100% Organic Cotton Fabrics	End-to-End Sustainable Denims Sustainable Fabrics, Recycled Trims, Eco-Friendly Washes & Biodegradable Packaging
Polybags Packaging Majority of polybags used are Recycled Biodegradable Polybag	Recycled Sewing Thread Shirts Majority of shirts sewn are with Recycled Sewing Thread	Recycled Polyester Formal Trouser Core Formal Trouser fibre blend consists of Recycled Polyester

Shoes

Formal Shoes sourced from suppliers who operate Gold Rated Tannery which is certified by Leather Working Group - a not-for-profit that drives best practices and positive social and environmental change for responsible leather production

All the above products are available at Louis Phillippe store and have been well received by customers.



GREEN CREST DENIM



Sustainable Packaging

15% of paper raw material is sourced organically. FSC Certified. Recyclable biodegradable, 40% PCW.

Sustainable Back patch & Lables

Recycled bonded leather and Recycled poly inner labels

Sustainable Metal Trims

Made with 0 hazardous components. Meets the human ecological requirement as per the test performed under STANDARD 100 by OEKO-TEX(R)

Recycled Cotton / Poly Fabric

(10% recycled PCW cotton / blend of recycle poly)

Washed with E-Flow Technology

(95% water savings, 90% less chemical, 40% less energy, 0 hazardous chemical)

Recycled Stitching Thread

Made with 0 hazardous components. Meets the human ecological requirement as per the test performed under STANDARD 100 by OEKO-TEX

FUTURE PIPELINE

Exploring options to cover the entire bottom range with recycled polyester:

Recycled Polyester usage in cotton-poly T-shirt collection	Targeting Cradle-to-Cradle certified product launch
Convert all Louis Philippe labels to recycled polyester label	Exploring Vegan leather products
Continue the journey of making durable and sustainable processes and products	

JAYPORE®

REPURPOSED CLOTHING LINE

Jaypore's exquisite, repurposed clothing line brings forth the contemporary renditions of heirloom Benarasi and Ikat Patola Sarees that have traditionally been a mainstay of the wedding trousseau in India. Ikat Patola from Patan in Gujarat is celebrated as a holy fabric for centuries. Adorned with beautiful motifs inspired by folk songs, depicting flora, fauna and local milieu, these patterns form the characteristic charm of this fabric.

KALYAJI BROCADE COLLECTION

Jaypore upcycles used heirloom brocade sarees to create a range of products under the collection named Kalyaji - the Vintage Brocade Collection.

The brand turns used sarees into clothing essentials such as Lehenga, Jacket and Kurta saving the clothes from going to the landfill. This reduces manufacturing costs, promotes upcycling and creates a distinctive product that celebrates artisanal work with old-school craftsmanship.

The initiative has helped us to save the heirloom pieces as well as do our bit in establishing environment-friendly & sustainable industry practices.

MTO BUSINESS MODEL

Jaypore follows Made-to-Order business model. About 50% of the garments are made only when the order is placed on our ecommerce website. Jaypore is committed to grow the fraternity of consumers, who are willing to wait for goods made responsibly, slowly and with love. This helps us to avoid excess inventory build-up and thereby, scrapping excess in models where 70% sell-through is considered high and ~ 30% is often scrapped.

SUSTAINABLE PACKAGING

Instead of polythene bags, Jaypore has adopted responsible packaging – with corrugated box for outer and reusable muslin bags for inner packaging helping us recover around 90% of the corrugated containers over the years. We also use tags made of natural fibres. Despite high costs and heavy volumes, we ensure sustainable packaging and expect the same from our partner brands selling on our portal.

However, due to the nature of some fragile home products and to prevent oxidization of silver, we are forced to use plastic in a few places. We are committed to finding alternatives for the limited current use of plastic as well.



For Apparel Products (ONLINE)

Apparel is put in muslin bag which goes into the corrugated box. The plastic tape is used to seal the box. Craft tags with natural fibres.



Muslin Bags in sizes M, L
NON PLASTIC



Corrugated Boxes - 0.5kg, 1 kg
NON PLASTIC



Jayore Tape (2")
PLASTIC

For Jewellery (ONLINE)

Jewellery is wrapped in a butter paper, put in muslin bag and packed in the jewellery box (with cotton) and then in the corrugated box and tape is used to seal the box.



Muslin Bags in sizes S, M
NON PLASTIC



Jewelry Boxes in sizes S, M, L
NON PLASTIC



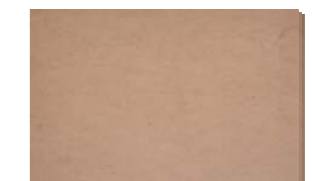
Butter Paper
NON PLASTIC

Packaging For Home Products (ONLINE)

Home Linen - the packaging remains same as apparel, for home décor depending on the product, the packing material including white foam sheet (plastic), ply board (non-plastic), and Hexa paper packaging (non-plastic).



White Foam Sheet (1/2" roll/meter)
PLASTIC



Painting Ply Board
NON PLASTIC



Hexa Paper Packaging
NON PLASTIC

SHANTNU & NIKHIL

INTEGRATING SUSTAINABILITY GOALS

Brand *Shantnu & Nikhil* wants to create a positive impact across various aspects on the world including fashion, society, and the environment. It is taking wide-ranging initiatives to be sustainable across the supply chain for a wider and deeper impact as a brand.

Its efforts have been recognised and documented in the book 'Circular Design for Fashion' by The Ellen MacArthur Foundation which promotes the idea of a circular economy. The book includes insights from 80 circular design practitioners in fashion.



SUSTAINABILITY MEASURES

The Buy-Back Programme

The programme allows customers to exchange their old *Shantnu & Nikhil* outfits for credit values that they can use on their next purchase. This helps us drive responsible consumerism and ensures controlled production at our end. As a brand, we have taken this initial step to do our bit for circularity.

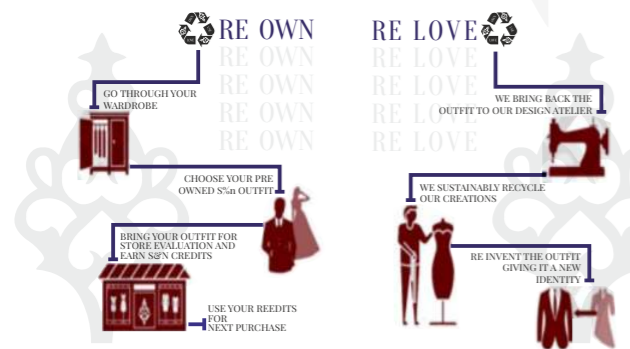


Shantnu & Nikhil

RE OWN, RE LOVE, RE USE



THE BUY BACK



REALME x Shantnu & Nikhil

The thought that design can break boundaries and represent a harmony of environment and technology was showcased at FDCI x Lakme Fashion Week, when *Shantnu & Nikhil* unveiled 'Nomad' – a premium collection inspired from the sustainable design elements of #realmeGT2Pro phones. The Realme phone uses a biopolymer for the entire rear panel, helping the brand reduce carbon emissions.

ACCELERATING GOING FORWARD

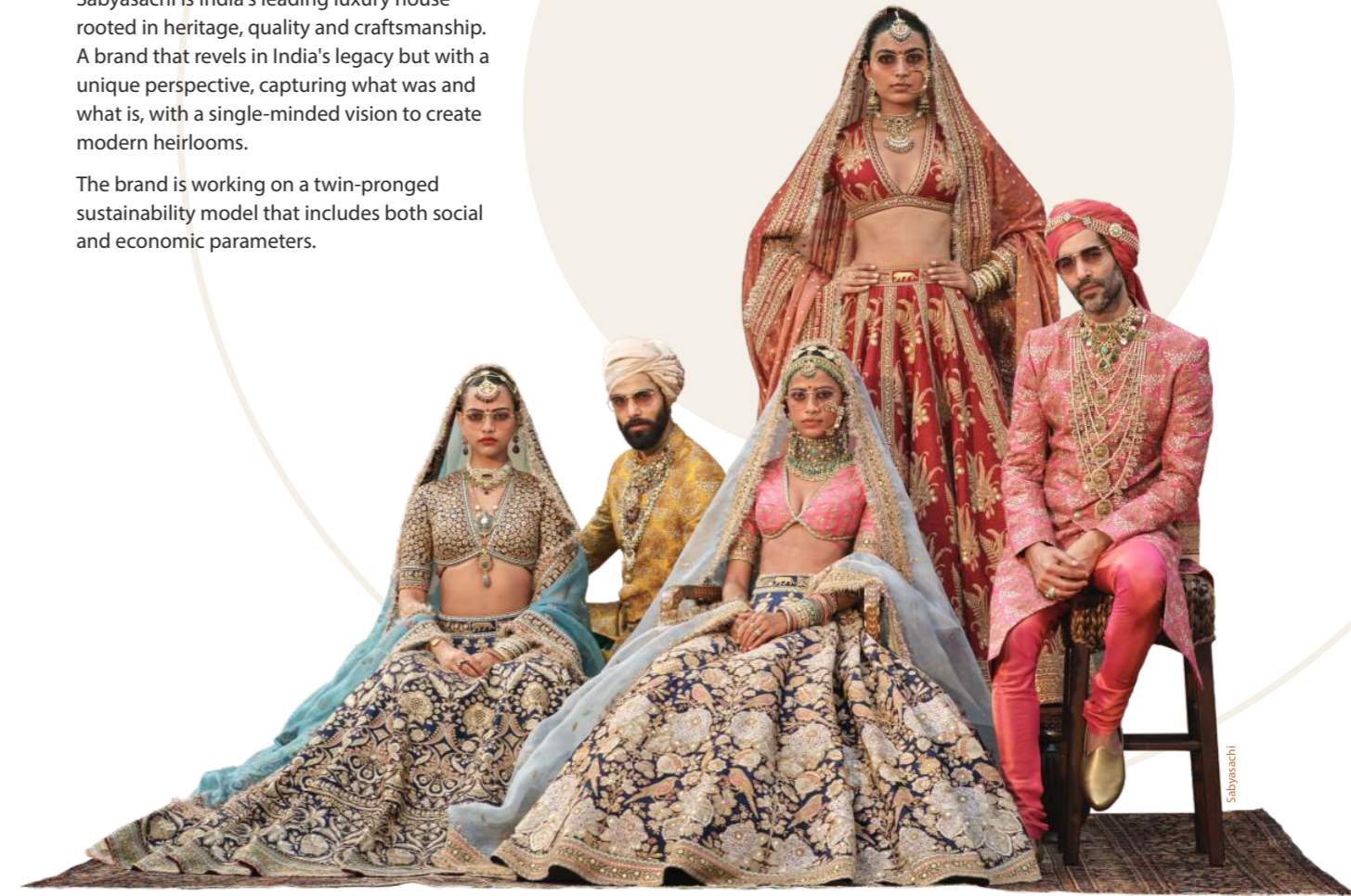
- Creating higher digital awareness through strategic partnerships with sustainable- ethical brands and NGOs
- Championing the sustainability drive – to collaborate with a community of influencers and sustainability champions to create a revolution towards the cause of sustainable, ethical practices
 - Introduce sustainable packaging methods for bespoke ensembles
 - Reintroduce the Buy-Back Programme for our patrons
- Increasing our responsibility towards the environment to reduce carbon footprint and plant more trees through constructed activities

SABYASACHI

CALCUTTA

Sabyasachi is India's leading luxury house rooted in heritage, quality and craftsmanship. A brand that revels in India's legacy but with a unique perspective, capturing what was and what is, with a single-minded vision to create modern heirlooms.

The brand is working on a twin-pronged sustainability model that includes both social and economic parameters.



Sabyasachi

ADDING LONGEVITY TO FASHION

Sabyasachi creates high quality products in small batches creating clothing, jewellery and accessories that are here to stand the test of time. The brand is anti-trend and anti-seasonal fashion and believes in longevity through a sustainable production cycle. This also reduces over all consumption by prioritising quality over quantity.

MAKING INDIGENOUS CRAFTS ECONOMICALLY SUSTAINABLE

While Sabyasachi employs close to 1,000 craftspeople, it works with a much larger network of various artisanal communities and craft clusters on an empowerment model. The brand commissions craft communities and clusters on long-term projects and upskills them as they work with them. By creating a consistent demand for their work, the economic sustainable model becomes a default.

BRINGING THE ART OF KOLKATA BACK HOME

By maintaining the headquarters and manufacturing locus in Kolkata, Sabyasachi is encouraging artisans who had moved away from the city due to a lack of employment opportunities, to come back to their communities. Be it Kantha, Zari or jewellery craftspeople, these artisans have returned to Kolkata to work with Sabyasachi.

TCFD Alignment

Climate Change is accelerating at an alarming rate with clear scientific evidence, and it is very likely that the needs of a sustainable world shall impact businesses to act proactively and self-regulate the business ecosystem. We at ABFRL adopted a 'product-led' sustainability strategy taking into account the climate change impact across our business operations in accordance with global and national commitments including Paris Agreement on Climate Change and UN Sustainable Development Goals (SDGs).

In this journey, we at ABFRL are committed to implementing recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) around 4 thematic areas-governance, strategy, risk management, metrics and targets.

GOVERNANCE

Governance is the foundation for ABFRL's framework for overseeing climate-related issues. The overall corporate governance of ABFRL is executed through multi-tier sustainability governance mechanism that ensure the effective monitoring of climate-related risks with a focus on enabling robust, effective, transparent and an ethical ecosystem.

The sustainability governance structure comprises the Board of Directors, Risk Management and Sustainability Committee, Chief Sustainability Officer and Format level teams, with specific roles and responsibilities.

Operating within the structure of a well-defined responsibility matrix, the Board is the apex committee instrumental in adopting and overseeing the sustainability strategy, policies, and advising senior management regarding ESG initiatives of the organisation. The Board convenes half-yearly to discuss and decide on climate-related risks, strategies, and policies and reviews the performance of the Company. The highest governance body and senior executives are involved in materiality assessment and ESG performance and Sustainability Report. For key management person and those at highest management level, performance appraisal is linked to sustainability performance.

The second layer constitutes the Risk Management & Sustainability Committee (RMSC) to monitor performance of ESG-related issues. The committee appraises the Board of Directors headed by the Chairman on ESG-related issues during half-yearly meetings.

The Chief Sustainability Officer (CSO) leads the Sustainability Strategy and reviews the progress of Sustainability and CSR initiatives implementation across the business length and breadth and reviews the

performance through periodic quarterly meeting. CSO also presents the updates to the RMSC and CSRC during the respective board committee meetings. The board committees grant sustainability and CSR budgets based on the inputs from the CSO.

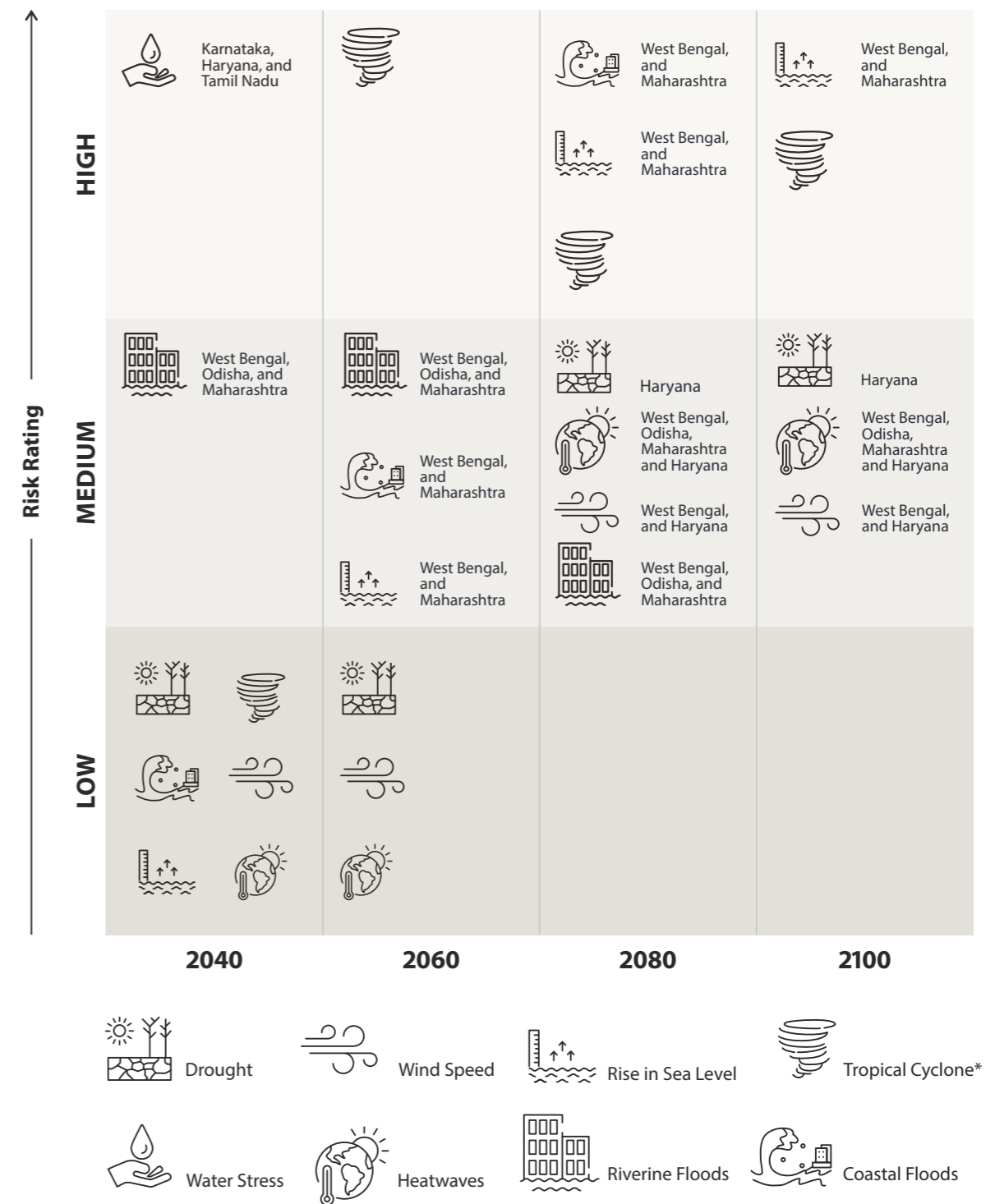
The last layer comprises Format level teams where bi-monthly meetings are held with business unit heads from factories, warehouses, brand level managers and retail to monitor sustainability and climate-related issues.

STRATEGY

ABFRL has adopted a sustainability strategy developed for 2025 under Re-Earth's Sustainability 2.0. programme with a vision 'to give back more than what we take from our ecosystem'. We have successfully transitioned to sustainability 2.0 – from 'Process-led to Product-led', with a focus on product design and development, customer centricity and supply chain. Climate risk assessment is accounted to further enhance sustainability actions and its future projections assisted in identifying the potential threats that may occur across operations.

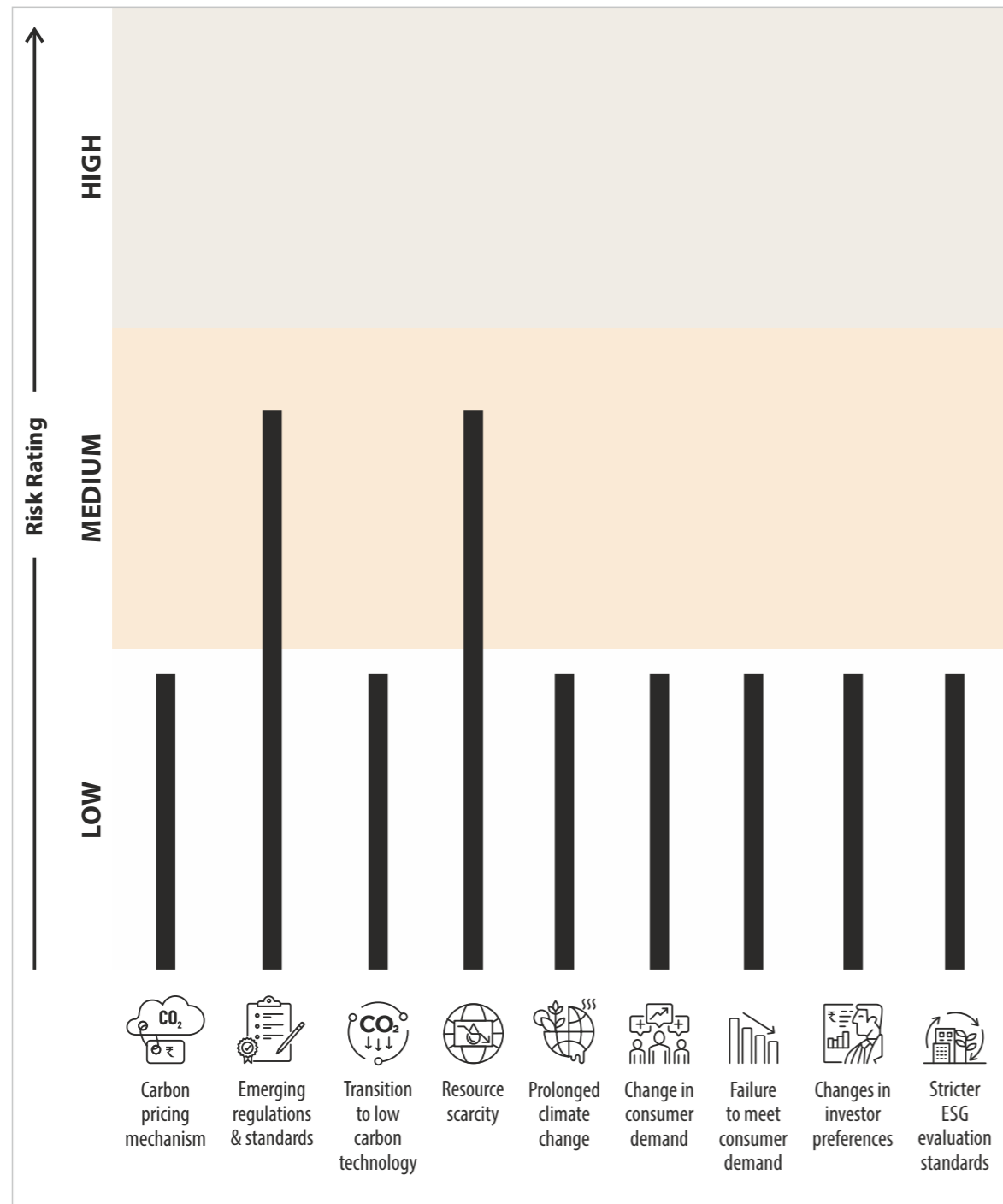
In accordance with TCFD guidelines, we at ABFRL have analysed the two integral risks i.e., Physical Risks and Transition Risks. The assessment of the associated physical and transition risks was carried out for all assets which included manufacturing units, warehouses, and retail stores. At ABFRL, we considered three separate time horizons for assessing climate-related risks; risks arising up to 2030 were considered as short term, 2030-40 as medium term, and above 2040 as long term. The associated physical risks were identified and scenario analyses were performed considering the Representative Concentration Pathway (RCP) and Shared Socioeconomic Pathways (SSP).

Physical Risk Mapping



*Note: Tropical Cyclone Risk classification is from the perspective of whole of India

Transition Risk Mapping



Physical Risk & Opportunity

Risk	Risk Description			Opportunity	Opportunity Description	
	Manufacturing	Warehouse	Stores			
Acute Risk	Drought	<ul style="list-style-type: none"> Increased cost of resources Increased water regulations Migration of workers & civic unrest 	<ul style="list-style-type: none"> Increased cost of resources Supply chain disruption due to civic unrest 	<ul style="list-style-type: none"> Store operation & maintenance problems due to shortage of water 	Efficient use of water resources	<ul style="list-style-type: none"> Further enhancing harnessing rainwater across operations & communities nearby Strengthen recycle & reuse thereby enhance usage of treated water Borewell recharge where applicable
	Riverine Flood	<ul style="list-style-type: none"> Asset damage Disruption in production Supply chain disruptions Increased cost of resources post floods 	<ul style="list-style-type: none"> Inventory loss & asset damage Increased clean-up costs post floods Supply chain disruption 	<ul style="list-style-type: none"> Temporary shutdown of stores Looting and theft due to civic unrest post floods 	-	<ul style="list-style-type: none"> Ensure appropriate drainage pipelines with non-return valves Detailed business continuity plan Use of early warning system Insurance against flood risk
	Tropical Cyclone	<ul style="list-style-type: none"> Property damage due to high-speed winds Supply chain disruptions 	<ul style="list-style-type: none"> Loss of inventory Property damage Supply chain disruption 	<ul style="list-style-type: none"> Temporary shutdown of stores Power shut down for several days or months 	Resilient buildings	<ul style="list-style-type: none"> Retrofitting of non-engineered structures Adopting guidelines to build an engineered structure, while developing or selecting new assets Use of prediction and early warning system
	Wind Hazard	<ul style="list-style-type: none"> Increase in the cost of power backup Temporary shutdown 	<ul style="list-style-type: none"> Warehouse & inventory damage Temporary shutdown 	<ul style="list-style-type: none"> Building damage Temporary shutdown of stores 		
Chronic Risk	Sea Level Rise	<ul style="list-style-type: none"> Permanent shutdown due to coastal flooding Increased cost of raw materials due to supply chain disruption 	<ul style="list-style-type: none"> Permanent shutdown due to coastal flooding Significant impact on supply chain disruption 	<ul style="list-style-type: none"> Higher operational cost due to supply chain disruptions Permanent shutdown of stores due to flooding in low-lying areas 	-	<ul style="list-style-type: none"> Coastal hazard zoning and future prediction on sea-level rise Elevated development of buildings
	Heat Wave	<ul style="list-style-type: none"> Increase in cooling costs Heat stress and worker's fatigue 	<ul style="list-style-type: none"> Increase in cooling costs Heat stress and worker's fatigue 	<ul style="list-style-type: none"> Increase in cooling costs Lower footfall to stores 	Alternate product development like solar AC and boost for solar rooftop	<ul style="list-style-type: none"> Adoption of renewable energy resources and energy efficiency measures Prediction and preparedness for heatwaves

Risk	Risk Description			Opportunity	Opportunity Description
	Manufacturing	Warehouse	Stores		
Chronic Risk	Coastal Floods	<ul style="list-style-type: none"> Asset damage Supply chain disruptions Increased procurement costs due to an increase in the cost of port infrastructure 	<ul style="list-style-type: none"> Inventory loss Significant impact on supply chain disruption 	<ul style="list-style-type: none"> Property damage and inundation of low-lying areas 	<ul style="list-style-type: none"> Increased resiliency and moving to safe locations Coastal hazard zoning and future prediction on sea-level rise Insurance against coastal flood risk Development of engineered structures such as flood barrier walls, levees, and sea walls
	Water Stress	<ul style="list-style-type: none"> Increased water sourcing costs Workforce migration Competition & conflicts regarding sharing of available water resources 	<ul style="list-style-type: none"> Increased water sourcing costs Operation & maintenance problems 	<ul style="list-style-type: none"> Store operation & maintenance problems due to shortage of water Decreased sales & revenue 	<ul style="list-style-type: none"> Enhanced water efficiency Installation of rainwater harvesting structures in buildings Identify the potential to use treated wastewater Watershed development

Transition Risk & Opportunity

Risk	Risk Description	Opportunity	Opportunity Description	
Policy & Legal	Carbon pricing mechanism and carbon taxation	<ul style="list-style-type: none"> Imposition of policy and regulatory controls on carbon emissions Increased operational obligation Increased fixed costs in operations 	<ul style="list-style-type: none"> Renewable energy resources Boost towards low carbon technology Capitalizing carbon market 	Cost control rises in the supply chain due to a reduction in variable costs by promoting resource efficiency, introducing renewable energy, and reducing overall production costs
	New environmental regulations and standards	<ul style="list-style-type: none"> Increased cost of operation due to the requirement of pollution control equipment Increased regulatory costs leading to an increase in product cost 	<ul style="list-style-type: none"> Boost towards low carbon technology 	Strict regulations to promote low carbon technology development
Technology	Transition to low carbon technology	<ul style="list-style-type: none"> Initial capital investment for installation or replacement costs for efficient low-carbon technologies 	<ul style="list-style-type: none"> Increase in sales volume Better lead time 	Using low carbon technology enhances the company's reputation and leads to an increase in sales volume due to green marketing
Market	Resource Scarcity & growing demand	<ul style="list-style-type: none"> Resource scarcity may necessitate transportation from alternate/neighbouring geography resulting in increased production cost and scope 3 emissions 	<ul style="list-style-type: none"> Alternate raw materials 	Promotes research and development towards environment-friendly substitute raw materials which may be locally made or available
	Prolonged changing climate and extreme weather situations	<ul style="list-style-type: none"> Asset damage Disruption in supply chain 	<ul style="list-style-type: none"> New product and service development 	Appropriate product-market fit, resilient operations and supply chain will give the company an edge over its competitors and lead to an increase in market share

Risk	Risk Description	Opportunity	Opportunity Description	
Market	Changes in consumer demand for low carbon products and services	<ul style="list-style-type: none"> Decline in sales for not meeting low carbon product requirement Reduction in demand for conventional products 	<ul style="list-style-type: none"> Increase in demand for sustainable products New product and service development 	Increased demand for products that address environmental change
	Failure to meet consumer demand	<ul style="list-style-type: none"> Reputation damage for not meeting the shift in consumer demand for sustainable products on time 	<ul style="list-style-type: none"> Early adoption of the sustainable manufacturing process 	Early adoption and development of sustainable products enhance the company's reputation
Reputation	A shift in consumer and investor behaviour and preferences	<ul style="list-style-type: none"> Increasing awareness of environmental impacts may lead to negative stakeholder responses to the firm's actions toward adverse climate incidents 	<ul style="list-style-type: none"> Better stakeholder engagement New product and service development 	<ul style="list-style-type: none"> Opportunity to carry out stakeholder engagement and develop a holistic mitigation measure Opportunity to enhance brand reputation by introducing products in line with the customer preference
	Stricter ESG evaluation standards or disclosure requirements	<ul style="list-style-type: none"> Decline in reputation due to non-reporting or inappropriate disclosure of sustainability data on public platforms 	<ul style="list-style-type: none"> Consistent disclosure to the stakeholders on non-financial Key Performance Indicators (KPI) 	Sustainability disclosures on a regular basis (annually) increase the trust among the stakeholders

RISK MANAGEMENT



Peer assessment and scenario analysis are conducted to identify climate-related risks using various tools. The physical and transition risks are analysed under multiple RCP scenarios (RCP 2.6, RCP 4.5, RCP 6, RCP 8.5), SSP scenarios (SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5) and WEO scenarios (Net Zero Emissions by 2050 Scenario (NZE), the Announced Pledges Scenario (APS), the Stated Policies Scenario (STEPS), and the Sustainable Development Scenario (SDS)).

The identified risks are mapped as a low, medium, and high based on their potential impact and likelihood. This mapping also includes stakeholder consultation from different departments and internal experts' consideration of applicable existing and emerging regulatory requirements.

Apart from scenario analysis, at ABFRL we have a robust Enterprise Risk Management framework that helps identify, evaluate, mitigate, and report risks. For more details, please refer Risk Management, Future Proofing.

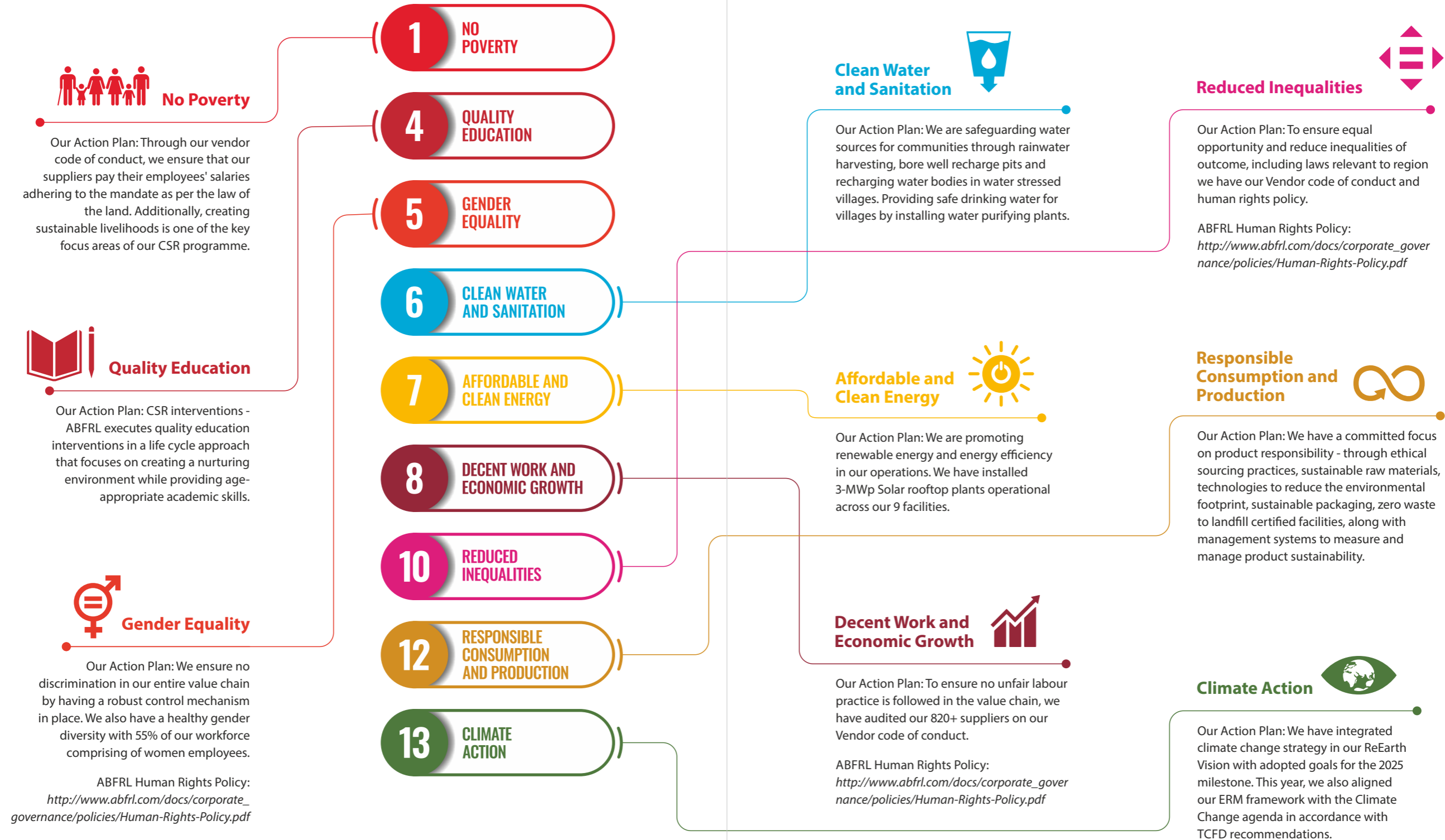
METRICS AND TARGETS



Our sustainability strategy 2025 is well supported by yearly targets, efficient monitoring and evaluation framework and clear responsibilities that help align and steer day-to-day business operations across the organisation.

At ABFRL, our climate strategy and respective targets are well-defined in alignment with Science Based Target Initiative (SBTi) approach and further cascaded to respective facilities and functions. Our climate targets which drive climate change agenda across the business operations, performance across Scope 1, 2 and 3 emissions and respective targets can be referred through 'ReEarth Mission - Status Dashboard FY23' and 'Climate Strategy, Environment Stewardship'.

SDG Mapping





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INDEPENDENT ASSURANCE

OPINION STATEMENT

Statement No: **SRA-IND-717758-4**

Aditya Birla Fashion and Retail Limited Sustainability Report 2022-23

The British Standards Institution is independent to Aditya Birla Fashion and Retail Limited (ABFRL) and has no financial interest in the operation of ABFRL other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for ABFRL only for the purposes of assuring its statements relating to its Sustainability report, more particularly described in the scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This statement is intended to be used by stakeholders & management of ABFRL. Assurance was completed with a hybrid model, where the centralized locations' audit was conducted using immersive techniques and all the sampled sites were visited onsite to understand the processes and systems being followed along with the verification of data.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ABFRL. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ABFRL only.

Scope

The scope of engagement agreed upon with ABFRL includes the following:

1. The assurance covers the Sustainability Report 2022-23 of the ABFRL, prepared "With Reference" to GRI Standards 2021, and focuses on systems and activities of ABFRL covering the 2 Offices (1 in Bangalore, 1 in Mumbai), 10 manufacturing units, 8 warehouses, Scope 1 and Scope 2 emissions of 366 Pantaloon stores across India, safety aspects of MF&L stores across India



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2. The AA1000 Assurance Standard, AA1000AS v3, Type 1 moderate (limited) level engagement evaluates the nature and extent of ABFRL's adherence to all four AA1000 AccountAbility Principles: Inclusivity, Materiality, Responsiveness, and Impact. The specified sustainability performance information/data disclosed in the report has been evaluated.

Opinion Statement

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard, AA1000AS v3 and "with reference to" GRI Standards, 2021. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ABFRL's description of their self-declaration of compliance with the GRI Standards were fairly stated.

We conclude that the ABFRL's Sustainability Report 2022-23 review provides a fair view of the ABFRL's CSR programmes and performances during FY 2022-23 (for the period 1st April 2022 to 31st March 2023). We also believe that the 2022-23 economic, social and environment performance disclosures are fairly represented. The sustainability performance disclosures disclosed in the report demonstrate ABFRL's efforts recognized by its stakeholders. The intended users of our assurance report are the management and stakeholders of ABFRL.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to ABFRL's policies to provide a check on the appropriateness of statements made in the report,
- Discussion with senior executives on ABFRL's approach and methodology of collection and evaluation of stakeholder engagement. We had no direct contact with external stakeholders,
- Interview with staff and authorities involved in sustainability management, report preparation and provision of report information,
- Review of key organizational developments, systems and controls,
- Review of supporting evidence for claims made in the reports,
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard v3.
- A sample-based assessment of the reliability and quality of information as company's performance provided in the Sustainability report.





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Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality Responsiveness and Impact and the GRI Standards is set out below:

Inclusivity

This report has reflected a fact that ABFRL is seeking the engagement of its stakeholders through various channels.

The organization identified its stakeholders and explained in the report how it has responded to their reasonable expectations and interests.

The management then reviewed and expanded the material topics identified by the stakeholders and arrived at the final list of material issues.

This report focuses on the activities undertaken by 2 Offices (1 in Bangalore, 1 in Mumbai), 10 manufacturing units, 8 warehouses, Scope 1 and Scope 2 emissions of 366 Pantaloon stores across India and safety aspects of MF&L stores across India. This report covers the fair reporting and disclosures for sustainability information. In our professional opinion, the report covers the ABFRL's inclusivity issues that demonstrates participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality

ABFRL publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. The material topics identified are:

- Emissions
- Water management
- Waste management
- Sustainable Products and material
- Packaging
- Occupational Health and safety
- Economic Performance
- Market Presence
- Energy
- Compliance
- Training
- Diversity



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To identify their material issues, material topics were identified from the universal list and prioritized based on the stakeholder responses. Based on the determined probability and magnitude, the universe of issues is plotted in 2 x 2 matrix to identify and prioritize material topics for ABFRL based on their influence on stakeholders and significance to the business. Stakeholder engagement and the materiality assessment was conducted between Jan 2021 to April 2021. The organization found material aspects are relevant and continued to focus this year as well.

In our professional opinion, the report covers the ABFRL's material issues by using ABFRL 2 x 2 materiality matrix, however, the future report could be further enhanced by including expert's opinion on the impacts created on economy, environment and people, including their human rights.

Responsiveness

ABFRL has implemented the practice to respond to the expectations and perceptions of its stakeholders.

In our professional opinion nothing has come to our attention to suggest that the responses related to identified material topics are not adequately represented in the Report.

Impact

ABFRL has also demonstrated that adequate systems are in place to monitor, measure and be accountable for their actions that affect the economy, the environment, society, stakeholders and the organization itself.

GRI-reporting

ABFRL provided us with their self-declaration that their Sustainability report is made "With reference to" GRI Standard, 2021.

Based on our verification review, we are able to confirm that the disclosures are reported "with reference to" GRI Standard 2021. It is the responsibility of ABFRL to notify GRI post publishing the report.

In our professional opinion the self-declaration covers ABFRL's social responsibility and sustainability issues. On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe the identified disclosures materiality related to those disclosures.

- GRI 302: Energy 2016 - 302-1, 302-2, 302-3, 302-4.
- GRI 303: Water & Effluents 2018 - 303-3, 303-4, 303-5.
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-3, 305-4, 305-5.





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- GRI 306: Waste 2020 - 306-3, 306-4, 306-5.
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3.
- GRI 403: Occupational Health and Safety 2018 – 403-1, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10.
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3.
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2.
- GRI 413: Local communities 2016 – 413-1.
- GRI 414: Supplier Social Assessment 2016 – 414-1, 414-2.

Competency and Independence

The assurance team was composed of Lead auditors experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including GRI Standard 2021, AA1000AS, ISO10002, ISO 14001, ISO 45001, ISO 14064 and ISO 9001, etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Assurance Level

The type 1 moderate (limited) level of assurance provided is in accordance with AA1000 Assurance standard, ver 3 in our review as defined by the scope and methodology described in this statement.

Responsibility

It is the responsibility of ABFRL's senior management to ensure the information presented in the Sustainability Report is accurate. It is also left to the decision of the ABFRL management on the publishing / submission of the report to any of their stakeholders. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Reliability

The assurance statement on the performance was issued based on the evidence collected from ground level provided by the employees of ABFRL. The sample selection was on random basis and selection is done by BSI auditor. The sampled sites covered 1 office, 1 manufacturing unit, 1 warehouse of ABFRL Consolidated quarterly consumption report of Diesel and Energy for Pantaloon stores are maintained in an excel sheet which was randomly sampled and verified. The assurance team was convinced that the performance information presented in the report are reliable and representative.



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Quality

The quality of information was checked through cross verification of data. Field level measurement and records were verified with the logbooks, records, procurement and supply chain invoices/bills. Interview with the responsible persons detailed the activities, maintenance, and process performance. The fitness of the measuring devices, frequency of measurement and recording, competency of the person concerned, and review & approval of information were checked and found in conformance.

Performance Information

ABFRL sustainability report has addressed their Environment, Social and Governance performance through GRI disclosures. The assurance team has evaluated the requirements of the GRI disclosures for general disclosures and those relevant to the material topics only.

For the specific data presented in the report, minimal technical/compilation errors were identified during the sampling process which were corrected for the final report.

Based on the processes and procedures conducted with a moderate assurance, there is no evidence that the Environment, Social data and information presented in the ABFRL Sustainability Report 2022-23 are not materially correct and are not a fair representation of their Environmental and Social performance.

For and on behalf of BSI:

Theuns Kotze, Managing Director – IMETA Assurance
02nd August 2023



GRI Standard Content Index

The table below provides the linkage between the material aspects identified through our materiality assessment exercise, alignment with International Integrated Reporting Framework followed by the **GRI Standard 2021 "Content Index with Reference"** approach.

Statement of use	ABFRL has reported the information cited in this GRI content index for the period 1 st April, 2022 and 31 st March, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Indicators	DISCLOSURE	Alignment with SDR FY23	Alignment with Integrated Report	Alignment with TCFD	Page Number
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GRI 2: General Disclosures 2021

2-1	Organizational details	Company Profile	Highlights Section		5-16
2-2	Entities included in the organization's sustainability reporting	Reporting Scope, Boundary and Framework	Highlights Section		17-18
2-3	Reporting period, frequency and contact point	Reporting Scope, Boundary and Framework	Highlights Section		17-18
2-4	Restatements of information	Environment Performance			60
2-5	External assurance	Annexure Section			219-224
2-6	Activities, value chain and other business relationships	Company Profile	Value Creation Model		5-16
2-7	Employees	People Performance	Highlights Section		73-94
2-8	Workers who are not employees	People Performance	Human Capital	Governance Section	76
2-9	Governance structure and composition	Corporate Governance Section	Human Capital	Governance Section	35-36
2-10	Nomination and selection of the highest governance body	Corporate Governance Section	Human Capital	Governance Section	36
2-11	Chair of the highest governance body	Corporate Governance Section	Human Capital	Governance Section	35
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Section	Human Capital	Governance Section	35-36
2-13	Delegation of responsibility for managing impacts	Corporate Governance Section	Human Capital	Governance Section	35-36
2-14	Role of the highest governance body in sustainability reporting	TCFD Alignment	Human Capital	Governance Section	211
2-15	Conflicts of interest	ABFRL Reporting in Annual Report	Intellectual Capital	Governance Section	Refer AR
2-16	Communication of critical concerns	ABFRL Reporting in Annual Report		Governance Section	Refer AR
2-17	Collective knowledge of the highest governance body	ABFRL Reporting in Annual Report		Strategy Section	Refer AR
2-18	Evaluation of the performance of the highest governance body	ABFRL Reporting in Annual Report	Human Capital	Governance Section	Refer AR

2-19	Remuneration policies	ABFRL Reporting in Annual Report	Human Capital	Governance Section	Refer AR
2-20	Process to determine remuneration	ABFRL Reporting in Annual Report			Refer AR
2-21	Annual total compensation ratio	ABFRL Reporting in Annual Report	Financial Capital report		Refer AR
2-22	Statement on sustainable development strategy	TCFD Alignment	Intellectual Capital	Strategy Section	211
2-23	Policy commitments	ABFRL Reporting in Annual Report	Intellectual Capital	Governance Section	37-38
2-24	Embedding policy commitments	ABFRL Reporting in Annual Report	Intellectual Capital	Governance Section	37-38
2-25	Processes to remediate negative impacts	ABFRL Reporting in Annual Report	Intellectual Capital	Governance Section	33
2-26	Mechanisms for seeking advice and raising concerns	Covered under The Whistle Blower Policy and Code of Conduct	Social & Relationship Capital	Governance Section	38
2-27	Compliance with laws and regulations	ABFRL Reported Env. Compliance	Social & Relationship Capital	Governance Section	46
2-28	Membership associations	Sustainability & Us	Social & Relationship Capital		13-14
2-29	Approach to stakeholder engagement	Stakeholder Engagement	Social & Relationship Capital		178
2-30	Collective bargaining agreements	Stakeholder Engagement	People Performance		93

GRI 3: Material Topics 2021

3-1	Process to determine material topics	Stakeholder Engagement	Intellectual Capital		186-187
3-2	List of material topics	Stakeholder Engagement	Intellectual Capital		187
3-3	Management of material topics	Stakeholder Engagement	Intellectual Capital		188

GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed	Financial Performance	Financial Capital		68
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Alignment	Financial Capital		211-216
201-3	Defined benefit plan obligations and other retirement plans	People Performance	Financial Capital		86
201-4	Financial assistance received from government	Product Performance	Financial Capital		158-159

GRI Indicators	DISCLOSURE	Alignment with SDR FY23	Alignment with Integrated Report	Alignment with TCFD	Page Number
GRI 202: Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	People Performance	Financial Capital		85
202-2	Proportion of senior management hired from the local community	Not Reported As not a Material Topic	Financial Capital		-
GRI 203: Indirect Economic Impacts 2016					
203-1	Infrastructure investments and services supported	Social Performance	Manufactured Capital		115
203-2	Significant indirect economic impacts	Not Reported As not a Material Topic	Financial Capital		-
GRI 206: Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR Annual Report	Financial Capital		-
GRI 302: Energy 2016					
302-1	Energy consumption within the organization	Environment Performance	Natural Capital	Metrics and Targets Section	48
302-3	Energy intensity	Environment Performance	Natural Capital	Metrics and Targets Section	48
302-4	Reduction of energy consumption	Environment Performance	Natural Capital	Metrics and Targets Section	48-49
302-5	Reductions in energy requirements of products and services	Environment Performance	Natural Capital	Metrics and Targets Section	49
GRI 303: Water and Effluents 2018					
303-1	Interactions with water as a shared resource	Environment Performance	Natural Capital	Metrics and Targets Section	50
303-2	Management of water discharge-related impacts	Environment Performance	Natural Capital	Metrics and Targets Section	50
303-3	Water withdrawal	Environment Performance	Natural Capital	Metrics and Targets Section	50-51
303-4	Water discharge	Environment Performance	Natural Capital	Metrics and Targets Section	50-51
303-5	Water consumption	Environment Performance	Natural Capital	Metrics and Targets Section	50-51

GRI Indicators	DISCLOSURE	Alignment with SDR FY23	Alignment with Integrated Report	Alignment with TCFD	Page Number
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	Environment Performance	Natural Capital	Metrics and Targets Section	59
305-2	Energy indirect (Scope 2) GHG emissions	Environment Performance	Natural Capital	Metrics and Targets Section	59
305-3	Other indirect (Scope 3) GHG emissions	Environment Performance	Natural Capital	Metrics and Targets Section	60, 63, 64
305-4	GHG emissions intensity	Environment Performance	Natural Capital	Metrics and Targets Section	59
305-5	Reduction of GHG emissions	Environment Performance	Natural Capital	Metrics and Targets Section	60
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment Performance	Natural Capital	Metrics and Targets Section	59
GRI 306: Waste 2020					
306-1	Waste generation and significant waste-related impacts	Environment Performance	Natural Capital	Metrics and Targets Section	56
306-2	Management of significant waste-related impacts	Environment Performance	Natural Capital	Metrics and Targets Section	56
306-3	Waste generated	Environment Performance	Natural Capital	Metrics and Targets Section	58
306-4	Waste diverted from disposal	Environment Performance	Natural Capital	Metrics and Targets Section	58
306-5	Waste directed to disposal	Environment Performance	Natural Capital	Metrics and Targets Section	58
GRI 308: Supplier Environmental Assessment 2016					
308-1	New suppliers that were screened using environmental criteria	Product Performance	Natural Capital		165-166
308-2	Negative environmental impacts in the supply chain & actions taken	Product Performance	Natural Capital		165-166
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	People Performance	Human Capital		76
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People Performance	Human Capital		85-86
401-3	Parental leave	People Performance	Human Capital		86
GRI 403: Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	Safety Performance	Human Capital		100
403-2	Hazard identification, risk assessment, and incident investigation	Safety Performance	Human Capital		102
403-3	Occupational health services	Safety Performance	Human Capital		112

GRI Indicators	DISCLOSURE	Alignment with SDR FY23	Alignment with Integrated Report	Alignment with TCFD	Page Number
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Performance	Human Capital		106, 111
403-5	Worker training on occupational health and safety	Safety Performance	Human Capital		105, 106
403-6	Promotion of worker health	Safety Performance	Human Capital		112
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety Performance	Human Capital		112
403-8	Workers covered by an occupational health and safety management system	Safety Performance	Human Capital		100
403-9	Work-related injuries	Safety Performance	Human Capital		109
403-10	Work-related ill health	Safety Performance	Human Capital		109
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	People Performance	Human Capital		81-84
404-2	Programs for upgrading employee skills and transition assistance programs	People Performance	Human Capital		81-84
404-3	Percentage of employees receiving regular performance and career development reviews	People Performance	Human Capital		83
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	Corporate Governance Section	Human Capital		35
405-2	Ratio of basic salary and remuneration of women to men	People Performance	Human Capital		85-86
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	People Performance	Human Capital		93-94
GRI 407: Freedom of Association and Collective Bargaining 2016					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People Performance	Human Capital		93
GRI 408: Child Labor 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	People Performance & Product Performance	Human Capital		93, 166
GRI 409: Forced or Compulsory Labor 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Product Performance	Human Capital		93, 166

GRI Indicators	DISCLOSURE	Alignment with SDR FY23	Alignment with Integrated Report	Alignment with TCFD	Page Number
GRI 410: Security Practices 2016					
410-1	Security personnel trained in human rights policies or procedures	People Performance	Human Capital		94
GRI 411: Rights of Indigenous Peoples 2016					
411-1	Incidents of violations involving rights of indigenous peoples	Social Performance	Social & Relationship Capital		115-146
GRI 413: Local Communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	Social Performance	Social & Relationship Capital		115-146
413-2	Operations with significant actual and potential negative impacts on local communities	Social Performance	Social & Relationship Capital		115-146
GRI 414: Supplier Social Assessment 2016					
414-1	New suppliers that were screened using social criteria	Product Performance	Social & Relationship Capital		165-166
414-2	Negative social impacts in the supply chain and actions taken	Product Performance	Social & Relationship Capital		165-166
GRI 416: Customer Health and Safety 2016					
416-1	Assessment of the health and safety impacts of product and service categories	Product Performance	Human Capital		161, 167, 168
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Performance	Human Capital		163, 167
GRI 417: Marketing and Labeling 2016					
417-1	Requirements for product and service information and labelling	Product Performance	Intellectual Capital		161,162
417-2	Incidents of non-compliance concerning product and service information and labelling	BRSR Annual Report	Intellectual Capital		-
417-3	Incidents of non-compliance concerning marketing communications	BRSR Annual Report	Intellectual Capital		-
GRI 418: Customer Privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Annual Report	Intellectual Capital		-

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