

# FUNDAMENTALLY RIGHT



RIGHT  
ALLIANCES  
ACCELERATE  
SUSTAINABILITY  
PERFORMANCE



At its very core, sustainability is the art of creating allies of diverse stakeholders who champion divergent interests. At Arvind, we see allying as the process of formally co-operating with like-minded forces and combining resources, expertise, networks and assets towards a common purpose.

Thus, a core tenet of Fundamentally Right is to proactively seek and cultivate allies to achieve larger sustainability goals faster.

FUNDAMENTALLY  
RIGHT



I N D E X

- 03 MESSAGE FROM THE CMD
- 05 COMPANY PROFILE
- 15 CORPORATE GOVERNANCE
- 20 SUSTAINABILITY AND US



**VITALLY**  
26 cotton



**SOCIALLY**  
36 people



**FINANCIALLY**  
54 money



# MENTAL



**PERPETUALLY**

62 energy



**NATURALLY**

72 water



**CRUCIALLY**

88 chemicals

PRODUCT RESPONSIBILITY 104

REPORTING SCOPE 113

GRI INDEX 115



# MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Dear Stakeholder,

Climate change has fast emerged as the most fundamental challenge that the textile industry is facing today, which involves environmental protection, economic and social development. Contributing to sustainable development is the only way we can counter rising temperatures, limited freshwater, and changing weather patterns. These changes have a direct impact on the production of natural fibres such as cotton, which is the mainstay of the textile industry.



**We understand that we cannot fight this alone, and collaboration is the best way forward.**

**At Arvind, we have a two-pronged approach to deal with it.**

**Being fundamentally right ourselves,  
as an organisation, in the issues  
which are material to our stakeholders  
and collaborating with our allies  
to amplify our sustainability efforts.**



Between 2012-2014, we took rapid strides to make our operations more sustainable. In the next two years, we cascaded sustainability into the organisation by putting our intent into wide-scale action through fundamentally right philosophy. In the last three years, sustainability has become our business strategy; the period from 2016-2019 marks our collaboration initiatives that contribute to the global sustainable development goals.

We continue to push our boundaries with our allies across all our six key inputs - Cotton, People, Money, Energy, Water and Chemicals. Arvind Ltd. along with Better Cotton Initiative (BCI) led the implementation of the Better Cotton Standard, laying the foundation for more sustainable cotton production in the country in 2010-11.

Today, the area under cultivation of BCI has increased by leaps and bounds. From 14,750 acre in FY 2014-15 to 112,756 acre in FY 2018-19, 6.64 times increase.

The number of BCI farmers also increased by over 6 times from 3,395 to 26,289 in the corresponding period. Through BCI and organic cotton, we are also ensuring zero child labour in cotton fields and the promotion of sustainable cotton farming.

Conservation and rejuvenation of water, our natural ally is part of Arvind's fundamentally right philosophy. Despite the increase in our production, our overall freshwater consumption reduced by 36% compared to FY 2014-15. We are setting up an innovation centre and a water treatment facility to eliminate the use of freshwater in making denim with our ally Gap Inc. Partnering with Ahmedabad and Gandhinagar Municipal

Corporation and using their treated domestic sewage in our operations is yet another way of reducing freshwater use.

For the textile industry, wastewater is a major challenge. With Levi's and the Zero Discharge of Hazardous Chemicals (ZDHC) programme, we are eliminating hazardous chemicals from the value chain. This has helped us in eliminating harmful chemicals from our processes, reduce chemical consumption, substitute hazardous with greener chemicals, and recover salts from wastewater to keep the environment clean.

Energy is as significant a material issue like water. We are optimising energy productivity and adding renewables to the energy mix to conserve this resource. Through our efforts, in the last five years, we have been able to cut down our total direct and indirect emission by around 15%. Our Ethiopia operations are fully powered by renewable energy. Our ally Cleantech Solar has helped us install 16.2-MW rooftop solar at our Santej facility in Gujarat, which is India's largest rooftop solar installation at a single location.

We are also working with farmers to use residues of cotton crop in boilers instead of coal to generate steam from Biomass. This programme will be scaled up further in the coming years.

We are in sync with our key allies - people. Arvind continues to invest in empowering employees and the neighbouring communities and they, in turn, add value to the company. For employees, we have been designing and implementing comprehensive employee engagement and development programmes. In the reporting period, we

provided 35,066 man-days of training to our employees. Safety of our employees is a top priority .

We work in collaboration with various governments to empower people from neighbouring communities. Arvind Ltd. is the Project Implementation Agency under the Integrated Skill Development Scheme (ISDS) of Ministry of Textiles, Government of India.

Money is a thread that binds all our operations and sustainability efforts. Fiscal prudence and sound financial management coupled with the philosophy of giving back more than we take from the society have been our credo. We continue to generate economic value so that we can distribute it for the prosperity of the planet and people.

This three-year report is a detailed account of our triple bottom line performance with a substantial contribution of our allies and other stakeholders. I hope that together with our allies we will be able to contribute to making a more responsible industry and making this planet a better place to live.

Regards,



**Sanjay S. Lalbhai**  
Chairman & Managing Director



# COMPANY PROFILE

Arvind Limited is a USD-1.7 billion conglomerate with interest in textiles, brands, retail, engineering, water treatment and advanced material sectors, amongst others. Headquartered in Ahmedabad, Gujarat, Arvind ranks among the top suppliers of fabric worldwide. With an annual production capacity of more than 100 million metres in denim and 140 million metres in woven fabric, we supply fabrics to many leading brands, both in India and across the world.

Arvind through its subsidiary Arvind Fashions Ltd. has built a strong portfolio of brands that straddle consumer segments across income pyramid. We are also the garment maker of choice to many leading brands across the globe with a manufacturing capacity of more than 56 million pieces annually.



**Arvind owns  
22 global patents  
for environmental solutions  
and  
is the largest  
fire protection  
fabric producer  
in the country.**

From being just a textile company, Arvind has come a long way and striving every day to create opportunities where none exist. We are not just driven by bottom lines and profits, but able and willing to drive social impact. We are taking up CSR and sustainability initiatives that are surely changing lives and making a difference to thousands.



# We are managing 15 global apparel brands including

# Tommy Hilfiger, US Polo, CK, GAP, Nautica, and Sephora.

Over 30,000 employees across verticals ranging from retail to advanced materials, environmental and social solutions to real estate, apparel to agriculture, work together to further widen the scope of these possibilities at Arvind.

It is this philosophy that has helped us touch people's lives through innovative and pioneering solutions since 1931. And it is this philosophy that continues to drive us to change tomorrow for the better.

## Vision

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

## 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.**

### MATURE BUSINESSES

Denim Fabric | Woven Fabric

### ESTABLISHED GROWTH BUSINESSES

Garmenting | Knits Fabric | Brands | Retail

### FUTURE BETS

Technical Textiles | Custom Clothing  
E-commerce | Indigo Knits



# BUSINESS HIGHLIGHTS

FY 2016-17

Anup Engineering Ltd. registered a revenue of **~30%** INR 1.72 bn, a growth of

Arvind Goodhill Suit Mfg. Pvt. Ltd. **~25%** grew its revenue by to INR 616 mn

**10%** stake diluted in our brand and retail business at an enterprise value of INR 74 bn

**28%** growth in garments business

Arvind OG Nonwovens, a joint venture between Arvind Ltd. (India) and OG Corporation (Japan) launched five brands for Bag House Filtration in India



GAP, apparel and accessories brand, announced online partnership with Arvind's online business NNNOW.com



Announced the launch of its premium worsted suiting brand **PRIMANTÉ**

Announced the proposed demerger and public listing of branded apparel (Arvind Fashions) and Engineering (Anup Engineering) businesses

FY 2017-18



Launched ready-to-wear brand for men, building on an 86-year legacy of craftsmanship, innovation and fashion leadership

**17%** growth in revenue primarily owing to strong growth in brands and retail business and consolidation of Tommy Hilfiger and Calvin Klein JV

**60%** of total water demand met through recycled water

Initiated one of the largest rooftop solar programmes in India, which will take our total solar capacity up to 22MW post installations



FY 2018-19

Commissioned 16.2 MW solar facility taking our total solar installations to **22 MW**

Introduced Indigo dyed knitwear - which combines the aesthetics of indigo denim with comfort of knitted athleisure products

Started shipping commercial orders from our newly opened apparel manufacturing facilities in Ranchi and Ahmedabad



# BUSINESS PROFILE

With an annual production capacity of more than 100 million metres in denim and 140 million metres in woven fabric, Arvind supplies fabric to many leading brands, both in India and abroad. Through our subsidiary Arvind Fashions Ltd., the group has built a strong portfolio of brands that straddles consumer segments across the income pyramid. We are also the garment maker of choice to many leading brands across the world with a manufacturing capacity of more than 56 million pieces annually.



## All our businesses are aligned to

the Group's philosophy of providing better quality of life by providing inspiring lifestyle solutions.

### WOVENS

Wovens is one of the largest divisions of Arvind Ltd. Woven volumes were up 6% to 138 million metres with robust growth in our export business during FY 2018-19. We consolidated our position in our top export accounts that gave us double-digit growth in our export business.

Arvind has a design-driven product philosophy with a dedicated in-house design team that works in close coordination with clients to co-create designs as per customers' requirements. Our in-house R&D department has helped us develop several new finishes, adding uniqueness to our product and creating a competitive advantage.



### KNITS

Arvind has an annual capacity of ~10,000 tons and continues to grow rapidly. This year, however, knits along with denim faced some headwinds, while the wovens, advanced materials and other segments delivered positive growth. We manufacture both basic knits including jersey, pique, rib & interlock, and specialty knits including yarn-dyed, auto stripers, jacquards & stretch. Arvind is also entering into new products segment including athleisure and sportswear in line with the global demand growth.



### DENIM

Denim fabric business saw a decrease in volume to 85 million metres from 100 million metres in FY 2018-19. Over-capacity in the domestic market became worse as recently added capacities started producing new volumes as new capacity additions in Bangladesh made imports from India less attractive to Bangladesh garment manufacturers. Also, demand from some of our key export customers continued to be muted as they come out of the inventory correction cycle. Denim volumes closed the year at 15% lower than the previous year. This drove down Denim revenues by 12% to INR 17.01 billion.

In a challenging environment where the domestic market saw over-capacity, Arvind is one of the few conglomerates that has maintained high utilisation and profitability. The group's completely integrated setup allows it to maintain tight control on each step of the value chain; this helps in driving efficiencies and competing aggressively in the marketplace.

### VOILES

Arvind is the market leader in voiles with an annual capacity of ~48 million metres and supplies its super fine fabric to both domestic and international markets. The group produces a range of long cloths, dress material, and blouse material using materials like cotton, polyester viscose blend, polyester cotton blend, among others.

## GARMENTS

Garments is one of the fastest-growing segments for Arvind Ltd. In FY 2018-19, garment volumes were up by 17% to 54 million pieces. Our greenfield factory in Ranchi started small customer shipments towards the second half of the year and is gearing up for sizable numbers in FY 2019-20. Of the two new facilities in Ahmedabad area, the sports-wear lines started delivering customer shipments. The Indigo knit factory is under commissioning.

Our expansion in Ethiopia is stabilising and is allowing us to take advantage of its favourable duty structure. The group is also expanding its domestic garment facilities with new unit operational in Ranchi, Jharkhand. With increasing capacities and multi-location facilities, Arvind is fast becoming a garment maker of choice for the leading brands across the globe.



## FASHIONS, BRANDS, AND RETAIL

Arvind is a leading fashion player and partner of choice for many international brands. It has a portfolio of brands that are distinctive and relevant for a diverse set of consumers. Our brands are present across multiple channels, price points and consumer segments.

With more than 1,200 standalone stores and a large third-party distribution network, Arvind's brands are present across the country. Arvind Ltd. has demerged the brands and retail business and listed it separately. The process of demerger has been completed. The business had reached a profitable scale and was self-sufficient to take care of its growing need.

## ENGINEERING

Anup Engineering is a leading critical process engineering equipment manufacturer in the country. In the year 2017, the holding Company M/s. Arvind Limited decided to demerge subsidiary M/s. The Anup Engineering Limited as it could support its growth. The key products include critical engineering process equipment such as Heat Exchangers, Pressure Vessels, Reactors, Columns/Towers and Centrifuges.

Our key customer segment includes process industries such as Oil and Gas, Petrochemicals, Fertilisers and Pharmaceuticals. Anup Engineering has a well-connected, multi-accredited manufacturing set-up in Ahmedabad that employs ~500 people, including industry veterans.

## ADVANCED MATERIAL DIVISION

Advanced Material Division (AMD) is one of the fastest growing divisions at Arvind. AMD delivered a strong performance in FY 2018-19. **This business grew its top-line almost 30% from INR 4.86 billion in FY 2017-18 to INR 6.30 billion in FY 2018-19.**

The business primarily consists of four solution verticals: **Human Protection** (fire-resistant fabrics and garments, workwear, etc.), **Industrial products** (Filtration, Conveyor Belt Fabric, Coated Products, etc.), **Advance Composites** (Glass Fabrics and Structural Composites) and **Automotive Fabrics** (in JV with Adient). Human Protection segment, that makes and sells specialty functional apparel such as Fire Retardant, Work Wear, Abrasion Resistant suits, Low temperature clothing, etc., signed up several large international customers. Composites business consolidated its global position at a major supplier of cooling tower sections, radomes and other glass reinforced - composite products. During the year, AMD also started producing sports goods made with carbon-fibre reinforced composites.



## OTHER BUSINESSES

Arvind Envisol is a specialised company for the supply of water and wastewater treatment plants for Industrial process, Wastewater & Zero Liquid Discharge Solutions. It provides the world's most cost-effective environmental solutions to protect our scarce natural resources.

The company registered a sharply increased revenue of INR 3.26 billion - this was a result of some large overseas projects executed by this business.



# AWARDS & RECOGNITIONS

For Arvind, awards go beyond celebrating achievements. They act as prime motivator to accelerate innovation, transform as an organisation, improve our capabilities further and enable us to go the extra mile to achieve excellence. We have received many awards and recognition from various industry bodies and government agencies over the years.

## FY 2016-17

**Golden Peacock Award for Sustainability, 2017**

**Top Rank Award**  
by Bureau of Energy Efficiency, 2016



Arvind Khadi Denim won the **Best Fabric at Global Denim Awards, 2016**



The global denim award is the world's premier platform that recognises denim design, innovation, sustainability and craftsmanship



H&M awarded **Certificate of Achievement** for Accreditation to Arvind Ltd., 2017

## FY 2017-18

Ankur Textiles

### Energy Efficient Unit Award

by CII for outstanding contributions in the area of energy efficiency and conservation of natural resources to showcase their efforts and achievements

Arvind Mills Limited was awarded  
**Best Development Partner - Fabric**

2017-18 by

**Pepe Jeans**  
LONDON



### Excellent Energy Efficient Unit

in General category at the  
19th CII National Award, 2018 for  
Excellence in Energy Management

### Excellent Energy Efficiency Unit, Most Innovative Project and Most Useful Presentation Awards

by CII, 2017

### Insight Award for Leadership in Energy Management

by Clean Energy Ministerial, 2017

### PAT CYCLE 1 Achievers

by Bureau of Energy Efficiency, 2017  
(Given on 14th Dec 2017 - World Energy Conservation day)

Arvind Limited received

## Beyond the Silk Road Award

by The Children's Place for its operations in  
Ethiopia during a vendor awards function  
organised by TCP

THE CHILDREN'S  
**PLACE**

Arvind Limited  
Beyond the Silk Road

Awarded two Gold Trophies for

## Outstanding Export Performance 2017-18

The highest exports of Cotton Fabrics -  
one each for Denim & for Bleached/Dyed/Yarn/Printed  
by TEXPROCIL. The total exports for the  
two stood at INR 17.72 billion during the year



### Awards for Santej Plant

## FY 2018-19

One of our customers awarded Arvind  
**Strategic Award - Development**  
for Pultrusion 2019

**Excellent Energy  
Efficiency Unit**  
Santej Plant by CII, 2018

Levi Strauss & Co. awarded  
**'Best in Class Mill'**  
to Arvind at Vendor Summit, 2018

### Gold & Silver Awards

Arvind Ltd., Denim Business and  
Ankur Textiles - Ahmedabad at  
SEEM National Energy Management  
Awards (SNEMA), 2019

ABFRL's Knowledge Management Center  
recognised Arvind Ltd. at the Partner Innovation Summit SS'18 for  
**Significant Contribution to Design & Product Development**  
Arvind Ltd. - Denim Division was recognised with the same award at SS'19



# CHARTERS, PRINCIPLES & COALITIONS

Arvind has been striving to provide better quality of life to people by bringing enriching and inspiring lifestyle solutions. Signing international charters, principles and coalitions, help us adopt best sustainability practices globally in an accelerated manner while delivering solutions to our customers and creating value for other stakeholders.

## We are a founding member of The SAC.

Higg Index, one of the key focus areas of SAC, helps gauge environment and social impact of the apparel industry. During the reporting period, we are reporting Higg for the following facilities: Arvind Ltd. - Naroda and Santej in Ahmedabad and Mysore Road, Electronic City (Shirting), Yeshwantpur, Bommasandra, Arsikere, Mahadevapura, Naganathapura, Goodhill Suit & Chitradurga in Karnataka.





## Carbon Disclosure Project (CDP)

Arvind Limited has reported at CDP for four years in a row now.

## Ø ZDHC

### Zero Discharge of Hazardous Chemicals

Arvind became the first textile manufacturer as well as the first company headquartered in India to join Zero Discharge of Hazardous Chemicals (ZDHC) programme in FY 2016-17. ZDHC is a collaboration of leading textile and footwear brands working to implement safer chemistry to protect consumers, workers and the environment.



### Water Resources Group (WRG)

Arvind is part of the WRG, funded and founded by IFC and UN, and is engaged with them in improving the livelihood of cotton farmers in Maharashtra.



### Global Organic Textile Standard (GOTS)

We have received the GOTS 3.0 certification for our fabrics, fibres and yarns products.



### Carbon Pricing Leadership Coalition

Arvind is one of the seven corporates in India, to be part of this global coalition of corporates, initiated by the World Bank.



### Global Reporting Initiative (GRI)

This is our third GRI Report. We are presenting sustainability disclosures in accordance with GRI Sustainability Reporting Standards (GRI Standards).



### Social Accountability International SA8000 Standard

We have adopted Social Accountability Management System as per the SA8000: 2008 Standard and have been externally audited by Bureau Veritas.



### International Organisation for Standardisation ISO 9001, ISO 14001, ISO 50001

Our operations are ISO 9001: 2008 (Quality Management Systems), ISO 14001: 2004 (Environmental Management Systems), and ISO 50001 Energy Management Systems certified.

### Occupational Health and Safety Assessment Series (OHSAS 18001:2007 Certifications)

All hazards and its associated risk have been identified across the Santej and Naroda facilities. Any risk that deems to be high in the Hazard Identification and Risk Analysis (HIRA) are prioritised and taken in to management plan.



# CORPORATE GOVERNANCE

Corporate Governance at Arvind Limited is all about attaining the highest levels of transparency, accountability and integrity.

Being one of the largest textile manufacturers in the world, Arvind employs a large amount of financial, environmental and societal resources. Our corporate governance processes ensure that these resources are utilised as per the aspirations of the stakeholders and expectations of society.

The Board, which comprises independent directors, effectively monitors the managerial conduct.

**The stakeholders  
are our close allies  
and  
participants in decision making  
& management processes  
at Arvind.**

**Their direct participation has enabled a balance  
between enhancing shareholders' value and  
not being detrimental to other stakeholders' needs.**



## CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is a value-based framework at Arvind to manage every aspect of business in a fair and transparent manner. 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**

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

**The majority of our Board, 6 out of 10, are independent members.**

## BOARD OF DIRECTORS

The Board has 10 Directors, comprising of Chairman and Managing Director, Whole-time Director and Chief Financial Officer, 2 Executive Directors and 6 Non-Executive Directors. The Non-Executive Directors who are also Independent Directors are leading professionals from varied fields who bring in independent judgment to the Board's discussions and deliberations. The following is the Composition of the Board as on 31st March 2019:

<b>Name of the Director</b>	<b>Executive/Non-executive/Independent Director</b>
Mr. Sanjay S. Lalbhai	Chairman & Managing Director
Mr. Punit S. Lalbhai	Executive Director
Mr. Kulin S. Lalbhai	Executive Director
Mr. Jayesh K. Shah	Whole-time Director and Chief Financial Officer
Dr. Bakul Dholakia	Independent Director
Ms. Renuka Ramnath	Independent Director
Mr. Dileep C. Choksi	Independent Director
Mr. Vallabh R. Bhanshali*	Independent Director
Mr. Samir Mehta	Independent Director
Mr. Nilesh Shah	Independent Director

*\*The term of five years of Mr. Vallabh Bhanshali as an Independent Director of the Company has expired on 11th May 2019 and accordingly he ceased to be an Independent Director of the Company with effect from 11th May 2019. As per the provisions of Section 203 of the Companies Act, 2013, Mr. Sanjay Lalbhai-Chairman and Managing Director, Mr. Jayesh Shah-Whole time Director and Chief Financial Officer and Mr. R.V. Bhimani-Company Secretary are the key managerial personnel of the Company.*

## BOARD COMMITTEES

The Board of Directors at Arvind has constituted five Board Committees and determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

**Audit Committee | Nomination and Remuneration Committee  
Stakeholders' Relationship Committee\* | Management Committee  
Corporate Social Responsibility Committee**

*\* From May 2014 onwards, we have renamed Investors' Grievance Committee, as Stakeholders' Relationship Committee as it was the requirement of Companies Act and LODR Guidelines.*



# BOARD COMMITTEES

## AUDIT COMMITTEE

The Audit Committee of the Company comprises four members out of which three members are Non-Executive Independent Directors. Mr. Dileep Choksi, an Independent Director, is the Chairman of the Committee. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management. The Audit Committee met four times during the year. The representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises three Directors, all of whom are Non-Executive Independent Directors. Dr. Bakul Dholakia, an Independent Director, acts as Chairman of the Committee. The Nomination and Remuneration Committee met one time during the year.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is established in accordance with the Company's constitution and authorised by the Board to assist in fulfilling its statutory, fiduciary and regulatory responsibilities. The Stakeholders' Relationship Committee has three Members comprising of one Non-Executive Director and two Executive Directors.

## MANAGEMENT COMMITTEE

The Management Committee's primary role is to look after the day-to-day business activities of the Company within the Board approved direction/framework. The Management Committee consists of four Directors, all of whom are Executive Directors.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee promotes a culture which emphasises on setting high standards for CSR and reviews corporate performance against those standards. The Corporate Social Responsibility Committee has four Members comprising of one Non-Executive Independent Director and three Executive Directors.



For more information about the specific roles and responsibilities of the Board and its Committees, please refer our 88th Annual Report - FY 2018-19 on our website at <http://www.arvind.com/investorrelations/annualfinancialreport.htm>

# THE CODE OF CONDUCT

The Code of Conduct serves two significant purposes at Arvind. Internally, it acts as a central guide for our employees to take the day to day decisions and externally, it promotes our statement of values and commitments. We actively promote it to enable users to take decisions in conjunction with the Company's ethics, vision and mission.

The Code of Conduct is applicable to members of the Board and Senior Management Personnel of Arvind Limited and is prepared in accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has adopted the following codes in accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992:

Code of Conduct for Directors and Senior Management Personnel

Arvind Code for Prevention of Insider Trading

Arvind Code of Corporate Disclosures

**1** We have formulated two policies at Arvind  
**Providing safety to women against sexual harassment at workplace**

**2** To ensure safety of the whistleblowers

## FOSTERING A BETTER WORK ENVIRONMENT FOR WOMEN

Arvind Ltd. encourages talent and cannot miss out on the abilities of women, who make up the other half of the population. Therefore, we are fostering an organisational culture where women can comfortably work together with men.

Arvind has implemented The Sexual Harassment of Women at Workplace Policy from 2016 and started sensitising these issues by conducting training programmes for the same. We have a zero tolerance for sexual harassment at workplace and have adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

## PROVIDING SAFETY TO WHISTLEBLOWERS

Arvind's Whistleblower Policy provides a secured avenue to directors, employees, business associates and all other allies of the Company for raising their concerns against the unethical practices if any. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern.

A dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organisation, where the whistleblower can report any suspected or confirmed incident of fraud/misconduct through:



Website for Complaints

[www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind)



Dedicated Email ID

[arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)



Toll Free No.

**1800 200 8301**

A Whistleblower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.



Our Whistleblower Policy is freely available on our corporate website at <http://arvind.com/pdf/Whistleblower/Whistleblower%20policy.pdf>

## ARVIND INTERNAL COMPLAINTS COMMITTEE (AICC)

While we are doing everything to curb any workplace harassment at Arvind, we understand that unfortunately it can happen anytime. In such cases, we have a mechanism in place to investigate and take legal recourse against those who are found guilty.

AICC has been formed and its details are declared across the organisation. All AICC members are trained by subject experts on handling the investigations and proceedings as defined in the policy.

During FY 16-17, we received two complaints on sexual harassment. AICC conducted the proceedings as defined in the policy, out of which one complaint did not qualify to be considered as a sexual harassment case as defined in the policy. The second case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

In FY 2017-18, we received one complaint on sexual harassment. AICC conducted the proceedings as defined in the policy. The case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

**No complaints were received during FY 2018-19.**



# RISK MANAGEMENT

Effective risk management at Arvind is about finding the 'blind spots' before they find us. We have a proactive approach for risk management, where forward-looking, enterprise-wide risks are managed by assessing, reporting, and mitigating them at an early stage. A robust Enterprise Risk Management framework is in place which enables us to take certain risks to remain competitive and achieve higher growth, and at the same time mitigate other risks to remain sustainable.

## RISK MANAGEMENT POLICY

Under the framework, we have laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. Arvind, through its employees and Executive Management, continuously assess the identified risks, while the Audit Committee reviews the identified risks and its mitigation measures annually.

Our risk management assessment and policies and processes are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and our day to day activities.

Risk management at Arvind is carried out by a Treasury department under policies approved by the Board of Directors. The Treasury identifies, evaluates and hedges financial risks in close co-operation with our operating units, while the Board provides written principles for overall risk.

We have identified some of the key risks - strategic, operational & regulatory risks.

### Key Strategic Risks

- Geographical concentration of its manufacturing capacity
- Reputational risk
- Digital readiness to enable growth at brands
- Changing customer preference from cotton to blends
- Business continuity planning

### Key Operating Risks

- Fluctuation in cotton prices
- Labour unrest
- Diminishing product life cycle of voiles business
- Increased global and local competition
- Customers' credit risk
- Fire & safety related accidents
- Non-renewal of licence
- Customers' concentration
- Fluctuation on foreign exchange rates

### Regulatory Risks

- Change in the taxation regime
- Bilateral/multilateral trade agreements
- Government policies with respect to textiles
- Regulatory compliances & data privacy

# PUBLIC POLICY ADVOCACY

Arvind is one of the largest players in the textile industry and acts as a crucial link between the government and the industry. We define the problems the industry faces, and then engage with the government to devise appropriate solutions through policy changes and upgrades.

Consistent efforts in public policy advocacy have made Arvind a trusted ally of the government and the industry.

Following are some of the key industry associations we are actively involved in:

- The Cotton Textiles Export Promotion Council
- Apparel Export Promotion Council
- Agriculture & Processed Food Products Export Development Authority
- Federation of Indian Export Organisations
- Confederation of Indian Industry
- Gujarat Chamber of Commerce & Industry
- Confederation of Indian Textile Industry
- Denim Manufacturers Association
- Textiles Committee
- Ahmedabad Textile Mills Association
- Sustainable Apparel Coalition

# SUSTAINABILITY AND US

## 'Fundamentally Right' is Arvind's unique sustainability proposition.

It is what we stand for, it is what has made us a preferred partner for global brands, provided a loyal customer base, and created more value for the stakeholders.

Apart from our quality products, being responsible towards the environment and the community is what sets us apart from the competitors.

Fundamentally right is our approach to sustainability that focusses on input management rather than tailpipe intercessions on issues material to us and our stakeholders. The key input materials which are integral to our business include cotton, people, money, energy, water and chemicals. Our policies, processes and practices are designed in a way to nurture key input elements at the source and optimise their utilisation, making our business sustainably sound.

At Arvind, we are not just ensuring that our business remains fundamentally right but also contributes towards achieving the sustainability goals of our clients and staying true to the expectations of our varied stakeholders. Our USP has turned our partners into allies, who are now aligned with our business. We remain well poised to match up to their expectations and perform at par with the international benchmarks.

## STAKEHOLDER ENGAGEMENT

One of the core ideas of fundamentally right philosophy is to make every stakeholder an ally. Arvind has a diverse set of stakeholders, who champion divergent interest. It is our imperative to engage with them, listen and respond to their needs. Over a period, this exercise creates trust among stakeholders and ensures that our actions continue to positively impact the socio-economic and environment dimensions.

### STAKEHOLDER IDENTIFICATION

Identification of right stakeholders is just the beginning of a meaningful relationship in our sustainability journey. Insights, diverse perspectives, concerns and priorities when taken into consideration, takes this affiliation to the next level. In FY 2013-14, we collaborated with Ernst & Young LLP for a structured identification of stakeholder groups as a way forward to our sustainability journey. The findings were based on various parameters that impact the sustainability of business such as dependency, responsibility, tension and influence. Acting on these findings, we zeroed in on the following key stakeholder groups.





## ENGAGEMENT MECHANISM

Engaging with a diverse set of stakeholders requires varied communication platforms. We institutionalised multiple engagement channels in the reporting period to effectively communicate our company policies and to collect timely feedback from stakeholders.

### CUSTOMERS

- Develop a sustained relationship
- Anticipate short-term and long-term expectations
- Fulfill their requirement of Sustainable Products
- Understand their Sustainability Goals
- Periodic one-to-one interactions with key customers
- Customer satisfaction survey
- Personal meetings by our design and technology teams with customer groups at regular intervals throughout the year
- B2B customer portal launched during reporting period to facilitate a continuous dialogue
- Feedback gathered during customer visits and audits to the manufacturing locations

### INVESTORS

- Understand concerns and expectations, create higher shared value
- Recognise the Sustainability Risk perception of investors
- Regular dissemination of financial performance through newspapers and published accounts
- In-depth interactions in analyst meets and investor presentations
- Redressal of specific queries on sustainability from investors

### MEDIA

- Communicate key developments, milestone events, growth plans, etc.
- Build larger outreach on Sustainability issues, as well as create need for Sustainable outcomes
- Media interaction events, press conferences, media announcements of quarterly reports and major tie-ups
- Media visits to facilities to demonstrate progress on Sustainability

### 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
- Structured interactive appraisals, career path guidance, training programmes, employee rewards and recognition (Arvind Stores), development programmes
- Feedback mechanism for FLM using various channels

### LOCAL COMMUNITY

- Maintain cordial relations with local communities
- SHARDA Trust's activities
- Interactions by IR department

### GOVERNMENT AGENCIES

- Understand compliance and applicable regulations. Brief them on steps taken and discuss opportunities to collaborate on pressing issues
- Personal meetings
- Submission of relevant compliance documents
- Presence in industry forums, etc.

### SUPPLIERS

- Sharing of mutual expectations and needs, especially about quality, cost and timely delivery, growth plans and sharing of best practices
- Periodic interactions between Arvind's buying and sourcing teams
- Two Supplier Days organised during the year
- Training programmes, quality workshops

INITIATIVE

## MAKING WOMEN FARMERS COUNT

The role of women in agriculture, especially cotton, is yet to be fully acknowledged. As per several reports, women in agriculture in India, are mostly associated with the fieldwork, where they undertake tasks such as selecting and sowing seeds, removing stalks, weeding the field and harvesting the lint. While these jobs are considered unskilled, there is a great deal of knowledge required to be able to perform these tasks. This includes checking the soil moisture, fertiliser requirements, etc. We not only acknowledge the valuable contribution made by women in the cotton fields, but also engage with them.

Arvind organised a women convention with the aim of making women progressive in agriculture, gender budgeting, and enhancing their participation in agriculture sector. A total of 250 BCI female farmers participated in the convention, 10 progressive female farmers were honoured with certificates by female staff members.

**250**  
BCI female farmers  
participated in the  
convention





# MATERIALITY

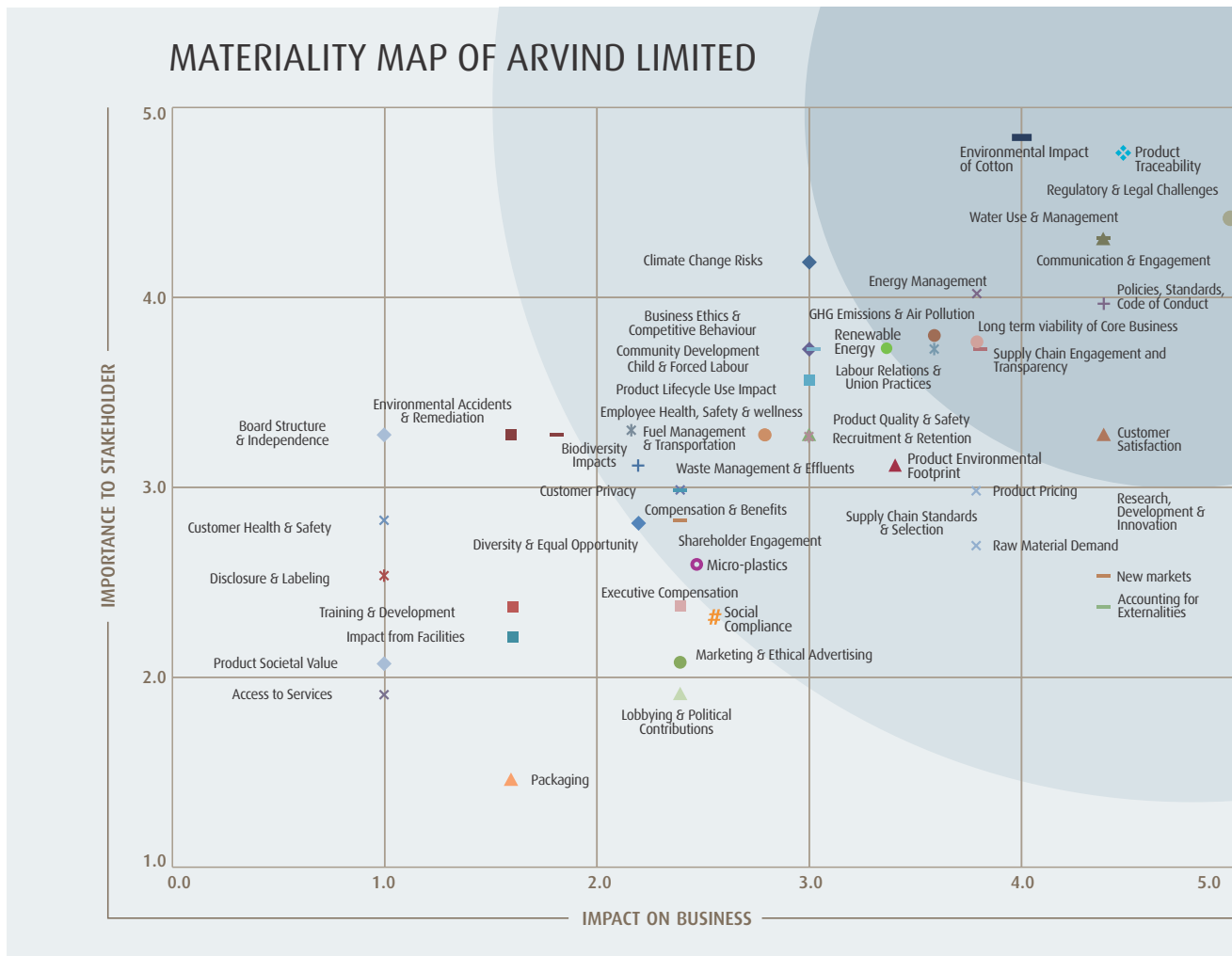
In addition to the strong economic performance, stakeholders now demand the organisations to be environmentally and socially more sustainable. At Arvind, sustainable growth has always been our credo and we listen to our stakeholders and act on their feedback on our material issues.

In the reporting period, we reanalysed and validated our materiality to identify emerging issues and incorporated them in our materiality matrix.

Earlier, a formal materiality process was developed in FY 2013-14 and on that basis, we identified the issues important to our stakeholder and our business in consultation with Ernst & Young. For more information about our Materiality Process, please refer to the Sustainability & Us section in FY 2013-14's sustainability report. Thereafter, we have updated the materiality map based on regular interactions with various stakeholders. The additions are reflected in the materiality map.

Our materiality matrix comprises a universe of sustainability issues raised by our stakeholders as well as our leadership team. These material issues have been plotted against an x-axis (representing impact on business) and a y-axis (representing issues important to stakeholders). Those on the top right corner of the materiality map represent the highest significance to Arvind. Materiality matrix has been revised this year.

**Arvind has a large and diverse set of stakeholders with diverse opinions. We engage with each of the groups to know and understand their concerns and then list out the common issues in consultation with them.**



Based on factors such as risks, returns and relevance, we further distilled this materiality matrix and identified six key material issues and four allied material issues, which are grouped under 'others'.

## COTTON

### Sustainable Sourcing

Sourcing sustainable cotton and reducing the negative impact of cotton farming is crucial to our operations. During the period, we started a new sustainable farming method, Regenerative Organic Farming, which is a more holistic way of encompassing organic practices, animal welfare and social fairness.

Our sustainable farm operations now extend to more than 100,000 acres and we plan to extend this to 140,000 acres during 2019-20. We will be working with 36,000 farmers in promoting sustainable agriculture practices. We aim to accelerate this further and expand our farm operations to cover 400,000 acres of farm land and over 100,000 farmers by the year 2022-23.



### Supply Chain Engagement and Transparency

Engaging consistently with the supply chain leads to transparency and clear communication. Through various mechanisms, we engage with our suppliers through events like Supplier Day to elaborate on and familiarise our supplier group with Arvind's sourcing policy, sustainability practices and Code of Conduct.

## WATER

### Water Use and Management

We have an equal focus on water efficiency improvement as well as recycling. A recycling facility with capacity of 8 million litres per day, is being constructed at our Denim mill in Ahmedabad. Through our breakthrough Public-Private-Partnership project at Santej Unit, we have been able to cut down freshwater use.

We use 65% recycled water and only 35% water comes from freshwater sources. Several of our production units are operating on 100% recycled water. We also have India's largest Zero Liquid Discharge plant with recycling capacity of 18 million litres per day.

We have also invested in advanced technologies like indigo foam dyeing of Denim, which uses 90% less water compared to conventional dyeing technologies.

During the reporting period, we also focused on rainwater harvesting and saved water for washing, which is a high water-consuming process. For more details please refer to the Water section.



## ENERGY

### Energy Management

We are taking up multiple initiatives across our units and offices to help us reduce our energy consumption.

We have implemented ISO 50001 energy management system at all our large energy consuming sites. We are also increasing our alternative energy in the total energy mix.

Our Santej Plant has an installed capacity of 16.2 MW and it can generate up to 23 million KWh of solar energy every year. This is India's largest rooftop solar installation at a single location. This takes our total solar capacity across various sites to 22MW.

Our Ethiopia operations are also fully powered by renewable energy.

### Greenhouse Gas (GHG) Emissions & Air Pollution

We are reducing GHG and air pollution through various initiatives. We have switched from coal to renewable biomass to the extent of 40% in our textile mills.

We have achieved 13.88% reduction in direct GHG & 15% drop in indirect GHG emissions in the last five years, considerably reducing our overall carbon footprint.





## CHEMICALS

We ensure that our fabrics and garments are safe for end consumers, and their manufacturing is safe for our employees, surrounding communities and the environment.

We are reducing overall chemical usage within textile production processes, which have a smaller environmental impact. We treat not only the effluents but also extract useful salts from them; such that they can be reused. In the reporting period, Caustic recovery increased by 3.1%, and resulted in savings of 105 tons of Fresh Caustic.



Ionic Softener Installed at Mysore Road Unit resulted in savings of 3,888 Litres chemical consumption/year that led to financial savings.

We have also invested in a specialised software GaBI to conduct Life Cycle Analysis of chemicals including Cradle to Grave, Cradle to Gate and Gate to Gate analysis.

## 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.

### Safety

Safety has been our focus area and various measures were put in place to tackle unsafe conditions, behaviour and practices for workers and employees. 35,066 man-days of safety training was provided during the reporting period.

These efforts led to overall reduction of 93.36% in incident rate (reportable accident per 1000 workers), reduction of 68.42% in fire incidences, and Average Accident Frequency Rate of 1.04 in Santej, one of the lowest in the history of Arvind Limited.



## 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. Our strong financial performance is key to sustainable growth.

The more value we generate, the more we can distribute to our stakeholders and the more we can invest in sustainable innovation.

## OTHERS

### Communication and Engagement

Continuous communication and engagement takes place with our key stakeholders like customers, investors, and employees. 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.

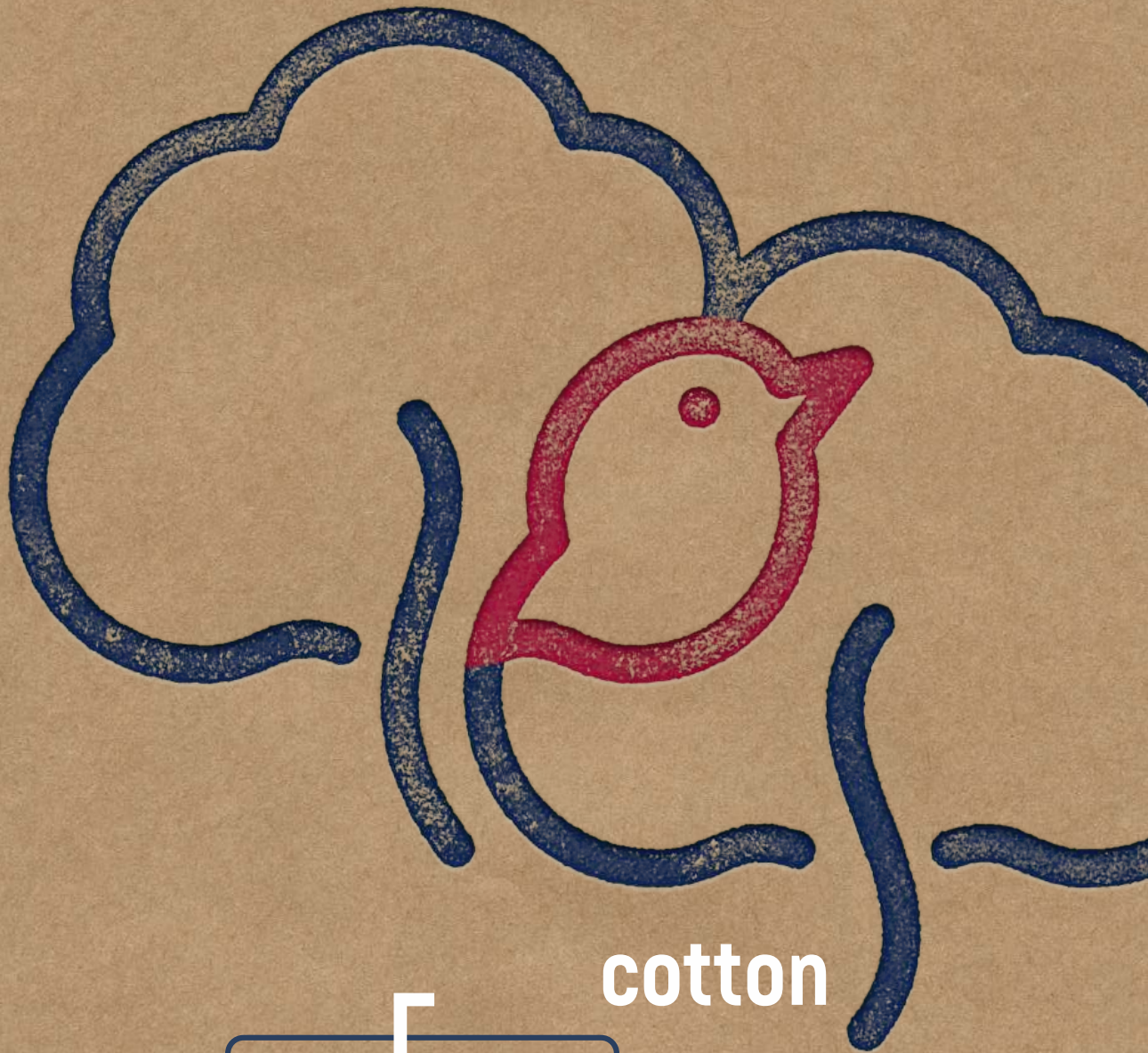
### Customer Satisfaction

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





cotton

**VITALLY**

At Arvind, instead of looking at Cotton as just a key raw material, we see it as a vital ally and are developing a mutually beneficial ecosystem from farm to fabric.

Towards this goal, we have formed alliances - with farmers to enhance production of sustainable cotton, with local partners to provide training to farmers and pickers, with research organisations for innovative practices, with Govt. and international organisations for water conservation & soil fertility and with companies like Inditex and Patagonia to strengthen the sustainable cotton value chain.



# COTTON

The use of cotton for fabric is known to date to prehistoric times and despite the presence of other natural fibres or the beginning of manufactured ones, it still predominates the total fibre consumption in the world.

Being one of the largest manufacturers of textiles and garments in India,

**cotton is a vital raw material and key ally for us, and we holistically nurture it from farm to fabric.**

The sustainable supply of this vital ingredient at competitive rates is material to us, as the demand for garments is rising with the increasing world population. With the available land for cultivation also shrinking, the need of the hour is to find more effective and efficient methods of farming.

At Arvind, we have a mechanism in place to ensure continual supply of cotton in the short as well as the long term. We are creating an ecosystem which enhances farm yield, thereby protecting farmer's interest and securing our input. Along with that, we are also working to streamline our processes to optimise the consumption.

Our responsible supply chain mechanism is sourcing sustainable cotton from the farms to produce fabric.

**Around 26% of our cotton is sustainable and we are scaling this up now.**





## HIGHLIGHTS

**6.64 times**

increase in area under cultivation of BCI cotton from 14,750 to 112,756 acre between FY 2014-15 and FY 2018-19

**6.74 times**

increase in number of BCI farmers from 3,395 to 26,289 between FY 2014-15 and FY 2018-19

### **LCA of BCI and Organic Cotton**

reiterates the sustainability benefits of responsible cotton farming

### **Zero Child Labour**

at our BCI and organic cotton farms through the strict implementation of anti-child labour policy



# CONSUMPTION

The global textile market size is projected to expand at a CAGR of 4.24% till 2025. Population growth, rising disposable income levels, and rapid urbanisation in developing countries like China, India, and Mexico are likely to boost the product demand. Moreover, increasing number of supermarkets and retail outlets in these countries is expected to drive the demand further.

Cotton is the most widely used raw material in the global textile industry owing to its excellent durability, resistance to dust mite and hypoallergenic properties.

The Indian textile market is anticipated to grow at a CAGR of 14.2% during the period 2019-2024. Indian textile industry continues to be dominated by cotton, accounting for nearly 3/4th of the total fibre consumption in the country. So, the consumption of cotton is predicted to increase commensurably.

As one of the largest producers and exporters of textiles in India, we are poised to grow at a corresponding pace. An uninterrupted supply of cotton is therefore imperative. Moreover, we must ensure that this smooth supply is of high quality and doesn't come at the cost of the environment and the farming community.

In the last three years, we have increased the area under cultivation as well as the farmers engaged in sustainable farming.

## AREA UNDER CULTIVATION

in acre

Type of Cotton	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
BCI	14,750	11,119	24,328	65,840	112,756
Organic Cotton	17,197	13,507	*Suspended for better planning		1,547
Regenerative Organic Cotton	New initiative started in FY 2018-19				84
<b>Total</b>	<b>31,947</b>	<b>24,626</b>	<b>24,328</b>	<b>65,840</b>	<b>114,387</b>

## FARMERS ENGAGED

Type of Cotton	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
BCI	3,395	4,000	7,259	14,196	26,289
Organic Cotton	3,651	3,674	*Suspended for better planning		485
Regenerative Organic Cotton	New initiative started in FY 2018-19				19
<b>Total</b>	<b>7,046</b>	<b>7,674</b>	<b>7,259</b>	<b>14,196</b>	<b>26,793</b>

*\*Note: We are planning to grow organic cotton volumes again aggressively over the next few years. Plans are afoot to work with 6,500 farmers and 12,000 acres of land for organic cultivation during 2019-20.*



Overall, we aim to accelerate the area under cultivation of our sustainable farm operations to cover

**400,000 acres**  
of farmland and engage over  
**100,000 farmers**  
by the year 2022-23.



# OUR APPROACH TO SUSTAINABLE COTTON

Environment and social concern hold a centre stage in the innovation and development of our products. We believe that a sustainable supply of cotton should invigorate the earth, benefit the community and help the farmer. Sustainability in cotton farming is therefore crucial for us and we have assumed a leading role in India, establishing the largest sustainable cotton farming operations for a textile mill.

To make cotton farming sustainable and responsible, we need to understand and address the challenges across all three bottom lines.

## ECONOMIC CHALLENGE

In India, most farms are rainfed and monsoons are unpredictable. Crop failures and under-realisation of investment lead to financial impoverishment, and sometimes, farmer suicides. Farmer's interests, therefore, must be safeguarded.

## SOCIAL CHALLENGE

Adopting new agriculture techniques and improving yield are some of the challenges that cotton farmers with small land holdings face. Arvind has partnered with small farmers to help them improve yields through controlled application of water and use of approved fertilisers and pesticides.

## ENVIRONMENTAL CHALLENGE

Traditional cotton farming, with its chemical fertilisers and pesticides, also takes a toll on the environment. The task on hand is to find environmental-friendly processes, to meet the continuously increasing demand.

We have focussed on sustainable practices like BCI (Better Cotton Initiative), and started a new sustainable farming method - regenerative organic farming, which is a more holistic way of farming that encompasses organic practices, soil rejuvenation, animal welfare and social fairness.

We have also partnered with several local NGOs and Producer organisations to implement these activities in various cotton producing states of India. Our sustainable farm operations help us to fulfil the rising demand for products made with sustainable cotton across Europe, North America and Asia.

We closely monitor the reduction in environmental impact through these initiatives and periodically publish the results. For sustainable farm operations, our support programmes for farmers include organising training sessions for farmers, making demonstration plots and helping the farmers maintain agronomic data regularly, apart from many such activities.

**Our sustainable farm operations now extend to about 114,387 acres and we are working with more than 26,000 farmers in promoting sustainable agriculture practices.**





# BCI COTTON

The Better Cotton Initiative (BCI) seeks to grow responsible cotton through carefully controlled application of water and use of approved fertilisers and pesticides; thereby, dramatically reducing the environmental footprint of cotton farming.



## Arvind was the first textile major to partner with BCI

We engage with farmers to produce BCI cotton through contract farming at Maharashtra and Gujarat to procure raw material from them. We ensure an uninterrupted supply chain, while remaining watchful that the cotton farmers, the community and mother Earth reap the benefits as well.

BCI usage in our products has played a significant role in the social and environmental front. It has helped reduce the usage of pesticides, water and chemical fertilisers. This has in turn helped reduce the input cost with a little less or similar output as end crop product. Less cost and similar output helped upgrade social life, and less usage of pesticides/fertilisers and saving of water lead to environmental savings.

# 24%

BCI cotton has been used in the production in this financial year.

### BENEFITS OF BCI FARMING

- Reduced Cost of Production
- Increase in Income
- Access to Affordable Finance and Money Management Credit Guidance
- Integrated approach of Nutrient, Pest and Disease Management
- Knowledge and Skill Development
- Quality of Fibre
- Water Efficiency
- Improved Soil Health
- Minimising effect of crop loss caused by attack of pests and diseases
- Natural Resource Management
- Abolishing Social Evils
- Building a Healthy Community
- Decent Work Ethics for Farm Workers
- Enhancing Biodiversity

## NO. OF FARMERS ENGAGED IN BCI FARMING

FY 2016-17	FY 2017-18	FY 2018-19
<b>7,259</b> Akola	<b>7,259</b> Akola	<b>3,736</b> Akola
	<b>2,923</b> Jasdan	<b>4,492</b> Jasdan
	<b>4,014</b> Khedbrahma	<b>4,501</b> Khedbrahma
		<b>5,000</b> Botad
		<b>4,520</b> Anjangaon
		<b>4,040</b> Valigonda

## FUTURE PLAN

To improve the capacity and capability further, we have the following plans in place:

- Build a reliable supply of clean cotton from India
- Enhance yield and fibre quality, and ensure safe handling of pesticides
- Improve water linkages and sustainable irrigation practices
- Train and build farmers capacity, and implement BCI principles more robustly
- Work on child education, child labour and forced labour
- Add new dimensions and work streams to existing work in order to ensure availability and traceability of clean and contamination-free cotton in India

**Arvind is one of the largest implementation partners of BCI in India. We see great merit in BCI as a step towards responsible farming.**





# ORGANIC COTTON

Organic cotton farming is the process of growing cotton naturally. The seeds used are non-GMO, and the synthetic pesticides and chemical fertilisers are replaced by farm-made organic inputs like enriched compost and biopesticides made from on-farm available resources and cow urine. This protects the soil and groundwater, and reduces the overall cost. Soil quality is also controlled by rotational cropping of leguminous crops like pulses, and scientific practices improve the yield per acre over time.

We guide 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.

## BENEFITS OF ORGANIC FARMING

- Grown using methods and materials that have a low impact on the environment
- Organic production systems replenish and maintain soil fertility, and build biologically diverse agriculture
- Grown without the use of toxic and persistent pesticides and synthetic fertilisers
- Reduced cost of production improves social conditions
- Enhancement of farmers' livelihood and income
- No use of genetically engineered seed
- Development of long-term, sustainable supply of organic seeds
- Benefitting all dimensions of environment - water, soil, air, emissions
- Organic cotton is a natural, renewable and biodegradable fibre
- Serve markets which demand favourably for organic products
- Genuine, traceable and transparent delivery of organic fabrics/apparels to customers



## NO. OF FARMERS ENGAGED IN ORGANIC FARMING

ROC    Organic

**19    487**

## FUTURE PLAN

- Research and commercial development of genuine organic seeds
- Farmer income enhancement and social development
- Water linkages and sustainable irrigation practices
- Training, capacity building and implementation of organic farming practices
- Adding new dimensions and work streams to strengthen genuine produce by ensuring availability of organic seeds
- Partnerships with external agencies for reinforcement, such as Lindsay for life saving irrigation

# EVALUATING THE BENEFITS FROM RESPONSIBLE COTTON

Our supply chain consists of three types of cotton - conventional, BCI and organic. By comparison of these three types, we can quantify the environmental benefits associated with production of organic seed cotton and BCI seed cotton against the conventional seed cotton using LCA approach.

This study is based on primary data collected from farming sites owned by Arvind Group for BCI cotton and organic cotton cultivation in the state of Maharashtra, India. The functional unit of the study is 1 ton of seed cotton at the farm gate.

The results confirmed BCI cotton production system and organic system as extensive cultivation systems that are well adapted to available resources, and natural as well as social and socio-economic conditions.

**1 Organic cotton has shown the lowest impacts across all indicator categories due to growing cotton without the use of synthetic pesticides and chemical fertilisers, as the only additives come in the form of manures, and the soil quality is controlled by crop rotation.**

**2 BCI systems employ better cultivation practices like intercropping and reduced use of mineral fertilisers for cultivation. These systems intend to minimise the harmful impact of crop protection practices, use water efficiently, care for the health of the soil and conserve natural habitats while preserving the quality of the fibre.**



The table below represents the environmental impacts of one ton of seed cotton across the three systems of cultivation under study: organic system, BCI system and conventional cotton.

## ENVIRONMENTAL IMPACT

Category	Unit	Conventional Cotton	BCI Cotton	Organic Cotton
Acidification Potential	kg SO <sub>2</sub> -Eq.	14	12	3
Eutrophication Potential	kg Phosphate-Eq.	7	2	0.46
Global Warming Potential	kg CO <sub>2</sub> -Eq.	731	435	295
Primary Energy Demand	MJ	5,375	2,510	1,351
Blue Water Consumption	Kg	541,061	330,609	391,804

Notes: 1. The term 'potential' indicates that the impacts could occur if the emitted elements would (a) actually follow the underlying impact pathway and (b) meet certain conditions in the receiving environment while doing so. 2. Blue water is water that has been sourced from surface or groundwater resources.

**Farmers, traders, retailers and consumers, all benefit from the economic, social and ecological advantages of responsible cotton projects.**





## CASE STUDY

# BROADENING THE FARMERS' PERSPECTIVE

## CHALLENGE

To familiarise farmers with the textile value chain and motivate them to adopt sustainable farming practices.

## ACTION

We arranged for 13 farmers and 3 staff members from Akola BCI Project Farms to visit Arvind Limited, Ahmedabad. The objective of the visit was to:

- Encourage the farmers to grow cotton by adopting sustainable practices
- Arrange a factory visit to make them appreciate the textile value chain
- Make them understand the importance of contamination free cotton (clean cotton)
- Show them the process flow from bales to spinning, weaving, fabric and to garment
- Motivate the farmers and development of the project

The participants were part of Arvind's BCI farm project and are lead farmers or influencing farmers who actively participate in BCI project activities and follow sustainable farm practices. These farmers also adopt new technologies and can motivate other farmers to implement good practices.

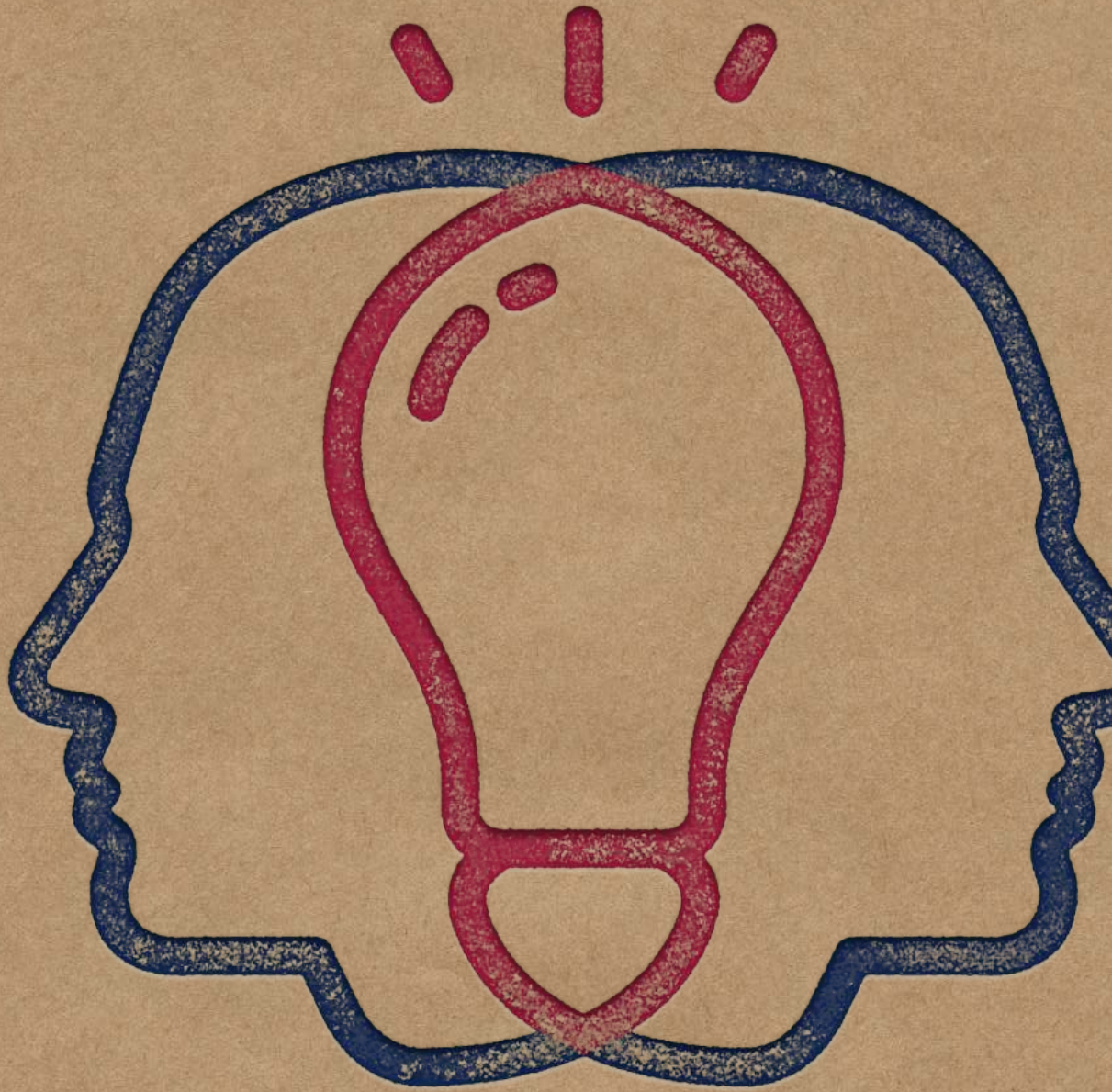


## OUTCOME

The two-day visit achieved the set objectives and gave them an overview of the Company. The interaction with the management and other concerned people, showed them the current scenario and the direction of the future.

**Arvind is part of the Water Resources Group, funded and founded by IFC and UN, and is engaged with them in improving the livelihood of cotton farmers in Maharashtra.**





## people

### SOCIALLY

Society provides us a license to operate, gives us access to talent, entrusts us the responsibility to add value to natural resources and buys our value-added products. Thus we are committed to being a strong ally to society.

To leverage synergies and affect sustainable transformations in society, we have formed partnerships with numerous NGOs, clients and vendors. We have allied with the National Skill Development Corp. for skilling youth. We teamed up with GAP Inc. for educating and empowering women employees.



# EMPLOYEES

It may be a well-known truth, but good talent serves to emphasise that the foundation upon which the success of a business lies, is without a doubt, its people.

**At Arvind,  
we have developed  
talent management  
strategies that are  
in alignment with a  
strong business strategy.**

Taking a collaborative approach ensures a tighter fit among talent, job profile, expectations and delivery. Integral to this purpose-led employment is a culture that respects individual needs and ambitions, fosters a high standard of living and encourages work-life balance.

As of this financial year, our operations have expanded to cover a new location at Ranchi, India. In existing locations too, our workforce is rapidly growing, due to the expansions in Arvind's garment operations.



# 35,066

Man-days of Total Training during reporting period

# 1.04

Average Accident Frequency Rate in Santej Facilities

# 93.36%

Overall reduction in Incident Rate (reportable accident per 1,000 workers)

# 68.42%

Overall reduction in Fire Incidences

## HIGHLIGHTS

### OHSAS 18001:2007

Certification at Naroda facility

### INR 332.8

Million - Total CSR spend during reporting period



At Arvind, we focus on generating meaningful and long-term employment opportunities for the underprivileged sections of society.



**Our People Strategy includes both internal engagement with workers as well as external community engagement.**

With this strategy in place, we will see our overall workforce swell to over 50,000 in the coming years, thereby providing much needed employment opportunities for the nation.



# TRAINING & DEVELOPMENT

## TRAINING

Our employees are key members of the organisation, and we are committed to their growth, development and well-being. In order to keep our 30,000+ workforce updated, we design and implement comprehensive employee engagement and development programmes, foster a conducive work environment and consistently provide opportunities for professional and personal development.

The training and development programmes at Arvind are formulated to help employees acquire new skills, sharpen existing ones and evolve as professionals. By enhancing performance, productivity and boosting employee satisfaction, we are able to actively increase retention rates.

### TRAINING SNAPSHOT

Description	FY 16-17	FY 17-18	FY 18-19
Man-days of Training given	9,593	16,117	9,356
Total no. of Participants in Training Programmes	7,365	13,750	22,600
Total Training Days (Man-days)	142	88	475
No. of Training Programmes	75	46	91
No. of Participants in Outbound Training	50	0	28

To give our workers a larger sense of purpose and encourage them to aspire for more, we refer to them as **Front Line Managers (FLMs)**.

## DEVELOPMENT PROGRAMMES

Untapped potential, when addressed and developed, unlocks a world of never-before-seen productivity and passion. Through a wide array of development programmes across the organisational hierarchy, we have witnessed this phenomenon materialise. During the reporting period, we switched up our learning strategy, focussing on regular, one or two-day workshops for skill building. We have also launched e-learning programmes to facilitate the development needs of our employees.

### I-Grow Policy

This Policy facilitates continuous education opportunities for our employees. This enables our workforce to update their knowledge and skills for self-development and for organisational effectiveness.

**6 Arvind employees have successfully completed their MBA from Symbiosis during 2017-18 and 3 are currently pursuing their BBA.**

### Coaching for Leadership Development

The Leadership Development programme focusses on helping our employees in leadership positions to bridge performance and potential gaps and to better manage career transitions.

**Currently, 3 senior employees are a part of this initiative.**



## Anytime Learning – E-learning Platform

We are piloting our collaboration with EduRiser & CrossKnowledge to bring the world's best content in areas of Leadership, Business Skills and Management on an e-learning platform. The advantage of this model enables our employees to learn from anywhere, at any given time. Since we are a 24x7 organisation, we find it necessary to cater to the learning needs of those who work in shifts. The e-learning modules are designed such that, we are able to target numerous grades and roles, across the organisation.

### INITIATIVE

## PRADHAN MANTRI KAUSHAL VIKAS YOJANA (PMKVY)

In collaboration with the National Skill Development Corporation (NSDC), India, the PMKVY programme was envisioned in 2017, with the aim to empower the youth with employable skills.



As a part of the collaboration, Arvind Limited is offering infrastructure, space, machinery and the training needed at our 9 training centres. Admissions are open to all skill seekers, with priority given to unemployed youth between the ages of 18 to 35 years.

The training programme is centred around six job roles - SSMO, SMO, QC, Pressman and Washing Operator aligned to the National Skills Qualifications Framework.



The programme  
has seen a total of

# 7,000

youth beneficiaries.

The goal is to reach  
20,000 trainees by 2020.



# WORKER TRAINING AND ENGAGEMENT

## Integrated Skill Development Scheme (ISDS)

In collaboration with the Indian Government's Ministry of Textiles, we have been appointed as the Project Implementation Agency under the Integrated Skill Development Scheme (ISDS). The programme seeks to provide free training, leading to employment opportunities for unemployed youth under various skill levels needed in our Apparel manufacturing units.

The project christened "RISE" (Raise, Induct, Skill and Employ) is a part of Arvind Academic Excellence. All academic endeavours and training programmes are monitored by our Academic Excellence Team. Trained as SMO, ASMO, QCs, Finishers and Packers, Fabric Cutters and Washing Operators for a period of 38 Days, the trainees were assessed by a third-party agency to check their newly acquired skills.



**Arvind Ltd. has trained and provided employment to 5,890 beneficiaries across various skill levels needed on our shop floor. This programme was completed in 2017.**



## Personal Advancement and Career Enhancement (PACE)

The PACE programme is a workplace education programme to teach our women employees managerial, interpersonal, organisational and other practical skills that are essential to move ahead in work as well as in life.

Once they complete the programme, our female garment workers will be armed with the necessary skills and knowledge to transition to management or supervisory roles at our factories, while also being equipped to better lead their families and communities.

The Nine Education Modules of PACE

- 1 Time and Stress Management
- 2 General and Reproductive Health
- 3 Communication
- 4 Problem Solving and Decision Making
- 5 Execution Excellence
- 6 Financial Literacy
- 7 Functional Literacy
- 8 Gender Roles
- 9 Legal Literacy and Social Entitlements

**300**  
beneficiaries



# INDUSTRIAL RELATIONS

To strike a harmonious balance between personal and organisational goals, is the core objective of the industrial relations function. Well-meaning intent, fairness and transparency are the key enablers in this journey.

We have recognised worker unions at our textile mills at Naroda and Santej and our Industrial Relations (IR) department organises a variety of events and activities across locations to engage with the FLMs.

We have structured policies and processes under the various management standards pertaining to prohibition of employment of child & forced labour, freedom of association and right to collective bargaining, grievances redressal mechanism, working hours, remuneration, health & safety, discrimination, engagement & welfare initiatives, disciplinary proceedings, etc.



Our policies and processes have been actively communicated to all stakeholders, both internal and external. We also review the same from time to time and communicate the changes, if any, to all concerned stakeholders well in advance.

## NEEV - Laying A Strong Foundation For Productivity

Our employee excellence journey was amplified with the introduction of NEEV - a comprehensive, company-wide, competency-based standard to identify employee potential, grade their performance and chart a structured career growth plan for them.

As part of the NEEV Framework, employees have been segmented in five distinct groups based on their organisational roles.

**1 STRATEGIC LEADERS**  
CEO/CXO/Corporate Function Heads

**2 FUNCTIONAL LEADERS**  
Leading Large/Multiple Functions, direct reportees to CEO, CXO, Specialists

**3 TEAM MANAGERS**  
Managers who have first level managers reporting to them

**4 FIRST LEVEL MANAGERS**  
Managers who manage one or many Independent contributors

**5 INDIVIDUAL CONTRIBUTORS**  
Managing work in individual capacity



**719**  
participants  
over  
**180**  
man-days

We have created a framework for all groups, highlighting the requisite levels of competencies that employees must possess in order to fall under each of these categories. The competencies help develop an employee behaviour map, as well as identify skills that will be valued, recognised and rewarded. Training, need identification, appraisal and career progression – all stem from the employee's competency proficiency level.



# HUMAN RIGHTS

To protect human rights, we recognise our responsibility to respect human rights in all aspects of doing business. We have a well-defined policy to uphold the human rights of our employees and FLMs. We don't discriminate against our employees and they are free to join unions or associations, for the protection of their interests. Our Human Rights Policy extends to communities and supply chains. In strict adherence to our policy, we do not employ children at workplaces, nor do we use forced labour in any form.

During the reporting period, there have been no instances of reported human rights violations or gender discrimination.

Furthermore, we also employ national and international policies for better and safe work practices, that include the Whistle Blower Policy, SA 8000, WRAP (Worldwide Responsible Apparel Production) and the Prevention of Sexual Harassment (POSH) Act.

# SAFETY

Arvind, being a part of the textile industry, faces fire hazards as a key risk since the inflammable nature of our raw material lends itself to this risk. A comprehensive fire protection system has been implemented at all our facilities with prevention of fire being its primary focus, while also being capable of mitigating its spread and extinguishing it at the earliest.

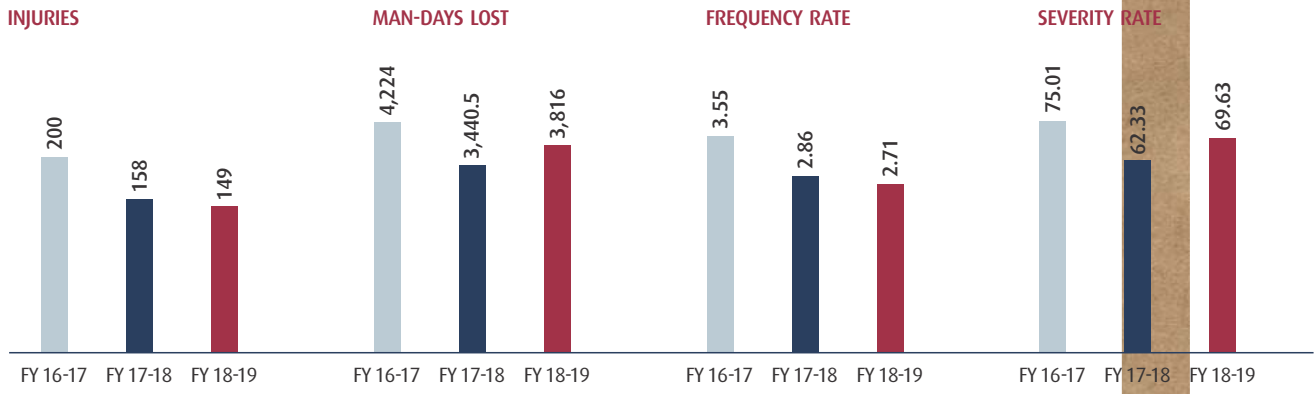
Furthermore, we have inculcated an environment of safety by introducing SOPs that are common to many industries but are not usually seen in textile facilities. This includes work permit systems, use of industry-grade Personal Protection Equipment like safety shoes, masks and ear plugs.

A series of weekly Safety Meets have also been put in place to enunciate the importance of safety among everyone on the production line, to take stock of on-ground situations and address them in a timely manner.

At Arvind, we continuously invest in the safety and health of our FLMs as **we believe that people are our biggest assets and allies, hence their well-being is first on our priority list.**



# SAFETY PERFORMANCE



## INITIATIVES

### UPGRADING SANTEJ'S FIRE PROTECTION SYSTEM

At the Santej premises, all 7 pump houses have been interconnected with each other's systems. In the event that any one of these systems fail, pressurised water supply from remaining fire hydrant system can be utilised.

All strategic locations have been retrofitted with fire hose reels that are accessible, user friendly and easy to use by a layman. This is evident from the fact that a majority of our fire incidences have been doused by shop floor employees before the arrival of the fire crew. The fire hydrant system across the Facility has been renovated and surfaces of pipelines and other accessories were re-painted with anti-rusting paint. In addition, the fire hydrant piping networks have been covered with primary coatings.



### SEPARATE STORAGE FOR HAZARDOUS CHEMICALS

Occupational Safety & Health at Arvind limited are taken seriously. With this policy in place, we have set up three separate storage facilities for the Hazardous Gases – chlorine and ammonia, as well as one for flammable solvents. These are segregated and stored outside the factory premises, along with safety measures that would be required to tackle probable emergencies. Additionally, the statutory licenses for the possession of the same have been obtained from PESO, Nagpur.



### KEEPING FIRES AT BAY

We have taken several measures to prevent fire outbreaks and have taken steps to control and mitigate them, in case of its occurrence.

During the reporting period, we invested in advanced fire safety technologies at our campus to ensure a safe working environment for employees. One such induction is the 'Addressable Fire Alarm System'. This system consists of a series of fire detectors and devices that are connected back to a central control panel. With the addressable systems, each device is programmed with an address or location, enabling the exact detector that was triggered to be quickly identified.

Another introduction is our Stenter Machines being equipped with 'Steam Flooding' systems, to deal with fires efficiently. The mechanism also significantly decreases the machine down-time after a fire incident, while helping keep its metallurgy intact regardless of prolonged usage.



### TERRIFIC TRAFFIC ENGINEERING

At our Naroda campus, we embarked on a mission to make our roads safe and accident free. Our notable progress on the traffic safety front is evident due to the support extended by experts in the field of traffic engineering.

The extensive measures undertaken, resulted in safe, re-engineered roads suitable for all weather conditions. The concept of "Talking Roads" came into play with different traffic safety aids being installed along the roads, guiding road users to be aware and safe. As an added bonus, the Traffic Safety drive has also contributed towards an upgraded look and feel for our Naroda campus.



## CASE STUDY

# PROVIDING ADVANCED HEALTHCARE FACILITIES

OHC, Santej Unit

## ACTION

With the objective of providing advanced healthcare facilities, the Santej OHC has been recently incorporated with a digital X-ray Machine, coupled with a CR System. Inaugurated in 2017 by Mr. D.C. Chaudhry, Director - Industrial Safety & Health, Gujarat, this system was lauded as being a trendsetter amongst industries. Induction of the X-ray system is an added advantage to our OHC, a majority of ailments and injuries of our employees can be instantly identified, thereby reducing diagnostic time. Furthermore, our reliance on outside agencies for diagnosing ailments and injuries will also be reduced significantly, since the system possesses all that it needs to perform conventional tests.

## CHALLENGE

To have a fully functional and equipped Occupational Health Centre at Santej, where the healthcare facilities and treatment for ailments can be provided to our own workers and the workers from neighbouring factories can be treated.

Standing testament to the success of these OHCs are two cases, where we were able to save the patients' lives.

**Thiya Ganesh** suffering from Hypoxic Encephalopathy, due to an asthmatic attack, had lost consciousness with his heart rate dropping to 35/min and SpO<sub>2</sub> at 20%. He was immediately treated in our health centre and administered a lifesaving injection. Once transferred to another hospital via our ICU ambulance with a continuous supply of oxygen through an ambu-bag, he was able to make a full recovery.

**Chavda Jivanbhai** suffered a severe heart attack (due to an inferior wall myocardial infraction). Once diagnosed, he was treated with the right lifesaving medicines available at our health centre and then transferred to a hospital in our ICU ambulance, along with a continuous supply of oxygen. Once there, Jivanbhai underwent an angiography and angioplasty on the very same day. Today he is healthier and leading a normal life.



## OUTCOME

The fully equipped Occupational Health Centres have been immensely successful with 95% cases being handled inhouse, which is much more than we had anticipated.

**27,000** patients attended

**6,650** employees underwent periodic and pre-employment medical checkups

# EMPLOYEE SNAPSHOT

ARVIND LIMITED



	FY 16-17	FY 17-18	FY 18-19
<b>TOTAL WORKFORCE</b>	<b>30,097</b>	<b>28,818</b>	<b>30,081</b>
<b>Workforce by Level of Employment</b>			
• Officers (Senior, Middle, Junior Management)	4,668	4,122	3,829
• Others (Short Term Contracts, Trainees etc.) and Workmen (Excluding Fixed Term Contract)	25,429	24,696	26,252
<b>Workforce by Type of Contract</b>			
• Permanent Employees	30,097	28,818	30,081
<b>Workforce by Gender</b>			
• Male	20,756	19,260	17,995
• Female	9,341	9,558	12,086
<b>Workforce by Age Group (Officers only)</b>			
• <30 years	1,508	1,158	983
• 30-50 years	2,867	2,661	2,604
• >50 years	293	303	242
<b>Attrition Rates</b>			
• Officers	26.07%	38.00%	32.00%
• Senior Management	10.34%	26.36%	16.43%
• Middle Management	15.75%	21.44%	18.48%
• Junior Management	28.29%	41.86%	35.37%
<b>Attrition Rates by Gender (Officers only)</b>			
• Male	25.56%	37.00%	31.13%
• Female	30.80%	53.85%	40.14%
<b>Attrition Rates by Age Group (Officers only)</b>			
• <30 years	33.29%	57.69%	51.98%
• 30-50 years	22.74%	32.54%	24.92%
• >50 years	21.16%	15.84%	26.45%
<b>Attrition of Workforce (Non-officers)</b>	<b>50%</b>	<b>43%</b>	<b>68.88%</b>



# SOCIETY

## SUSTAINABLE CSR ARVIND'S APPROACH

### ARVIND FOUNDATION

Arvind Foundation is the umbrella organisation for implementing, strengthening and expanding CSR initiatives of Arvind Limited.

The long tradition of contributing to the growth of our society has been translated into our CSR vision - to impact positively, the quality of life of people, through

**initiatives of social,  
economic, educational,  
infrastructural,  
environmental,  
health and cultural  
advancement.**

Care for the society has been an intrinsic value for the promoters of the Lalbhai Group. The firm belief underlying the value system, is that only in a healthy society healthy businesses flourish, and to ensure this, business leaders must positively impact society.

At Arvind Limited, we undertake initiatives for social advancement through specific institutions promoted by the company. SHARDA (Strategic Help Alliance for Relief to Distressed Areas) Trust and NLRDF (Narottambhai Lalbhai Rural Development Fund), are public charitable Trusts that have a credible history of three and four decades respectively, who actively work in the urban and rural landscapes.

In addition, the Company created the Arvind Foundation as an umbrella organisation to ensure continuity of our ongoing programmes, implementation of new programmes and identification of other partner organisations who can bring the required, specific skills on board.

The Company has a CSR policy in place and has identified and defined the focus areas which include, but are not restricted to, education, health, skill development, rural development and inner well-being.

Arvind's CSR committee, which comprises members from the top management team, meets periodically to monitor the progress. The committee reviews ongoing projects and programmes, allocating funds for better and effective utilisation in order to achieve the Company's CSR objectives.



# ENSURING SUSTAINABILITY OF INITIATIVES



All our CSR interventions are based on the needs of the community. Systematic need assessment studies are undertaken in the form of quantitative and qualitative surveys, focus group discussions, village level PRAs (Participatory Rural Appraisal) and more, to design a need-based programme which also encompasses the strengths of the community. Our CSR processes are well defined in terms of activities to be undertaken, roles of various stakeholders, monitoring & evaluation and impact measurement. Furthermore, the community is actively involved in identifying issues, designing programmes, delivery, implementation and management of assets created.

To ensure sustainability through continuous funding to the programmes,

Arvind has created a corpus fund. This ensures that the programme objective is met even at times of fluctuating economies and businesses. Credibility and trust are an important component in any community programme. To achieve this, Arvind has made all its CSR processes very transparent. The community is involved at every stage of planning and implementation. This also ensures ownership amongst the community, making the programmes more sustainable in the long run.

Continuous growth and development of the team is done through capacity building training programmes on a regular basis. A majority of our CSR resources are locally sourced, which has helped increase local employment and driven inclusive growth in the region.



INR  
**332.80**  
Million - Total CSR spend during reporting period



# IMPACT MEASUREMENT

We measure the impact of our interventions both quantitatively and qualitatively. Impact assessment is done annually by the internal team. The impact reports are audited by a third party, to ensure greater scope for improvement through an outsider's perspective. Benchmarks have been set for monitoring the progress of the programmes throughout the year.

Any deviation from the set benchmark is brought to the notice of the team immediately and corrective actions are initiated. We have also set up a management information system for the CSR unit, so that data driven decisions can be taken, enhancing the effectiveness of the programmes.

To ensure continuous growth and development, we partner with like-minded individuals, organisations, the government, corporate bodies, academic institutions, training bodies and NGOs, which bring specific expertise. The CSR team also utilises the skills of a vast number of employees who bring their talents and expertise to the table, in order to accomplish the Company's CSR vision.

# OUR CSR PROGRAMMES

**Gyanda, Arvind Medical Centres and Inner Wellbeing Programmes are managed by SHARDA Trust.**

## GYANDA

Our education initiative Gyanda (Fountain of Knowledge) has been working with the children studying in Municipal Schools of Ahmedabad since 2006, providing them academic, financial and mentoring support.

Currently, there are close to 1,100 students in our system. More than 150 students completed their Class 12, and many are either pursuing college education or are gainfully employed.



A life skills programme has been initiated to prepare our students for a successful professional life ahead. This is a comprehensive long term programme that will improve the educational levels and skill sets of children residing in the region, preparing them for a more productive life ahead and contribute to the growth of the society and nation.

## ARVIND MEDICAL CENTRE

For improvement of health conditions, we established 4 Arvind Medical Centres - two each in Ahmedabad and Kalol, to provide affordable, quality primary medical and dental care. These centres are well equipped to provide various medical services like consultation, pathological tests, medicines, dental care, day time care and more.

**In 2018-19, more than 2,300 families registered themselves in the 4 clinics to avail medical services. Around 3,800 patients have been treated for general ailments and 1,700 have received dental treatment.**



## INNER WELLBEING PROGRAMME

With the support of Shri Ramchandra Mission, we regularly conduct Heartfulness Meditation Sessions in rural regions, schools and colleges.

This is with the conviction that physical and social development is incomplete without inner wellbeing and is key to the holistic development of individuals.

**Presently, a dedicated team is working on this project and over 2,000 people are regularly practicing this meditation technique.**







Narottam Bhai Lalbhai Rural Development Fund (NLRDF) has been involved in implementing development programmes in the realm of agriculture, health and sanitation, rural energy, livelihood promotion, skill upgradation, solar promotion, farmer training, HIV/AIDS awareness and prevention, women and child development, women empowerment and more, since 1978. Below are some of the key initiatives undertaken during the reporting period.

### HIV/AIDS CONTROL PROGRAMME

We conducted awareness generation programmes in Dahej industrial area in Gujarat, which has a high migrant population with a higher risk of getting sexually transmitted diseases. Health camps and testing are regularly conducted, informative posters are displayed at prominent locations, rallies are organised and demand generation activities are undertaken on a regular basis.



### SOLAR PROJECT

The solar project was planned and implemented in Tuver village of the Sabarkantha District, which doesn't have access to electricity and basic amenities such as toilets and safe drinking water. More initiatives are planned for the advancement of this village.

### ARTI

Arvind Rural Transformation Initiative (ARTI) was begun in our neighbourhoods, based on the need assessment study and community connect programmes conducted in the past. We initiated multiple development projects in Kheda, Gandhinagar, Ahmedabad and Mehsana district of Gujarat. This year, we worked with school going children, their parents and farmers on environmental projects. To enhance the learning experience of school children, we worked on improving the building environment, improving the midday meals service, took the students for multiple educational tours and planted trees and shrubs in the school campus.



**With 85 farmers, we created more green spaces in Kheda district by planting 400 fruit trees and 2,000 indigenous trees. A farmers' training cum exposure visit was also organised for 25 farmers to KVK Randheja, benefitting them immensely to enhance their income.**

Apart from the above, we organised an event on International Yoga Day, which included awareness on Yoga, Heartfulness Meditation and relaxation techniques, witnessing participation of around 2,000 people.

## PROJECT ASMITA

Project Asmita is Arvind's effort towards creating a sanitation environment in the country, which is self-sustainable. We created semi modular toilets with inputs from users and installed the same in 3 Indian states - Gujarat, Bihar and Maharashtra.

In the process, we trained sanitation workforce including unskilled/semi-skilled masons and workers, to make good quality toilets. We also promoted sanitation entrepreneurs to take the sanitation project to the remotest areas of the country.

Our open source strategy of training and skilling the sanitation workforce will ensure that good quality toilets are built henceforth.



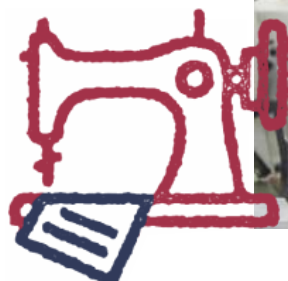
More than 1,300 toilets have been installed at households in the past 3 years.



## CSR IN SPIRIT - SKILL DEVELOPMENT PROGRAMME FOR TRIBAL GIRLS

We initiated a program for inclusive growth of women belonging to the tribal areas of Gujarat. Through this programme, we develop industry specific vocational skills of women in the field of Apparel Manufacturing and employ them in our manufacturing units.

At present, there are around 300 women in the programme.



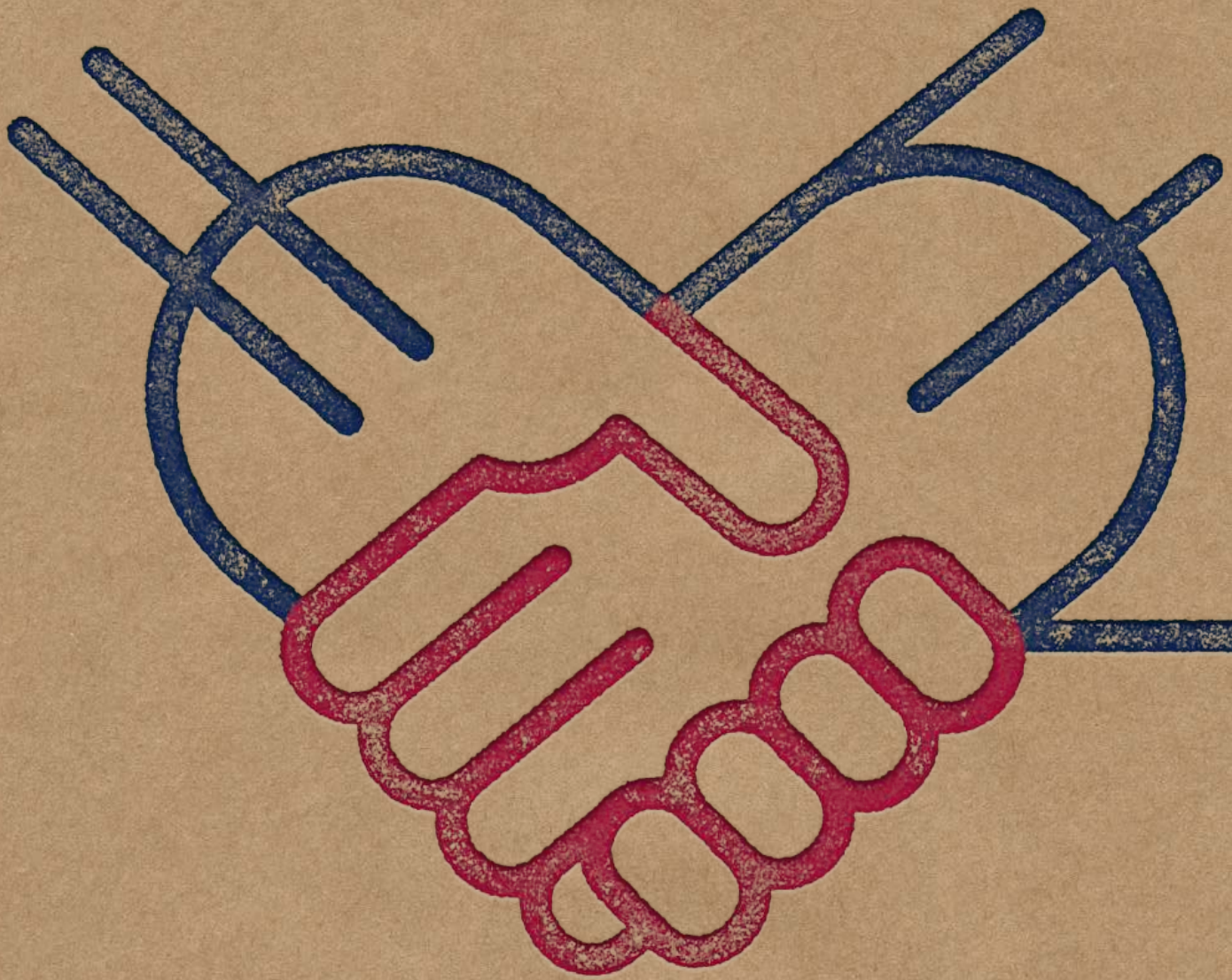




The skill development programme provides opportunities for furthering their educational qualification through enrolment in university courses. We also work on their holistic growth by organising various personal empowerment initiatives.







money

**FINANCIALLY**

Money is not viewed as just a critical input at Arvind, but as a financial ally to achieve economic, social and ecological goals.

As a means to this holistic end, we partner with investors and financial institutions to raise capital, which is deployed for expanding capacities, fuelling growth, upgrading technology, procuring & hiring locally, nurturing talent, setting R&D centres, and in turn, giving back to the shareholders, government, community and environment.



# MONEY

Money is like the thread without which no business suit is complete. Whether you are starting a business or expanding, whether you are researching for a product or launching one, every endeavour requires capital.

At Arvind,  
money is an ally  
that enables us  
to follow all our  
business and  
sustainability goals.

Alliance with the providers of capital is thus synergetic, be it with financial institutions, investors or the government. We aren't just driven by financial bottom lines, but also by our ability to drive social and ecological impact.



# THE JOURNEY

Starting in 1931 with an initial capital of INR 2.5 million, we have come a long way to be a USD 1.7 billion conglomerate. This has been possible due to our focus on fiscal prudence from the very beginning. Sound financial management has ensured robust cash flow for our daily operations as well as strategic investments for our futuristic vision. Giving back was a philosophy we initiated very early. **Arvind started announcing dividends for shareholders since 1934.**

Over the period, we utilised different financial tools to access capital for expanding capacities, fuelling growth, nurturing talent, leveraging technology and giving back to the community and environment.

In 1994, we were among the first Indian companies in our segment to float a Euro issue of USD 125 million, which was oversubscribed 20 times. In 2001-02, following a comprehensive debt restructuring scheme, we achieved the highest profitability in our history till then. Today, we own 22 global patents for environmental solutions and are the largest fire protection fabric producer in the country. With 42,000 employees across verticals, managing 15 global apparel brands, our CSR and sustainability initiatives are slowly but surely changing lives and making a difference to thousands.



**Our pursuit of profit  
is always with a purpose,  
whether it is for the  
prosperity of the planet  
or the people.**



# HIGHLIGHTS

The macro environment surrounding the textiles business continues to be challenged by multiple forces and the overall industry volumes saw modest growth in both domestic and exports segments.

For Arvind, FY 2018-19 was a momentous year. The company demerged two of its businesses into separately listed entities - Arvind Fashions and Anup Engineering. During the year, Arvind's core textile and apparel business continued implementing its stated strategy of growing around four clear pillars - verticalisation, innovation, branding and advanced materials.

## FY 2016-17

Growth in Overall Revenues **15%**

Growth in PAT **1%**

Growth in Consolidated PBT **0.4%**

Decrease in Operating EBITDA **1%**

## FY 2017-18

Growth in Overall Revenues **17%**

Growth in Exports - highest in six years **9.8%**

Growth in Operating EBITDA **2.7%**

## FY 2018-19

Growth in Overall Revenues **5%**

Growth in Operating EBITDA **7%**

### Annual Production Capacity

**100** million metres in denim

**140** million metres in woven fabric

**56** million garment pieces

Expansion of our factories in and around Bengaluru

Opening of new plants in Ranchi and Ahmedabad

Scaling up of our Ethiopia operations

Arvind is the market leader in voiles with an annual capacity of **~48 million metres** and supplies its super fine fabric to both domestic and international markets.



# ECONOMIC VALUE

Making money enables us to make a difference in the lives of all our stakeholders, be it shareholders, employees, environment or community. The more we have, the more we can share. Thus, economic value creation is a material issue for us.

## ECONOMIC VALUE GENERATED & DISTRIBUTED

in INR million

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
<b>Economic Value Generated (A)</b>	<b>53,529</b>	<b>55,136</b>	<b>60,532</b>	<b>64,983</b>	<b>65,398</b>
• Operating Costs	39,842	41,016	42,453	48,225	48,628
• Employee Benefits and Wages	5,711	6,519	7,775	7,845	7,792
• Payment to Providers of Capital	3,201	3,111	3,089	2,523	2,756
• Payments Direct to Government (Indian)	1,002	1,302	1,052	622	855
• Community Investments	40.5	69.2	111	111	111
<b>Economic Value Distributed (B)</b>	<b>49,797</b>	<b>52,017</b>	<b>54,480</b>	<b>59,326</b>	<b>60,143</b>
<b>Economic Value Retained (A-B)</b>	<b>3,732</b>	<b>3,119</b>	<b>6,053</b>	<b>5,658</b>	<b>5,255</b>

Note: During FY 18-19, we received government grant worth INR 40.30 million. The corresponding figures for FY 17-18 and FY 16-17 were INR 48.80 million and INR 48.40 million respectively.

## OUTLOOK

Going ahead, Arvind's value creation agenda will be:

- Continue to scale-up and solidify our core textiles business on four large pillars of growth as shared above
- Continue to grow our asset light garment business model as part of our vertical integration strategy
- Expect new product lines such as sportswear and indigo knits to gain market traction and volumes during the year



- Advanced materials will continue to expand product portfolio and generate robust double-digit growth in top-line, while maintaining the margin model

## DIVIDENDS

Dividend is distributed by a company to reinforce the trust shown in it by the shareholders. It not only signifies the consistency in growth, but also a commitment to share it. Arvind continued to recommended dividend to its shareholders.

FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
25.50%	24%	24%	24%	22%
(INR 2.55 per share)	(INR 2.40 per share)	(INR 2.40 per share)	(INR 2.40 per share)	(INR 2.20 per share)

## R&D EXPENDITURE

Innovation is key to sustainable growth in this evolving world. Our R&D centres play a critical role in leveraging new materials and technology to develop new competitive advantages. We have separate in-house Research and Development Centres at Naroda, Santej, Khatraj and Pune locations.

Naroda, Santej and Khatraj facilities are duly recognised and approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The details of Capital and Revenue Expenditure incurred on Research and Development by all the Centres are as under:

in INR million

R&D Expenditure Naroda + Santej + Khatraj + Pune	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Capital Expenditure	153	82	30	31	80
Revenue Expenditure	161	250	347	398	358
<b>Total Expenditure</b>	<b>313</b>	<b>333</b>	<b>378</b>	<b>429</b>	<b>439</b>

Note: FY 16-17 doesn't include the Pune facility. FY 14-15 and FY 15-16 include expenditure only at Naroda and Santej



# BUSINESS-WISE PERFORMANCE

In the backdrop of a weak macro-economic scenario, both globally and in India, we posted an encouraging performance during this period.

## DENIM

We are among the largest denim manufacturers in the world.



### FY 2018-19



Denim fabric business saw a decrease in volume to 85 million metres from 100 million metres. The price realisation was broadly stable.

Over-capacity in domestic market became worse as recently added capacities started producing new volumes. Also, demand from some of our key export customers continued to be muted as they came out of inventory correction cycle.

### FY 2017-18



Denim fabric business saw an increase in volume to 100 million metres from 98 million metres last year. Average realisation per metre remained broadly stable.

Volumes normalised post the impact of demonetisation. However, industry faced another challenge in the form of GST implementation.

### FY 2016-17

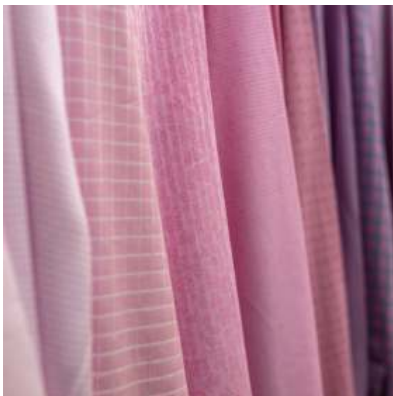


Denim fabric saw a fall in volumes to 98 million metres from 100 million metres last year. Realisations inched up gradually as we have made a conscious effort to avoid low margin product categories. Also, mix change towards exports helped in improving realisations.

Volumes were lower as demonetisation led to reduced demand.

## WOVENS

During the year, we completed restructuring of our B2C business - which is now aligned along clear segments of Shirting and Suiting, across all 3 channels - EBO, MBO and Direct to Retail.



### FY 2018-19



Woven volumes up by **6%** to 138 million metres

Average realisation per metre remained largely stable due to strong growth in our export business. Among domestic segments, our key brands accounts fared well, though trade channel was relatively softer.

### FY 2017-18



Woven volumes up by **2.2%** to 130 million metres

Average realisation per metre remained largely stable due to strong growth in our export business. Domestic volumes were weak, however, given the impact of new tax regime.

### FY 2016-17



Woven volumes up by **6%** to 123 million metres

Average realisation per metre remained largely stable due to strong growth in our export business and domestic retail driving growth of the segment.

Garmenting is an integral part of our verticalisation strategy and continues to grow strongly.

**54 million pieces**

produced in FY 2018-19

**GARMENT**



**FY 2018-19**



Volumes up by **17%** to 54 million pieces

Modernisation and capacity expansion at our Bengaluru/Karnataka plants was completed this year. Our recently established facilities in Ranchi and Ahmedabad also started delivering.

**FY 2017-18**



Volumes up by **46%** to 46 million pieces

Our expansion in Ethiopia has added meaningfully to our capacity. Revenue of Arvind Goodhill Suit Manufacturing Ltd. grew by more than 50% to INR 960 million.

**FY 2016-17**



Volumes up by **32%** to 31.5 million pieces

As the Ethiopian operation stabilised, we expected it to add meaningfully to the volumes. Our suit manufacturing joint venture company, Arvind Goodhill Suit Manufacturing Pvt. Ltd., has grown its revenue by ~25% to INR 616 million.

**DETAILS FOR ESSENTIALS AND KNITS**

*in million pieces*

Year	Garments	Essentials & Knits	Total
FY 2016-17	26.5	5	31.5
FY 2017-18	30	16	46
FY 2018-19	34	20	54



# LOCAL PROCUREMENT & HIRING

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. Similarly, we do not compromise on the merit, but encourage and support employment of people from within nearby communities.

**In the reporting period, almost all our significant supplies - top ten by monetary amount were sourced domestically.**



By local procurement and hiring, we catalyse socio-economic growth in our communities by:

**Creating employment for the community's workforce**

**Developing the skill base of the local community**

**Creating industrial diversity and growth by generating demand**

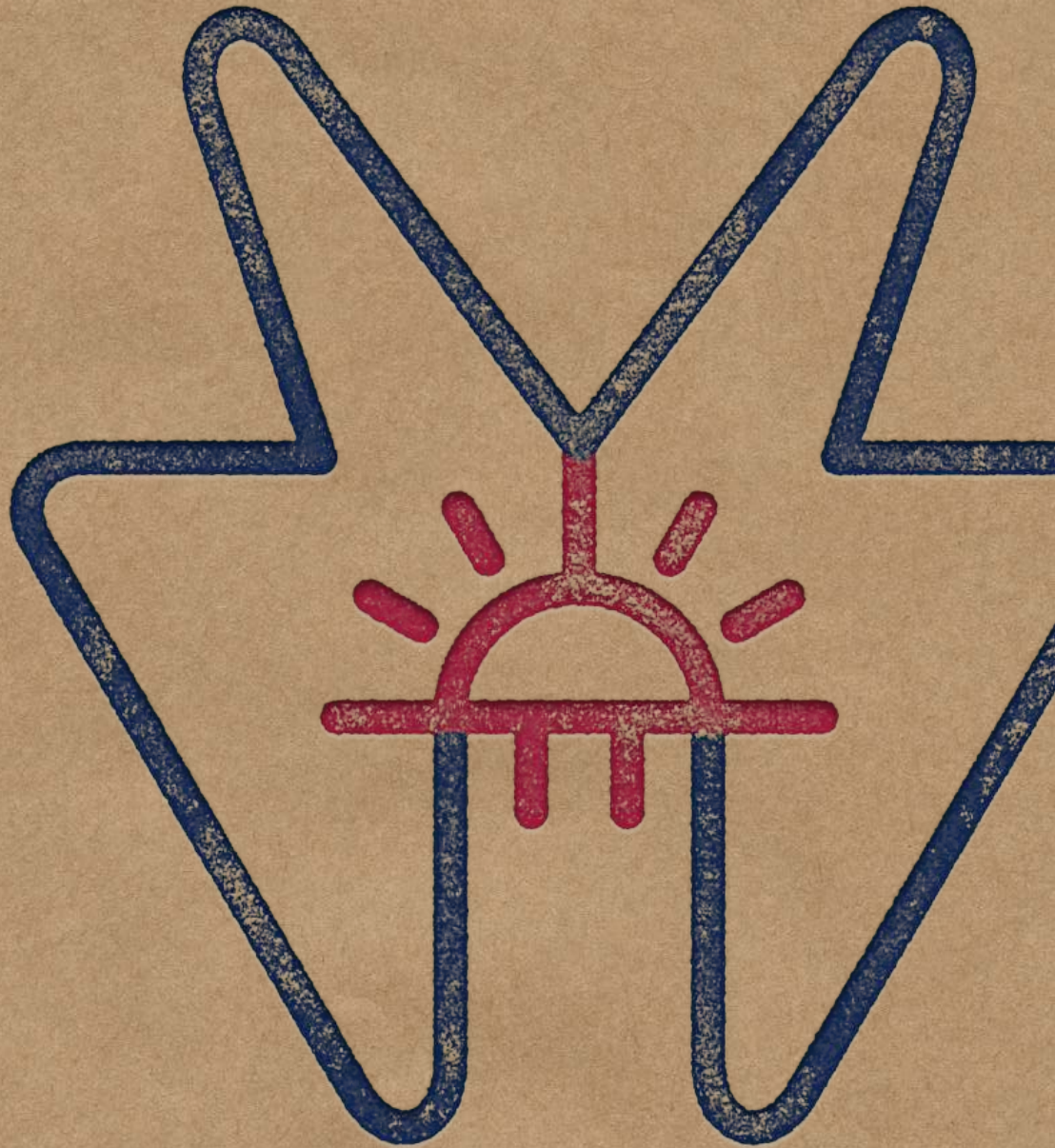
**Supporting sustainability of businesses and economy through supply of goods and services**

**Our senior management consists entirely of Indian citizens, and our employees and workmen are predominantly from the communities where our manufacturing facilities are located.**

## Advantages of Local Procurement and Hiring

- Reduced supply chain and hiring costs
- More revenues due to attractive pricing resulting from lower supply cost
- Alleviating environmental concerns by reducing distances
- Less attrition due to the local base of the employee
- Local suppliers are typically more reactive than suppliers who are farther away
- Faster delivery of products
- Easier to coordinate a shipment across the neighbourhood than around the world
- Being away from elements of the supply chain reduces control
- Less chances of communication and things being 'lost in translation'
- Local employees ensure social license to operate





energy

**PERPETUALLY**

Energy powers our production and operations. The source and quantum of energy we consume significantly determines the sustainability of our organisation as it affects the cost of our products and our carbon footprint.

Thus, it is not a surprise that we have made energy, its suppliers and its regulators our perpetual allies. Along with Cleantech Solar we are installing a 16.2 MW rooftop solar at Santej and have formed an ongoing alliance with NK Protein for supply of biomass to green our energy mix even further.



# ENERGY

Textiles have been woven into the fabric of our lives and in the story of global economic development & trade. However, the industry's intensive use of energy for higher production has resulted in environmental degradation which has tarnished its reputation.

For the industry to continue being a part of our lives, grow further and contribute to the economy, its energy use needs to be managed effectively. Textiles use energy in all its vital processes including spinning - where raw cotton is turned into thread, weaving - where the thread is woven into the fabric, chemical processing - where the fabric is treated, and for all other purposes.

As one of the largest textile manufacturers,  
**it is imperative  
to have a continual  
relationship of  
mutual benefit  
with energy.**

We constantly nurture this relationship by optimising energy productivity and diversifying the energy mix to transform our energy landscape.

Optimising energy productivity offers myriad benefits such as GHG emissions reduction and low annual energy costs. Adding renewables to the energy mix enable us to derive maximum value out of each unit of energy consumed. Combined together, these steps make us a more responsible energy user and enable us to move on the decarbonisation pathway.

We installed 16.2 MW rooftop solar at our Santej facility in Gujarat, which is India's largest installation of rooftop solar at a single location. Our operations in Ethiopia are fully powered by renewable energy. These initiatives are backed by Arvind's energy policy which has been implemented to continually improve the energy performance of all its units. An energy conservation cell, overseen by the CEO, has been instituted to ensure its effective implementation.

Based on this policy, we have developed an energy strategy 'Less Watt Per Metre' to flatten our energy demand curve and reduce our environmental footprint. The strategy has led to process improvements, adoption of technology solutions, enabled energy saving, and use of renewables. All our units undergo periodic energy audits to find out newer opportunities to reduce energy consumption.



# 16.2 MW

India's largest rooftop solar installation at a single location commissioned at Santej

# 22 MW

total current solar power generation capacity across facilities

Ethiopia operations are **fully powered** by renewable energy

Exceeded targets by

# 6.8%

under the PAT scheme on energy efficiency at our Santej Unit compared to FY 2016-17 (Baseline year)

Implemented **ISO 50001** energy management system at all our large energy consuming sites

## HIGHLIGHTS

# 13.88%

reduction in direct GHG &

# 15%

drop in indirect GHG emissions in five years



We have developed an energy strategy

**'Less Watt Per Metre'**  
to flatten our energy demand curve and reduce our environmental footprint.

Energy Efficient Stenter



# ENERGY CONSUMPTION

Coal, electricity and compressed natural gas were used for our operations till now. We diversified into solar power during the reporting period to increase the renewable energy mix in our operations. In fact, our Ethiopia operations are completely powered by solar energy now. We are working towards increasing solar power as a source of energy for our other units too.

We measure our energy consumption under two different categories which include:

1. Direct Energy: generated through combustion of fuels such as coal and gas
2. Indirect Energy: purchased electricity from the grid

We have expanded the scope of our disclosures to reinforce our energy accountability by including smaller units at Arvind in the reporting period.

After an increase in FY 2016-17, our energy use has been consistently going down due to various energy efficiency initiatives such as installing new boilers and energy-efficient motors, implementing ISO 50001 standards, and shifting to LEDs from incandescent tube lights.



The direct energy consumption at Woven & Knits went up marginally due to changes in production volumes.

Arvind Cotspin has halved its direct energy consumption from 1.12 TJ to 0.51 TJ due to various energy saving initiatives including installation of new compressors instead of old and comprehensive air audits to increase energy efficiency. Lower production was one of the reasons for reduction in power consumption. The unit uses power from Maharashtra State Electricity Board (MSEB) for lighting and load/compressor. It uses generator only in the absence of power from MSEB.

## TOTAL DIRECT ENERGY CONSUMPTION

in TJ

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	2,580	2,566	2,686	2,933	2,860
Denim	1,300	1,227	1,160	1,130	1,015
Garments Export Division	78	101	60	110	105
Yarns*	1.12	0.86	0.42	0.94	0.51
Voiles	243	269	263	303	284
<b>Total</b>	<b>4,202</b>	<b>4,164</b>	<b>4,169</b>	<b>4,477</b>	<b>4,264</b>

\* Note: Yarns business include - Arvind Cotspin & Arvind Intex. Arvind Intex uses only purchased electricity and hence no direct energy consumption.

The indirect energy consumption at Woven & Knits went up between FY 2014-15 and FY 2018-19 due to higher production volumes. Denims business in the same period demonstrated a sharp fall of more than 50% and Voiles business (47%) in the energy use due to various efficiency measures. Low production was also one of the reasons for the energy consumption to go down. Closure of spinning departments and looms further led to decline in energy consumption in Voiles business.

#### TOTAL INDIRECT ENERGY CONSUMPTION

*in MWh*

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	244,157.43	262,913	259,142	259,105	261,746
Denim	137,796.71	114,057	110,337	92,850	63,716
GED	6,809.00	7,442	7,327	6,314	5,717
Yarns	75,714.76	73,246	73,890	74,933	69,710
Voiles	23,853.43	22,644	18,337	14,075	12,724
<b>Total</b>	<b>488,331.34</b>	<b>480,282</b>	<b>469,033</b>	<b>447,277</b>	<b>413,613</b>

Specific electricity consumption at Woven & Knits units have come down 11.30%, while at Denim the decrease is 39% over a period of five years. The specific electricity use has also gone down at Garments Export Division. The decline in production led to fall in compressed air consumption, reduction in energy use in H-plants, and increase in alternative energy usage.

#### SPECIFIC ELECTRICITY CONSUMPTION (UNIT-WISE)

*in kWh/metre production*

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	1.77	1.79	1.67	1.62	1.57
Denim	1.26	1.15	1.13	0.94	0.75
Garments Export Division (in kWh/Pieces of garments)	0.94	0.89	0.75	0.61	0.5
Yarns (kWh/kgs of production)	2.83	2.96	3.00	2.93	2.95
Voiles	0.61	0.57	0.44	0.32	0.31





# EMISSIONS



While energy contributes to the growth of textile & apparel industry, resulting emissions are a dampener for environmental health. Increasing demand of textile and apparels in the world, followed by increased production is the cause of higher GHG emissions.

Arvind, being an integral part of the industry, assumes responsibility towards restricting emissions by enhancing the energy efficiency of our processes as well as investing in low-carbon technologies to keep the global temperature rise this century well below 2 degrees. The last five-year GHG emission trend shows that both the direct and indirect emissions have consistently gone down.

## TOTAL GHG EMISSIONS (DIRECT & INDIRECT)

in TCO<sub>2</sub>

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Direct	417,214	431,290	372,796	365,385	359,284
Indirect	439,498	432,253	422,130	402,550	373,578

Energy conservation initiatives such as shifting to LED, implementing ISO 50001, installing new boiler and bringing in efficient motors led to decrease in the energy consumption resulting in both direct and indirect emissions going down.

Implementation of various energy efficiency projects including daylight harvesting systems, the variable frequency drives in motors, condensate recovery systems, flash steam recovery system, and use of solar energy has led to reduction in GHG emissions. GHG emissions at GED has gone down by over 14% compared to FY 2014-15, while similar efforts brought down GHG emissions by 45% in Denim, 8% in Yarns and over 13% in Voiles business.

## UNIT-WISE GHG EMISSIONS (DIRECT & INDIRECT)

in TCO<sub>2</sub>

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	448,284	468,083	474,734	490,578	489,364
Denim	247,122	218,011	204,509	161,541	136,026
Garments Export Division	6,616	7,361	7,091	6,276	5,686
Yarns*	68,226	65,986	66,634	67,675	62,867
Voiles	44,959	46,416	41,960	42,030	39,008
<b>Total</b>	<b>815,208</b>	<b>805,857</b>	<b>794,929</b>	<b>768,100</b>	<b>732,951</b>

\* Yarns business comprises - Arvind Intex & Arvind Cotspin.  
Intex uses only purchased electricity and hence no direct energy consumption.

**Specific GHG emissions have gone down by 29% and 10% at Denim and Woven & Knits units respectively, over a period of five years.**

## SPECIFIC GHG EMISSIONS

in kg CO<sub>2</sub>/metre production

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	3.26	3.18	3.07	3.06	2.94
Denim	2.27	2.20	2.09	1.63	1.61
Garment Export Division (kg CO <sub>2</sub> /pieces)	0.92	0.88	0.73	0.60	0.50
Yarns (kg CO <sub>2</sub> /kgs of production)	2.55	2.67	2.71	2.65	2.66
Voiles	1.15	1.17	1.00	0.94	0.94

The reduction is due to various energy efficiency measures taken and initiatives implemented apart from installation of efficient motors, usage of solar and wind energy.

The reduction in direct GHG emissions over a five-year period is **13.88%** while indirect emissions have seen a drop of **15%**



# RENEWABLE ENERGY

Cleantech Solar is our ally in reducing greenhouse gas emission and becoming a more energy secure company by developing our rooftop projects.

Installation of 16.2 MW rooftop solar at our Santej facility in Gujarat, which is India's largest rooftop solar installation at a single location, is one of the steps in the direction.



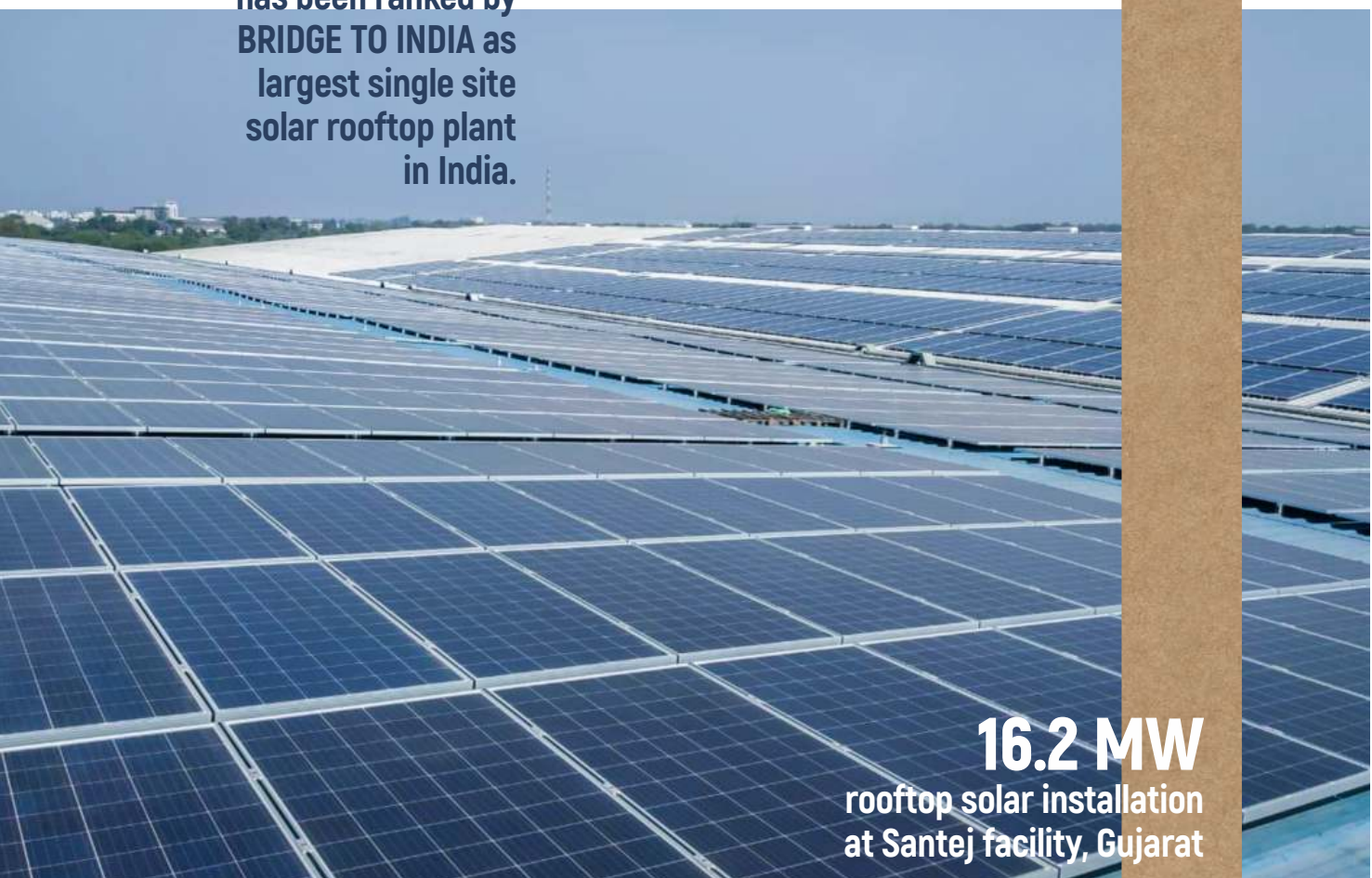
As part of our renewable energy strategy, we are working towards making each one of our facilities and offices run entirely on renewable energy.

While we are already running the largest solar rooftop in the country, we will continue to challenge ourselves to further take our captive solar generation capacity to 40 MW. Once that capacity is reached, overall generation will exceed 55 million units per year and will reduce carbon emissions by 50,000 tons per annum.



**Arvind's current solar installation has been ranked by BRIDGE TO INDIA as largest single site solar rooftop plant in India.**

We initiated the first phase of the solar installation of 4 MW rooftop solar at Ahmedabad and Bengaluru plants, while the second phase commenced in February 2018 with the addition of 17 MW. The third phase will include installation of solar plants on the ground and at locations close to our facilities, which will take the total installed capacity to 40 MW.



**16.2 MW**  
rooftop solar installation  
at Santej facility, Gujarat

**Arvind's total current solar power generation capacity stands at 22 MW across facilities.**



## CASE STUDY

# POWERING OPERATIONS THROUGH SOLAR

Santej Unit

## CHALLENGE

Rising power costs and higher emissions of conventional energy made us look towards renewable sources for power generation. The challenge was to integrate solar power with grid power to bring down our cost and the emissions.

## ACTION

We decided to partially replace grid power with solar power in substation-1 and installed a rooftop solar system. These two initiatives when combined provided the unit with energy security, brought down power costs and helped us save the environment.



## OUTCOME

### COMPARATIVE STUDY PHASE 1

Description	Grid Power	Solar Power
Average of Grid Power Consumption MWh / month	22,475.57	0
Average of Grid Power Consumption MWh / month	21,812.18	663.40
Savings in Grid Power Consumption kWh / month	663.40	
Savings in Grid Power Consumption Lakh / month	33.17	
Savings in Grid Power Consumption kWh / year	7,960.78	
Savings in Grid Power Consumption Lakh / year	398.04	
Reduction in GHG Emissions tCO <sub>2</sub> e / month	597.06	
Reduction in GHG Emissions tCO <sub>2</sub> e / year	7,164.70	



Reduction in  
GHG Emissions

# 7,165

tCO<sub>2</sub>e

# BIOMASS ENERGY

Growing environmental sustainability concerns and increasing cost of conventional energy is making alternative energy like biomass a feasible option for textile industry to explore. Arvind has found a partner in NK Proteins who is helping us include biomass in our energy mix. Biomass is considered as better compared to other traditional fuels since it is neutral in terms of CO<sub>2</sub> emissions.

## GENERATING ENERGY FROM COTTON STALKS

Farmers usually dump or burn the bulk of the cotton stalk in the fields after harvesting the cotton crop, leading to pollution and increase in emissions. Arvind undertook a pilot programme to check if the cotton crop residues can also be harvested and used in the boilers instead of coal to generate steam from biomass.

Based on the results of this pilot, we plan to increase the coverage and quantity of biomass coming from this source in FY 2019-20.

# CONSERVATION

Conservation at Arvind is not just limited to changing the conventional bulbs with LEDs or adopting the new energy efficient technologies. It's about building a culture of conservation where each and every employee in the organisation participates. We have also enhanced the energy conservation awareness of our vendors through trainings, workshops and seminars. This empowers us to conserve beyond our sphere of operations and thereby contribute to the climate narrative on a larger scale.





## ENERGY EFFICIENCY INITIATIVES AT VARIOUS LOCATIONS & UNITS

**1** LED light fittings in place of fluorescent light fixtures

**2** Installation of Effimax monitoring system and energy efficient boilers, machines, compressors

**3** Introduced daylight harvesting systems

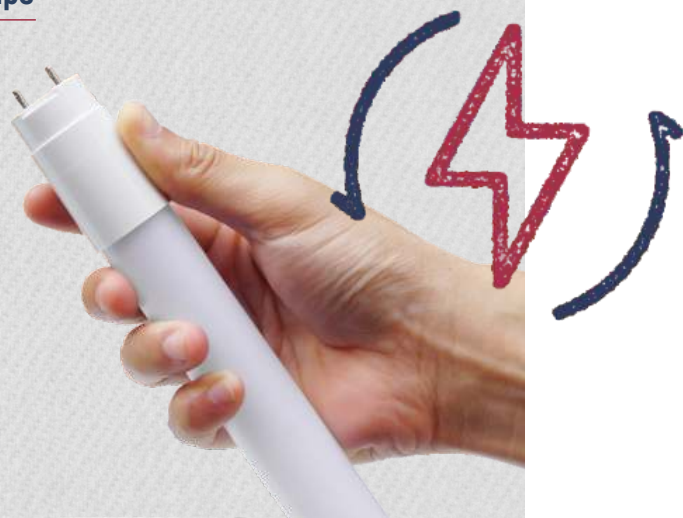
**4** Optimised power and pressure in submersible pumps

**5** Introduced Variable Frequency Drives (VFD) in boilers

**6** Reused heat and water in processing machines from condensate recovery

**7** Conducted compressed air leakage audit and arrested leakages

**8** Installation of rooftop solar systems







water

## NATURALLY

Right from the cultivation of cotton, to transforming it into a garment – water plays a key role at every stage in our industry. At Arvind we treat it as a natural ally and ensure that our operations put as little stress on freshwater as possible.

In pursuance of this objective, we have formed alliances with Santej and Gandhinagar Municipal Corporations to use treated domestic sewage for manufacturing. Another close ally is Arvind Envisol, who specialises in water and wastewater solutions. We have also joined forces with Gap Inc. to eliminate the use of freshwater in denim manufacturing.



# WATER

Water is an important resource for a pre-dominantly cotton-based textile industry in India, and a material issue for Arvind. Cotton uses water throughout its lifecycle, right from cultivation to fibre manufacturing to garment making. Even after the garment reaches the end consumer, the use of water continues for washing, until it gets worn out and later disposed of.

**Arvind is committed to developing business in a way that facilitates water stewardship in the textile industry,**

**enables our global allies to achieve their sustainability goals, and ensures that the neighbouring communities have access to clean and safe drinking water.**



We are working on water management through the value chain. With farmers, for over a decade, to promote organic and sustainable irrigation of cotton within the company, to reduce, reuse and recycle water in our processes, and with partners, to reduce their environmental footprint.

# HIGHLIGHTS

Decrease in freshwater consumption in  
FY 2018-19 compared to FY 2014-15 (base year)

Woven & Knits (Santej)

**45%**

Denim (Naroda)

**37%**

Voiles

**36%**

**36%**

overall reduction in freshwater  
consumption compared to FY 2014-15

Our conservation journey started with setting up the first Zero Liquid Discharge (ZLD) plant and an Effluent Treatment Plant, way back in 1998. These plants were set up with the objective of recycling water and reusing the same in our industrial activities. We advanced our efforts by setting up a wastewater treatment plant which recycles up to 98% of our effluent, limiting net withdrawal of water from bore wells.

Partners and global brands look up to us for sustainable solutions and we enable them to achieve their sustainability goals. For instance, Arvind has joined hands with Gap Inc. to address global water scarcity, by eliminating the use of freshwater at one of our facilities.

Arvind Envisol, our subsidiary business, has been founded to provide water and wastewater management solutions for us as well as across varied industries.

We consistently take up process efficiency initiatives for water management through efficient treatment & recycling mechanisms, well thought-out conservation projects, smarter monitoring, identification and plugging of leaks in pipes as well as processes, and water harvesting.

Arvind is aligned with the Government of Gujarat on its campaign for water conservation and contributes towards providing the neighbouring community accessibility to safe and clean water.

Joined hands with  
Gap Inc. to set up an  
innovation centre and  
a water treatment facility  
to eliminate use of  
freshwater in making denim



Partnering with  
municipal corporations  
to treat sewage water

Woven & Knits (Santej)

**4,000** KL/day of treated  
sewage from GMC

Denim (Naroda)

**8,000** KL/day of sewage would  
be treated from AMC, once  
the plant is operational

Voiles (Ankur Textiles)

**1,500** KL/day  
treated sewage  
from AMC



# WATER CONSUMPTION

Compared to FY 2014-15, our total water use decreased by around

FY 2016-17

**16.17%**

FY 2017-18

**24.62%**

FY 2018-19

**35.66%**



Notwithstanding increase in the production volume across wovens, denim, and garment segments in the reporting period, our freshwater consumption has subsequently decreased during the same time. Myriad initiatives on conservation, recycling and process innovations have led to reduction in water use.

## TOTAL FRESHWATER CONSUMPTION

in '000 m<sup>3</sup>

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	1,465	1,537	1,461	1,300	804
Denim	4,126	3,407	3,183	2,967	2,598
Garments Export Division*	217	269	260	223	236
Yarns**	251	255	232	253	266
Voiles	724	732	550	371	460
<b>Total</b>	<b>6,783</b>	<b>6,200</b>	<b>5,686</b>	<b>5,113</b>	<b>4,364</b>

\*Garments Export Division comprises Mysore Road, Bommasandra and Electronic City units

\*\*Yarns include Arvind Intex and Arvind Cotspin which have only domestic water usage



Santej unit is using 2,000 m<sup>3</sup>/day treated sewage from mid-2017 and ETP treated water for cooling and boiler instead of groundwater, while 50% of process water at Ankur Textiles is derived from the Ahmedabad Municipal Corporation (AMC).

Freshwater consumption has gone down in Denim business by 37% over 5 years due to various water conservation initiatives and efficient machineries. Decline in production was also one of the reasons for our water use going down.

From FY 2015-16 to FY 2017-18, water consumption has remained low due to higher productivity and control of water supply by installing pressure transducer system. In FY 2018-19, however, water consumption was marginally higher in Yarns and Garments Export Division than previous years. Higher weight of fabric per metre, lower productivity, and civil construction work in Ankur premises led to marginally higher water consumption.

Over the years, total freshwater use in our businesses is been going down due to improvements in process efficiencies through implementation of global best practices and standards.

**In Woven & Knits and Voiles business, the freshwater use shrunk over 45% and 36% respectively as both - Santej and Ankur Textiles use treated STP water in processes instead of groundwater.**

Reduction  
in specific  
water  
consumption

Wovens

25%

GED

7.14%

Denim

8.82%

#### SPECIFIC WATER CONSUMPTION

*in litre of water consumed/metre of production*

Units	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits	48	37	42	36
Denim	34	33	30	31
Garments Export Division (in litre of water/garment manufactured)	42	49	40	39
Voiles	18	19	19	22

## EFFLUENT MANAGEMENT

Effective management of effluents, address the environmental sustainability and economic viability of Arvind. During the period, total water treated and discharged has dipped due to decrease in the overall water use, but recycling did not decrease in proportion. So essentially, we are using less freshwater, recycling a higher percentage of that, and hence, a lower percentage is discharged.



The total freshwater usage at Santej has gone down significantly which in turn has resulted in lower effluent generation, and hence, lower recycling.

We can see significant rise in total water treated and reused in the process in Voiles business as Ankur Textiles has partnered with Ahmedabad Municipal Corporation to treat 1,500 KL of raw sewage every day at Ankur's Sewage Treatment Plant. Since 2016-2017 we are using treated STP water in our process.

#### TOTAL WATER TREATED & REUSED IN PROCESS

*in '000 m<sup>3</sup>*

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Woven & Knits (Santej)	5,036	5,550	4,294	4,569	5,198
Denim (Naroda)	2,852	99	270	129	106
Garments Export Division	114	2,781	2,465	2,161	1,950
Voiles	55	33	242	462	463
<b>Total</b>	<b>5,205</b>	<b>5,682</b>	<b>4,806</b>	<b>5,160</b>	<b>5,767</b>

*Note: Yarns business comprising Arvind Intex and Arvind Cotspin has only domestic water usage*

Total water treated and discharged had decreased at Denim business as the production has gone down by around 22%.

#### TOTAL WATER TREATED & DISCHARGED

*in '000 m<sup>3</sup>*

Units	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Denim	2,852	2,781	2,465	2,161	1,950
Garments Export Division*	125	163	218	155	178
Voiles	595	600	660	653	671
<b>Total</b>	<b>3,572</b>	<b>3,544</b>	<b>3,343</b>	<b>2,969</b>	<b>2,800</b>

*\* Excludes the Electronic City unit as all the wastewater is treated and reused in process, flushing & gardening at this unit -Yarns business comprising Arvind Intex and Arvind Cotspin have only domestic water usage -Woven & Knits business at Santej is Zero Liquid Discharge plant*



# WATER MANAGEMENT AND CONSERVATION INITIATIVES

We have a two-pronged approach towards water management. One, we are investing in technologies and management practices to reduce the water usage in textile dyeing and processing. Second, we focus on eliminating freshwater use by moving to recycled water sources, either internal or externally through other water sources, like community sewage. During the reporting period, we took up several water harvesting initiatives at our Naroda, Santej and Ankur Textiles plants to reduce our dependence on groundwater.

## INITIATIVES AT DENIM (NARODA)

### BRIDGING THE WATER CONSERVATION GAP

Arvind Limited and global apparel retailer Gap Inc., have joined hands to open a new innovation centre with the objective of promoting the adoption of proven techniques and technology that reduce water use by the textile manufacturing industry. Arvind and Gap are also investing in a new water treatment facility that will eliminate the use of freshwater at Arvind's denim mill in Ahmedabad, India.



INNOVATION  
CENTRE

The new innovation centre will be a hub for apparel companies, manufacturing suppliers, vendors and other stakeholders, to advance and scale water stewardship across the apparel sector. The centre, spread across 18,000 sq. ft space, will feature installations that showcase water management best

practices and recycling technologies, a library, lab space to develop water management solutions, as well as classroom training and conference space. Once completed, the centre will generate scalable solutions that can be replicated at other mills and laundries.

As water becomes increasingly scarce due to climate change and growing human needs, the apparel industry is facing pressure to reduce its freshwater demand. In India, 54% of the population faces high to extremely high water risk, according to Gap. The partnership wants to make the industry more efficient in water use.



## TREATMENT FACILITY

The facility will replace

# 100%

of the mill's freshwater use with reclaimed water.

The facility will use membrane bio reactor (MBR) technology to treat domestic wastewater drawn from the surrounding community, without the use of chemicals in the treatment process.

Currently, the mill consumes 8 million litres of freshwater per day. Beyond eliminating the use of freshwater at the denim mill, the facility will also reduce business risk for Arvind, Gap and the other brands that source from the mill due to local water scarcity challenges.



By the end of FY 2020-21

# 3 billion litres

of freshwater will be saved  
and will preserve the  
local community's  
vital freshwater resources.



## Initiatives at Denim (Naroda)

### OPTIMISING WATER USE THROUGH MONITORING

Monitoring water use is the first step in reducing its consumption. Arvind Mills installed water metres and started monitoring water in 2016, following the suggestions made by cKinetics during the baseline assessment. The water metre readings are taken every day from all the locations in a log register. These readings are then transferred to a dashboard for monthly machine-wise consumption review. Through a month-on-month comparison of water consumption and water metres, and communication of results to all the departments, significant reduction has been observed in per metre consumption of water.

Other initiatives taken up to optimise water use include:

- Corrected the countercurrent system with optimum water flow rate in the AE Desizing machine. The initiative led to resource-saving of 5.5 litres/metre to 5.0 litres/metre of water.

**The average production per day at AE Desize machine is 27,000 metres which will save 4,860 kl/annum of water.**

- Set up new connecting valves within the wash tanks for establishing countercurrent system by which the water from the wash boxes can be used in the next (5 boxes were connected with 4 valves). The flow of water reduced from 8 litres/metre to 6 litres/metre.

**The average production per day at the facility is 35,000 metres resulting in the total water saving of 70,000 litres/day or 25,200 kl/annum. Further, it saved INR 718,200 by way of eliminating raw water use & through water treatment at ETP.**

### REUSING THE PRE-WETTING BATH WATER

Water is picked up from the pre-wetting bath when the machine has non-sulphur dyeing load. The water is recovered and carried through pumps and a piping system to where the dyed yarn is washed. This water is utilised for washing purposes.

**This initiative led to a resource saving of 80 kld of water and 28,800 kl/annum, financial savings of INR 806,400 and treatment cost in ETP.**



### RECOVERING AND REUSING WATER ON MONFORTS MACHINES

Monforts machines are used for textile finishing. In the zero-zero finish, a huge amount of water is sprayed on to the rubbers of the machine to simply cool them down. This water is clear and its quality equal to the raw water. The project aimed at reusing this water for the finishing of fabric at Arvind Mills. The water was collected by placing the troughs beneath the machines and the water was pumped back into the process.

**The project was implemented on 6 machines achieving resource-saving of 61,920 kl/annum (192 kld) - saving around 40% of projection, including financial savings of INR 1,969,920. The raw water and ETP treatment costs were also saved.**

### FOAM DYEING

Arvind has invested in advanced technologies such as foam dyeing for denim which uses 90% less water compared to conventional dyeing technologies.

The main dyeing element in this process is foam, using air instead of water to carry the chemicals or dye onto the fabric.

## INITIATIVES AT WOVEN & KNITS (SANTEJ)

Production capacities at Arvind's Santej Plant are 12 million metres of a shirt and trouser fabric and 800 tonnes of knit fabrics monthly. A sustainable water supply of 17 million litres per day is required to achieve this monthly production. However, Gujarat is prone to rainfall deficits and droughts, which is a material risk for Arvind's business and for the neighbouring community, who depend on water for their domestic use.

Arvind has been working towards responsible management of water. Our water conservation and recycling initiatives have helped us to lower our dependence on water resources. Some of the key initiatives taken up during the reporting period include:

### MAKING WATER CONSERVATION MORE EFFICIENT

Santej unit is equipped with a Wastewater Treatment Plant which recycles up to 98% of effluent.



Thus, the net withdrawal of the water from borewells is limited to evaporation and consumption losses. That's not all. The plant is working to make water conservation more energy efficient through new and ongoing initiatives.

### USING GREENHOUSE FOR SLUDGE DRYING

While Santej is a ZLD plant and doesn't generate liquid waste, the safe disposal of sludge, which comprises 20% solid and 80% water, is a challenge. The plant used to transport this sludge earlier without achieving the required dryness, leading to higher costs.

With the objective of making the whole process of drying the sludge environmentally friendly and cost efficient, Santej unit decided to install a greenhouse for sludge drying. The greenhouse uses sun radiance to heat the surface of the sludge bed and aeration to evaporate the water contained in the sludge. The evaporated water is then evacuated through natural convection, assisted by the ventilation system. Santej unit set up the greenhouse with the capacity to treat up to 10 tons of ETP wet sludge.



**The initial moisture content of the wet sludge was 82%, however on the fourth day the final moisture content of the sludge was reduced to just 20%.**



### Initiatives at Woven & Knits (Santej)

## JOINING FORCES TO REDUCE FRESHWATER USE

Arvind Limited, Santej and Gandhinagar Municipal Corporation (GMC) signed an agreement for usage of 4,000 KL/day treated sewage from a domestic sewage treatment plant, reducing the use of groundwater.

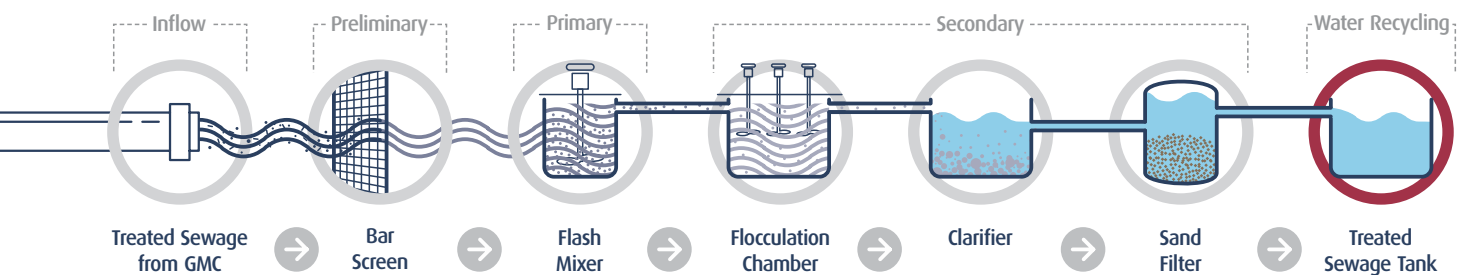
The partnership will enable Arvind to curb groundwater use for domestic and industrial purposes, leading to higher groundwater level in the region and avoid any water scarcity for the neighbouring community.



Arvind Envisol has designed the state-of-the-art Sewage Treatment Plant (STP) plant based on analysis of composite samplings at pumping stations. The water is treated and further polished at our STP through various technologies such as bar screening, pH correction, flash mixer, primary clarifier and sand filter.

Later, this treated water is disinfected with Hypochlorite to remove the bacterial colony. The parameters are checked thoroughly at our ETP lab against an existing set of water quality standards. Once it is confirmed safe for use in the domestic usage, the stream is released in H-plant, boilers and domestic usage.

#### Treatment Process



*Note: Treated sewage is disinfected with hypochlorite to remove bacterial colony*

**We have reduced groundwater extraction for domestic purpose in our industrial premises by providing treated sewage water tapping. It will help us to build groundwater level and avoid water scarcity.**

## CASE STUDY

# IMPROVING THE EFFLUENT TREATMENT QUALITY

Santej Unit

## ACTION

While evaluating the ETP, we found that surplus internal drains and backwash water from pre-treatment of RO feed only had sludge quantum. If the sludge is allowed to settle down, the overflow water will not require any treatment in aeration tank thus cutting down on processing cost. The reclaimed water and liquid sludge was diverted directly for thickening process.

## CHALLENGE

An inefficient ETP leads to high costs and an adverse impact on the environment. The challenge was to improve efficiency of the ETP to ensure quality of reclaimed wastewater, reducing fluctuation in the aeration tank, and cutting down on power consumption required for the entire process.

## LAB REPORT

### Drain & Backwash Water Quality

pH	TDS (ppm)	COD (ppm)	Colour (PtCo)	Suspended Solid (ppm)
5.90	3,500	170	90	400

### After Separation from Aeration Tank

5.90	3,500	170	90	70
------	-------	-----	----	----



## OUTCOME

- Due to reduced hydraulic load, the fluctuation of high COD in aeration treatment is reduced, improving treatment quality
- Specific power consumption got reduced by 4.86 kw/m<sup>3</sup> in existing aeration tank for treatment, while dissolved oxygen level increased
- Consistent high recovery in RO skids increased. 7 RO skids became sufficient to fulfill the process water demand which earlier used to be 10 to 11 skids



## Initiatives at Woven & Knits (Santej)

### WATERLESS DYEING AT KNITS

Waterless dyeing technology has been piloted at Knits Division by replacing water with supercritical carbon dioxide. When CO<sub>2</sub> is heated to a point, it acquires the liquid-like density which is advantageous for dissolving hydrophobic dyes, and gas with low viscosities and diffusion properties, which can lead to shorter dyeing times compared to water. We have done a series of trials to study this as a proof of concept and are working to implement this at scale in near future.

**Through waterless dyeing, we will be able to reduce our water use by 100 KL/day.**



### OTHER INITIATIVES

#### Reducing Water Use

- Installation and maintenance of float valve in open tank and cooling tower to stop the overflowing of water
- Reuse of machine cooling water as hot process water
- Regular checking for wasteful use of water followed by remedial action
- Steam condensate recycling in various areas adopted in order to reduce water and steam consumption
- The effective operation of condensate and cooling recovery system
- COC Winder and CBR cooling water collected and reused which remained unused earlier
- Sanfo/Curing cooling water collected by pump modification and reused which was going to the drain
- Condensate water recovered from dryers, Sanfo machine, caustic recovery reused

#### Conserving Groundwater

- Anmol/Achal spinning plant started using sewage water in place of groundwater
- In ETP sewage water was used for chemical preparation
- Increased the recycled water recovery by 10% by installing RO-IV stage

### INITIATIVES AT VOILES (ANKUR TEXTILES)

### DEPENDING ON TREATED SEWAGE FOR PROCESS WATER

To decrease our dependence on groundwater and reduce the use of freshwater, Ankur Textiles has partnered with Ahmedabad Municipal Corporation to treat 1,500 KL of raw sewage every day at Ankur's Sewage Treatment Plant.

**50% of our process water is derived from treated sewage water.**

### OTHER INITIATIVES

- Installed pressure transducers in water supply system and linked with inverter drive pump to maintain optimum water supply pressure leading to savings of 40,000 KL of water per year
- Reused condensate water at boiler saving 674 M Kcal of heat energy/year
- Checked wasteful use of water followed by remedial action
- Adopted steam condensate recycling in various areas in order to reduce water and steam consumption
- Reused 120 KL of water per day, used for machine cooling in processing area



## INITIATIVES AT GARMENTS EXPORT DIVISION (BENGALURU)

The Mysore Road Garmenting Unit at Bengaluru has always been responsible towards water since it was commissioned in 2005. However, we continually improve the productivity of water and work towards its conservation through various initiatives. For instance, using Environmental Impact Measuring (EIM) software to monitor and control its washing activities. This software analyses the environmental impact of a garment finishing process across parameters such as water consumption, energy consumption, chemical product use and worker health.

## INITIATIVES AT BOMMASANDRA UNIT

### WATER CONSERVATION BY ADOPTING NEW TECHNOLOGY



#### Reverse Osmosis System

With the objective of reducing the freshwater use for processes, RO System was installed at our Bommasandra Unit as an economic and effective way to treat wastewater and reuse the same.

**This initiative led to using 60% of the treated water for process, saving 60,053 KL of water at the unit.**

#### Nano Spray Technology

We are using machines with Nano Spray Technology to reduce environmental and economic impact. Machines such as Eflow, Jeanius, and Bcloud are designed to reduce the water needed for washing by almost 80% in some of the processes. The machines use MSIT as a medium to hold the chemicals instead of water.

**This process reduces the amount of wastewater substantially as only the amount needed for garment absorption is sprayed and there is no discharge in this step.**

#### Rainforest Machine

The machine is designed with 3mm+3mm double layered drum structure which runs with pump-free water circulation technology. When the distance between the inner and outer drum of the machine reduces, 50% of water consumption is reduced for stone and enzyme wash, which results in chemical savings as well.

**Many of the wash cycles are done at 1:3 liquor ratio thereby saving close to 30% water in the overall process.**



**100%**  
of the water used at this unit is sourced from the wastewater treatment plant of the local municipality through a specially built pipeline.



## Initiatives at Garments Export Division (Bengaluru)

### WATERLESS WASHING RULES

While water cannot be substituted completely in the manufacturing processes, we take water saving initiatives to manage it responsibly. We have adopted some of Levi's waterless washing rules to conserve water during the washing process. Among these, Arvind practices removing desize step, low liquor ratio for stone wash, combine fixing and softener prominently to conserve water.

Waterless washing can be attained by following any one of the following steps:



WATERLESS™

*Levi's WaterLess is Levi's latest innovation. Their jeans and denim jackets are the result of the union of style and sustainability, without compromising the quality of fabrics and finishes. Same result = less water. The idea is to carry out the traditional process of creating a pair of jeans but in a less harmful way for our environment.*

#### Levi's WaterLess Washing Rules

- ✓ Remove desizing step
- Use ozone instead of powerful bleach
- ✓ Low liquor ratio for stone wash
- Use foam dye
- Water-free stone wash
- Foam bleach
- Use spray softener
- Sky bleach / Rags bleach
- Use soft rigid technique
- ✓ Combine fixing and softener
- Ozone mist
- Combine enzyme and softener
- Low liquor ratio bleach
- Low liquor ratio reactive garment



### HARVESTING WATER FOR WASHING

Arvind has implemented rooftop harvesting systems to capture rainwater from the roof catchments and store them in the tanks. The harvested water is then used in the washing process, which is a water-intensive activity in the textile processing.

**A total of three rooftop harvesting systems with rooftop area of 65,800 sq. feet and tanks with cumulative water storage capacities of 615 KL of water have been installed at various places for washing purposes.**



## CASE STUDY

# LEAVING NO STONE UNTURNED TO SAVE WATER

**Bommasandra Unit**

## CHALLENGE

The process of stone washing consumes high amount of water. The challenge was to implement a NoStone System in washing by eliminating use of pumice stone to reduce our chemical and water consumption footprint.

## ACTION

The NoStone washing system was introduced by replacing the stone washing machine with a stainless-steel abrasive drum fastened to the washing machine. This drum used mechanical rather than chemical process for creating a variety of finishes through flexible abrasion adjustments.



## OUTCOME

# 39,304 KL

water saved from April 2016 to Dec 2017.





## CASE STUDY

# CAPTURING WATER WHERE IT FALLS THROUGH WATER HARVESTING

Mysore Road Unit

## CHALLENGE

Textile processes consume high amount of water and most of this is drawn from various groundwater sources. Being a material issue for us and for the neighbouring community, it is in our interest to reduce the use of this water and rejuvenate the sources wherever possible, to continue our business.

## ACTION

With the objective of using the rainwater instead of groundwater, we constructed two rainwater harvesting systems. One at the sewing building and another one for the washing building. The harvesting systems are equipped with catchment area, conveyance system, strainer and drainage system, storage, delivery system, to use this harvested water instead of process water.

### Sewing Building

A rainwater harvesting system was constructed for a rooftop area of 35,000 sq. ft with storage tanks of 475 KL for an average annual rainfall of 859 mm.

### Washing Building

Rooftop rainwater harvesting system was implemented in the rooftop area of 12,800 sq. ft and 65 KL capacity tank for storage of rainwater was constructed keeping in mind the annual rainfall of 859 mm.



## OUTCOME

The harvested rainwater is soft and low in minerals. When recharged to the ground, it helps improve the quality of groundwater, arrests soil erosion and reduces the freshwater usage.

# 10,252 KL

water harvested between May 2016 to Dec 2017.







## chemicals

### CRUCIALLY

The look, the feel, the hues, much of what defines a fabric comes from chemicals. But this power to change the fabric can also result in unwanted impact to the environment and thus, chemicals are a crucial ally in our sustainability journey.

We have adopted green chemistry and became the first textile mill globally to join Zero Discharge of Hazardous Chemicals (ZDHC) programme. We have also collaborated with Levi's and adhere to their Screened Chemistry Framework to eliminate hazardous chemicals from the value chain.

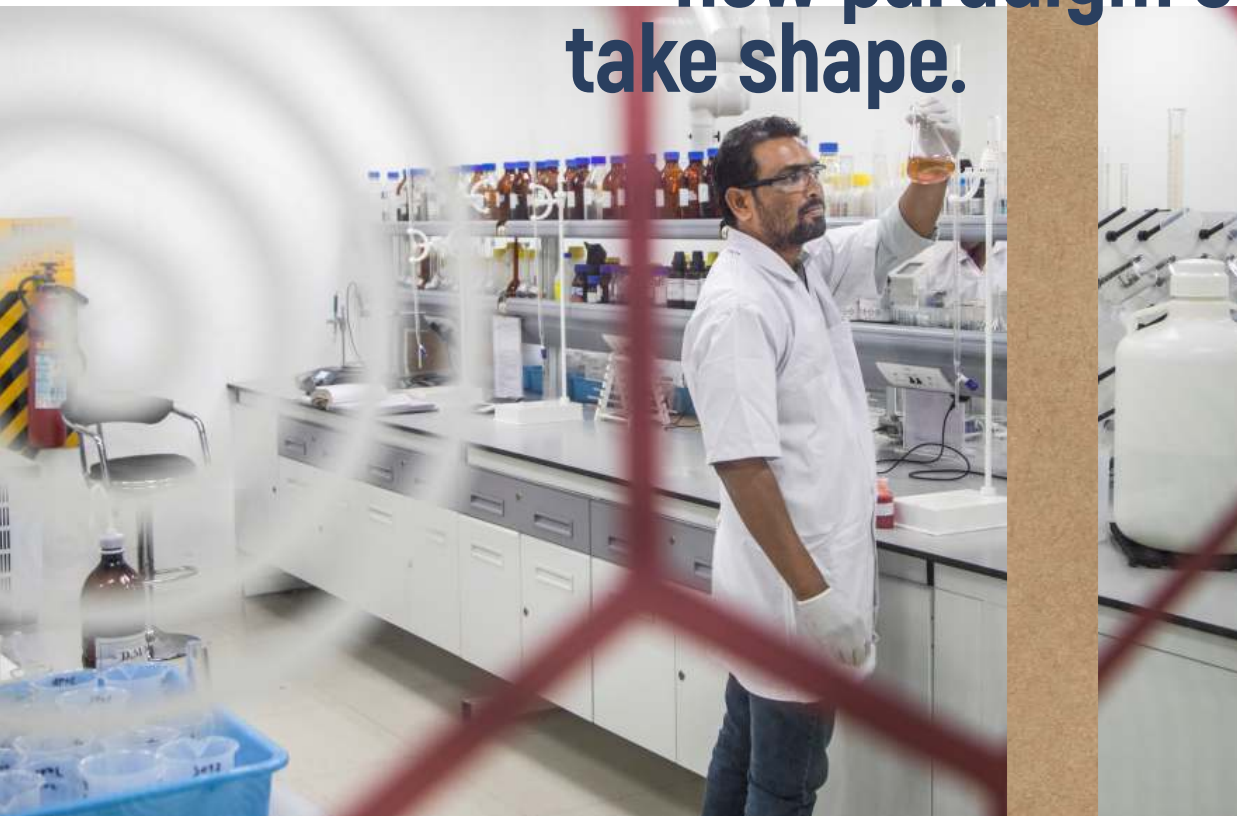


# CHEMICALS

From farm to finish, chemicals are integral to manufacturing of fabrics, dictating the fashion we flaunt and the clothes we choose. Be it physical properties like the look, feel and colour or the durability, almost every feature in a fabric is enhanced using chemicals.

One of the biggest challenges of the fashion industry is the multiple partnerships that go into manufacturing of a garment. Focussing on the entire value chain is essential to create sustainability.

**Therefore, at Arvind, we don't just partner with other brands, but form strong bonds that regard them as Allies who enable this new paradigm shift to take shape.**



However, in creating the best for fashion and self-expression, we can't compromise on our self-preservation through conservation. At Arvind, we believe replacing conventional chemistry with green chemistry triggers a massive change-reaction that propels fashion that is in harmony with nature.

We realise that greening our processes requires more than just replacing chemicals and processes. It requires replacing perspectives and practices with those that are seeded in being fundamentally right.

# HIGHLIGHTS

## Collaborating with Allies

Our key allies when it comes to chemicals are Levi Strauss & Co. and the Zero Discharge of Hazardous Chemicals (ZDHC) programme. At Arvind, we produce over a 100 million metres of fabric and six million pairs of jeans. Levi Strauss & Co. works to keep hazardous chemicals away from closets through their initiative Project F.L.X. (future-led execution).



### Implemented Levi's Screened Chemistry Framework

a hazard-based approach that evaluates chemicals from a hazard perspective

At our denim garment manufacturing sites – Mysore Road Unit and Bomassandra, we are using automation to reduce the number of chemical formulations used in finishing to a few dozen. The project has eliminated the use of thousands of hazardous chemicals that go into the manufacturing of jeans.

At these two sites, we follow the Levi's Screened Chemistry Framework - a hazard-based approach that evaluates chemicals from a hazard perspective, covering 18 human health and environment/fate end points.

This ensures that 11 priority chemicals do not exist in the chemicals we use. As of December 2017, the Mysore Road Unit resulted in 90% and Bommasandra Unit in 87% chemicals being green screened.

### Life Cycle Analysis at Santej and Naroda

to map our fast-moving products against industry standards

## Ø ZDHC

### Collaborated with ZDHC programme

to implement safer chemistry practices

Committed to the elimination of hazardous chemicals from the value chain, Arvind Limited became the first textile mill globally to join the Zero Discharge of Hazardous Chemicals (ZDHC) programme in 2016.

The ZDHC programme is a collaboration of leading textile and footwear brands working to implement safer chemistry practices.



With increasing awareness on how fashion impacts nature, fulfilling market requirements now includes being sustainable in business practices as well. Our objective as a sustainable supply chain partner is to work with our clients to help them exceed both, their sustainability goals as well as their business goals.

**We work to ensure that our fabrics and garments are safe for end consumers, and their manufacturing is safe, for our employees, surrounding communities and the environment.**

We have adopted a life cycle approach to ensure comprehensive chemical management:

1

**Encourage the farmers to reduce or eliminate harmful chemical fertilisers and pesticides in cotton cultivation by promoting BCI and organic cotton**



2

**Make improvements in the production process to reduce consumption of chemicals**



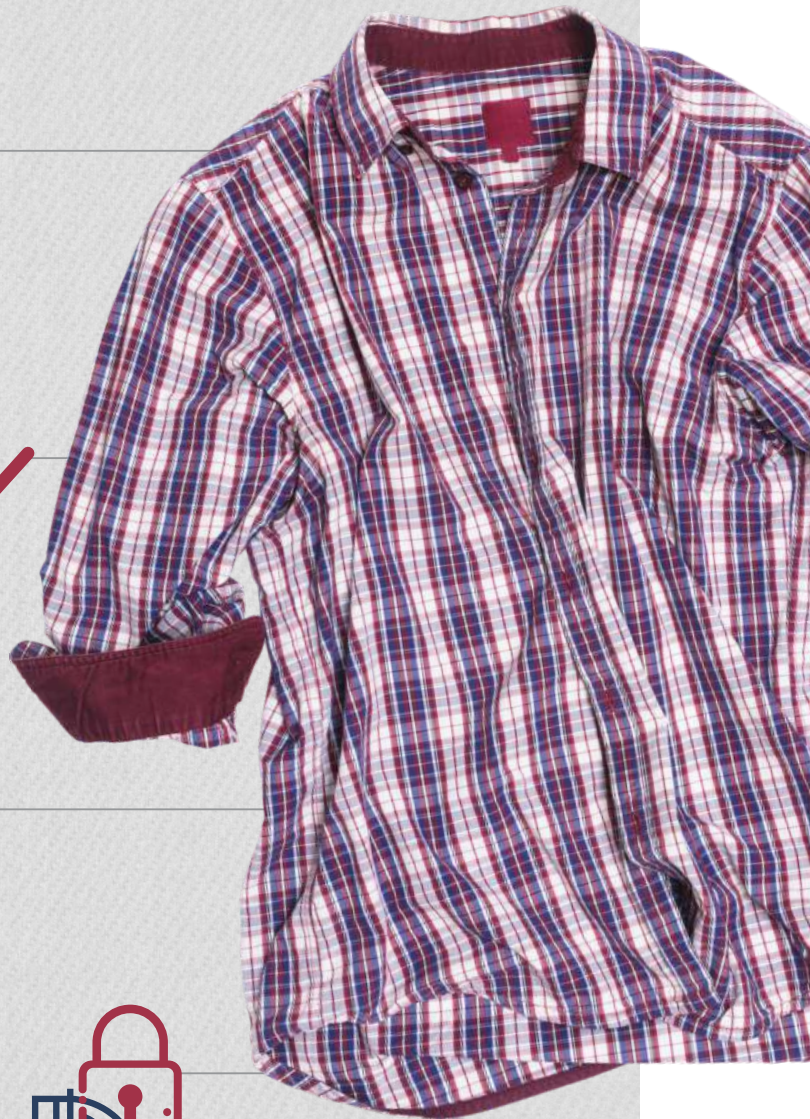
3

**Substitute the hazardous chemicals from the chemical recipe with minimal discrepancy in the final output**



4

**Limit the discharge of hazardous chemicals as well as recover salts from the wastewater**



# POLICIES & PRACTICES

## CHEMICAL MANAGEMENT

At Arvind, we implement a robust system of policies and practices with regards to chemical management. It ensures we adopt the most effective means to control hazards and mitigate risks.

### CHEMICAL MANAGEMENT POLICY

We update our Chemical Management Policy (CMP) annually in line with product Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL) requirements. The CMPv4.1, updated in March 2019, propagates good practices in the following areas:

- Processes and guidelines on chemical purchase, usage, storage and disposal
- Assessment of chemical hazard to environment and human health
- Chemical safety management
- Transparency on chemical use - from purchase to disposal
- Practice of best available technologies

The policy is shaped by three factors

- External Requirements of customer organisations
- Internal Management focus on EHS. This includes adherence to ZDHC roadmap of ensuring zero discharge of hazardous chemicals by the year 2020 and worker safety
- Regulatory Certifications like GOTS, OEKO-TEX and REACH

### CHEMICAL PURCHASE POLICY

We are committed towards eliminating the 11 chemical groups of priority substances from our processes. To ensure we eliminate these chemicals from the material we procure from our suppliers, we in addition to restricting the use of these substances at our operations, also instituted a Chemical Purchase Policy to screen our supply chain. We ensure that all chemicals used, have below documents in system:

- Material Safety Data Sheets/Technical Data Sheets (TDS)
- Technical Data Sheets/Technical information
- GOTS/Non-GMO certificate, wherever applicable
- REACH SVHC candidate list
- ZDHC MRSL compliance declaration
- Certificate of Analysis (COA)
- Product Information Log (PIL) covering BOD/COD/EC50/IC50/Biodegradability/GHS classification of chemical
- Declaration of RSL on fabric
- Declaration of RSL and MRSL component in chemical/dye

*Note: In order to enhance the ease of access and in a move to reduce paper usage, we have started receiving Certificates of Analysis in soft copy. All HODs have access to these COAs.*

### SCREENING FOR HAZARD

We adopted the 'GreenScreen for Safer Chemicals' for the 'Denim Laundry Operations' in FY 2015-16. Our aim was to evaluate chemicals from a hazard perspective through a structured approach. A comprehensive set of 18 human & environmental health and safety end points, as related to chemical substances are under evaluation through this approach. So far, we have expanded the scope of GreenScreen to include



### Hazard Endpoints

**Environmental Fate**  
Persistence | Bioaccumulation

**Environmental Health**  
Acute Aquatic Toxicity | Chronic Aquatic Toxicity | Carcinogenicity | Mutagenicity & Genotoxicity | Reproductive Toxicity | Developmental Toxicity | Endocrine Activity

**Human Health Group 1**  
Acute Mammalian Toxicity | Systemic Toxicity & Organ Effects | Neurotoxicity | Sensitisation | Respiratory Sensitisation | Skin Irritation | Eye Irritation

**Human Health Group 2**  
Reactivity | Flammability



## SPILL MANAGEMENT POLICY

To prevent the release of hazardous chemical in an unplanned or uncontrolled manner is essential in any industry that involves chemicals. Often the result of accidents, such spillage and the extent of damage can be minimised through robust SOPs. Through our Spill Management Policy, we aim to ensure cautious management of hazardous material spills. The policy is applicable to all departments, employees, contractors, and visitors. In addition to giving a comprehensive SOP to deal with major and minor spills, the policy also elucidates the DOs and DON'Ts to handle spills of special chemicals like organic material, alkali and acids.

### INITIATIVES

#### CONDUCTING LIFE CYCLE ANALYSIS

We have procured a specialised software, GABI, from Thinkstep, Germany. The software will be used to conduct Cradle to Grave, Cradle to Gate or Gate to Gate Life Cycle Analysis of our products. We have commenced the initial study for a baseline analysis at Santej and Naroda to map our fast-moving products against industry standards with this software.

**We plan to analyse 5 main impact categories such as blue water consumption, primary energy demand, global warming potential, acidification potential and abiotic depletion.**

#### CHEMICAL-FREE STRIPPING OF SCREENS

Usually, screen stripping is accomplished through water jets that contain strong oxidising zoochrome mixture. Through this, the photosensitised cured film is removed with means of chemicals. Our printing division is equipped with an advanced high-pressure waterjet system which uses only water jets to remove the cured film without damaging the pores of mesh.

**This unique method has helped us eliminate the use of hazardous chemicals in this operation.**

#### ONLINE REPOSITORY OF CHEMICAL MANAGEMENT

When it comes to the meticulous documentation required in chemical management, it helps to create an online repository that can be accessed when needed. Through a special drive, we store all related documents in a soft copy format and run the entire system on paperless process. Owing to the critical nature of the documents, the access to the online repository is limited to our Chemical Management Representative, R&D Head, Application In-charge and CEO.

#### CAUSTIC SODA RECOVERY IN SHIRTING DIVISION

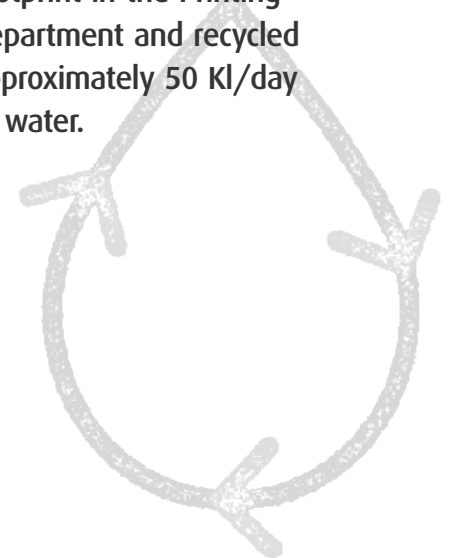
As a part of water saving initiative in the Shirting Process, we witnessed increase in Caustic recovery by 3.1%. The Kyoto washer section had water that contained caustic GPL OF 1 and pH 11.00, that went into drain.

**Due to increase in the collection of caustic at CRP by 160 kg/day daily from Kyoto, the recovery increased by 3.1%, and resulted in savings of 105 tons of Fresh Caustic.**

#### REDUCING WATER FOOTPRINT IN PRINTING

We use plastic containers for our printing process as chemical stores for paste preparation and prolonged storage. The container is reused for the same operation after a thorough washing. On the other hand, printed fabrics are washed in a long soaper where the last two chambers contain minimum impurities. The water in these chambers was usually drained. However, the Printing Team devised a novel method to collect water from the last two chambers of the soaper and connect the same to drum washing. After collecting the washed water and filtering it, we utilised it for washing the plastic containers.

**We reduced our water footprint in the Printing Department and recycled approximately 50 Kl/day of water.**



## ADOPTING ECO-SCOURING IN KNITS PROCESSING

Scouring is an important pre-treatment stage especially for natural fibres which tend to have a significant presence of natural impurities. In the case of cotton, although the relative amount of impurities is quite low, it still makes the fibre non-absorbent. Typically, scouring takes place in an alkaline condition, and often tends to have negative impacts on fibre properties and a considerable increase in ETP load due to use of caustic soda.

The R&D team and Knits Processing team collaborated to identify and replace conventional scouring techniques with Eco-Scouring that eliminates the use of caustic soda. Our main challenge here was to obtain consistent quality results with equal grade of performance with respect to conventional scouring method. We carried out numerous bulk trials on a variety of fabric qualities as well as shades that included the entire colour palette.

We used a Computer Colour Matching system to assess whiteness index and Chemical Oxygen Demand (COD), pH determination was done at R&D lab whereas Total Dissolved Solids (TDS) was assessed using the Limit of Detection (LOD) method. After performing various application tests to determine the final fabric quality, we concluded that Eco-scouring as a method is a more vigorous and more sustainable process as it helped

**Reduce process time for high temperature exposure to fabric**

**Reduce effluent load due to the absence of caustic base conventional scouring method**

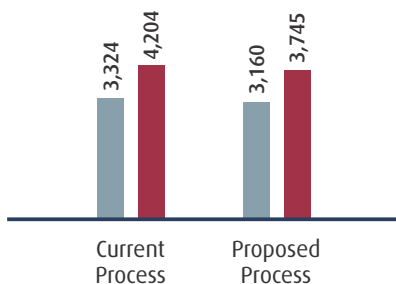
**Reduce process pH & fabric weight loss**

**Significantly eliminate two-process aquachron wash thereby reducing process cycle**



**COD & TDS** in mg/ltr

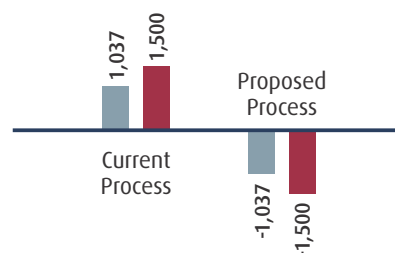
**Bleach Effluent Drain**



■ COD ■ TDS

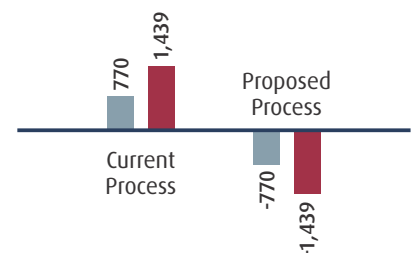
**Bleach Effluent 1 Aquachron**

(Aquachron is removed in Proposed Process)



**Bleach Effluent 2 Aquachron**

(Aquachron is removed in Proposed Process)





## Initiatives

### INPUT CHEMISTRY MANAGEMENT

Our R&D team maps every product as per a detailed checklist developed during our policy drafting mechanism. The input Dyes and Chemicals (DCH) products are classified in 56 different categories based on functional group mapping. All our suppliers are required to provide the necessary documentation for their products to analyse environment safety, fabric safety, DCH product toxicology and compatibility. If the product does not meet environment safety/toxicology requirements or is unsuitable based on the product's chemistry, the R&D team is equipped to reject the product. The following table gives the stage-wise documentation process:

Product Name													
Documents	TDS/ Shade	MSDS	CIL	PSD	PIL	TOE	ZDHC	REACH	OEKO-TEX	COA	PVA	Test report Third Party/ Own NABL Accredited Lab	GOTS
			CMPV <sub>4.1</sub>				CMPV <sub>4.1</sub>						
Status	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required	As per Test Protocol Section 4.1.0	As Applicable

**MSDS** - Safety data sheet to understand the 16 points | **TDS** - Technicality of the product | **PIL** - Products' Environment suitability along with compatibility with other chemicals | **CIL** - Influence of DCH products on finished fabrics toxicology as per RSL limit values of various brands and certifications guidelines | **PSD** - DCH product compliance with MRSL standards of various brands and NGOs | **REACH** - Compliance for European Union law | **ZDHC** - Suitability of chemistry with listed priority substance standards in ZDHC guidelines | **GOTS** - Level 1 ZDHC compliance

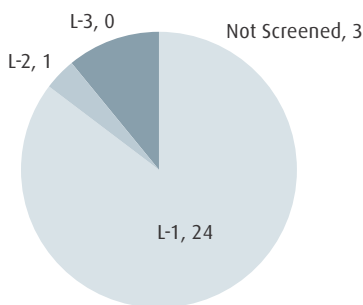
### ZDHC CHEMICAL GATEWAY

The ZDHC Chemical Gateway is the world's first database of safer chemistry to assist brands, suppliers and chemical producers make better sourcing decisions.

**Our aim is to eliminate hazardous chemicals through Manufacturing Restricted Substances List (MRSL).**



Online search tool that shows the level to which a chemical buyer can be confident that a product conforms with the ZDHC MRSL. This measure is based on third-party product accreditation standards and options available in the market.



### COLLABORATION WITH H&M

To eliminate discharges to water, soil and air throughout the life cycle of all their products, H&M defines hazardous chemicals according to an intrinsic property approach and consider properties such as persistence, bioaccumulation, toxicity,

carcinogenicity, mutagenicity and toxicity to reproduction, endocrine disruption and equivalent concerns when assessing the hazards associated with certain substances. The brand employs a precautionary principle – preventively restricts chemicals even where there is scientific uncertainty.

In collaboration with H&M, we ensure complete chemical management by adopting the best practices.

## CASE STUDY

### IONIC SOFTENER INSTALLED

Mysore Road Unit

#### CHALLENGE

To convert hard water to soft water while reducing chemical consumption in our processes and our carbon footprint.

#### ACTION

We installed an Ionic Softener at Mysore Road Unit in April 2017. As water passes through the converter subjected to turbulent interaction in a catalytic chamber with a DC power supply with micro-processor, most of the physical properties of the hard water will get changed by particle division from ~600 to 5 microns. It removes the chemical bonding which changes the calcite condition of hard water to aragonite condition, thereby, the very effectiveness of their presence in the hard water is totally removed.



#### OUTCOME

Savings of

**3,888**

litres of chemical  
consumption/year



# WASTE GENERATION & MANAGEMENT

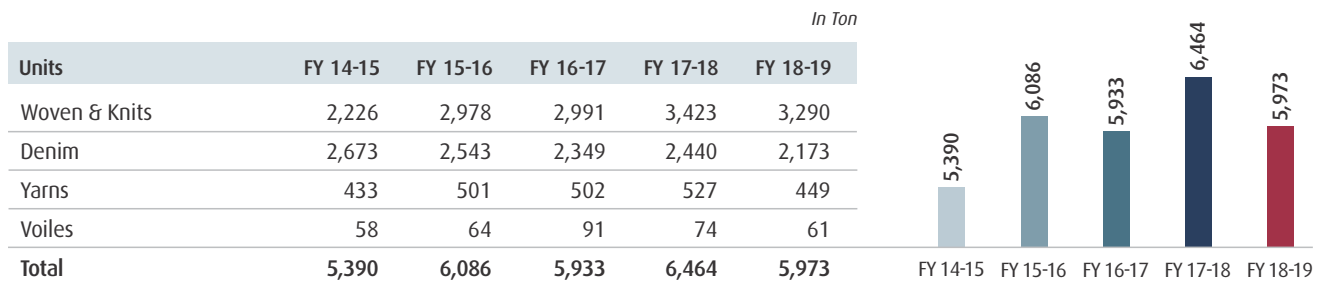
## WASTE GENERATION

Waste is a by-product of the production process and thus, to some extent, its quantity depends on our output. The following tables give the quantitative data on non-hazardous, hazardous, and other wastes generated at various units.

### NON-HAZARDOUS WASTE

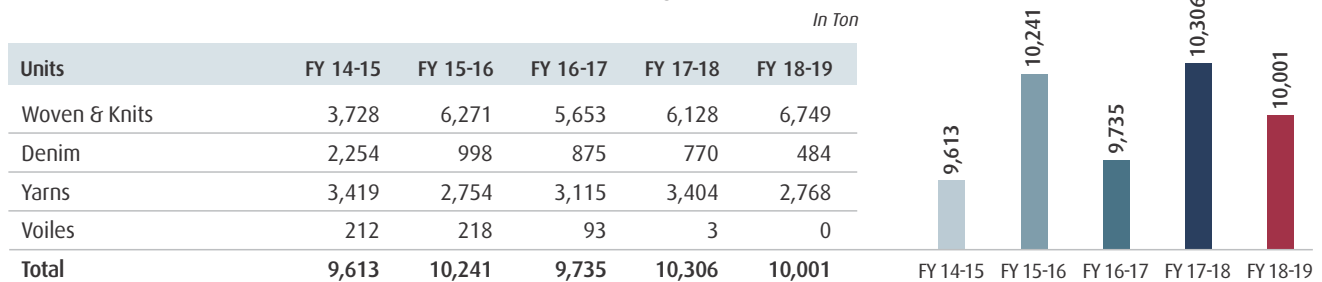
#### SOLID WASTE (HARD)

Hard waste at Woven & Knits business has increased due to increase in production by 21% in comparison to FY 2014-15.



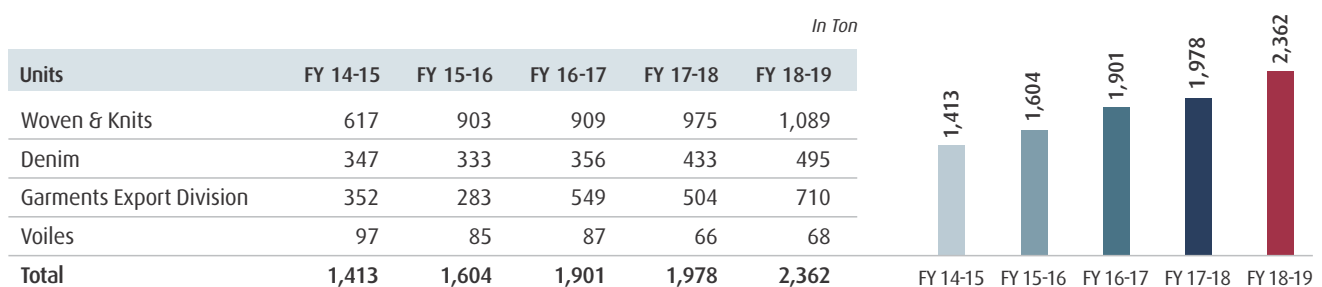
#### SOLID WASTE (SOFT)

Increase in production at Woven & Knits led to corresponding increase in the soft solid waste generation too. In Denims business, soft waste decreased due to various waste management initiatives. Decrease in production was also one of the reasons for low waste. In Voiles business, few looms have been shut down since 2016 resulting in zero waste in FY 2018-19.



#### SOLID SCRAP WASTE (CHINDI)

Solid scrap waste (Chindi) increased significantly in Woven & Knits and Garments Export Division (GED) due to increase in production. Oily Chindi waste is considered as hazardous and sold to authorised vendor, while normal Chindi without any oil stains on it is disposed of directly. From 2016-17 onwards, data was recorded for all garmenting units whereas the data was missing for one unit for 2014 to 2016, which is the reason behind the sharp increase.

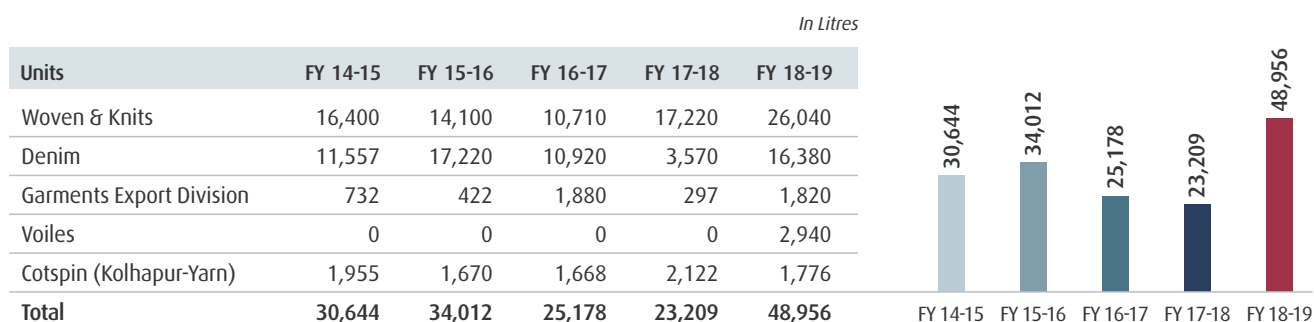




## HAZARDOUS WASTE

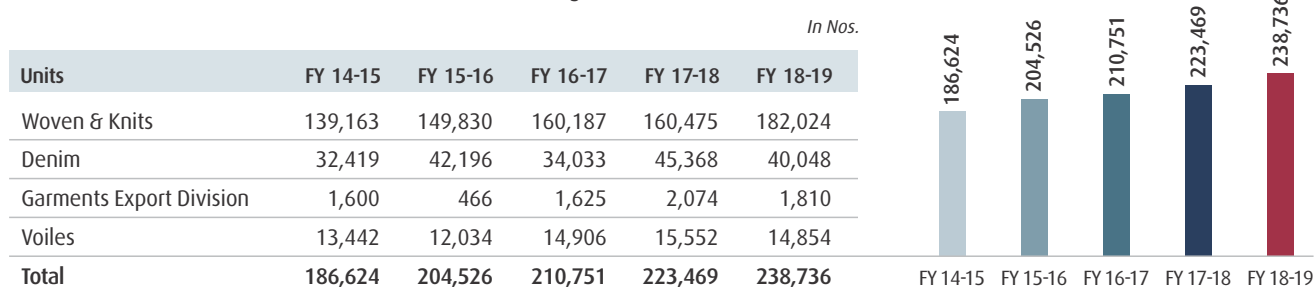
### USED OIL

Installation of new machineries and increase in production led to corresponding increase in used oil.



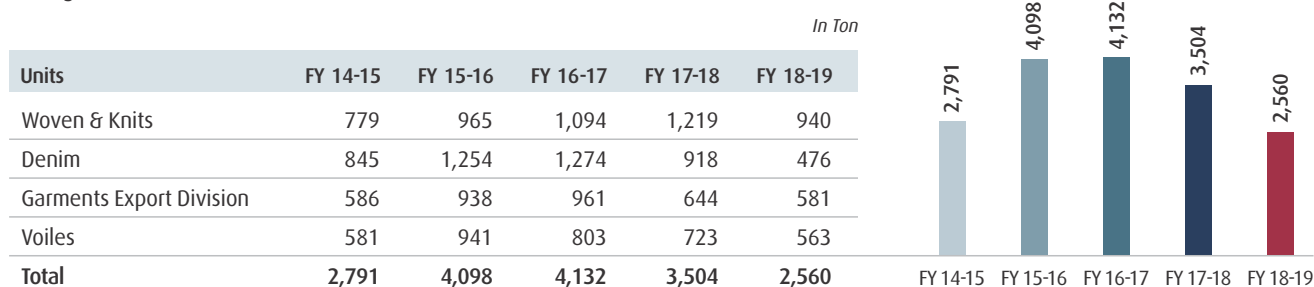
### NON-REFILLABLE EMPTY CONTAINERS DISPOSED

Production increase in majority of businesses led to increase in chemicals which in turn surged container disposals. The disposal of waste was in accordance to State Pollution Control Board's guidelines.



### ETP SLUDGE

The variation in ETP sludge is due to variation in production. At Denims however, ETP sludge decreased due to various waste management initiatives.





**MISCELLANEOUS UNIT-SPECIFIC WASTE****ARVIND COTSPIN (KOLHAPUR)***In Ton*

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Comber Noil	1,222	1,888	1,846	1,745	1,509
Card Sweeping Waste	47	30	20.65	31.17	36.74
Flat Strip	817	553	608.2	641.2	627.4
<b>Total</b>	<b>2,086</b>	<b>2,471</b>	<b>2,475</b>	<b>2,417</b>	<b>2,173</b>

**ANKUR TEXTILES (AHMEDABAD)***In Ton*

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Steel scrap	193	127	66	82	140
Other scrap like plastic, wood, cone, carton and other waste	131	154	202	237	267

**NOTE** - Waste consists of many items like furniture scrap, plastic, wood, cartons, paper cones, etc. We also discard old furniture from offices which results in more quantity of waste.

**WOVEN & KNITS (SANTEJ)***In Ton*

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Packaging Material	2,113	2,170	2,234	2,346	2,190
Wooden Pallet (Nos.)	4,282	1,488	2,385	1,928	1,987
Recycle PVC	17.7	27.1	30.88	30.90	34.59
E-Waste	8.1	8.5	3.97	9.35	3.15
Recycle Plastic	110	127	168	143	173

**GARMENTS EXPORT DIVISION (BENGALURU)***In Ton*

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
E-waste	1.13	0.05	1.12	0	0.55
Paper waste	2.56	0	0	3.52	3.57
Plastic can	33.62	71.25	5.28	4.02	2.93
Metal scrap	7.60	4.30	31.56	6.06	31.68
Fabric end bits	94.2	3.4	26.75	7.67	7.49



### BOMMASANDRA UNIT

In Ton

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
E-waste	0	0	0	0	3.42
Paper waste & Cartons	0.92	2.27	5.80	15.76	31.94
Plastic waste	0	2.13	1.38	1.75	4.19
Metal scrap	3.47	2.92	12.31	10.95	12.26
Fabric end bits	0	0	7.65	9.48	6.55

### ELECTRONIC CITY

In Ton

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Paper waste	57	46	27	32	78
Plastic can (nos.)	997	1,070	227	1,608	2,315
Metal scrap	1.5	4.6	2.7	5.2	10.9

### NARODA

In Ton

Waste	FY 16-17	FY 17-18	FY 18-19
Fly ash (nos.)	440	568	470
Electrical waste	51.28	45.61	117.36
Hazardous plastic (chemical bags)	28.18	31.45	33.56
Hazardous battery (nos.)	12	-	132
Metal	422.86	473.79	589.74
Others scrap like of glass, brush roll, trolley, mix scrap, etc.	13.30	1.94	17.81
Paper and cardboards	772.99	622.53	218.25
Plastic	142.66	123.98	173.62
Rubber	12.67	8.17	21.80
Wood	42.54	49.25	110.54



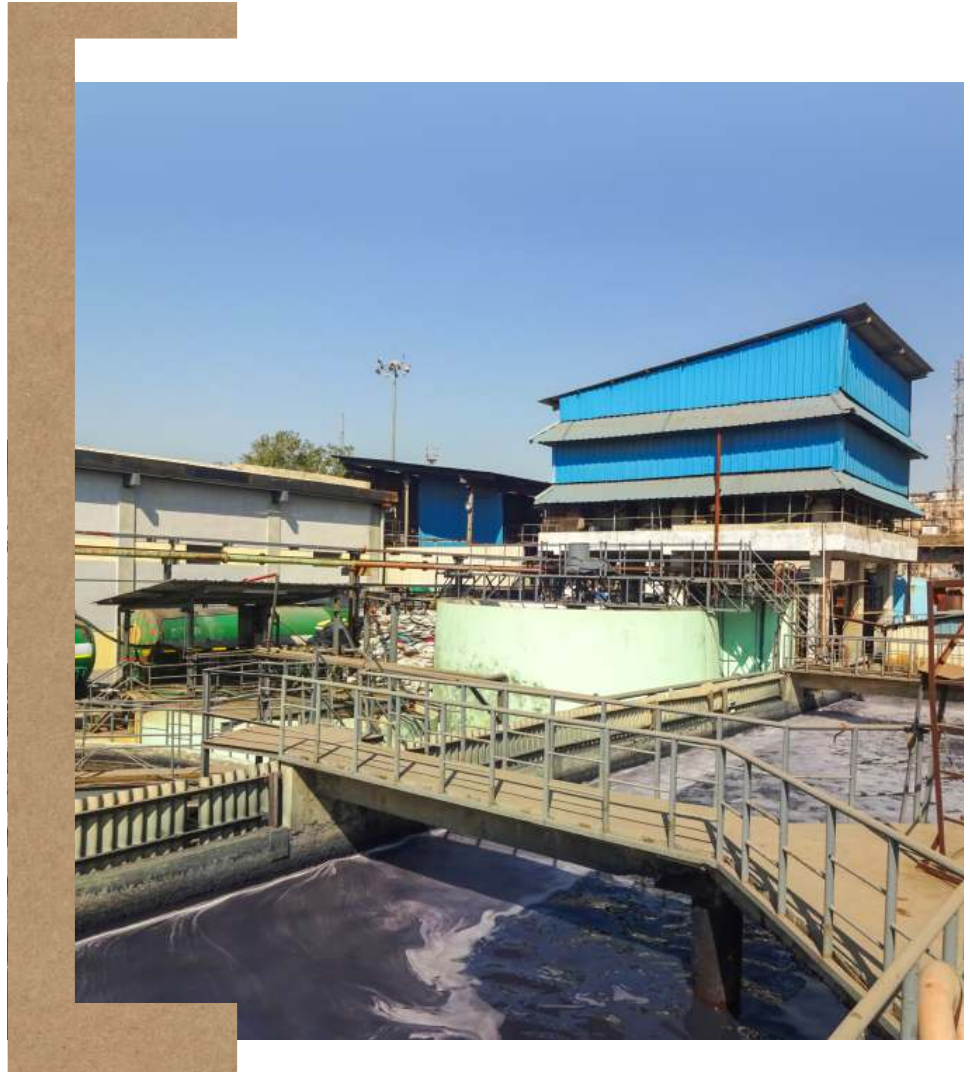
## WASTE MANAGEMENT

As a responsible corporate, it has been our constant endeavour to be an asset to the society and not a liability. Instrumental to this has been the focus we have maintained on measuring, assessing and minimising our waste creation and disposal. The following initiatives specify how we have been actively seeking out opportunities to responsibly manage waste.

### INITIATIVES

#### CUTTING DOWN ON WASTE | ANKUR TEXTILES, AHMEDABAD

Implementing a slew of waste management initiatives resulted in a marked decrease of waste generation, ETP load and sulphuric acid consumption that increased the productivity of the unit.



#### REDUCTION IN WASTE GENERATION

Type of Waste	Units	FY 16-17	FY 17-18	FY 18-19	Save/Reduce vis-a-vis FY 16-17	Remark
Hazardous waste collected from ETP (Sludge)	Tonnes	803.08	723.13	562.50	-240.58	Decreased
Hard waste	Tonnes	91.46	74.00	60.81	-30.65	Decreased
Chindi waste	Tonnes	86.50	65.69	67.64	-18.86	Decreased
Reduction in consumption of 70% Sulphuric Acid	MT	2,453.71	2,407.70	2,124.50	-329.21	Decreased
	Gram/Mtr	261.00	233.92	230.84	-30.16	Decreased

Waste Generation  
  
Reduced the sulphuric acid consumption as well as ETP load and increased the productivity

## BIOGAS PLANT | MYSORE ROAD UNIT

In order to utilise biodegradable waste and obtain smoke-free fuel which can be utilised for cooking, we installed a biogas plant at our Mysore Road Unit in December 2016. It transforms the biodegradable waste from kitchen to biogas and in the process creates manure as a by-product.



With 100 kg food waste and 3,250 kg cow dung, it resulted in cost savings of INR 231,254 with an investment of INR 71,011.

### COMPARATIVE STUDY

Description	Before	After
Amount of kitchen waste generated each day (kg)	100	100
Method of disposal	Through BVG	Used in Biogas Plant
Generation of biogas/day (m <sup>3</sup> )	0	7
Generation of slurry/day (kg)	0	100
Savings in LPG/day (kg)		2.8
Savings in manure/day (kg)		100
Overall cost savings/year (INR)		231,254



## Initiatives

### SHIFTING FROM HIGH EXHAUSTIVE (HE) TO MILD EXHAUSTIVE (ME) IN YARN DYEING

MCT (Monochlorotriazine) dyes most commonly called as HE dyes are PMF fast which are generally used for dyeing of yarn since fabric is subjected to mercerisation process post yarn dyeing and weaving. The major drawback of this system is less fixation, high temperature of exhaustion and fixation, more salt requirement in dark shades, and limitations in depth. Our R&D and yarn dyeing team collaborated to identify a suitable match to replace HE dyes with a bifunctional system.

The main challenge in making this shift was to quantify the benefit, understand effect of metamerism, SEF - Substantivity, Exhaustion & Fixation profile, along with effect on other ecological parameters such as COD, utility consumption and final impact on product quality.

We did extensive analysis on selected shades gamut that covers the entire colour pallet. We used UV spectroscopy for SEF profile mapping of dye bath liquor at various stages and COD determination was done with COD analyser.

After various application tests were done on the dyed yarn to ascertain the final fabric quality, the all-inclusive study enabled us to shift towards a bifunctional system, which is more robust, sustainable, generates lesser effluent load due to high fixation and reduces dyeing temperature by 20°C thereby reducing steam consumption. It maintains the same fabric quality and increases throughput because of high RFT levels. Below are the details of the study done in various aspects.



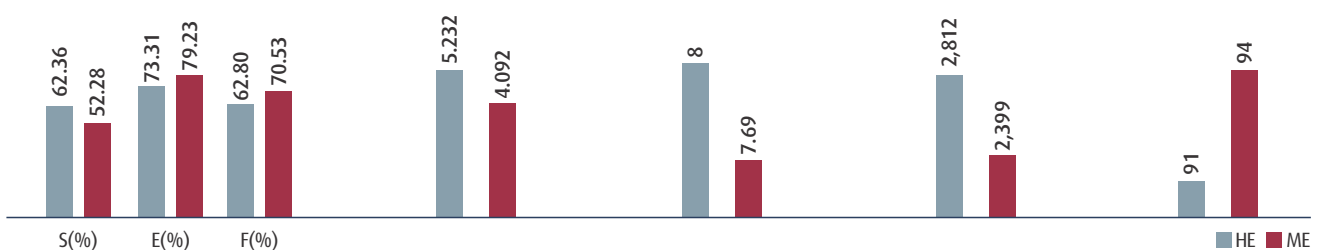
SEF (Substantivity, Exhaustion & Fixation)  
HE vs ME

DEPTH (in %)

STEAM  
CONSUMPTION  
(in kg/kg)

COD (in ppm)

RFT (in %)



# PRODUCT RESPONSIBILITY

Accelerated demand for apparel coupled with a quick and easy supply of fashion products at affordable costs means higher consumption. This linear model of fashion where consumers buy, wear and toss the clothes into the landfill is going to rise with an increase in the population. This behaviour negatively impacts people and the planet's resources.

At Arvind, it is imperative that we offer fashion products to our customers with the underlying responsibility of taking care of the environment and the people involved in the entire product lifecycle.

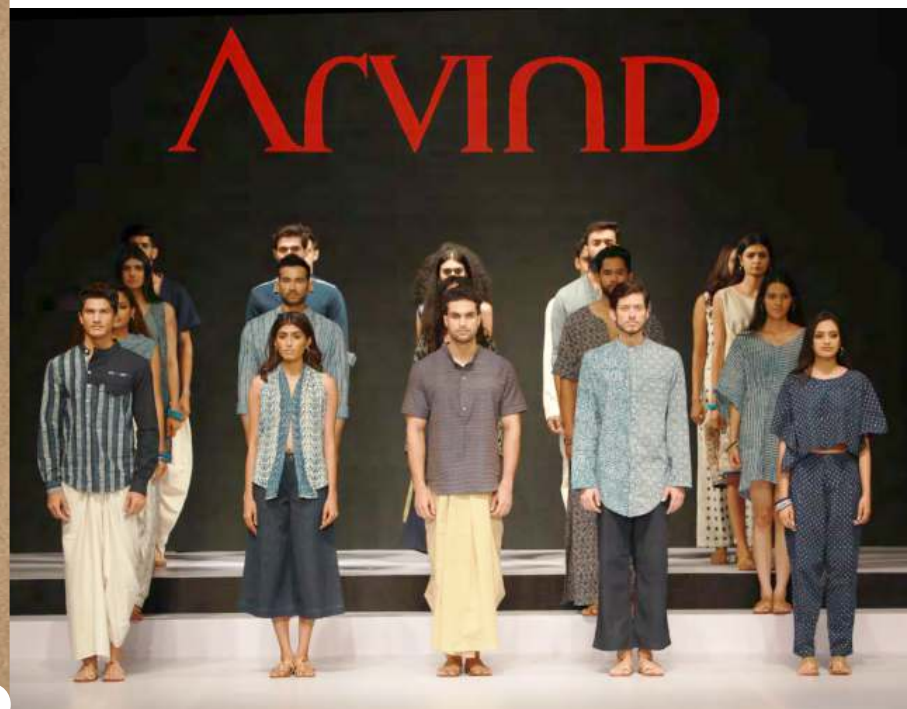
**Our Fundamentally Right philosophy brings sustainability to all the inputs and processes that go into making our products.**

Even after the use phase is over, we make sure that our products are recycled to make new ones.

We do this in two ways.

**1** By offering our customers a sustainable product portfolio with an array of options to choose from.

**2** By widening the scope of sustainability for them through joint development - right from raw material to the garment thereby making them an ally in sustainable fashion.





# HIGHLIGHTS

## Co-creating with Allies

Co-developing Graphene-based jeanswear with an Italian company, Directaplus



Partnered Levi's on their Levi's® commuter jeans series

Partnered US-based Gaston Technologies and Indigo Mill Designs

to develop Foam Dyeing Technology that disrupts the way Indigo dyeing is done



## Sustainable Products

Arvind is using SEAQUAL fibres, the most certified, earth-friendly fibres in the world

SEAQUAL™

# PARTNERING THROUGH CO-CREATION

A successful partnership is more than the sum of its parts. We form robust partnerships with our customers that leads to growth & innovation and help us deliver more value to stakeholders. These collaborations ensure that we stay ahead of the curve, innovate, positively impact socio-economic and environmental aspects, and create mutual value for sustainable growth.

For instance, our collaboration with Gaston Technologies and Indigo Mill Designs of the US. Arvind has helped develop and invested in a new dyeing technology that disrupts the way Indigo dyeing has been done for the past 150 years. This technology reduces water consumption by almost 90% percent, compared with traditional rope or sheet dyeing technologies.

Similarly, our collaboration with the Italian company DirectaPlus, one of the largest producers and suppliers of graphene-based products in the world, to co-develop Graphene-based jeanswear, providing dramatically better thermoregulation and bacteriostatic characteristics.

We have collaborated with Levi's to support them on their very successful Levi's® commuter jeans series, a multi-functional performance product designed for the modern cyclist.

Some of our earlier collaborations also include innovative concepts such as Neo Cord, Azurite, Ikat, Jelt, Hybrid Chinos and many more.

Our premium range of high stretch fabrics like Boomerang™ 2.0, Boomerang™ Bounce, Boomerang™ 360 and Boomerang™ Zero is the most relevant success story of our co-creation strategy. Arvind is spearheading this three-pronged strategy.





## ARVIND THREE-PRONGED CO-CREATION STRATEGY

### CO-CONSTRUCT

This involves finalising the most appropriate fabric for a specific requirement. This can be either done using our technical design services for fabric development or by delving into our vast library of available fabrics.

### CO-WASH

Once the correct fabric has been identified, our garment experts employ different wash treatments to enhance and customise the feel and look of the fabrics. Our advanced wash lab at Naroda is equipped with state-of-the-art machinery, capable of high-end wash output through both - dry and wet processes.

### CO-DESIGN

Now that the fabric as well as the look and feel have been decided, our garment and fashion experts collaborate with the customer's design teams and create design options keeping in mind the prevalent fashion trends. Our master craftsmen then give form and silhouettes to the prototype of each design option.

Over the years, Arvind has evolved as an end-to-end solutions provider to its key customers. We clearly see technology as a great differentiator to build value for our customers. As denim evolves from being a fashion to lifestyle product, embedded technology for performance and functionality is a must.

Other initiatives such as Casted Coats, an array of casts designed to be applied on denim fabric with defined characteristic that can be customised, is an excellent value driver for agility and last mile innovation/differentiator.

**Co-creation has enhanced our understanding of markets and domain expertise. This strategy will propel us to become a preferred partner for more global customers in the years to come.**



# SUSTAINABLE PRODUCT PORTFOLIO

Arvind has developed a wide and diverse sustainable product portfolio. Some of the key products are:

## Recycled Denim

The yarn of this fabric is made from recycled cotton (20%) plus disposed denim garments and cotton (80%), which leads to 20% less water consumption and reduction of landfill.

## EcoVero Fibres



Derived from certified renewable wood sources using an eco-responsible production process by meeting high environmental standards, LENZING™ ECOVERO™ fibers are tailored to a sustainable lifestyle, contributing to a cleaner environment.

## Recycled Polyester



As part of our ReNEW process, we use recycled polyester from discarded PET bottles which would otherwise choke up landfills. It is estimated that recycling 1 ton of PET saves an equivalent of about 4.7 barrels of oil. Producing recycled polyester also consumes 86% less water compared to virgin polyester.

## Corduroy Denims

Corduroy fabrics specially treated using the new Foam Indigo Dyeing technology and used for denim manufacturing. Foam finishing is a wet processing technology that uses air in form of dispersion foam for media application. It saves energy by more than 50% and brings down chemical consumption by 10 to 40%. Moreover, the fabric wears longer and fades gradually just like denim.



## Neo Denim

It is produced using sustainable Neo-dyeing technology which is a closed-loop dye inject technology in Nitrogen environment. It eliminates dry drainage, optimises dye consumption, and reduces water consumption.

## Scafé Denim

Made from recycled coffee grounds.

## Linen Denim

One of the few fabrics that remain strong even when wet.

## Excel Denim

Made from the choicest selection of wood pulp, a natural and renewable resource.

## Organic Cotton

Organic cotton is a natural, renewable and biodegradable fibre that benefits cotton producers and the environment in developing countries by avoiding the harmful effects of toxic pesticides, and the reduced cost of production improves social conditions.

## Advanced Denim

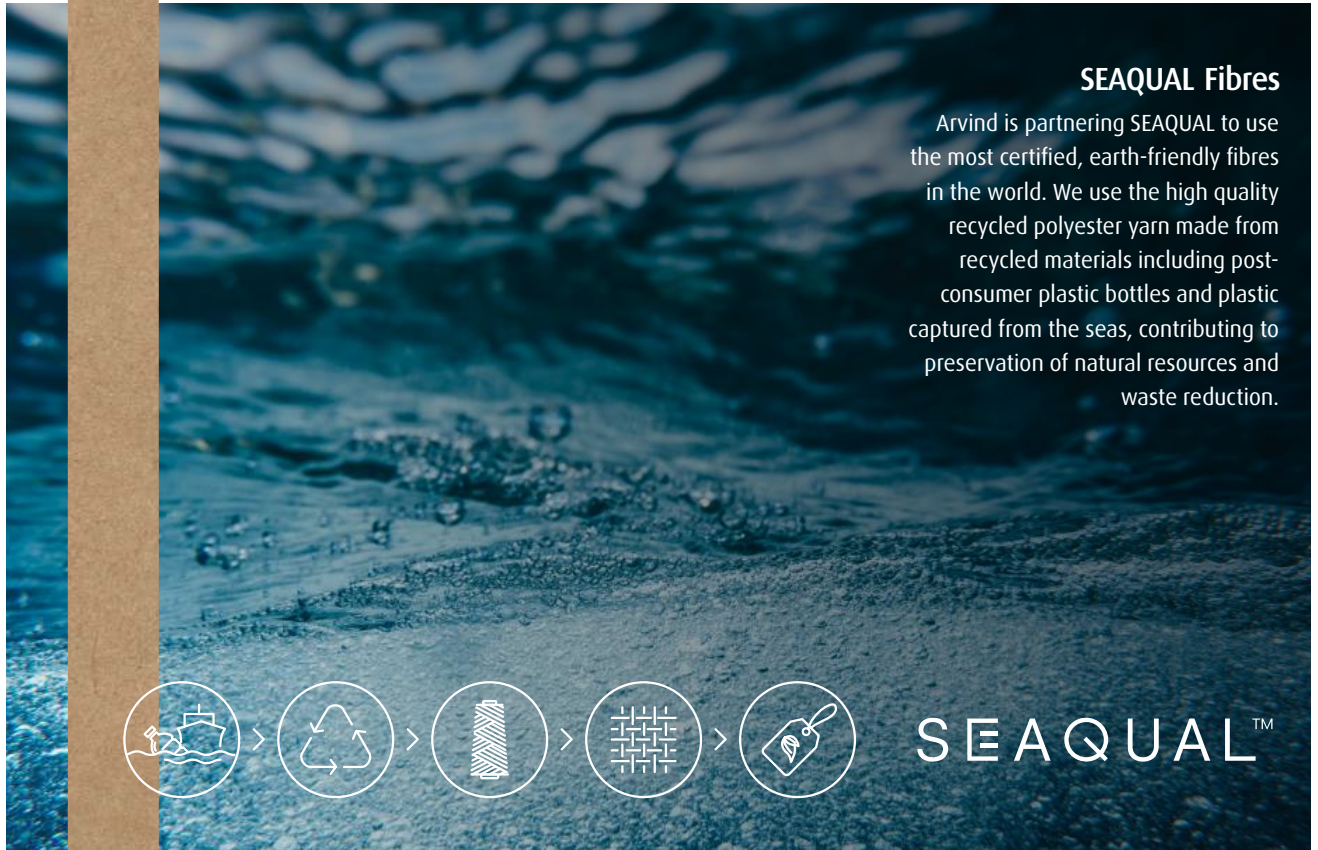
Manufactured using a ground-breaking technology that reduces water and energy consumption by up to 92% and 30% respectively.

## Khadi Denim

It is hand spun, hand hank dyed in natural indigo and woven on a handloom. It sports all the properties of natural denim like comfort, softness, and ageing. Additionally, the natural indigo injects anti-inflammatory, anti-fungal & anti-bacterial properties into the fabric. During the reporting period, we initiated commercial shipments of Khadi Denim to both, large-format brands like Levi's and niche boutique brands.



## NEW INTRODUCTIONS



**SEAQUAL Fibres**

Arvind is partnering SEAQUAL to use the most certified, earth-friendly fibres in the world. We use the high quality recycled polyester yarn made from recycled materials including post-consumer plastic bottles and plastic captured from the seas, contributing to preservation of natural resources and waste reduction.

SEAQUAL™

### Bamboo

Arvind uses Bamboo fabric which is a natural fibre made from the pulp of bamboo grass. The Bamboo used to produce fabrics is easily replenished and requires no pesticides to grow.

### Coloured Cotton

Cotton with naturally coloured lint, other than white, is commonly referred as coloured cotton. It is spinnable and a fairly good yield.

### Bemberg

It is a pure cellulose fibre, made from cotton linter. Bemberg surpasses nature and promises true comfort, with a softer and smoother touch to the skin.

### Cotton/Sorona

Sorona fibre has 37% of renewed content from CORN.

### Ecrú

Keeps the natural look of cotton, eliminates conventional bleaching process.

### Padox/Sulphur

Customised dyeing of indigo & sulphur dyeing uses less energy & water compared to conventional dyeing methods.

### Perfluoro carbon (PFC) Free

Sustainable water repellent for water-based stains.



# THE RIGHT RAW MATERIAL

Cotton is a significant raw material for global textiles accounting for 90% of all natural fibres used in the industry, and in 40% of all apparel produced globally. Indian textile industry too is predominantly cotton-based, despite synthetic and man-made cellulosic fibre (MMCF) making substantial inroads into the apparel industry. Arvind along with BCI is taking sustainably produced cotton mainstream making it better for people who produce it, better for the environment it grows in, and better for the textile industry.

Arvind works with more than 25,000 BCI farmers (9% are women) in three cotton-producing regions. Further, we are working towards achieving our 2020 target of reaching and training 50,000 cotton farmers on more sustainable agricultural practices.

With BCI as an ally, Arvind is diligently working on water harvesting and drip irrigation methods, helping farmers to manage and use water in a more sustainable way to reduce environmental footprint of cotton farming.

We also promote alternative fibres which are like cotton and wool, but are produced at a considerably less load to the environment when compared to cotton. Prime amongst these is Tencel - a man-made cellulose fibre.

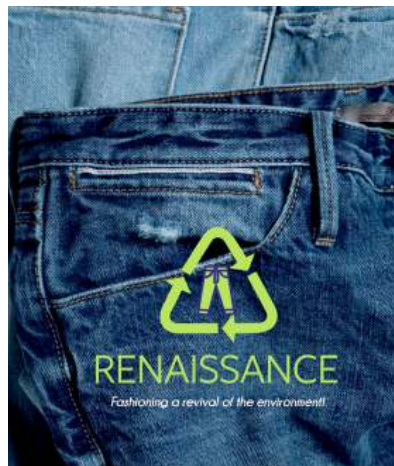
## POST-CONSUMER WASTE

Arvind Ltd. is committed to produce products with lesser environmental footprint and higher positive social impact at every stage of the garment's lifespan. Right from growing cotton to making fibre and textiles, consumer use to final disposal, and recycling of the fibrous material into making new clothes. Being responsible throughout the life cycle of a product saves

significant amount of energy, water and chemicals used in cultivating virgin cotton.

Discarded clothing that end up in a landfill impacts the environment in two ways. The natural resources used in making them go waste, and secondly, the waste emits greenhouse gases which leads to environmental pollution. To bring a unique solution to these problems, we decided to replace between 5%-40% of virgin cotton with recycled cotton from disposed off garments, depending on product and customer needs.

This serves two purposes. The use of recycled cotton fibres ease the demand of the raw materials that go into making a new garment, and waste from brand supply chain can be put to good use providing full traceability to our customers in all the stages of production: shredding, spinning, dyeing, weaving and processing in our facilities.



Recycling at Arvind Ltd. is undertaken as per the Global Recycling Standards (GRS) guidelines. Cotton fibres extracted from post-consumer waste are used in spinning to make recycled denim. Our production facilities are compliant and certified with GRS ensuring the quality of garments made using recycled fibre.

*For more details about the sustainable sourcing of cotton, please refer to the Cotton chapter.*

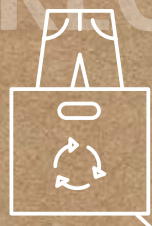




# POST-CONSUMER WASTE RECYCLING



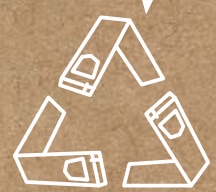
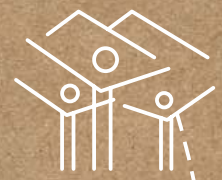
**BRAND  
RETAIL STORE**



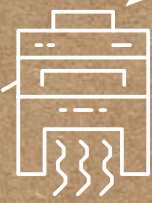
**PICK UP BINS  
FOR COLLECTING  
USED DENIMS**



**WASTE  
COLLECTORS**



**DENIM  
PANELS  
RECYCLING**



**SHREDDING  
GINNETTING  
MACHINE**



**VIRGIN COTTON +  
PCW FIBRES BLENDED**



# RESPONSIBLE PRODUCTION

Arvind Limited's objective is to create fashionable products in a sustainable manner. Towards this, we have increased our production efficiencies by employing new equipment and technology, innovating, and collaborating with our allies for sustainable production. These collaborations enhance the quality of finished products, reduce consumption of water and energy, as well as optimise the utilisation of dyes and other chemicals. It helps us not only be a responsible steward but also an innovation-driven textile major.

Some of the key technology introductions and upgradations implemented in association with our allies during the reporting period include:

## REFIBRA™ Technology

Arvind Limited partnered with Lenzing to use the pioneering REFIBRA™ technology which involves upcycling a substantial proportion of cotton scraps. For example, in garment production, in addition to wood pulp, the raw material is transformed to produce new virgin TENCEL™ Lyocell fibers. These fibres are then used to make fabrics and garments.



## Cationic Treatment

Cationic treatment involves adding cationic charge to the dyeing process, allowing cotton to accept dyes without the use of auxiliary chemicals. It dyes cotton cleaner and let it achieve bolder, brighter colours. Cationization also reduces water use.

Dyeing is a closed-loop, non-toxic process with Cationization, which means the water from the dye bath can be reused repeatedly. It achieves 97% dye exhaustion leaving the dye bath water clean to recycle.

## New machines and upgradation of existing equipment and machinery are now driving in results

- New age washing machine, dryer (Yilmak), 3D machine (Metod), brushing dummy (Fabcare) and curing ovens (Mectek) added to the Arvind Denim Lab helped us implement our Co-Creation strategy more effectively
- Dual Core spinning technology upgraded with more scientific controls enhanced our capability to produce superior, high-quality performance yarns; thereby strengthening our portfolio
- New warping machine with upgraded technology and higher capacity added in the Warping and Dyeing area leading to higher performance and lesser downtime; which in turn reduced our turnaround time
- With the pultrusion technology, we are offering textile solutions for rapidly growing sectors like general industrial manufacturing, infrastructure, transport, energy and personal protection
- A new sanforizing machine (Monforts) with double rubber cylinder processes fabric at twice the speed; resulting in faster production

## CASE STUDY

# MAKING INDIGO DYEING PROCESS SUSTAINABLE

## CHALLENGE

Indigo is among the oldest dyes to be used for textile dyeing and printing. It was extracted from the leaves of certain plants. Today, a large part of indigo dye produced is synthetic. Textile effluents containing indigo dye not only cause imbalance within aquatic ecosystem food chains but are also harmful for human life.

## ACTION

Arvind adopted foam technology that eliminates the use of various chemicals and reduces water use compared to traditional dyeing practice. We partnered US-based Gaston Technologies and Indigo Mill Designs to develop and implement this new process to disrupt the conventional dyeing process.

Input management has always been a preferred approach to address sustainability at Arvind. Aligned with this approach, we deployed the new technology to see how environmental impacts of foam dyeing fare compared to other techniques, such as sheet dyeing.

### Life Cycle Assessment (LCA) Study

We conducted LCA study to quantify life cycle environmental impacts for manufacturing of denim products using two different dyeing techniques - sheet and foam dyeing, at Arvind's Naroda plant over the cradle to gate system boundary as per ISO 14040/44 standard. The LCA model was created using GaBi software system by thinkstep AG.



## OUTCOME

Reduction in water consumption

**95%**

when compared  
gate-to-gate

**20%**

when compared  
upstream with sheet  
dyeing technique in  
the dyeing of denims

**77%**

reduction in steam  
consumption when  
compared to  
sheet dyeing

Significant  
reduction  
in chemical  
consumption





# REPORTING SCOPE



This is our third sustainability report. It builds on the earlier two reports and articulates core ideas of Fundamentally Right philosophy by making every stakeholder and input an ally towards achieving larger and long-term sustainability goals. It delves deeper into our sustainability performance and discloses in detail the contributions of our allies and the supply chain for raising the sustainability standards.

We have adopted the reporting parameters suggested by the Global Reporting Initiative (GRI) and thus, **this report is in accordance with GRI Standards guidelines.** The GRI content index table at the end of this report shows the definition of each reported disclosure element as well as its location within the report.

The performance disclosures contained in this report pertain to the period between April 01, 2016 and March 31, 2019. We are determined to report our triple bottom line performance on a regular basis.

## REPORTING BOUNDARY

### Environmental performance data is limited to major manufacturing operations at:

#### I. Naroda (Denim business)

---

#### II. Santej (Woven and Knits business)

---

#### III. Bengaluru

*(Bommasandra, Electronic City & Mysore Road, collectively reported as Garments Export Division)*

---

#### IV. Kolhapur (Arvind Cotspin)

---

#### V. Ahmedabad (Ankur Textiles)

---

#### VI. Ahmedabad (Arvind Intex)

The community section of the report describes the Corporate Social Responsibility (CSR) activities carried by the Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust under the aegis of our newly constituted Arvind Foundation.

---

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

---

Your valuable inputs will help us gauge the efficacy of the present report and make future reports more engaging and informative. Please send your feedback to: [sustainability@arvind.in](mailto:sustainability@arvind.in)

# HIGG INDEX 3.0

As a leading textile major in India, Arvind Ltd. collaborated with Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM) 3.0 in FY 2016-17 to improve how facilities measure, evaluate and take further steps to enhance environmental performance, year-on-year.

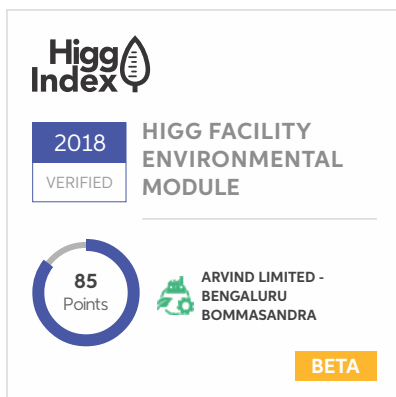
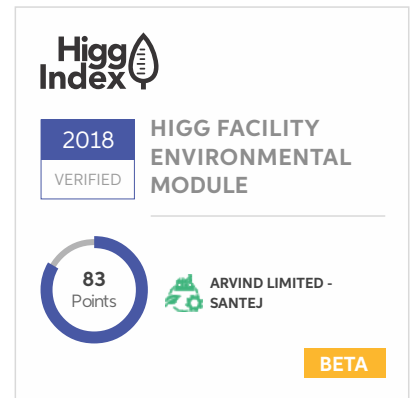
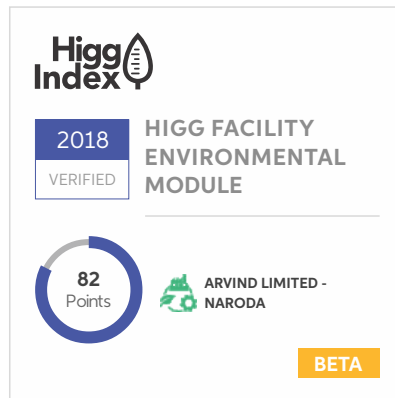
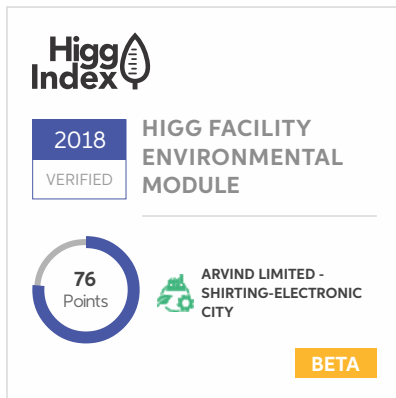
## The Higg FEM 3.0 is designed to

- Measure and quantify the sustainability impacts of a facility
- Reduce redundancy in measuring and reporting sustainability performance
- Drive business value through reducing risk and uncovering efficiencies
- Create a common means and language to communicate sustainability to stakeholders

## The units are scored across material areas like

Environmental management system | Energy & GHG | Water use | Wastewater | Air emission | Waste management  
Chemical use & management

**Our Higg FEM scores have seen huge improvement over the period of five years. The scores have gone up in all the units indicating continuous improvement in environmental practices being followed at these units.**



We aim to enhance our current scores by:

- Pursuing long-term targets on environmental strategy
- Working with suppliers on environmental impacts
- Substituting groundwater with STP water
- Improving the chemical management system



# GRI CONTENT INDEX

The table below provides the linkage between the material aspects identified through our materiality assessment exercise and the GRI Standards aspects, followed by the GRI Standards content index.

GRI Standards	Disclosure	Response
GRI 101: Foundation	[GRI 101 does not include any disclosures]	

## GENERAL DISCLOSURES

### SOLID WASTE (HARD)

GRI 102: General Disclosures	102-1: Name of the Organization	Page 05
	102-2: Activities, brands, products, and services	Pages 05-08
	102-3: Location of headquarters	Back page
	102-4: Location of operations	Page 113
	102-5: Ownership and legal form	Page 111
	102-6: Markets served	Page 09-10
	102-7: Scale of the organisation	Page 09-10
	102-8: Information on employees and other workers	Page 46
	102-9: Supply chain	Pages 27, 34, 91: We have considered Cotton and Chemical as the main components of the supply chain
	102-10: Significant changes to the organisation and its supply chain.	Page 58 The company demerged two of its businesses into separately listed entities - Arvind Fashions and Anup Engineering in FY 2018-19. Pages 27, 34, 91 We have considered Cotton and Chemical as the main components of the supply chain
	102-11: Precautionary principle or approach.	Arvind Ltd. applies the Precautionary Principle in operational planning and new product development to reduce or to avoid negative impacts on the environment.
	102-12: External initiatives.	Pages 13-14
	102-13: Memberships of associations	

### STRATEGY

GRI 102: General Disclosures	102-14: Statement from senior decision-maker	Pages 03-04
------------------------------	--	-------------

### ETHICS & INTEGRITY

GRI 102: General Disclosures	102-16: Values, principles, standards, and norms of behaviour	Pages 17-18
------------------------------	---	-------------

### GOVERNANCE

GRI 102: General Disclosures	102-18: Governance Structure	Pages 15-16
------------------------------	------------------------------	-------------

### STAKEHOLDER ENGAGEMENT

GRI 102: General Disclosures	102-40: List of stakeholder groups	Page 20
	102-41: Collective bargaining agreements	Page 44
	102-42: Identifying and selecting stakeholders	Page 21
	102-43: Approach to stakeholder engagement	Page 20
	102-44: Key topics & concerns raised	Page 23

### REPORTING PRACTICE

GRI 102: General Disclosures	102-45: Entities included in the consolidated financial statements	Page 113
	102-46: Defining report content and topic boundaries	Page 59-60

GRI Standards	Disclosure	Response
GRI 102: General Disclosures	102-47: List of material topics	Page 24
	102-48: Restatements of information	No major restatement of information occurred during the reporting period
	102-49: Changes in reporting	The reporting parameter has been changed from GRI G4 to GRI Standards
	102-50: Reporting period	This is our third report covering a period from April 01, 2016 to March 31, 2019
	102-51: Date of most recent report	FY 2014-15, FY 2015-16
	102-52: Reporting cycle	Page 113
	102-53: Contact point for questions regarding the report	Page 113
	102-54: Claims of reporting in accordance with the GRI Standards	Page 113
	102-55: GRI Content Index	Page 115
102-56: External Assurance	Not externally assured	

## SPECIFIC STANDARD DISCLOSURES

### CATEGORY: ECONOMIC

#### ECONOMIC PERFORMANCE

GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	Pages 23, 24, 25
	103-2: The management approach and its components	Page 03 The DMAs have been spread out across the report. Every core input section begins with Arvind Management's approach on that particular materiality issue
	103-3: Evaluation of management approach	Page 55
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	Page 58
	201-3: Defined benefit plan obligations and other retirement plans	Not reported
	201-4: Financial assistance received from government	Page 58

#### MARKET PRESENCE

GRI 103: Management Approach		
GRI 202: Market Presence	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	Not reported
	202-2: Proportion of senior management hired from local community	Page 61

#### INDIRECT ECONOMIC IMPACTS

GRI 103: Management Approach		
GRI 203: Indirect Economic Impacts	203-1: Infrastructure investments and services supported	Not reported

#### ANTI-CORRUPTION

GRI 103: Management Approach		
GRI 205: Anti-Corruption	205-1: Operations assessed for risks related to corruption	Not reported
	205-2: Communication and training about anti-corruption policies and procedures	Not reported
	205-3: Confirmed incidents of corruption and action taken	Not reported

#### ANTI-COMPETITIVE BEHAVIOUR

GRI 103: Management Approach		
------------------------------	--	--



# GRI CONTENT INDEX

GRI Standards	Disclosure	Response
GRI 206: Anti-Competitive Behaviour	206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not reported

## CATEGORY: ENVIRONMENT

### ENERGY

GRI 103: Management Approach		
GRI 302: Energy	302-1: Energy consumption within the organisation	Page 65
	302-3: Energy Intensity	Page 66
	302-4: Reduction of energy consumption	Page 70
	OG2: Total amount invested in renewable energy	Page 68
	OG3: Total amount of renewable energy generated by source	Page 68

### WATER

GRI 103: Management Approach		
GRI 303: Water	303-1: Water withdrawal by source	Page 75
	303-2: Water sources significantly affected by withdrawal of water	Page 75
	303-3: Water recycled and reused	Page 76

### BIODIVERSITY

GRI 103: Management Approach		
GRI 304: Biodiversity	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 34
	304-3: Habitats protected or restored	Not reported
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not reported

### EMISSIONS

GRI 103: Management Approach		
GRI 305: Emissions	305-1: Direct (Scope 1) GHG emissions	Page 66, 67
	305-2: Energy indirect (Scope 2) GHG emissions	Page 67
	305-4: GHG emissions intensity	Page 67
	305-5: Reduction of GHG emissions	Page 67

### EFFLUENTS AND WASTE

GRI 103: Management Approach		
GRI 306: Effluents and Waste	306-1: Water discharge by quality and destination	Page 76
	306-2: Waste by type and disposal method	page 97

### SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103: Management Approach		
GRI 308: Supplier Environmental Assessment	308-1: New suppliers that were screen using environmental criteria	Page 92

GRI Standards	Disclosure	Response
---------------	------------	----------

## CATEGORY: SOCIAL

### EMPLOYMENT

GRI 103: Management Approach		
GRI-401: Employment	401-1: New employee hires and employee turnover	Page 46
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not reported
	401-3: Parental leave	Not reported

### LABOUR/MANAGEMENT RELATIONS

GRI 103: Management Approach		
GRI 402: Labour/Management Changes	402-1: Minimum notice periods regarding operational changes	Not reported
	G4-MM4: Number of strikes and lock-outs exceeding one week's duration, by country	Page 42

### OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach		
GRI 403: Occupational Health & Safety	403-1: Workers representation in formal joint management-worker health and safety committees	Not reported
	403-2: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	Pages 43, 44
	403-3: Health and safety topics covered in formal agreements with trade unions	Page 44

### TRAINING AND EDUCATION

GRI 103: Management Approach		
GRI 404: Training and Education	404-1: Average hours of training per year per employee	Pages 25, 38
	404-2: Programmes for upgrading employee skills and transition assistance programmes	Pages 25, 38
	404-3: Percentage of employees receiving regular performance and career development reviews	Page 39, 40

### DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach		
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	Not reported
	405-2: Ratio of basic salary and remuneration of women to men	Not reported

### NON-DISCRIMINATION

GRI 103: Management Approach		
GRI 406: Non-discrimination	406-1: Incidents of discrimination and corrective actions taken	Page 18

### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 103: Management Approach		
------------------------------	--	--



# GRI CONTENT INDEX

GRI Standards	Disclosure	Response
GRI 407: Freedom of Association and Collective Bargaining	407-1: Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk	Not reported
<b>CHILD LABOUR</b>		
GRI 103: Management Approach		
GRI 408: Child Labour	408-1: Operations and suppliers at significant risk for incidents of child labour	Page 28, 32
<b>FORCED OR COMPULSORY LABOUR</b>		
GRI 103: Management Approach		
GRI 409: Forced or Compulsory Labour	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 44
<b>SECURITY PRACTICES</b>		
GRI 103: Management Approach		
GRI 410: Security Practices	410-1: Security personnel trained in human rights policies or procedures	Not reported
<b>RIGHTS OF INDIGENOUS PEOPLES</b>		
GRI 103: Management Approach		
GRI 411: Rights of Indigenous Peoples	411-1: Incidents of violations involving rights of indigenous peoples	During the reporting period, there have been no instances of reported human rights violations or gender discrimination
<b>HUMAN RIGHTS ASSESSMENT</b>		
GRI 103: Management Approach		
GRI 412: Human Rights Assessment	412-1: Operations that have been subject to human rights reviews or impact assessments	During the reporting period, there have been no instances of reported human rights violations or gender discrimination
	412-2: Employee training on human rights policies or procedures	Not reported
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not reported
<b>LOCAL COMMUNITIES</b>		
GRI 103: Management Approach		
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments, and development programmes	Pages 49-53
<b>SUPPLIER SOCIAL ASSESSMENT</b>		
GRI 103: Management Approach		
GRI 414: Supplier Social Assessment	414-1: New suppliers that were screened using social criteria	Not reported

# ACRONYMS

ABS	Anti Back Stain
AICC	Arvind Internal Complaints Committee
AMC	Ahmedabad Municipal Corporation
AMD	Advanced Material Division
APH	Air Pre-Heater
ARTI	Arvind Rural Transformation Initiative
BCI	Better Cotton Initiative
BCP	Business Continuity Planning
BOD	Biochemical Oxygen Demand
CDP	Carbon Disclosure Project
CMD	Chairman & Managing Director
CMP	Chemical Management Policy
CNG	Compressed Natural Gas
COA	Certificate Of Analysis
COD	Chemical Oxygen Demand
CSR	Corporate Social Responsibility
EIM	Environmental Impact Measuring
ERM	Enterprise Risk Management
ETP	Effluent Treatment Plant
FLMs	Front Line Managers
FLX	Future Led Execution
GED	Garments Export Division
GHG	Greenhouse Gas
GOTS	Global Organic Textile Standards
GRI	Global Reporting Initiative
GRS	Global Recycling Standard
HIRA	Hazard Identification & Risk Analysis
IR	Industrial Relations
ISDS	Integrated Skill Development Scheme
JV	Joint Venture
LCA	Life Cycle Assessment
MBR	Membrane Bio Reactor
MMCF	Man-made Cellulosic Fibre
MRSL	Manufacturing Restricted Substances List
MSEB	Maharashtra State Electricity Board
MVRE	Mechanical Vapour Recompression Evaporation
NLRDF	Narottam Lalbhai Rural Development Fund
OHC	Occupational Health Centre
OHSAS	Occupational Health and Safety Assessment Series
PACE	Personal Advancement and Career Enhancement
PFCs	Perfluorochemicals

PFOA	Perfluorooctanoic Acid
PFOS	Perfluorooctane Sulfonate
PIL	Product Information Log
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
POSH	Prevention of Sexual Harassment
PRAs	Participatory Rural Appraisal
RSL	Restricted Substances List
SAC	Sustainable Apparel Coalition
SCDMF	Shree Chandraprasad Desai Memorial Foundation
SHARDA	Strategic Help Alliance for Relief to Distressed Areas Trust
SHGs	Self Help Groups
STP	Sewage Treatment Plant
TDS	Technical Data Sheets
VFD	Variable Frequency Drive
WRAP	Worldwide Responsible Accredited Production
WRG	Water Resource Group
ZDHC	Zero Discharge of Hazardous Chemicals
ZLD	Zero Liquid Discharge





**ARVIND**

FASHIONING POSSIBILITIES

Naroda Road,  
Ahmedabad - 380025,  
Gujarat, India.

For feedback related to the report or any queries,  
please contact us at: [sustainability@arvind.in](mailto:sustainability@arvind.in)

*Printed on environment friendly FSC paper*