

ARVIND

SUSTAINABILITY REPORT 2013-14



THE PROVERB, WELL BEGUN IS HALF DONE, IS APT WHEN IT COMES TO SUSTAINABILITY. WE BELIEVE THAT SUSTAINABILITY WHEN SYSTEMATICALLY EMBEDDED AT SOURCE, GETS CASCADED THROUGHOUT THE PRODUCTION LINE AND THE VALUE CHAIN. AT ARVIND, INSTEAD OF JUST CONCENTRATING ON TAILPIPE MANAGEMENT, WE HAVE ADOPTED INPUT MANAGEMENT AS OUR PREFERRED APPROACH TO SUSTAINABILITY.

WE HAVE IDENTIFIED SIX CORE INPUTS THAT ARE TRULY MATERIAL TO US AND FORM THE FOUNDATION OF OUR BUSINESS. OUR POLICIES, PRACTICES AND PROCESSES ARE GEARED NOT ONLY TO OPTIMISE UTILISATION OF THESE RESOURCES, BUT ALSO NURTURE THEIR SOURCE AND THEREBY ENSURE THAT THEY REMAIN IN ABUNDANT SUPPLY. OUR FOCUS IS ON MANAGING, ENRICHING AND GETTING THESE INPUTS FUNDAMENTALLY RIGHT AND THEREBY MAKING OUR BUSINESS SUSTAINABLY SOUND.

FUNDAMENTALLY
RIGHT

COTTON

**TAKING THE ROAD LESS TRAVELLED,
OPENS UP NEW AVENUES**

We are weaving a strong fabric of prosperity by walking together with farmers on a journey of responsible cultivation

PEOPLE

**IT'S THE BASE THAT DEFINES
THE ALTITUDE OF A PYRAMID**

Safety and well-being of our workforce is the foundation of our growth

MONEY

A RISING TIDE LIFTS ALL BOATS

We ensure that in our journey towards prosperity, everyone gets a seat

ENERGY

THE LESS WE USE, THE MORE WE HAVE

Every valuable unit of energy saved today, becomes the growth engine of tomorrow

WATER

**THERE MIGHT BE NO ALTERNATIVE TO WATER,
BUT THERE ARE ALTERNATIVES TO CONSERVE IT**

We are determined to use, recycle and reuse water judiciously and responsibly

CHEMICALS

**CONSTANT CHANGE TRANSLATES
IN PERMANENT PROGRESS**

Continuous innovation in chemistry has helped us shrink our environmental footprint

HIGHLIGHTS

COTTON



80,500

ACRES UNDER BCI & ORGANIC CULTIVATION



9,482

FARMERS INVOLVED IN BCI & ORGANIC FARMING



60,000

FARM WORKERS GOT EMPLOYMENT FROM BETTER COTTON INITIATIVE

PEOPLE



1,300

STUDENTS GETTING BENEFITED EVERY YEAR FROM GYANDA PROGRAMME



SANJAY NAGAR SLUM DEVELOPMENT PROJECT INCLUDED IN THE LIST OF '100 BEST PRACTICES' BY UNCHS



300

INDIVIDUALS TRAINED FOR SKILL UPGRADATION IN COLLABORATION WITH NIIFT

MONEY



63%

GROWTH IN PROFIT BEFORE TAX (EXCLUDING EXCEPTIONAL INCOME)



43,124.7

ECONOMIC VALUE DISTRIBUTED IN INR MILLION



97.2%

INCREASE IN THE TOTAL EXPENDITURE ON R&D IN FY 2013-14

ENERGY



10%

SAVINGS IN NATURAL GAS CONSUMPTION THROUGH ENERGY-EFFICIENT STENTER



680^{KW}

SAVED BY SWITCHING TO HIGH CAPACITY AIR COMPRESSORS



20%

LESS FUEL CONSUMPTION BY USING HUMIDITY SENSOR IN TUMBLE DRYER

WATER



19.5

MILLION M³ WASTEWATER TREATED IN FY 2014-15



ZERO

LIQUID DISCHARGE AT OUR SANTEJ UNIT



100%

RECYCLED WATER USAGE AT OUR BENGALURU UNIT

CHEMICALS



CHEMICALS HAZARD TRACKING SHEET CREATED FOR ENTIRE CHEMICAL SUPPLY CHAIN



ARVIND DENIM LAB ACCREDITED BY NABL, LEVI'S & GAP ETC. FOR PHYSICAL & CHEMICAL TESTING



SALT-RECOVERY BY MVRE AND CHILLERS FOR RE-USE IN DYEING

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Dear Stakeholder,

I am pleased to present 'Fundamentally Right', our maiden Sustainability Report.

Sustainable development and corporate responsibility have been integral to the way Arvind has done business since its inception in 1931. Our diverse businesses are unified by a common vision – To enable people to experience a better quality of life by providing, enriching and inspiring lifestyle solutions.

Arvind has achieved multiple successes on the business front. We have emerged as one of the largest denim & wovens manufacturers in the world and have won global recognitions for the manufacturing of khaki and knitted fabrics. Our expertise spans the entire apparel value chain - right from cultivation of cotton to its culmination as an exhilarating and satisfying shopping experience for all our customers. Today we are a preferred partner and a one-stop solution provider for leading global and domestic apparel brands.

Keeping pace with this success has been sensitivity towards societal and environmental needs. We have a long legacy of commitment to social development.

Our interventions in the fields of education, improving urban infrastructure, upgrading slums and providing vocational trainings to the youth, have enriched many lives.

We are acutely aware that as one of India's leading textile manufacturers, we shoulder a deep responsibility towards the environment which provides us three of our key inputs. We require water at our wet processing units, energy to keep our machines and boilers running and land to cultivate the cotton that makes our fabrics world-class. Over the years, we have undertaken several green initiatives in order to minimise and/or mitigate our environmental impact. Many of them are detailed in the report.

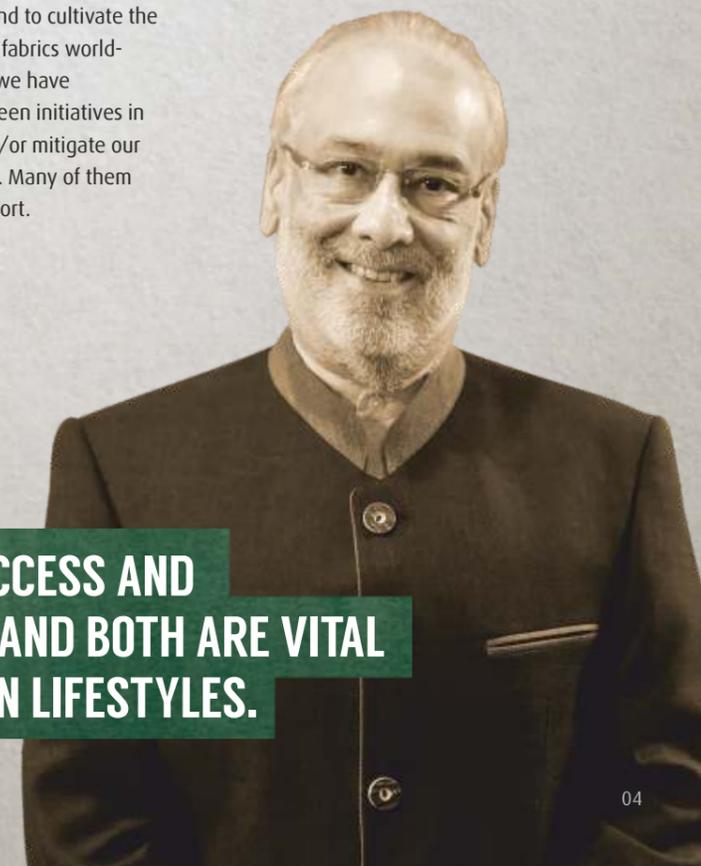
The initiatives that give us the maximum satisfaction are those where we blend environmental good with social empowerment, like our sustainable cultivation project at Akola.

This report covers our triple bottom line performance, shares our bespoke input management approach to sustainability, plus details the opportunities and challenges we envisage.

While measurement will lead to better management, I see the report as a valuable tool that will help us deepen our engagement with our myriad stakeholders.

Sanjay Lalbhai

Sanjay S. Lalbhai
Chairman & Managing Director



WE STRONGLY BELIEVE THAT SUCCESS AND SENSITIVITY GO HAND-IN-HAND AND BOTH ARE VITAL TO CREATE A POSITIVE IMPACT ON LIFESTYLES.

GROUP PROFILE

Established in the 1930s to cater to the immediate and pressing need of quality fabrics, Arvind is, today, one of the leading manufacturers of textiles in India.

In a journey spanning over 80 years, Arvind has remained relevant and veritably value-driven.

In 1931, we were one of the few companies to develop spinning and weaving facilities. In mid-1980s, when several large composite mills in the country were in crisis due to the introduction of power looms, we embarked on a new business strategy - 'Reno vision'. This strategy focused on international markets and high-quality premium fabrics.

A growing presence in the domain of readymade garments has further put Arvind on the top as a one-stop solution provider for leading global and domestic apparel brands. In addition to manufacturing fabric, we have diversified business interests comprising garments, advanced materials, chemicals & dyes, retail, engineering, real estate, sustainable agriculture and telecom.

At Arvind, it is firmly believed that a successful company must play an active role in the conservation and development of the ecosystem and the society that supports it. We have been at the forefront of varied social and environmental initiatives.

**ONE OF THE
LARGEST DENIM
MANUFACTURERS
IN THE WORLD.**

**ARVIND LIMITED IS
INDIA'S FIRST
COMPANY IN THE
TEXTILE SECTOR TO PUBLISH
A SUSTAINABILITY REPORT.**

PHILOSOPHY

We Believe

In people and their unlimited potential; in content and in focus on problem solving; in teams for effective performance and in the power of intellect.

We Endeavour

To select, train and coach people to obtain higher responsibilities; to nurture talent and to build leaders for the corporations of tomorrow; to reward, celebrate and activate all intellectual business contributions.

We Dream

Of excellence in all endeavours; of mutual benefit and prosperity; of making the world a better place to live in.

STRATEGIC GROWTH VISION

**TO BE THE LARGEST
INTEGRATED TEXTILES
AND APPAREL PLAYER
IN INDIA WITH
LEADERSHIP POSITION
IN SEVERAL
GLOBAL MARKETS**



THREE PILLARS OF ARVIND'S STRATEGIC GROWTH VISION

Mature Businesses

- Denim Fabric
- Woven

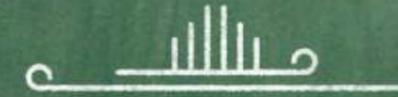
Established Growth Businesses

- Knits
- Garmenting
- Brands • Retail

Future Bets

- Technical Textiles
- Custom Clothing
- e-commerce

VISION

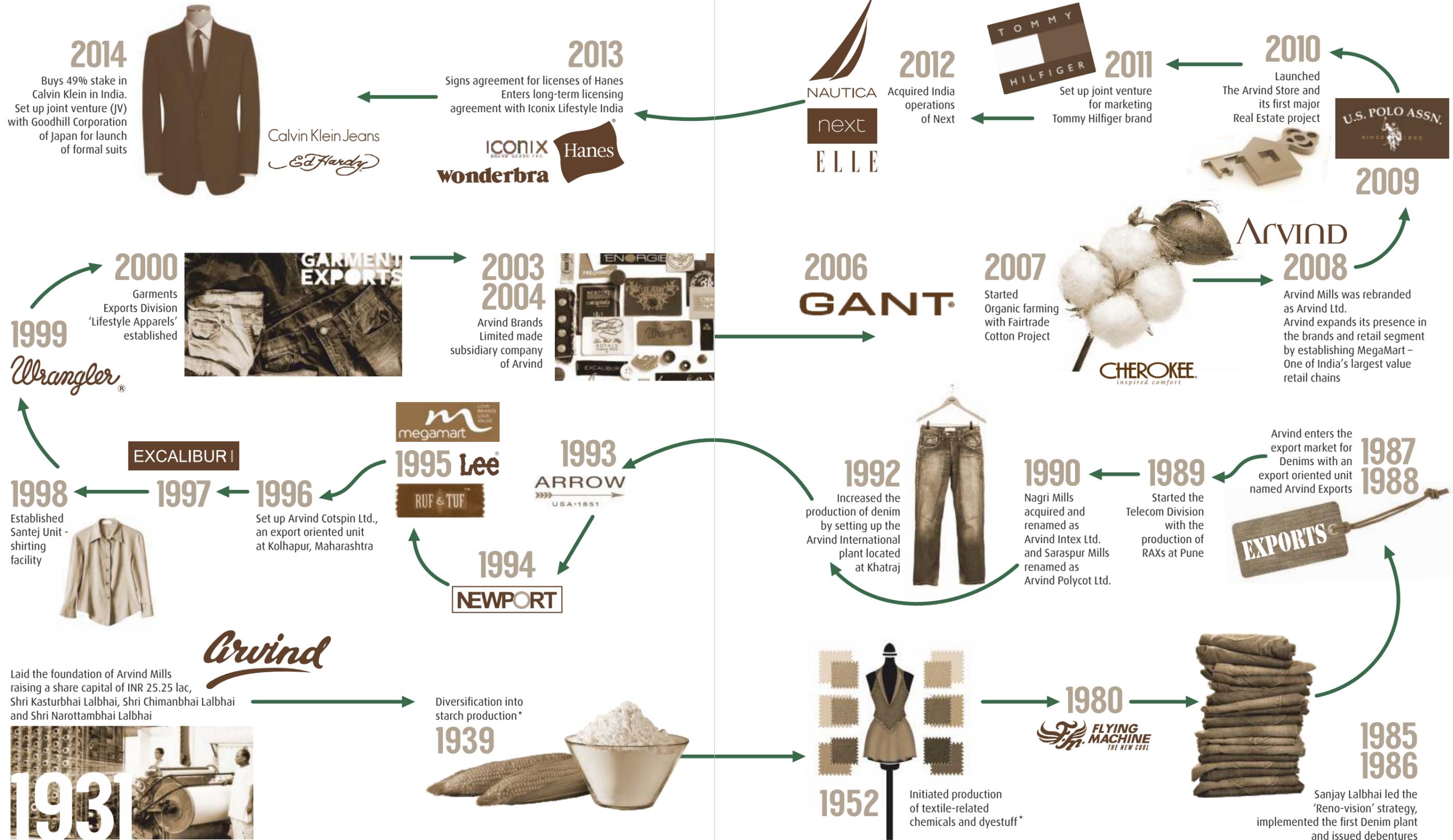


**WE WILL
ENABLE PEOPLE
TO EXPERIENCE
A BETTER
QUALITY OF LIFE
BY PROVIDING,
ENRICHING AND
INSPIRING LIFESTYLE
SOLUTIONS.**



This underlying theme of enhancing lifestyle runs across the broad spectrum of all business activities at Arvind.

KEY MILESTONES



* These companies are no longer part of Arvind Ltd.

OUR BUSINESS PROFILE

Like a wardrobe that comprises various styles and a fabric that consist of myriad hues, our diversified portfolio stretches a wide spectrum of consumer preferences and customer requirements. Our key business divisions are:

DENIM



WOVEN FABRICS



KNIT FABRICS



GARMENT EXPORTS



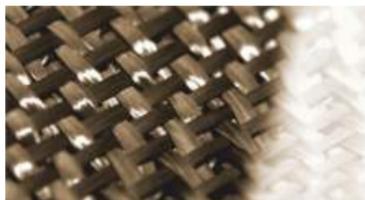
ARVIND BRANDS



THE ARVIND STORE



ADVANCED MATERIALS



MEGAMART RETAIL



AWARDS & RECOGNITIONS

We have received numerous awards and recognitions from various industry bodies and government agencies over the years. Some of the key awards won by us in the recent past are listed below:

Ministry of Textile
Largest Producer and Exporter of Cotton Fabrics in 2013

The Cotton Textiles Export Promotion Council of India (TEXPROCIL)
Various Gold Trophies for Highest Global Exports and Outstanding Performance as an EOU – won every year from 1993-94 to 2012-13

Export Credit Guarantee Corporation of India (ECGC)
ECGC – D&B Indian Exporter's Excellence Award in 2012

CHARTERS AND COALITIONS

Our commitment to embracing the globally best sustainability practices is demonstrated by the fact that we are signatories to several international charters and coalitions.



Sustainable Apparel Coalition

We are a founding member of The Sustainable Apparel Coalition (SAC), a global industry body comprising brands, retailers, manufacturers, government, and non-governmental organisations and academic experts, representing more than a third of the global apparel and footwear market.

One of the key focus areas of the SAC is the Higg Index which helps gauge the environmental and social impact of the apparel industry and drives improvement.

We have proactively carried out assessments of our Denim (Naroda), Knits & Woven (Santej) and Garments (Bengaluru – Mysore Road) facilities with respect to the Higg Index 2.0.

Global Organic Textile Standard

The Global Organic Textile Standard (GOTS) International Working Group comprises four reputed member organisations – OTA (USA), IVN (Germany), Soil Association (UK) and JOCA (Japan), which work with international stakeholder organisations and experts in the areas of organic farming as well as environmentally and socially responsible textile farming.

We have received the GOTS Standard 3.0 certification for our fabrics, fibres and yarns products. Our manufacturing activities covered within the scope of this certification includes Yarn Dyeing, Dyeing, Exporting, Finishing, Knitting, Printing, Sizing, Spinning, Storing, Trading, Weaving, and Wet Processing.

Better Cotton Initiative

The Better Cotton Initiative (BCI) is a non-profit organisation that has developed the global standards for Better Cotton, and brings together the complex cotton supply chain, from farmers to retailers.

We have collaborated extensively with BCI in our quest to bring environmental and social sustainability in the production and sourcing of our most valued raw material - Cotton.

Details of our collaboration with BCI are presented in the Cotton section of this Report.

Global Reporting Initiative

The Global Reporting Initiative (GRI) is an international, not-for-profit organisation with a multi-stakeholder structure that has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used by businesses and organizations around the world.

This Report presents our first attempt at presenting sustainability disclosures, using the GRI G3.1 Sustainability Reporting Guidelines (2011). It conveys our understanding of and approach to sustainable development, key highlights in the relevant areas and performance measures on indicators material to us. As we continue to integrate sustainability within our business in the future, we remain committed to publicly disclosing our sustainability performance through publishing such reports on a periodic basis.

Social Accountability International SA8000 Standard

Social Accountability International (SAI) is an international, non-governmental, multi-stakeholder organisation dedicated to improving workplaces and communities by developing and implementing socially responsible standards. SA8000 standard for decent work is a tool for implementing international labour standards and is being used in over 3000 factories, across 66 countries and 65 industrial sectors.

In line with our commitment to human rights, we have adopted Social Accountability Management System as per the SA8000: 2008 Standard, and have been externally audited by Bureau Veritas. The scope of our operations for this certification includes manufacture and dispatch of woven fabrics, knit fabrics and industrial fabrics.

International Organization for Standardization – ISO 9001, ISO 14001

The International Organization for Standardization (ISO) is the world's largest developer of voluntary International Standards.

Our operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified.

CORPORATE GOVERNANCE



A STRONG GOVERNANCE STANDARD BOLSTERS CONFIDENCE AND HENCE, PROVIDES PREFERENTIAL ACCESS TO RESOURCES AT A COMPETITIVE COST. IT IS ALSO INSTRUMENTAL IN SHAPING THE SOCIAL AND ENVIRONMENTAL OUTLOOK OF AN ORGANISATION.

Any sustained endeavour to safeguard continuity of inputs, requires regular inputs; not just from an expert and experienced management team, but also from the processes and rules that govern the day-to-day functioning of the organisation. This set of rules that defines the relationship between the company's management and its stakeholders and ensures fairness, transparency and protection of interests of all stakeholders is essentially, Corporate Governance.

Over the last eight decades, we have espoused and practised the tenets of good corporate governance. We have always been accountable, fair and transparent about our operations to our shareholders, as well as to the society.

We have garnered the trust of our investors by employing funds judiciously, yet competitively, and generating a steady stream of returns. We have reiterated the credibility and capability of our leadership time and again, by looking beyond the bend and acting before the herd.

GOVERNANCE PHILOSOPHY

Corporate governance at Arvind is a value-based framework to manage our affairs in a fair and transparent manner. As a responsible corporate, we use this framework to maintain accountability in all our activities and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

EVERY PRINCIPLE NEEDS A PROMULGATOR, A PROMOTER AND A PROTECTOR. FOR ARVIND, THESE ROLES ARE ABLY PERFORMED BY OUR BOARD OF DIRECTORS.

BOARD OF DIRECTORS AND BOARD COMMITTEES

The Board is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

The Board has nine Directors, comprising Chairman and Managing Director, Director and Chief Financial Officer, 2 Executive Directors and 5 Independent, Non-Executive Directors. The Non-Executive Directors are leading professionals from varied fields who not only bring in vast experience and independent judgment to the Board's discussions and deliberations, but also enable the separation of ownership and control.

As of 31st March 2014, four out of the total nine Directors were 'Executive' and the rest were 'Non-Executive' and 'Independent'. The Board comprised one female Director. One Director was below the age of 30 years, one within the range of 30-50 years and the rest were above 50 years of age. The appointment of the Board members is based on their credentials and there is no discrimination due to caste, creed, minority community or other indicators of diversity.

The following is the composition of the Board as on 31st March, 2014:

Name of Director	Executive/Non-executive/Independent
Mr. Sanjay S. Lalbhai	Chairman & Managing Director (CMD)
Mr. Punit S. Lalbhai	Executive Director
Mr. Kulin S. Lalbhai	Executive Director
Mr. Jayesh K. Shah	Executive Director & Chief Financial Officer
Mr. Sudhir Mehta*	Non-executive Independent Director
Dr. Bakul Dholakia	Non-executive Independent Director
Mr. Munesh Khanna*	Non-executive Independent Director
Ms. Renuka Ramnath	Non-executive Independent Director
Mr. Prabhakar Dalal*	Nominee Director of EXIM Bank of India

* Mr. Munesh Khanna, a Non-Executive, Independent Director ceased to be a director with effect from 15th April, 2014, Mr. Sudhir Mehta, a Non-Executive, Independent Director ceased to be a director with effect from 30th July, 2014 and Mr. Prabhakar Dalal, a Nominee Director of EXIM Bank of India ceased to be a director with effect from 10th December, 2014.

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 4-5 working days in advance. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

For more information about the Board, the Board Committees, and the various Codes governing its functioning, please refer to our 83rd Annual Report 2013-14. http://www.arvind.com/pdf/annaul_finacial_reporting/2014/AnnualReportfor201314withNotice.pdf

MANAGEMENT APPROACH

ECONOMIC

We believe that our economic performance is fundamental to the sustainability of the organisation as well as that of our stakeholders. Our role in the Indian economy is especially significant given the fact that India is the world's second largest producer of textiles and garments, and we also have an influential presence in the global market on account of our exports business.

Creation of mutual benefits and prosperity is a central tenet of our business philosophy, and as a listed company, it is our endeavour to generate sustained economic value for all our shareholders.

We are also mindful of our responsibility as an employer and buyer of various goods and services – through which we create significant direct and indirect socio-economic impacts on the livelihoods of our local communities.

SOCIAL

We believe that only growth which is inclusive, can be sustainable in the long run. In line with this philosophy, we have tightly aligned the interests of farmers with the supply of our key raw material – cotton. With an aim to make them self-sustainable, we empower them with agricultural know-how, hand-hold them during the execution, facilitate formation of SHGs and provide them resources if and when needed.

Our interventions have resulted in the advent of prosperity among economically distressed farmers. As a positive spin-off, it has also led to a more robust and reliable source of cotton for Arvind.

We also actively engage with local communities, address their needs and work towards improving their quality of life. Our community initiatives are conceived and efficiently executed by the Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust. The geographical focus of the Trust till date was on Gujarat which houses our headquarters and two of our largest manufacturing facilities. We aim to expand this scope in the near future.

ENVIRONMENT

Respect for environment is intrinsic in all our business activities and we constantly seek opportunities to reduce and/or mitigate our environmental impacts.

As one of the founding members of the Sustainable Apparel Coalition, we supported the development of the Higg Index and actively advocate its adoption among member companies.

The Higg Index is a tool for the apparel and footwear industry to assess sustainability throughout a product's entire life cycle, from materials to end-of-life. It was developed by the Sustainable Apparel Coalition, a non-profit organisation founded by a group of fashion companies, the United States government Environmental Protection Agency, and other non-profit entities.

We sieve all our business decisions through the prism of environment sustainability and continuously invest in green technologies with an aim to set new benchmarks in textile manufacturing in India.

We have a holistic approach to sustainability. We believe in judiciously managing our inputs, optimising our processes and meticulously designing our products so that the need for tailpipe management is eliminated or minimal.

We maintain full compliance with all applicable regulatory requirements and have developed internal systems to monitor our performance on key environmental sustainability performance indicators.

TALENT

Employees are one of our most important stakeholders and key to our success and sustainability. At Arvind, we are committed to providing our employees with a nurturing environment of well-being, safety and continual learning.

We comply and in most cases surpass the minimum legal requirements on issues such as health and safety, protection of human rights, absence of forced/child labour and elimination of discrimination. All our contracts and agreements include clauses pertaining to human rights as required by the law of the land.

The male to female ratio in our organisation has shown improvement and we have undertaken focussed efforts to make it even better. We have in place clear policies (Vishaka Guidelines) on harassment and committees in four locations to implement these policies. Each of this committee has a female representative from an external NGO as well.

No incidents of gender, human rights or any other discrimination have been reported in FY 2013-14.

Employee engagement is conducted round the year through institutionalised mechanisms such as an employee portal, periodic events and activities. On the anvil are town halls and a rewards and recognition programme. A rewards and recognition programme is already in place for employees of Arvind Stores.

At Arvind, we strive to ensure a corruption-free work environment and follow all the laws of the land in this regard.

In accordance with SEBI regulations, our Board has adopted a Code for Prevention of Insider Trading (CPIIT), a Code of Corporate Disclosures (CCD) and Code of Conduct for Directors and Senior Management Personnel. No incidents of corruption were reported during the reporting period.

PRODUCT

We believe our product responsibility begins from the farm and extends to the 'end-of-life' of our product. Thus we have established sustainable contract farming relationships with scores of farmers. We also measure and manage our performance in accordance with the Higg Index.



OUR PRODUCTS ARE OUR AMBASSADORS WHO REACH OUT TO MILLIONS ACROSS THE WORLD. THEIR QUALITY, ENVIRONMENTAL AND SOCIAL IMPACTS ARE PARAMOUNT TO US AND WE CONSTANTLY UNDERTAKE LARGE AND SMALL INITIATIVES TO ENHANCE EACH OF THESE PARAMETERS.

SUSTAINABILITY AND US

STAKEHOLDER ENGAGEMENT

STAKEHOLDER IDENTIFICATION

We recognise the fact that as a large business we have several stakeholder groups each with distinct priorities and diverse interests. We therefore developed a method for structured identification of stakeholder groups, understanding their concerns and incorporating their views in our sustainability strategy. This method was developed as part of a Sustainability Roadmap study in 2013 by Ernst & Young LLP.

The key attributes used to identify our stakeholder universe include dependency, responsibility, tension, influence and diverse perspectives.

KEY STAKEHOLDERS



MODES OF ENGAGEMENT

Post identification of key internal and external stakeholders, we re-examined our existing engagement platforms, reinforced, refined and reconstituted them to gain a better understanding of stakeholder concerns, collect timely feedback and communicate our Company's policies & expectations.

Stakeholder Category	Objective Engagement	Methodologies
CUSTOMERS	Develop a sustained relationship. Anticipate short - and long-term expectations.	<ul style="list-style-type: none"> • Periodic one-to-one interactions with key customers. • Our design and technology teams meet customer groups at regular intervals throughout the year.
INVESTORS	Understand concerns and expectations, create higher shared value.	<ul style="list-style-type: none"> • Regular dissemination of financial performance through newspapers and published accounts. • In-depth interactions in analyst meets and investor presentations.
EMPLOYEES & WORKERS	Understand their career ambitions, job satisfaction parameters, support career growth, training and development. Share organisation's vision, short-term and long term goals, workplace needs and expectations.	<ul style="list-style-type: none"> • Structured interactive appraisals, career path guidance, training programs, employee rewards and recognition (Arvind Stores), development programmes.
LOCAL COMMUNITY	Maintain cordial relation with local communities.	<ul style="list-style-type: none"> • SHARDA Trust's activities • Interactions by IR department.
MEDIA	Communicate key developments, milestone events, growth plans etc.	<ul style="list-style-type: none"> • Media interaction events, press conferences etc., media announcements of quarterly reports and major tie-ups.
GOVERNMENT AGENCIES	Understand compliance and applicable regulations. Brief them on steps taken and discuss opportunities to collaborate on pressing issues.	<ul style="list-style-type: none"> • Personal meetings. Submission of relevant compliance documents, industry forums etc.
SUPPLIERS	Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery, growth plans and sharing of best practices.	<ul style="list-style-type: none"> • Periodic interactions between Arvind's buying and sourcing teams. Training programmes, quality workshops.

MATERIALITY

The paradigms of sustainable business are changing. The value a company creates is not just limited to the products and services it offers but is also equally dependent on the way it handles material issues.

Material issues are those that have the potential to significantly affect the sustainability of our business. As part of the Sustainability Roadmap study undertaken in the reporting period, a structured approach was adopted to identify and prioritise the issues.

SHORTLISTING OF PROBABLE MATERIAL ISSUES

1 Identification of Material Issues
The material issues identified by the Sustainability Accounting Standards Board™ (SASB™) were employed for the materiality determination for Arvind. SASB is a non-profit organisation that develops and provides standards for use by publicly-listed corporations in the U.S. in disclosing material sustainability issues for the investor and public benefit. SASB has identified 43 sustainability material issues through extensive research and stakeholder consultation. These issues broadly fall under the aspects of environmental capital, social capital, human capital, business model & innovation, and leadership & governance.

2 Identification of Stakeholders
As described above, the identification of stakeholders was done on the basis of attributes of dependency, responsibility, tension, influence and diverse perspectives.

3 Development of Methodology to Evaluate the Importance of Material Issues to Stakeholders
Based on a weighted average of the influence and interest levels of stakeholders, the importance of material issues to stakeholders was assessed.

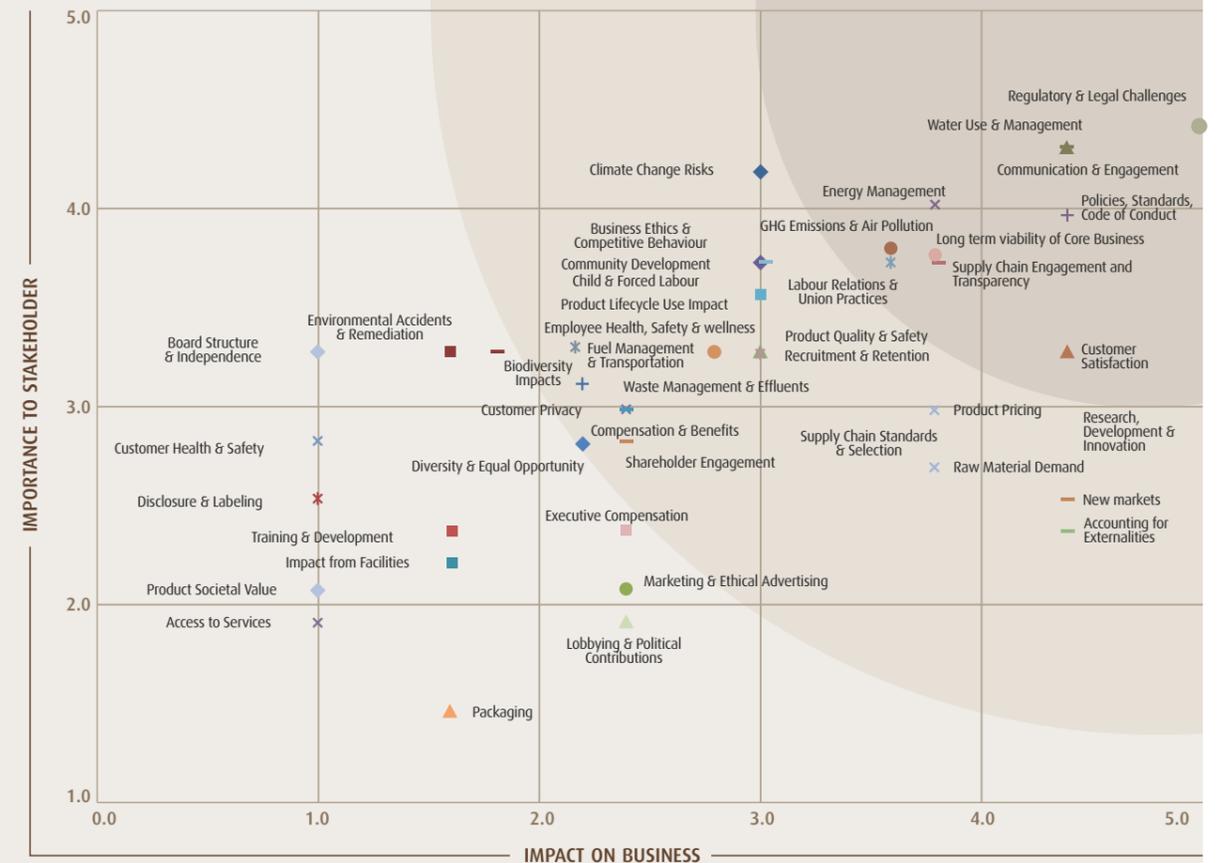
4 Development of Methodology to Evaluate the Impact of Material Issues on Business
The impact of material issues on business is qualitatively assessed in terms of impact of material issues on brand value, growth and profitability of the firm leading to an overall ranking of issues based on the potential business impact.

5 Assessment of Concern of Material Issues to Stakeholders
While the influence levels of stakeholders remained constant across the material issues, the interest level was found to vary depending on the type of issue. The final scores of importance of material issues to stakeholder were estimated based on the adopted framework.

6 Assessment of Impact of Material Issues to Business
The detailed assessment of impact of material issue to business led to the short listing of 17 among the 43 identified material issues that have the highest impact on Arvind's business.

7 Development of the Materiality Map for Arvind
Based on this analysis, a materiality map was developed, in which the material issues were plotted against an X-axis of impact on business and Y-axis represented issues important to stakeholders. The material issues on the top right corner of the materiality map represent the highest significance to Arvind.

MATERIALITY MAP OF ARVIND LIMITED



On deeper analysis of our material issues, it was evident that a large basket of them were related to 'Input Management'. To build an immediate business connect across the organisation we grouped them under six input silos.

COTTON

Sustainable Sourcing

As a textile major, sourcing of cotton is crucial to our operations. Not just in terms of quantity and supply, but also in terms of sustainability. We harness methodologies and projects like organic farming and Better Cotton Initiative to ensure that cotton farmers, the communities and mother Earth reap the benefits of our fabrics.

Supply Chain Engagement and Transparency

We meet our suppliers periodically to ensure transparency and clear communication in the supply chain.

WATER

Water Use and Management

We have identified and implemented ways to reuse and recycle water and to minimise our water footprint. Our water conservation and recycling initiatives have helped us to lower our dependence on water resources in our key units.

CHEMICALS

We use the right chemicals judiciously and responsibly. It is our constant effort to find substitutes that have a smaller environmental impact. We treat not only the effluents but also extract useful salts from them; such that they can be reused.

ENERGY

Energy Management

Energy efficient technologies deployed across our units and offices help us to keep a check on our energy consumptions.

Greenhouse Gas (GHG) Emissions & Air Pollution

We continuously strive to reduce the GHG footprint of our business by adopting green manufacturing technology and reducing our energy consumptions.

OTHERS

Communication and Engagement

We take care of this material issue through continuous communication and engagement with our key stakeholders like customers, investors, employees etc. Details of this engagement are elaborated in the stakeholder engagement section.

Policies, Standards and Code of Conduct

We have policies, standards and code of conduct for our business processes, engagements with customers & stakeholders as well as product manufacturing and services. Please refer to the corporate governance section in this report for more details.

Customer Satisfaction

We try to anticipate short and long-term expectations of our customers. Our design and technology teams meet the customer groups at regular interval throughout the year.

Regulatory and Legal Challenges

All our operations and business processes are as per the legal and regulatory processes approved by the Government under the Companies Act 2013 in India.

PEOPLE

Labour Relations and Union Practices

We have clearly spelt out guidelines to ensure that we engage in fair labour practices. This includes payment of minimum wages, protection of human rights, prevention of child/forced labour and encouragement of health and safety best practices.

MONEY

Long-term Viability of Core Business

We try to be fundamentally right in our approach to run our business. This ensures that our core business interests remain protected and are sustainable.

At Arvind, responsibility towards the environment and society has always been intrinsic in the way we do business. However, as we seek to adopt newer sustainability practices in our operations and decision-making, while responding to growing customer inquiries on our sustainability performance, it is important for us to assess our current status and set future targets.

The independent study conducted by Ernst & Young LLP during the reporting period described above also included a current-state assessment of our sustainability practices, identification of industry best practices, recommendations as well as operational interventions and suggested enablers for roadmap formation. As we move forward on our sustainability journey, our goal is to improve our Higg Index scores and strengthen our sustainability practices.



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OPENS UP NEW AVENUES



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FARM WORKERS
GOT EMPLOYMENT FROM
BETTER COTTON INITIATIVE



GOTS CERTIFICATION
FOR ORGANIC COTTON AND
ALL NATURAL FABRICS



27%

LESS WATER CONSUMPTION

29%

MORE YIELD FOR
BETTER COTTON FARMERS



ENHANCED SOIL
HEALTH BY REDUCING
THE USE OF PESTICIDES

COTTON HAS CLOTHED
MANKIND FOR THOUSANDS
OF YEARS. DESPITE
INVENTION OF VARIOUS
ARTIFICIAL FIBRES AND
INNOVATIONS IN PROCESSING
OF OTHER NATURAL FIBRES
LIKE SILK AND JUTE,
COTTON STILL ACCOUNTS
FOR AROUND

35%

OF THE TOTAL TEXTILE
FIBRE USED IN THE WORLD.

We are one of the largest
manufacturers of textiles and
garments in India and cotton is a key
raw material for us. India is the
second largest producer of cotton in
the world, but that doesn't mean we
can take the availability of cotton at
competitive rates, for granted.

Growing global population and rising
incomes in developing countries are
fuelling an unprecedented growth in
demand for garments. With supply of
land not growing at the same rate,
we understand that availability of
affordable cotton, of the requisite
quality in required quantity, could be
a possible growth bottleneck.

The call of the hour is to ensure
uninterrupted supply in the short-term
plus institutionalise an eco-system
which nurtures economic health of
cotton farmers, enhances farm yield
and provides Arvind preferential access
to support long-term growth plans.

Along with sustainable,
ethical and responsible
sourcing, we also focus on
optimising consumption.

CONSUMPTION, DEMAND AND SUPPLY OF COTTON

We track the consumption of cotton by weight at our Naroda and Santej plants.

74,638 TONS

Total cotton consumption in FY 2013-14

7,650 TONS

were produced at Better Cotton
Initiative (BCI) project farms



2,550 TONS

were produced at
organic cotton farms

This constitutes nearly 15% of our cotton consumption.

Buoyed by the increased consumption of a burgeoning Indian middle-class and rise in discretionary spend, the Indian textile industry is projected to grow at a CAGR of 9-10% over the next 10 years. As one of the largest producers and exporters of textiles, we are poised to grow at a commensurable pace and are hence looking to fortify our supply lines.

While it is imperative for us to maintain a robust supply chain for uninterrupted production, we are equally vigilant that this supply doesn't come at the cost of the environment and the farming community.

FARM DYNAMICS & FARMER DILEMMAS

Cotton farming in India faces all three challenges – Economic, Social and Environmental

ECONOMIC CHALLENGE

Cotton is considered a cash crop in India. The lure of lucrative returns pushes many farmers to take on debts to pursue cotton farming – a move that is risky considering that most farms are rainfed and monsoons are unpredictable. In the past, successive crop failures and under-realisation of investment have led to numerous farmer suicides.

SOCIAL CHALLENGE

Small land parcels make automation, economically unviable in the cotton farms of India. The high unskilled labour quotient further opens up possibilities for evils like forced labour, inhumane work conditions, gender and caste-based discrimination, and child labour.

ENVIRONMENTAL CHALLENGE

Traditional cotton farming, with its chemical fertilizers and pesticides also takes a toll on the environment.



WE STRONGLY BELIEVE THAT WE CAN ONLY WIN IF THE FARMER WINS

Our success is directly linked to that of the farmer. Thus like a true partner, we work hand-in-hand with them and play a pivotal role in every phase.

RESPONSIBLE SOURCING

We partner with farmers and nurture mutually beneficial relationships.

Infrastructure and Capacity Building

We, along with national & international organisations, help build infrastructure that augments capacities, reduces input needs and enhances yield.

Monitoring

Our auditors visit the farms on a regular basis and maintain detailed records. Soil tests and constant monitoring are done to ensure a healthy crop.

Expert Advice

A team of 75+ field experts comprising agronomists, soil scientists, pest specialists and social work professionals provide advice and guidance to farmers and ensure efficient implementation of interventions.

Simplified Trade Structure

Farmers are introduced to dependable farm input suppliers so that they can circumvent dubious middlemen.

Buyback

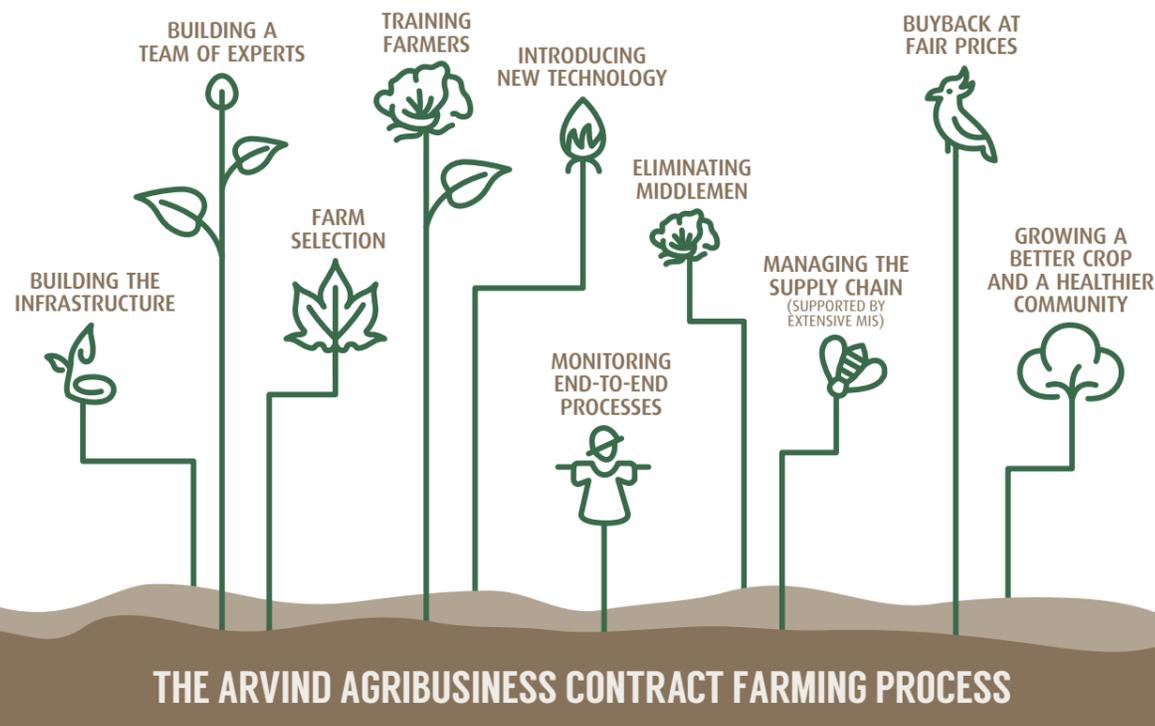
We buy the crop directly from the farmer at fair market prices prevailing at the time of purchase. A 'Farm Gate' payment policy ensures that payments are made to farmers within seven working days through account payee bank cheques.

Technology and Skill Development

We develop on-ground and location specific solutions by collaborating with participating farmers. Our experts train and educate farmers about crop, nutrient, pest and disease management, and decent work ethics. They also develop and share guidance material on better management practices.

Managing the Supply Chain

We maintain 100% traceability and our management information system helps us preserve the chain of custody right from seed to shop floor.



HELPING FARMERS ✓ MAKE THE RIGHT CHOICE

Arvind helps farmers multiply their yield by sharing with them scientific farming practices and handholding them through the implementation phase.

No two farms are the same. There is either variation in the capacity of the soil or the capability of the farmer.

BASED ON VARIOUS PARAMETERS LIKE QUALITY OF SOIL, ACCESS TO IRRIGATION AND PREVAILING SOCIAL CONDITIONS, WE HELP FARMERS MAKE THE RIGHT CHOICE BETWEEN ORGANIC COTTON CULTIVATION AND BETTER COTTON INITIATIVE.

ORGANIC COTTON FARMING

ORGANIC COTTON FARMING IS THE PROCESS OF GROWING COTTON NATURALLY USING NON GMO SEEDS. AND WITHOUT RESORTING TO SYNTHETIC PESTICIDES AND CHEMICAL FERTILIZERS. FROM AN ECONOMIC AND RESOURCE PRODUCTIVITY STAND POINT. IT IS BEST SUITED FOR MARGINAL FARMS WITH POOR QUALITY OF SOIL.

BENEFITS

Economic

Reduction in input cost through use of farm-made organic inputs like enriched compost, botanicals, and by adoption of proper crop rotation practices

Scientific practices help improve yield per acre over time

Direct buying-at-doorstep and a seven-day payment cycle, along with elimination of exploitation by middlemen, improve farmer's income

Environmental

No synthetic chemicals and fertiliser are used. The only additives come in the form of organic manures which protects the soil and ground water

Soil quality is controlled by rotational cropping of leguminous crops like pulses

Social

We mentor farmers to form Self Help Groups (SHGs) and create a self-sustainable, mutual support system, where peer-power is harnessed for problem solving and mobilising funds

At Arvind, we believe that one size doesn't fit all. As the quality of the soil and the capabilities of the farmer changes from farm to farm, so must the sustainable farming intervention. We see great merit in the Better Cotton Initiative project as an intermediate step towards responsible farming.

BETTER COTTON INITIATIVE

BCI IS A CONCEPT TO GROW COTTON WITH VERY CAREFULLY CONTROLLED APPLICATION OF WATER. USE OF APPROVED FERTILIZERS AND PESTICIDES AND DRAMATICALLY REDUCING THE ENVIRONMENTAL FOOTPRINT OF COTTON FARMING. THIS IS A STEPPING STONE TO ORGANIC FARMING.

LEARNING GROUPS

We have formed Learning Groups (LGs) to

EDUCATE FARMERS ON VARIOUS TECHNIQUES

ENABLE THEM TO HARNESS ECONOMIES OF SCALE

HELP THEM COLLABORATE AND SHARE KNOWLEDGE

94%
OF THE LEARNING GROUPS WERE COMPLIANT WITH BCI PRINCIPLES AND CRITERIA IN FY 2012

Economic Benefits

Reduced Cost of Production

Through collective purchase of farm inputs and better, bargaining power with suppliers.

More Profitability

The need for middlemen is eliminated as Arvind Ltd. ensures that the produce is bought at the farmer's doorstep.

Access to Affordable Finance

Dependence on local moneylenders is reduced as farmers are given the know-how and encouraged to deal with reliable financial institutions.

Better Nutrient, Pest & Disease Management

Education is imparted on how to reducing the inputs like synthetic pesticides & fertilizers without impacting yield.

Knowledge & Skill Development

Farmers receive practical knowledge on production principles that decreases the cost of production and increases profitability. So far, over 4,000 farmers have been trained in better cotton production system.

Quality of Fibre

From soil preparation to harvesting and segregating better quality cotton at the farm gate, our agronomist help farmers enhance the quality of their harvest.

Environmental Benefits

Water Efficiency

The learning forums provide know-how on using water efficiently through micro-irrigation. Between 2010 and 2013, on an average, BCI farmers used 27% less water compared to conventional farmers in the same area.

Soil Health

Reduced use of pesticides, increased use of organic matter in the form of farmyard manure and compost, adoption of micro-irrigation and regular soil tests ensure better soil health. Between 2010 and 2013, on an average, BCI farmers used 29% less fertilizer and 15% less pesticide compared to conventional farmers in the same area.

Habitat Conservation

Scientific methods to reduce pesticides and minimise the harmful effects of crop protection on the natural habitat.

Social Benefits

Abolishing Social Evils

Social and cultural programmes are regularly organised in order to create awareness about child labour and gender discrimination.

Building a Healthy Community

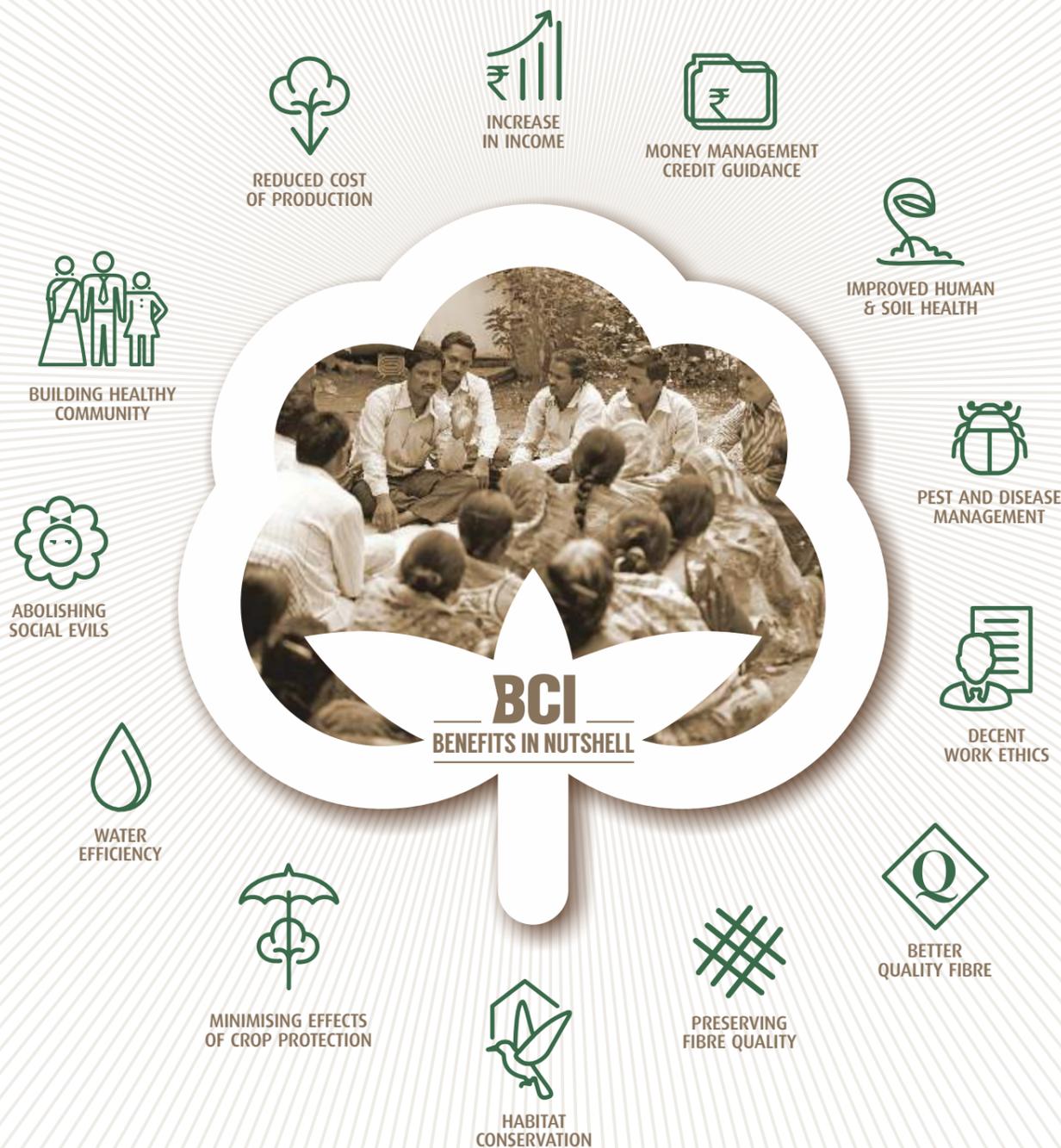
Internationally recognised health and safety standards are shared and farmers are taught how to follow them.

Decent Work Ethics

The initiative gives men, women and backward classes equal employment and income opportunities (equal and approved wages). 106 villages have been covered to spread awareness about decent work aspects especially children and women.



BCI BENEFITS



BCI Better Cotton Initiative

ARVIND INITIATED THE FIRST BCI APPROVED PROJECT IN INDIA. TODAY, WE ARE AN IMPLEMENTATION PARTNER WITH BCI AND ONE OF THE MAJOR BCI PLAYERS IN INDIA.

Our BCI initiative works on a contract-based farming model wherein we provide the farmers know-how on BCI farming techniques and a guarantee to buyback the cotton produced directly from the farmers.

ARVIND BCI PROJECT DASHBOARD

NO. OF VILLAGES

109

TOTAL AREA COVERED (HA)

39,080

NO. OF FARMER'S BENEFITTED

4,000

NO. OF FARM FAMILY MEMBERS BENEFITTED

20,000

EMPLOYMENT GENERATED (FARM WORKERS)

60,000

BETWEEN 2010 & 2013, ON AN AVERAGE, BCI FARMERS GOT

29%

MORE YIELD

COMPARED TO CONVENTIONAL FARMERS IN THE SAME AREA.

CASE STUDY

ORGANIC
FARMING
AT AKOLA

Cotton is a major cash crop in Akola District of Maharashtra. However, a staggering majority practice cotton farming using excessive levels of synthetic chemical fertilizers and pesticides; resulting in a 'distressed farming system' which leads to lower yields and a higher production cost.

The issues get further complicated because Vidarbha is a drought-prone area that has seen a spate of farmer suicides due to successive crop failures and mounting debts.

This horrific reality of farmer suicides, spurred us to initiate an organic farming project at Akola in 2007-08.

The chosen route was to educate them on scientific organic farming and buy their produce at a fair market price. The associated goal was to make a positive impact on the ecosystem of Akola and rejuvenate the farmlands.

**THE PRIMARY OBJECTIVE
WAS TO IMPROVE THE
ECONOMIC CONDITION OF
THE FARMERS AND
EMPOWER THEM TO BE
FINANCIALLY SELF-RELIANT
AS A COMMUNITY.**





8,000

WORKERS COVERED IN THE COMPREHENSIVE DEMOGRAPHIC INFORMATION SURVEY



ZERO

INSTANCES OF REPORTED HUMAN RIGHTS VIOLATIONS & GENDER DISCRIMINATION



1,300

STUDENTS GETTING BENEFITED EVERY YEAR FROM GYANDA PROGRAMME



SANJAY NAGAR SLUM DEVELOPMENT PROJECT INCLUDED IN THE LIST OF '100 BEST PRACTICES' BY UNCHS



300

INDIVIDUALS TRAINED FOR SKILL UPGRADATION IN COLLABORATION WITH NIFT

EMPLOYEE WELL-BEING

Every business exists to fulfil human needs; either directly or indirectly. We need the skill of our workers as much as we seek the loyalty of our customers. Textile industry has always been labour intensive. Over the years, due to technological advancements a high degree of automation has come into the production process; but it will, most likely, never substitute quality and skilled manpower.

Today, despite India being home to 1.2 billion people, the textile manufacturing industry in India is feeling a disconcerting dearth of quality manpower at almost every level of the skill hierarchy.

To mitigate this looming threat to our looms, we have devised and executed a comprehensive employee engagement and development programme that seeks to not only provide a conducive work environment but also ample opportunities for professional growth and personal development.

TRAINING & DEVELOPMENT

Training and development are significant in shaping the career graph of an employee. Though we aim to attract, retain and nurture the best talent, we strongly believe that their development during their tenure with us is equally important, if not more.

We offer various learning and development opportunities for our employees. Training calendars are drawn at the start of each year across each business encompassing technical, functional and behavioural modules.

Trainings are imparted on the job as well as through classrooms and seminars. Continuous evaluation by senior colleagues and mentors ensures that employees develop necessary capabilities and skill sets.

Besides developing core implementation skills, we also focus on developing soft skills of our employees. We send our employees for outbound training programmes for developing interpersonal relations, enhancing communication, improving levels of motivation, etc. These are conducted once in two years in an informal and natural environment by in-house trainers.



3,105

MAN-DAYS OF EMPLOYEE TRAINING IN FY 2013-14

1,971

TOTAL PARTICIPANTS

75

TOTAL TRAINING DAYS

53

NO. OF TRAINING PROGRAMMES

OUTBOUND TRAINING



450 PARTICIPANTS ACTIVELY PARTICIPATED IN AROUND EIGHT SUCH TRAININGS.

DEVELOPMENT PROGRAMMES

We have an array of development programmes that are designed and conducted keeping in mind the present skill levels and future growth potential.

Foundation Development Programmes

These programmes strengthen the base of our workforce and are focussed at workers and junior management.

UNNATI

Unnati is our Worker Development Programme where the workers go through six-month of rigorous training in phase 1 and have to work on a six-month project in phase 2. Upon completion the workers get an opportunity to be promoted as supervisors.

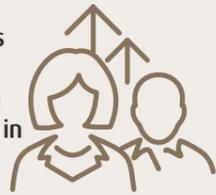
Last year, one batch of 20 participants underwent the Unnati programme.



UDAAN

Udaan is our Junior Management Development programme. It is a six month programme comprising classroom based training sessions on behavioural and functional orientation, followed by a live project where the participants put the learning into practice.

A total of four batches underwent this training programme in FY 2013-14.



Manager Development Programme (MDP)

Our Manager Development Programme aims to increase the overall efficiency and capability of our managers. The programme comprises three modules:

Module 1

focuses on understanding self and inculcating problem-solving and decision-making skills

Module 2

includes sessions on coaching for empowerment and business communication

Module 3

has sessions on strategic management and interpersonal skills



Launched in February 2014, the first batch of MDP took place in Ahmedabad and consisted of 14 participants.

INDUSTRIAL RELATIONS

We provide a secure and happy workplace for our employees and workers, and have recognised worker unions at both our manufacturing operations - Naroda and Santej. All workers of these two facilities are covered by these unions. We have excellent industrial relations with our workforce and unions. Our industrial relations department regularly organises a variety of events and activities across locations:

Employee Engagement Programmes



• Snehmilan with Karobari Members – An annual Diwali get-together where the CEO also shares the organisation's vision for the new year

• 'Sathi Hath Badhana' – A development programme for Textile Labour Association (TLA) Members

• Employee Attendance Award ceremonies

• Annual Sports Meet - As part of 'Arvind Utsav'

• Earn & Learn Scheme – A skill development initiative for contract workers where they are given training to complete a 3-year ITI or a 4-year Diploma course while continuing to work, and are absorbed as regular on-roll workers upon completion.

• Celebration of Woman's day - 120 Front Line Managers took part in FY 2013-14

DESIGNING MORE EFFECTIVE WELFARE PROGRAMMES

Towards end of 2012, SHARDA Trust, our CSR implementation arm, initiated an ambitious plan to collect comprehensive demographic information about Arvind's workers and their family members. This included education and health records, housing details, and contact information of the workforce.

The aim is to use the information to plan welfare and capacity building initiatives that will eventually enhance their quality of life. For doing so, an online Workers' Information System was designed with provisions for generating intended reports.

During the reporting period, we have covered around 8,000 out of approx. 12,597 workers in Ahmedabad region and based on the findings, suggested initiatives have been presented to the top management. In future, we aim to cover the remaining workforce in Ahmedabad region and expand the scope of study to Bengaluru regions as well.



Family Engagement Programmes

- 'Tejasvi Tarla' – Merit award for the workers' children
- Career Development Programme for the children of Front Line Managers
- Drawing competition for children of Front Line Managers - 96 children participated in May 2014

Awareness Campaigns

- Special medical check-up camp for women
- Introduction to Employee State Insurance Scheme
- Safety awareness training programme for Front Line Managers



EMPLOYEE SNAPSHOT FY 2013-14

Total Workforce (Naroda, Santej & Bengaluru)	14,922
Workforce by Level of Employment	
Officers (Senior, Middle, Junior Management)	2,028
Others (Short Term Contracts, Trainees etc.)	297
Workmen (Excluding FTC)	12,597
Workforce by Type of Contract	
Permanent Employees	14,922
Workforce by Gender	
Male	13,422
Female	1,500
Workforce by Age Group (Officers only)	
<30 years	600
30-50 years	1,193
>50 years	235
Attrition Rates	
Officers	16.2%
- Senior Management: 2%	
- Middle Management: 4%	
- Junior Management: 27%	
Attrition Rates by Gender (Officers only)	15.7% Male 23.1% Female
Attrition Rates by Age Group (Officers Only)	26% (<30) 13% (30-50) 9% (>50)
Attrition of Workforce	26%

SAFETY

The first step towards solving a problem, is to accept that it exists. Textile manufacturing is a labour-intensive process and involves working with heat, electricity, water and a plethora of machines – all of which pose a safety risk. In the past, our safety performance has been way off the national averages. We recognise this issue and are determined to address it.

In addition to safety awareness programmes, we have undertaken following initiatives to make sure that safety is weaved into every aspect of the production process.

- Dedicated safety committee at every plant location to drive awareness programmes
- Comprehensive on-site emergency plan at every unit
- Introduction of night mock drills to enhance emergency preparedness
- Ultra-modern fire hydrant system with ultra-high pressure
- Plans are afoot to apply for an OHSAS certification in next reporting year

HUMAN RIGHTS

We are determined to uphold the tenets of human rights at our offices and mills. We comply with all government policies and statutes applicable to us.

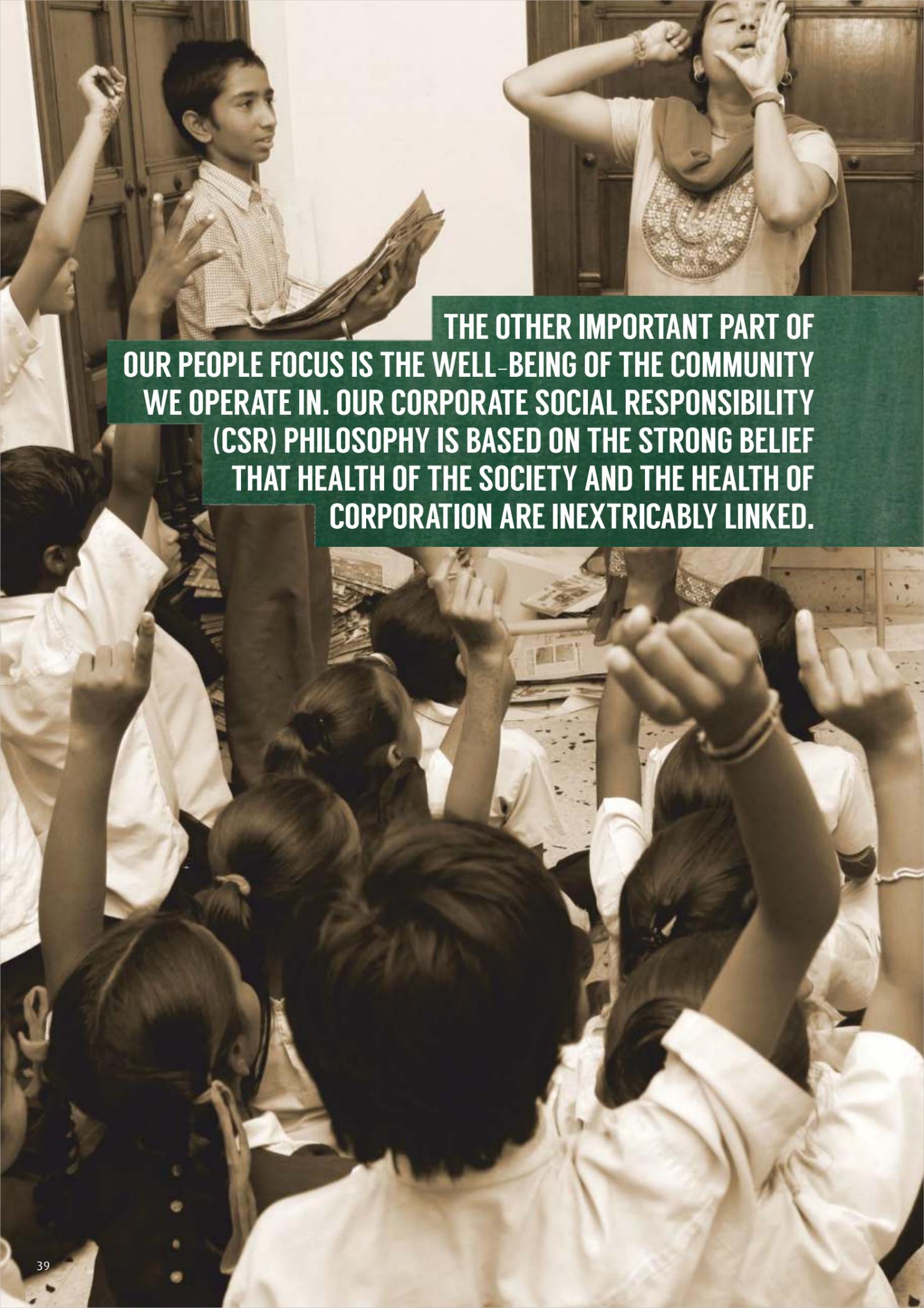


DURING THE REPORTING YEAR, THERE WERE **NO INSTANCES** OF REPORTED HUMAN RIGHTS VIOLATIONS OR GENDER DISCRIMINATION.

Safety Performance

Injuries	615
Male	610
Female	5
Frequency Rate	3.86
Severity Rate	73.07

Note: Safety data only pertains to the Naroda, Santej and Bengaluru facilities.



THE OTHER IMPORTANT PART OF OUR PEOPLE FOCUS IS THE WELL-BEING OF THE COMMUNITY WE OPERATE IN. OUR CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY IS BASED ON THE STRONG BELIEF THAT HEALTH OF THE SOCIETY AND THE HEALTH OF CORPORATION ARE INEXTRICABLY LINKED.

SOCIETY

Most of our interventions are directed towards improving the quality of life of the urban poor residing in and around Ahmedabad - a city that houses two of our manufacturing facilities and our corporate headquarters.

OUR COMMUNITY SUSTAINABILITY INITIATIVES INCLUDE DEVELOPING COMMUNITY INFRASTRUCTURE, PROVIDING EDUCATION & ENHANCING SKILLS.

FOCUS AREAS

We implement our CSR activities through the Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust. Since its inception in 1995, the Trust has based its interventions on the premise that a family has five basic needs, which are listed below according to their priority.

 <p>1</p> <p>BASIC PHYSICAL INFRASTRUCTURE</p> <p>Clean potable water at the doorsteps in adequate quantity at convenient hours, individual toilets, and hygienic surroundings</p>	 <p>2</p> <p>PRIMARY HEALTHCARE</p> <p>Includes prevention of major diseases, treatment of basic ailments</p>	 <p>3</p> <p>ADVANCED HEALTHCARE</p> <p>Access to high quality Secondary and Tertiary Healthcare</p>	 <p>4</p> <p>BASIC EDUCATION (3Rs)</p> <p>Basic skill-oriented education programmes on Reading, Writing & Arithmetic Skills (3Rs - Relating, Representing & Reasoning)</p>	 <p>5</p> <p>DEVELOPING VOCATIONAL SKILL</p> <p>Skills and Abilities to compete in a highly competitive environment</p>
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We understand that out of these five focus areas, there are some like primary healthcare and education where we can make a bigger impact by joining forces with other stakeholders that are already doing meaningful work in the area. Thus we actively collaborate with Government and NGOs to leverage combined strengths to achieve larger and faster outcomes.

SHARDA TRUST'S MODEL			
<p>Partnership with the Local Government</p> <ul style="list-style-type: none"> • MoU with Municipal School Board • MSB allows use of infrastructure & provides electricity free of cost • Providing teaching hours 	<p>Supportive Infrastructure</p> <ul style="list-style-type: none"> • Upgrading school infrastructure • Establishing quality computer lab • Projection facility (LCD monitor) • Internet for faculty & students • Ergonomic furniture • Neat and clean classrooms 	<p>Innovative Method & Materials</p> <ul style="list-style-type: none"> • Teaching Eng, Comp & Maths • Teaching approach based on student's strength • Real life example, practical knowledge • Subject's reinforcement • Teaching by trust's teachers • Using computers in teaching 	<p>Monitoring, Evaluation & Tracking</p> <ul style="list-style-type: none"> • Teaching days, schedules, curriculum, tests & evaluation criteria pre-defined • Tracking student's attendance & performance • Following up irregular & weak students • Interaction with parents

INITIATIVES UNDERTAKEN BY SHARDA TRUST

IMPROVING PUBLIC INFRASTRUCTURE

The first programme that the SHARDA Trust undertook after its inception was to improve the physical infrastructure in 'Sanjay Nagar', a slum in Ahmedabad. It was a Public Private Partnership, where-in SHARDA joined hands with the Ahmedabad Municipal Corporation and upgraded the living conditions of the slum dwellers. The project was completed on time and within the approved budget.

The Sanjay Nagar project received recognition from United Nations Centre for Human Settlement (UNCHS) and was included in their global list of **100 BEST PRACTICES**

ENHANCING LIVELIHOOD SKILLS

As part of this initiative, the SHARDA Trust trains youth from economically backward families in sewing machine operation. The Trust has undertaken this initiative in collaboration with the National Institute of Fashion Technology (NIFT), Gandhinagar. Arvind has also tied up with local garment manufacturers for placement of the students.

It has so far trained and placed over **300 STUDENTS** 200 of whom have been placed with Arvind.

Till date, close to 250 individuals have undergone PECA programme and a majority of them have been placed with suitable jobs.

The Trust also offers a programme in Practical English and Computer Applications (PECA) in collaboration with Chandraprasad Desai Memorial Foundation with an aim to enhance the employability of the youth in BPOs and ITES industry.

GYANDA – THE FOUNTAIN OF KNOWLEDGE

In 2006, the Trust launched – Gyanda, meaning 'a fountain of knowledge' - a supplementary education model designed for students of Municipal Schools. It is a partnership with the local government under which a memorandum of understanding has been signed with the Municipal School Board to conduct after-school classes within the premises of municipal schools.

team of 32 full-time teachers & coordinators and 5 visiting teachers. The initiative has made learning engaging for the students and reduced the dropout rate.

As of March 31, 2014, there are about **900 STUDENTS** enrolled in the 3 centres for primary & **300 STUDENTS** in the 2 centres for secondary education.

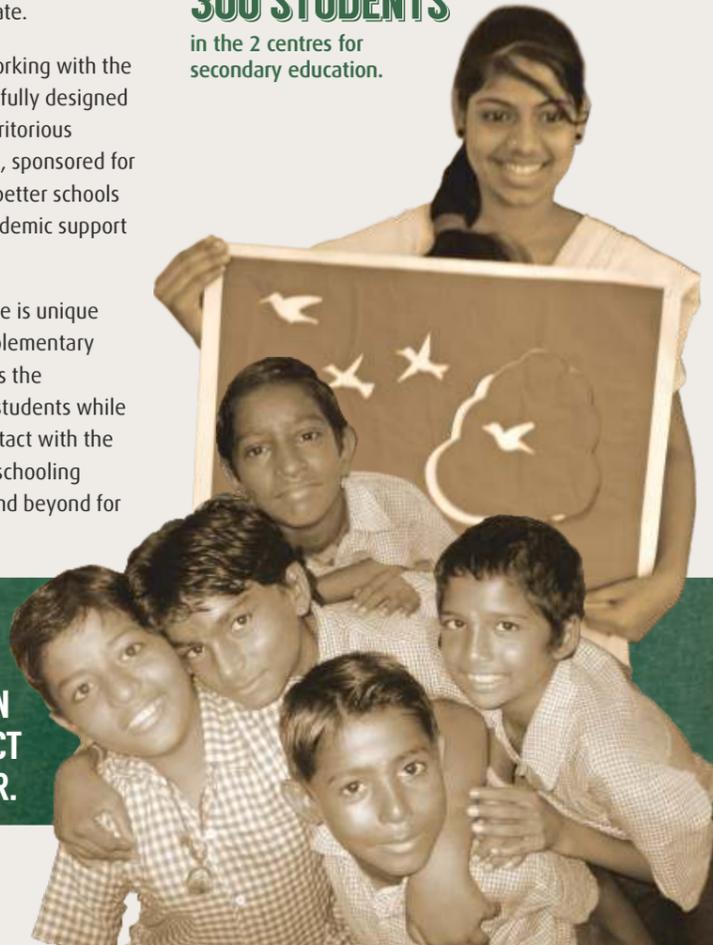
After three years of working with the students, through carefully designed criteria, bright and meritorious students are identified, sponsored for studies till class XII in better schools and are also given academic support after school hours.

The Model, tested in Ahmedabad for last eight years, aims to establish a link between education and employment by hand-holding and supporting a child for 8 to 12 years.

The Gyanda programme is unique because no other supplementary education model tracks the performance of all its students while maintaining direct contact with the parents for the entire schooling journey of 6-8 years and beyond for higher education.

In these after-school classes, students of standard V to VII are taught English, Computers and Mathematics by teachers specially appointed by the Trust. Currently the Trust has on board a

THE GYANDA PROGRAMME BENEFITS 1,300 STUDENTS EVERY YEAR. THE PROGRAMME IS POISED FOR RAPID EXPANSION IN THE NEXT 3-5 YEARS AND AIMS TO IMPACT AT LEAST 5,000 STUDENTS EVERY YEAR.



**A RISING TIDE
LIFTS ALL BOATS**



29%

GROWTH IN OPERATING EBIDTA



63%

GROWTH IN PROFIT BEFORE TAX (EXCLUDING EXCEPTIONAL INCOME)



43,124.7

ECONOMIC VALUE DISTRIBUTED IN INR MILLION



97.2%

INCREASE IN THE TOTAL EXPENDITURE ON R&D IN FY 2013-14



42.4%

INCREASE IN SHARE DIVIDEND



38.4%

INCREASE IN DILUTED EPS

Textile manufacturing, the world over, has traditionally been capital intensive. Whether it is increasing the quantity of output by employing more men and machines, or enhancing the quality of output by leveraging technology, robust cash flows and long-term strategic investments have always been vital for growth and sustainability of business.

Our unwavering focus on financial prudence for more than 80 years, has ensured that we always have access to capital, not only for daily operations but even for game-changing investments.

At Arvind, sound finances and diligent investments have enabled aggressive expansion and have given us the muscle to implement far-sighted decisions. This in turn, has helped us maintain our leadership position across tumultuous times.

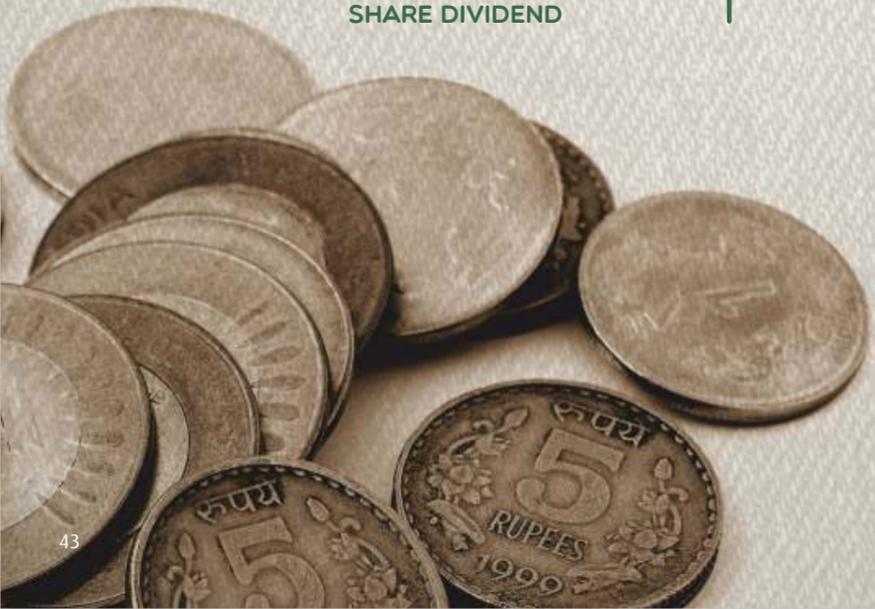


Arvind Mills Ltd. was established in 1931 with a share capital of INR 2.5 million. We embraced sophisticated technology for superfine fabrics, got tremendous acceptance from the market and started announcing dividends for shareholders from 1934 itself.

IN 1990s, WELL BEFORE THE LIBERALISATION OF INDIAN MARKET, WE FORAYED INTO DENIMS AND HIGH-QUALITY FABRICS AND TAPPED INTERNATIONAL MARKETS. TO FUEL THIS GROWTH, IN 1994, WE BECAME ONE OF THE FIRST INDIAN COMPANIES IN OUR SEGMENT TO FLOAT A EURO ISSUE OF USD 125 MILLION - IT WAS OVERSUBSCRIBED 20 TIMES.

In 1995-96, we made the first direct access to international debit market by raising a USD 15 million term loan. In the year 1996-97, the foundation was laid for the Santej Unit near Ahmedabad - A state-of-the-art, eco-friendly facility with 'zero effluent discharge' capability.

In 2001-02, following a comprehensive debt restructuring scheme, we achieved the highest profitability in our history till then.





AS A
 SOCIALLY-RESPONSIBLE
 ORGANISATION, WE
 UNDERSTAND THAT
 GENERATING WEALTH
 IS JUST HALF THE STORY.
 DISTRIBUTING IT
 EQUITABLY IS AS VITAL.
 HENCE, WE ENSURE
 THAT IN OUR JOURNEY
 TOWARDS PROSPERITY,
 EVERYONE GETS A SEAT.
 OUR CONSTANT ENDEAVOUR
 IS TO MAKE GROWTH
 ALL-INCLUSIVE AND
 DEVELOPMENT
 ALL-ENCOMPASSING.



ECONOMIC VALUE GENERATED & DISTRIBUTED

While our annual reports share detailed information about our financial performance, the extent to which it impacts the broader economic system of the society, may not be easily inferred.

Detailed below is the quantum of economic value we generated and distributed.

	FY 11-12	FY 12-13	<i>in INR million</i> FY 13-14
Economic Value Generated (A)	36,299.4	38,737.5	48,599.1
• Operating Costs	25,577.6	26,797.7	34,063.7
• Employee Benefits and Wages	3,605.1	4,422.1	5,088.4
• Payment to Providers of Capital	1,976.2	2,022.9	3,095.3
• Payments direct to Government (Indian)	860.0	547.6	877.3
Economic Value Distributed (B)	32,018.9	33,790.3	43,124.7
Economic Value Retained (A - B)	4,280.5	4,947.2	5,474.4

Note: During the reporting period, we received government subsidies worth INR 19.6 million.

Dividends

Dividend is one of the major barometers of how efficiently and effectively, an organisation is distributing wealth to its shareholders. Here is a glimpse of our dividend pay-out over last three financial years.

	FY 11-12	FY 12-13	FY 13-14
Dividend	10% (INR 1 per share)	16.5% (INR 1.65 per share)	23.5% (INR 2.35 per share)

Research & Development

Systematic expenditure in R&D is an investment in future-proofing an organisation's growth. We have two R&D Centres, one at Naroda and another at Santej. Both centres are duly recognised and approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

R&D Expenditure	FY 11-12	FY 12-13	<i>in INR million</i> FY 13-14
Naroda Centre	42.4	118.8	61.6
Santej Centre	11.8	78.6	327.7

OUR PERFORMANCE

In FY 2013-14, even in the backdrop of a weak macro-economic scenario, both globally and in India, we posted an encouraging performance.

MORE IMPORTANTLY, THIS GROWTH WAS HOLISTIC AND ACROSS ALL BUSINESS SEGMENTS.



DENIM BUSINESS

18%
growth in volume

105 MILLION METERS
highest ever growth in volume in the last decade

6%
growth in average price realisation per meter

22%
growth in revenues due to increase in volume and selling price in domestic & export markets



GARMENTS BUSINESS

33%
revenue growth



WOVEN FABRICS BUSINESS

19%
growth in volume

8%
growth in average price realisation per meter

103 MILLION METERS
highest ever growth in volume

26%
growth in revenues buoyed by the domestic market



VOILES & KNITS BUSINESS

21%
revenue growth in Voiles

48%
revenue growth in Knits



Further details can be found in our 83rd Annual Report for FY 2013-14 at our website: <http://www.arvind.com/investorrelations/annualfinancialreport.htm>

LOCAL PROCUREMENT & HIRING

Economic sustainability for us goes beyond a strong balance sheet and enhanced shareholder value. We also catalyse socio-economic growth in our communities through local procurement of goods and services and hire from our local communities.

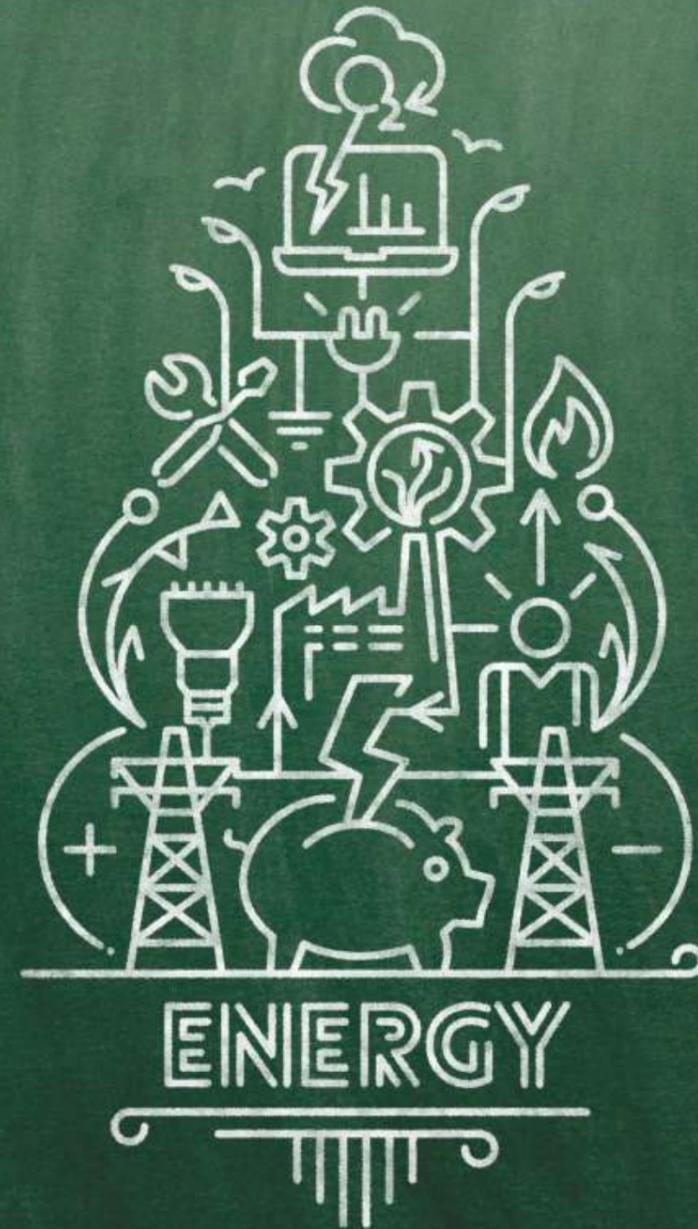
In the reporting year, almost all our significant (top ten by monetary amount) supplies were sourced domestically (i.e. from within the country).



WE SEE LOCAL PROCUREMENT AND HIRING AS PROGRESSIVE, INCLUSIVE AND ECONOMICALLY BENEFICIAL TO THE COMMUNITY WE OPERATE IN.

While the attributes of quality, price and timeliness remain paramount in our procurement decisions, we prefer to source from local suppliers/vendors in order to encourage socio-economic growth around our operations.

Although we do not have a stated policy on hiring locally, we encourage and support employment of people from within nearby communities in order to generate socio-economic benefits. Our senior management consists entirely of Indian citizens, and our employees and workmen are predominantly from the communities where our manufacturing facilities are located.



**THE LESS WE USE,
THE MORE WE HAVE**



A HOST OF SMALL INTERVENTIONS TO MAKE A BIGGER IMPACT ON ENERGY CONSERVATION



10%

SAVINGS IN NATURAL GAS CONSUMPTION THROUGH ENERGY-EFFICIENT STENTER



680^{KW}

SAVED BY SWITCHING TO HIGH CAPACITY AIR COMPRESSORS



200

UNITS/DAY SAVED BY REPLACING FLUORESCENT BULBS WITH LED LIGHTS IN THE DRY PROCESS AREA

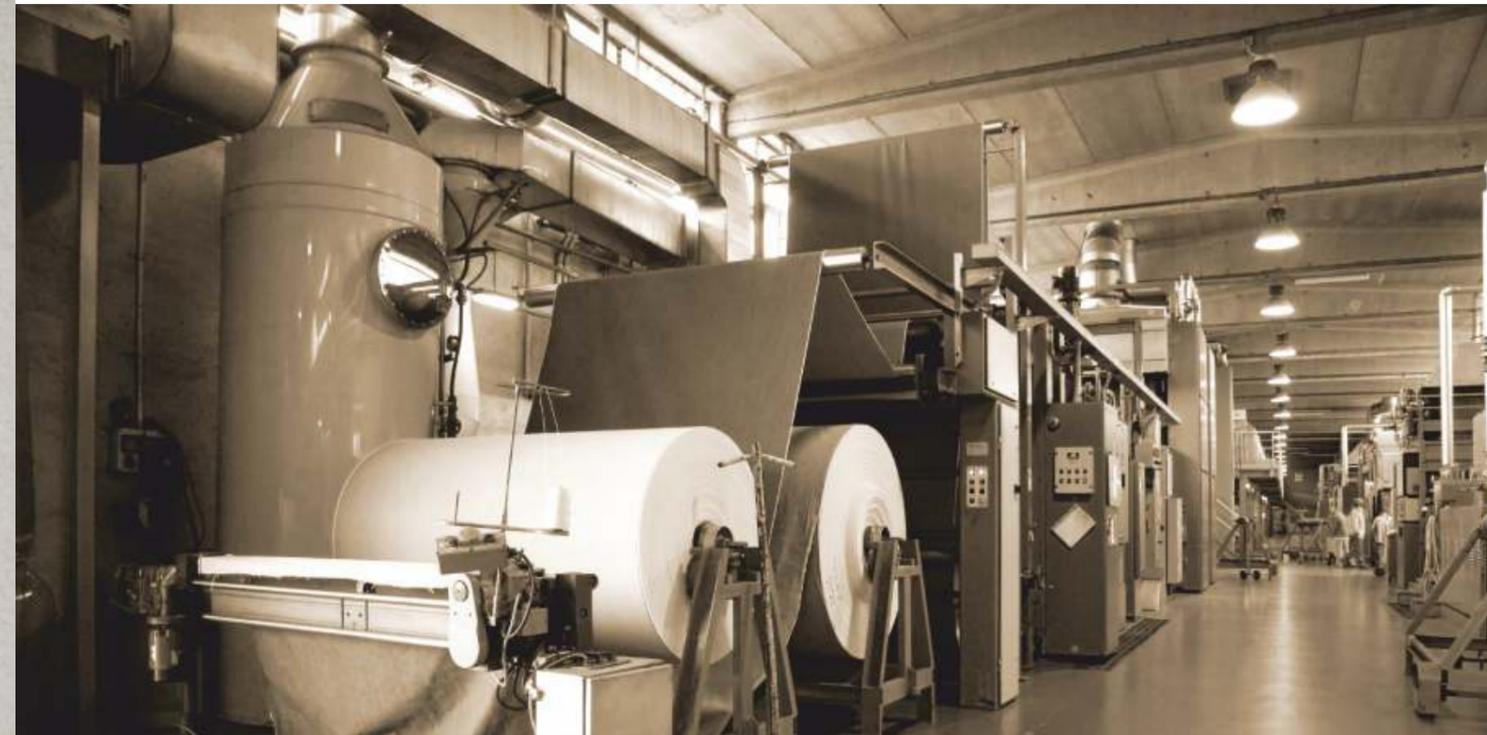


20%

LESS FUEL CONSUMPTION BY USING HUMIDITY SENSOR IN TUMBLE DRYER

It is said that energy can neither be created nor destroyed; it can only be converted from one form to another. Unfortunately, the kind of energy that is material to us – fossil fuel, is depleting at a rapid pace. The demand-supply deficit is ramping up fuel and electricity costs and threatens to affect top-line in the short and medium term and, might be even, production in the long term.

More we manage to save today, more there shall be for tomorrow. Energy conservation is imperative to power a brighter future.



AS WE GROW AND PRODUCE MORE, IT IS OBVIOUS THAT WE WILL CONSUME MORE ENERGY. BUT THE RATE OF CONSUMPTION AND QUANTUM OF GHG EMISSIONS NEED NOT BE PROPORTIONATE TO THE RATE OF GROWTH. IN FACT, WE ARE CONTINUOUSLY FERRETING WAYS TO USING LESS ENERGY PER UNIT OF PRODUCE.

During the reporting year, our power & fuel cost increased marginally to an absolute value of INR 4,070 million. But as a percentage of output, it dropped remarkably to 9% as against 11% in the previous year. This savings happened mainly on account of higher amount of power being purchased through Open Access mechanism.

But while the financial impact of rising energy cost may be temporarily controlled using such mechanisms, the truth remains that energy conservation is imperative to power a brighter future.

CONSUMPTION

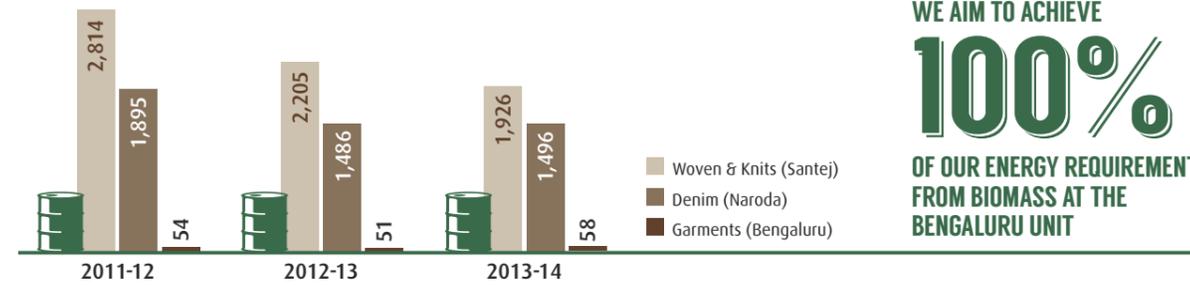
At Arvind, energy is primarily used in two forms – coal to run the boilers and electricity to operate the machines. Our energy sources can also be segmented into two broad categories - Direct Energy, the energy we generate ourselves through combustion of fuels such as diesel, coal and Compressed Natural Gas (CNG), and Indirect Energy, the electricity we purchase from the grid.

At Bengaluru, we primarily relied on non-renewable sources of energy till FY 11-12. In FY 12-13, we introduced Briquettes as a cleaner and greener substitute. This process of substitution was carried forward in FY 13-14 as well.

The graphs below depict the three-year trend of total direct and indirect energy consumption at the three manufacturing plants within the reporting scope for FY 2013-14.

Total Direct Energy Consumption

In TJ



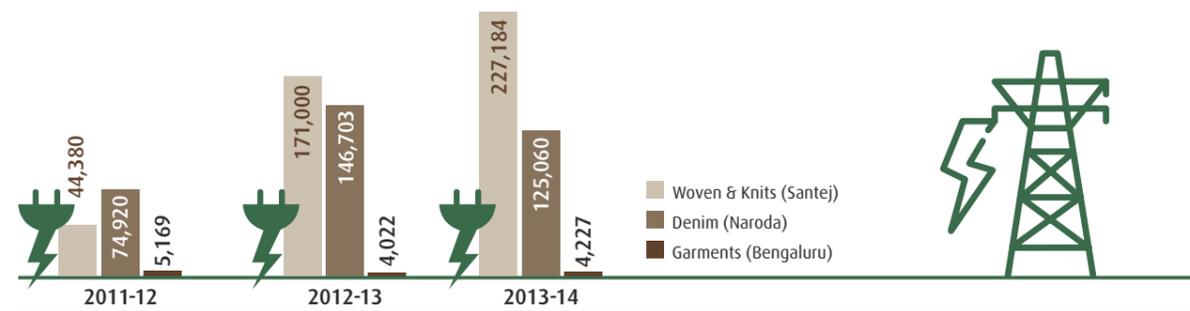
Note: Sources of Energy for both locations = Diesel + CNG + Coal (all converted to TJ)



IN THE NEAR FUTURE
WE AIM TO ACHIEVE
100%
OF OUR ENERGY REQUIREMENT
FROM BIOMASS AT THE
BENGALURU UNIT

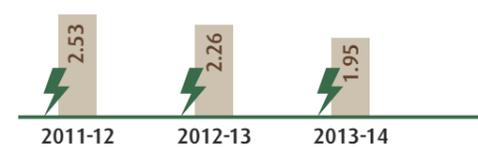
Total Indirect Energy Consumption

In MWh



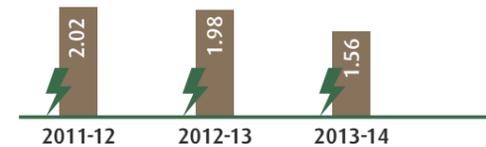
Specific Electricity Consumption (Santej)

in KWh/meter production



Specific Electricity Consumption (Naroda)

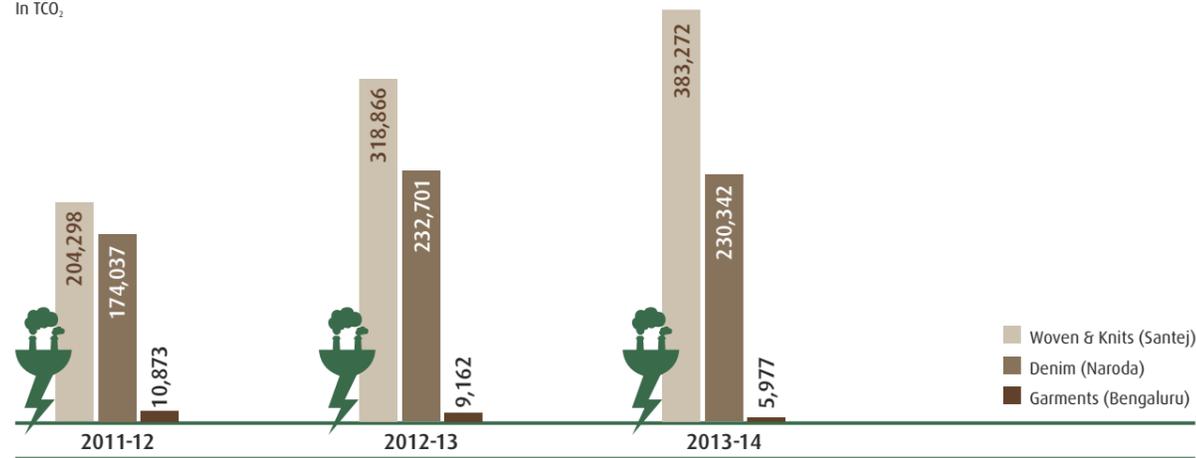
in KWh/meter



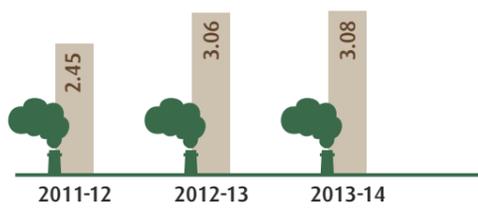
OUR OPERATIONS ONLY PRODUCE CARBON DIOXIDE AND WE ARE FOCUSED TOWARDS MONITORING AND MITIGATING IT. WE CONTINUE TO INVEST IN TECHNOLOGY UPGRADATION AND PROCESS IMPROVEMENTS TO RESTRICT OUR GHG EMISSIONS.

The corresponding GHG emissions emanating from our direct and indirect use of energy are given in the graph below. The direct emissions have been calculated on the basis of IPCC guidelines for GHG inventories. We have referred the Central Electricity Authority (CEA) database for calculating the indirect emissions.

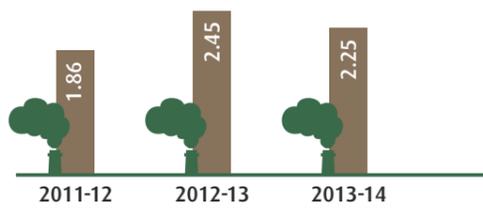
Total GHG Emissions (direct and indirect) In TCO₂e



Specific GHG Emission (Santej) in kg CO₂/meter production



Specific GHG Emission (Naroda) in kg CO₂/meter production



This year, GHG emissions have increased due to a shift in power generation. Earlier, power was generated through natural gas, but now it comes from the Grid due to non-availability and pricing issue of natural gas.



ENERGY CONSERVATION INITIATIVES

World over, the textile industry has been one of the lowest energy efficient sectors but continues to be one of the highest energy consuming ones.

AS ONE OF THE LEADING TEXTILE PRODUCERS OF INDIA, WE TAKE IT AS OUR RESPONSIBILITY AND PREROGATIVE TO LEAD THE CHARGE, AND CONTINUOUSLY PROMOTE AND IMPLEMENT EFFICIENT USE OF ENERGY.

THERMAL ENERGY

India produces close to 14% of the worldwide textile yarns and fabrics; corresponding to 60 billion m² of textile per year. Approximately 66 billion kWh of thermal energy is required to maintain such a scale of operation. Thus there will always be a stress on the system and for continuity and growth it would be prudent for us to reduce our specific energy consumption in the immediate and our absolute energy consumption in the medium and long term.

We have invested in technologically advanced machinery to enhance efficiency and derive cost savings.

ENERGY-EFFICIENT STENTER

Stenters are widely used for stretching, drying, heat-setting and finishing of fabrics. Heat-setting imparts important characteristics like shape retention, crease resistance, resilience and elasticity to the fibres.

To reduce energy consumption at our Naroda plant, we commissioned an energy-efficient stenter in November 2013. Its use has led to marked reduction in our energy consumption. The stenter is equipped with a mobile heat-recovery unit that draws in hot air into a heat exchanger to pre-heats the incoming fresh air.

THESE STENTERS HAVE HELPED US REDUCE OUR NATURAL GAS CONSUMPTION BY AROUND

10%



WATER & AIR PREHEATERS

Preheaters installed at our Bengaluru unit, recover the heat generated by the fuel gas emission from the thermic oil heater and utilise it to preheat the boiler feed water.

1 TON
OF FUEL SAVED PER DAY

CONDENSATE RECOVERY

At Naroda, we also reduce our fuel requirement by recovering steam and directing it back to the feed tank.

1 TON
OF COAL SAVED PER DAY

ELECTRICAL ENERGY

In a textile mill, the manufacture of yarn and cloth accounts for a majority of its electrical consumption. Rapid strides in technology ensure that every year more and more energy efficient machines are introduced in the market. At Arvind, though we are an old mill with an illustrious history, we periodically audit and replace energy-inefficient equipment with more efficient alternatives.

Regular upgradation of equipment keeps us ahead on the energy and productivity curve.

HIGH CAPACITY AIR COMPRESSORS

Compressed air is one of the prime energy intensive utilities in the Textile industry. Large amount of power is required to generate compressed air that keeps our looms running. Being highly versatile in nature, compressed air makes operations more effective in terms of productivity and safety and hence, it cannot be replaced. But its production can be made more energy efficient.



In FY 13-14, we replaced low-capacity compressors with three new high-capacity energy efficient centrifugal compressors. It has also helped in 'smoothening' of the compressed air system, resulting in increased machine availability and hence more production time.



THIS HAS DECREASED
ELECTRICITY CONSUMPTION BY

8%

AND A SAVING OF

680 KW

ON A TOTAL COMPRESSOR
LOAD OF 8.690 KW

VARIABLE FREQUENCY DRIVES

VFDs are regarded as one the best means of bringing down the electrical consumption in a wide range of machinery. We installed VFDs in the boilers at our Bengaluru unit.

500
UNITS OF ELECTRICITY
SAVED PER DAY

ELECTRICAL TO STEAM ENERGY CONVERSION

We have migrated from electrical energy to steam energy in our Crinkling Pre-curing machine at our Bengaluru unit.

2,000
UNITS OF ENERGY
SAVED PER DAY

HUMIDITY SENSOR IN TUMBLE DRYER

Tumble dryers offer a fast drying cycle, but consume large amounts of electricity. By equipping our tumble dryers at Bengaluru with humidity sensors, we are ensuring that they use only as much energy as is required.

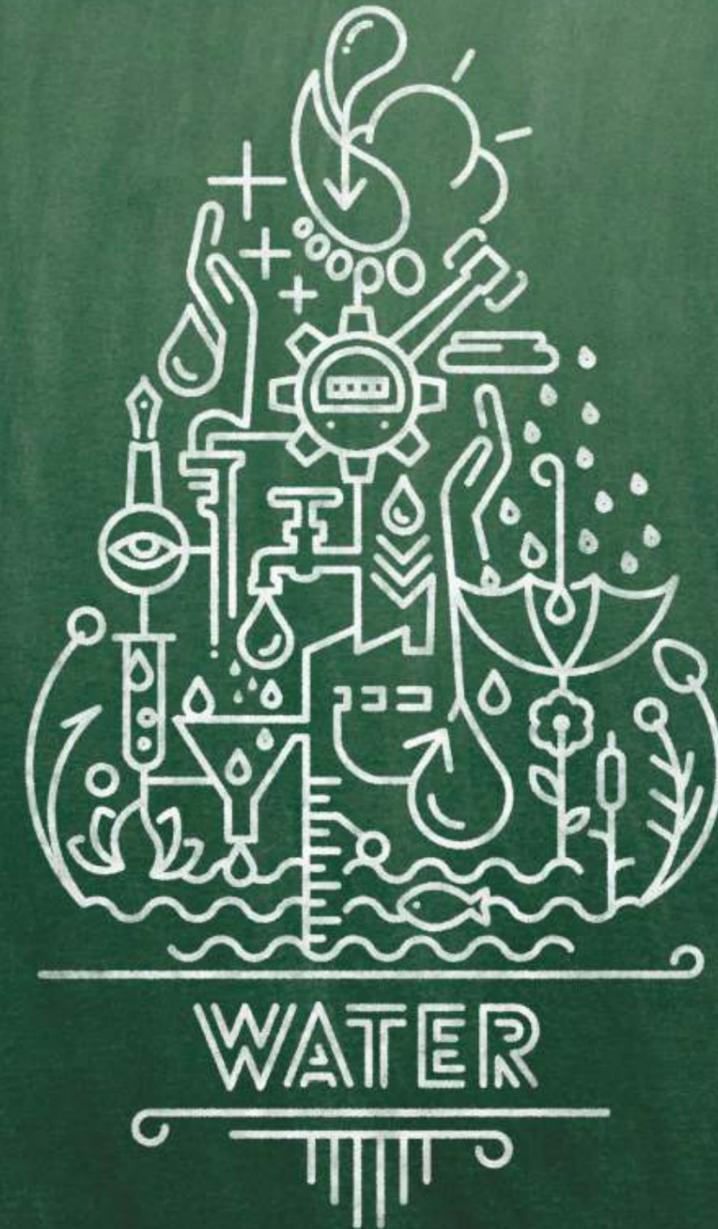
20%
SAVING IN FUEL USAGE

DURABLE & EFFICIENT LED LIGHTING

Lights are one of the most conspicuous users of electricity but are easily overlooked in a mammoth conservation plan. We understand that every bulb can contribute towards making our operations, more energy-efficient.

- Replaced the conventional T8 lights at our Denim production unit with new-generation, energy-efficient and longer life span LED lights.
- Replaced Fluorescent bulbs in the dry process area of our Bengaluru unit with LED.

200
UNITS OF ELECTRICITY
SAVED PER DAY



THERE MIGHT BE NO ALTERNATIVE TO WATER,
BUT THERE ARE ALTERNATIVES TO CONSERVE IT



19.5
MILLION M³
WASTEWATER TREATED
IN FY 2014-15



ZERO
LIQUID DISCHARGE
AT OUR
SANTEJ UNIT



ESTIMATED RAINWATER HARVESTING
768,505 M³
THROUGH THE RECHARGE
WELLS AT SANTEJ UNIT



600 M³
PER DAY OF TREATED
SEWAGE IS BEING UTILISED
AT BENGALURU UNIT

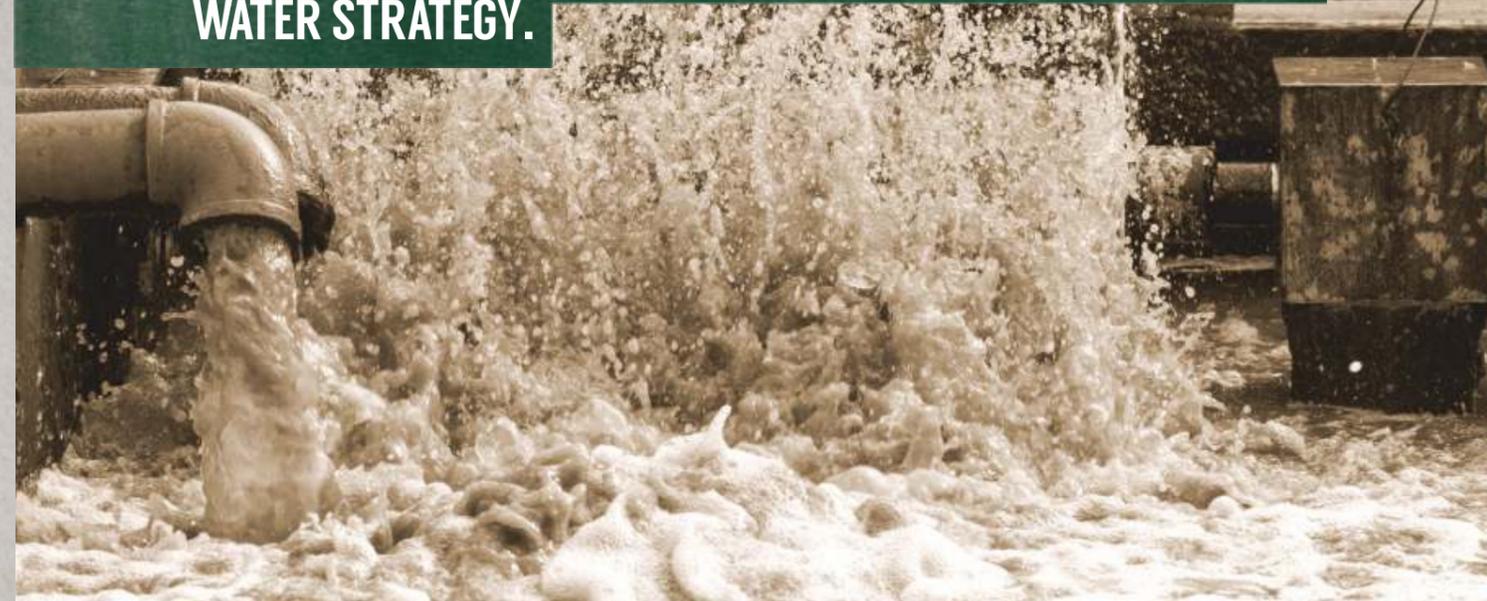


100%
RECYCLED WATER USAGE AT
OUR BENGALURU UNIT

The textile industry consumes large amount of water, especially in its wet processing operations. Almost all dyes, specialty chemicals, and finishing chemicals are applied to textile substrates from water baths.

Additionally, most fabric preparation steps like desizing, scouring, bleaching, and mercerizing use aqueous systems.

WATER IS TRULY THE LIFELINE OF OUR PRODUCTION PROCESS AND WE MAINTAIN A SHARP FOCUS ON WATER CONSUMPTION, CONSERVATION AND RECYCLING. TREATING WASTEWATER, REUSING THE TREATED WATER AND RECHARGING GROUNDWATER ARE INTEGRAL TO OUR WATER STRATEGY.

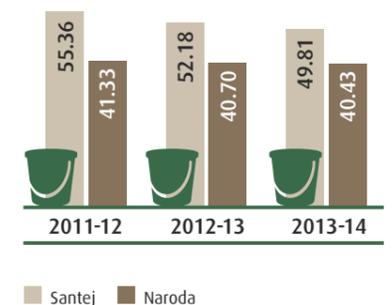


CONSUMPTION

During FY 2013-14, our Denims business grew 18% in volume to 105 million meters – highest ever in the last decade, while the Woven Fabrics business achieved 19% growth in volume to 103 million meters, again its highest ever volume. Yet, by deploying comprehensive water management initiatives, we managed to reel-in the absolute water consumption at Santej unit by 20.8%, while Naroda showed a growth of approx. 7%.

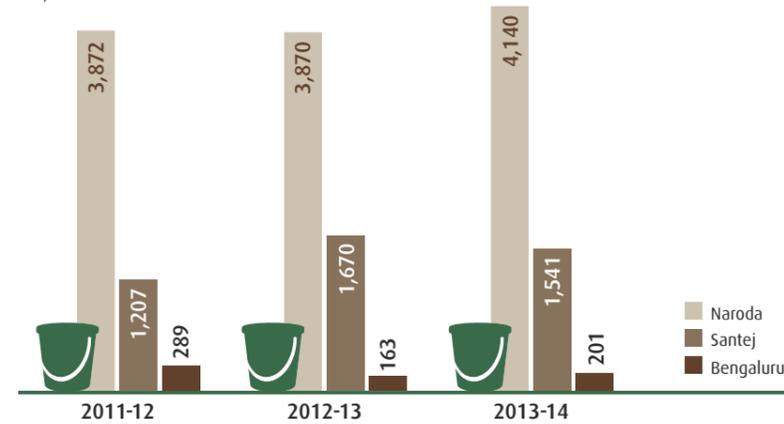
The Garments business (Bengaluru), has an extremely low water footprint as compared to the textile manufacturing plants. In FY 13-14, it chalked up a production volume growth of 23% and posted an increase in water consumption by 23.33%. It must be noted that this increase at Bengaluru is on an extremely low base and more importantly, 100% of industrial water requirement is met through recycled water and no freshwater is being used for the processes. The tanker water is primarily used for domestic purposes only.

Specific Water Consumption
In litres of water consumed/meter of production



Total Freshwater Consumption

In 1,000 m³



Note: The source of water at Naroda and Santej plants is groundwater, while the Bengaluru unit uses the treated wastewater from the in-house Sewage Treatment Plant.



WHILE PRODUCTION ACROSS OUR UNITS TOUCHED RECORD HIGH IN FY 2013-14, WE REDUCED OUR TOTAL WATER CONSUMPTION BY

0.7%

EFFLUENT MANAGEMENT

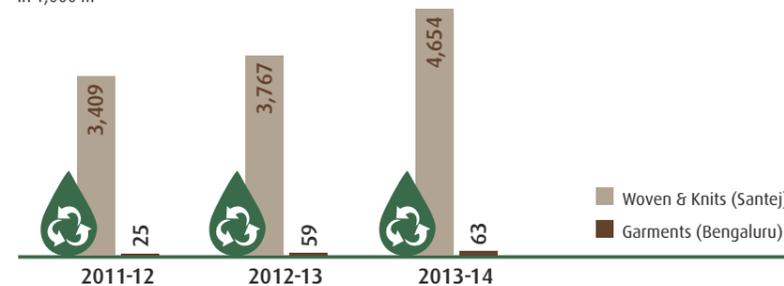
Effluents have always been part of textile manufacturing. But the fact that something has always existed, doesn't justify its existence. In addition to severe environmental concerns, effluent management must also respond to rapidly changing market requirements and customer expectations. In 1997, when we established our unit at Santej, we equipped it with the latest in effluent treatment systems and Zero-Liquid Discharge capabilities. Today, we recycle water at the Santej and Bengaluru facilities. Here are the details on the volume of wastewater treated at these plants.

41.4%

OF OUR TOTAL WATER REQUIREMENT IS MET BY RECYCLING AND REUSING THE WASTEWATER IN-HOUSE.

Total Water Treated & Reused in Process

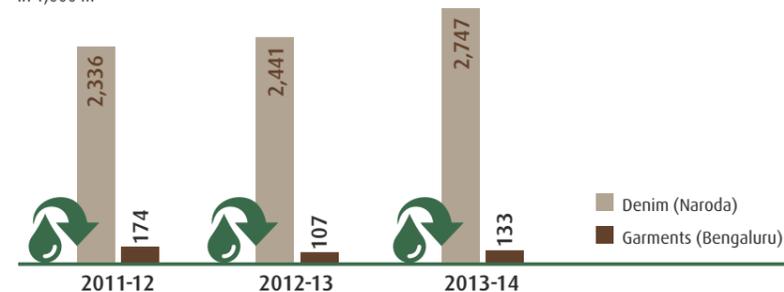
In 1,000 m³



11.9 MILLION M³ WASTEWATER TREATED AND REUSED IN PROCESS

Total Wastewater Treated & Discharged

In 1,000 m³



OUR SANTEJ UNIT IS A **ZERO DISCHARGE SITE** AS THE ENTIRE WATER DISCHARGED IS TREATED & REUSED BY THE PLANT

WATER MANAGEMENT & CONSERVATION

EXTRACTING WATER FROM WASTE

While groundwater was depleting, the quantum of wastewater being produced daily was rising exponentially. Thus, instead of extracting water from the ground, we decided to extract water from waste.

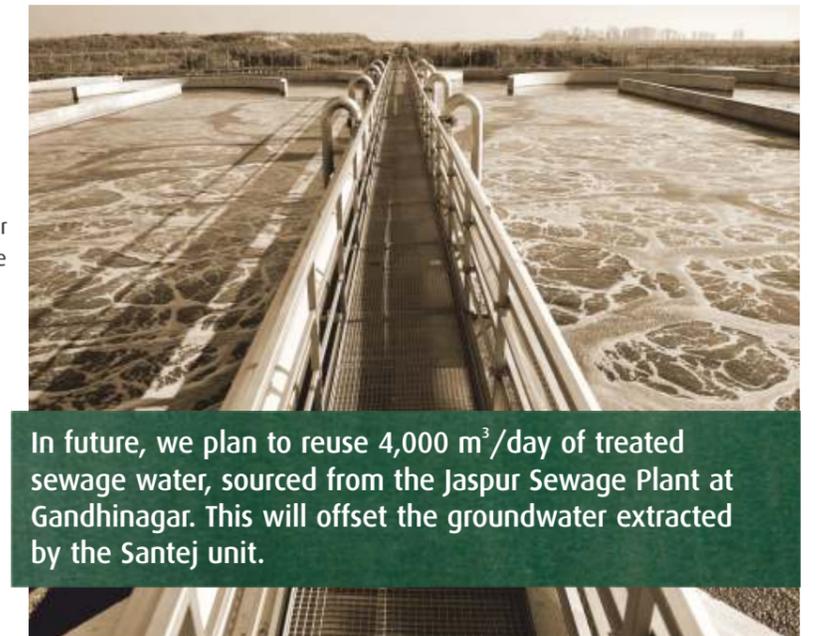
In 2007, we started sourcing water from treated sewage and utilising it at Garment Washing units at our Bengaluru Plant.

CURRENTLY **600** M³ PER DAY OF TREATED SEWAGE IS BEING UTILISED AT THE BENGALURU UNIT

The water for the Sewage Treatment Plant was sourced from the Bengaluru Water Supply and Sewerage Board (BWSSB) with permission from Karnataka Pollution Control Board (KPCB).

Looking at the success of this project, we plan to extend this process of reusing water from Public Sewage Treatment Plants at the Santej unit as well. In future, the Arvind Smart Value Homes' township project of 5,000 homes, coming up near our Santej plant will generate 1,600 m³/day of sewage effluent. This effluent will be used to produce DM water to substitute the raw water presently used at our plant.

This initiative will reduce groundwater extraction by up to 900 m³/day in the textile complex. The aim is to eventually make Santej Campus, Water Neutral.



In future, we plan to reuse 4,000 m³/day of treated sewage water, sourced from the Jaspur Sewage Plant at Gandhinagar. This will offset the groundwater extracted by the Santej unit.

BENGALURU UNIT

We also have a fully-equipped ETP at the Bengaluru unit through which we saved 59,289 kilo litres in FY 12-13 which is equivalent to 17 litres of water saved per garment wash.

In this unit, today, we are using 100% recycled water; out of which 70% is purchased and transported via a four km long pipeline from the government sewage water treatment body while the remaining 30% is from our own ETP.



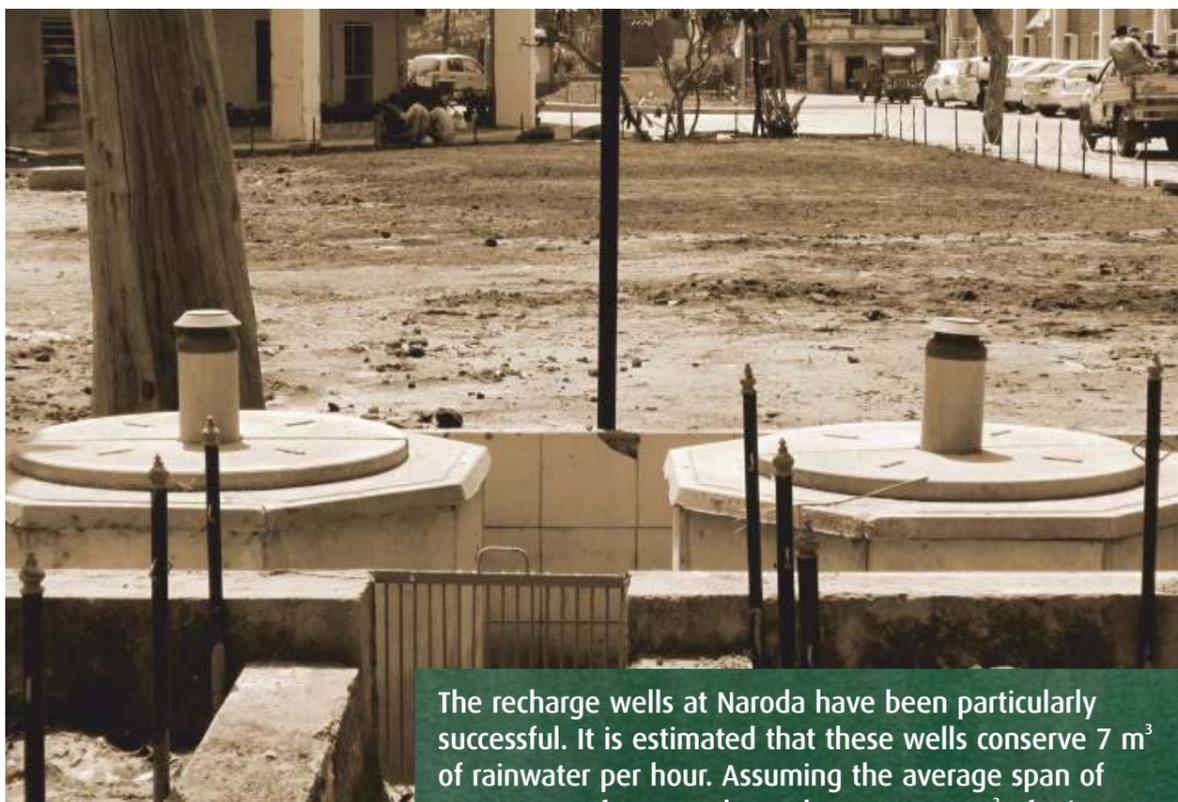
We are the only garment washing factory in Bengaluru to use 100% recycled water.

SANTEJ CAMPUS

Our Santej unit is equipped with a Wastewater Treatment Plant which recycles up to 98% of our effluent. Thus, the net withdrawal of the water from bore wells is limited to evaporation and consumption losses.

The Wastewater Treatment Plant comprises an Effluent Treatment Plant (ETP), a physio-chemical and biological processing unit and a Reverse Osmosis (RO) based filtration plant in the tertiary unit - the largest of its kind in India. 95% of the effluent is recovered as good quality water by this four-stage RO system and the balance wastewater is treated through the MVRE technology.

HARVESTING RAINWATER TO RECHARGE GROUNDWATER



The recharge wells at Naroda have been particularly successful. It is estimated that these wells conserve 7 m³ of rainwater per hour. Assuming the average span of monsoon as four month, we have 20,160 m³ of rainwater recharge annually.

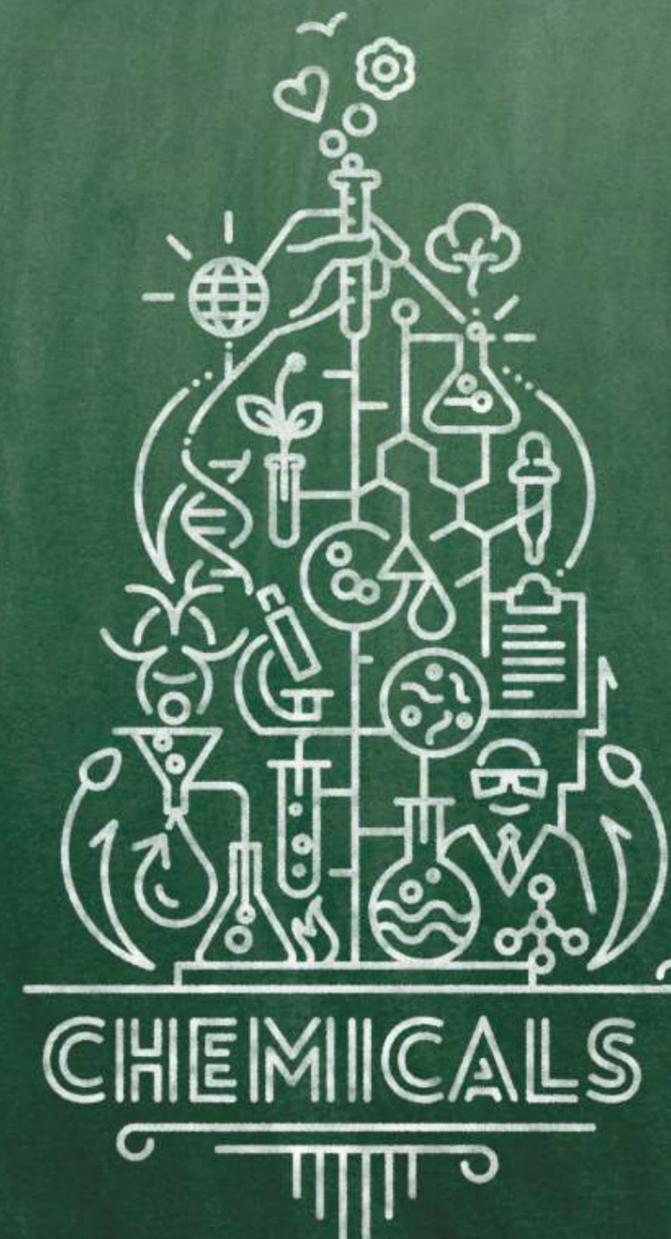


AMOUNT OF RAINWATER RECHARGED THROUGH THE SANTEJ WELLS SINCE 1999 IS ESTIMATED TO BE

768,505 M³

The importance of groundwater for the existence of human society cannot be overemphasized. In addition to being a major source of drinking water in both urban and rural India, groundwater is also an important source of water for agriculture and manufacturing. But we are drawing groundwater faster than it can recharge, thus it is vital to replenish and maintain its level for continued use in the future.

Towards recharging the groundwater levels around our areas of operation, we have excavated and installed recharge wells that harvest rainwater. We have four such wells at Santej which have been operational since 1999. Additionally we have one well at Bengaluru and seven wells at Naroda unit.



CONSTANT CHANGE TRANSLATES
IN PERMANENT PROGRESS



98%
EFFLUENT
RECYCLING AT
SANTEJ UNIT



ENCOURAGING NATURAL &
ORGANIC FARMING TECHNIQUES
TO ELIMINATE USE OF HARMFUL
SYNTHETIC CHEMICALS



ARVIND DENIM LAB
ACCREDITED BY NABL, LEVI'S &
GAP ETC. FOR PHYSICAL &
CHEMICAL TESTING



CHEMICALS HAZARD
TRACKING SHEET CREATED FOR
THE ENTIRE CHEMICAL SUPPLY
AND PROCESS CHAIN



INTRODUCING
CAUSTIC RECOVERY
PLANT AT NARODA



SALT-RECOVERY BY MVRE
AND CHILLERS FOR RE-USE
IN DYEING

Chemicals are omnipresent. They are in the air, water and soil; in the fabric and in food; in sickness and in health. But contrary to popular belief, they are not always bad.

They make an incredibly wide array of human endeavours, products and processes faster, simpler, more effective, more profitable and more affordable. The trouble with chemicals is not in its nature per se, but in the manner and extent to which we use them.

In textile industry, for instance, substantial quantities of complex chemicals are used, especially in the dyeing and finishing phase. These chemicals give fabrics some of their most characteristic qualities like colour, feel, strength etc.

WE ARE DETERMINED TO DIFFERENTIATE THE GOOD CHEMICALS FROM THE BAD AND ALSO TO USE THE RIGHT CHEMICALS JUDICIOUSLY AND RESPONSIBLY.



Most of the chemicals used in textile processing are not retained on the fibre but are simply washed off. These washed off chemicals or effluents pose a serious threat to the ecosystem. They need to be reduced or made less dangerous by either controlling the quantity of each chemical used and/or replacing more-polluting chemicals with less-polluting substitutes. But in conservation and optimisation initiatives, much like in garments, one size never fits all.

At Arvind, we understand that taking a broad brush and painting all chemicals as harmful is akin to biting the hand that feeds us.

This is evident in how we are balancing organically grown cotton with the cotton that is grown in our BCI farms using the right chemicals in the right amount. It is also evident in the processes that we have in place to not only treat the effluents but also extract useful salts from them; such that they can be reused.



CHEMICAL MANAGEMENT

Our aim is to ensure safe handling of chemicals throughout their lifecycle. REACH is a regulation of the European Union and stands for Registration, Evaluation, Authorisation and Restriction of Chemicals. Despite being based outside the EU and hence not under the purview of REACH, we adhere to all procedures and regulations stipulated by it.

The Arvind Denim Lab is accredited by NABL, Levi's, GAP, and C&A amongst others, for physical and chemical testing.

Highlights

- We undertook a comprehensive assessment and created a database of MSDS for all chemicals. We are currently identifying the critical materials in the list.
- Based on the MSDS, a Chemicals Hazard Tracking Sheet has been created for the entire chemical supply and process chain.
- We receive disclosures on all Priority Substances from all the suppliers in our dyes/chemicals supply chain.
- We have identified the ZDHC Priority Chemicals for Denim production and we aim to stop or substitute the use of these priority chemicals.

In addition to identifying and controlling the use of hazardous chemicals, we have established clear channels of communication with our suppliers so that they know how we intend to use their chemicals, and with our customers so that they understand the nature of chemicals used by us.



EFFICIENT MANAGEMENT OF HAZARDOUS & NON-HAZARDOUS WASTE IS INTEGRAL TO ARVIND. SELF-RELIANT, RESPONSIBLE WASTE DISPOSAL ALSO STEMS FROM ARVIND'S ETHOS THAT A CORPORATE SHOULD ALWAYS BE AN ASSET TO THE SOCIETY AND NEVER BURDEN IT IN ANY MANNER.

WASTE GENERATION

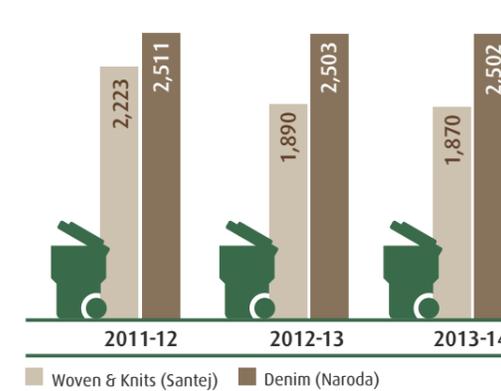
The textile industry generates millions of tonnes of waste every year. This is not only a big risk to our natural ecosystems and public health, it is also detrimental to societal growth and economic development.

Consistent and comprehensive waste management translates into a number of benefits. The organisation that reduces and recycles waste, fundamentally gets to retain its societal license to operate. Cost reductions is an added benefit that boosts motivation.

The graphs here detail the hazardous and non-hazardous waste generated at our plants. All hazardous waste is handled as per the applicable regulatory guidelines.

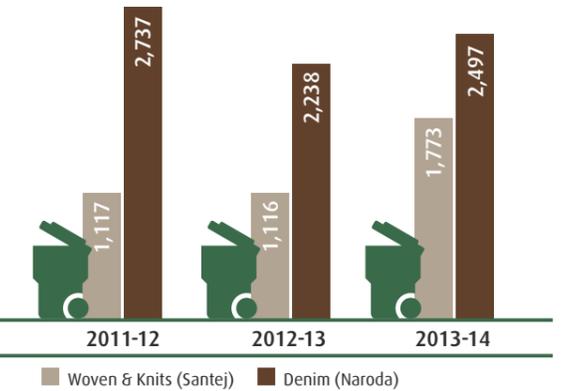
Non-Hazardous Solid Waste (Hard)

In Tonne



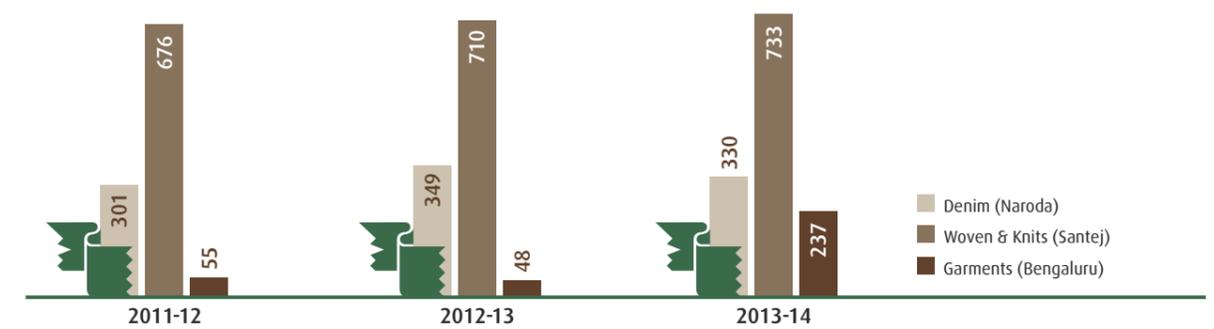
Non-Hazardous Solid Waste (Soft)

In Tonne



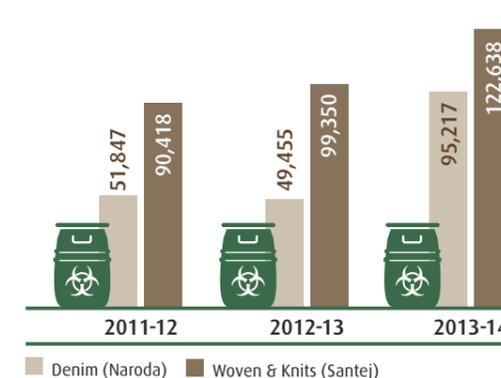
Non-Hazardous Solid Scrap Waste (Chindi)

In Tonne

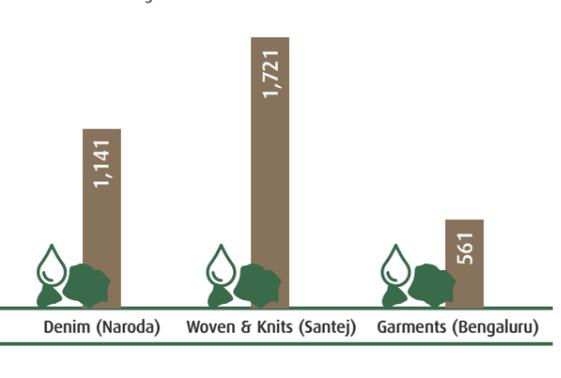


Hazardous Waste

Non-refillable Empty Containers Disposed
In Nos.



ETP Sludge | 2013-14
In '000 kg



WASTE MANAGEMENT

SALT RECOVERY THROUGH ZERO LIQUID DISCHARGE

Our Santej unit is a Zero Liquid Discharge (ZLD) unit. In 1998, the unit invested in ZLD technology to set up an Effluent Treatment Plant (ETP) with a capacity to treat 17,500 cubic meter of textile effluent per day.

THE ZLD TECHNOLOGY USED BY ARVIND LIMITED RECYCLES

98%

OF THE EFFLUENT GENERATED AT THE SANTEJ PLANT.

Recycling of water limits the net withdrawal of fresh water from bore wells to evaporation and consumption losses (about 20% of the total water demand).

Salt Recovery Process

- 1** Physio-chemical treatment of the effluent to remove colour and suspended solids
- 2** Biological treatment to remove organic impurities like Biological Oxygen Demand (BOD) and Chemical Oxygen Demand
- 3** Tertiary treatment to remove dissolved solids and colloids to make water fit for reuse by Reverse Osmosis Plants
- 4** Salt recovered by Mechanical Vapour Recompression Evaporation (MVRE), the chillers and the Multiple Effect Evaporator (MEE) plant are re-used in dyeing

We have started salt recovery at one of the MVRE as of now, we plan to complete this in all four MVRE during next reporting period.

AT ARVIND, WE NOT ONLY RECOVER SALTS, WE ALSO RECYCLE THEM SO THAT THEY DO NOT BURDEN OUR NATION'S LANDFILLS. RECOVERED SALTS ARE UPCYCLED AND REUSED IN THE DYING PROCESS.

Bacterial Treatment for Removal of Reactive Dye

In another breakthrough at our Santej unit, our in-house research & development team developed a bacterial treatment technique for removal of reactive dye. In this technique a specialised facultative bacteria is used to remove dye effluents.

THIS REVOLUTIONARY TEXTILE EFFLUENT TREATMENT HAS RESULTED IN SAVINGS OF

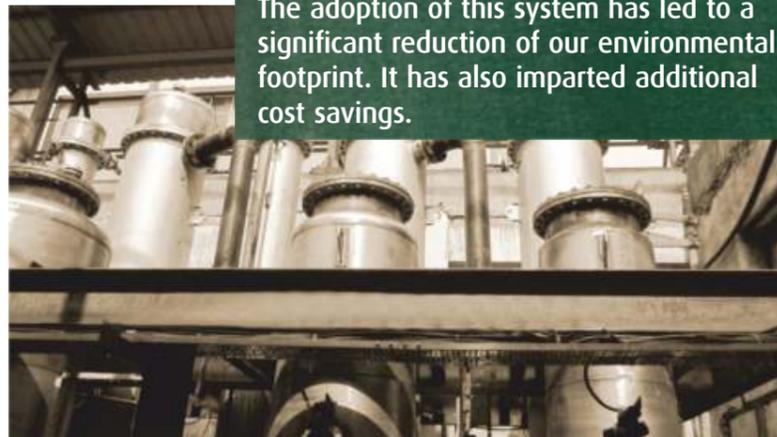
INR 15
PER CUBIC METER.



Caustic Recovery System

We use caustic recovery system to convert liquid effluent from the mercerisers to concentrated wash liquor and feed it back to the merceriser.

In the recovery system, caustic at a low concentration is heated to its boiling point with the help of steam and the vapours generated are separated from its solution. Water at room temperature is passed to cool the vapours. This generates a highly concentrated caustic solution which is reused as an input in the process. The by-product is uncontaminated hot water which is also recycled back into the system.



The adoption of this system has led to a significant reduction of our environmental footprint. It has also imparted additional cost savings.

RECYCLING INITIATIVES AT BENGALURU UNIT

We are implementing a number of innovative solutions to reduce waste at our Bengaluru plant. One such initiative is manufacture of bricks from waste pumice stone powder.

Waste pumice stone powder bags are stacked and left for about 15 days in the sun to remove moisture. Once the powder has dried, it is sieved through a mesh to remove unwanted substances and then the powder is compacted into bricks. We manufacture around 200 bricks per day. These bricks find application within our premises in landscaping and some civil works.



Other initiatives at Bengaluru plant include recycling fabric waste (chindi), paper waste and plastic waste.

Recyclable fabric waste is sold to chindi recyclers through private agencies.

Paper and carton box waste is sold to paper recyclers through paper scrap dealers.

PRODUCT RESPONSIBILITY

Our products are the tangible outcomes of our philosophy, processes, policies and practices. Product responsibility at Arvind begins with responsible sourcing of raw material and retains focus through the chain till the finished product.

Our product portfolio ranges from organic cotton to fabrics and finished garments; and from affordable homes to value-for-money retail chains. The key aspects of our product responsibility endeavours are:

- 1 Responsible Contract Farming** (BCI + Organic Cotton)
- 2 Research & Development**
- 3 Green Product Portfolio**
- 4 MVRE Technology for ZLD**

RESPONSIBLE CONTRACT FARMING

India is the second largest producer of cotton in the world and accounts for about 18% of the world cotton production. Yet, cotton cultivation is plagued with a host of issues such as rain-fed farms, landless farm labour, inaccessible finance mechanisms and widespread use of agro-chemicals that affect the top-soil and the groundwater.

With a vision to promote a vibrant rural economy that is driven by the sustainable growth of agriculture, the Group established a focused vertical - Arvind Agribusiness, in 2007. The vertical is currently working with over 9,000 cotton farmers and advising and hand-holding them to enhance their farm productivity while reducing their financial risks. These initiatives have been reported in great detail in the Cotton chapter of this report.

Along with cotton, Arvind Agribusiness also produces, procures and markets a wide range of organic soybean and pulses.

The Round Table on Responsible Soy (RTRS) is an international multi-stakeholder initiative that promotes sustainable soy production, processing, trade and use.



AS ONE OF THE LARGEST RTRS CERTIFIED SOYBEAN PRODUCING GROUPS IN INDIA, ARVIND WORKS WITH AROUND 8,000 FARMERS AND PRODUCES MORE THAN 18,000 MT OF RTRS CERTIFIED SOYBEAN FOR CUSTOMERS IN INDIA, EUROPE AND USA.



RESEARCH AND DEVELOPMENT

Responsible cultivation of cotton holds little meaning if it is not processed responsibly. Our decades of experience across the whole spectrum of textile production, coupled with passion for innovation, helps us find newer and better ways to manufacture world-class products.

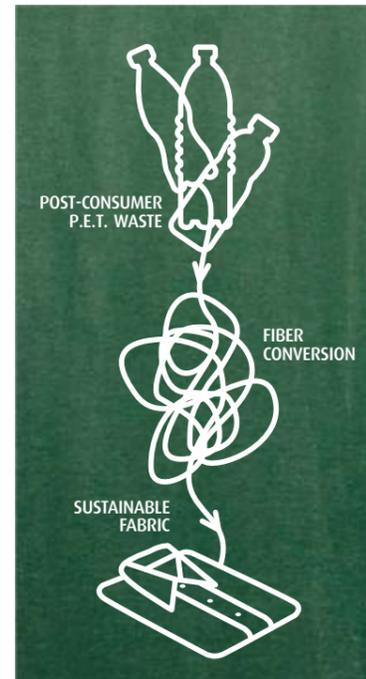
We have a long and illustrious history of undertaking in-house research and development activities at our Naroda and Santej units. Here are some achievements of our R&D team in recent years.

The use of liquid indigo at Naroda and Santej and caustic recovery at Naroda has led to reduction in water and chemical consumption.

Introduction of functional finishes like 'Ultra fresh' and 'Stay smart' which use various technologies at the Santej plant to enhance the longevity of the shirt and to decrease the maintenance required on them.

Development of infrastructure for 'Airo Finish' and 'Dual core spinning' technology at the Naroda plant which gives denim products more stretch-ability and a better finish.

SUSTAINABLE FABRIC FROM POST-CONSUMER USED P.E.T. AT THE SANTEJ PLANT LEADS TO ENERGY SAVINGS AND REDUCTION IN WATER USAGE UP TO 86%



OUR CURRENT R&D FOCUS

- Performance-based Technologies and Products
- Green Technologies
- Sustainable Fibres and Newer Finishes
- Joint Development Programs with Supplier Firms
- Ongoing Implementation of the Higg Index 2.0



GREEN PRODUCT PORTFOLIO

Arvind has a rich history of responding with products that cater to the need of the hour. With an urgent global need to combat environmental impacts and the rising demand for green fabrics, Arvind has developed a wide and diverse sustainable product portfolio.

NEO DENIM

Neo Dyeing is a sustainable dyeing concept where there is no drainage of dye after or before dyeing for shade adjustment. Our dyeing machine has a closed loop system which releases zero discharge and is equipped with integrated nitrogen technology.

The result is a saturated dark blue shade that washes down gradually and offers great contrast at every level. The versatility of the fabric dyed with Neo Technology is very wide and the garment makers can do more levels of washing.

NATURAL INDIGO DENIM FABRICS

The fabric is dyed through a multi-dip rope dye process in pure vegetable indigo, the oldest dye known to man. It has an authentic wash down feel and ages naturally. The dyeing process is GOTS certified.

AUTHENTIC (KHADI) DENIM

Authentic Denim is hand spun, hand hank dyed in natural indigo and woven on the handloom. Authentic Denim sports all the properties of natural denim like comfort, softness, and natural ageing, while retaining the performance property of being warm in winter and cool in summer.

Additionally, the natural indigo offers medicinal properties of being anti-inflammatory, anti-fungal & anti-bacterial.

EXCEL DENIM

It is a unique, soft, light and feminine denim that brings a new level of comfort, softness, finesse, and skin friendliness. It is made from the choicest selection of wood pulp, a natural and renewable resource. Key features include high moisture absorbency, fluidity and drape and higher wet stability. It also retains its freshness even after repeated wash.

ADVANCED DENIM

It is manufactured using a ground-breaking technology that reduces water and energy consumption by up to 92% and 30% respectively, compared to traditional indigo dyeing method. Reduced water consumption means minimized wastewater from rinsing and hence, a more efficient way to explore new colours.

LINEN DENIM

Linen Denim offers exceptional comfort and has a cooling property in hot and moist weather. It has high natural lustre, durable and is one of the few fabrics that remain strong even when wet.

SCAFÉ DENIM

Recycled coffee grounds are transformed through a patented process to form special fibres. The resulting denim is fast-drying and eco-friendly. It also controls odour and provides UV protection.

RECYCLED POLY

The recycled polyester based denim range extends the lifecycle of Polyester, and prolongs the synthetic non-biodegradable fibre from clogging landfills and polluting air through incineration.



HIGG INDEX 2.0

Arvind is a member of the Sustainable Apparel Coalition (SAC), a premier group of sustainability leaders from global apparel and footwear companies. An important focus of the SAC is the development, piloting and broad adoption of the Higg Index, a tool for measuring the environmental and social performance of apparel products.

The Higg Index 2.0, released in Dec. 2013 as an update to Higg Index 1.0, is a set of indicator-based assessment tools that asks practice-based, qualitative questions to gauge environmental sustainability performance and drive behaviour for improvement across three modules: Facility, Brand, and Product.



We have adopted the Facility module of Higg Index and have assessed our three biggest manufacturing units on their environmental parameters. The three units are scored across 8 material areas viz. Environmental Management System, Energy & GHG, Water Use, Wastewater, Air Emission, Waste Management and Chemical Management.

Unit-wise Higg Index Scores	Naroda	Santej	Bengaluru
Overall Score	55	62	64

Deciphering the Scores

The 100-point score card is bifurcated as follows:

Level 1

Awareness, understanding & baseline performance - Maximum Points: 20

Level 2

Planning and management - Maximum Points: 30

Level 3

Implementing sustainability measures, demonstrating performance and progress - Maximum Points: 40

Enhancing Performance

We aim to enhance our current score and for this, we have charted a roadmap that comprises

- Formulating long-term targets on environmental strategy
- Devising a strategy to work with suppliers on environmental impacts
- Use of STP water as a substitute to groundwater
- Improving the chemical management system

REPORTING SCOPE

This maiden sustainability report elucidates our economic, social and environmental performance to our stakeholders. It also describes our approach to sustainability, stakeholder engagement and an identification of the key sustainability issues material to our business.

To report this performance, we have adopted the Global Reporting Initiative (GRI) G3.1 Guidelines. The GRI content index table at the end of this report shows the definition of each reported disclosure as well as its location within the report.

The performance disclosures contained in this report pertain to the financial year ending on March 31st, 2014. We are determined to report our triple bottom line performance on regular basis.

REPORTING BOUNDARY

For all profile disclosures, economic performance and employee indicators: Arvind Limited.

Environmental performance data is limited to our 3 major manufacturing operations at

- Naroda (Denims business)
- Santej (Woven and Knits business)
- Bengaluru-Mysuru Road (Garments business)

The community section of the report describes the CSR activities undertaken by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust which represent the CSR arm of the Company.

No other entities, such as subsidiaries, associates, joint ventures, vendors etc. are within the reporting boundary.

This report details how we have embedded sustainability as a core imperative in our business through the goal of 'Fundamentally Right'. We request you to share your valuable inputs so that we may accelerate and strengthen our sustainability journey.

Please send your feedback to: sustainability@arvind.in

G3.1 CONTENT INDEX

STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
Strategy and Analysis						
1.1	Statement from the most senior decision-maker of the organization.	Fully	Notes from the CMD; 4			
1.2	Description of key impacts, risks, and opportunities.	Fully	Sustainability & us; 17-19			
Organizational Profile						
2.1	Name of the organization.	Fully	Arvind Limited			
2.2	Primary brands, products, and/or services.	Fully	Group Profile; 5-9			
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Group Profile; 5-9			
2.4	Location of organization's headquarters.	Fully	Arvind Limited, Naroda Road, Ahmedabad			
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	One Country; India			
2.6	Nature of ownership and legal form.	Fully	Corporate Governance; 11-12			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Partially	5			
2.8	Scale of the reporting organization.	Fully	5-9, 38, 46			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	7, 8			
2.10	Awards received in the reporting period.	Fully	9			
Report Parameters						
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	Reporting Scope; 76			
3.2	Date of most recent previous report (if any).	Fully	Reporting Scope; 76			
3.3	Reporting cycle (annual, biennial, etc.)	Fully	Reporting Scope; 76			
3.4	Contact point for questions regarding the report or its contents.	Fully	Reporting Scope; 76			
3.5	Process for defining report content.	Fully	Sustainability & Us; 15-19			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Reporting Scope; 76			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Reporting Scope; 76			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	Reporting Scope; 76			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Sustainability & Us; 15-19			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	First Sustainability Report			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	First Sustainability Report			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	GRI Index; 77			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	This report has not undergone any external assurance			

Governance, Commitments, and Engagement

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Corporate Governance; 12			
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Corporate Governance; 12			
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	Corporate Governance; 12			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Corporate Governance; 12			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Not			Does not exist	We do not have such procedures in place as on the reporting period.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	Corporate Governance; 12			
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	Corporate Governance; 12			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Group Profile; 5 Management Approach: 13-14			
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	Corporate Governance; 11-12			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Not			Does not exist	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	Management Approach: 13-14			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	Charters and Coalitions; 10			
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	Charters and Coalitions; 10			
4.14	List of stakeholder groups engaged by the organization.	Fully	Stakeholder Engagement; 15, 16			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Stakeholder Engagement; 15, 16			

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Stakeholder Engagement; 15, 16			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	Stakeholder Engagement; 15, 16			

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
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DMA EC Disclosure on Management Approach EC

Aspects	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Economic Performance	Fully	Money - Economic Value Generated & Distributed; 46, 47 48				
	Market presence	Fully	Key Milestones; 7-8				
	Indirect economic impacts	Fully	Management Approach; 13-14				

DMA EN Disclosure on Management Approach EN

Aspects	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Materials	Partially	Management Approach; 13-14				
	Energy	Fully	Management Approach; 13-14				
	Water	Fully	Management Approach; 13-14				
	Biodiversity	Not			Not applicable		
	Emissions, effluents and waste	Fully	Management Approach; 13-14				
	Products and services	Fully	Management Approach; 13-14				
	Compliance	Fully	Management Approach; 13-14				
	Transport	Not			Not available	Not monitoring transport impacts currently	2016
	Overall	Fully	Management Approach; 13-14				

DMA LA Disclosure on Management Approach LA

Aspects	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Employment	Fully	Management Approach; 13-14				
	Labor/management relations	Fully	Management Approach; 13-14				
	Occupational health and safety	Fully	Management Approach; 13-14				
	Training and education	Fully	Management Approach; 13-14				
	Diversity and equal opportunity	Fully	Management Approach; 13-14				
	Equal remuneration for women and men	Fully	Management Approach; 13-14				

DMA HR Disclosure on Management Approach HR

Aspects	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Investment and procurement practices	Not			Not available		2016
	Non-discrimination	Fully	Management Approach; 13-14				

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Freedom of association and collective bargaining	Fully	Management Approach; 13-14				
	Child labor	Fully	Management Approach; 13-14				
	Prevention of forced and compulsory labor	Fully	Management Approach; 13-14				
	Security practices	Fully	Management Approach; 13-14				
	Indigenous rights	Not			Not applicable		
	Assessment	Fully	Management Approach; 13-14				
	Remediation	Fully	Management Approach; 13-14				

DMA 50 Disclosure on Management Approach 50

Aspects	Local communities	Fully	Management Approach; 13-14				
	Corruption	Fully	Management Approach; 14				
	Public policy	Fully	Management Approach; 14				
	Anti-competitive behavior	Not			Not applicable		
	Compliance	Fully	Management Approach; 13-14				

DMA PR Disclosure on Management Approach PR

Aspects	Customer health and safety	Fully	Management Approach; 13-14				
	Product and service labelling	Not			Not available	We would work towards creating internal policies to address the Product Responsibility parameters.	
	Marketing communications	Not			Not available		
	Customer privacy	Not			Not available		
	Compliance	Fully	Management Approach; 13-14				

STANDARD DISCLOSURES PART III: Performance Indicators

Economic

Economic performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	Money - Economic Value Generated and Distributed; 46				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not			Not available	Does not exist	2016
EC3	Coverage of the organization's defined benefit plan obligations.	Not			Not available	Does not exist	
EC4	Significant financial assistance received from government.	Fully	Money; 46				

Market presence

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not			Not available	Does not exist	2016
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G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	Money - Our Performance; 47, 48				
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	Money - Local Procurement & Hiring; 49				

Indirect economic impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	Society; 40-41				
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not			Not available	Does not exist	2016

Environmental

Materials

EN1	Materials used by weight or volume.	Partially	Cotton; 22		Not available	This report only covers our major raw material which is Cotton. We would compile and report on other materials in future reports.	2016
EN2	Percentage of materials used that are recycled input materials.	Not			Not available	Need to establish accounting mechanisms to identify and compile all recycled materials.	2016

Energy

EN3	Direct energy consumption by primary energy source.	Fully	Energy-Total Direct Energy Consumption; 53				
EN4	Indirect energy consumption by primary source.	Fully	Energy-Total Indirect Energy Consumption; 53				
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Energy - Specific Electricity Consumption; 53; Energy - Energy Conservation Initiatives; 56, 57				
EN6	Initiatives to provide energy - efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not			Not applicable		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not			Not available	Information not captured in the current system.	

Water

EN8	Total water withdrawal by source.	Fully	Water - Total Freshwater Consumption; 61				
EN9	Water sources significantly affected by withdrawal of water.	Fully	We use either ground water or recycled water. So water source affected by withdrawal is ground water.				
EN10	Percentage and total volume of water recycled and reused.	Fully	Water - Total treated and reused in the process; 61				

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not			Not applicable		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not			Not applicable		
EN13	Habitats protected or restored.	Not			Not applicable		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not			Not applicable		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not			Not applicable		
Emissions, effluents and waste							
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	Energy - Total GHG Emissions, Specific Emissions; 55				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Not			Not available	Currently we do not have systems in place to monitor indirect emissions.	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Energy - Energy Conservation Initiatives; 56, 57				
EN19	Emissions of ozone-depleting substances by weight.	Not			Not available	Currently we do not have systems in place for continuous monitoring of air emissions.	
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not					
EN21	Total water discharge by quality and destination.	Fully	Water - Effluent Management; 61				
EN22	Total weight of waste by type and disposal method.	Fully	Waste Generation; 68				
EN23	Total number and volume of significant spills.	Not		No significant spills	Not applicable		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not			Not applicable		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not			Not applicable		
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	Green Product Portfolio, 74				
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not			Not available	This indicator is presently not monitored	
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	No such instance of fines and sanctions during the reporting period.				

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not			Not available	We do not monitor this indicator presently.	2017
Overall							
EN30	Total environmental protection expenditures and investments by type.	Not			Not available	We do not monitor this indicator presently.	2017
Social: Labor Practices and Decent Work							
Employment							
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	People - Employee Snapshot; 38				
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	People - Employee Snapshot; 38				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not			Not available	This indicator is presently not monitored	2016
LA15	Return to work and retention rates after parental leave, by gender.	Not			Not available	This indicator is presently not monitored	
Labor/management relations							
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	All employees covered by collective bargaining agreements.				
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	Governed by collective agreements as per the location.				
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not			Not available	This indicator is presently not monitored	2016
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	People - Safety; 38				
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	People - Industrial Relations; 36, 37				
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	Health and safety topics are covered in the formal agreements with trade unions.				
Training and education							
LA10	Average hours of training per year per employee by gender, and by employee category.	Fully	People - Employee Wellbeing; 34, 35, 36				
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Not			Not available	Such programs are not in place presently.	

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	All employees in management grade receive annual performance and career development reviews.				
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Corporate Governance, 11-12				
Equal remuneration for women and men							
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Not			Not available	This indicator is presently not monitored	
Social: Human Rights							
Investment and procurement practices							
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	Human Rights aspects are not covered in the significant investment contracts.				
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Fully	We have not screened any of our suppliers and contractors for human rights.				
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	We have not identified human rights that are relevant to our operations.				
Non-discrimination							
HR4	Total number of incidents of discrimination and corrective actions taken.	Fully	Human Rights; 38				
Freedom of association and collective bargaining							
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Partially	Right to exercise freedom of association is not being violated at any of our operations	We have not identified such suppliers currently.			
Child labor							
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Partially	We have strictly enforced child labour policy at all our operations.	We have not identified such suppliers currently.			

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Prevention of forced and compulsory labor							
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Partially	We have strict policy against forced and bonded labour at all our operations.	We have not identified such suppliers currently.			
Security practices							
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not			Not available	We do not conduct training of Human Rights presently.	
Indigenous rights							
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not			Not applicable		
Assessment							
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	We have not carried out impact assessment of human rights at our operations.				
Remediation							
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	No such cases reported during the reporting period.				
Social: Society							
Local communities							
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fully	Society; 40, 41				
S09	Operations with significant potential or actual negative impacts on local communities.	Partially	Society; 40, 41				
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not			Not available	This indicator is presently not monitored	
Corruption							
S02	Percentage and total number of business units analyzed for risks related to corruption.	Fully	All our business units have carried out risk assessment with respect to corruption.				
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	We do not have any formal training programs of anti-corruption policies as of now.				
S04	Actions taken in response to incidents of corruption.	Fully	No incidents of corruption reported during the reporting period.				

G3.1 DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Public policy							
S05	Public policy positions and participation in public policy development and lobbying.	Not			Not available	Information pending	2016
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not			Not available	Information pending	2016
Anti-competitive behavior							
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Not			Not available	Does not exist	2016
Compliance							
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Not			Not available	Information pending	2016
Social: Product Responsibility							
Customer health and safety							
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedure.	Not			Not available	This indicator is presently not monitored	2017
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	No such incidents during the reporting period.				
Product and service labelling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not			Not applicable		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not			Not applicable		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Not			Not available	No surveys carried out during reporting period	2017
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	71		Not available	This indicator is presently not monitored	2017
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	No such incidents during the reporting period.				
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	No such incidents during the reporting period.				
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No such incidents during the reporting period.				

ACRONYMS

BCI	Better Cotton Initiative
BOD	Biological Oxygen Demand
BWSSB	Bengaluru Water Supply and Sewerage Board
CCD	Code of Corporate Disclosures
CEA	Central Electricity Authority
CMD	Chairman & Managing Director
CNG	Compressed Natural Gas
CoC	Code of Conduct
CPIT	Code for Prevention of Insider Trading
CSR	Corporate Social Responsibility
DMA	Disclosures on Management Approach
ECGC	Export Credit Guarantee Corporation of India
ETP	Effluent Treatment Plant
GHG	Greenhouse Gas
GOTS	Global Organic Textile Standard
GRI	Global Reporting Initiative
HA	Hectare
INR	Indian Rupee
ISO	International Organization for Standardization
JOCA	Japan Organic Cotton Association
JV	Joint Venture
KPCB	Karnataka Pollution Control Board
LG	Learning Groups
MDP	Manager Development Programme
MEE	Multiple Effect Evaporator
MIS	Management Information System
MSDS	Material Safety Data Sheets
MVRE	Mechanical Vapour Recompression Evaporation
NIFT	National Institute of Fashion Technology
OTA	Organic Trade Association
RO	Reverse Osmosis
RTRS	Round Table on Responsible Soy
SAC	Sustainable Apparel Coalition
SAI	Social Accountability International
SASB	Sustainability Accounting Standards Board
SHARDA	Strategic Help Alliance for Relief to Distressed Areas
SHG	Self Help Groups
TEXPROCIL	Cotton Textiles Export Promotion Council of India
TJ	Terajoule
TLA	Textile Labour Organisation
UK	United Kingdom
UNCHS	United Nations Centre for Human Settlements
ZLD	Zero Liquid Discharge

Arvind

Naroda Road, Ahmedabad – 380025, Gujarat, India.

This report has been printed on environment-friendly paper.