September 18, 2020

BSE Limited
Scrip: 535755 & 890148

National Stock Exchange of India Limited
Symbol: ABFRL & ABFRLPP

Sub. : Sustainability Report for the financial year 2019-20 of Aditya Birla Fashion and Retail Limited *["the Company"]*

Ref. : Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

We are pleased to enclose a copy of the Sustainability Report of the Company for the financial year 2019-20.

The same is also available on the website of the Company i.e. www.abfrl.com.

This is for your information and records.

For **Aditya Birla Fashion and Retail Limited**

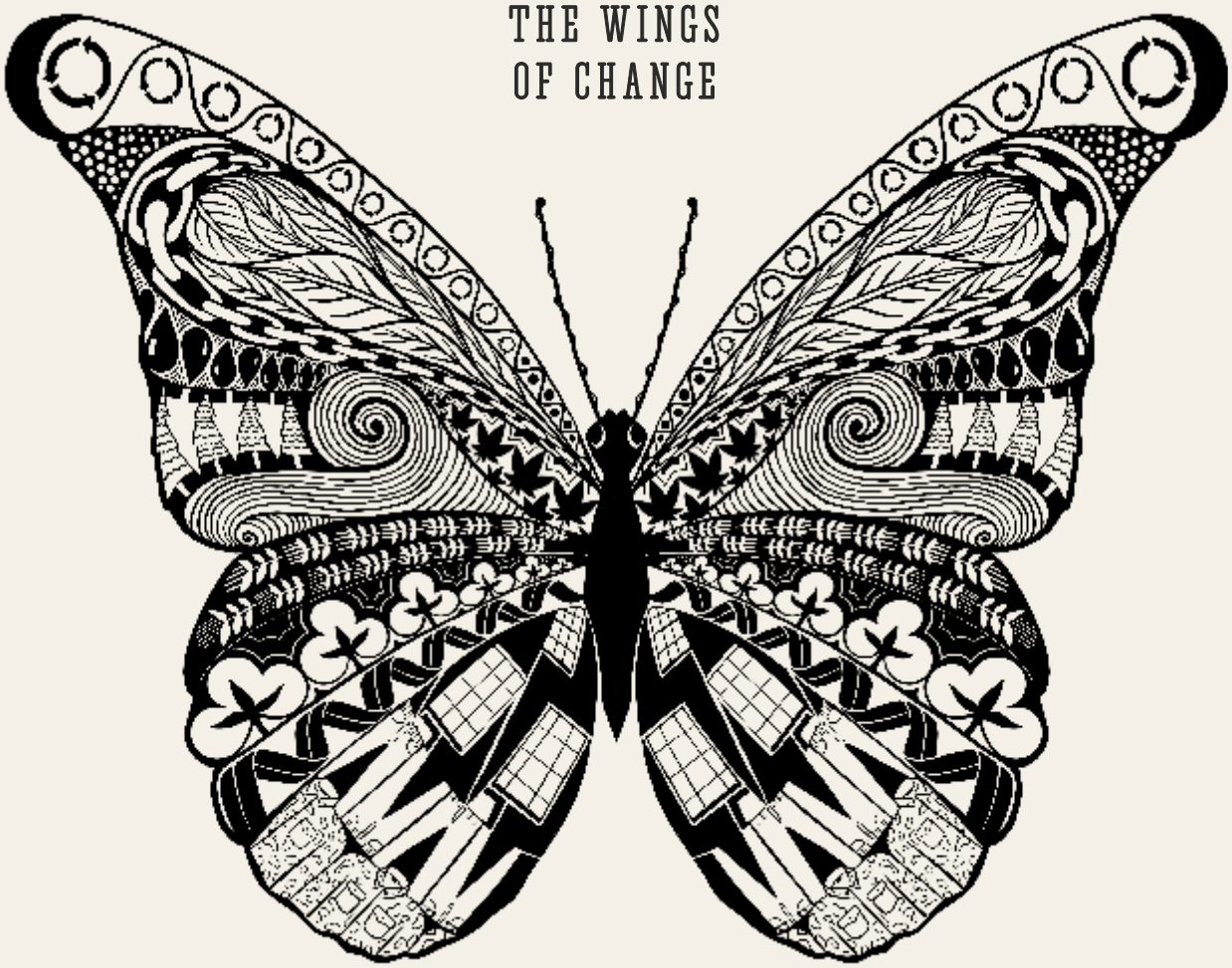
GEETIKA ANAND
Digitally signed by GEETIKA ANAND
Date: 2020.09.18 17:03:10 +05'30'

Geetika Anand
VP, Company Secretary & Compliance Officer

Retarth
FOR OUR TOMORROW

ADITYA BIRLA
FASHION & RETAIL

UNFOLDING THE WINGS OF CHANGE



SUSTAINABILITY REPORT 2019-20

Like a butterfly's journey from a caterpillar to a winged beauty, our sustainability journey too is metamorphosing to address a new post-pandemic world, widen our horizons to positively impact more activities beyond our factory gates and

TRANSITION

FROM PROCESS-LED TO PRODUCT-LED.

After successfully achieving most of the targets of our first roadmap, instilling a robust sustainability culture in our people and embedding sustainable practices across our processes, we are now focussing on amplifying product-led sustainability. The strategic progression stems from the fact that our products are our biggest ambassadors and the single largest touchpoint which also has the longest engagement duration.

Our product-focus sustainability strategy aims to

DRIVE SUSTAINABILITY BEYOND OUR OPERATIONS

through three key pillars

——PRODUCT DESIGN & DEVELOPMENT, CUSTOMER CENTRICITY AND SUPPLY CHAIN.

The overarching goal is to leverage our scale as India's largest pure-play fashion and lifestyle powerhouse and demonstrate how the sustainability paradigm can be shifted from niche to mainstream and in the process contribute to global goals like SDG and further the national sustainability agenda through active participation in programs like SU.RE.

The ambition is to constantly benchmark ourselves against the best and create a rightful place for us in the league of global sustainability leaders.

Retarth 2.0
FOR OUR TOMORROW

IN THE REPORT

01 EXECUTIVE MESSAGES

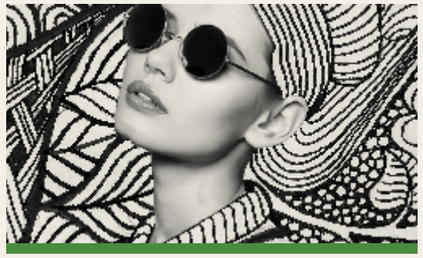
07 COMPANY PROFILE

12 REPORTING SCOPE, BOUNDARY AND FRAMEWORK

13 SUSTAINABILITY & US

22 CORPORATE GOVERNANCE

RESTORING ECOSYSTEMS



PERFORMANCES

29 ENVIRONMENT

48 FINANCIAL

53 PEOPLE

70 SAFETY

83 SOCIAL

105 PRODUCT REPONSIBILITY

RECOGNISING TRENDS

129 STAKEHOLDER ENGAGEMENT

REDESIGNING BUSINESS

141 FUTURE PROOFING

ANNEXURES

155 SDG MAPPING

157 AWARDS & RECOGNITIONS

158 ASSURANCE STATEMENT

162 GRI CONTENT INDEX

MESSAGE FROM THE CHAIRMAN

We have set an ambitious vision for the Aditya Birla Group to become the leading Indian conglomerate in sustainable business practices across operations.

Dear Stakeholder,

The outbreak of the COVID-19 pandemic has reinforced the importance of sustainable businesses. In a world facing accelerated resource depletion, sustainability is now vital for business survival.

We have set an ambitious vision for the Aditya Birla Group to become the leading Indian conglomerate in sustainable business practices across operations. Towards this objective, we developed a rigorous ABG sustainability framework, which guides our businesses to perform in the resource-constrained world and be resilient in a face of uncertainties such as the COVID-19 pandemic.

Aditya Birla Fashion and Retail was one of the early adopters of this framework and created a comprehensive sustainability programme - 'ReEarth' which focussed on the pressing needs of the fashion and retail sector in India.

With apparel contributing to around 10% of all greenhouse gas emissions, sustainability in fashion retail is gradually becoming one of the industry's top priorities. Fashion being a personal statement, consumer attitudes towards fashion brands are increasingly being influenced by their efforts towards sustainability. Especially those of younger consumers.

ABFRL has always endeavoured to take the lead on sustainability initiatives. It was the first Indian retailer to release a Restricted Substances List (RSL) and since 2012 it assesses its suppliers on their adherence to the RSL.

ABFRL's sustainability efforts have received national as well as global recognition. The Dow Jones Sustainability Index (DJSI) ranked ABFRL 8th globally in - Corporate Sustainability Assessment in the textiles, apparel, and luxury goods sector.

In 2019, its product 'Earth Chinos' was selected as a case study in sustainable innovation at the UN environment road testing platform.

Aditya Birla Fashion and Retail was one of the early adopters of the ABG sustainability framework and created a comprehensive sustainability programme - 'ReEarth' which focussed on the pressing needs of the fashion and retail sector in India.

This year, ABFRL accelerated the journey further by focussing on product-led sustainability strategy. It has developed an in-house 'Product Sustainability Attribute Methodology' to measure and enhance product sustainability across the value chain. In this financial year, 47% of ABFRL products depicted at least one sustainable attribute.

Even in the current scenario, where COVID-19 has led to business disruptions, ABFRL maintains an unswerving commitment to sustainability. All efforts are directed towards finding innovative and creative ways to not only navigate this crisis but also identify opportunities and business needs along the way to keep creating more value for all stakeholders in a sustainable manner.

Kumar Mangalam Birla
Chairman, Aditya Birla Group

MESSAGE FROM THE

MANAGING DIRECTOR

The 'Sustainability 2.0' journey will transition from a process-led to a product-led sustainability strategy. Keeping our products as the core of our sustainability strategy, we will cover the entire product life cycle, including design and development, supply chain and customer delight.

Dear Stakeholder,

Over the past decade, we at ABFRL, have been pioneers in driving sustainability to the forefront of the Fashion and Retail Industry. FY20 was an important milestone in our 'ReEarth' journey with the commencement of 'Sustainability 2.0'.

The 'Sustainability 2.0' journey will transition from a process-led to a product-led sustainability strategy. Keeping our products as the core of our sustainability strategy, we will cover the entire product life cycle, including design and development, supply chain and customer delight. This move will help us contribute towards a low-carbon, circular and resilient Fashion and Retail Industry. In doing so, we inch closer to contribute to meeting the Global Sustainable Development Goals (SDGs).

We, as a responsible organisation, aim to provide thought leadership and establish, disseminate and accelerate the sustainability drive in the industry. To achieve this, we continue to strengthen our collaboration with like-minded entities like Sustainable Apparel Coalition, Ellen MacArthur Foundation and Cotton 2040.

In the reporting year, we progressed in our intent towards building a circular economy. Our strategic collaboration with 'Circular Apparel Innovation Factory' (CAIF) is a significant move that will drive circular business practices across India's textile and apparel industries.

We continue our unflinching efforts towards community development with our unique 'Village Development Programme' built on the Saansad Adarsh Gram Yojana (SAGY) guidelines. This programme is run across Karnataka, Tamil Nadu and Odisha to bring about the holistic development of villages on multiple fronts such as education, health, livelihood, digitisation and water.

During the end of the financial year, the country was struck by the pandemic, but our businesses delivered a resilient and reasonably good performance. The environment was challenging across most of our operating geographies and consumer demand was sluggish.

Even during this period, our people rose to the occasion and contributed to India's fight against COVID-19 by working with the Government authorities in Karnataka and Odisha to convert our manufacturing facilities for producing Personal Protective Equipment (PPE).

We also took every possible precaution to ensure the safety of our factory staff and workers during this period.

To meet the growing demands of consumers for safety and protection during the pandemic, our brands re-engineered their capabilities to design and produce user-friendly face masks, which has been well-received. Our brands further entered into collaborations with reputed chemical companies and R&D organisations to launch apparels with anti-viral and anti-microbial properties for added safety.

Our journey has just begun and there is a lot to achieve. It is a collaborative approach for all of us, and we believe it is crucial to develop a deep understanding of your requirements – business partners, vendors, employees and customers – to ensure sustainable growth and create meaningful impact.

Through this sustainability report, we aim to foster a culture of transparency, participative development and knowledge sharing. We look forward to your continued support and feedback.

Ashish Dikshit
Managing Director
Aditya Birla Fashion and Retail Limited

MESSAGE FROM THE

CHIEF SUSTAINABILITY OFFICER

We aim to give back more than what we take from our ecosystem, and constantly work to 'Regenerate, Restore and Revitalise' ecosystems and communities that we operate in.

Dear Stakeholder,

Sustainability, for us at ABFRL, has evolved from achieving operational efficiency to integrating it into the value chain. Our new 'Sustainability 2.0' journey extends its focus on managing the entire product life cycle. This new approach has helped us exceed our sustainability targets in some areas while improving performance in others.

We aim to give back more than what we take from our ecosystem, and constantly work to 'Regenerate, Restore and Revitalise' ecosystems and communities that we operate in.

We are committed to creating a positive impact on the environment, the community and the planet through our products. This financial year, we launched digital dashboards across our business operations including retail, to capture sustainability KPIs. To further build a holistic sustainable ecosystem, we work closely with our partners, suppliers and vendors to drive sustainable practices across their operations. Our suppliers are required to adhere to our 'Vendor Code of Conduct'. So far, 90% of our Tier 1 suppliers are compliant with this code.

We are focussing on integrating Livaeco Fibre and Recycled Polyester as sustainable raw materials in our fabrics and garments. We collaborated with Intellecap and the Circular Apparel Innovation Factory (CAIF) to launch the #BetterthanPlastic challenge to find new materials, systems and business models that can curb environmental impact and be integrated with the businesses in the coming year.

Water is an essential shared resource that calls for collective action from corporates and communities alike. We have reduced our dependency on freshwater by recycling and reusing 93,875 cubic meters of water. Furthermore, we have conceptualised a unique 'Integrated Watershed Management Programme' to be extended to our local communities.

We are part of the World Business Council for Sustainable Development (WBCSD) WASH pledge and have achieved 98.7% compliance across MFL factories.

We respect gender diversity across our business. We are India's largest Fashion and Apparel Company, with young, diverse and dynamic talent. We have healthy gender diversity, with 52% of our workforce comprising women and 63% of all our employees under the age of 30.

This year, we achieved significant milestones through product sustainability, resource efficiency, renewable energy consumption, responsible supply chain, and strategic collaboration with global and national organisations along with memberships on global platforms.

To evaluate the efficacy of our CSR initiatives, we conducted a Social Return on Investment (SROI) study across three states-Karnataka, Tamil Nadu and Odisha. We achieved an SROI value of 1:12. SROI is an internationally recognised, principles-based approach for understanding and measuring the social, environmental and economic outcomes of a project, programme or organisation.

Our journey has taken steam and we have many milestones to capture along the way. Our successes across these sustainability initiatives are a result of proactive engagement with you - our diverse set of stakeholders. This sustainability report is a vital engagement tool, as it details our performance on parameters such as environment, community, product responsibility and economic value generated.

I urge you to read the report and let us know in which areas we are doing well and where we could do better. Looking forward to connecting with you.

Dr. Naresh Tyagi
Chief Sustainability Officer
Aditya Birla Fashion and Retail Limited

COMPANY PROFILE

Aditya Birla Fashion and Retail Ltd. is a part of USD 48.3 billion Aditya Birla Group. The Group is a member of global organisations like the United Nations Global Compact, World Business Council for Sustainable Development, and aims to become the leading Indian conglomerate for sustainable business practices.

As India's largest pure-play fashion and lifestyle powerhouse, ABFRL offers an elegant bouquet of leading fashion brands and retail formats. ABFRL is present across approximately 25,000 multi-brand outlets with 6,500+ points of sale in departmental stores throughout India.

Market Updates

Strong Early Momentum

The year 2020 started with a bang; strong EOSS recorded, and a positive start to the fresh season

COVID 19 Mayhem

Muted sales through March as the pandemic spread, resulting in a nationwide lockdown

Renewed Safety Outlook

A strong response to the pandemic was required along with an increased focus on employee and customer safety

Revenue (INR crore)
8,788

Retail Space
8.1 mn sq.ft.

Stores
3,031

Employees
25,000+

Cities
750+

LIFESTYLE BRANDS

Our Lifestyle brands are Louis Philippe, Van Heusen, Allen Solly and Peter England

- Aggressively expanded network; opened 400+ stores
- Moved to 12-month design-to-market cycle
- Doubled Women's and Junior's wear business
- Peter England's small-town format piloted successfully with over 200 stores in its first year
- Retail Network: Stores: 2,253 | Area: 2.8 mn sq. ft.

PANTALOONS

Pantaloons is amongst the most widely present retailers in the value fashion segment with a network of 342 stores, spanning over 4.3 million sq. ft. Pantaloons aims to continue growing by focussing on improving its value proposition and targeting newer markets in India for increasing its footprint.

- Strong and consistent like to like performance
- Revitalised brand through focussed marketing campaigns
- Significantly improved sell-through, backed by continued product improvement
- Introduction of new brands and categories (Home, Saris)

ADITYA BIRLA
FASHION & RETAIL

LOUIS PHILIPPE | Allen Solly | VANHEUSEN | PETER ENGLAND | pantaloons | TED BAKER LONDON | FOREVER 21 | THE COLLECTIVE | HACKETT LONDON | SIMON CARTER LONDON | FRED PERRY | RALPH LAUREN | AMERICAN EAGLE | JAYPORE | SHANTANU & NIKHIL

OTHER BUSINESSES - NEW GROWTH ENGINES

FAST FASHION - RESTRUCTURING MODEL FOR PROFITABILITY

- Commercial renegotiation with new owners is on track
- Expected to get a significantly more favourable deal
- Optimistic outlook towards business profitability

INNERWEAR

VANHEUSEN
INNERWEAR | ATHLEISURE

- Innerwear business grew by ~40% for the full year; now selling across 20,000 outlets
- Men's innerwear continues to expand distribution, though Q4 was impacted by the pandemic in March
- Women's innerwear business finding greater acceptance and customer traction
- Market leading product innovations in both men's and women's segments continue to be the brand differentiators

GLOBAL BRANDS

- Global brands continue to focus on expanding its distribution footprint of the iconic brands by launching new stores in premium markets across the country
- Mono brand portfolio (Hackett, Fred Perry, Ted Baker, PRL) delivered consistent performance
- American Eagle is on the path to become a formidable player in the denim category, given its rising popularity

ETHNIC

- Strengthened the organisation
- Laid out a long-term strategy
- Store launches postponed due to COVID pandemic

MEMBERSHIP IN INDUSTRY ASSOCIATIONS

As one of the leading players in the Indian apparel and retail segment, it is our privilege and responsibility to be active in various industry bodies that enable us to contribute to policies that impact the industry. Along with collaborations with various trade and industry associations, we are also members of the Retail Association of India (RAI) and Clothing Manufacturers Association of India (CMAI). From a sectoral perspective, we are associated with various global forums such as Sustainable Apparel Coalition (SAC), Cotton 2040, Ellen MacArthur Foundation, among others.

The Project SU.RE

We are now a signatory of Project SU.RE (Sustainable Resolution) - a firm commitment from the industry to set a sustainable pathway for the Indian fashion industry to drive towards fashion that contributes to a clean environment. The project has been launched by the Ministry of Textiles (Govt. of India) along with Clothing Manufacturers Association of India (CMAI), United Nations in India, IMG Reliance and the organisers of Lakmé Fashion Week.

CAIF

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

World Business Council for Sustainable Development (WBCSD)

We are members of a global initiative like the WBCSD. Which is critical to enabling us achieving our vision of leadership in sustainable business practices as it makes us party to the development of best practice tools that will assist us in becoming future-ready.

Ellen MacArthur Foundation

In alignment with our efforts to move towards a circular economy, we have collaborated with the Ellen MacArthur Foundation for the 'Make Fashion Circular' movement. Through this collaboration and initiative, we aim to redesign the future of fashion by collectively raising industry targets and priority actions, reinforcing the complementary initiatives to progress towards the collective vision.

For more information on our collaboration with other key stakeholders, please refer to the Stakeholder Engagement section on page 131.

REPORTING SCOPE, BOUNDARY AND FRAMEWORK

Our sustainability report covers the financial year 2020 (1st April 2019 to 31st March 2020). We believe, communicating our sustainability performance is not only an effective mechanism to boost our transparency but also a great opportunity to strengthen our accountability amongst all our stakeholders.

The sustainability performance disclosures in this report pertain to our corporate offices in Mumbai and Bengaluru, factories, warehouses and retail stores. This report has been prepared in accordance with the GRI Standards: Core option.

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 (such as suppliers).

Offices	Factories (Only MFL)	Warehouses	Stores
Head Office Bengaluru	• Crafted Clothing - Bengaluru • Fashion Craft - Bengaluru • Europa Garments - Bengaluru • Classical Menswear - Bengaluru • English Apparels - Bengaluru • Haritha Apparels - Bengaluru • Alpha Garments - Bengaluru • Little England Apparels - Thali	**MFL (Madura Fashion and Lifestyle)** • Entoma/Attibele Warehouse - Bengaluru • Hoskote Warehouse - Bengaluru • E-commerce Warehouse[1]	**MFL** Stores PAN India
Regd. Office Mumbai		**PFRL (Pantaloons Fashion and Retail Limited** • Warehouse 1 - Bengaluru • Warehouse 2 - Bhiwandi • Warehouse 3 - Hooghly • Warehouse 4 - Gurgaon[1]	**PFRL** Stores PAN India

1 This year we have added two warehouses into our boundary E-commerce (MFL) and Gurgaon warehouse (PFRL)

FEEDBACK

We welcome feedback from our stakeholders as it helps us improve our policies, processes and performance. Additionally, your insights and thoughts on the report content and presentation enable us to sharpen our efforts. Please share your comments and suggestions to:

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

SUSTAINABILITY & US

We at ABFRL perceive sustainability as an opportunity to achieve leadership in sustainable fashion and co-create long-term value for our stakeholders. We are committed towards integrating sustainability in every business decision across our value chain.

Sustainability is beyond just a business imperative for us, it is a way to redesign the future of business. We are committed to provide leadership and allocate adequate resources to materialise our sustainability policy across our business operations. With a sharp focus on product stewardship, we have a long-term strategy in place that provides the roadmap to improve sustainability and business performance at the same time. Our value chain partners are aligned with our goals and continue to play an important role in achieving them together with us.

In the reporting year, the world got caught up in the COVID-19 pandemic. We took proactive decisions to safeguard our people, community and customers, demonstrating our agility and adaptability in unpredictable scenarios by taking up various initiatives. We updated relevant safety guidelines, enhanced hygiene protocols, put emergency response system into action, and adapted to the new ways of business operation as well as employee connect and learning.

OUR SUSTAINABILITY JOURNEY

We are aligned with the Aditya Birla Group's vision to be the leading Indian conglomerate for sustainable business practices across global operations.

In line with the ABG Vision, we at Aditya Birla Fashion and Retail (ABFRL) embarked on our sustainability journey with the launch of the sustainability programme 'ReEarth - For Our Tomorrow' in FY 13.

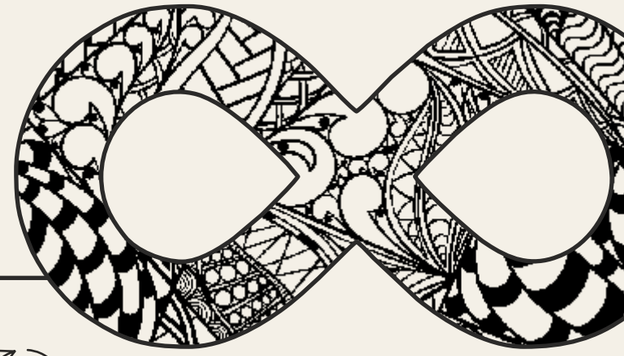
ReEarth
FOR OUR TOMORROW

ReEarth Vision

We are committed to give back more than what we take from our ecosystem

What began as a mission-based approach, focussing on our operations, is rapidly maturing in its sustainability journey. We achieved this 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 helped us do some exceptional work that has won national and global recognition. We constantly work to regenerate, restore and revitalise the ecosystems and communities we operate in.



3

PRODUCT CENTRIC AND SHARED VALUE SUSTAINABILITY STRATEGY

We partner and collaborate with various global and national forums as well as organisations, to advocate and create an ecosystem for a sustainable and circular future for the Indian apparel industry.

2

GREENING THE SUPPLY CHAIN

As a part of our upstream operations, we collaborated with our suppliers, reaching out to them through various platforms and elevating their own sustainability approach. For our downstream operations, we developed a robust communication and engagement strategy to connect with our customers and actively promote sustainable practices on their end.

1

GREENING OUR OWN OPERATIONS

To improve resource efficiencies, ensure health and safety, streamline data management and monitor our facilities and retail stores. We propelled sustainability across the organisation by emphasising on energy, carbon, water, waste and green building. We also partnered with global sustainability forums to exchange insights and gain knowledge on best practices and steer the industry towards greener practices.

TRANSITIONING TO SUSTAINABILITY 2.0

The reporting year FY 20 was a crucial year that marks the completion of our Sustainability 1.0 Goals, through the successful achievement of Mission 2020 targets. We are now extending the scope of ReEarth to a product centric approach, with Sustainability 2.0.

To achieve this, we are working from a product design and development point of view. We are integrating our upstream and downstream stakeholders into our strategy and synergising this transition across the value chain. We continue to focus on energy, carbon, water, waste, safety, community development initiatives, as well as sustainable product and packaging. Hence, this phase is all about integrating our value chain with our approach towards product-centric sustainability.

A summary of the ReEarth Missions, respective targets and status for FY 20 is depicted on next page.

We have been actively pursuing sustainability initiatives over the past few years and have made positive progress in almost in all Missions.

ReEarth Missions - Status Dashboard FY 19-20

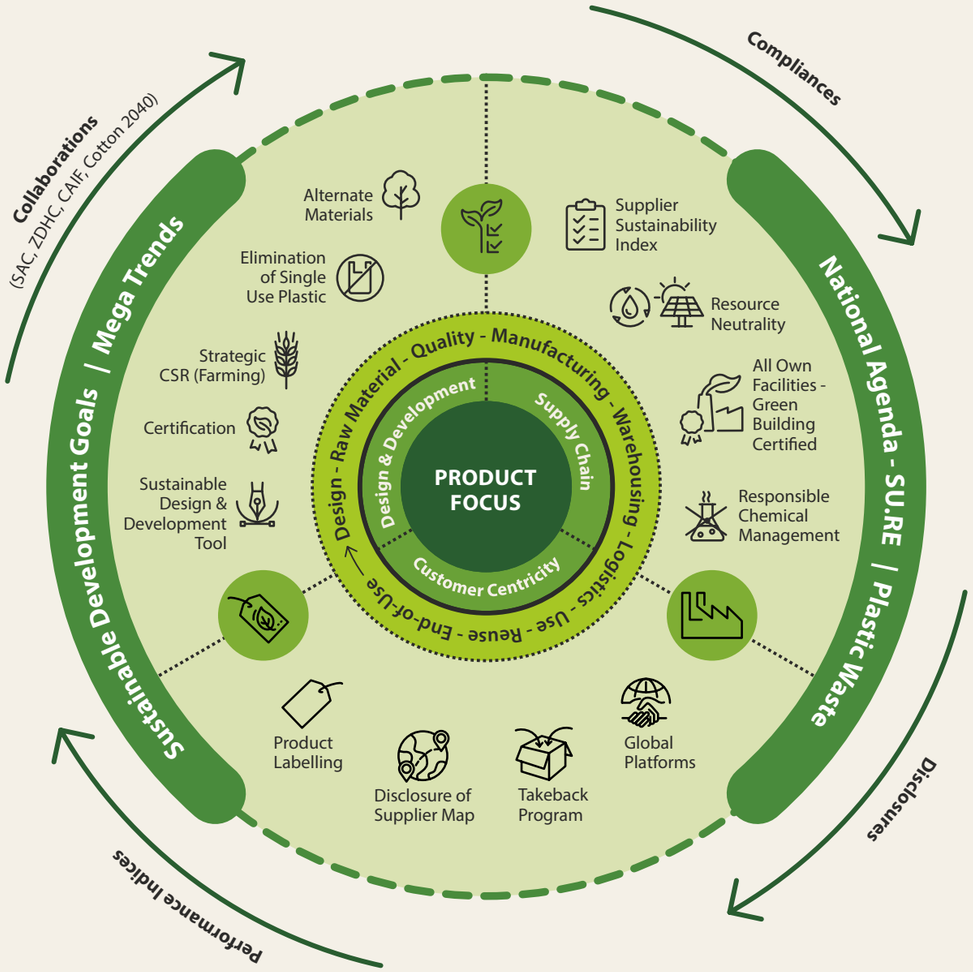
MISSION	TARGET	FY 20 ACHIEVEMENT STATUS
ENERGY	Reduce purchase of grid electricity by 5% through energy efficiency (FY20 year-on-year)	2% reduction achieved in purchase of grid electricity by means of energy efficiency measures (FY 20 year on year)
	Our goal of 3 years for energy efficiency was to reduce grid electricity consumption by 12% through energy efficiency measures against which we achieved a reduction of 11.90 % (ABRFL)	
	Reduce purchase of grid electricity by 25% through renewable energy	25% reduction achieved by means of solar rooftop installations 2MWp solar rooftop plants operational across all 5 facilities
CARBON FOOTPRINT	Reduce Scope 1 & 2 emissions by 25%	11% reduction in Scope 1 and Scope 2 emissions by process efficiency measures and renewable energy measures (MFL) 2.54% increase* in Scope 1 and Scope 2 (PFRL)
GREEN BUILDING	To minimise the environmental impacts from our built environment across facilities by pursuing green building certification	~10 lakh sq.ft. of the built area under green building certification **'PLATINUM'** certification for one of our Warehousing units (under Green factory rating system by Indian Green Building Council)
WATER	100% renewable water across our own facilities	42% achieved
	100% recycle/reuse across own facilities	82% achieved
WASTE	Zero Waste to Landfill across own facilities for non-hazardous waste with 100% traceability	100% achieved Traceability pilot carried out

** PFRL retail electricity consumption has been increased due to the increase in the number of stores from 308 to 342*

MISSION	TARGET	FY 20 ACHIEVEMENT STATUS
WASH PLEDGE	100% Compliance to WASH Pledge	99% Compliance achieved for factories
SAFETY	Zero Severity	No Severity Incidents at our premises
CSR	No. of Beneficiaries (Target)	Achievement
Education	22,970	29,190
Healthcare & Sanitation	1,06,451	1,24,295
Sustainable Livelihoods	1,300	1,186
Water & Watershed	36,173	36,414
Digitalisation	15,750	17,152
Volunteering	20,000 hrs	24,249 hrs
Beneficiaries Impacted	1,99,674	2,32,291
PACKAGING	100% Sustainable Packaging	87% Sustainable Packaging
SUSTAINABLE PRODUCTS	50% products by volume to have at least one sustainable attribute	47% of products by volume have at least 1 sustainability attribute
	Higg Assessment for Brands & Own Factories	Lifestyle Brands: Pantaloons & All In-house Factories: New Businesses
	Compliance to Vendor Code of Conduct	393 vendors (MFL-262 & PFRL-131) audited till 31st Mar 20, covers around 90% of total vendors

SUSTAINABILITY 2.0 TOWARDS PRODUCT CENTRICITY

From our engagement and learnings through our value chain, stakeholders and the increasing awareness among industry members, benchmarking with peers and global leaders gave us a better perspective to expand our horizon deeper and wider into the product centric sustainability approach, which focusses on product life cycle, and covering the aspects of circularity and traceability.



VARIOUS STAGES IN THE PRODUCT LIFE CYCLE AND THE FOCUS AREAS

PRODUCT DESIGN AND DEVELOPMENT
- Closed Loop Design
- Resource Conservation

RAW MATERIAL SOURCING
- Sustainable Materials
- Energy Management
- Human Rights and Compliance
- Water Management
- Chemical Management

MANUFACTURING/ PROCESSING
- Human Rights and Compliance
- Energy Management
- Water Management
- Chemical Management
- Zero Defects

LOGISTICS, STORAGE AND PACKAGING
- Sustainable Packaging
- GHG Emission Management
- Plastic Waste Management

MARKETING AND SALES
- Sustainable Packaging
- Sustainable Product Labelling

USE
- Water Management
- Energy Management
- Durability

END OF USE
- Circularity
- Recycling and Upcycling

COLLABORATING FOR ACCELERATED TRANSITION

ABFRL has always been ahead of the curve in exploring possibilities of global collaborations to accelerate our sustainability goals. Along the way, we are also advocating our peers in the industry about circular economy, sustainable sourcing, resource efficiency and global and national sustainability agendas.

CIRCULAR APPAREL INNOVATION FACTORY
AN INTELLECAP INITIATIVE

In the reporting year, we became an anchor partner for Circular Apparel Innovation Factory (CAIF), an industry-led action platform, with the aim to test and scale innovations to accelerate the transition to a circular economy.

We are creating an ecosystem that brings together a variety of stakeholders in the apparel industry in India to shift from its current 'take-make-dispose' approach, to one that is more circular across the life cycle.

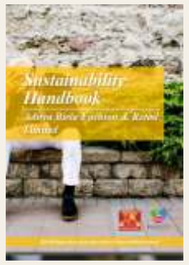
With the transition to a product-centric approach, we have collaborated with key global partners like Sustainable Apparel Coalition - The Higg Index, Ellen Mc Arthur Foundation, and so on. Also, we are part of the national agenda for sustainability along with our peers through SU.RE (Sustainable Resolution) with the Ministry of Textiles.

Sustainable Apparel Coalition
Higg Index
ELLEN MACARTHUR FOUNDATION
SU.RE SUSTAINABLE RESOLUTION

For more information on our collaboration with other key stakeholders, please refer to the Stakeholder Engagement section on page no. 131.

SUSTAINABILITY HANDBOOK

Employees and our partners play an important role in transforming our sustainability vision into a reality. The Sustainability Handbook will equip our partners and cross-functional teams with information on an integrated approach to sustainability and an understanding on how they play a crucial role in inculcating sustainability into business operations.



In the reporting year we released, **'Sustainability Handbook'** which is a simplified version of the sustainability agenda - written in a demystified manner to disseminate to larger stakeholder groups.

It includes driving the business towards product centricity, and also shares details on how we strive to adopt the life cycle approach that includes design and development, supply chain and customer centricity.

BRAND SUSTAINABILITY DASHBOARD

Brand Dashboard is a detailed representation of our sustainability interventions which acts as a decision support system, as well as an internal benchmarking platform. The Brand Dashboard emerged from our strategic sustainability focus shift from facility operations to a product centric approach. The dashboard rests on a solid data repository that has been structured and sliced to reveal the sustainability performance of each of our brands. This is a significant achievement in our sustainability efforts, as we look to integrate sustainability further into our brands and products.

2025 SUSTAINABILITY STRATEGY

We entered the second leg of our sustainability journey with Sustainability 2.0. The product life cycle approach will help us identify key focus areas for improvement and develop interventions for each life cycle stage of the product, including upstream and downstream operations.

From product design and product development, to sourcing, manufacturing, logistics, marketing, use and end-use, this approach lets us pivot sustainability into becoming the everyday norm. Ultimately, our focus will centre on achieving overall product sustainability.

We are moving ahead in our ReEarth Journey towards a product-centric approach. Between 2021 and 2025, our approach for Design and development will be through clean by design, focussing on sustainability attributes of products with defined yearly targets and goals.

Similarly, our approach for the supply chain is through interventions in sustainable operations by establishing the baseline for product intensity, sustainability index and Scope 3, followed by defining targets in reduction with reference to our goals for 2025. Also, focus will be increased towards model stores for Safety and Environment parameters along with the continuation of the Safety Target of Zero Fatality.

SUSTAINABILITY STRATEGY SHIFT 2025

Design & Development

Clean by Design

Sustainable Attributes
50% garments to have at least 2 sustainable attributes

Inclusive Communities

Sustainable Labels
Sustainable product labeling

Circular Economy
10% products by volume to be recycled/upcycled

Supply Chain

Sustainable Collaborations

Product Intensity
5% reduction in product intensity

Scope 3 Emissions
5% reduction

Sustainability Index
Critical tier 1 & 2 suppliers to be assessed and disclosed on Sustainability Index

Customer Centricity

Safety
Zero severity at our premises

CSR
Weaving benefit for our future

Waste
Traceability

Green Building
Certified Build Environment

Energy
Renewable Energy across own operations

Water
Water Positive across own operations

Another key focus on customer-centricity is through the Inclusive Communities approach.

Consumers of the fashion industry not only demand a fresh collection but also have become socially and environmentally conscious.

Moving ahead we will be focussing on defining the target on sustainable product labelling based on sustainable attributes.

AWARDS & RECOGNITIONS FOR SUSTAINABILITY

Awards not only recognise our pioneering efforts in sustainability but also inspire industry peers in following suit. We, at ABFRL, continued to win accolades from prominent organisations and bodies.

Sustainable Corporate of the Year
recognition from Frost & Sullivan and TERI at Sustainability 4.0 Awards 2019

Secured 8th position globally in the Dow Jones Sustainability Indices
(SAM Corporate Sustainability Assessment) in the Textile, Apparel and Luxury Goods Sector. The SAM CSA methodology is used, among others, to select companies for the Dow Jones Sustainability Indices (DJSI)

Won the 6th Indian Green Building Council (IGBC) Green Champion Award
under the 'Pioneer in Large Scale Adoption of Green Buildings in Industrial Sector' category

Awarded with 'Platinum Standard'
for the LBRD Warehouse, rated by CII for its 'Green Building Mission'

Won Golden Globe Tigers Awards 2019
in the categories of Best Sustainability Report and Excellence in CSR Leadership

Won the 'CSR Project of the Year Award'
for Village Development Project at the Corporate Social Responsibility Summit and Awards 2019

Received the 'CII SCALE National Award 2019'
in the Garments and Textiles category

Received the 'Best IBP (Integrated Business Planning) Process'
in the Apparel Industry at the ISCM Demand Planning Forecasting Awards 2019

Won Two Awards at the NCQC 2019
Quality Team from MFL won Two Awards:
Par Excellence Award for Shirt Packaging Standardization Process | Excellence Award for Quality app

Received the 'Unnatha Suraksha Puraskara'
by the National Safety Council Karnataka Chapter 2019 for factories - Crafted Clothing Ltd., Haritha Apparels Ltd. and Europa Garments Ltd.

CORPORATE GOVERNANCE

What the atmosphere is to earth, effective corporate governance is to business sustainability. It is only in an environment where robust corporate governance exists that a company's sustained performance persists. The Aditya Birla Group is one of the pioneers of corporate governance, and as part of the Group, we at Aditya Birla Fashion and Retail Limited are committed to adopt and adhere to the best governance practices.

Our goal is to become a value-driven organisation that enhances its worth for its stakeholders, based on our Group's core values of Integrity, Commitment, Passion, Seamlessness and Speed.

Our stakeholders today, evaluate us as much for our ethics and fair conduct, as for our ability to deliver quality products and services. It is from this responsibility towards our stakeholders that our corporate governance framework and philosophy originates. At ABFRL, we believe that a framework based on these core principles not only enhances stakeholder value, but also fosters trust among our stakeholders.

PHILOSOPHY AND PRINCIPLES

ABFRL is committed to the highest standards of business ethics and corporate governance.
The governance philosophy of the Group rests on the following basic tenets:

TRANSPARENCY
Transparency and Integrity are key to corporate governance practices

ACCOUNTABILITY
Our practices ensure accountability towards all stakeholders

INTERESTS
Our practices ensure protection of minority interests and rights

CONTROL
Control system to enable the Board to efficiently conduct business and discharge responsibilities to its stakeholders

MONITOR
Effective monitoring and reviewing of the risk management framework and associated practices are ensured

REVIEW
Regular review of processes and management systems for improvement are ensured

ETHICS
Our practices ensure that we maintain high standards of ethics

DISCLOSURES
Our practices ensure that we make timely and accurate disclosures

The role of corporate laws, though essential, is only complementary and supplementary, whereas Corporate Governance extends beyond the realms of such laws. ABFRL, at all times strives to uphold, develop and strengthen the principles of corporate governance. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

ORGANISATION STRUCTURE

We continuously endeavour for excellence and focus on enhancement of long-term stakeholder value through adoption of, and in adherence with, the best governance practices, in true spirit at all times. These efforts start with a commitment from the top leadership, whose inputs and insights play a critical role in implementing a strong governance structure.

The Board at ABFRL is responsible for, and committed to, sound principles of corporate governance and plays a crucial role in overseeing how the Management serves the short and long-term interests of members and other stakeholders. This belief is reflected in the governance practices of ABFRL, under which we strive to maintain an effective, informed and independent Board.

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. Duly supported by the Managing Director, Key Managerial Personnel (KMP) and the Senior Management, the Board has been vested with the requisite powers and authority to fulfil their duties and responsibilities.

ABFRL's Board has an optimum combination of executive, non-executive and independent directors, including an independent woman director. It is in conformity with Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations. The composition, diversity and strength of the Board is reviewed from time to time for ensuring that the same is in line with the applicable laws and also that it remains aligned with the strategy and long term needs of ABFRL.

Composition of the Board of Directors (as on March 31, 2020)

BOARD OF DIRECTORS

- **Mr. Arun Thiagarajan** – Independent Director
- **Mr. Ashish Dikshit** – Managing Director
- **Mr. Himanshu Kapania** – Non-executive Director and Vice-Chairman
- **Mr. Sanjeeb Chaudhuri** – Independent Director
- **Ms. Sukanya Kripalu** – Independent Director
- **Mr. Sunirmal Talukdar** – Independent Director
- **Mr. Sushil Agarwal** – Independent Director

Audit Committee
- Mr. Arun Thiagarajan
- Ms. Sukanya Kripalu
- Mr. Sanjeeb Chaudhuri
- Mr. Sushil Agarwal
- Mr. Sunirmal Talukdar

Stakeholders Relationship Committee
- Mr. Himanshu Kapania (chairperson)
- Ms. Sukanya Kripalu
- Mr. Sushil Agarwal

Nomination and Remuneration Committee
- Ms. Sukanya Kripalu (chairperson)
- Mr. Sanjeeb Chaudhuri
- Mr. Arun Thiagarajan
- Mr. Sushil Agarwal
- Mr. Sunirmal Talukdar

Corporate Social Responsibility Committee
- Mr. Himanshu Kapania (chairperson)
- Mr. Sanjeeb Chaudhuri
- Mr. Sushil Agarwal

Permanent Invitees
- Mrs. Rajashree Birla
- Dr. Pragnya Ram
- Mr. Ashish Dikshit

Risk Management and Sustainability Committee
- Mr. Arun Thiagarajan (chairperson)
- Mr. Sushil Agarwal
- Mr. Himanshu Kapania
- Mr. Sunirmal Talukdar

COMMITTEES OF THE BOARD

The Committees of the Board play a crucial role in the governance structure of ABFRL.
The committees are formed with the approval of the Board and 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 its duties entrusted by the Board. Each committee demonstrates highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These committees spend considerable time and provide focussed attention to various issues placed before them and the guidance provided by these committees lend immense value and support, 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

ABFRL has a qualified and independent audit committee, 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 ABFRL's internal controls and financial reporting process.

Vigil Mechanism

The Board has, on recommendation of its audit committee, duly adopted a Vigil Mechanism/ Whistle Blower Policy.

Adequate safeguards are provided against victimisation to those who avail of the mechanism and direct access to the Chairperson of the audit committee is provided to them. The details of establishment of vigil mechanism is also available on our website: www.abfrl.com

NOMINATION AND REMUNERATION COMMITTEE (NRC)

NRC inter alia discharges the Board's responsibilities relating to:

- Identifying persons who are qualified to become directors and who may be appointed at senior management positions in accordance with the criteria laid down, and recommending to the Board their appointment and removal
- Recommending the remuneration, or revision in remuneration, of the Managing Director and Executive Directors to the Board
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, KMP, senior management and other employees

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE (RMSC)

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

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Board of ABFRL has constituted the SRC to specifically look into 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.

The composition, quorum, powers, role and scope of the SRC are in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

Ms. Geetika Anand, Vice President & Company Secretary, being the Compliance Officer of ABFRL, is responsible for the redressal of grievances of the shareholders, debenture holders and other security holders.

For more information on each committee and their responsibilities please refer to our Annual Report 2019-20.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The CSR is inter alia entrusted with the responsibility of monitoring and implementing the CSR projects/programmes/activities of the Company. It is responsible for approving the annual CSR budget, implementing CSR projects and other related activities. The Committee is also in charge of finalising the annual CSR budget, reviewing Business Responsibility activities and the Business Responsibility Report.

Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development and Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Aditya Birla Group, are the permanent invitees to the meetings of CSR committee.

POLICIES

An employee is an ambassador of the organisation, who must adhere to all the principles and policies within the Company's Corporate Governance framework. This helps create a pervasive organisational culture that translates into transparent, ethical and responsible operation of the Company.

These policies come together to ensure a professional and mature work environment that reinforces ABFRL's value of integrity. To enable this, we have devised certain key policies.

Details of the policies and codes adopted by ABFRL are as under:

1	Sustainability Policy	http://www.abfrl.com/docs/corporate_governance/policies/Sustainability-policy.pdf
2	Vendor Code of Conduct	http://www.abfrl.com/docs/corporate_governance/code_of_conduct/ABFRL-Vendor-Code--of-Conduct-Policy.pdf
3	Corporate Social Responsibility Policy	http://www.abfrl.com/docs/corporate_governance/policies/Corporate-Social-Responsibility-Policy1.pdf
4	Policy on Related Party Transactions	http://www.abfrl.com/docs/corporate_governance/policies/Policy-on-Related-Party-Transactions1.pdf
5	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.
6	Risk Management Policy	Since ABFRL is in the retail industry, it is prone to inherent business risks. 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.
7	Policy for Determining of Material Subsidiary Companies	http://www.abfrl.com/docs/corporate_governance/policies/Policy-for-Determining-Material-Subsidiary.pdf
8	Policy for Determination of Materiality of Information or Event	http://www.abfrl.com/docs/corporate_governance/policies/Policy-for-determination-of-materiality-of-information-or-event.pdf
9	Policy for Archival of Documents	http://www.abfrl.com/docs/corporate_governance/policies/Policy-for-Archival-of-Documents.pdf
10	Policy on Preservation of Documents	http://www.abfrl.com/docs/corporate_governance/policies/Policy-on-preservation-of-documents.pdf
11	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	http://www.abfrl.com/docs/corporate_governance/code_of_conduct/Code-of-Practice-and-Procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf
12	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 ABFRL.
13	Code of Conduct for Board of Directors and Senior Management of Aditya Birla Fashion and Retail Limited	http://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
14	Familiarisation Programmes for Independent Directors	http://www.abfrl.com/docs/corporate_governance/policies/ABFRL_Familiarisation-programmes-imparted-to-Independent-Directors1.pdf
15	Vigil Mechanism/ Whistle Blower policy	http://www.abfrl.com/docs/corporate_governance/policies/Whistle-Blower-Policy.pdf
16	Anti-Fraud Policy	http://www.abfrl.com/docs/corporate_governance/policies/Anti-Fraud-Policy.pdf
17	Policy on Prevention of Sexual Harassment at Work Place	ABFRL has adopted 'Policy for Prevention of Sexual Harassment at Workplace' (POSH) on a company-wide level to ensure the respect and dignity of all its employees. POSH is applicable not only to employees but also to third parties or clients and our vendors. During the year under review, no cases were filed under the POSH Act.

RESTORING ECOSYSTEMS

PERFORMANCES			
	29 ENVIRONMENT	**53** PEOPLE	**83** SOCIAL
	48 FINANCIAL	**70** SAFETY	**105** PRODUCT REPONSIBILITY

RESPONSIBLE
STEWARDSHIP

Transitioning to a product-led sustainability is bringing about a fundamental change in our production and consumption process. By adopting product circularity, we are reducing environmental pressures linked to the entire life-cycle of our products. Going beyond, we are also aligning our supply chain to this new approach,

CREATING A RIPPLE EFFECT TO AMPLIFY OUR EFFORTS

RE-ESTABLISHING

NATURAL PROCESSES AND EMPOWERING

THE COMMUNITY TO HELP ITSELF.

PERFORMANCE

ENVIRONMENTAL

Fashion reflects the world around us. At a time when the whole world is transitioning to the new normal, the fashion industry is navigating through changing consumer behaviour and finding new opportunities. Going beyond just style and comfort, fashion today wants to have a positive impact on the health of the planet and the community.

Any negative impact on the environment can lead to extreme weather events and can set back the efforts to control the pandemics, affect the supplies of food, clean water, electricity, and disrupt medical services. Hence, social and environmental aspects continue to be at the core of the fashion industry in the post-pandemic world.

25%
of our total energy requirement is met through renewable energy sources

25 LAKH UNITS
of solar power generated leading to reduction of more than 2,000 TCO_2

82%
wastewater has been recycled and reused

5%
reduction in solid waste generation with respect to the last financial year

48,703
kl of rainwater harvested and artificially recharged within premises

98.7%
compliance to WASH pledge guidelines across MFL factories

At ABFRL, we have identified mega trends in the fashion industry to lead the change and drive sustainability further.

1 India's rise as a lucrative consumer market for apparel instead of just a sourcing hub.

The young population shifting from non-branded to branded apparel, increased disposable income, deeper internet penetration, are some of the reasons that are making India a consumer-driven market. We have already got this covered with some of India's most iconic brands - Louis Philippe, Van Heusen, Allen Solly and Peter England - all market leaders within their segment.

2 Industry transitioning from linear to circular economy that has led to the creation of new business models such as subscription, resale, and refurbishment.

We have already progressed in responsible resource consumption, improved resource efficiency, and waste management with our pilot concept of Zero Waste to Landfill stores. We are moving forward to create an ecosystem for circularity through strategic collaboration.

3 Complementing the above two trends, is digitalisation and collaborations to drive sustainability in the world of fashion.

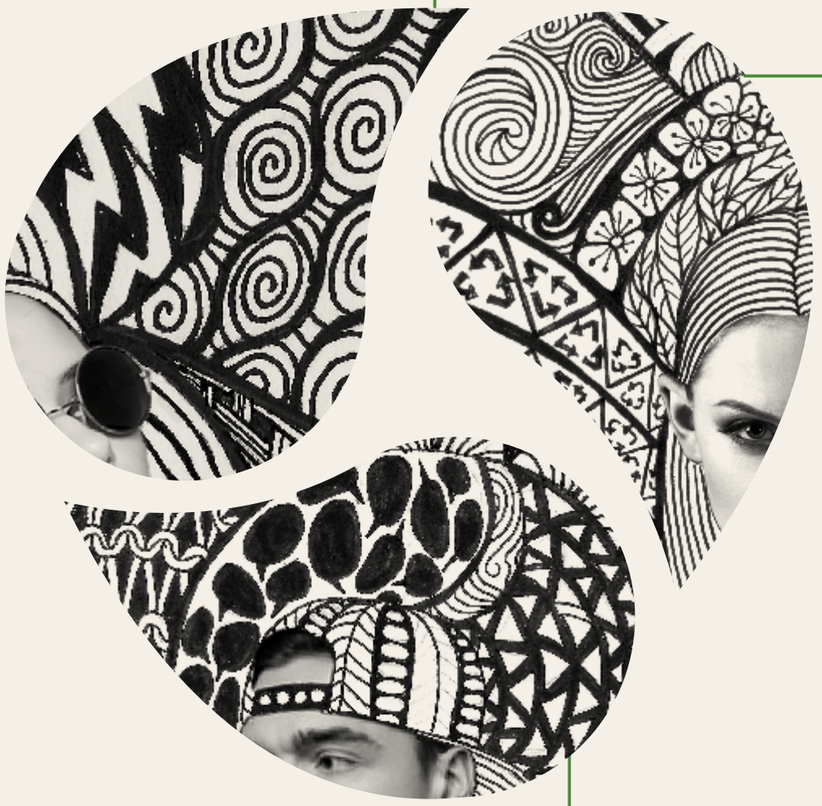
By leveraging our current collaborations with the Ellen MacArthur Foundation and the Sustainable Apparel Coalition, we aim to share our knowledge and experience with our collaborators as well as create impact at scale across our value chain.

ReEarth
FOR OUR TOMORROW

With our flagship sustainability framework ReEarth, we not only seek to lead the future of business but also give back more than what we take from the ecosystem.

We are evolving our environmental goals, embracing a new mindset, and exploring new avenues. By unrolling sustainability across the entire value chain through a well-defined, target-based roadmap for each environmental indicator, we are facilitating effective on-ground implementation to derive verifiable outcomes in desired timeframes.

WE ARE EVOLVING
OUR ENVIRONMENTAL GOALS



WE ARE EXPLORING
NEW AVENUES

WE ARE EMBRACING
A NEW MINDSET

OUR APPROACH

We are shifting towards a holistic product-centric approach which places sustainability at the heart of the business and aims to ensure that every product is designed in harmony with the health of the people and the planet. We completed Sustainability 1.0 of our journey in 2020. We are now putting our efforts in the direction to achieve larger and wider goals as part of Sustainability 2.0 and our 2025 roadmap.

Our goal for 2025 is to have 100% Built Environment to be certified under Green Building Rating system and our preparedness to become Net-Zero. We will be focussing on the 'Resource Efficiency & Resource Renewable,' which will be driven through the Green Building standards. It will help us achieve reduction in Carbon, Water and Waste footprint.

Our new approach is aligned with the vision of our flagship sustainability programme 'ReEarth'. "Giving back more than what we take from our ecosystem". We are moving beyond reducing and towards restoring, and ultimately redesigning the way we operate. Following the group framework, we have gone beyond looking at the legal compliances, taking the international standards into account and imbibing the best practices to be future proofed from the environmental risks and impact on the environment.

Our Environmental Sustainability Missions

ENERGY | CARBON FOOTPRINT | GREEN BUILDINGS
WASTE | WATER | WASH

Key initiatives to put our approach into practice

Rolled out group technical standards (international standards) on environment and safety at selected factories and warehouses to understand the conformance levels and create a short & long-term action plan to achieve the global standard levels.

Working to achieve **significant reduction in grid electricity consumption through energy efficiency measures, commit to zero waste to landfills with traceability work in progress, significant reduction in water demand and adding more renewable water to the ground water table, achieving the milestone of 'water neutral' status.**

Waste management is majorly focussed on two aspects firstly, **to reduce overall waste and encourage circularity; and secondly, to encourage the safe disposal of waste.**

Launched an IT platform - "Digital Dashboard" across business operations, including retail, to capture the sustainability KPIs mapping the contributors, validators and approvers. By this, we are able to achieve a definitive milestone of digitalising the sustainability performance data at a great extent, which will significantly enhance our data accuracy, timeliness and future planning.

Green building mission has been actively rolled out in making our facilities sustainable with an overall aim to reduce the carbon footprint.

Significantly reduced or eliminated pollutant packaging material by exploring innovative means of packaging.

ENERGY MISSION

We manage reduction of energy footprint through a two-pronged approach. Reducing energy consumption through energy efficiency initiatives and increasing the share of renewable energy in our energy mix. We have focussed on reducing our grid electricity consumption, which has further resulted in lowering our carbon footprint. Going forward, we will be transitioning to a product lifecycle approach to reduce the overall energy footprint of the product.

In the current year, we have worked towards both the goals: reducing the energy demand through taking up various energy efficiency measures and adding more renewable energy to the mix to reduce the carbon footprint.

By FY 20, we aimed to reduce the purchase of grid electricity by **12%** through energy efficiency and **25%** through renewable energy

ENERGY PERFORMANCE

Energy Consumption *in TJ*

	FY 2018-19	FY 2019-20
Direct Energy	110.33	102.12
Indirect Energy	254.08	259.47

Absolute Energy Consumption *in '000 TOE*

	FY 2017-18	FY 2018-19	FY 2019-20
Direct Energy	2.31	2.64	2.44
Indirect Energy	5.45	6.07	6.20
Total	**7.77**	**8.71**	**8.64**

Energy Intensity

	FY 2017-18	FY 2018-19	FY 2019-20
Total Energy Consumption (TOE)	7,768	8,710	8,641
Total Revenue (INR crore)	7,181	8,118	8,743
Energy Intensity (TOE/INR crore)	1.08	1.07	0.98

In absolute energy consumption, the energy consumed at retail stores for MFL and diesel consumption of DG sets for PFRL was excluded.

In direct energy, we used diesel, biomass, LPG and solar energy, while indirect energy was through purchased electricity.

ENERGY SAVINGS & CARBON EMISSIONS REDUCED

5,199 GJ
saved by energy efficiency measures

1,184 tCO_2
emissions reduced

ENERGY EFFICIENCY

Our energy efficiency measures include adoption of innovative technologies and processes, installation of efficient equipment and redesigning our new facilities and retail stores. Our continuous efforts to enhance energy efficiency delivered 5,199 GJ (14.44 lakh units kWh) of energy savings for FY 2020.

Our goal was to reduce the grid electricity consumption by 12% in three years through energy efficiency measures, against which we achieved a reduction of 11.90% (ABFRL).

Reduction in energy consumption

14.71%
MFL Division (LTL)

2.01%
ABFRL (LTL)

The target for FY 2019-20 was to reduce by 5% through energy efficiency measures, against which we achieved a reduction of 14.71% with respect to the baseline year 2018-19 (MFL Division) and a reduction of 2.01% with respect to the baseline year 2018-19 (ABFRL).

Case Study

LED-ING TOWARDS ENERGY EFFICIENCY

ABFRL's Pantaloons retail stores implemented a series of interventions to enhance energy efficiency at several stores across the country.

Action

- Installed energy efficient equipment
- Technical Intervention
- LED (Light Emitting Diode) conversion drive saw replacement of 50-watt CDMT (Ceramic Discharge Metal-halide) lights with 30-35-watt LED lightings in retail stores

Outcome

In January 2020, the LED conversion of shortlisted stores saved **8,954 units**

Operational efficiency resulted in electricity savings of **31.46%**

As the next step of our energy efficiency journey, we completed techno-commercial feasibility for solar rooftop installations and shortlisted standalone Pantaloons COCO stores for execution

Way Forward

- Explore energy efficiency and cost-effective alternatives for retail stores
- Digital dashboard to capture and monitor key performance indicators
- Derive a common specific energy consumption KPI and drive the performance across our business operations

RENEWABLE ENERGY

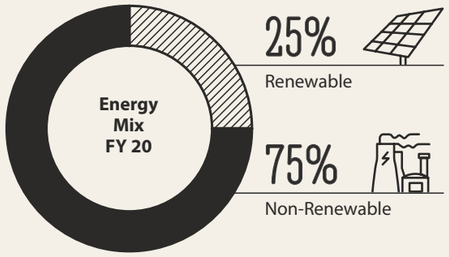
Guided by the principles of our ReEarth programme, we aim to enhance the use of alternate and cleaner sources of energy across our operations in a planned manner through the usage of solar power and renewable fuel like biomass briquettes. Currently, we have around 2 MWp installed and operational across the 5 facilities for more than a year now and we have seen the success in the realisation of becoming more renewable and more profitable.

With this experience, we are planning to extend the solar rooftop projects to the rest of our sites and are also ready with the plan of capacity approximately 2.5 MWp. We have also converted diesel-based boiler to the biomass boiler for one of our factories (i.e. Alpha Garments Limited).

Our target for FY 2019-20 was to achieve a 25% reduction in consumption of grid electricity through renewable energy, against which we have achieved 24.79%.

24.69% of our total energy requirement (i.e. in TOE) is met through Renewable Energy Sources across ABFRL

68.92% of our total energy requirement (i.e. in TOE) is met through Renewable Energy Sources across MFL facilities

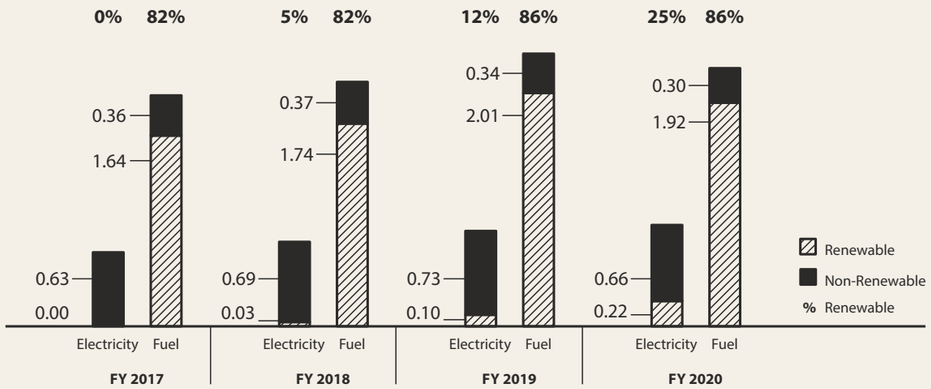


Energy Mix *in '000 TOE*

	FY 2017-18	FY 2018-19	FY 2019-20
Renewable Energy	1.78	2.11	2.13
Non-Renewable Energy	6.03	6.60	6.51

Note: In FY 20, the renewable energy consumption was 89.27 TJ and non-renewable energy consumption was 272.32 TJ.

Energy Share - MFL Division (only facilities) *in TOE*



Case Study

TAKING STREET LIGHTS OFF THE GRID

LITTLE ENGLAND APPARELS

Challenge

Compact Fluorescent Lamp (CFL) streetlights at our Little England Apparels factory were on the grid which consumed a lot of power. The challenge was to take this light off the grid to cut the power bill and be more sustainable.

Action

Solar panels with batteries were installed on the individual light poles to store power required to run the lights at night. Solar street lights use renewable source of energy and therefore eliminates carbon footprints contribution. They also require lesser maintenance than CFL lights and have lower chances of overheating.

Outcome

Reduction in grid electricity consumption
11 kWh/Day

Unit: LEA	Running Hours: 12	Quantity: 27
CFL		**Solar LED Lights**
Wattage	35	Wattage 00
Power Consumption (kWh/day)	11	Power Consumption (kWh/day) 00

CARBON FOOTPRINT MISSION

With long supply chains and energy intensive production, the fashion industry contributes to around 10% of global greenhouse gas emissions. Reducing usage of energy derived from fossil fuels inadvertently reduces emissions. While energy security and cost are important parameters in our energy strategy, our focus is to shrink our carbon footprint and contribute to combating climate change.

Reduced
11.24%
Scope 1 & 2
emissions
MFL Division

In FY 2019-20, 2.54 % increase in Scope 1 & 2 emissions (PFRL Division)

Absolute GHG Emissions *in TCO_2*

	FY 2017-18	FY 2018-19	FY 2019-20
Direct Emissions (Scope 1)	1,719	1,590	937
Indirect Emissions (Scope 2)	52,004	57,877	59,101
Total	**53,723**	**59,467**	**60,038**

Note: The increase in scope 2 emissions was due to the inclusion of additional facilities and the increase in number of PFRL stores from 308 to 342. Reported data includes only CO_2

We at ABFRL, formulated specific targets and defined goals for Carbon Foot print Scope 1 & Scope 2 emission until FY20 under our ReEarth Sustainability 1.0.

In addition to the existing scope now through our Sustainability 2.0 approach we are extending our boundary in carbon footprint to value chain by considering the specific categories of Scope 3 emissions as well.

Under the guidance of the Group Sustainability Cell, ABFRL (MFL Division) has already started computing the Scope 3 carbon emissions in various categories such as Upstream Transportation, Business Travel, Downstream Transportation.

This year we finalised approach and methodology for strengthening accuracy for developing baseline for selected categories under scope 3 at ABFRL level.

Source for emission factors: http://www.cea.nic.in/reports/others/thermal/tpece/cdm_co2/user_guide_ver14.pdf
https://www.ipccnggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

Case Study

CURBING CO_2 EMISSIONS THROUGH BIOMASS BRIQUETTE BOILER

ALPHA GARMENTS

Challenge

To substantially reduce CO_2 emissions and the cost of production by replacing the fossil fuel with a sustainable alternative.

Action

Our team at Alpha Garments identified that by replacing the diesel fired boiler with biomass briquette boiler, which is a renewable source and considered neutral in GHG emissions, we will be able to reduce CO_2 emissions and also bring down the cost of production. We replaced the 500-kg diesel fired boiler with a more sustainable biomass briquette boiler for steam generation as part of our energy Mission.

Outcome

Reduction in the production cost and curbed about 30.43 TCO_2

GREEN BUILDING MISSION

According to the U.S. Green Building Council (USGBC), 'Green building is a holistic concept that starts with the understanding that the built environment can have profound effects, both positive and negative, on the natural environment, as well as the people who inhabit buildings every day. Green building is an effort to amplify the positive and mitigate the negative of these effects throughout the entire life cycle of a building.'

Our green building mission is an additional step towards reducing our product footprint and is in alignment with our energy, carbon, water and waste missions.

IGBC GREEN CHAMPION AWARD

Aditya Birla Fashion & Retail Limited' has been unanimously chosen as a winner of the 6th IGBC Green Champion Award under the category of 'Pioneer in large scale adoption of green buildings in Industrial sector'. ABFRL has been involved in the development of around five IGBC green factory building projects so far. Our contribution has played a key role in India emerging as a global green champion.

As on March 20
10 lakh
sq. ft. area of our built footprint has been certified green

LBRD Warehouse, Attibele - India's first platinum certified apparel warehouse

Case Study

INDIA'S FIRST PLATINUM CERTIFIED APPAREL WAREHOUSE

LBRD WAREHOUSE, ATTIBELE

Objective

To ensure that our 3 lakh sq. ft. warehousing facility adheres to the highest green rating - IGBC Platinum. Our team integrated a slew of sustainability measures which included:

Energy Management

- Nearly 60% savings in the energy costs due to the use of LED lightings, efficient HVAC, use of solar power, etc. Only CFC-free refrigerant used in air conditioners
- On-site renewable energy generation of 192 kWp by solar rooftop plant which was installed to cater the building's energy requirements

Water Management

- 40% of potable water savings due to the use of water-efficient fixtures
- Rainwater harvesting - 100% roof and non-roof area rainwater is harvested and recharged using the natural pit recharging method and bore well recharging method
- Onsite sewage treatment plant to treat 100% of wastewater generated on site and recycle and reuse completely within the premises

Material Management

- More than 95% of the materials by cost are locally manufactured i.e. within 500 km. Materials used in the interior fit-outs have 14% of recycle content by cost
- Use of FSC (Forest Stewardship Council) certified wood, which is sourced sustainably
- Waste diverted from landfill
- 100% food / kitchen waste is converted to compost and used in landscaping at the site

Indoor Environment Quality Management

- 94% of the regularly occupied areas comply with the minimum daylight requirements
- Provision of gym facility and break-out spaces at the site
- Low VOC materials for exterior maintenance

Sustainabile Sites

- More than 95% of site employees access the company's transportation services, which helps in lowering the carbon footprint
- Designed for differently abled people - provided separate toilets along with ramps for easy movement

Outcome

Achieved a score of 81 which qualifies the building as 'Platinum' category under IGBC rating system.

WATER MISSION

The fashion industry is the second-biggest consumer of water. At ABFRL, water is a crucial resource we focus on and one of the important material issues in our value chain, in line with our mission to ReEarth. We are working on reducing the water consumption in our own operations by adopting water efficient technologies. We augment groundwater resources through rainwater harvesting, artificial recharging systems, recycling, and reusing water and wastewater to reduce our water use.

We have completed installation of Rainwater Harvesting systems along with the artificial recharge systems at 2 facilities i.e. at EGL (Europa Garments Limited) other subunits & at the Attibele LBRD warehouse.

With ever increasing stress on water reserves, we have identified responsible water management as a critical area with focus on reducing freshwater withdrawal by establishing recycling & reusing facilities and capturing rainwater. This year, moving one step further, we have also added 'Water' as one of our CSR focus areas to bring safe water to our host communities. We follow a structured risk management approach to identify and manage risks related to water availability. We have Aqueduct tool to analyse the risks related to water availability for our manufacturing locations on that basis we have prepared Water Risk Mitigation Plan.

In FY 20 we became **Water Neutral** across our operations

This was achieved through various steps such as reducing the water demand, treating the wastewater and then recycling/reusing the same into the process or landscaping. We installed roof and non-roof rainwater harvesting and artificial recharge systems to reduce our fresh water consumption. Our community-level watershed programme enabled access to safe water for neighbouring villages.

WATER FOOTPRINT

Total Water Consumption - ABFRL *in m^3*

	FY 2017-18	FY 2018-19	FY 2019-20
Surface Water	49,632	32,276	22,674
Ground Water	97,137	1,19,127	1,01,410
Total Water Withdrawal	**1,46,769**	**1,51,403**	**1,24,084**

Water Harvested & Recycled - MFL Facilities *in %*

	FY 2017-18	FY 2018-19	FY 2019-20
Rainwater Harvested	5%	37%	42%
Water Recycled & Reused	54%	73%	82%

Note: Water is not considered to be material issue for Pantaloons Division & Madura Retail Stores. Surface water includes purchased water from tankers and drinking water cans.

46.25% renewable water has been sourced across all MFL factories through rain water harvesting and artificial recharge systems, which is about 43,069 cubic meters of water

For the year FY 2019-20, the target was to recycle & reuse 100% of our wastewater across all our facilities (MFL Division), against which we recycled and reused 81.70%, which is about 93,875 Cubic meters of water

Case Study

HARVESTING WATER FOR A RAINY DAY

EUROPA GARMENTS

Challenge

Sustained groundwater withdrawal for industrial purposes can lead to water depletion and supply problems during droughts, not only for our business, but also for the neighbouring communities. People around our factories are dependent on groundwater for drinking and farming purposes.

Action

A dedicated rainwater harvesting tank was installed in Europa Garments to help harvest 3 lakh litres of rainwater through rooftop collection. The capacity is enough to suffice 4-5 days of operational water requirement of the factory and reduce the groundwater withdrawal.

Outcome

During monsoon, water is collected and re-used for domestic and process requirements of our factory, curbing the water withdrawal from the Borewell.

With this initiative, we will be able to reduce our groundwater consumption by **3 lakh litres**

WASH MISSION

Water, Sanitation and Hygiene are not only fundamental to the human rights, health and dignity of workers, but also a significant factor affecting an organisation's ability to function and prosper. WASH is also the first line of defense against spreading any disease. It calls for improving water and sanitation services, as well as basic hygiene practices.

We are compliant to the WASH standards and have monitoring and reviewing mechanisms in place to ensure compliance. Annually, we conduct a deep dive exercise assessing current compliance to WASH pledge and addressing gaps, if any.

In the financial year FY 2019-20, we have done two things. Firstly, of course, as every year, we have taken the self-assessment across all the factories (post our group assurance team has done the on-site assessment) and stood at score of 98.7% by working towards implementing the actions against the gaps.

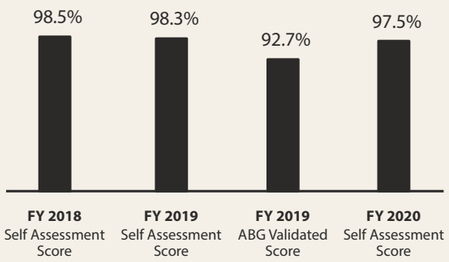
Secondly, we have made WASH pledge compliance mandatory, by making it part of the new facility opening. This ensures that WASH is rolled out at the design stage itself, in some cases along with the Green Building new factory/facility checklist, ensuring the best practices of WASH pledge be implemented at the site during the phase of design, planning and construction.

Achieved
98.7%
compliance to WASH pledge guidelines in FY 20 across MFL Factories

By 2020, ABFRL aims to enhance employee morale and productivity by providing safe and hygienic workplaces, maintaining 100% compliance to WASH pledge.

At ABFRL, we abide by the WASH pledge and have consistently maintained more than 90% compliance over last 3 years.

WASH Scores: Year-on-Year Trend - ABFRL



WASH PLEDGE

WATER

- Availability of sufficient, safe and physically accessible drinking water
- Regular cleaning and disinfection of drinking water stations
- Availability of adequate water drainage and disposal systems
- Regular inspections, maintenance and repair of water supply and drainage facilities
- Accessibility of water for washing and personal hygiene in all washroom areas
- Use of water saving technologies & implementation of water saving awareness campaigns

SANITATION

- Provision for adequate number of toilets in the organisation
- Hygienic disposal of waste
- Provision for adequate lighting and ventilation
- Adequate toilet design keeping in mind the elderly and disabled and specific gender requirements
- Availability of sanitary products and medical waste disposal
- Regular cleaning, disinfection and maintenance of toilet facilities

HYGIENE

- Personal hygiene provisions including clean water, soap and hand drying facilities
- Storage of cleaning equipment in dedicated locations
- Appropriate protective gear for toilet cleaning and maintenance staff
- Clear signage for appropriate washroom practices
- Sanitation, hygiene training and awareness campaign for staff
- Training for cleaning and maintenance staff

ABFRL: WASH SCORES

Self-Assessment

	Facility	FY 2017	FY 2018	FY 2019	FY 2020
Factory	LEA	NA	NA	NA	2.0
	CCL	2.00	2.00	1.86	1.97
	EAL	2.00	2.00	1.86	1.97
	FCL	2.00	2.00	1.86	1.97
	AGL	2.00	2.00	1.86	1.97
	CML	2.00	2.00	1.86	1.97
	EGL	2.00	2.00	1.83	1.97
	HAL	1.90	1.90	1.86	1.97
Warehouse	Entoma / Attibele	1.93	1.93	1.87	1.87
	Hoskote	1.93	1.93	1.83	1.83
Office	Regent Gateway / Divyashree	1.90	1.90	1.90	NA

WASTE MISSION

At ABFRL, we focus on two aspects of waste management - firstly, to reduce overall waste and encourage circularity; and secondly, the safe disposal of waste. We believe that with the right approach, waste management is an opportunity for value-creation for not only our stakeholders but also for the nation as a whole.

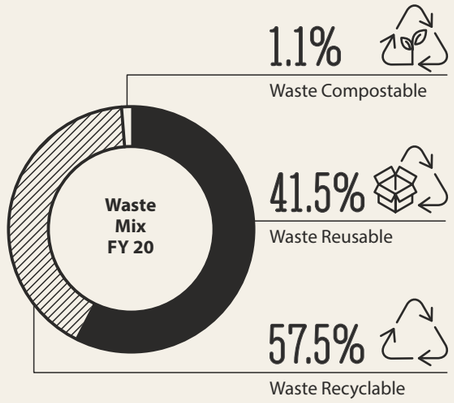
By FY 20, we aimed to achieve Zero Waste to Landfill across our own operations.

We achieved 'Zero Waste to Landfill' across all our facilities and traceability pilot has been carried out in the reporting year.

We perceive waste management as an opportunity of value creation, not only for the business but also for the stakeholders associated with. Also, through our streamlined waste management approach we continue to ensure 'Zero Waste to Landfill across all our own facilities' and our hazardous waste is disposed through authorised vendors.

To our commitment for management of waste in sustainable manner, we initiated a pilot 'Waste Traceability Assessment' to validate and certify the disposal mechanism of waste till its last mile for best practices and adherence to compliance. The aim of the pilot was to audit and monitor waste disposal to authorised recyclers to ensure reliability and to substantiate our sustainability goals.

This assessment aided to establish an ecosystem for waste management and enhance 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'.



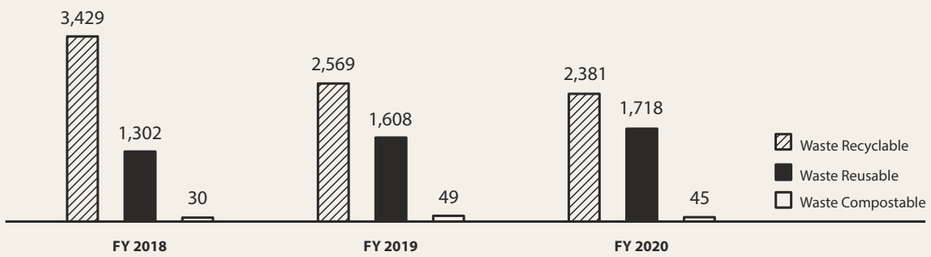
WASTE FOOTPRINT

Total Waste Generated *in MT*

	FY 2017-18	FY 2018-19	FY 2019-20
Non-Hazardous	4,759	4,223	4,140
Hazardous[1]	5	7	8
Total	**4,764**	**4,230**	**4,148**

[1]In hazardous waste, total number of batteries generated were 68 in numbers which were taken back through buyback programme. In non-hazardous waste, 257 metal scraps sold in quantity (pieces) which were not considered in overall quantity.

Waste Trend - ABFRL *in MT*



PERFORMANCE

FINANCIAL

ABFRL's unflinching commitment to create economic value in an environmentally responsible and socially inclusive manner remained intact during the year, even as the COVID-19 pandemic threw some major challenges for the apparel industry, in the last quarter.

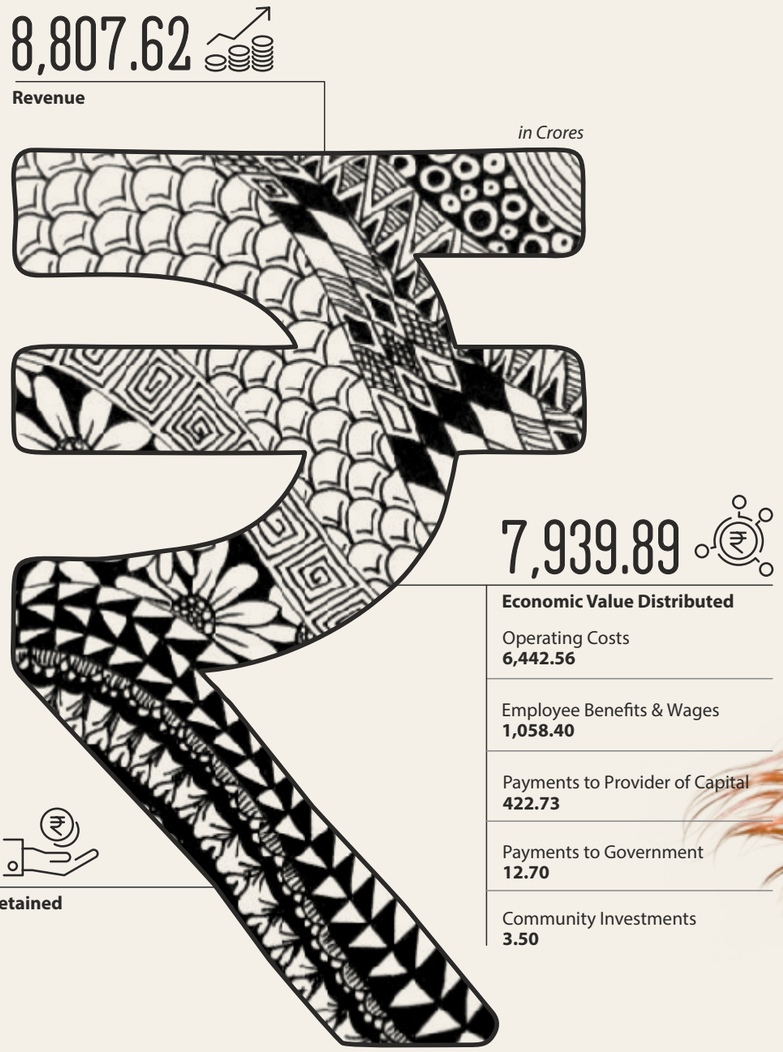
The lockdown, followed by supply chain disruptions, cash flow management, working capital and inventory, every aspect of business was impacted by the pandemic.

During this unprecedented time, ABFRL continued to be a responsible company and contributed to helping healthcare workers combat this health crisis.

8% growth in revenue

400+ stores added in FY 20

ECONOMIC VALUE GENERATED AND DISTRIBUTED



8,807.62

Revenue

in Crores

7,939.89

Economic Value Distributed

Operating Costs
6,442.56

Employee Benefits & Wages
1,058.40

Payments to Provider of Capital
422.73

Payments to Government
12.70

Community Investments
3.50

867.73

Economic Value Retained

KEY BUSINESS DEVELOPMENTS THIS YEAR

LIFESTYLE BRANDS

Sustained growth as the new initiatives continue to fire; exhibited exemplary agility in a disrupted market

The lifestyle brands reported revenue of INR 4,626 Crore during the year, recording a growth of 7% over the previous year.

The growth is fueled by new store additions, growth in e-commerce channels, product innovation and expansion in new categories. Lifestyle brands recorded a like-to-like (LTL) growth of 4.5% for the full year.

PANTALOONS

Consistent growth on the back of innovative products and revamped brand imagery

Pantaloons continued its remarkable turnaround journey through most of the year, crossing many milestones in the process. For the financial year 2020 the business reported a revenue growth of 10% at INR 3,514 Crore.

For the full year, Pantaloons delivered a 10% growth in sales to INR 3,514 crore, with EBITDA margins at 6.3% this year.

FAST FASHION

Profitability focus driving business model alignment

The Fast Fashion segment continued with its focus on improving operating performance. 'People' got fully transitioned into Pantaloons while Forever 21 restructured the commercial arrangement with its parent.

OTHER BUSINESSES

Portfolio expansion continued throughscale up across brands

The other businesses portfolio has been growing rapidly, driven by consistent performance of its constituent sub-segments viz. innerwear and global brands.

Innerwear continued with its aggressive scale up, by expanding the distribution footprint to 20,000 trade outlets.

Global brands portfolio consisting of The Collective and international, super premium brands, continued its steady performance.

OUTLOOK

Aditya Birla Fashion and Retail Limited is one of India's leading apparel companies and is home to some of India's most iconic apparel brands. Spread across varied segments, price points and wearing occasions, we operate a well-diversified portfolio which now covers some exciting growth areas. As the market reopens post lockdown, we are set to resume our full operations. ABFRL is poised to continue with its consistent performance with leadership across brands, wide and deep distribution, enhanced digital capabilities and its skilled talent pool.

BUSINESS STRATEGY

Key Tenets

ENHANCING PORTFOLIO

Identify emerging segments and enhance play through brand extensions, new product launches and strategic acquisitions

EXPANDING DISTRIBUTION FOOTPRINT

Accelerate growth by expansion of retail network

BUILDING A STRONG BRAND

Strengthen brand visibility through strong campaigns, product design and a refreshed store experience

DIGITAL TRANSFORMATION

Data analytics, in-store digitisation through virtual stores, omni-channel initiatives, and an agile digital supply chain

INVESTING IN TALENT

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

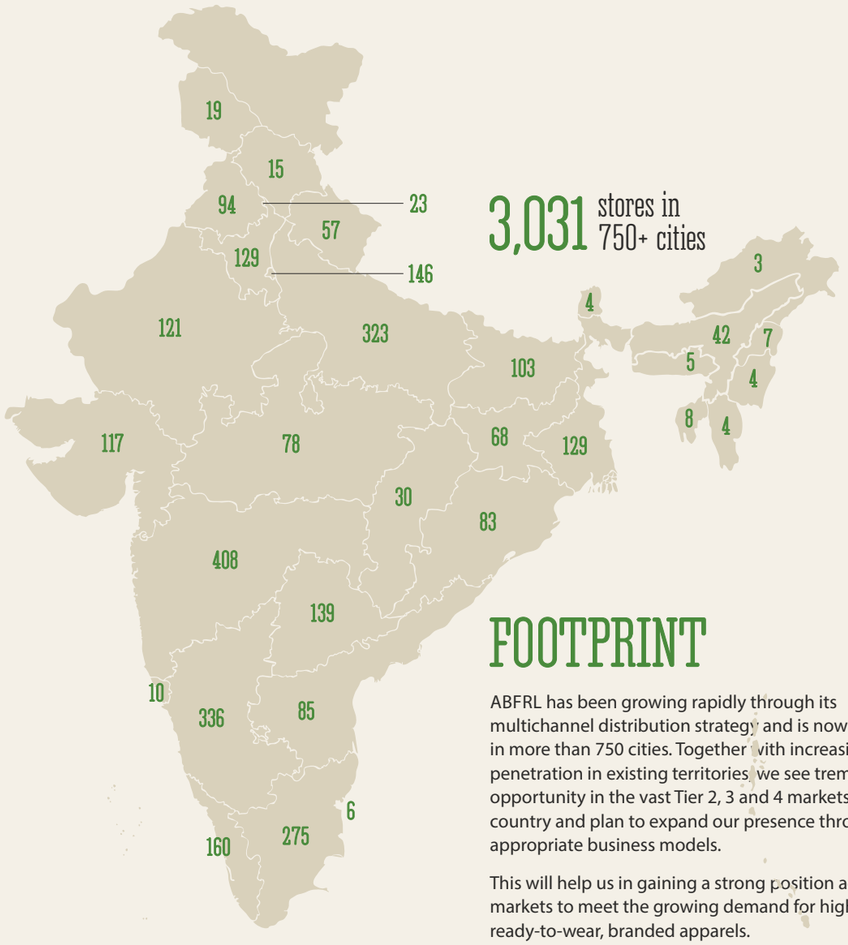
SUPPLY CHAIN SUSTAINABILITY

Sustainability of an organisation is impacted by its supply chain. Resonating with our sustainability goals, we aspire to include the entire value chain in our initiatives. Hence, our vendor engagements include hand holding and supporting our suppliers as well as audits and assessments

COVID-19 IMPACT

The COVID-19 pandemic led to movement restrictions and a heightened sense of anxiety among people. Consumers refrained from all non-essential shopping, which dramatically reduced the footfalls at stores across the country leading to a steep decline in sales from the second week of March. Eventually, we had to shut down our entire retail network through the month, in line with nationwide lockdown announced by the Government of India.

This unprecedented disruption had an adverse impact on the quarterly performance and led to a decline in sales and profits for the fourth quarter over the same period last year. The last quarter slump also reflects on our full year consolidated performance.



3,031 stores in 750+ cities

FOOTPRINT

ABFRL has been growing rapidly through its multichannel distribution strategy and is now present in more than 750 cities. Together with increasing its penetration in existing territories, we see tremendous opportunity in the vast Tier 2, 3 and 4 markets of the country and plan to expand our presence through appropriate business models.

This will help us in gaining a strong position across markets to meet the growing demand for high quality, ready-to-wear, branded apparels.

PERFORMANCE

PEOPLE

As a primarily people-centric business, the ability to attract, motivate, develop and retain talent is crucial to our sustainability. We live in a time of profound and rapid technology change, so our institutionalised HR processes are focussed on providing our diverse workforce with a stimulating environment. It's an environment that is not only flexible, but also fosters innovation and builds a result-oriented, high-performance culture.

Our HR processes are geared to motivate our multi-generational and mobile workforce to develop themselves both personally and professionally, leading to successfully future proofing the organisation.
Our People Vision is "to drive a High Performing and Customer Centric Culture with Happy and Value Oriented employees".

25,000+
employees

13,000+
women employees

63%
of our employees are under the age of 30 years

68
specially abled employees

943
store level employees undergoing career advancement programme

Our commitment towards empowering our people through a healthy and safe working environment is constant. Alongside this, we also actively invest in personal and professional development by providing them with a plethora of opportunities to learn and grow. This, combined with our well-entrenched people process, ensures that we attract, and also retain, the best talent in the industry. At ABFRL, our diverse workforce of 25,000+ employees consist of people from different backgrounds, educational experience, are from various industries and have a wealth of experience.

52%
of our workforce comprises of women employees

We have maintained healthy, cordial and harmonious industrial relations at all levels through Proactive ER, Development Initiatives, Gender Diversity and Community Development.

Simultaneously, we also instil our values of Integrity, Commitment, Passion, Speed and Seamlessness in our people.

We have found that this creates an ambience of openness, enthusiasm and vibrancy within the organisation

that encourages long standing, consistent and well-rounded conversations and relationships between managers and employees.

Workforce Snapshot

Total Employees

FY 17-18	FY 18-19	FY 19-20
20,508	23,269	25,347

Women Employees

FY 17-18	FY 18-19	FY 19-20
10,297	12,569	13,308

New Employees Hired in the Reporting Period

FY 17-18	FY 18-19	FY 19-20
9,738	12,230	12,077

OUR APPROACH

'The Biggest Brands and Best People' is the driving philosophy at ABFRL. While we have some of the best-known brands in the country, we strongly believe it is the people behind these brands who have made us what we are today. Making us the preferred employer for professionals in the industry is our unique Employee Value Proposition (EVP) - 'A World of Opportunities'.

Through our EVP, we strive to strengthen our employee's work life in every aspect - career growth, learning and development, rewards and recognition, enrichment of life through a healthy work environment and wellbeing programmes. With a diverse talent pool at ABFRL, be it due to their backgrounds, skills or age group, each of the programmes are designed after factoring in these aspects first.

Talent Management & Career Growth
We invest in career development programmes to harness leadership and people capabilities, that also include long duration interventions focussed on preparing our employees for next level roles

Learning & Development
Our initiatives in this field are geared towards developing elevated leadership capabilities alongside robust management capabilities in both domain specific and behavioural disciplines

Rewards & Recognition
We believe in a vibrant culture of meritocracy to celebrate employee successes and motivate our people, while ensuring market competitiveness

Enrich Your Life
With our flexible work arrangement policy, employees and managers are empowered to balance personal and professional priorities

TALENT MANAGEMENT & CAREER GROWTH

Built on the strong foundation of Aditya Birla Group's Talent Management Policy, we identify, develop and grow our talent for current and future roles. Our identification process for our talent involves using a matrix of current performance and future potential. By reviewing our talent based on their performance, potential and structured career conversations, we are able to assess their readiness for future roles of higher scale and complexity.

We then plan for their growth through various development initiatives such as role movements, on-the-job projects and leadership learning programmes. The focus on succession planning helps us create a visible leadership pipeline.

Our initiatives also include governance on careers through a Talent Council chaired by business leaders who meet at periodic intervals.

The initiatives have delivered strong KPIs on talent with a healthy Succession Index of 56% for Critical Positions at ABFRL (Ready Now 1-2 years).

At ABFRL, we invest in hiring bright entry level talent through our Young Talent Management programme (Striders) from B-Schools and NIFT, to create a strong future pipeline.

BRINGING ALIVE A WORLD OF OPPORTUNITIES

The store staff is the most critical customer touchpoint for ABFRL and with more than 12,000 employees across India, they are a key factor that drives business outcomes. To this end, we bring alive a world of opportunities for high performing and high potential store employees through focussed investment on capability development comprising classroom training, in-store training and projects over a period of six months, followed by an assessment.

In FY 19-20, through our talent management programme, Pragati, 844 store level employees are undergoing training to take up higher positions at the store and regional levels.

844
store level employees are undergoing Pragati training

For All Employees

As a practice, all job openings are posted internally for the first 7 days for our employees to take advantage of, and only then posted externally. In FY 19-20, 46% of positions at Job Band 9 and below levels, were filled internally.

For Manufacturing Employees

We have achieved about 27% movement across various roles and levels at our manufacturing sites. This is to provide employees with a holistic view of functions and operations across the unit.

ABFRL RISE

The first edition of ABFRL Rise was initiated with the aim to build future-readiness of select high potential employees in the mid-management sector to take on senior management roles.

The USP of the programme includes tackling personal challenges, organising of speaker sessions, industry immersions, peer coaching and live projects. The programme involves the following classroom and speaker sessions:

- SELF & LEADERSHIP
- STRATEGY
- FINANCIAL ACUMEN
- BUILDING A DIGITAL MINDSET

LEARNING & DEVELOPMENT

Our managers are encouraged to have a good rapport and continuous development discussions with employees on their learning needs, to consistently do better in their current job profile, and prepare them for future roles. Their needs are identified and analysed at the organisational level, following which they are addressed through an Annual Learning Calendar. The content of each learning programme is ratified and contextualised to the business needs by select members of senior leadership.

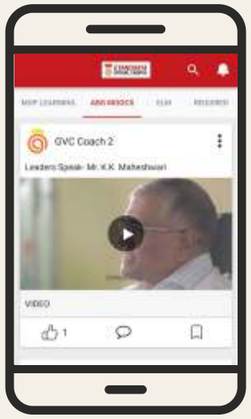
These programmes are facilitated by well-equipped trainers and followed by a manager-supported action plan that the learner uses to apply new learnings at the workplace.

Gyanodaya - Aditya Birla Group's Global Centre for Leadership Learning curates and delivers multiple management development programs to create a pipeline for future leaders. There are also significant opportunities for on-the-job development through various business and functional projects

ADITYA BIRLA GROUP LEADERSHIP PROGRAMS | GYANODAYA VIRTUAL CAMPUS

GYANODAYA
VIRTUAL CAMPUS

Google Play



We launched the Gyanodaya Virtual Campus (GVC) Learning App, to support rapidly changing needs of our employees to upgrade their knowledge and skills. The GVC App comes handy for employees through a unique and personalised learning experience at their fingertips. It gives easy access to content and topics tailored specifically for each employee based on their interests and learning goals.

Apart from classroom and on-the-job training modules, employees are also provided with the opportunity of self-learning through digital interface, which hosts a variety of content.

ABFRL UNIVERSITY

The ABFRL University is our in-house structured learning initiative that has, through the years, evolved and expanded its wings to other lines of businesses.

The programme works on the 70:20:10 principle

70%
of the curriculum is live projects and assignments

20%
mentorship

10%
classroom training

India's Finest Store Manager Programme

Designed in partnership with the Indian Institute of Management, Indore, to reward and develop our store managers, this 8-month long general management programme gives employees the opportunity to get differentiated compensation and interact with senior leadership. In FY 19-20, we had 27 store managers identified as India's Finest Store Managers.

Continuous Education

We encourage our employees to keep learning in order to upgrade their skills and knowledge in their operating fields through definitive continuous education programmes. Our programmes also include initiatives such as the Pratibha Scholarship Programme, for our employees' children to get the opportunity to access top quality education courses in their chosen field, on scholarship grants received by the organisation. In addition to this, the organisation has 'A World of Opportunities (AWOO)' Foundation, which supports the funding of education for children of our workmen and store associates.

EMPLOYEE WELLNESS

A healthy work-life balance is key to ensuring a fit and productive workforce. Hence, our initiatives in this regard focus on holistic development that go beyond work and skill training.

We provide an annual health check-up for our employees at the head office. These are managed by a third-party vendor, and focussed on physicals, blood sugar, ECG, echocardiogram, X-Ray and more. A detailed health report is provided to all participants and a voluntary follow-up is carried out after six months. We have covered over 900 employees in FY 19-20. This is followed up with an analysis of the Company Health Index (CHI), a consolidated report of all participants in the Health Check-up Drive. This enables us to finalise the areas that need attention and helps us decide initiatives under each focus area.

Some of the initiatives from the past year include:

- Preventive Health Check-up for all employees, including contract workers
- Free access for all employees to counselling services through a third-party vendor
- Special emotional counselling and health related support for expecting mothers under the Maternity Support Programme
- Provision of special food at manufacturing sites for anaemic employees
- Su-Nischint health benefits for all store employees
- Ergonomic exercises at the start of each day across all manufacturing units
- Conducting Yoga, Zumba and other fitness sessions across multiple locations
- Various sporting events spread over the year across all businesses

REWARDS & RECOGNITION

REMUNERATION AND BENEFITS

For a business to thrive, we need to be just as invested in our employees as they are to the company. This is best illustrated through our remuneration programmes. They are designed to attract, retain and reward talented individuals, who contribute to our long-term success, and thereby, build value for our shareholders.

Our permanent employees are entitled to parental and maternity leave and retirement provisions, while part-time employees can also avail of maternity leave.

A comprehensive Total Rewards view is taken in determining Rewards for employees. This includes Fixed compensation, Variable compensation, Retiral Benefits, Health Benefits & Employee Insurances.

The remuneration programme is intended to provide monetary and non-monetary remuneration elements to our employees, be market competitive and emphasise 'pay for performance' by aligning incentives with business strategies to reward executives who achieve or exceed group, business and individual goals.

Annual Awards

The most awaited event at ABFRL, this initiative serves as a strong aspirational platform for all employees and cross-functional teams. A glitzy ceremony where winning teams are felicitated, is one of the highlights of the business divisions of ABFRL. We also enable employees to become effective contributors in our growth through various interventions that enhance performance.

PACE Awards

Pantaloons Annual Conference for Excellence (PACE) awards store and zonal employees for business achievements and upholding group values. As a felicitation process, the winners experience retail immersion in other countries in South East Asia.

Quarterly Gems

Pantaloons conducts Quarterly Gems as a way to recognise employees and teams. They are shortlisted and recognised for their outstanding efforts in the areas of result orientation, customer centricity and collaboration. At the ceremony conducted on the office floor, they are presented with awards and selected employees are recognised by the leadership team for their outstanding efforts.

Store Staff

A dedicated, monthly award scheme for store staff, encompassing instant recognition, includes Employee of the Month and Team of the Month, wherein felicitated employees get featured in national, Company-wide bulletins.

INITIATIVE

This year, we launched **PingMe, a real-time feedback platform** that allows employees to give/seek instant feedback to or from anyone in ABG. Simultaneously, with the launch of the App, several campaigns were run to bring a culture of open feedback. It aided in bringing about a culture of appreciation and gratitude across the organisation. The app was successful in opening a channel for cross functional teams to provide feedback to each other facilitating in a more collaborative method of working.

Case Study

DRIVING RECOGNITION CULTURE IN ABFRL

As a company with 'The Biggest Brands and Best People', we strongly believe in the importance of providing recognition platforms that honour our best asset - ABFRL's bright and dedicated employees.

To this end, multiple recognition platforms exist across the corporate, retail and manufacturing sectors of our business, including the ABFRL Awards, institutionalised in 2019 as a platform to recognise, celebrate and communicate business results and goals.

It encapsulates the finest and best work being done by the ABFRL family in the area of excellence.

Action

Multiple award platforms and categories have been institutionalised to recognise all sections of employees across ABFRL. Some of these include:

Annual Awards | PACE Awards | Quarterly GEMS | Store Staff

As with any awards process, its credibility lies in the objectivity of the process and the integrity that goes into selecting the winners. Certain individual award categories had assessment processes that required the managers of nominees to present a case on their achievements to an external jury, and cross functional team nominations went through a round of screening, post which shortlisted teams made a case for their achievements during the event to a panel of industry luminaries.

This forum not only recognises outstanding contributions, but also leads to the cross pollination of ideas and learnings. Apart from the awards, the event is also a forum to listen to and learn from leaders in the industry.

Outcome

186
individual nominations and 121 team nominations in various categories this year

88
final winners across all categories

87
PACE awardees have also been recognised

ENRICH YOUR LIFE

By reviewing the decision powers and layers in the decision-making process, we have worked at creating a more empowering organisation, leading to faster decision making and market response time. This has led to improved productivity for employees, and as a result, improved work-life balance.

COMMUNICATE

Our systematic and established set of platforms for employee communication provides our employees the opportunity to convey their messages to the top management. **At ABFRL, we seriously take into consideration the feedback our employees give us through various communication forums, including open houses, town hall meetings, employee surveys and more.**

Employee Feedback Session

Regular open house sessions are held with senior management for employees to discuss work practices, challenges and to bring to the table any concerns, followed by requisite action planning.

Business Communication

Business updates, important milestones, new projects, initiatives and goals are all shared through town hall meetings, hosted by our CEOs. This is an annual employee gathering to share business performance and upcoming plans for the year, supplemented by regular emails and monthly newsletters.

EMPLOYEE ENGAGEMENT

At ABFRL, we strongly believe an organisation of this scale is built collectively by people who are engaged and involved with its purpose. Hence, through our engagement programmes **we aim to encourage a sense of belonging and ownership among employees, resulting in workplace satisfaction, retention and enhanced productivity.**

Fun and Leisure

Retail Olympics, Retail Premier League and PACE, to improve on-ground employee engagement. Of these, Retail Olympics is a three-month long employee engagement event encompassing 24 events catering to sports and entertainment categories.
In FY 19-20 the initiative witnessed the participation of over 4,621 employees.

ABFRL hosted a Carnival, catering to over 2,500 people, where employees were invited with families to partake in the special event and enjoy the day.

Participative Discussion

Weekly operational review meetings for each function are held to discuss progress against goals, hurdles and problem solving.

Diversity

The diversity diagnostics was conducted at ABFRL through a survey combined with focussed group discussions. The results from these exercises has helped us launch a Structured Diversity Agenda for ABFRL focussing on career sponsorships, career mentoring, resource groups, review of policies and infrastructural support for aiding diversity at the workplace.

Partnered with **AVTAR** to run a diversity and inclusive diagnostic exercise with our women employees and managers. This study helped us put together a sharper action plan under the areas of hiring, nurturing and developing an inclusive workforce.

A thriving **crèche facility** to help young mothers' transition back to work life and return to the workforce.

Implemented our structured leadership development programme for high potential women, **'Springboard'** that caters to mid-senior level women to land them in senior level roles.

Established a curated diversity council to render momentum and emphasis on diversity hiring.

Flexible Work Arrangements

Initiated events like 'Bring Your Kids to Work' for parents to feel comfortable to bring their children to work.

A flexible work arrangements policy firmly in place and regularly reviewed based on feedback collected from employees.

INITIATIVE

BACK WITH A BANG - MADURA CLOTHING CUP

The nature of work at Madura Clothing has always been labour intensive, and therefore, our focus has constantly been to positively impact as many employees as possible through our engagement activities.

One such initiative is the Madura Clothing Cup, back after a two-year hiatus and lies at the centre of our wellbeing and engagement efforts. Spread over the course of two months, eight of our factories come together once every two years, to participate in the highly competitive tournament.

This year, we focussed on selecting games that allow a wider pool of employees to participate, and which also promote overall cardiovascular health while boosting employee morale. The tournament saw a great increase in the number of participating women from our blue-collar workforce this edition, and it was easily the highlight of the event. Nearly every game witnessed a strong, all-women team representing their units. Over 800 workers took part in this year's MC Cup. Unfortunately, the finale had to be put on hold due to the COVID-19 outbreak.

POLICIES & PROCESSES

All new employees at ABFRL are taken through a comprehensive HR Induction and Orientation programme, giving new employees an overview of our HR policies and processes. To keep abreast with the latest industry trends and best practices, we periodically review our HR policies and processes.

Equal Opportunity Employer

At ABFRL, there is a zero-tolerance policy towards discrimination against any employee based on race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other factor under applicable laws and contemporary practices at the workplace. We only consider merit and competency of the individual, whether it is for recruitment, placement, promotion, transfer, compensation, training, and any other benefits, keeping in mind the business needs of the organisation.

Occupational Wellness

The ambience and environment at our offices have been designed such that it is open, spacious, relaxed and well lit. We have taken special care to design most of our offices with sufficient daylight and are decorated with warm colours and live indoor plants to create a positive and natural working environment. We have rolled out an Occupational Health Policy and a Safety Policy that is aligned with the ABG policy. To know more about safety initiatives undertaken for employees refer to the Safety section of the report.

Policy on Prevention of Sexual Harassment (POSH)

The POSH Framework ensures a work environment that is professional, mature, free from animosity, and one that reinforces integrity and respect for the individual. Having adopted POSH at ABFRL, we ensure it is applicable to all employees as well as our vendors. Detailed investigations are conducted by the designated POSH committee members governed by the principles of natural justice and within prescribed timelines. In the reporting period, 39 cases of POSH were reported and closed.

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 the reporting period, 142 value violation cases were reported, which have been investigated and resolved.

Human Rights

ABFRL respects human rights and believes that all humans must be treated with dignity. To ensure this, we aim to protect human rights and uphold labour standards not only within our premises, but also across our supply chains.

Child Labour

We stand against child labour and strongly prohibit the same at all our facilities and in our suppliers' premises as well. We also prohibit any form of forced or compulsory labour. To enforce this, we ensure stringent, regular audit checks of vendors. The vigorous implementation of our Code of Conduct (CoC) further reinforces 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 2.3% of our employee membership.

Diversity - Hiring Specially Abled Employees

We are strongly committed to a diverse and inclusive workspace, and in this regard, we have identified specific positions and roles that are conducive to specially abled employees. Project Sankalp has been designed to enable hiring of such employees in our front-end roles.

BEST PRACTICES

Driving Innovative Culture

The **Madura Growth Hackers** initiative was launched to fuel innovation in the sphere of customer needs.

In FY 19-20, we received 17 innovation ideas, presented across various categories, which were evaluated by an esteemed panel of internal and external jury. Out of which, 3 are now under Concept Testing and Implementation Phase. The other ideas will be implemented in a phased manner in the coming financial year.

Case Study

MEET ZOE, OUR HR CHAT BOT

Several of ABFRL's information systems and portals were working in isolation, while also being in use simultaneously. Naturally, this increased the amount of time spent by employees in looking for relevant information on the right system. In our quest to make life simpler for our employees, we have embarked on reimagining people processes and provide digital solutions for them.

Phase 1
8 capabilities were introduced in ZOE to make life easier for ABFRL employees:

Action
The primary task was to integrate information from various sources to offer employees holistic, timely and relevant responses. To this end, ZOE - the ABFRL HR Chat Bot was introduced to all employees in May 2019 as an HR Employee Partner, available at all times, through the week. ZOE is wired to provide information on our people processes such as payroll information, policy information, links to other internal portals, IJPs and more.

Phase 2
7 new additional capabilities were introduced to ZOE, to expand the scope of service:

ZOE App for home screen | Leave balance | IJP Opening information | GST details of all Indian States or UTs | Know your colleague's birthday | Birthday & Work Anniversary notifications | 30 Seconds Survey for better employee understanding

Outcome

2000+ employees who interacted with ZOE on MS Teams and the web app

1,72,000+ queries asked by employees

24,000+ chat sessions

4.25 minutes per session on average

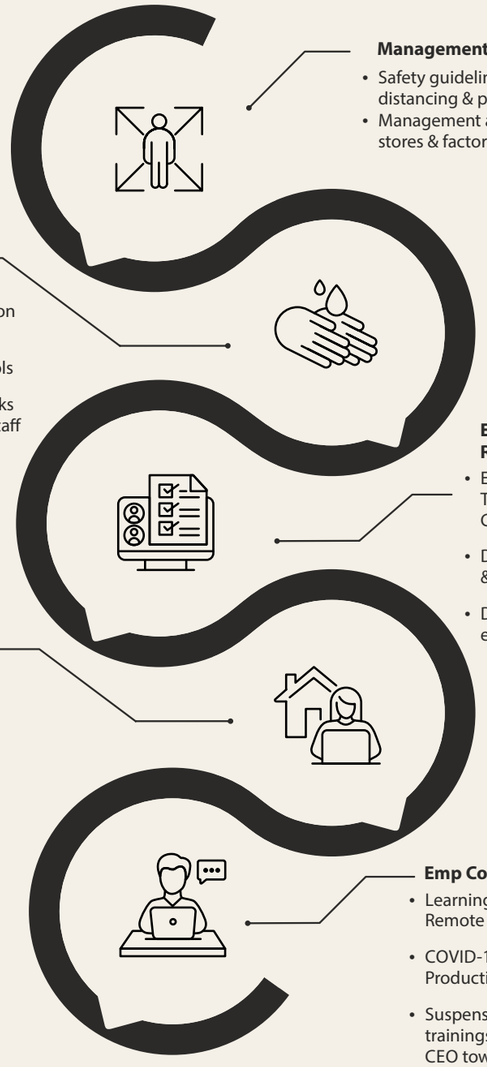
OUR RESPONSE TO COVID-19

When the COVID-19 pandemic hit, measures were taken across the globe to curtail its spread, and at ABFRL too, we swung into action to protect our people, community, and customers, demonstrating our agility and adaptability in unpredictable scenarios.

We switched to Work from Home policy for all office employees since 16th March, about a week before the entire country was put under lockdown, and we also proactively shut down all retail stores across India on 23rd March in order to safeguard the risks to the health of store employees and customers. All factory operations were also stopped in line with government guidelines at the time. Domestic and international travel too were suspended since 9th March and an Emergency Response Team (ERT) comprising HR leaders were put in place and led by the CHRO.

The HR team conducted regular check-ins with all employees to gain insights on their health, safety, new methods of working, about their family members and any challenges and issues they may be facing. Infrastructural support in the form of playbooks and toolkits were shared to aid in seamless working. We also organised various online engagement events such as fitness sessions, stress management & mental resilience sessions, training sessions to strengthen skills and fun activities.

Management has taken the below initiatives to ensure safety of the employees during the month of March 2020:



Management Advisory

- Safety guidelines on social distancing & personal hygiene
- Management advisory for HO/ZO, stores & factories

Enhanced Safety & Hygiene Protocols

- Cleaning in work premises (every 1-2 hours) & fumigation
- Hand sanitisers at all points, visitor management protocols
- Compulsory wearing of masks by housekeeping & admin staff
- All official travel has been suspended

Emergency Response Systems

- Emergency Response Team (HR Heads led by CHRO)
- Daily connect of Mancom & ERTs
- Daily tracking of unwell employees across ABFRL

Business Operations & Ways

- Mandatory WFH for employees showing slightest symptoms of flu
- Experimented with 50% attendance of teams on alternate days
- 100% WFH for all HO/ZO except employees with desktops & alternate working schedule for a few functions

Emp Connect & Learning

- Learning through GVC App, Remote Working Playbook
- COVID-19 Precaution & Productivity Employee Survey
- Suspension of all in-person trainings, meetings, events, CEO town halls etc.
- Employee Connect Schedule by HR BPs

We also took measures at ABFRL to create a secure work environment for when we re-opened our office doors. These include:

- Frequent disinfection of common surfaces
- Mandatory thermal screening
- Virtual meetings
- Flexi seating & regulated aisle usage
- Shop floor restructuring for social distancing
- Mandatory use of face masks
- Restricted usage of cafeteria and office transport
- No visitors allowed

PERFORMANCE

SAFETY

At ABFRL, the safety and wellbeing of our employees are of the utmost priority. Occupational health and safety management is deeply embedded in our organisational culture and strategy, and we have a dedicated Business Review Council (BRC) that oversees the overall implementation of our safety policies and reviews its performance quarterly.

100% adherence to Safety KPI monitoring and timely reporting through digital dashboard

Improved the safety governance system by forming Safety Committees

ZERO
fatality at workplace

8,615
man-days of safety training

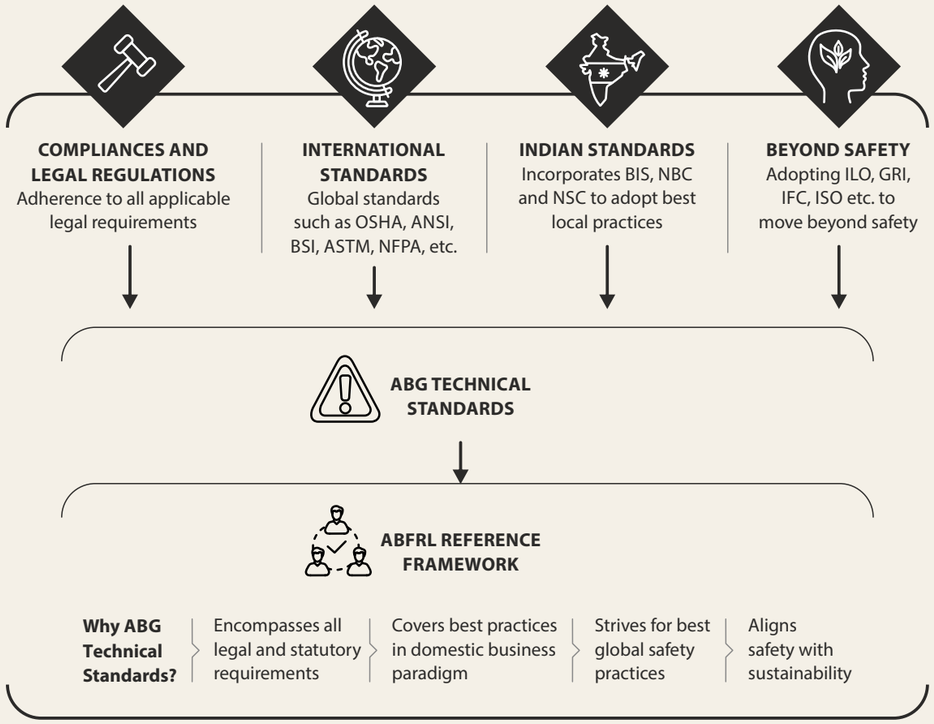
11
lost time injuries;
with no fatalities in operations under our control; 0.20 LTIFR[1]

[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.

MANAGEMENT APPROACH

ABFRL's safety management system framework takes reference from Aditya Birla Group Technical Standards, which includes compliances to all legal and statutory requirements, international standards on safety, Indian safety standards and standards such as International Labour Organisation (ILO), GRI, International Finance Corporation (IFC) and International Organisation for Standardisation (ISO) which makes our safety framework exhaustive and inclusive.



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.

We are striving towards bringing a behavioural change across our operations. To create a safe and healthy working environment, we encourage our employees to voice their concerns, report any safety gaps and suggest opportunities for improvement. We empower them with the knowledge to take well-informed safety decisions at every stage of our operations. We rely on strict adherence to safety standards, rigorous on-ground implementation and effective safety communication to cultivate safety as a habit at ABFRL.

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 and awareness to employees, contractors and customers.

TARGET 2021

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

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

PREVENTION IS PRIME

ABFRL has implemented a Risk Assessment and Management Process as an integral part of its safety management system (SMS). We believe that Hazard Identification and Risk Assessment is a strategic tool, which provides necessary information about hazards in the workplace and the risks related to the health and safety of employees, while providing information to take decisions for mitigation steps to either avoid the event and/or minimise the expected impact.

To anticipate and avoid workplace hazards, we have a robust Safety Management System (SMS) and Occupational Health & Safety (OHS) roadmap in place. We have 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. Our factories are also certified under OHSAS 18001:2007 – Occupational Health and Safety Management System, and we are now transiting to the new ISO 45001 requirements.

To achieve the safety target of 'Zero Harm,' ABFRL established the Safety Observation Programme to instil a proactive safety approach in employees. The management is committed to ensure that the safety observation process is practiced at all sites that involves dialogue with employees on human behaviour at the workplace in order to reinforce positive behaviour. These safety observations (Unsafe Condition, Unsafe Act & Near Miss) are used for identifying gaps and for developing a strategic improvement plan.

Employees have an obligation, as well as the right to report unsafe conditions, unrecognised safety hazards, or safety violations of others. Employees who report unsafe work conditions or practices are protected by ABFRL policies and may do so without fear of reprisal.

ABFRL safety management systems are established to protect employees from hazards by either eliminating them or at least mitigating their effects. This can be done at the source, or by reducing the time exposed to the hazards, and most importantly, through the use of personal protective equipment.

Our well-articulated OHS roadmap and monitoring framework cover the 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 stores, 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.

LIFE SAVING RULES

1 All incidents shall be reported, investigated and recommendations must be completed within time frame

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

3 Work with a valid work permit when required. Hazard identification and risk assessment must be carried out

4 Verify energy isolation process LOTO prior to commencing any maintenance or servicing work

5 Secure against a fall while working at height

6 Obtain written authorisation before disabling safety critical equipment

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

8 Wearing a seat belt (in 4 wheelers irrespective of seat position) or a crash helmet (in 2 wheelers rider and pillion) is compulsory at any time a vehicle engine is running

9 Driving under alcoholic and intoxicated condition, over speeding and use of mobile phone while driving is prohibited

INITIATIVES TO MAINSTREAM SAFETY MEASURES

ABFRL perceives safety not just as a one-time initiative but believes that it is essential to develop a culture where safety is prioritised by every member of the organisation. We are constantly in pursuit of improving and improvising our safety measures to achieve excellence. Following are some of our key initiatives focussed on enhanced governance, assessment, training, awareness and creating a positive safety culture.

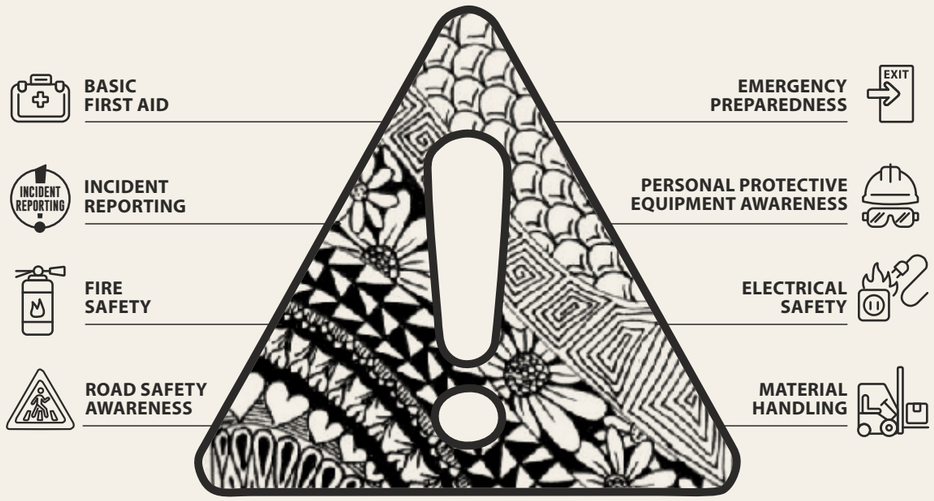
SAFETY TRAINING

Training and awareness are a pre-requisite when it comes to safety. With the goal to establish safety as a mindset among employees, regular trainings are conducted to ensure employees follow the statutory safety requirements and stay on top of the safety practices.

Continuing our efforts in capacity building, we have developed animated safety-training videos to train all employees in the retail stores. As a first for ABFRL, these training videos have been launched on an online platform and can be accessed by employees from anywhere, at any time.

To encourage employees, we are also awarding e-certificates to them post completing the training videos. The videos cover topics like: Fire Safety, Electrical Safety, Ergonomics, Slip, Trip & Fall and Road Safety.

Over and above this, we also conducted classroom training, safety carnivals and workshops across our retail operations and facilities. The classroom training programmes provided are:



Total Employees Trained

FY20

ABFRL Training Man-days		
MFL	Factories	1,733
	Warehouses	897
	Stores & Offices	193
PFRL	Stores & Warehouses	5,792
	Total	**8,615**

FY20

Average No. of Employees trained per month		
MFL	Factories	1,858
	Warehouses	1,033
	Stores & Offices	153
PFRL	Stores & Warehouses	7,440
	Total	**10,484**

SAFETY COMMITTEES

Safety Committees have been formed across all facilities to improve our governance system.
Employees have been actively participating in the safety committee meetings, where issues related to safety are addressed and solutions are discussed. These committees have been formed keeping in mind the basic premise that, if workers from the shop floor are involved, it will create ownership and lead to fewer safety lapses. Committee members are selected among workers through an election process to maintain transparency.

The role of the Safety Committee

- Coordinate with the management to implement OHS policy
- Promote and maintain the interest of employees in health and safety issues
- To make health and safety activities as an integral part of the organisation's operating procedures, culture and programmes
- Educate managers, supervisors and employees through awareness and training activities
- Provide an opportunity for the free discussion of health and safety problems and possible solutions
- To reduce the risk of workplace injuries and illnesses, ensure compliance with health and safety standards

SELF-ASSESSMENT QUESTIONNAIRE

To strengthen our safety management system, a questionnaire has been launched at our factories and warehouses. With the results of the questionnaire, we have discovered requirements, and areas have been identified for the continuous improvement of our system.

DIGITAL DASHBOARD

To improve our incident management system, we have launched a Digital Dashboard to receive safety incident details on time, from all our facilities.

We have also created a safety checklist through the digital dashboard to ensure all the facilities are following ABFRL's safety standards.

INCIDENT MANAGEMENT

A safe workplace becomes a reality only when incidents are duly reported, analysed and learnings are shared, to prevent future occurrence. Our safety management strategy revolves around prevention and we use a Digital Dashboard to register all incidents relating to safety and health. All the incidents are investigated, root causes are identified, and corrective actions are implemented. To prevent reoccurrence of the same incidents, corrective actions are communicated to all facilities and it is ensured the actions are horizontally 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

EMERGENCY DRILLS

Emergency preparedness drills are conducted at regular intervals in compliance with regulatory requirements across our facilities. From each of our facilities, identified personnel for the Emergency Response Team (ERT) are trained in evacuation techniques, basic first aid and firefighting. This helps in conditioning and readiness of employees for a faster response to curtail losses in terms of human life and asset, and also 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.

SAFETY EVENTS: NATIONAL SAFETY WEEK & NATIONAL ROAD SAFETY WEEK

To shed light on the importance of health and safety and responsible driving, we celebrated National Safety Week and National Road Safety Week at all ABFRL factories, warehouses and retail stores. Dedicating a whole week to safety helps boost awareness and promote safety culture among employees. The safety head communicated the purpose, objectives and outcomes of both these weeks in order to encourage ownership of this initiative among the employees. Employees of all levels participated in the events and were encouraged by rewards.

Activities initiated included:

- Display of safety posters across the facilities to create awareness
- Distribution of National Safety Day badges to all employees by the leadership team to motivate employees on safe work practices
- Demonstration of safety rules to employees
- Training on basic firefighting and first aid provided to improve employee awareness
- Safety drawing competition and quiz conducted to encourage the employees
- Exhibition of safety gadgets to enhance knowledge of employees
- Engagement activities and games for enhancing people's ability to identify hazards
- Road safety promotional activities pertaining to traffic safety awareness, the importance of wearing a seat belt, helmet, etc.

SAFE MODEL STORE

The concept of Safe Model Store was initiated in the previous financial year with the goal to improve the safety systems at retail stores. The model store-safety strategy covers:

219 Safety Model Store across India

FIRE SAFETY
Ensuring fire prevention and fire protection system at retail stores

ELECTRICAL SAFETY
Ensuring all electrical equipment are as per the standards and maintaining the equipment properly to mitigate risks

WORK ENVIRONMENT
Ensuring the workspace is without slip, trip and fall hazards

ERGONOMICS
Ensuring all the equipment and storage spaces are designed to minimise the ergonomic risks to employees

The objective of the safe model store concept is to:

- Achieve our safety goal of 'Zero Harm'
- Identify and eliminate hazards, and reduce the risk level
- Meet safety legal compliance and to improve the safety system in retail stores
- Create a safe working environment and to ensure safety of our employees, customers, visitors and all stakeholders

The steps involved in making a store into a 'safe model store' include:

- Assessing the baseline conditions of safety systems at the retail store
- Referring to the legal compliances and international best practices to create the store safety guidelines
- Forming a cross functional team including safety, operation, projects, visual merchandising and IT
- Making an activity plan for improving the safety systems at retail stores
- Execution of planned activity and monitoring by safety team
- Communicating the safe model store concept to other brand retail stores and horizontally deploy the safe model store concept
- Creating a dashboard and updating the management about the progress

Safe Model Store has successfully been implemented in 219 stores across India. Moreover, we plan to horizontally deploy the best practices in another 85 stores in the coming year.

SAFETY MEASURES FOR POST COVID-19 TIMES

The COVID-19 pandemic has entirely transformed the way we live, interact, work, communicate, as well as how we move around and travel. And while the new way seems alien and challenging, the only way for businesses to survive is "by adapting new normal".

To keep things running, while ensuring that the health and wellness of employees is not jeopardised, ABFRL has taken up a series of initiatives and measures. The chart below depicts the Safety Guidelines that ABFRL developed for resuming work post lockdown:

Strategy for resuming work

Social Distancing

- Slow and staggered resumption to full employee strength (only 20% employees allowed in the first month)
- All common areas to be closed – sofas, chairs and tables to be removed

Screening & Monitoring

- Usage of Arogya Setu App by all employees
- Self-declaration from all employees prior to resumption
- Mandatory non-contact body temperature scanning

Disinfection & Sanitization

- Regular sanitization of all common/large areas and touch prone areas
- Security personnel involved in screening and disinfecting process will be wearing a Hazmat suit, FFP2/N-95 masks and a pair of latex gloves

Containment Plan

- Isolation areas near entry gates
- Admin teams to arrange for employee to receive consultation

Prevention & Awareness

- All employees to wear masks
- Hand sanitizers / sanitzing liquid shall be available at entry
- Security shall sanitize all bags/handbags/purses with sanitising liquid

ABFRL has also come up with a series of norms that the employees must strictly adhere to, in order to ensure their own wellbeing as well as of their colleague's. The norms cover the following aspects:

PPE USAGE WHILE AT OFFICE | SOCIAL DISTANCING | PERSONAL HYGIENE | RESTRICTED AREAS

Over and above this, we designed a Standard Operating Procedure for our Retail Staff as well as Factory and Warehouse Employees:

Standard Operating Procedure - Stores

TRAVEL TO STORE
Personal Vehicle
No Public transport

ENTRY TO STORE
Self-declaration
Body Temp Screening

INSIDE STORE
Customer interactions
Cash counter
Hand wash

LUNCH & BREAK
No group lunch
Use your desk for lunch

TRAVEL TO HOME
Personal Vehicle
No Public transport

AFTER REACHING TO HOME
Personal Hygiene
Social Distancing

Standard Operating Procedure - Factories & Warehouses

Travel to Factories

- Disinfecting the bus
- Social Distancing during travel
- 50% Seating only

Screening

- Self Declaration
- Monitoring body temp using IR Thermometer
- No Biometric, RFID attendance

Shop Floor Operations

- Staggering the shift hours
- Social distancing during the work
- Encourage to do hand wash and wear nose mask

Disinfection

- Disinfection of high touch points
- Providing sanitizers in prominent places
- Increasing cleaning frequency of rest rooms

Canteen

- Bring your own water bottles
- Social distancing during break and lunch
- Avoiding raw salads/ vegetables in food menu

PERFORMANCE

SOCIAL

At ABFRL, we believe that everything we have achieved has a lot to do with the faith and trust that the community has placed in us. We consider giving back to the community is not just a responsibility but a duty. And thus, community care at ABFRL isn't restricted to providing assistance but igniting aspirations of the members of the community to go beyond surviving, and towards thriving.

We believe in empowering community members and mainstreaming them into the economy by focussing on Education, Health and Sanitation, Sustainable Livelihoods, Water and Watershed and Digitalisation. ABFRL undertakes CSR interventions in Karnataka, Tamil Nadu, Maharashtra and Odisha through its independent entity called Aditya Birla Fashion and Retail Jan Kalyan Trust (ABFRJKT).

To cascade positive change in the community, our programmes build capacities at the individual, family and community level. This creates self-sufficient ecosystems that fuel long-term prosperity.

3.39
INR crore spent on Corporate Social Responsibility

232,291
total no. of beneficiaries covered through various initiatives

24,249
hours contributed by employee volunteers

Won the
2ND EDITION CORPORATE SOCIAL RESPONSIBILITY AWARD
at CSR Summit 2019

Won the
BEST PRACTICES IN CSR BY INSTITUTE OF PUBLIC ENTERPRISE
for Village Development Project

OUR APPROACH

At ABFRL, we strongly believe that the communities in our vicinity are key stakeholders of our business and we strive to drive positive change in the society by addressing their needs. Corporate Social Responsibility (CSR) is integrated into our business strategy and a number of initiatives have been undertaken to address crucial developmental challenges. We have a well aligned CSR policy that guides us in formulating CSR programmes and setting up targets linked to the focus areas. We conduct impact assessments and SROI studies of our CSR projects to monitor, identify gaps and implement corrective actions, if needed. In the reporting year, impact assessment of projects was conducted in collaboration with a third party.

The third party evaluated our Village Development Project and rated us Platinum on the basis of ISO 26000.

CSR Projects received SROI value of 1:12

OUR VISION

Aligned with our ABG CSR policy, we at ABFRL aim to actively contribute to the social and economic development of the communities in which we operate. In doing so, we hope to build a better and sustainable way of living for the weaker sections of society and raise the country's Human Development Index (HDI).

HOLISTIC DEVELOPMENT

To achieve massive global change, we focus on the minute details of local interventions. Designed to empower communities in a holistic manner, these interventions aim to create sustainable societies in alignment with the Sustainable Development Goals.

In pursuit of this all-inclusive growth, we initiated our Village Development Programme. This initiative is designed to bring in synergistic development that uplifts lives across the village demography. It seeks to maximise the social value generated by interlinking social, environmental and economic parameters.

Additionally, we also run a few independent and standalone projects catering to the diverse needs of a community.

STRONGER TOGETHER

We continue to partner with several institutions, NGOs, local authorities and government bodies so as to leverage our core competencies and amplify the impact of our initiatives. While we have collaborated with big institutions in the past to help seed change, it was largely in an indirect capacity. Since last year, however, we have taken a more direct approach in implementing our strategies to uplift the communities that surround us.

Furthermore, our employees also share our commitment towards a better future for the community and support us through volunteering activities. In this regard, we have formulated a policy to encourage them to volunteer and channelise their expertise towards community building.

CSR VALUE CHAIN

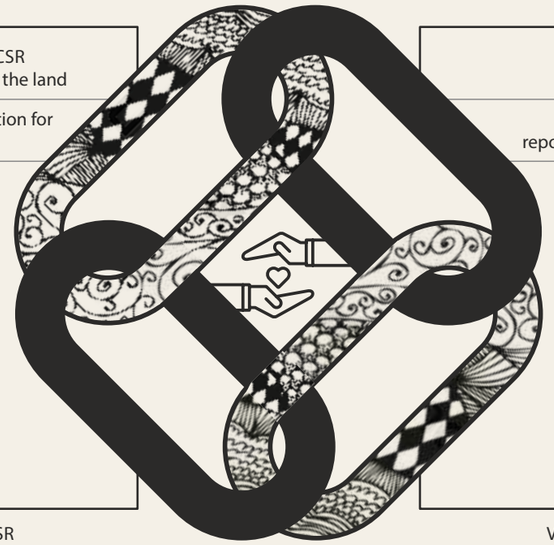
We have developed a robust CSR value chain which designs and implements effective strategies based on a shared vision with our partners. With these efforts, we have reaped positive outcomes, which are valued by all our stakeholders.

CSR COMMITTEE OF THE BOARD

- Ensure compliance of CSR initiatives to the law of the land
- Provide strategic direction for CSR initiatives
- Approve CSR plan and monitor progress

ABFRL CSR TEAM

- Ensure execution of the CSR plan
- Monitor CSR partners, report progress to ManCom
- Formulation of MOUs with partners (in consultation with Legal and Finance teams)



ABFRL MANCOM

- Ensure alignment of CSR initiatives to ABG's CSR policy
- Provide direction and funds
- Onboarding of new partners and ensuring execution as per the Board approved CSR plan

EMPLOYEES

- Volunteer their skills and expertise for CSR activities

OUR FOCUS AREAS

Improving educational outcomes by providing access to quality education through a variety of means including Academic Support Centres in villages, at municipal and other schools supported by us, teachers' training, setting up libraries, providing educational aid and scholarships, special coaching classes for rural girls and continuing education for dropouts.

EDUCATION

Ensuring healthy communities in underserved villages through eye camps, school health camps, dental camps, specialised health camps such as cancer screening and awareness camps, and pulse polio immunisation drive. Providing dignity of life by facilitating access to water, sanitation & hygiene through our partners and government organisations.

HEALTH & SANITATION

Empowering people and providing them pathways for sustainable livelihoods through coaching at skill training centres as a part of the Kaushalya initiative, and training youth in career readiness, in partnership with Edunet.

SUSTAINABLE LIVELIHOODS

Safeguarding water sources for communities through rainwater harvesting, borewell recharge pits and by recharging water bodies in water stressed villages. Providing safe drinking water for villages by installing water purifying plants, called Water ATMs.

WATER & WATERSHED

Digitalising villages to mainstream its residents to modern ways of life, through Village Information Centres and SMART Classrooms.

DIGITALISATION

Once functional, these facilities will provide access to e-health, e-education, e-banking and e-employment, among other digital services.

Different initiatives related to the focus areas are implemented efficiently under the projects highlighted below.

EDUCATION

Our education initiatives have reached **29,190** students across 3 states

SCHOOL TRANSFORMATION PROJECT **Panvel, Maharashtra**

In 2017, ABFRL signed an MoU 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, ABFRL aims to create a nurturing environment for young students, while providing age appropriate academic skills.

To achieve the same, teachers were appointed in the 11 schools, who would make household visits to ensure 100% attendance from students. With the academic support that the teachers provided, 75% students have achieved grade specific learning.

Emphasis was also placed on extra-curricular activities, wherein students were engaged in art and craft activities like mask making, drawing, origami, developing scientific models, mathematical games and face art.

1,970 students were trained in martial arts

In FY20, the project benefitted **14,062** students

1,970 students, along with their parents, also participated in the Bal Mela, where students came to school without their books. The Education Officer and Municipality representatives joined the event and commended our initiative and efforts.

Children's Magazine

With the goal of providing a medium for students to express their thoughts, we publish a school magazine for Panvel Municipal Schools. The State authorities acknowledged and applauded this magazine and the Minister of Education, Maharashtra and Additional Chief Secretary, School Education and Sports, Maharashtra, launched the magazine at the State CSR Meet.

National Science Day

To help students realise the importance of Science and its application in everyday life, National Science Day was celebrated in Panvel Municipal Schools. 106 teachers participated in the event, wherein students presented scientific models created by them and the Administrative Officer, Panvel Municipal Corporation, discussed scientific facts with teachers.

School Health Camps

To check up on the health and physical well-being of the students, health camps were organised at schools, wherein 1,223 students underwent a general health and dental check-up.

PROJECT GYANARJAN

Initiated in 2014, the Gyanarjan Project is a value addition programme for rural girls in Karnataka studying in Class 10, 11 and 12. In FY20, we supported 1,167 students in three centres, namely the Channapatna Government Girls PU College & Maharani Government Girls Junior College in Mysuru, and RV Institute of Management, Jayanagar, Bengaluru.

As a part of the programme, special coaching classes, monthly tests, as well as special preparation sessions for competitive entrance examinations such as CET/NEET were conducted. Additionally, sessions on personality development and career-counselling programmes are also organised for students. 334 students from Class 12 also benefitted from the study material provided to them.

All the Gyanarjan students are performing well and achieving the state average scores on a year-on-year basis. In the last six years, 4,460 girl students have benefitted from this programme, out of which 710 students are pursuing graduation, 68 have completed graduation and 32 are continuing higher studies. Further, four students are financially independent and working with reputed organisations.

In the last six years, **4,460** girl students benefitted

KASTURBA GANDHI BALIKA VIDYALAYAS (KGBV)

An initiative under 'Sarva Shiksha Abhiyan', the KGBV schools motivate underprivileged girls from rural regions to continue their education. Through ABFRJKT, we support five KGBV schools in Karnataka and Tamil Nadu. We also organise special coaching classes for the core subjects (Math, Science and English) benefitting 618 rural girl students in 10th standard. This has resulted in schools achieving 100% result in 10th board examinations and there is also an improvement in individual student performances.

In addition to this, we are working with students to strengthen their verbal communication skills by offering Spoken English classes that are benefitting 490 students. To encourage well-performing students to continue their higher education, we are supporting 38 students, out of which 14 students have completed their graduation and three are employed in reputed organisations. We also organised eye care camps, wherein students were provided spectacles and referred to the district hospital for further treatment, if needed.

Special coaching classes benefitting **618** rural girl students

Spoken English classes benefitting **490** students

SUCCESS STORY

Creating Role Models

"I wanted my daughters to get married immediately after completing Class 10. However, with Aditya Birla Fashion and Retail Jan Kalyan Trust's support, all my daughters have become first generation to-be-graduates in our family. I am very proud, and I wish they continue their studies and become role models for others," says Bindu's mother who is the sole breadwinner of her household in Harokoppa village, Karnataka.

In 2011, Bindu's mother enrolled her in KGBV School, where she joined the value addition programmes offered by ABFRJKT and passed with distinction (87.36%). To help her continue her higher education, the Trust offered financial support. Bindu soon joined Gyanarjan classes in 11th standard and scored 63% in her 12th board exams.

She is currently pursuing her BSc at the Government Degree College, Channapatna. "Aditya Birla Fashion and Retail Jan Kalyan Trust's extra classes and timely support helped me complete my schooling. I wish to pursue my master's degree soon, and I am glad that I have been able to prove that girls can achieve their dreams too," says Bindu.

VILLAGE DEVELOPMENT PROJECT

Built upon the framework of Sansad Adarsh Gram Yojna (SAGY) guidelines, Village Development Project is a unique and innovative initiative that aims to transform villages through integrated and holistic development. The Project was initiated in 8 villages around our factory locations in Karnataka and Tamil Nadu, with a focus on two primary purposes - to scale up ongoing initiatives, and to take up new initiatives that contribute to the growth of the village. In 2019, we scaled up the project to three villages in Odisha.

1.95+ lakh people benefitted by the programme

In the journey to become a model village, one village has attained 95% of the relevant attributes and two villages have attained 85.37%, as per the SAGY guidelines.

The project interventions are categorised as per SAGY attributes of personal, social, economic and environmental development, and strategies have been developed to mitigate challenges faced by these villages, especially in areas of Education, Health & Sanitation, Sustainable Livelihoods, Water & Watershed and Digitalisation. We have assigned each village with a community tutor and a health worker to build ownership of the initiative. These villages will serve as Model Centres and provide the foundation to replicate this unique village development model in other villages as well.

EDUCATION

A fundamental right that can advance society in the right direction, education is often an elusive dream for a vast majority of India's children. Education is hampered by challenges such as lack of quality, lack of teachers, regressive societal norms or the lack of basic awareness. At ABFRL, we aim to create a skilled talent pool for the nation's long-term economic development, and in the process empower the future citizens of the world and enable them to contribute towards the realisation of sustainable development goals.

ACADEMIC SUPPORT CENTRES

Academic Support Centres, meant for people from low income groups and first-generation learners from Classes 1 to 7, are run by trained community tutors. To foster academic growth, tutors conduct tuitions for students with low scores.

Out of 280 students, 92% have achieved grade specific learning.

SPOKEN ENGLISH CLASSES

To capacitate students and improve their verbal communication skills, ABFRJKT has started spoken English classes in government schools that are benefitting 968 students.

SUPPORT THROUGH SCHOLARSHIPS

A merit-based process was followed to identify students from economically weak backgrounds. The scholarship covers the expenditure that students would incur during the tenure of their education.

80 students from low income groups were provided with scholarships to continue higher education.

EDUCATIONAL TRIPS

ABFRJKT supported government schools in organising educational trips to historical places like Belur, Mysuru, Halebidu, Bengaluru, etc. 469 students participated.

TALUK SPORTS EVENT

Participation in sports is an important factor in holistic development of students. To encourage the same, ABFRL supported the Taluk level sports event in Anekal and Ramanagara, Karnataka, that reached out to 2,136 students.

In Anekal, 38 government primary and 41 government high schools participated, and in the Mayaganahalli cluster, 25 schools took part in the sports event.

The Block Education Officer, Anekal, appreciated ABFRJKT for its support in organising the event.

HELP VIDYA WRITE

With the goal to ensure that all students from low income groups have access to notebooks, ABFRL initiated 'Help Vidya Write' for students of govt. schools.

This programme was initiated in 2012 and since then, it has benefitted 23,205 students. 114,281 notebooks have been distributed so far, with contributions mobilised from employee volunteers.

ADULT LITERACY

On International Literacy Day, a campaign on the importance of adult literacy was initiated in eight villages. A door-to-door campaign was undertaken by the staff to teach adults how to create and use signatures.

258 adults participated in the campaign.

HEALTH AND SANITATION

At ABFRL, we believe that access to healthcare services as well as a clean and hygienic environment are prerequisites for leading a dignified and good quality life. We continue to invest in health education and free health camps in rural India to achieve the same and prevent life-threatening diseases.

105,659
children were vaccinated as a part of the Pulse Polio drive

PULSE POLIO DRIVE

In collaboration with the Health and Family Welfare Department, Karnataka, ABFRJKT supported the Pulse Polio Drive in Bengaluru Urban, Ramanagara and Krishnagiri districts.

CANCER CAMPS

Cervical cancer accounts for an estimated 24% of India's cancer cases among women and evidence shows it is more common among the lower economic strata. There is a lack of awareness among women about the disease, coupled with a lack of access to prevention and treatment facilities. With the goal to improve this situation, we organised cancer camps and awareness programmes on how to detect cancer and the treatment options available.

In FY20, eight cancer awareness and screening camps were organised that helped 688 women. Around 380 of them underwent PAP tests.

EYE CAMPS

ABFRJKT, in association with Narayan Nethralaya, has been organising eye camps for the underprivileged since 2011. At every camp, the patients undergo an eye test and examination. 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 FY20,10 community eye camps were organised, benefitting 2,181 people. 1,037 patients were given support in the form of spectacles, while 104 underwent cataract operations.

SCHOOL HEALTH CAMPS

We organised eight health camps in government schools. The camps covered eye, dental and general check-ups. **1,235 students benefitted from the camps.**

AWARENESS PROGRAMMES

Our health workers reached out to 11,385 community members through awareness programmes.
The programmes are effective tools to educate community members about preventive measures and resilience building techniques. This year, the programmes focussed on the following themes:

- Parents' awareness meeting on Early Childhood Care (ECC) and nutrition by involving ICDS (Integrated Child Development Services) and PHC (Primary Health Centre) staff
- WASH training and orientation at Anganwadi centres and schools
- Mothers Meet, a session on learning environment, nutrition, health and sanitation
- Awareness on disease prevention for Malaria, Dengue, Typhoid, Deworming, etc. and Pulse Polio campaign
- Awareness on personal hygiene with special focus on Menstrual Hygiene Management

SUSTAINABLE LIVELIHOODS

By leveraging our strength as a corporate, we aim to enable individuals attain financial independence by effective skilling initiatives. This ensures that the youth of our nation is equipped with vital skills and contribute to the growth of the nation. Through skilling, not only do these young individuals become more productive members of society, but they also propel the advancement and development of the country. At ABFRL, we continue to empower the rural youth with essential skills and create change agents for India's development.

CAREER READINESS TRAINING PROGRAMME

Aditya Birla Fashion and Retail Jan Kalyan Trust is implementing a Career Readiness Training Programme for senior secondary students and youth in 3 model villages and 21 spoke villages in Karnataka and Tamil Nadu. The programme aims to develop employable skills including problem solving, empathy, collaboration, communication, technical competency and English proficiency.

Through this programme, 850 youths were trained and 102 were linked with sustainable livelihood opportunities.

SUCCESS STORY

Nurturing Budding Entrepreneurs

Bhavya is one of the students in the Career Readiness Programme initiated by ABFRJKT in collaboration with implementation partner, Edunet. She was passionate about agriculture and wanted to set up a greenhouse. However, she lacked the means and knowledge to establish the business. One of the initiatives of the Career Readiness Programme is a platform called 'Business Raja' that allows rural citizens to set up their own businesses in their hometown. It helps budding entrepreneurs build and scale up their new business along with providing a helping hand for ideation, through training programmes and funding.

A conversational AI Machine Learning fintech platform was created that provides a mobile-first evaluation, rating readiness funding model in hyperlocal languages using WhatsApp as its medium. With the help of this programme, Bhavya was able to join hands with John, who has three years of experience in the field. Bhavya convinced him to help her with her business idea of supplying saplings from her village to the nurseries in the city.

Just like Bhavya, in FY20, **522 youths applied for Business Raja, and 250 youths were mentored and trained. Out of 250, two entrepreneurs have been funded.** We hope to fund more such motivated and enterprising youth to realise their dreams.

KAUSHALYA - THE SKILLS TRAINING CENTRE

Kaushalya Program placement ratio (trained v/s placed)

79%

In its fifth year, the Kaushalya Project aims to identify unemployed youth in rural areas, impart employable skills and link them to sustainable livelihood opportunities.

In FY20, we continued to organise skill development initiatives in Data Entry Operation, Beauty & Haircare and Basic Tailoring courses.

Over and above this, we also organised value addition programmes related to developing business skills, English communication skills and financial literacy. Exposure visits were also organised.

351 individuals have enrolled for the programme, out of which 336 have completed their training and 268 have already been connected to sustainable livelihood opportunities. Through the Kaushalya project, we have achieved the following:

- **1,843** rural youths trained in various skills and made employable in last 5 years
- **1,456** trained youths linked to sustainable livelihood opportunities
- **80.6%** of beneficiaries rated this programme as excellent and most useful

WATER & WATERSHED

Last year, we included Water & Watershed as one of our focus areas with the goal to combat the growing water crisis our planet faces and to bring safe drinking water to our host communities by replenishing the water sources around us. Here are the highlights from our various water related initiatives:

WATERSHED PROGRAMME

The integrated watershed programme aims to manage and utilise runoff water for useful purposes, enhance the ground water storage, increase crop intensity in watershed areas and improve the socio-economic status of farmers. **In FY20, the watershed programme has helped save/recharge approximately 136,614 kl of water, benefitting 36,414 community members.**

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

RAINWATER HARVESTING IN SCHOOLS

In FY20, rainwater harvesting structures were made operational in eight schools. Through this initiative, an **average 1,069 kl of water was conserved in the year.**

The recycled water was mostly used for hand wash, in the toilets as well as in kitchen gardens. The harvesting systems have proven to be a boon for these schools, as it has helped reduce their dependency on borewells.

BOREWELL RECHARGE PITS

Last year, ABFRJKT constructed six borewell recharge pits at Sollepura, Madiwala, Hinnakki and Bilwaradahalli villages. The recharge pits capture rainwater and filter it down to the water table or borewell.

These borewell recharge pits collectively ensure the saving/recharge of around 13,200 kl of rainwater.

VILLAGE POND RENOVATION

Under the integrated watershed programme in Sollepura, the community pond was restored last year since the seasonal rainfall was not sufficient for usage through the year.

The pond has a capacity of 1,875 kl and it was filled with rainwater during the monsoon.

WATER ATMS

100% pure drinking water facilities are provided in all the eight model and focus villages through Water ATMs. The Water ATMs are managed by the community as well as panchayat members.

Case Study

REVIVING WATER SOURCES

Bilavendran, a farmer in Sollepura village, possesses 3 acres of land. Every year, he cultivates rain-fed ragi, vegetables and roses. In the last two years, due to less rainfall, he faced water scarcity and received water only for 6 hours per day, given that the only source of irrigation available to him was the borewell drilled in his land.

Action

To help better Bilavendran's situation, his farm was identified for construction of a water harvesting and recharging structure under the watershed development programme. A farm pond with a capacity of 150 cubic metres was excavated to store the rainwater. Usually, the rainwater in his land would go directly into the drainage line by the field. However, by excavating the farm pond, he was able to harvest the water which was draining out earlier.

There is also a defunct well on his land, which was completely dry for the past four years. A recharge pit close to the well was constructed and connected to the well through a pipeline.

Outcome

The construction of the well recharge pit led to it getting filled up at the end of the Kharif season. The well got filled two times during the last monsoon and Bilavendran could harvest **1,044,835 litres of water.**

As a result of water structures, water availability in the four nearby borewells has also increased. By seeing the rewarding result of these interventions, other farmers from nearby villages have also begun showing interest in initiating similar watershed programmes in their fields.

DIGITALISATION

VILLAGE INFORMATION CENTRE

With digitalisation and technological development, rural and urban communities face numerous social and economic changes and challenges. To address these concerns and equip rural communities with knowledge and skills required to be digitally savvy, ABFRJKT has established Village Information Centres in three villages.

These centres are equipped with state-of-the-art facilities and one digital champion to support the villagers with e-schemes, e-banking, online courses, e-library, access to job portals, printing services, health insurance and more.

9,000
community members have benefitted from these services across 3 villages

In all, the digitalisation initiatives have benefitted
17,152
people

SUCCESS STORY

Transforming Villages into Digital Villages

One of our model villages, Sollepura, is a 100% digitally literate village since every household has one digitally literate person. It is a WiFi enabled village and 3,168 community members have benefitted from the digital services and awareness programmes.

While we are training adults, we have also set up computer literacy centres in eight government primary schools for young students. Each centre has one designated teacher to take classes. **826 students have benefitted from this initiative.**

ODISHA PROGRAMME

ABFRJKT undertook an extensive needs assessment in Janla Gram Panchayat, Khordha, Odisha, to understand the immediate and long-term needs of the community. Based on the results, we are now undertaking projects in the areas of Education, Health & Sanitation, Sustainable Livelihoods and Water & Watershed.

ACADEMIC SUPPORT CENTRES

The objective of the Academic Support Centre is to reinforce the lessons taught in the classroom and enhance basic arithmetic, reading and writing skills of students.

60 students benefitted from the Academic Support Centres in Dakhinamundamuhan and Ogalapada villages.

SCHOOL LIBRARY

The library programme was initiated in two schools in Uttaramundamuhan and Ogalapada villages to enhance the reading and learning skills of the students.

144 children are benefitting from this programme.

VILLAGE CLEANLINESS DRIVE

In Odisha, action-oriented changemakers are leading the swachh gaons (clean villages) movement. A cleanliness drive is being organised every Sunday in the villages of Janla Panchayat. The drive commenced on 2nd October 2019 to celebrate Gandhi Jayanti. The village community members have continued the drive to keep the initiative going.

POND RENOVATION

Pond renovation was initiated to increase the catchment of the pond to store rainwater. The pond will recharge the groundwater and ensure that farmers get sufficient water for crop irrigation. Going forward, the Panchayat will hand over the pond to an SHG to initiate fishery to generate income.

FANI RELIEF

In May, the Fani cyclone devastated Puri, Khordha and Bhubaneswar in Odisha. The CSR team undertook a quick situation analysis and immediately supported 12 families with tarpaulins and drinking water for two days in Janla Panchayat.

With the support of employee volunteers across ABFRL, food packets were distributed to 8,500 community members in 15 Fani affected villages, for 17 days.

INCOME THROUGH MUSHROOM CULTIVATION

ABFRJKT has trained and provided raw materials to 20 members from two SHGs for mushroom cultivation.

These SHGs have initiated mushroom cultivation as an income generation activity and have started selling their mushrooms in the local market, earning INR 1000 per day.

EMPLOYEE VOLUNTEERING

An integral part of our CSR strategy is employee volunteering. It fosters collaboration and teamwork, while strengthening stakeholder engagement and relationships. The company recognises the contribution that volunteers make to the community and is committed to provide volunteering opportunities that benefit the communities in which they live and work.

In FY20,
5,270
employee volunteers contributed
24,249
hours in volunteering

COMMUNITY INITIATIVES BY PANTALOONS

3,313 volunteers from Pantaloons stores of North, East, West and South regions engaged in community initiatives and clocked 6,078 volunteering hours. The employees organised diverse activities by collaborating with local NGOs.

CSR DAY WITH MANAGEMENT TRAINEES

To commemorate CSR day, 87 Management Trainees along with children and community members undertook tree plantation in Sollepura village.

200 trees were planted, and the Management Trainees devoted 696 volunteering hours.

Another team of 36 Management Trainees visited Sollepura village, painted the government school, and undertook an awareness session with community members on the usage of toilets and importance of health and hygiene.

INITIATIVES AT MANUFACTURING UNIT

In Odisha, employees contributed to the Fani relief response and other activities such as library sessions for children, tree plantation, cleanliness drives and observation of National Safety Day.

500 volunteers contributed 8,660 hours.

BLOOD DONATION CAMP

Government Hospital Madhagondapalli organised a blood donation camp with the help of ABFRJKT.

For the first time, 40 volunteers from Sollepura village and the skill training centre volunteered to organise a blood donation camp at the village level.

SPREAD THE JOY

The 'Spread the Joy' programme is a CSR initiative in collaboration with Peter England, which aims to reach out to marginal and rural communities to provide access to clothing and to help them lead a dignified life. Peter England, a renowned brand of ABFRL, has joined hands with Goonj to run a nationwide campaign among their customer base in different cities for collecting pre-loved clothing across its retail stores and delivering it to beneficiaries with the help of Goonj.

The Programme was initiated across **424** retail stores

65,469 garments were collected and shared with those in need

IMPACT ASSESSMENT

We conduct impact assessments of our CSR projects to identify gaps and implement course correction. In the reporting year, impact assessment of projects was conducted in collaboration with a third party expert agency.

SOCIAL ASSESSMENT

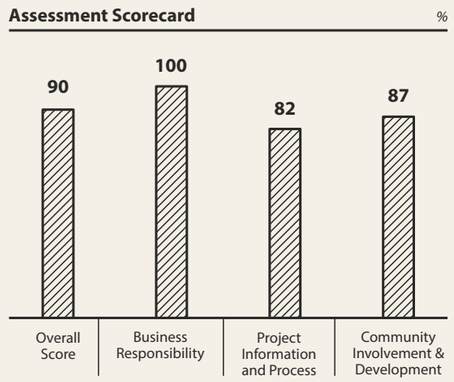
The external agency graded our Village Development Programme's performance based on:

1. Section 135 and Schedule 7 of The Company's Act, 2013
2. National Guidelines for Responsible Conduct (9 principles)
3. ISO 26000: Guidance on Social Responsibility (7 core subjects of Social Responsibility)

This assessment on Village Development Project received a Platinum rating.

It signifies that:

- We demonstrate a commitment to sustainability and triple bottom line for the strategic intent to make our business a value proposition
- Our leadership is visionary on the responsibility of our business and leads from the front
- The entire organisation structure is aligned to responsibility, and we have a proactive approach to issues
- We partner with our stakeholders and have multi-organisational alliances
- Our public reporting is assured and transparent

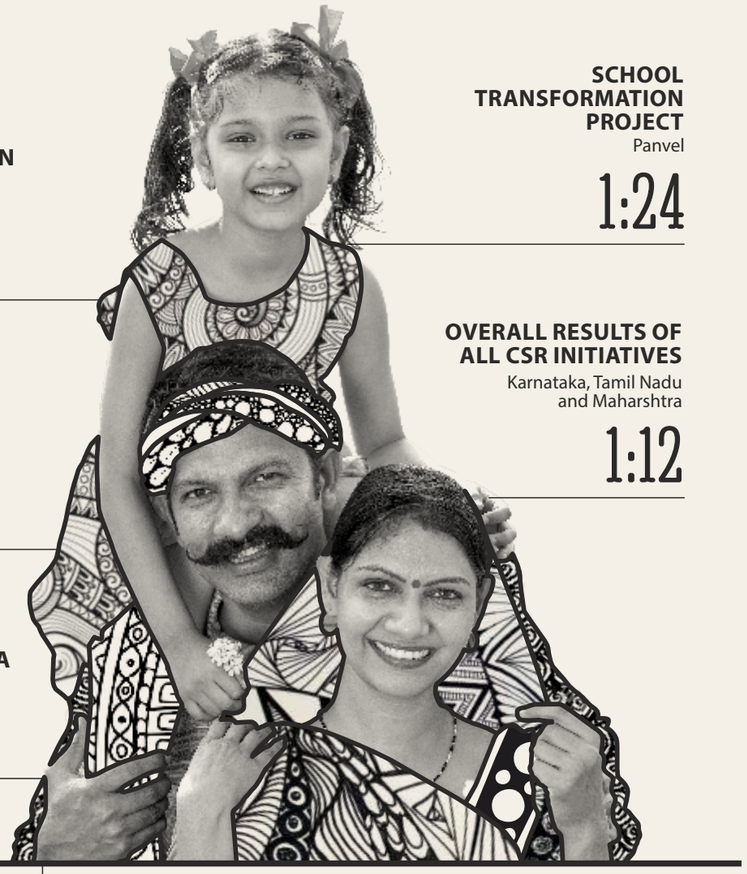


SOCIAL RETURN ON INVESTMENT

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 impact identified is measured, and where applicable, converted into monetary terms. Supported by a third party expert agency, the SROI analysis was done for all projects. The impact model was established for each project based on qualitative and quantitative information collected from the stakeholders.

All the projects are making significant contribution in the lives of the stakeholders.The results of SROI for the different projects are:



GYANARJAN
Channapatna and Mysore
1:16

KGBV
Channapatna and Krishnagiri
1:36

KAUSHALYA
Anekal
1:6

SCHOOL TRANSFORMATION PROJECT
Panvel
1:24

OVERALL RESULTS OF ALL CSR INITIATIVES
Karnataka, Tamil Nadu and Maharshtra
1:12

VILLAGE DEVELOPMENT PROGRAMME

Nyanapanahalli	Bilwaradahalli	Jakkur Layout	Basavanapura
1:5	1:4	1:4	1:2
Hinnakki	Sollepura	Madiwala	Rayasandra
1:2	1:1.3	1:1	1:1

COVID-19 CRISIS RESPONSE

Amid growing concerns during the COVID-19 crisis in India, Aditya Birla Fashion and Retail Limited has proactively reached out to the underprivileged and vulnerable groups. As a part of our CSR programme, we undertook prevention and relief activities in four districts across Karnataka, Tamil Nadu and Odisha.

ABFRL also initiated awareness programmes in March, as a quick response to prepare the community members to deal with the crisis and reached out to 23,978 community members through the following activities:

23,978
community members reached out

COVID-19 PREVENTION
Knowledge and Awareness

Awareness through announcements and pamphlet distribution on practices that prevent the spread of COVID-19

24x7 counselling and referrals through Village Health Helpline

Continuous, entry-level checking, through ray / infra-red thermometers and linking abnormal reading to Public Health Centres

Sanitisation of villages

BEHAVIOUR CHANGE
Health & Hygiene

Ensured practice of social distancing norms

Implemented proper mask usage and hand wash training

PRODUCT

RESPONSIBILITY

At Aditya Birla Fashion and Retail Limited, while we are steadfast in our vision of passionately satisfying Indian consumers' needs in fashion, style and value, we also strive to infuse sustainability in every strand of fibre, in every production process and in every business decision.

Over the years, our discerning customers have increasingly become aware and conscious, and prefer sustainably manufactured garments that also stand true to their quality and value expectations. Thus, it is our continuing endeavour to provide our customers with more sustainable products that are not just environment-friendly but also socially conscious.

Transitioning towards a product-centric **SUSTAINABILITY APPROACH**

Capacity building programme for product, sourcing and design team in association with **COTTON 2040 & COTTON CONNECT TEAM**

Pilot project in product intensity & traceability using **BLOCKCHAIN TECHNOLOGY**

Usage of **LIVAECO FIBRE & RECYCLED POLYESTER** as sustainable raw materials in PFRL

PLASTIC INNOVATION CHALLENGE in association with CAIF to eliminate pollutant material from packaging

OUR APPROACH

At ABFRL, the responsible management of our products is top priority. Our goal is to be net positive – that is, to give back more than we take from the ecosystem. Our management processes and targets are structured in such a way that product responsibility is achieved and tracked at regular intervals. We also understand the need for responsible procurement and keep a focus on this through implementation of the Vendor Code of Conduct and sustainable materials procurement.

We work to continually develop high-quality, innovative and long-lasting products. We take a life cycle approach for product responsibility which has a clear focus at each stage of the product's life cycle – from raw materials used, product development, production processes, to their end-of-life. We consistently set new standards in quality and environment friendliness across the life cycle of all products.

On our path to being truly sustainable, we are working to pack products responsibly by eliminating plastic. We are also working to enhancing product sustainability by supporting our vendors to be sustainable. This year, we have strengthened the methodology and approach for product sustainability attribute computation.

We understand our customer expectation that the products they buy from us are both responsible and of high quality. We ensure our products remain responsible post their sale, by engaging with our customers through feedback mechanisms at the point of sale and during the use phase. We also engage with our customers and encourage them to contribute to product responsibility through our take-back programme.

PRODUCT RESPONSIBILITY

Over the years, our learnings have expanded our horizon to embrace a product-centric sustainability approach. Today, we are at the cusp of a strategic shift, wherein our products will be the fulcrum of our sustainability strategy. Product-centric sustainability approach focusses on product life cycle covering the aspects of circularity and traceability.

Moving ahead in our ReEarth journey towards a product-centric approach from 2021 towards 2025, we will work on four broad aspects that cover the entire product life cycle:

This approach will help us in identifying key focus areas for improvement and develop interventions for each life cycle stage of the product, including upstream and downstream operations. We have clearly defined processes and skills in place for these pillars, along with transparent evaluation procedures and appraisal systems.

For more information on our product-centric sustainability strategy, please refer to the Sustainability and Us section on page13.

DESIGN & DEVELOPMENT

Innovation takes place at the intersection of fashion and technology, representing a powerful way to connect consumers with brands, while providing distinct shopping and wearing experiences. New technologies and textile innovations are not only changing how the fashion industry functions, but also how its products interact with the environment and consumers. Since our inception, we have kept fashion relevant by constantly innovating and upgrading products and methods, giving us a competitive edge over others.

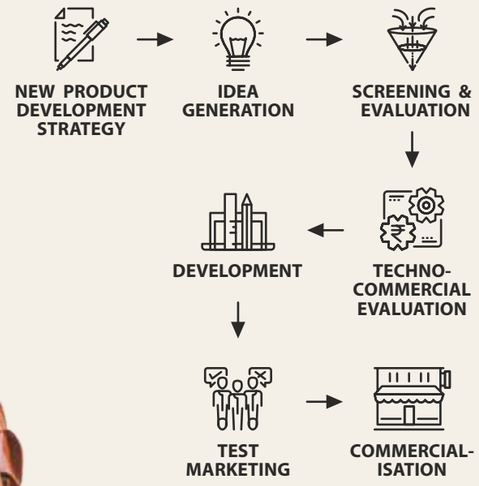
NEW PRODUCT DEVELOPMENT

In the fashion industry, the only constant is change. And to keep up and adapt to this dynamic industry, it is essential to develop products keeping up with trends, while also being desirable, reliable, sustainable and user-friendly. To ensure that our products provide the desired experience, a structured process is in place to engage with our customers and develop new products and solutions, based on their feedback.

Our new product development processes leverage cross-functional collaboration to co-create new concepts and designs. Concepts go through the ideation, evaluation and testing phases, upon the completion of which they are exhibited for booking orders. Based on the orders booked and feedback garnered, the teams go back to the drawing board and ideate for more concepts. The responses at various shows are used by our brands to create season plans as per the fashion cycles.

We also collaborate with our suppliers for co-creating new products where our designers and supplier's designers work together to develop new designs, construction techniques, etc. This approach has greatly reduced lead times, and has resulted in process efficiency, greater colour retaining fabric and various new developments.

Product Development Process



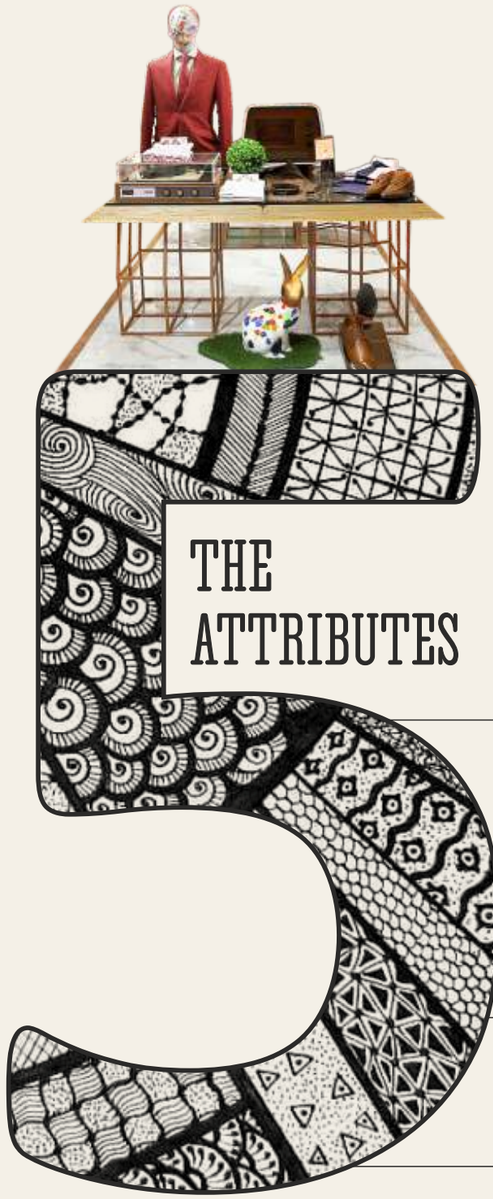
PRODUCT

Sustainable products are becoming the accepted norm in today's world and they attract more interest than ever before. Our approach towards sustainable products is aligned with the commitment to 'give back more than we take from the earth'. Our high-quality products are designed to conserve and rejuvenate the environment through their entire life cycle, and at the same time prioritise our customers' health and safety, and that of the society. For instance, we are promoting recycled polyester based products, such as t-shirts and denims, wherein the polyester is derived from recycled PET bottles; the Livaeco fabric, an eco-friendly fibre, is being used in our women and men's wear.

We are also adopting the Brand Module of the Higg Index, which enables us to assess the sustainability impact of our products and processes. The Brand and Retail Module assessments are carried out on an annual basis along with key teams across Brands, Sourcing, Product Development, Quality, HR and other related departments. This module provides key focus areas for enhancing sustainability performance of brands and products through policy making, product design, and access to sustainable raw materials.

We are disseminating our product sustainability efforts beyond factory gates by assessing vendor sustainability performances through our Vendor Code of Conduct, which is based on the Indian Factories Act and other global environmental and social compliance standards. In terms of styling, safety and social standards, as well as environmental and climate compatibility, our products provide superior value to our customers. Subsequently, we are propagating a circular economy model, where customers return their used garments to be converted into fibres, and the recycled material is used to make new garments.

To sum up, we aim to steer our future sustainability strategy with the product as our prime focus and all sustainability initiatives will revolve around it.



SUSTAINABILITY ATTRIBUTES

ABFRL is committed to build sustainable products which have a positive impact on the environment, community and the planet. We have developed an in-house comprehensive method to measure and enhance product sustainability throughout the value chain.

Product Sustainability Attribute is defined as a feature of the product or a characteristic of its design, sourcing, manufacturing or disposal process that leads to improved environmental and social sustainability performance. It is categorised into five attributes that addresses the risks and opportunities across the value chain. These attributes are recognised based on their environmental and social impact on the product journey, from sourcing to disposal.

- PRODUCTION PROCESS
- SUSTAINABLE PACKAGING
- RAW MATERIAL
- PEOPLE
- FARM & FACTORIES

Along with these five attributes, we have also established a 'Minimum Criteria' covering regulatory and mandatory requirements to qualify the product as sustainable. The sustainability attributes are measured by volume.

In 2018, we started to measure the five attributes while working to strengthen the accuracy and measurement system. In continuation, we seek to review our methodology and upgrade it based on global sustainability trends. Currently, we measure the sustainability attributes on a quarterly basis and share them with our key stakeholders.

For the reporting period, the Products with Sustainability Attribute *(at least one attribute by volume)*

54% MFL | 37% PFRL

SUSTAINABLE RAW MATERIAL

At ABFRL, we use varied raw material including cotton, viscose, linen, wool, polyester and blends. We believe that sustainable raw materials play a vital role in ensuring product sustainability and therefore, strive to source and manufacture at factories that ensure environmental and social responsibility, while not compromising on cost and quality. Also, we are exploring sustainable/alternate materials like recycled fibres, circular fashion and materials produced by local artisans, such as Ikat, to ensure holistic coverage of integrating sustainability.

Being a market leader and the largest consumer of cotton in the country, it makes us responsible to address the challenges associated with conventional cotton cultivation. Production of more sustainable cotton has massive potential to create a positive change for the ecosystem. It is important to source more sustainable cotton to reduce the apparel sector's negative impacts. To create this positive impact, we are aligning our approach as per the emerging trends and working with partners across the apparel industry.

ABFRL has collaborated with Cotton 2040, with an objective to increase the sustainable cotton consumption in our products, improving smallholder resilience and making traceability of cotton easier. We have also developed the CottonUP practical guide to demystify sustainable cotton concepts which has helped in developing and implementing sourcing strategies across multiple standards such as BCI, organic cotton, fair trade, etc.

BCI Cotton

ABFRL has partnered with Better Cotton Initiative (BCI) for sourcing sustainable cotton as an integral part of our commitment to establish sustainable ecosystems.

BCI provides guidance to farmers on sustainable practices and uses a holistic approach to sustainable cotton production that covers all three pillars -

ENVIRONMENTAL | **SOCIAL** | **ECONOMIC**

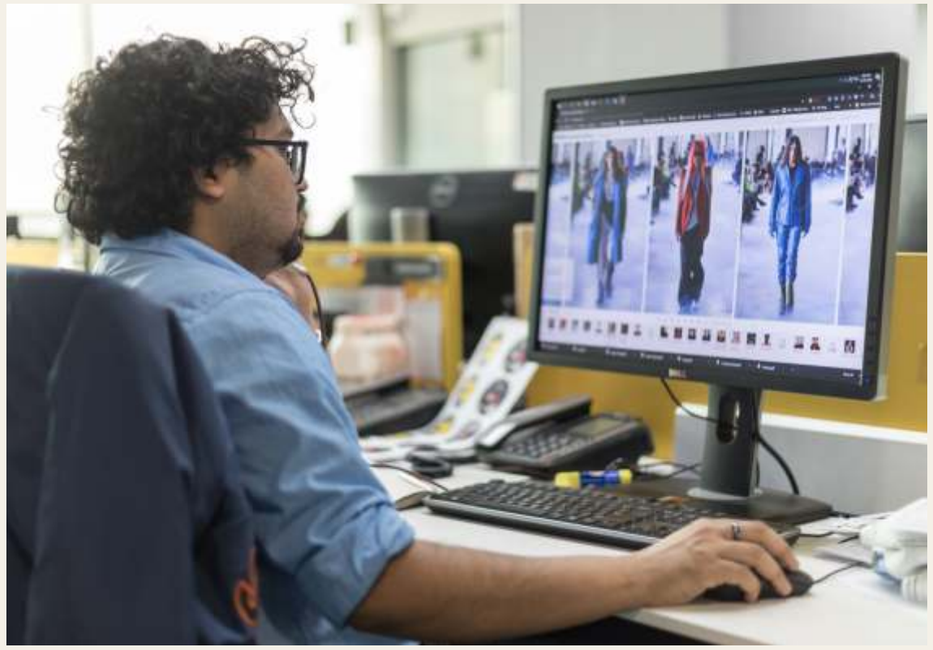
This initiative is helpful in minimising and, wherever possible, eliminating the consumption of fertilisers and pesticides to mitigate the adverse impacts caused to water bodies, soil and natural habitats.

Recycled Polyester

Polyester is a man-made fibre, synthesised from petrochemical products; however it is not a sustainable textile option, as the raw material comes from crude oil and it does not biodegrade easily.

Recently, recycled polyester has grown in popularity and is becoming a preferred fibre, as we are able to successfully recycle bottles into fibre. It can be either mechanically or chemically recycled, with feedstock consisting of either pre or post-consumer waste that can no longer be used for its intended purpose. Using more recycled polyester reduces our dependence on petroleum as the raw material for our fabric needs.

It reduces PET bottles to landfills, and thus reduces soil contamination, air and water pollution, and requires less energy than virgin polyester. Garments created from recycled polyester aim to be continuously recycled with no degradation of quality, allowing us to minimise wastage. This means polyester garment manufacture could potentially become a closed loop system.



Manufacturing Process

PET BOTTLE WASTE COLLECTION

BOTTLE SEPARATION & WASHING

SHREDDING & FLAKES CONVERSION

PELLET FORMATION

EXTRUSION THROUGH MICRO HOLES

SPINNING

FABRIC MAKING

Case Study

CREATING SUSTAINABLE FABRICS

Challenge

At ABFRL, we are conscious of the impacts our products have across the value chain – be it the way they are sourced, produced, transported, used or disposed. Constant efforts are made to increase the portfolio of garments made from sustainable fabrics, so we can help protect our planet and preserve natural resources for future generations.

Action

In collaboration with vendor partners, we try and incorporate sustainable fabrics in our brands so that we can render benefits to the environment, without compromising on fashion and consumer product experience. One such initiative was to upgrade the normal Liva to Livaeco, to benefit the ecosystem.

Outcome

Made from FSC certified wood resulting in a low environmental footprint

900 litres of water savings compared to other natural fabrics

6 weeks to biodegrade completely and has low GHG emissions

The fibre's unique molecular tracer helps study the journey of every Livaeco tagged garment from the origin. Also has supply chain traceability through blockchain to track the fibre from forest to garment's last stage.

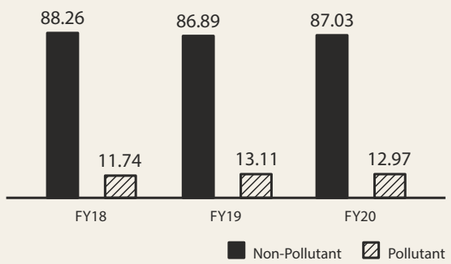
PACKAGING

In the apparel industry, product packaging is just as important as the product itself. For us, when it comes to packaging, just being economically viable is not enough. It is equally important that the packaging processes and materials have minimum to no impact on the environment and on society. Our sustainable packaging strategy takes into consideration components such as packaging design and quality as well as reduction of waste and recycling packaging material for both our products, as well as transport packaging.

At ABFRL, we aim to use 100% sustainable packaging material by eliminating any type of pollutant.

Since the year 2013, ABFRL has been actively measuring packaging consumption, while simultaneously developing and evolving our methodology. Over the years, we have successfully automated our computation process for pollutant and non-pollutant components in packaging, thereby increasing accuracy, efficiency as well as real time data. Furthermore, we have included verification of new packaging material and an annual verification of packaging weights to ensure any changes in design, optimisation or elimination.

ABFRL Packaging Trend



Continual improvement is a journey towards excellence and we continuously strive to improve our existing systems and processes. To achieve 100% sustainable packaging, we have started exploring opportunities to become completely plastic free in product packaging. A project named 'Plastic Mukt Packaging' has been initiated and has begun with a pilot round at Simon Carter. Except polybags, all other materials like Collar Traveller, Butterfly, M clip, U clip and Slugs, are converted from plastic to non-pollutant and biodegradable material.

We aim to use
100%
Sustainable
Packaging

Case Study

#BETTERTHANPLASTIC CHALLENGE

Challenge

Most packaging material in the apparel and textile industries are made of industrial materials like HDPE, LDPE, Poly Propylene, PVC and Polystyrene, and are single use. These materials do not disintegrate into the earth's natural cycle and no feasible systems to keep them in a closed loop exist at the moment. Currently, there is a need to find alternatives and create alternate systems at scale for packaging in the Fashion and Apparel Space.

Action

To co-create with the industry and solve this issue along with innovators, manufacturers and start-ups in the ecosystem, ABFRL and CAIF launched the #BetterThanPlastic Challenge. It aims to find new materials, systems and business models that can curb negative environmental impact and be integrated by businesses in the coming year.

We invited submissions from several stakeholders ranging from packaging manufacturers, academia, incubators, industry bodies such as AIPMA, IMC, FICCI, etc. Shortlisted submissions will be presented to ABFRL and an external jury of industry experts from the fields of Materials Research, Environment/ Sustainability, Solutions/Systems, Scaling New Businesses, Brand Marketing and more.

Outcome

Solutions with high techno-commercial fit for the industry to be announced as Top Ideas

Will be invited to run prototype/proof of concept with ABFRL

Top Ideas to be showcased through the CAIF platform

Case Study

STANDARDISATION OF PACKAGING MATERIAL IN SHIRTS CATEGORY

Challenge

Shirts are the largest product category across the lifestyle business and any small improvement can result in a significant benefit. In shirts, its presentation plays a pivotal role since consumers correlate the shirt packaging with the quality of the product and price.

Action

Variations in packaging material for brands like Louis Philippe, Van Heusen, Allen Solly, Peter England and Simon Carter, led to a difference in presentation of shirts within the organisation. The presentation also suffered due to circumstances during transportation. To remedy this, we standardised, as well as added new packaging materials for details such as back support, collar traveller, collar support, collar butterfly, M clip, U clip, button-to-button holder, polybag and carton boxes, across MFL brands, elevating the shirt presentation immediately.

Change in carton box dimension and creation of inner square liner helped retain product's shape and presentation under excessive handling and transportation. Also, the reuse of cartons has contributed to our sustainable packaging endeavours by reducing our carbon footprint 8 to 10 times.

Outcome

Brought down the number of packaging SKU drastically | Improved productivity at supplier end and impact on cost benefit | Reduced packaging material stock inventory by 1/3rd

Par Excellence Gold Award Won at the national level competition (NCQC) amongst 835 presentations, across 233 organisations

SUPPLY CHAIN

Supply chain is an indispensable part of a business' sustainability programme. Knowing the level of environmental, social and economic impact, as well as viability of vendors, is becoming increasingly common as we move towards a more sustainable future.

ABFRL strives to operate in a more sustainable manner throughout the supply chain and believes that by working closely with our suppliers, we can lessen our environmental and social impact, and position ourselves for a more sustainable growth. In order to meet the supply chain sustainability requirements, we are making efforts to ensure our products and processes do not impact the environment negatively, deplete natural resources or contribute to social inequalities/injustices, and that in general, is done the 'right way.'

SOURCING FROM SUSTAINABLE VENDOR BASE

Sustainability in fashion is not only defined through the use of sustainable materials but also how and where they are manufactured, considering both environmental and socio-economic aspects. We, at ABFRL, are looking to expand our supplier base with those who embrace sustainable practices in their manufacturing processes. As an initial step, we have identified all our critical Tier-1 and Tier-2 vendors and have collected information on their sustainability initiatives. We observed that most of our critical vendors already have sustainability initiatives in place.

Few of the sustainability initiatives on which ABFRL intends to gradually focus on at the supplier level include water conservation initiatives, zero liquid discharge, rainwater harvesting and energy.

SUPPLIER SUSTAINABILITY ASSESSMENT

Sustainability of supply chains today not only has reputational, but also financial connotations, and thus, supply chain sustainability performance measure is a proactive approach in this direction. To achieve maximum benefits from sustainable procurement, we aim to conduct thorough and periodic assessments of our suppliers and engage them on sustainability issues to improve their performance on an ongoing basis.

The most common tool to evaluate environmental and social sustainability impacts in manufacturing facilities around the world is the Higg Index, which is designed and run by Sustainable Apparel Coalition (SAC), of which ABFRL is a strategic and key member since its inception.

Higg Index

At ABFRL, we have adopted the Higg Index to assess the environmental and social impacts of our brands, retailers and facilities. As a responsible business, the adoption of Higg index has enabled us to understand and reduce the discovered impacts as well as enhance our operations and product sustainability performances. The Higg Index assessments for Brand and Facility Modules are a key part of our sustainability initiatives for the seventh year now.

This year, we have extended Brand Retail Module self-assessment to our brands through BRM, which is an updated version of the Brand Module, to include the retail component and a combined environment and social module.

Our in-house factories have significantly improved their scores year-on-year, owing to diligent work on several initiatives, which included rainwater harvesting (RWH), installation of water efficient fixtures (aerators and reducers), usage of STP treated water for back flushing in toilets and urinals, STP upgradation by improving its efficiency, solar rooftop implementation, LED lights installation across our manufacturing units, VFD (Variable Frequency Driver) installation for high HP motors, Food Digesters installation in factories for converting food waste to manure, which is utilised for our own factory landscaping and horticulture, introduction of plastic crates for finished goods (trousers) transportation to warehouses and reduction in CAD and cutting paper, by reducing GSM.

We achieved an outstanding Higg Score of 81 through a third-party audit conducted at two of our factories (Europa Garments and Fashion Craft).

ABFRL Vendor Code of Conduct

ABFRL has developed a comprehensive and structured Code of Conduct for vendors, aligned with globally established sustainability, legal and statutory requirements, law of the land and requisite compliances of the sector. ABFRL mandates all its vendors to display the ABFRL Code of Conduct policy at a conspicuous space in the workplace to create awareness about the importance of adherence to Ethical, Social, Environmental and Health & Safety standards, and their benefits.

Through our ABFRL Code of Conduct (CoC), we are able to ensure that our supply chain performs high on ethical sourcing and mitigates any supply chain risks related to compliance, health and safety, environment and social aspects.

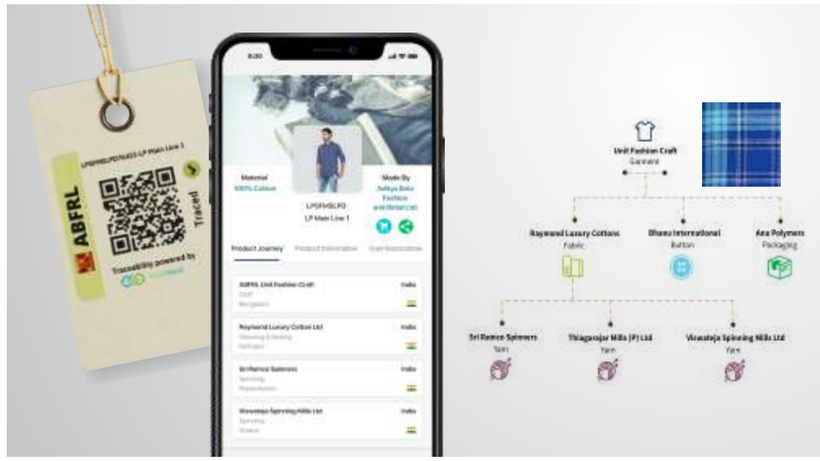
Covered
393
Tier-1
Vendors
for CoC
Audit

Since inception, we have covered 393 Tier-1 vendors for CoC Audit, covering approximately 90% of the vendor base. With regular training and monitoring mechanisms, a significant number of vendors were transitioned from non-compliance to compliance level.

This year, we also moved to a digital platform and our entire audit data management is being done on this platform. It has made our CoC Audit process paperless, has improved report sharing time to relevant stake holders and supported in quick decision making.

Case Study

INCREASING SUPPLY CHAIN TRACEABILITY USING BLOCKCHAIN TECHNOLOGY



Challenge

The scope of sustainability has moved beyond just sustainable materials, processes or products to reduce the environmental footprint. It has now evolved to also knowing the source of material and usage of product. As a responsible business, it becomes increasingly important for us to focus on our supply chain, understand product sustainability and ensure communication with the consumers on sustainability footprint. To achieve this, traceability becomes a key driver.

Action

Driven by this goal, we executed a pilot project in collaboration with TrusTrace on a select few style codes where we visited suppliers and manufacturing units for data collection. Data collection was carried out during various stages of manufacturing as well as from various sources.

Outcome

An integrated, one-stop solution to collect, validate and communicate supply chain data

Allows for a simple, one-click, mobile based solution for consumers to make responsible purchase decisions

Enables them to understand sustainability footprint at facility and product level

QUALITY MANAGEMENT

ABFRL is recognised in the fashion industry for great quality products, and we perceive quality as a point of differentiation and a source of competitive advantage. We have a well-managed quality management system in place that has been designed keeping in mind the organisation's vision and commitment to customers and the overall strategy.

We have a robust quality appraisal system, which is designed through the lens of customer centricity to ensure that the customer receives the highest quality product. Our quality management system enables us to consistently maintain quality according to predefined standards. Various quality appraisals and inspections are carried out to test raw material, process quality, supplier performance and finished goods.

Moreover, we have also developed Product Rating as Customer (PRAC), a unique method to rate quality from a customer's and manufacturing perspective. PRAC is a numerical value that we track to manage product quality and for improvement.

Ensuring Supplier Quality

Suppliers are one of the key stakeholders of the value chain and play a crucial role when it comes to delivering high quality products and services. We, at ABFRL, continuously engage and collaborate with our vendors to establish a culture where we all are driven by the ethos 'exceeding the expectation of the customer'.

To assess the quality of the products of our vendors, the Vendor Quality Performance Index (VPQI) and Quality Index Number (QIN) for our products are regularly used and shared with the vendors. These scores allow us to have informed interactions with our vendors, by means of assessing their facilities and sharing best practices for improvement. The results of the appraisals are given to the relevant teams for immediate action.

Customer Delight Through Quality improvement

Achieving customer delight through delivering the finest product quality is one of the best business strategies. It requires a highly customer centric approach and being sensitive to take quick actions to improve the consumer experience. In the product quality improvement journey, working on the following aspects were important:

- Assuring quality at source of manufacturing
- Improving product quality based on all channel feedbacks
- Resolving customer issues as a highest priority

In MFL, quality assurance at the source of manufacturing touched a new high of Quality Performance Index (QPI) at 98, over the previous year of 91. The PPM level customer complaints decreased from 139 to 113, which is a huge improvement in increased business numbers.

Customer Feedback and Action Plan

We take customer feedback and complaints as inputs to improve our performance. We discuss the issues raised by the customers with respective functions - such as in-house and outsourced manufacturing, sourcing, product, quality and retail, and in monthly vendor interaction meets to resolve all existing issues, incorporate new learnings and improve our performance.

About the continuous improvements in product quality, MFL QA team initiated and accomplished over fifteen projects. These improvement projects were in multi-product categories and involved raw material as well as manufacturing. Improvement projects were taken based on last year's quality performance of the vendors, customer complaints and desired area of quality upgradation. Some improvement initiatives are:

- Raw material quality improvement in trousers for colour fading properties
- Shrinkage and elongation in t-shirt category were improved with change in fabric construction
- Denim was taken up for improvements in manufacturing and to reduce damages

INITIATIVE

MFL QA APP – REAL-TIME DASHBOARD

We introduced an Android app, to be used by Quality Professionals of MFL and its Certified Quality Auditors at supplier locations for finished goods and process audit. This application acts as a basic platform to manage quality across the entire global supply chain, and is used by all MFL suppliers in India, Bangladesh and China. The app has made the system seamless across all functions and makes QA reports go paperless, making the process more sustainable.

In the current financial year, a live dashboard with real-time information was launched in the QA app. This has helped the manufacturers know their quality performance in real time and prompted them to take quick action for problem areas.

With its advanced and unique features, the app was able to bag the prestigious NCQC Award held at IIT, Varanasi. This has taken the MFL Quality Management systems to a new high in the apparel industry. The app also drew a lot of interest and attention in the 'Business Process Excellence Symposium & Quality Consortium' held at Infosys Bengaluru, due to its uniqueness, user ease and acceptability across the global supply chain.

VENDOR DEVELOPMENT AND MANAGEMENT

The supply chain of the apparel sector is of a complex nature, in terms of length, scale and size of players. Even though we placed utmost importance on regular audits, our approach towards our vendors is collaborative which involves regular engagement.

As part of a sustainable supply chain, we have taken a few initiatives for vendor development:

Green Channel Partnership (GCP)

The major challenge today, is to meet the quality, on-time delivery and consistent availability of raw materials with limited resources and minimum inventory. Our Green Channel Partnership (GCP) is a unique solution that offers a supplier quality system certification for accepting merchandise quality, based on the suppliers' quality report and self-certification. This results in consistent availability of quality raw materials, on-time delivery and minimum inventory.

Our Green Channel Partnership (GCP) has shown good progress over the year. Currently, 30% of MFL fabrics are coming through the Green Channel Partnership.

Process Improvement

To enhance sourcing efficiency and to improve the process, we have been using Techpack, which is a document detailing out aesthetics of any product including style, fabric, colour, silhouette and technical specifications required for production. PFRL is aiming at creating best-in-class Techpacks by making it a well-defined and structured document traveling from Design to Category, Technical Services, Sourcing, Quality and Vendors, targeting the right cost and right product at the first time. The standardised Techpack would be applicable for all product categories across the private label apparel business.

Vendor Upskilling

We conduct regular vendor training and workshops at various regions to identify and work on manufacturing issues and to ensure improved productivity, quality and reduced defects.

PFRL has conducted many sessions in association with the technical team of Madura Coats and Groz-Beckert. MFL has strengthened the regional QA team with numerous trainings on product and process quality at vendor's place. It has trained over 150 quality auditors at manufacturing setups in Delhi, Ludhiana, Bengaluru, Tirupur, Vapi, etc. Footwear quality was further strengthened by deputing the dedicated QA at the vendor's place.

CHEMICAL MANAGEMENT

At ABFRL, our chemical management journey began through the initiative of Laundry Audits; with the objective to identify the gaps and evaluate basic hygiene in chemical management. This resulted in the realisation that there was an urgent need for a holistic chemical management system.

In collaboration with an industry expert, ABFRL has developed a chemical management manual which includes policy, RSL and wastewater discharge guidelines to measure, manage and control chemical consumption and ensure a safe working environment. This year, we have released our chemical management policy and handbook.

The PFRL business unit has driven a Chemical Safety programme in the children's product category by disseminating the information on use of Restricted Substance Material on applicable raw material as well as final products. We have started checking compliance randomly by testing at third party.

CUSTOMER CENTRICITY

More than a business imperative, customer centricity is a means to become the preferred choice for customers and achieve a competitive advantage in the fashion industry. Consumers of the fashion industry today expect brands to be aware of environmental risks and be proactive in the use of environmentally and ethically unobjectionable raw material, mindful use of resources, reducing negative impacts of business operations and fair treatment of employees at own and vendor facilities.

We believe that customer centricity is key to long-term business sustainability. Continuously innovating designs, concepts and products by infusing consumer feedback and the latest trends in fashion and clothing styles, we have a repertoire of lifestyle brands that cater to every consumer's needs across multiple occasions. Our customer-centricity approach encompasses a gamut of propositions:

MISSION HAPPINESS
Post-purchase survey

CUSTOMER VOICE RESPONSE SYSTEM

QUALITY CARE CELL

For generating consumer feedback, we also use multiple data collection and research methodologies like Top-down BEI and CVP. **ABFRL's 'Epic Centre' has been started as a means of positively leveraging social media to manage the brand image.**

MISSION HAPPINESS POST-PURCHASE

Launched in 2014, with the objective of ensuring positive and consistent consumer experience and enforcing common SOPs for complaint resolution, Mission Happiness (MH) continues to be a huge success.

Through an electronic interface, our customers can provide detailed feedback and rate their in-store, as well as their post-purchase experiences. This feedback is meticulously monitored, and training is imparted to the employees to decode and respond to it, helping us better understand consumer demands and enhance our ability to dynamically cater to the growing, as well as changing demand landscape. This initiative is supported by CRM initiatives such as Loyalty Cards and complaint resolution mechanism.

We have received and acted upon

97.5 LAKH FEEDBACK

up to March FY20, since the inception of Mission Happiness.

We have had

6.72 LAKH CONVERSATIONS

in MH from the beginning to March FY20 (in-store and post-purchase Mission Happiness).

In FY20, we had 1,237 stores collecting in-store feedback. Post-purchase feedback is being collected across all EBOs (active franchisee or consignment).

PANTALOONS POST-PURCHASE SURVEY

The objective of this initiative is to get to know the customer's experience with the garment, and to gain insights on quality, fit, look and feel, post wash and so on. As a process, we send an SMS one month post the purchase, allowing adequate time for product usage. The SMS leads to a feedback form wherein we ask them their rating of the garment on various aspects. Post their feedback and ratings, they are contacted by the call centre for detailing out the positives and negatives of their experience. This helps in evaluation of our designs, product standardisation and evaluation of vendor partners.

CUSTOMER VOICE RESPONSE SYSTEM (CVRS)

Our customers deserve the best - not only the best apparels and accessories, but also the best service and experience. In line with this philosophy, we seek their feedback on a consistent basis.

CVRS is a platform which handles customer complaints and ascertains process transparency through the deployment of an online Complaint Management System. This encourages customers to share their experiences, feedback and complaints, along with helping us identify opportunities of intervention in order to enhance customer satisfaction.

Through this platform, we are able to ensure on-time closure of all product and service-related complaints within 24 hours TAT or turnaround time

CUSTOMER VOICE

All customer complaints, enquiries received through call/mail

COMPLAINT RESOLUTION

Customer Dialogue Executive receive customer complaints and gives them proper resolution including follow-up with concemed department with the help of escalation matrix

CUSTOMER FEEDBACK

Product complaint summary shared with quality team for further improvement in the form of taking project to reduce complaints

CUSTOMER SATISFACTION INDEX

Measure customer satisfaction index as per the resolution given to customer by the CVRS team

INITIATIVE

CONSUMER LOYALTY

At Pantaloons, we run India's largest fashion loyalty programme called Greencard, which has 16.9 million members. Through Greencard, we drive several initiatives to understand our customers, leverage cutting-edge analytics to comprehend their preferences and communicate relevant products and offers. We carefully track customers through their journey with Pantaloons and have created many campaigns that are closely linked to customers' interactions with us. This increases product relevance driving higher engagement and a happier customer.

In addition to this, we run our flagship analytics project at Pantaloons called Segment of One (SOO) that focusses on leveraging Machine Learning and Artificial Intelligence to track every consumer's purchase, on over 300 attributes. This helps us track each customer's purchase preferences, patterns and engagement with Pantaloons, through which we create hyper-personalised marketing communications through email and SMS that are unique to each of the millions of customers. Our SOO communications have won Pantaloons several awards and industry recognition.

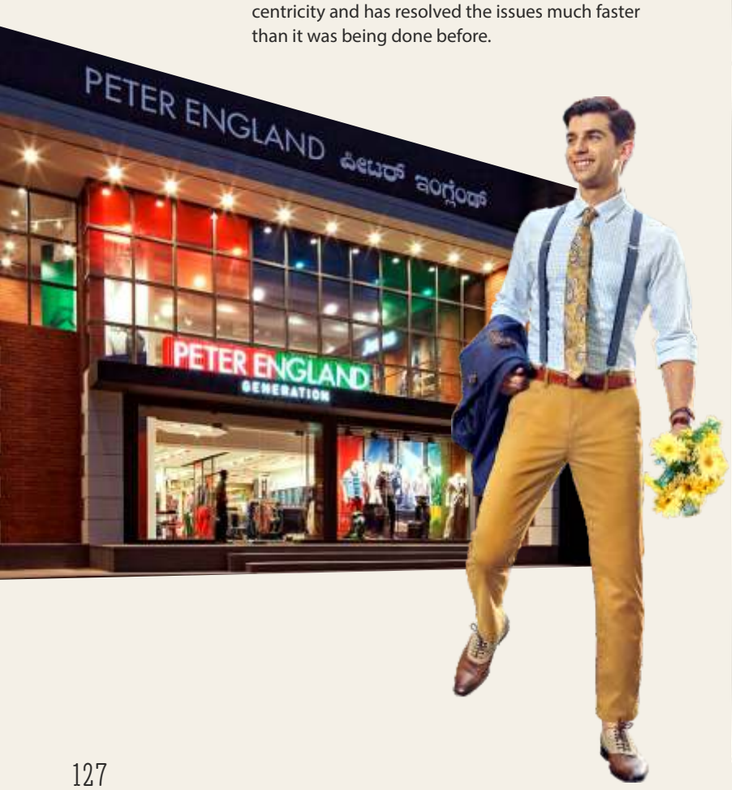
QUALITY CARE CELL

Quality Care Cell has been created with an objective to specifically understand and address the post-purchase consumer experiences in product quality. It conducts a deep-rooted analysis of each complaint and takes it forward to manufacturers and stakeholders for improvement. Learnings from this Centre are taken as inputs for future product and vendor developments. Thus, QC Cell plays a major role in two areas:

- Quick resolution of customer complaints
- Drive product quality improvements through analysis and collaboration

For quicker resolution of customer complaints, the QC cell has migrated to issue the refund gift voucher for justified complaints directly on to the customer's mobile via SMS. This saves time, eliminates printing and couriering of physical gift vouchers. In an effort to make the process further easier, an additional closure by NROM was initiated.

By changing this process, consumers started receiving the instant update on gift vouchers and that was appreciated by many. This fair and transparent process has enabled greater customer centricity and has resolved the issues much faster than it was being done before.



INITIATIVES

JAYPORE

Jaypore, our e-commerce platform, is a one-stop-shop selling artisanal and unique products for socially conscious men and women. As a business, Jaypore embraces slow fashion and sustainable manufacturing rather than the industrialised mass manufacturing process. The business ensures products are 100% Made in India and sourced responsibly from craftspeople, resulting in a minimum carbon footprint.

A lot of Jaypore's ranges use material that are either upcycled or recycled with older fabrics. One offering includes converting vintage sarees into more contemporary, designer kurtas, jackets and pants. More recently, with masks being the hottest new trend, Jaypore has also introduced a range of smart masks, made out of Chindi fabric, leftover from production. This helps in minimising wastage, thereby reducing the environmental impact of discarding scrap, as well as minimises the need for new natural resources - especially in a category like masks, which are advised to be disposed after a maximum of 30 uses.

RECYCLED PAPER BASED PRODUCT TAGS

Mainline garments moved to using a single product tag along with QR codes for additional information. This resulted in reducing the use of paper resulting in an approximate saving of 470 trees, per season.

SIMON CARTER

Simon Carter became the first brand in ABFRL to become free of single use plastic in product packaging. Single use plastic such as clips, collar traveller, security seal and polyester tag threads were replaced with sustainable alternatives like cardboard packaging, metal clips and cotton threads.

SUSTAINABLE DENIMS RANGE

In addition to using sustainable raw materials for its denim range, the brand plans to develop 'Super Sustainable' and 'Green Denim' ranges with the following features:

Super Sustainable Denims

- Zero usage of fresh caustic, thermal energy, softeners and fresh water
- 90% dye uptake
- 1.5% usage of indigo dye for same deep shades
- Zero virgin fibres on weft and recycled raw material in warp plus zero solid and liquid discharge

Green Denims

- Less than 15 litres of water/kg of denim
- Usage of 50% renewable energy
- 100% utilisation of cotton and yarn (including waste for other purposes)
- No usage of softener in finishing
- 3.5% usage of indigo dye for the characteristic deep shade
- 80% dye uptake and recycled caustic usage
- Zero solid and liquid discharge

USAGE OF GRS CERTIFIED FABRIC FOR DENIMS

To ensure denim garments are truly sustainable, they are certified as per the Global Recycled Standard (GRS). Production of a GRS certified product involves four steps:

- Recycled bottles collected and chopped
- Chopped bottles are ground, melted and reformulated into chips
- Chips are melted and extruded into recycled fibre
- Fabric is created from this fibre to make eco-friendly products

Some of the features of a GRS certified fabric are:

- Equivalent quantum of waste diverted from landfills
- Can create all types of denims in course counts
- Huge environmental savings by avoidance of virgin cotton production, as cotton is very high on resource consumption

RECOGNISING TRENDS

STAKEHOLDER
ENGAGEMENT

STAKEHOLDER
ENGAGEMENT

The key purpose of stakeholder engagement is twofold – identify underserved needs and zero in on emerging trends early enough to capitalise on them. Designed to interact with large swathes of society, classic stakeholder engagement delivers on the former but falters on the latter. When it shows up across the spectrum, a trend has already taken root and is no more emerging. Thus, there is little to gain in terms of first mover advantage.

WE, THEREFORE, ENGAGE WITH EXPERTS WHO DUE TO THEIR DEEP DOMAIN KNOWLEDGE, ARE ABLE TO CONNECT DIVERSE PHENOMENA AND SPOT EARLY SIGNALS OF EMERGING TRENDS.

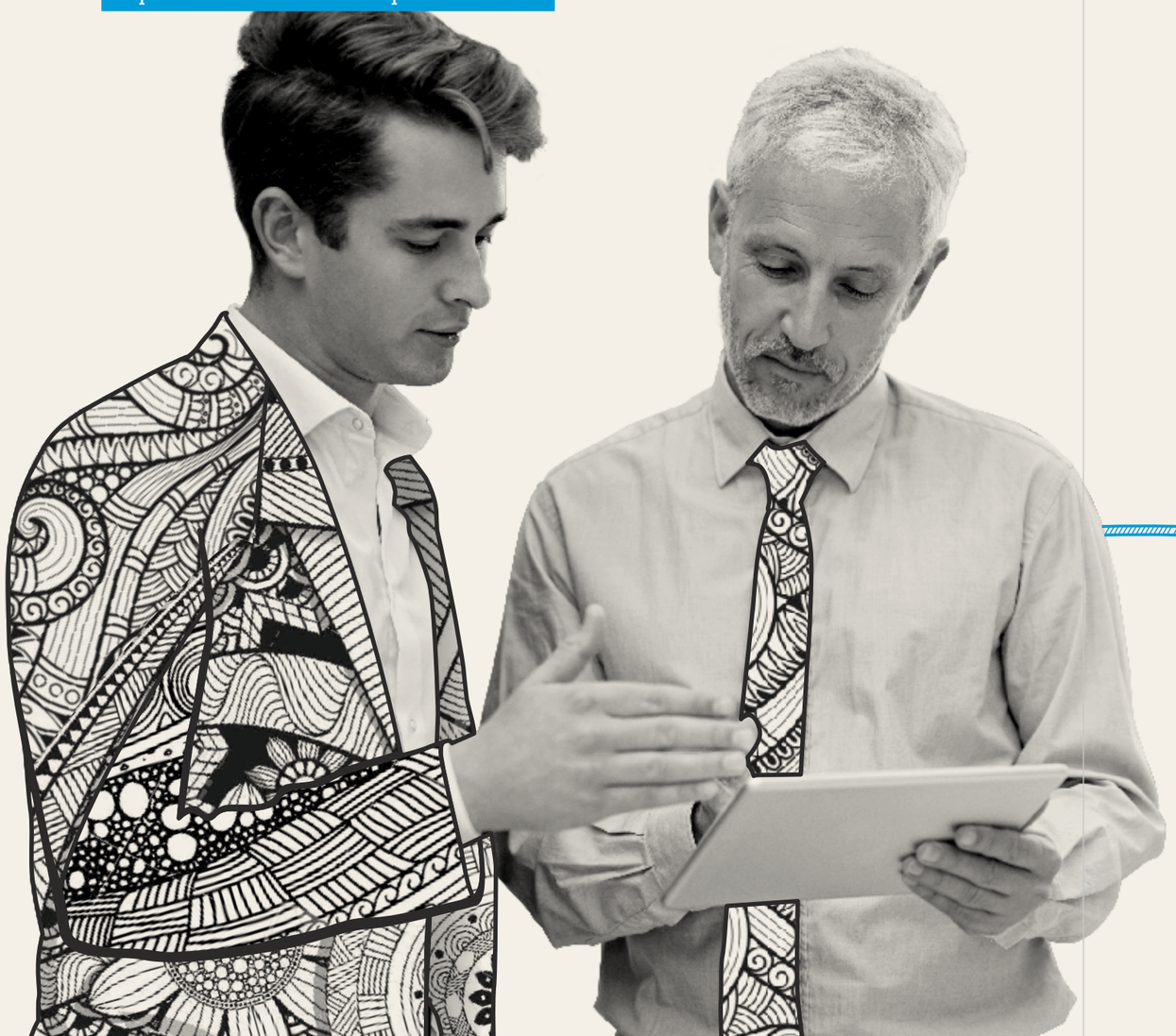
IT IS THE APPLICATION OF MATERIALITY TO STAKEHOLDER ENGAGEMENT, WHEREIN WE OPT FOR

QUALITY OVER QUANTITY.

STAKEHOLDER

ENGAGEMENT

The global fashion industry is witnessing a complete transformation, both internally and externally. The dynamism of the environment is the result of megatrends which impact crucial elements of the fashion industry, such as supply chain, employees' perception, consumer expectations and vendor performance.



Businesses today face unprecedented challenges - rapid digitisation, environmental depletion and degradation, watchful regulators, impact of the pandemic and societal unrest. There has been increased investor driven interest, with governments and consumers focussing on businesses that operate in a manner that creates value for stakeholders in a responsible manner.

MISSION HAPPINESS

7.9 million feedback completed since its inception

GREEN CHANNEL

India's 1st retail company to launch collaborative programme for supply chain

STORE FEEDBACK MECHANISM

1,116 stores collected in-store feedback in FY20

MANAGEMENT APPROACH

ABFRL interacts with a diverse range of stakeholders who influence our business. We believe that the only way to internalise change and develop our business strategy is by carrying out continuous dialogue with those who are shaping the market directly through their choices and those who impact the market indirectly through their inventions, policies and trends.

We have a structured and strategic approach in place to engage and communicate with our stakeholders.

We have done an exhaustive mapping of our internal and external stakeholders and their expectations from the business, so that we can spot early trends, get introduced to emerging technologies, be aware of the upcoming policies and most important of all, ferret out unmet needs.

We also interact with industry specialists and domain experts in emerging areas of fashion which aid in identifying any gaps and prepare us for the future. These insights, drawn from engaging with stakeholders and experts, are then sieved through the materiality filter to create long-term value for all our stakeholders. We are witnessing a global change in consumer perceptions and expectations - by tapping into insights from domain experts, we make informed choices on styles, materials, colours and marketing communications, to retain and enhance consumer preferences.

ENGAGEMENT MECHANISM

We reach out to our stakeholders to decide, define and develop strategies for the long-term, mid-term and short-term, depending on the requirements and expectations of our stakeholders, and leverage the outcomes of these engagements to develop our future roadmap.

We also take inspiration from our group level guiding principles and policies to draft an effective and efficient strategy for stakeholder engagement. Over and above this, we participate in various forum discussions, stakeholder survey, interaction with reputed university, global expert and organization collaboration which provide opportunities to benchmark our sustainability performance with our domestic and global peers.

The table shows the modes and frequency of engagement with our stakeholder groups.

Stakeholder Group	Mode of Engagement	Frequency of Engagement
INVESTORS	Annual report, annual general meeting, company website, analyst calls, investor meets and road shows, press releases, communication from stock exchanges, SEBI bank's registrar and transfer agents	Continual
GOVERNMENT AND REGULATORY BODIES	Mandatory filings with regulators (including SEBI)	Quarterly/Half Yearly/Annual
MEDIA	Press releases, media interactions by senior management, PR agency partnerships	Continual
EMPLOYEES	On-ground employee engagement platforms like Retail Sports Meet, Retail Premier League, Retail Got Talent and other similarly structured platforms for top-down, bottom-up and horizontal communication	Continual
CUSTOMERS	Interactions at stores, social media interactions, online and mobile initiatives, customer satisfaction surveys, customer feedback mechanisms (like Mission Happiness)	Continual
SOCIETY	Community need assessment surveys, disaster management workshops, community visits, satisfaction surveys, meetings with community heads	Continual
MARKET DEVELOPMENT / CHANNEL PARTNERS	Periodic meetings and communications, market surveys, customer need identification surveys	Continual
SUPPLIERS	Periodic vendor communications, supplier meets/summits	Continual

SUPPLIERS

Our suppliers are significant to our business operations. They contribute towards our economic, social and environmental sustainability, and are our growth partners. We interact with a broad range of suppliers based on domain, sector, geography and type of material supplied. In fostering an environment where our vendors can improve and grow with us, we support in optimising their performance, reducing costs, mitigating risks and aligning them with global standards.

Some of the initiatives that bolster our relationship with our suppliers and enhance their capacities on sustainability are as follows:

Partner Innovation Summit

Quality/Joint Implementation Programme

Green Channel Partnership

Vendor Workshop Series

The HIGG Index (Facility)

Vendor Code of Conduct

Samanvay - Vendor Partnership Summit

INITIATIVES

QUALITY/JOINT IMPLEMENTATION PROGRAMME

The Quality/Joint Implementation Programme is a collaborative approach to improve the quality and productivity of our suppliers. Driven by our goal to make continuous improvements, our Quality Assurance team initiated and accomplished many improvement projects. The projects were across multi-product categories and involved raw material as well as manufacturing. Improvement projects were taken on the basis of the previous year's quality performance of the vendor, customer complaints and the desired area of quality upgradation. These included initiatives of raw material quality improvement in trousers for colour fading properties, change in fabric construction for resolving shrinkage and elongation issues in t-shirts, and improvements in manufacturing as well as reducing damages in denims.

GREEN CHANNEL PARTNERSHIP

Through the Green Channel Partnership, we are working with key fabric suppliers to reduce lead-time as well as costs and improve efficiency. This helps us to procure fabric responsibly and establish long-term relationships with vendors.

In FY20, the total fabric sourced from Green Channel Vendors was ~30%.

PARTNER INNOVATION SUMMIT

We organise Partner Innovation Summits with the objective of providing suppliers a platform to interact with key decision makers of all brands, develop new collections and ideas, and help brands adopt new concepts every season. Partners across the value chain, including trim, fabric and accessory suppliers, participate and showcase their innovations, products and designs. This is a leading practice on how to provide partners the perfect platform to showcase their innovations.

VENDOR WORKSHOP SERIES

Launched in 2013, Pantaloons has been conducting vendor workshops annually across seven of its sourcing zones in India, as part of an ongoing process to strengthen our relationships with vendor partners. The workshops aim to increase awareness and assist them in adopting best practices in supply chain management. The workshops also focus on newer and better sourcing processes, updates on key performance indices, expectations of vendors, process enhancements, vendor on-boarding, product development, order finalisation/execution, support services functioning, supply chain and finance. The workshops are followed by a Q&A session to address questions and concerns from vendors.

To know more initiatives with suppliers and vendors, please refer to the Product Responsibility section on page no. 105.

CUSTOMERS

Customer centricity is one of the key material issues in our ReEarth journey towards a product-centric approach. We continuously interact with all our customers belonging to different age groups, lifestyles, genders, cultures and geographies, and map their expectations and needs accordingly. The feedback, ideas and suggestions of our customers play an important role to ensure that they receive the best products and have a memorable experience with our brands. Customer ideas and feedback are garnered using various media to understand their mindsets and expectations, and to improve their experiences. Some of the initiatives include:

MISSION HAPPINESS	POST-PURCHASE SURVEY	CUSTOMER VOICE RESPONSE SYSTEM	QUALITY CARE CELL

To know about these initiatives in detail, please refer to the Product Responsibility section on page no. 105.

There have been no complaints and none pending against the Company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour during the last five years, as of March 31, 2020.

EMPLOYEES

At ABFRL, we believe that an organisation succeeds if the employees feel engaged. Through our engagement programmes, we try and build a sense of belonging and ownership among employees, resulting in workplace satisfaction, retention and enhanced productivity. Across our offices and stores, we have an employee engagement calendar that lists the events and celebrations planned. We are consistently working towards creating a supportive, friendly and happy workplace, while maintaining a healthy work-life balance.

For more information on our employee engagement initiatives, please refer to the People section on page no. 53.

STRATEGIC COLLABORATIONS

ABFRL forms strategic collaborations with various national and international organisations to advance the product responsibility efforts. Following are some of the collaborations that are helping us establish a sustainable ecosystem:

Global/National Forum Collaborations

- Global forums - Ellen MacArthur Foundation, Sustainable Apparel Coalition, Cotton 2040
- National forums/partners - SU.RE, Circular Apparel Innovation Factory

Sustainable Apparel Coalition - promote the Higg Index tools for driving sustainability in the sector

Cotton 2040 - association to drive the adoption of sustainable cotton

Ellen MacArthur Foundation - promote circular business practices

Circular Apparel Innovation Factory

This is an industry-led initiative with ABFRL and The DOEN Foundation as anchor partners and driven by Intellecap, with a vision to make India's textile and apparel industry circular by building the capabilities and ecosystem needed for this transition.

Through contribution of our knowledge and case studies on this innovation platform, we aim to test and scale innovations to accelerate transition to a circular economy. We are also working on minimising, and wherever possible, eliminating consumption of fertilisers and pesticides to mitigate the adverse impacts caused to water bodies, soil and natural habitats.

For more information on our collaborations, please refer to the Future Proofing section on page no. 141.

SU.RE
SUSTAINABLE RESOLUTION

ABFRL is part of the SU.RE project, launched in August 2019. It stands for Sustainable Resolution and is a commitment from the Indian apparel industry towards sustainable fashion. ABFRL is also a signatory to five commitments under SU.RE that are linked to its product responsibility missions:

1. Develop a complete understanding of the environmental impact of the garments being currently produced.
2. Develop a sustainable sourcing policy for consistently prioritising and utilising certified raw materials that have a positive impact on the environment.
3. Make the right decisions about how, where and what we source, across the value chain, by selecting sustainable and renewable materials, and ensuring their traceability.
4. Communicate our sustainability initiatives effectively to consumers and media through our online and physical stores, product tags/labelling, social media, advertising campaigns and events.
5. Through these actions, shift a significant percentage of our supply chain to a sustainable chain by the year 2025, addressing critical global issues such as climate change, contributing to the UN Sustainable Development Goals, and building a world that is safe for future generations, as acceptance of the responsibility we all share.

MATERIALITY

At ABFRL, we use materiality assessments to prioritise sustainability issues across our business operations. Issues are set to be material at ABFRL when it meets two conditions:

IMPACT ON BUSINESS

IMPORTANCE TO STAKEHOLDER

We initiated our materiality assessment by identifying potential material topics through megatrends, global peer group materiality, ABFRL's previous engagement with Forum for the Future and ABFRL's business excellence activities. Post identification, these universe of material topics, business objectives and risks were listed based on the business strategy and risk management framework.

ABFRL Business Strategy, Forum for Future, Sustainability Journey	**List of Consolidated Material Issues** Inputs from Megatrends, Global Peers	
1. Regulatory Compliance	**1.** Compliance	**12.** Sustainable Products
2. Customer Centric	**2.** Customer Centricity	**13.** Sustainability Labelling
3. Innovation & Disruptive Technologies	**3.** Digital Experience	**14.** Quality Management
4. Responsible & Sustainable Supply Chain	**4.** Innovation & Disruptive Technologies	**15.** Data Management
5. Product Stewardship	**5.** Responsible Procurement	**16.** Industry Collaborations
6. Packaging	**6.** Green Logistics	**17.** Human Rights & Labour Standards
7. Quality	**7.** Energy Management	**18.** Anti-corruption
8. Increase Focus in Value Fashion Segment	**8.** Circular Economy	**19.** Community Development
9. Data Analytics/Management	**9.** Water Management	**20.** Disclosure & Communication
10. Industry Collaborations	**10.** Safety Management (People)	**21.** Advocacy
11. Employee Development	**11.** Life Cycle Approach	

Stakeholder interaction exercises were conducted across our operations, covering senior management and mid-management to identify and understand their concerns among the identified universe of material topics. Our assessment of materiality was broken into two components:

IDENTIFY RELEVANT ISSUES

APPLY MATERIALITY PRINCIPLES

Each stakeholder was assigned a weightage based on their ability to influence and get influenced by ABFRL's performance and operations. As the second step, each of the identified topics was assessed for its importance to each key stakeholder.

Along with this, to identify if an issue is material, we also assessed the alignment of the issue with our vision, purpose, values and its potential impact on our business operations, and the degree to which it can impact or trigger a change.

Post gathering all inputs from stakeholders, analysis on occurrence of identified issues and business alignment, the material topics were plotted based on its importance to stakeholders and impact on business in a graphical representation depicting the material issues for ABFRL.

For each identified material topic, we have mapped the action taken, as well as aligned them with KPIs, which we monitor.

Action Taken on Key Material Issues

Sr. No.	Key Material Issues	Action Taken
1	Financial Performance	Innovation, Expansion, Tie-ups
2	Customer Centricity	Mission Happiness, Post Consumer Survey, CVRS
3	Digital Experience	New Digital Sustainability Platform, Digital Quality Check
4	Responsible Procurement	Vendor Code of Conduct, JIP, QIP, Higg Index
5	Energy Management	Energy Efficiency, Renewable Energy, Green Building
6	Water Management	Rainwater Harvesting, Wastewater Recycle and Reuse
7	Waste Management	Zero Waste to Landfill, Take Back Programme, Circular Initiatives
8	Safety	Policy, Third Party Audit
9	Sustainable Products	Sustainability Attributes, Sustainable Material and Sustainable Packaging
10	Human Rights & Labour Standards	Adopted International Norms for VCOC
11	Community	CSR Programmes across Education, Skill Development, Healthcare
12	Collaborations	SAC, Ellen Mcarthur, Cotton 2040, CAIF, SU.RE

At ABFRL, the key responsibility of the Management Committee is to review the progress of our material topics which are aligned with our business strategy including business sustainability missions and related projects and initiatives, while ensuring all environmental and social risks are well covered.

For more information, please refer to the Corporate Governance section on page no. 22.

REDESIGNING BUSINESS

FUTURE
PROOFING

FUTURE
PROOFING

To be future-ready, ABG Sustainability Framework says, it is important that we analyse the potential challenges and come up with solutions to harness emerging opportunities and combat risks. At ABFRL, we are redesigning the future by predicting it. ReEarth enables us in redesigning our business.

WE ARE LOOKING FOR GLOBAL STANDARDS WITH DOMESTIC INNOVATIONS; USE OF NON-CONVENTIONAL ENERGY SOURCES, EXPLORING

DISRUPTIVE TECHNOLOGIES.

FUTURE
PROOFING

The future is often unpredictable, especially in the dynamic world of fashion, and in order to continue thriving, companies must continuously evaluate their evolving threats, including scarce natural resources, adverse climatic conditions and technological disruptions. It is also crucial for businesses to anticipate risks that can enable and prepare them effectively to grow as a sustainable business.

To manage emerging risks while also successfully leveraging available opportunities, leads to creating long-term value to stakeholders, and at Aditya Birla Group we actively work towards this agenda by inculcating sustainable business practices across our global operations.

MANAGEMENT APPROACH

At ABFRL, our long, illustrious journey in sustainability is marked by innovative solutions, healthy stakeholder engagement and committed leadership. This has come from an understanding that we are embedded in the social and environmental ecosystem, and that they are not only a bedrock for our existence, but also a source of great value. As we move forward, our goal continues towards creating positive by regenerating, restoring, and revitalising ecosystems and communities. In our endeavours, we also strategise to have an external and integrated outlook with a value chain focus i.e., inclusion of suppliers, consumers, communities and the ecosystem.

RISK MANAGEMENT

Risk is inevitable and building resilience to it becomes a critical component for any company. At ABFRL, our effective risk management and internal control systems aid in understanding the risks we are exposed to and putting in place controls for managing them. We have a robust system in place, based on the meticulous implementation of a set of standardised policies and procedures. Evolving investor and industry focus towards analysing and assessing ESG risks, have seen a significant rise in the recent past. This requires us to assess and integrate the ESG risks in the near future into our core business strategy.

Effective governance and risk management form the foundation of a company's sustained performance. The framework revolves around rigorous implementation of standardised policies and processes and development of strong internal control systems.

Risk Management Committee (RMC)

ABFRL's Risk Management Committee (RMC) was set up by the board for identification, evaluation and mitigation of operational, strategic and external risks. The RMC is supported by an internal committee, which consists of experts from various business processes and segments, including the Chief Financial Officer. The internal committee assists the RMC in defining the framework for risk management and compliance while also undertaking assessment of risks, adopting risk mitigation plans and regularly monitoring them in a structured and controlled environment. The committee also reviews developments in the socio-economic environment and identifies internal threats and opportunities, updates the framework and refines processes and systems for risk mitigation.

PREPPING FOR TOMORROW, TODAY

Our aim is to create products with a vision to address the increasing stress on our planet and its finite resources. We understand that today's consumers rightfully hold businesses accountable for the impact they have on communities and natural resources. ABFRL's strategic approach addresses this by focussing on cleaner products and building inclusive communities around us.

Through our journey, we have focussed on using innovative approaches to leverage emerging opportunities. One such example is our collaboration with 'Forum for the Future', an independent, non-profit organisation, with whom we drafted our strategy for future proofing, addressing the potential risks while capturing the opportunities across our value chain.

FUTURE PROOFING PROCESS

While the future remains uncertain, preparing ourselves for uncertainties is in our hands. The process of future proofing involves:

Factor Prioritisation

The first step is to understand what the influencing factors are that will impact the future operating context. We can chart action plans by identifying key areas – these include India's shifting demographics and, specifically, the growth of the middle class, the impacts of climate change on farming, pressure on urban infrastructure and increasingly more connected consumers. Through the process we arrive at 'future factors' after stakeholder engagement exercises, including expert interviews and in-depth research to consolidate probable trends.

Exploring Uncertainty

Once the factors are identified, we study them for an in-depth understanding which greatly demystifies the biggest uncertainties while also helping us comprehend the significance of its impacts. These factors are classified further to facilitate in effective future planning, depending on their impact and occurrence.

Building Strategies

Scenarios are developed after mapping factors to the certainty of their effects. These have been found to be critical drivers of change at ABFRL. The strategies devised to eliminate the concerns are as follows:

- Become an industry leader in sustainability by driving dialogues on sustainability and ethical practices and through thought leadership
- Become a customer-centric organisation by adapting to ever-changing consumer needs
- Leverage technological advancements to create new business models
- Build partnerships to ensure supply chain sustainability

CIRCULAR ECONOMY IS THE FUTURE

India is one of the leading textile manufacturers globally, thereby resulting in an ever-increasing stress on the country's natural resources. An essential driving force of our operational roadmap is a collaborative approach through our network of partners that will help us address global business challenges.

Global Collaboration

In alignment with our efforts to move towards a circular economy, we have collaborated with the Ellen MacArthur Foundation for the 'Make Fashion Circular' initiative. This initiative is focussed on five building blocks with an aim to redesign the future of fashion:

- Collectively raise industry ambition levels by setting long-term targets, aligning industry players behind them and identifying priority actions
- Reinforce complementary initiatives towards circularity and deepen their impact
- Demonstrate new ways of working by driving large-scale, cross-value-chain demonstration projects
- Inform policymakers to enable more rapid progress towards the vision
- Inspire and engage stakeholders to ensure wide promotion of the vision

Ellen MacArthur adopts a collective and result oriented approach, engaging leading organisations and think-tanks across various platforms for re-thinking and co-creating innovative solutions.

National Level Collaboration

ABFRL has partnered with CAIF with an aim to accelerate sustainable fashion concepts and build an industry-level platform for a circular textile eco-system. This collaboration intends to bring forth ideas and innovation to add more strength to our pioneering work around sustainability.

Through this joint initiative, we aim to demonstrate our commitment to shift the Indian apparel industry from its current 'take-make-dispose' approach, to one that encourages the use of sustainable material, maximises utilisation of clothing and textiles and further create, collaborate and mainstream the conversation around circular economy and sustainable fashion.

#BetterThanPlastic Challenge

The #BetterThanPlastic Challenge, a collaboration between ABFRL and CAIF, involves innovators, manufacturers and start-ups across the globe to propose alternate packaging solutions that do not add to landfill waste.

ORGANISATIONAL INITIATIVES

Organisations consistently look for innovative solutions and ways to make their businesses future proof. At ABFRL, we are constantly and continuously engaging with different stakeholders and adopting innovative approaches for creating a sustainable business model. Our initiatives include exploring sustainable materials and building a supply chain for the same, leveraging innovative and disruptive technologies, setting up of institutions for material and product research and expanding our portfolio to include promising brands.

BRAND PORTFOLIO | SUSTAINABLE MATERIAL AND SUPPLY CHAIN | TECHNOLOGIES | INSTITUTIONS

BRAND PORTFOLIO

Lifestyle Brands

As one of the leaders of the Indian fashion industry, we have reached this position by emerging as a category leader across the various price segments our brands operate in. In our fold are some of the most iconic apparel brands in the country, including Louis Philippe, Van Heusen, Allen Solly and Peter England. Our portfolio spreads across value, premium, super premium and luxury segments of the market and also spans across categories from men's formal and casual wear, women's formal, casual and ethnic wear to kids wear.

Innerwear and Athleisure

The innerwear and athleisure segments continue to be a strategic area of investment for ABFRL. The business has widened its distribution from 14,000 outlets to sell across 20,000 outlets – a testament to the strong demand the products have created in the market. Market-leading product innovations in both men's and women's segment has resulted in greater acceptance and consumer traction, making us emerge as the number two player in the sector.

Fast Fashion

Fast fashion has fast made a name for itself globally by disrupting the apparel retail game. Increase in demand for fast fashion in India is amplified by the fact that the younger generation is increasingly influenced by social media. Forever 21 remains our primary offering in the fast fashion segment. It is one of the most popular global fast fashion brands amongst the youth, with significant popularity primarily amongst young girls. We also offer PEOPLE as a private label under the Pantaloons segment. PEOPLE is a young brand that seeks to address the fashion aspirations of India's youth.

Pantaloons

ABFRL's leading large format fashion retailer, as well as a leading player in the value fashion segment, is engaged in retailing of apparel and accessories. Pantaloons offers its customers high fashion quotient products ranging from western wear, ethnic wear, casual wear and activewear, while allowing them to enjoy the winning combination of fast fashion along with the value.

Ethnic

The Company entered the promising ethnic wear segment through two strategic investments - Jaypore and Shantanu & Nikhil. Jaypore is an e-commerce platform for ethnic apparel and lifestyle products, selling in domestic and international markets, while **Shantanu & Nikhil** are renowned couturiers in the Indian ethnic fashion space. Through these ventures, the company has acquired a strong footing in the high growth potential ethnic segment, which was previously not covered in the company's wide range of offerings.

International Brands

The international brands portfolio of Aditya Birla Fashion comprises of 'The Collective', one of India's largest multi-brand retailer of luxury brands and select mono brands. Our portfolio includes the premium brand Ralph Lauren, casual denim brand American Eagle and iconic British brands Ted Baker and Hackett.

SUSTAINABLE MATERIAL AND SUPPLY CHAIN

Moving to Sustainably Sourced Fabrics

In line with our sustainability vision, our brands have begun pursuing alternative sources of fabrics, that have been developed using sustainable processes. For instance, BCI cotton is given preference over conventional cotton. This is because conventional cotton farming uses harmful insecticides, pesticides, herbicides, defoliants, fertilisers, and a lot more water. BCI, on the other hand, grows cotton with judicious use of water, fertilisers and pesticides.Our brands are also actively promoting handcrafted fabrics and garments, that use indigenous techniques, to promote India's cottage industries, who are threatened by the tough competition posed by mill made fabrics. We are focussing on adopting natural fabric bases such as Bamboo and Lyocell.

EXPLORING DISRUPTIVE TECHNOLOGIES

CLO 3D Technology

We tested the CLO 3D technology at ABFRL, which greatly reduces the need for physical sampling, to great success. CLO 3D is a garment technology provider whose solution involves using virtual samples across all stages of product development. Physical sampling takes multiple iterations leading to excessive use of samples and increased wastage. This technology allows for more creativity while drastically reducing the process time, sampling cost and environmental footprint of sampling. It also reduces the time to take the sample to the market and increases the number of design possibilities. We are also in the process of leveraging this to create a digital trade show (DTS). We aim to achieve system integration of CLO-PLM-SAP.

Laser Art

A new age innovation in the apparel industry, laser technology is being used in order to move to a more sustainable approach in creating garments. Denim that is fully laser washed has contributed to 62% savings in energy, 67% savings in water and an 85% reduction in chemical usage.

Louis Philippe Jeans took this new technology to greater heights by using it in an artistic manner, elevating the look of their garments. Not just the wash, but designer patterns too were created on shirts, knits and denims using the laser technique. An elegant collection, featuring indigo dyed garments, was designed with this sustainable approach, while ensuring there is no compromise on the aesthetic value.

Ozone on Fabric Technology

Van Heusen employs the use of ozone to detox fabrics for its denim. The detoxed fabric has improved crocking and lower back staining. The process ensures lesser shade variations and casts deeper blues when compared to the conventional approach, while also using fewer chemicals, delivering a fabric with a comparatively superior hand feel.

'Jeanologia'

The brand has also conceptualised an innovative and novel operational model, which uses five technologies:
Laser | G2 Ozone | E-flow | H2 Zero | Software

These technologies help eliminate toxic discharge, usage of PP Spray and other toxic substances, stone and manual scraping. The process is a boon because it is both cost-neutral and eco-friendly, as it results in lower shrinkages, while also consuming less water, energy and chemicals.

Case Study

REAPING BUSINESS BENEFITS BY IMPLEMENTING S4 HANA

Current IT Landscape to Support Retail Business Operations and Challenges

MFL has been the first in the industry to implement the very best of applications as per retail business needs:

Oracle Retail & Infor WMS - Implemented in 2007

Symphony ARS & NPI - Implemented in 2014

MS Dynamics AXPOS replacing legacy Tally POS - Implemented in 2015

SAP EWM replacing Infor WMS - Implemented in 2016

Oracle Retek was primarily being used to execute stock transfers to stores and consolidating store sales and stock accounting. With multiple applications implemented to support retail business operations at the organisational level, it became challenging to maintain the applications due to its diverse technology, along with its complex interface architecture and high cost attached to its maintenance.

Goals and Business Benefits

- Reducing the number of applications in ABFRL IT landscape and to bring in synergy across ABFRL by migrating individual SAP applications to common and single SAP S4 HANA application by FY21
- Operational Excellence with sustainable development through adoption of simplified business processes
- Phase 1 involves the seamless integration between MFL SAP AFS and SAP S4 HANA Retail, making it easy to maintain applications and will enable stabilised business process and operations
- Reduction in outsourced application support team cost across ABFRL by 40% by FY21
- Application support team will be optimised to 20-25 members from the existing 40 members

Objective

To simplify the IT landscape for back-end retail merchandising operations

To lay the foundation to move towards Single ERP system across ABFRL in the next 2-3 years

To optimise and reduce software and attached costs

TECHNOLOGY & DIGITAL EXPERIENCE

The fashion industry is transforming alongside advancements in technology and digital experience - be it design, marketing, production or sales. **At ABFRL, we embrace technology as it is pervasive in our business, helping us effectively provide digital experiences in our favour to understand customers better so that we can design and develop products as per their requirements.**

This enables us to get real-time fashion industry trends and reduce production costs, shorten the supply chain, and bring about more transparency and traceability.

To encourage an environment of innovation, we have instituted several 'Centres of Excellence' and technology platforms. Through these centres and platforms, along with other initiatives, we are able to monitor and measure market trends and customer demands, helping us maintain our market leadership position.

TECHNOLOGY MANAGEMENT CENTRE (TMC)

TMC drives R&D in garmenting and supports prototyping for various categories like women's wear, kids' wear, casual, denim and ethnic wear. It has been planned to strengthen innovation in order to bring in fresh ideology to keep up with the changing patterns of customer demands. This has helped in a swift response to difficult times like the COVID-19 pandemic. We promptly responded to the market need and developed cloth masks and other relevant products in a short time. It helped automate the style creation in CLO from allocated gold seals.

PRODUCT LIFE CYCLE MANAGEMENT (PLM)

PLM manages the lifecycle of a product from inception, through design and technical detailing, till its manufacturing. It has been extended to a new product category - Innerwear. This year, PLM integration with CLO and SAP was carried out successfully for a seamless flow of information.

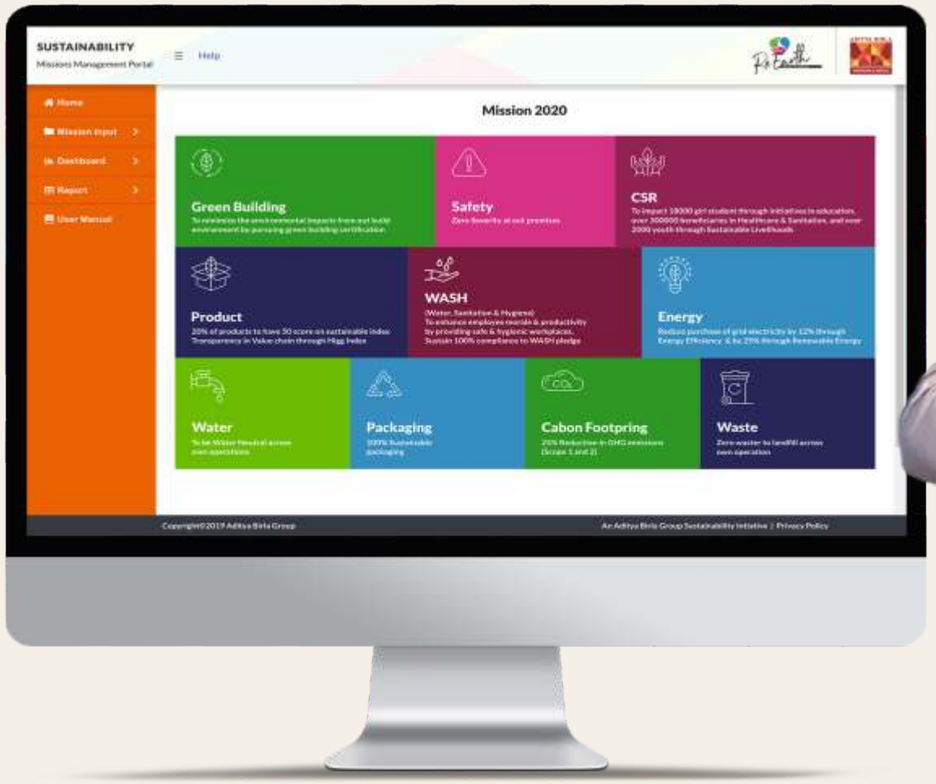
KNOWLEDGE MANAGEMENT CENTRE (KMC)

KMC channelises best practices and drives product benchmarking, development and innovation.

SUSTAINABILITY DIGITAL DASHBOARD

Our initiative for digitalisation progressed with our continued effort in developing our sustainability digital dashboard. It is an online platform to capture the KPI data of various missions under the ReEarth programme of ABFRL. It consolidates the data captured from various sources (Store/Warehouse/Factory/Office) and displays the data for reporting, data trends and analysis through the dashboard interface.

The SDD captures real-time data to track and monitor all our sustainability key performance indicators and metrics in one place. It produces fully interactive reports and simple visual analytics.



COVID-19 RESPONSE

REOPENING FOR A BETTER TOMORROW

Our priority to get back on track during, and after, the COVID-19 pandemic passes, is the restoration of operations while ensuring we are able to provide a safe and clean shopping destination for our consumers as well as a secure working environment for our people. Here are some of the measures we will be adopting for the same:

Safe Shopping Destination

- Deep cleaning and disinfection
- Frequent disinfection of common surfaces
- Mandatory thermal screening
- Ground markers for social distancing
- Face masks mandatory
- Contactless billing
- Sanitised shopping bags
- Exchanged/returned garments to be quarantined

Secure Working Environment

- Frequent disinfection of common surfaces
- Mandatory thermal screening
- Virtual meetings prescribed
- Flexi seating/regulated aisle usage for social distancing
- Shop floor restructuring for social distancing
- Face masks made mandatory
- Cafeteria/office transport restricted
- No visitors allowed

SDG MAPPING

NO POVERTY

We ensure our suppliers pay their employees more than what is mandated by the law of the land and is more than $1.25 a day. Our CSR initiatives are also focussed on creating sustainable livelihoods.

Read more *on page 119*

QUALITY EDUCATION

Through its CSR interventions, ABFRL executes quality education interventions in a life cycle approach, which focus on creating a nurturing environment while providing age-appropriate academic skills. Driven by a belief that health is a prerequisite to educational success, there is cohesion & coherence between education and health programs.

Read more *on page 88*

GENDER EQUALITY

We ensure no discrimination in our entire value chain by having a robust control mechanism in place. We also have a healthy gender diversity with 52% of our workforce comprising of women employees.

Read more *on page 55*

CLEAN WATER AND SANITATION

We are safeguarding water sources for communities through rainwater harvesting, bore well recharge pits and by recharging water bodies in water stressed villages. Providing safe drinking water for villages by installing water purifying plants.

In our factories, we have achieved 98.7% compliance to WASH Pledge.

Read more *on page 45, 96*

AFFORDABLE AND CLEAN ENERGY

We are promoting renewable energy and energy efficiency in our operations. We have 2MWp solar rooftop plants operational across 5 facilities.

Read more *on page 37*

DECENT WORK AND ECONOMIC GROWTH

To ensure no unfair labour practice is followed in the value chain, we have audited our 390+ suppliers on our Vendor code of conduct.

Read more *on page 119*

RESPONSIBLE CONSUMPTION AND PRODUCTION

We have a committed focus on product responsibility - through ethical sourcing practices, sustainable raw materials, technologies to reduce the environmental footprint, sustainable packaging, zero waste to landfill certified facilities, along with management systems to measure and manage product sustainability.

Read more *on page 112, 47*

CLIMATE ACTION

We have integrated climate change strategy in our ReEarth Vision: We are committed to give back more than what we take from our ecosystem.

Read more *on page 15*

AWARDS & 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 encourage us to continue providing reputed and high-quality brands to our customers.

Simon Carter won IMAGES Most Admired Retailer of the Year
Retail Design and Interiors in recognition of Excellence in Business of Retail

Pantaloons received the 'Segment of One - Top Project Award'
by Aditya Birla Group at its Customer Centricity Conference

Pantaloons won the 'Best Use of Direct Marketing in a Loyalty Programme' Award
by Kamikaze

Skult won the Best eRetail Startup of the Year
in the Apparel category at the Indian Retail & eRetail Congress 2019

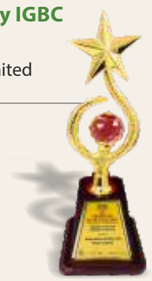
Pantaloons was ranked amongst Top Two Most Trusted Brands
in the Retail category by ET Brand Equity

Van Heusen Innerwear adjudged IMAGES Most Admired Fashion Brand of the Year
for Innerwear (Men)

Pantaloons was ranked amongst Top Twenty Most Trusted Brands
in the Service category by ET Brand Equity

ABFRL conferred a Silver Rating by IGBC
(Indian Green Building Council) for its manufacturing unit, Crafted Clothing Limited

ABFRL won the 'Retailer of the Year Award (Fashion & Lifestyle)'
by ET Now Global Awards for Retail Excellence



bsi.

By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: SRA-IND-717758-2

Aditya Birla Fashion and Retail Limited (ABFRL) Sustainability Report 2019-20

The British Standards Institution is independent to 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. Owing to the prevailing extraordinary situation due to the outbreak of the COVID-19 pandemic, the stage 1 assurance was completed using immersive techniques. A remote assurance was conducted over Microsoft Teams video-conferencing tool, where the assessor and the assessee client connected through the computer systems and internet.

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 ABFRL's Sustainability Report 2019-20 prepared "In accordance" with GRI Standards – Core option, and focuses on systems and activities of ABFRL covering the corporate offices in Mumbai and Bengaluru, factories, warehouses and retail stores during the period from 1st April 2019 to 31st March 2020.

2. The AA1000 Assurance Standard, AA1000AS (2008 with 2018 Addendum) Type 1 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 assurors in accordance with the AA1000 Assurance standard, AA1000AS (2008 with 2018 Addendum) and GRI Standards. 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 2019-20 Review provides a fair view of the ABFRL's ReEarth Sustainability Programme & CSR programmes and performances during FY 2019-20. We believe that the 2019-20 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.

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 to stakeholder engagement. We had no direct contact with external stakeholders
- Interview with staff involved in sustainability management, report preparation and provision of report information were carried out
- Review of key organizational developments
- 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 (2008 with 2018 Addendum)

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. This is fourth year of reporting and ABFRL continues engaging with their stakeholders through numerous channels such as client feedback review reports, client surveys, supplier workshops and an internal cross generation communication survey (through questionnaires). Aditya Birla Fashion and Retail Limited is India's largest pure-play fashion and lifestyle company with a strong bouquet of leading fashion brands and retail formats. The Company has a network of 3,041 stores, presence across approximately 25,000 multibrand outlets with 6,500+ point of sales in department stores across India, with a footprint of 8.1 million sq. ft. of retail space across 750+ cities and towns.

In this Sustainability Report, material data disclosed is primarily restricted to the corporate offices in Mumbai and Bengaluru, factories, warehouses and retail stores unless otherwise specified. The process of stakeholder engagement clearly addresses the various types of stakeholders involved, their modes of engagement together with their frequencies of interaction. Stakeholder interaction exercise has been conducted across own operations covering senior management and mid management to identify and understand their concerns among the identified universe of material topics. This report covers the stakeholder issue together with fair reporting and disclosures for economic, social and environmental 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. Issues are determined to be material at ABFRL when it meets the following conditions (a) Impact on Business and (b) Importance to Stakeholder. The material topics identified are financial performance, energy, water, effluents & wastes, occupational health & safety, customer centricity, sustainable procurement, digital experience and local communities. The adequacy of currently identified material topics for future is being re-assessed ABFRL. To carry out further modifications in the materiality assessment of ABFRL, the stakeholder feedback / perception and expectations processes are being reviewed and revised.
In our professional opinion the report covers the ABFRL's material issues by using ABFRL materiality matrix and boundary mapping and nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness
ABFRL has implemented the practice to respond to the expectations and perceptions of its stakeholders. The Report brings out ABFRL's feedback and responses on key concerns, expectations and issues raised by its key stakeholders through its policies, strategies, management systems and governance mechanisms that the Company has established. 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 organisation itself.

GRI-reporting
ABFRL provided us with their self-declaration of compliance GRI Standards and the classification to align with "In accordance" - Core.

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all 3 categories (Environmental, Social and Economic) are reported with reference to "In accordance" with the GRI Standards – Core option.

The majority of data and information verified through MS teams and calls for Head Office and sample locations were found to be fairly accurate and reliable. ABFRL has commenced implementing an integrated sustainability digital dashboard in FY19 for monitoring and

reviewing and validating data at various levels. ABFRL also has a strong internal assurance team which ensures strengthening the assurance process for the missions and performance disclosures.

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 following sustainability disclosures as stipulated in the GRI Standards.

- GRI 302: Energy 2016 - 302-1, 302-3, 302-4;
- GRI 303: Water 2018 - 303-3;
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-5;
- GRI 306: Effluents and Waste 2016 - 306-2, 306-3;
- GRI 307: Environmental Compliance 2016 – 307-1;
- GRI 308: Supplier Environmental Assessment 2016 - 308-1, 308-2;
- GRI 403: Occupational Health and Safety 2016 – 403-2;
- GRI 413: Local Communities 2016 – 413-1, 413-2;
- GRI 414: Supplier Social Assessments - 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, AA1000, ISO10002, ISO 14001, OHSAS 18001, 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 level of assurance provided is in accordance with AA1000 Assurance standard, AA1000AS (2008 with 2018 Addendum) 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. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

For and on behalf of BSI:

AA1000
Licensed Assurance Provider
000-184

Kumaraswamy Chandrashekara
Head - Sustainability. BSI Group India

New Delhi, India
26 August 2020

...making excellence a habit

GRI STANDARDS CONTENT INDEX

The table below provides the linkage between the material aspects identified through our materiality assessment exercise and the GRI Standards aspects, followed by the GRI Standards content index.

Material Issue	GRI Standards Aspects
Financial Performance	Economic Performance
Customer Centricity	None
Digital Experience	None
Responsible Procurement	• Supplier Environmental Assessments • Supplier Assessments for Labour Practices • Supplier Human Rights Assessment • Supplier Assessments for Impacts on Society
Energy Management	Energy
Water Management	Water and Effluents
Waste Management	Effluents and Waste
Safety	Occupational Health and Safety
Sustainable Products	• Materials • Supplier Environmental Assessments • Supplier Assessments for Labour Practices
Human Rights and Labour Standards	• Non-discrimination • Freedom of Association and Collective Bargaining • Child, Forced or Compulsory Labour
Community	Local Communities
Collaborations	General Disclosures

General Disclosures	Description	Reported	Cross Reference/Direct Answer	Page Number
Organisation Profile				
GRI 102 - 1	Name of the organisation	Reported	Cover Page	
GRI 102 - 2	Activities, brands, products and services	Reported	Company Profile There is no sale of banned or disputed products	9
GRI 102 - 3	Location of headquarters	Reported	Mumbai, India	12
GRI 102 - 4	Location of operations	Reported	The company has pan-India operations with insignificant international operations	
GRI 102 - 5	Ownership and legal form	Reported	ABFRL is a public limited company registered under the Companies Act, 1956	
GRI 102 - 6	Markets served	Reported	Mostly Indian market	31
GRI 102 - 7	Scale of the organisation	Reported	People Performance Financial Performance	49, 55
GRI 102 - 8	Information on employees and other workers	Reported	People Performance	55
GRI 102 - 9	Supply chain	Reported	Product Responsibility	118
GRI 102 - 10	Significant changes to the organisation and its supply chain	Reported	There were no significant changes during the reporting period regarding size, structure or ownership	N/A

General Disclosures	Description	Reported	Cross Reference/Direct Answer	Page Number
GRI 102 - 11	Precautionary Principle or approach	Reported	Sustainability and Us Future Proofing	24
GRI 102 - 12	External initiatives	Reported	ABFRL (through the Aditya Birla Group) is a signatory to the World Business Council for Sustainable Development's (WBCSD) International WASH pledge. The Group is also a member of the Global Compact, an international forum that operates under the aegis of the United Nations.	
GRI 102 - 13	Membership of associations	Reported	Company Profile	11
Strategy				
GRI 102 - 14	Statement of senior decision-maker	Reported	Message from the Managing Director and the Chief Sustainability Officer	3, 5
Ethics and Integrity				
GRI 102 - 16	Values, principles, standards and norms of behaviour	Reported	Corporate Governance	26
Governance				
GRI 102 - 18	Governance structure	Reported	Corporate Governance	23
Stakeholder Engagement				
GRI 102 - 40	List of stakeholder groups	Reported	Stakeholder Engagement	134
GRI 102 - 41	Collective bargaining agreements	Reported	People Performance	66
GRI 102 - 42	Identifying and selecting stakeholders	Reported	Stakeholder Engagement	133
GRI 102 - 43	Approach to stakeholder engagement	Reported	Stakeholder Engagement	133
GRI 102 - 44	Key topics and concerns raised	Reported	Stakeholder Engagement	133
Reporting Practice				
GRI 102 - 45	Entities included in the consolidated financial statements	Reported	All entities are covered http://www.abfrl.com/docs/investors/annual_reports/Annual_Report_2019-20.pdf	
GRI 102 - 46	Defining report content and topic Boundaries	Reported	Reporting scope, boundary & framework	12
GRI 102 - 47	List of material topics	Reported	Stakeholder Engagement	140
GRI 102 - 48	Restatements of information	Reported	No restatement has been issued for previous report	
GRI 102 - 49	Changes in reporting	Reported	Reported	
GRI 102 - 50	Reporting period	Reported	FY20	
GRI 102 - 51	Date of most recent report	Reported	Sustainability Report for the FY19	
GRI 102 - 52	Reporting cycle	Reported	Annual	
GRI 102 - 53	Contact point for questions regarding the report	Reported	Reporting Scope & Boundary	12

General Disclosures	Description	Reported	Cross Reference/Direct Answer	Page Number
GRI 102 - 54	Claims of reporting in accordance with the GRI Standards	Reported	Reporting scope, boundary & framework	12
GRI 102 - 55	GRI content index	Reported	GRI Standards Content Index	162
GRI 102 - 56	External Assurance	Reported	Assurance opinion statement	158

ECONOMIC

Financial Performance				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Financial Performance	48
GRI 103 - 2	The management approach and its components	Not Reported	Confidentiality constraints (internal)	- -
GRI 103 - 3	Evaluation of the management approach	Not Reported	Confidentiality constraints (internal)	- -
GRI 201 - 1	Direct economic value generated and distributed	Reported	Financial Performance	49

ENVIRONMENT

Energy Management				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Energy Mission	33
GRI 103 - 2	The management approach and its components	Reported	Energy Mission	34
GRI 103 - 3	Evaluation of the management approach	Reported	Energy Mission	34
GRI 302 - 1	Energy consumption within the organisation	Reported	Energy Mission	34
GRI 302 - 3	Energy intensity	Reported	Energy Mission	34
GRI 302 - 4	Reduction of energy consumption	Reported	Energy Mission	35
Water Management				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Water Mission	43
GRI 103 - 2	The management approach and its components	Reported	Water Mission	43
GRI 103 - 3	Evaluation of the management approach	Reported	Water Mission	43
GRI 303 - 3	Water withdrawal	Reported	Water Mission	43
Emissions				
GRI 305 - 1	Direct (Scope 1) GHG emissions	Reported	Environmental Performance	39
GRI 305 - 2	Energy indirect (Scope 2) GHG emissions	Reported	Environmental Performance	39
GRI 305 - 5	Reduction of GHG emissions	Reported	Environmental Performance	39
Waste Management				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Waste Mission	47
GRI 103 - 2	The management approach and its components	Reported	Waste Mission	47
GRI 103 - 3	Evaluation of the management approach	Reported	Waste Mission	47
GRI 306 - 2	Waste by type and disposal method	Reported	Waste Mission	47

General Disclosures	Description	Reported	Cross Reference/Direct Answer	Page Number
GRI 306 - 3	Significant spills	Reported	There were no significant spills reported during FY20	N/A
GRI 307 - 1	Non-compliance with environmental laws and regulations	Reported	There was no environmental non-compliance in the reporting year	N/A
Collaboration				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Stakeholder Engagement Future Proofing	137, 145
GRI 103 - 2	The management approach and its components	Reported	Stakeholder Engagement Future Proofing	137, 145
GRI 103 - 3	Evaluation of the management approach	Reported	Stakeholder Engagement Future Proofing	137, 145
Non GRI	Strategic Collaborations	Reported	Stakeholder Engagement Future Proofing	137, 145, 146

SOCIAL

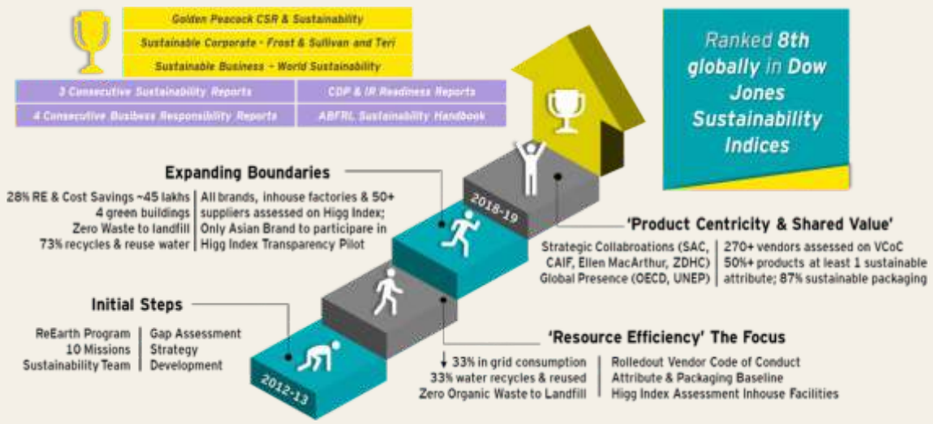
Safety				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Safety Performance	70
GRI 103 - 2	The management approach and its components	Reported	Safety Performance	70-72
GRI 103 - 3	Evaluation of the management approach	Reported	Safety Performance	71
GRI 403 - 2	Hazard identification, risk assessment, and incident investigation	Reported	Safety Performance	72, 73
Digital Experience				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Future Proofing - Technology & Digital Experience	152
GRI 103 - 2	The management approach and its components	Reported	Future Proofing - Technology & Digital Experience	152
GRI 103 - 3	Evaluation of the management approach	Reported	Future Proofing - Technology & Digital Experience	152
Non GRI	Digital experience	Reported	Future Proofing - Technology & Digital Experience	152
Customer Centricity				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Customer Centricity	124
GRI 103 - 2	The management approach and its components	Reported	Customer Centricity	124
GRI 103 - 3	Evaluation of the management approach	Reported	Customer Centricity	124
Non GRI	Mission Happiness, Post Consumer Survey, CVRS	Reported	Customer Centricity	124
Human Rights				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	People Performance	66
GRI 103 - 2	The management approach and its components	Reported	People Performance	66
GRI 103 - 3	Evaluation of the management approach	Reason For Omissions	Boundary for a material topic extends beyond the reporting organisation	N/A

General Disclosures	Description	Reported	Cross Reference/Direct Answer	Page Number
GRI 414 - 2	Negative social impacts in the supply chain and actions taken		We are addressing the human rights in our Value Chain Linked to Responsible Procurement	N/A
Sustainable Products				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Product Responsibility	110
GRI 103 - 2	The management approach and its components	Reported	Product Responsibility	110
GRI 103 - 3	Evaluation of the management approach	Reported	Product Responsibility	110
Non GRI	Sustainability attributes, sustainable material & sustainable packaging	Reported	Product Responsibility	110
Communities				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Social Performance	85
GRI 103 - 2	The management approach and its components	Reported	Social Performance	85
GRI 103 - 3	Evaluation of the management approach	Reported	Social Performance	85
GRI 413 - 1	Operations with local community engagement, impact assessments and development programmes	Reported	Social Performance	102, 103
GRI 413 - 2	Operations with significant actual and potential negative impacts on local communities	Reported	No operations with significant impact on local communities	N/A
Responsible Procurement				
GRI 103 - 1	Explanation of the material topic and its Boundary	Reported	Product Responsibility	107
GRI 103 - 2	The management approach and its components	Reported	Product Responsibility	107
GRI 103 - 3	Evaluation of the management approach	Reported	Product Responsibility	107
GRI 308 - 1	New suppliers that were screened using environmental criteria	Reported	All out new suppliers are screened based on environmental criteria	
GRI 308 - 2	Negative environmental impacts in the supply chain and actions taken	Reported	Product Responsibility	119
GRI 414 - 1	New suppliers that were screened using Social criteria	Reported	All out new suppliers are screened based on social criteria	
GRI 414 - 2	Negative social impacts in the supply chain and actions taken	Reported	Product Responsibility	119

ASSOCIATION WITH ERNST & YOUNG ASSOCIATES LLP (EY)

2020 is the milestone year in our Sustainability Journey 'ReEarth' which was initiated in the year 2013 with 10 Sustainability Missions - Energy, Carbon, Water, Waste, WASH, Product, Packaging, Safety and CSR.

Our Sustainability journey over the years has placed us among the front-runners in creating responsible fashion. We have made significant strides across the missions covering the entire value chain i.e., both upstream and downstream. Our resource efficiency measures, vendor sustainability and corporate social responsibility programmes have assisted in reduction of the environmental footprint, enhanced productivity, minimised uncertainty, created social cohesiveness and futureproofed the supply chain. Along with our progress across sustainability missions we have also established an effective governance mechanism across our operations, extending our focus far beyond compliance. In this journey, we have adopted a collaborative approach through periodic extensive stakeholder engagements, considering inputs from internal and external stakeholders including employees, vendors, global associations and NGOs, among others. Our commitment and progress over the years have also resulted in achieving global accolades and awards.



Ernst & Young Associates LLP (EY) is our partner in the sustainability journey. Since 2015, EY has assisted ABFRL in reviewing our sustainability roadmap, progress across missions vis-à-vis established goals & targets and assisted in stakeholder engagement - both internal and external. In addition, EY has reviewed our external communication material i.e., Sustainability Report and other disclosures. Further, EY has reviewed our data management and control mechanisms and governance framework at periodic intervals. EY also supported us with their expertise in reviewing the sustainable product methodologies including sustainable attributes and sustainable packaging. Furthermore, EY reviewed the Sustainability Digital Dashboard end-to-end, including review of the input fields, data flow, computation methodology, output dashboard and assurance mechanism. EY studied international best practices across various sustainability aspects to identify gaps and provide inputs in devising the overall sustainability strategy and roadmap for the way ahead.

ADITYA BIRLA

FASHION & RETAIL

Registered Office

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

CIN: L18101MH2007PLC233901 | **Tel:** +91 86529 05000 | **Fax:** +91 86529 05400 | www.abfrl.com

cognito