# ABOUT OUR REPORTING

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# OUR VALUES STEER OUR CONDUCT

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FOREWORD BY BUSINESS HEAD

“Sustainable development is the masterful balance of meeting our own needs without jeopardizing the future generations’ ability to do the same”

Dear Reader,

It gives me great pleasure to bring to you our first sustainability report for Grasim Bhiwani Textiles Limited (GBTL).

GBTL has a very long history, ever since it was established in 1938 as “Punjab Cotton Mills”. The fact that the mill has prospered for so long is testimony that the company has evolved along with the changing times. The dawn of the 21st century has seen the introduction of the Grasim Brand, the premium suiting brand, and a further consolidation of the Graviera Brand. The company has been at the forefront of Value Added Products (VAP) as well, Icetouch and Uncrushables being two such products that have brought tangible benefits to the end customer. We are also expanding our manufacturing capacities in stretch and indigenous TR that caters to the Brands & Retailers segment. We are looking to further increase our presence in the VAP space, increasing brand awareness and improve our distribution network.

In continuation to mark our efforts towards environment and society at large, we have decided to initiate sustainability reporting from this year. We view this report as a part of our continued commitment to our stakeholders to disclose our performance on key sustainability pillars. Our sustainability roadmap over the next three years will focus on the expectations of our key stakeholders including our employees and have defined strategies to be more economically, socially and environmentally beneficial and impacting the triple bottom line viz. people, planet and profit.

The report will provide you with an account of actions taken by us along with results achieved.

I also encourage you to give us your feedback on the report, and share your kind views.

Enjoy reading!

– Mr. Thomas Varghese
It is my pleasure to table our first Grasim Bhiwani Textiles Limited (GBTL) sustainability report. We endeavour to become a leading industry benchmark for sustainability processes and performance by 2020 through engagement of all stakeholders. This report builds on our persistent efforts to build an ethical, responsible and sustainable business.

At the Aditya Birla Group, sustainability in business is the holistic pursuit of a three step agenda:

- Managing business operations responsibly. This includes, but is not limited to the creation of a safe working environment at all sites and workplaces, conserving energy and water, managing waste and emissions and the protection of human rights.

- The understanding of material issues of all stakeholders, their perspectives, and usage of this knowledge to actively seek ways to create and share value with each of these stakeholder groups.

- Put in place steps that future proof our business.

We developed our sustainability roadmap in FY13 which identified focus areas, risks and related mitigation plans. The enablers have been a strong sustainability governance framework of the Aditya Birla Group, our sustainability committee and champions who have helped to strengthen the initiative, and our existing management systems that have helped us to leverage and work towards integrating sustainability into our business strategy.

Our key focus areas in FY14, have been minimizing our environmental footprint on key aspects such as materials, energy, water, waste and effluent and improving our performance on employee health and safety.

Our focus areas in FY15, have been improving stakeholder engagement, carbon management, improving our performance on all economic and social parameters including human rights. In addition to improving our performance on sustainability parameters, we have also utilized the Higgs Index tool since FY14 to improve environmental sustainability performance of our operations and products. The sustainability IT platform and dashboards helps us to track and monitor our performance, which is also reviewed by the Group’s Apex Sustainability Council.

Our industry being highly competitive and with market sentiments having been uncertain, it is imperative for us to launch new product collections periodically to maintain the pace with fast changing fashion.

Over the recent years, we faced many challenges such as competition from unorganized sector in the polyester viscose segment, eroding margins, and a continuous need for new product development to match global trends and protect business margins. These global trends in product mix are influenced by changing customer tastes and pressure on lead times in global supply chain. The company continues to address these with continuous investment in improving sampling, after sales service as well as modernising loom shed and process house to remain relevant to the changing customer needs.

The success for increase in sales and profitability is due to the new products GBTL launched year on year both in the domestic and international markets. We pioneered the introduction of several products which are well accepted in the market today, namely
1. Suit Separates - Guaranteed shade consistency across thousands of metres in Fibre Dyed PV

2. Stretch Fabrics for women’s wear

3. Indian TR

In both domestic brands and the international market, GBTL is considered as a preferred supplier of suiting fabrics.

We envisage that going forward the domestic market growth will be differentiated by new products with high quality, design and finish and the export market growth will depend on the extent of market penetration for both men’s and women’s wear with focus on design and development.

We are also strengthening supply chain from forecast to final delivery to customers, so as to reduce the lead time while developing quality vendors for outsourcing. In coming years, we plan to further invest in increasing our capacity and capability for women’s wear.

We understand that to be able to prosper in such competitive environment, we need to focus on through increasing our new product launch periodically and continuously expand geographically distribution network. We are looking for ways to collaborate with all stakeholders to overcome these challenges and achieve sustainable performance and implementing sustainability practices across the business. We believe that putting sustainability at the centre of our business will help us maintain a competitive edge and we look forward to working with you on solutions that make a difference and help create a better world.

-Mr. S. Krishnamoorthy
ABOUT OUR REPORTING
OUR OPERATIONS AND PRODUCTS

“Our vision is to be a profitable company offering clothing solutions through product innovation & design and deliver superior value to all stakeholders.”

The mill erstwhile known as “Punjab Cotton Mills”, established in 1938, was taken over by Grasim Industries Ltd. in 1964 and renamed as Bhiwani Textiles Limited. Bhiwani Textiles Mills, which was the textile division of Grasim Industries Ltd., became a subsidiary company from 1st October 2007 onwards with a name of Grasim Bhiwani Textiles Limited (GBTL) having its registered office in Mumbai. GBTL is one of the few integrated textile mills in the country with two spinning divisions namely, Bhiwani Textile Mills (BTM) and Elegant Spinners having a combined capacity of 35,728 spindles and a weaving division having 134 looms with a fabric weaving capacity of 15 lakh meters per month.

We sell fabric both in the domestic as well as in the international market across geographies. In the Domestic OTC (Over the Counter) market, we sell fabric under two brands, Grasim and Graviera Suiting while in the international market we sell fabric to well-known global brands and retailers.

Facts about GBTL:
- One of the few integrated mills in India with two spinning divisions
- Pioneer in introducing product innovation in Ready to stitch (RTS) industry
- We export to over 20 countries across all continents
- We have received various coveted awards relevant to our sector

What we make:
- 95% men’s wear and 5% women’s wear
- Predominantly polyester viscose blended fibre (65:35), we also use other fibers like Rayon, Modal, Linen, Wool, Elastane, Cotton and Silk
- Manufacturing of polyester viscose fabric catering the market under brands Grasim and Graviera as also exporting it’s fabric to various reputed brands
- Product range of readymade garments (RMG) with exclusive design and qualities

In line with our vision to offer clothing solutions through product innovations and deliver superior value to all stakeholders, many enhancement projects were initiated such as (i) lycra yarn production capacity was increased from 29.2 MT/month (2010-11) to 90.3 MT/month in 2014-15 and (ii) weaving capacity increased from 8.69 lakh meters/ month (in Dec 2008) to 10.3 lakh meters/ month in 2014-15. The use of advanced technology, automation, computerized process control systems and captive power, make the operations of GBTL efficient, reliable and cost competitive.

We are well known for our branded suiting, Grasim and Graviera, mainly in the polyester – cellulosic branded menswear manufactured at GBTL’s plant located at Bhiwani (Haryana). Our fabric operations are centralized at Bhiwani with a processing capacity of 18million meters a year. The company has focus on systems improvement and has established comprehensive standards of ISO 9001:2008, OHSAS 18001:2007 and SA 8000. A common shared vision aligns all GBTL employees who are inspired to put in their best and thus aspire and challenge the impossible.

“Ours is corporate culture that inspires minds and hearts of all our employees to work as a cohesive force.”

We have a strong nationwide retail network that includes exclusive showrooms, wholesalers and multi-brand outlets through which we reach our customers. We also cater to international fashion houses in the USA and UK supplying fabric to them for manufacturing of garments, which are available in some of the largest retail stores. We cater to variety of
customers ranging from all hi-street retailers and mass buyers/retails, in some cases retailers direct buy from us and in few cases fabric goes through garmenters or wholesalers. Our products are exported to following countries: Australia, UK, France, Germany, USA, Portugal, Singapore, Malaysia, South America, Middle East, Canada, Bangladesh, Romania, Greece, Russia, Egypt, and Netherlands, Ukraine and many others. Our fabric under the brand Grasim is supplied to many hi-street retailers directly or through wholesalers in USA and EU market which includes Marks and Spencer, Next, GAP, Perry Ellis, Target, Macy’s, BHS, MWH, Kenneth Cole, JC Penny, Lanier, Tesco, Buffalo, Nautica, Haggar, Levis, ASOS, Matalan, Debenhams, HBC etc.

There has been no significant changes during the reporting period with respect to the organization’s size, structure, ownership or its supply chain.
OUR FOCUS AREAS

1. **2000-01**: Launch of premium suiting brand Grasim for domestic over the counter retail in addition to existing value for money brand Graviera

2. **2002-03**: Launch of products Ice touch & Uncrushable

3. **2005-06**: Global brands Haggar & Levis order huge volumes for garmenting contributing to 40% of total exports

4. **2006-07**: Investment in 8 MW Thermal power plant & expansion of looms capacity

5. **2007-08**: Implementation of SAP ERP

6. **2007-08**: Corporatised the division into 100% subsidiary of Grasim Industries Ltd.

7. **2007-08**: Launch of Akshay Kumar as Grasim Suiting brand ambassador

8. **2009-10**: OHSAS 18001:2007 & SA 8000 Certification by SGS


10. **2010-11**: Oeko-Tex Standard 100 certification

11. **2012-13**: Launch of John Abraham as Grasim Suiting brand ambassador

12. **2013-14**: Chairman’s WCM Awards 2013 (Business/ SBU category) – Bronze Award

13. **2013-14**: Introduced Sonu Sood and Pooja Chopra as Graviera Suiting brand ambassadors

PRODUCT PORTFOLIO

Our two brands Grasim and Graviera operate in domestic Ready-To-Stitch (RTS) menswear formal fabric market. Brand Grasim caters to the mid premium to premium segments of the RTS market whereas Graviera caters to the needs of consumers in the economy to mid premium segment. Our Brands & Retailers division caters to international customers, institutional customers and global brands in the menswear formal fabric market.

Our marketing strategy for the revenue streams are made in line with corporate objectives and strategy for which the inputs w.r.t. fashion trends, new products, competition, consumer habits & preferences, available/ future distribution and communication related options are gathered from the concerned people/ departments, market research agencies and media agencies.

With a dedicated customer focus, well-designed customer acquisition plan (CAP) and “can do approach”, our team has developed new products such as Icetouch, Shining Star, Freedom, Impressions, Stylus, Velino among others. With our products, we have developed premium customer segments and helped them in creating major value addition. We have strong Customer Technical Service (CTS) team with highly qualified, multilingual, experienced professionals to provide comprehensive solutions to customer needs through the value chain.
PRODUCT FEATURES

Velino
A fabric made with fibre dyed polyester viscose and weight reduced to give a soft and buttery handle and a smooth, lustrous and a fabulous feel. Velino fabric gives color and shade consistency - something that others have been struggling to achieve over the years.

Shining Star
A fabric with exquisite lustre and sheen for those special moments in life when you want to be in limelight.

Luxe-Lino
Intimately blended cellulose rich fabric with unique composition of polyester, viscose and linen in various yarn count, woven with multiple features of linen with better crease/ wrinkle recovery and drape in affordable price.

X Tend
A unique blend of PV-Lycra with its unmatchable property to stretch and retain its original shape. Wrinkle resistance, best drape and unmatched bounce, an ideal fabric for dynamic movement for all occasion.

Ice Touch
A revolutionary fabric with Moisture Management Technology, which promises to keep the wearer’s body temperature cooler by 5°C.

Ultralyte
A collection of eloquent designs in very light weight fabric with great drape and fall.

Caffaro
Lustrous and luxurious rayon rich fabric that is ideal for ceremonial dressing.

Freedom
India’s all-time favourite international suiting fabric in a vast palette of colors and designs especially crafted for fashion consciousness. The fabric feels soft, cool and has great drape, truly a TR Finish fabric for the self-made.

Uncrushables
The fabric has excellent crease recovery and wrinkle resistance properties, which delivers a fresh looking garment throughout the strenuous day.

LIST OF MEMBERSHIPS

(i) The synthetic & Rayon Textiles Expat Promotion Council
(ii) Apparel Export Promotion Council
This is our first year of reporting and we are publishing the report as per the Global Reporting Initiative (GRI) G4 Guidelines. The report is compiled in accordance with the Core Option of GRI to consider the relevant aspects of our business. We intend to publish this report annually.

This report covers information from the period 1st April, 2014 to 31st March, 2015. The information includes overall performance results, targets, future plans primarily collected from its manufacturing unit and power plant at Bhiwani. The assessment and report does not exclude any entities part of the organisation’s consolidated financial statements etc. The aspect boundary is limited to our operations at Bhiwani.

We are committed to measuring and reporting our material environmental and social aspects. In this respect, we have conducted a materiality assessment under the guidance of external consultants with management, internal and external stakeholders. The identified issues were rated on a scale of 1 to 4 with the following criteria:

1) Issues that are not important/ relevant to organization

2) Issues that can pose threat to upcoming regulations OR issues that can result in cost savings or competitive advantage

3) Issues that can result in operational discontinuity OR issues that can pose threat to brand reputation and goodwill

4) Issues that can result in business discontinuity OR issues that can provide significant business opportunities

The assessment included identification and prioritization of issues that can pose risks to business and stakeholder interests in the short and long term. The quality of the report is defined in such a manner so as to ensure information presented to stakeholders is unbiased, comparable, accurate, reliable and understandable.

Further, we have also made efforts to introduce sustainability context in various material issues which are highlighted in the report.
CONFORMANCE TO GRI

In accordance with the GRI G4 reporting framework, we describe our approach for identifying and responding to our most material social and environmental issues within the contents of this report. Our report is aligned with the ABG sustainability framework that we have adopted voluntarily.

ABG SUSTAINABILITY FRAMEWORK:

Responsible Stewardship

Focus on how we manage today and our goal is to build a framework of policies, technical and management standards aligned to international standards as defined by the IFC, OECD, UNGC ISO and OSHAS. By introducing these standards into our systems we will manage our operations in the most responsible manner.

Stakeholder Engagement

To understand the external changes that will inevitably impact our companies in the future and this step of the model is called “Stakeholder Engagement”. Our goal is to build strong relationships with our stakeholders and key technical experts on climate change, water and waste management, developments in human rights legislation, safety standards, health impacts and the like.

Future Proofing

We will embed sustainability trends into our strategic business plans to minimise the risks and find new opportunities that will be presented by the requirements of a sustainable planet and society by 2030 and 2050 and make our businesses sustainable.

All impact boundaries are global and apply to GBTL unless otherwise stated throughout the content of this report.
ENABLERS AND GOVERNANCE
“Making continual attempts to transform ourselves to build a sustainable future.”

At GBTL, the aspirations and concerns of our diverse stakeholders shape our agenda as much as any business decision. Everyone we deal with viz. our customers, suppliers, employees, shareholders, partners, elected representatives, regulators, NGOs and the media expect GBTL to act responsibly and with integrity at all times. Disclosing financial results alone are not enough: the societies and communities within which we operate, want the company to focus on enhancing lives and livelihoods, by delivering both financial and non-financial value to all stakeholders. We are aware that overlooking this expectation would risk undermining our prospects for long-term value creation. We have thus embraced “sustainability” as one of our core business values.

HAWK EYE ON SUSTAINABILITY GOVERNANCE

“BEING the change to SEE the change”

In order to drive towards a sustainable future, a strong, responsive and all inclusive governance structure needs to be in place. GBTL is committed to the adoption of best governance practices and adhering to it in the true spirit. Our governance practices are a product of the culture of the trusteeship deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets

- Board accountability to the Company and the shareholders
- Strategic guidance and effective monitoring by the Board
- Protection of minority interests and rights
- Equitable treatment of all stakeholders
- Transparency and timely disclosures.

The Company makes disclosures with respect to the Board’s composition and functioning, remunerations, level of compliance with various Corporate Governance Codes and as required by applicable regulations.

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<tr>
<th>S.No</th>
<th>Name of Board member</th>
<th>Executive/Non-Executive /Independent</th>
<th>Age (Yrs)</th>
<th>Gender (M/F)</th>
<th>Nationality</th>
</tr>
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<tr>
<td>1</td>
<td>Mr. Shailendra K. Jain</td>
<td>Non Executive Director</td>
<td>&gt;50</td>
<td>M</td>
<td>Indian</td>
</tr>
<tr>
<td>2</td>
<td>Mr. G.M. Dave</td>
<td>Independent Director</td>
<td>&gt;50</td>
<td>M</td>
<td>Indian</td>
</tr>
<tr>
<td>3</td>
<td>Mr. B.V. Bhargava</td>
<td>Independent Director</td>
<td>&gt;50</td>
<td>M</td>
<td>Indian</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Thomas Varghese</td>
<td>Executive Director</td>
<td>&gt;50</td>
<td>M</td>
<td>Indian</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Adesh Kumar Gupta</td>
<td>Non-Executive Director</td>
<td>&gt;50</td>
<td>M</td>
<td>Indian</td>
</tr>
<tr>
<td>6</td>
<td>Mrs. Pinky Atul Mehta</td>
<td>Non - Executive Director</td>
<td>30 - 50</td>
<td>F</td>
<td>Indian</td>
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GBTL has 3 Non Executive Director, 2 Independent Director and 1 Executive Director
The board provides the oversight to environmental, social and economic performance of the organization and oversees upholding a broad set of governance principles, delegating management authority to the Chief Executive within the defined limits. All business decisions are taken in a participative manner with the involvement of teams rather than individually. This transparent work culture has made us an organization where there are no instances of irregularity. This is evident from the fact that all our key customers, key suppliers, shareholders and also employees have a strong faith in the organization and are continuing to grow with us.

The board reviews key risks including risks arising from imperatives of sustainable development and how they are managed. The management exercises risk management through appropriate internal controls and periodically reports to the board.

There are following board committees in GBTL:

(a) Audit Committee

The Audit Committee is required to discharge its functions in accordance with relevant provisions of Section 177(4) and other applicable provisions, if any of the Companies Act, 2013 and rules made there under.

(b) Corporate Social Responsibility Committee

In terms of the provisions Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has constituted a Corporate Social Responsibility (“CSR”) Committee. As per Section 135(3) of the Companies Act, 2013, the CSR Committee shall:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause(a); and

c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

(c) Nomination & Remuneration Committee

In terms of the provisions Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted Nomination and Remuneration Committee.

As per Section 178(3), the said Committee formulates the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

GBTL has a sustainability subcommittee consisting of the following team members which works with the textile sustainability committee and who in turn works with the apex sustainability council of textile, acrylic fibre and overseas spinning business:

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<th>S.No.</th>
<th>Name</th>
<th>Designation</th>
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<tr>
<td>1</td>
<td>Rajinder Garg (Leader)</td>
<td>Joint President &amp; Unit Head</td>
<td>GBTL</td>
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<tr>
<td>2</td>
<td>Atul Dixit</td>
<td>Vice President</td>
<td>F &amp; C</td>
</tr>
<tr>
<td>3</td>
<td>Arul Pragasam</td>
<td>Vice President</td>
<td>Operations</td>
</tr>
<tr>
<td>4</td>
<td>Sugata Bhowmick</td>
<td>Assistant Vice President</td>
<td>HR &amp; IR</td>
</tr>
<tr>
<td>5</td>
<td>Vivek Kumar Singh</td>
<td>Assistant Vice President</td>
<td>Engineering</td>
</tr>
<tr>
<td>6</td>
<td>Nitin Mehta</td>
<td>Principal Manager</td>
<td>BHO’s Office</td>
</tr>
<tr>
<td>7</td>
<td>Sanjay Kumar Gupta (Secretary)</td>
<td>Joint General Manager</td>
<td>Business Excellence</td>
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This institutional mechanism is the main enabler for driving sustainability practice and performance. Besides, we have deployed a comprehensive set of enablers that drive sustainability:

**DRIVING SUSTAINABILITY**

- **Sustainability Information Management System (SIMS)**
  - Enablers through Enablon

- **Risk Management Framework**
  - Integrating sustainability risks with existing risk framework

- **Sustainability Advisory Committee**
  - Formation of sustainability advisory committee with external experts

- **Management Systems (IMS)**
  - ISO 9001, OHSAS-18001, SA 8000

We want sustainability to be integrated with different functions of our business. But in the short term, its separate identity is being maintained for focus and emphasis. Many aspects are already integrated with existing function.
THE TEN WORKING GROUPS - ‘MISSION TEAMS’ DRIVING SUSTAINABILITY ACROSS THE TEXTILES, ACRYLIC FIBRE & OVERSEAS SPINNING BUSINESSES.

- Energy & Carbon
- Waste Management
- Chemical Management
- Product Stewardship
- Water & Effluent
- Stakeholder Engagement
- Environment, Health & Safety
- Social & Labour
- Supply Chain Management
- Compliance & Risk Management
OUR VALUES STEER
OUR CONDUCT
CODE OF CONDUCT

Integrity, trust, fairness and honesty are the basics that guide our strategies

We voluntarily follow the Code of Conduct outlined by the Aditya Birla Group. The Code of Conduct, which incorporates the Business Principles, is our central guidance document for norms of behaviour. Under our governance system we consider employees, suppliers, community, and our creditors among others as our stakeholders, and their legal rights are protected and treated with care. The detailed information is provided to shareholders on company’s performance by way of Director’s report.

INTEGRITY
Acting and taking decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognised for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms as are generally understood.

COMMITMENT
On the foundation of Integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those in the part of the organisation for which we are responsible.

PASSION
An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best. A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm.

SEAMLESSNESS
Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

SPEED
Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.
We recognize that a grievance redressal mechanism contributes to effective management and strengthening of the stakeholder engagement.

We have adopted a grievance policy which defines the formal grievance procedure for all stakeholders.

- Stakeholders can raise their concerns directly and submit a formal grievance in a Grievance Handling Box.
- The grievance will be assessed by an independent department who would get in touch with respective department for resolving such issues.
- Post this, communication is sent to the stakeholder about the actions taken to resolve their concern within 30 days.
- If the stakeholder is not satisfied, he/she may escalate it further to the senior management who will respond through a process of consultation and discussion.
- Employees can also access the grievance mechanism form through Grievance Box or Grievance Online.
- They can also raise their concerns directly with their supervisors, senior management, or shop steward, or submit a formal grievance form to GBTL.
- If necessary, a hearing with an independent external chairperson will be convened to resolve the issue.

We are in the process of deploying a more robust stakeholder grievance mechanism that can be extended to all stakeholders. We aim to deploy the same next year. Currently there are no pending grievances.

<table>
<thead>
<tr>
<th>Grievance Areas</th>
<th>Number of grievances identified, addressed and resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Practices</td>
<td>48</td>
</tr>
<tr>
<td>Environment</td>
<td>0</td>
</tr>
<tr>
<td>Society</td>
<td>0</td>
</tr>
<tr>
<td>Human Rights</td>
<td>0</td>
</tr>
</tbody>
</table>
THE WHISTLE BLOWER

We have also formulated a “whistle blower policy” to encourage all employees to fearlessly raise any violation of “ABG Values” and “Code of Conduct”, misuse of company’s property, mismanagement or wrongful conduct prevailing in the company. The policy ensures that the whistle blower’s identity is protected.

THINGS THAT THE WHISTLE BLOWER CAN NOTIFY:

- Violation of any law or regulations
- Corruption, bribery, theft, fraud, coercion and willful omission
- Conflict of interest
- Procurement frauds
- Mismanagement, gross wastage
- Manipulation of Company data
- Stealing cash/company assets; leaking confidential information
- Unofficial use of Company’s material / human assets
- Activities violating Company policies
- Danger to public health and safety
- Abuse of authority, Discrimination
POSITIVE COMPLIANCE

“Our robust systems also safeguard our preparedness to go beyond meeting compliance and manage potential risks”.

Meeting all applicable requirements to achieve compliance is one of the key focus areas of our organization. We have been meeting all applicable laws and regulations with the utmost priority.

Our management systems, periodic audits ensure that we review and comply our list of legal requirements. We have tracking tool, “EY Compliance Manager”, which has (i) applicable legislative requirements (ii) responsible person (iii) actions that are required to be taken. This tool not only ensures compliance management and reporting, but also provides alerts and notifications to the concerned people regarding timelines, report submissions etc.

As a part of the risk assessment to ensure that we meet compliance not only in country of our operations but also in countries where our products are exported.

In FY15, there have been no fines or sanctions imposed on GBTL for non-compliance of laws and regulations.

ISSUES THAT MATTER

We focus our sustainability activities and reporting on the issues of greatest concern to GBTL and our stakeholders.

We engaged external consultants to manage engagement with board, management team of different relevant functions, employees, suppliers, customers and the community to obtain feedback and feed into the process to identify issues that are most significant – or ‘material’ – to GBTL.
MATERIALITY MATRIX

- We used a ‘materiality matrix’ (see below) to map the issues that our stakeholders are most concerned about against those that have the biggest financial or operational impact on our business.
- We then applied the materiality principle to each key issue to help us identify and prioritise the most significant aspects.
- To create the matrix, we used a tool developed by external consultants, specifically for the textile industry combined with GBTL’s own criteria to assess and quantify risk.

The word cloud below shows our material issues based on our assessment in May 2014.

All aspects are material except biodiversity as the unit location Bhiwani does not fall under any ecologically sensitive zone.
Our policies help to ensure that our Business Principles are put into practice in our day-to-day actions. In our policy articulation, we follow positive compliance with applicable regulations and good industry practices; extend our responsibility to value chain; engage and co create with stakeholders and apply precautionary approach to all decisions pertaining to our stakeholders and the environments.

The summary of our key policies, addressing these material issues are presented below:

<table>
<thead>
<tr>
<th>Title</th>
<th>Elements Addressed</th>
</tr>
</thead>
</table>
| ENVIRONMENTAL POLICY | • Positive legal compliance  
                      • Environmental management system  
                      • Conserve materials, use renewable and recycled materials and pollution prevention  
                      • Waste prevention, reduction, reuse, recycle and disposal  
                      • Engage with stakeholders  
                      • Extend environmental care to suppliers  
                      • Transparency and disclosure |
| ENERGY AND CARBON POLICY | • Positive legal compliance  
                        • Reduce the energy intensity and carbon footprint  
                        • Increase use of renewable energy within our operations  
                        • Promote research and development for low carbon solutions  
                        • Continually improve energy and carbon management  
                        • Engage with stakeholders  
                        • Monitor, measure and report energy usage and carbon emissions |
| SAFETY POLICY | • Maintain safe and healthy work environment,  
                         • Share responsibility for safety amongst employees  
                         • Raise safety awareness  
                         • Engage with all stakeholders  
                         • Influence our contractors and suppliers,  
                         • Continually improve safety performance of our products  
                         • Actively communicate and disclose |
| HEALTH POLICY | • Maintain healthy work environment  
                        • Raise preventive health awareness  
                        • Engage with relevant stakeholders  
                        • Influence our contractors and suppliers,  
                        • Minimise negative health impacts of products  
                        • Actively communicate and disclose |
| BIO DIVERSITY POLICY | • Maintain positive legal compliance while planning and executing projects and in operations  
                           • Manage efficient use of biological resources  
                           • Minimize and mitigate impacts  
                           • Increase green cover  
                           • Suppliers impact on biodiversity and cruelty to animals  
                           • Engage internally and externally with stakeholders  
                           • Actively communicate and disclose |
| WATER STEWARDSHIP POLICY | • Maintain positive legal compliance  
                           • Manage efficient use of water resource by reducing, recycling and reusing water  
                           • Minimize and mitigate impacts on water sources and receiving bodies  
                           • Continually improve water foot print management  
                           • Engage internally and externally with stakeholders  
                           • Actively communicate and disclose  
                           • Monitor, measure and report water usage and effluent discharges |
<table>
<thead>
<tr>
<th>Title</th>
<th>Elements Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUALITY POLICY</td>
<td>• Maintain positive legal compliance</td>
</tr>
<tr>
<td></td>
<td>• Quality management system</td>
</tr>
<tr>
<td></td>
<td>• Regular customer engagement, feedback gathering</td>
</tr>
<tr>
<td></td>
<td>• Engage contractors and suppliers,</td>
</tr>
<tr>
<td></td>
<td>• Actively communicate and disclose</td>
</tr>
<tr>
<td>HUMAN RIGHTS POLICY</td>
<td>• Human rights including non-discrimination, prohibition of child and forced labor, and freedom of association and the right to engage in collective bargaining</td>
</tr>
<tr>
<td></td>
<td>• Respect the customs and values</td>
</tr>
<tr>
<td></td>
<td>• Provision of security in keeping with the laws</td>
</tr>
<tr>
<td></td>
<td>• Disclosure to relevant stakeholders</td>
</tr>
<tr>
<td></td>
<td>• Protection of whistle-blowers</td>
</tr>
<tr>
<td>STAKEHOLDER ENGAGEMENT POLICY</td>
<td>• Engagement processes specific to each stakeholder group, that is inclusive, material and responsive</td>
</tr>
<tr>
<td></td>
<td>• Inform, encourage, and build capacity</td>
</tr>
<tr>
<td></td>
<td>• Delineate scope and mode of engagement</td>
</tr>
<tr>
<td></td>
<td>• Integrate stakeholder engagement</td>
</tr>
<tr>
<td></td>
<td>• Review mechanism</td>
</tr>
<tr>
<td></td>
<td>• Communicate to stakeholders</td>
</tr>
<tr>
<td>SUPPLY CHAIN AND PROCUREMENT POLICY</td>
<td>• Screen and evaluate new and existing suppliers</td>
</tr>
<tr>
<td></td>
<td>• No tolerance to child labour, forced labour, non-discrimination.</td>
</tr>
<tr>
<td></td>
<td>• Periodic audits of supplier</td>
</tr>
<tr>
<td></td>
<td>• Build and enhance the capacities</td>
</tr>
<tr>
<td></td>
<td>• Prefer renewable or recycled materials</td>
</tr>
<tr>
<td></td>
<td>• Grievance and whistle blower mechanisms for suppliers</td>
</tr>
<tr>
<td>TRANSPORTATION POLICY</td>
<td>• Compliance with safety and emissions of all vehicles, owned or contracted,</td>
</tr>
<tr>
<td></td>
<td>• Minimize transportation</td>
</tr>
<tr>
<td></td>
<td>• Periodic audit</td>
</tr>
<tr>
<td></td>
<td>• Training to drivers</td>
</tr>
<tr>
<td></td>
<td>• Right information</td>
</tr>
<tr>
<td></td>
<td>• Video conferencing and other modes</td>
</tr>
<tr>
<td></td>
<td>• Grievances of the communities</td>
</tr>
<tr>
<td>PRODUCT STEWARDSHIP POLICY</td>
<td>• Positive legal compliance to product health, safety and environment</td>
</tr>
<tr>
<td></td>
<td>• Product stewardship practices;</td>
</tr>
<tr>
<td></td>
<td>• Life cycle assessment</td>
</tr>
<tr>
<td></td>
<td>• Engage with stakeholders across product value chain</td>
</tr>
<tr>
<td></td>
<td>• Recycling of our products</td>
</tr>
<tr>
<td></td>
<td>• Disclose information of products</td>
</tr>
<tr>
<td>SECURITY POLICY</td>
<td>• Physical and information security</td>
</tr>
<tr>
<td></td>
<td>• Deterrence, intrusion detection and access controls</td>
</tr>
<tr>
<td></td>
<td>• Share responsibility</td>
</tr>
<tr>
<td></td>
<td>• Raise security awareness</td>
</tr>
<tr>
<td></td>
<td>• Security practices in keeping with human rights and right to information</td>
</tr>
<tr>
<td></td>
<td>• Contractors and suppliers</td>
</tr>
<tr>
<td></td>
<td>• Protect the information of customers and suppliers</td>
</tr>
<tr>
<td></td>
<td>• Communicate and disclose</td>
</tr>
<tr>
<td>SUPPLIER CODE OF CONDUCT</td>
<td>• Prohibition of child and forced labour</td>
</tr>
<tr>
<td></td>
<td>• Prohibition of harassment or abuse</td>
</tr>
<tr>
<td></td>
<td>• Prohibition of discrimination</td>
</tr>
<tr>
<td></td>
<td>• Unfair working hours, wages benefits and leave</td>
</tr>
<tr>
<td></td>
<td>• Environment, health and safety</td>
</tr>
<tr>
<td></td>
<td>• Freedom of association</td>
</tr>
</tbody>
</table>
**MANAGEMENT SYSTEMS**

**Management System Standards**

Most significant and material environmental and social aspects are managed through management system standards.

- We have implemented ISO-9001, OSHAS-18001 and SA-8000 to address variety of quality, environmental, energy, safety, societal and labour issues.

- We have also established necessary procedure to implement ISO 14001 & 50001 and will be certified for same by September 2015.

- These management systems are periodically audited by external third parties.

- The backbone of all such systems is Business Excellence Framework which is calibrated in synergy with company's objectives and performance excellence.

**IT PLATFORM**

We have deployed Enablon - Sustainability, EH&S and Operational Risk Management Software. It has been primarily deployed for:

- Managing Operational Risks
- Ensuring Compliance
- Improving Sustainability Performance
- Stakeholder engagement
RESPONSIBLE STEWARDSHIP
“We owe our successes to a strong people development plan and a knowledge management approach.”

Achieving sustainability involves understanding and anticipation of current as well as the future requirement of resources and an assessment of the related constraints. Despite all challenges, we strive to be one of the leading sustainable companies in our sector. GBTL is known for its excellent products, systems and customer focus.

In line with our vision of becoming a world leader, we continue to grow through constant upgradation of our equipment, processes and product innovations to improve productivity. These successes, we realize, are due to a strong people development plan and knowledge management approach.

Under our business excellence framework, the “Continual Quality Improvement” has been established as a value creation process in the organization, to ensure that improvements are horizontally deployed and the gains achieved are locked and included in the relevant standards. The systems implemented and the processes used to ensure sustainability are:

- Restructuring of the organization with a view to leverage, synergise and ensure enhanced collaboration.
- Institutionalisation of joint marketing, procurement and technical conferences. These have helped us identify and share improvements as well as carry out structured benchmarking of operations in all areas.
- Horizontal deployment of improvement projects.
- Benchmarking of performance indicators, setting norms, reviewing standards and revising targets every year. Monthly variance in the form of gain/loss is monitored by the relevant process owners.
- Periodic benchmarking of cost, quality and service offerings with our competitors. These are incorporated in our work plan to achieve further improvements.
- “Continual Quality Improvement” (CQI) in all value creation and support processes through constantly rotating the “PDCA” (plan, do, check and act) cycle.

We work with our customers and drive value creation; hence many of our customers consider us a preferred supplier for supply of suiting fabrics, over the years. Sustainability has always been our focus, and the journey over the last one year has been an exciting one as we:

- Raised awareness on sustainability
- Integrated sustainability criteria in our continual improvement programs
- Reviewed our policies and processes
- Deployed performance linked programs that showcased our performance

In the coming year we aim to:

- Improve our performance in areas such as energy, carbon mitigation and water
- Explore renewable energy as an alternative, waste management and occupational health and safety
• Involve all our employees through capacity building, training them and bringing them to the forefront as we work on delivering solutions together along with other stakeholders

The results, we believe, will build our resilience and positively impact the organization’s future.

Over the past few years, we have worked towards complying with all the local laws and regulations in all areas and fulfilling our social responsibility. In the coming years, we are keen to work with our suppliers and support them through awareness raising to improve their performance on issues such as safety, human rights, environmental preservation. We hope our initiatives will motivate stakeholders to drive change and create a better future.

-Mr. Rajinder Garg
GREENER AND CLEANER FUTURE

We Value and Care for the Environment

We, at GBTL, recognize the responsibility to monitor, manage and reduce our environmental impacts wherever possible.

At GBTL, we aim to minimize the environmental footprint of our operations to enable us to do more with less. Since inception, we have strived to follow high standards of environmental excellence and work towards integrating environmental and social considerations into all business decisions.

We have prepared a roadmap for sustainability in which a greener and cleaner future is a critical component. Processes and plans to achieve the same is built into our existing management systems. We continuously monitor the performance indicators through our sustainability dashboard, the same is reviewed by the APEX Council.

As a part of our “produce more with less”, we have also undertaken the following sustainability projects:

- Reduction in energy consumption
- Explore the use of renewable energy
- Energy risk management, GHG assessment
- Management of waste and waste water
- Reduction in water consumption
- Increasing the water recycling percentage

ENERGY AND CARBON

Energy Conservation and Mitigating Climate Change go together

Rising energy costs and the energy intensive nature of our products has driven us to explore and implement energy efficiency measures, this is a continuous process, and targets for energy intensity improvements are defined on a yearly basis and are part of the sustainability dashboard.

We work on projects that decrease environmental impacts and strive to improve energy performance. We believe that management of energy is the responsibility of all employees and all participate in the energy management process.

Energy consumption has been reduced due to increase in biomass use. We have reduced the pet coke consumption by increasing the percentage of renewable fuel i.e. Cow dung which accounts to 18.76% of total fuel consumption. This has also resulted in increased boiler efficiency due to reduction in energy intensity.
The manufacture of polyester viscose fibre consumes high amounts of energy. Electricity consumption is the main contributor of this process due to use of non-renewable energy sources. This, therefore, validates and highlights the importance of our ongoing investment in energy efficiency projects.

Some of the key energy saving projects implemented in FY 15 were as follows:

1. Installation of VFD in boiler feed pump to reduce pump speed up to desired operational requirement with savings of 224 units/day.

2. Thermopac combustion automation by providing VFD drives on boiler fans & fuel feeders resulting saving of 189 units/day.

3. Replacement of 25 old motors with energy efficient motors to deliver more shaft energy output and savings of 819 units/day.

4. Modifications in boiler carried (increase of air flow, air velocity and extending of super heater) to minimise boiler loading to achieve better boiler efficiency and steam savings of 26.1 MT/day.

An energy audit was conducted which enabled us to identify opportunities to reduce energy consumption and GHG emissions. Some of the key energy saving projects implemented in FY 15 were:

1. A high pressure water spray system was installed to lower water consumption & improve efficiency of humidification system and savings of 1,604 units/day

2. Replacement of old motors with energy efficient motors to deliver more shaft energy output and savings of 73 units/day

3. Turbine modification to increase the capacity from 8 MW to 8.4 MW thereby achieving steam savings of 90.4MT/day
We understand our contribution and impact on climate and have aligned our existing processes and initiatives to improve our carbon footprint. We have undertaken projects over the last two years towards that direction, to improve our energy consumption, and will continue to do so.

We have developed a technology roadmap wherein we have budgeted investments in quality improvement and modernization technologies that will not only improve our operational efficiency but also increase the energy efficiency of the existing equipment and process. It will also help us reduce our dependence on fossil fuels. Long term sustainability was one of the key criteria while designing the projects.

A number of projects have been identified and are in progress and will be completed in the course of FY 16. We are constantly reviewing our energy performance and mapping the energy scenario, aligning it to our growth strategy.

**RENEWABLE ENERGY**

Our emissions are from fossil fuel generated electricity. Given the finite nature of fossil fuels and its impact on the environment, we are aware of the need to invest in renewables. We will, hence, be exploring the feasibility of procuring electricity from renewable sources like solar energy for our plant operation.

We intend to generate 250KW of solar energy at end of 2015 through ESCO arrangements in terms of our obligation for solar power requirement as per directive of Department of Renewable Energy, Govt. of Haryana resetting our renewal power (RPO) obligations.

**CARBON**

**We Strive to Control Emissions from our Operations**

We understand our contribution and impact on climate and have aligned our existing processes and initiatives to improve our energy performance. We are in the process of conducting a detailed inventory of our greenhouse gases (GHG) footprint and plan to analyze the life cycle impacts of our products. We are also in the process of improving our energy performance including exploring the purchase of renewable energy and improving CO2 intensity per ton of production.

We have undertaken an evaluation of the risks and opportunities posed by climate change, our priority hence is to develop a road map to reduce and mitigate CO2 emissions from our operations. This report is being reviewed by our management in line with upcoming regulations and compliances. Wherever essential we will undertake a detailed financial study to understand the implications and impact.

- We have set targets to reduce emissions in Scopes-1 & 2, we are doing this by investing in greener and cleaner technologies
- Exploring innovative solutions to mitigate CO2 emissions through energy conservation and preferring low carbon fuels, this has been highlighted in our energy sections.

We are working towards reducing Scope - 3 greenhouse gas emissions by:

- Minimizing air transport by opting for video conference options.
- Encouraging employee commute to work using bicycles or company owned /contracted buses.
- Optimizing loading capacity for inbound & outbound logistics for transportation of supplied and finished goods.
- Educating and training our drivers on good driving practices.
The total GHG emissions of GBTL has decreased in FY15 compared to the previous year by 2.27% due to the energy saving initiatives implemented.

We collect and report emissions data in accordance with the guidelines of the Global Reporting Initiative and the Greenhouse Gas Protocol, to the extent practicable. The figures in the table include the emissions caused due to operations in manufacturing unit and exclude colony energy consumption. Scope-1 emissions include fuel consumption and company vehicles; Scope-2 emissions include electricity purchased; Scope-3 includes business travel by air and road, employee commute, inbound and outbound logistics. The GHG emissions are calculated based on emission factors specified by *BOE%&'3"5IF()(JOUFOTJUZJTDBMDVMBUFE using Scope - 1, 2, 3 emissions. GHG reductions are calculated based on the energy savings achieved due to implementation of projects in 2014 and the equivalent GHG emission reductions occurring as the result.

**WATER AND EFFLUENT**

We are sensitive towards water as it supports life and livelihoods.
Water is going to be a limiting factor for industrial and economic growth. Accordingly, it is important for a sustainable business to be a water steward, decrease its water footprint both direct and indirect. On our part, we set and monitor intensity targets, and the performance is regularly reviewed against quarterly targets.

Our water requirement is being fulfilled from multiple sources viz. canal water, hired bore wells and municipal corporation. We have installed two ground water re-charge bore wells in our factory premises to cater our needs. The water withdrawal from each source is monitored through the flow meters.

We have established the baseline for water intensity per ton of product consumed in FY15.

The water is consumed majorly in the following processes:

- Process house for washing and chemical treatment
- Fibre dyeing for mixing with chemicals
- Power plant to run the boiler and cooling tower
- Humidification for supplying chilled air to various departments
- Industrial purposes such as gardening, washing etc.

Since Haryana is a water deficit state, we also conducted a detailed micro level ground water survey in 2010 to understand the impacts on ground water as a result of water withdrawal for our operations.

- Ground water level in the region was assessed.
- Study on water availability and quality.

We are also in touch with local water authorities and subject matter experts for a further detailed assessment that will address these issues in coming years.

Reduce, Recycle and Reuse

The water consumption at our manufacturing unit is monitored on a daily basis and annual targets to continually improve this performance is set. In FY15, we have undertaken few water conservation projects that provided us savings of around 240 KL/day through reuse of process water.

We constantly work towards improving the recycling rates at our facility, some of the projects that we have worked on are

- Condensate recovery from fibre dyeing
- Cooling water recovery from process house and
- Recycling the effluent water from relax scouring through filtration plant and reusing the same in relax scouring.

![Water recycled and reused as a percentage of total water consumed (%)](image)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water recycled (cum/year)</td>
<td>245,650</td>
<td>170,437</td>
</tr>
<tr>
<td>Water withdrawn from canal, ground etc. (cum)</td>
<td>1,432,552</td>
<td>1,461,207</td>
</tr>
</tbody>
</table>

*The figures mentioned are for manufacturing unit

We are focused on creating awareness on water use and its management in FY16 across all levels of employees and completing our water footprint assessments during the same period.

We have completed the feasibility study for constructing rain water harvesting structures and plan to install 2 artificial recharge borewells in FY16.
Feasibility studies will be conducted in FY16 for zero liquid discharge from ETP, conducting water study through external experts that will include assessment of water inventory, water balancing and exploring water saving opportunities.

**WASTE WATER MANAGEMENT**

Industrial waste water from our manufacturing unit is treated at the plant as per legislative requirements.

- The treated wastewater is discharged as per the prescribed limits of Water (Prevention & control of pollution) Act 1974 as amended to date.
- We have also undertaken a project in which the process water is being treated at the ETP and being circulated to thermal power plant to run the cooling tower operation.

We have our own sewage treatment plant, an effluent treatment plant and filtration plant to treat the water for re-use in operations. All the effluent water generated from process/utility is being treated in the ETP and used for horticulture and gardening within our campus.

### Discharged Water Details

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value (mg/l)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSS</td>
<td>7.5</td>
</tr>
<tr>
<td>BOD</td>
<td>5</td>
</tr>
<tr>
<td>COD</td>
<td>22.4</td>
</tr>
</tbody>
</table>

**EFFLUENTS**

All industrial waste water is treated at the plant using advanced treatment technology. We recycle and reuse all our waste water, we have invested in additional technologies to make treated waste water safe for domestic use such as gardening.

We are now working towards meeting year-on-year targets in water discharge and budgeting for investments to be made for water treatment technologies, input dyestuff and chemicals.
We aim to position us for best efforts to use renewable and recovered materials

In a resource constrained world, our business prospects and corporate image will be under threat if we do not strive to improve our material intensity performance and look for alternative and renewable materials.

Our material management systems adheres to good practices of purchase and inventory management. During reporting period, we have initiated a practice of exploring alternative materials and seek such information from our vendors from time to time. Our R&D Centre provides the greatest support for our material use efficiency.

We have already identified a project to reduce the number of defects and increase the fresh packing thereby optimally using the input raw material for production. We have planned to conduct root cause analysis of all the possible causes and defects thereby decreasing the quantity of waste generated.
RESPONSIBLE STEWARDSHIP

REDUCTION IN CHEMICAL CONSUMPTION

As a part of projects undertaken by chemical management team, we explored the opportunities for reduction in chemical consumption and identified projects in 2014. A team was formed that worked closely to analyze and develop a multi-functional nano particle mixture of selective chemical components which would provide a better finish. This kind of mixture chemical reduces the consumption of chemicals in regular finishing. To implement this, we engaged with our vendors to fulfill our requirements as per the given formulation while maintaining the chemical management standard. Post this a lab trials were conducted and two out of the four formulations was approved keeping quality criteria and compliances in mind. Out of the two approved chemicals ordered for mini bulk, one is under production and the second is yet to be started. Both the chemicals will be taken for trial with different articles and shall be established within a three months period. The expected saving both in consumption and costing was around 10% initially.

NON RENEWABLE MATERIALS

The emergence of three billion more middle-class consumers in the next 20 years compared to 1.8 billion today will drive up demand for a range of different resources. This soaring demand will occur at a time when exploring and extracting new resources is becoming increasingly challenging and expensive, notwithstanding technological improvement in the main resource sectors.

Compounding the challenge are stronger links between resources, which increases the risk of shortages and price changes in one resource can rapidly spread to others. Hence overall as a business, our focus is exploring alternate renewable based products, reduce – reuse – recycle and stay updated on the latest technologies for new product development. Please refer to our future proofing section for more details.

WASTE MANAGEMENT

We are committed to reduce, reuse and recycle the waste we produce wherever possible.

- We have been making conscious efforts in our value chain to minimize the waste generation.
- We also ensure that we use least amount of chemicals and dyes to meet the eligibility criteria of international standards thereby reducing and reusing the waste in our production.
We are in the process of drawing up a plan to minimize the amount of waste, this plan will be deployed in FY 16.

**Total weight of waste by disposal method**

<table>
<thead>
<tr>
<th>Disposal Method</th>
<th>Unit</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Hazardous waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycle (MT)</td>
<td>MT</td>
<td>1,925</td>
<td>1,524</td>
</tr>
<tr>
<td>Recovery (MT)</td>
<td>MT</td>
<td>18,599</td>
<td>16,785.42</td>
</tr>
<tr>
<td>Sold for reuse (MT)</td>
<td>MT</td>
<td>213.71</td>
<td>192.59</td>
</tr>
<tr>
<td></td>
<td>Mtr</td>
<td>823,628</td>
<td>854,447</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycle</td>
<td>MT</td>
<td>12.63</td>
<td>17.81</td>
</tr>
<tr>
<td>Total Hazardous Waste</td>
<td>MT</td>
<td>12.63</td>
<td>17.81</td>
</tr>
</tbody>
</table>

There was no spillage of any chemicals or fuels during the reporting period. We do not transport, import, export or treat any hazardous waste which can be classified under terms of Basel Convention and no waste is being shipped internationally.
We Strive to Control Emissions from our Operations

At GBTL, we also realize the impacts that emissions have on the atmosphere which can affect community health. Hence we continuously monitor parameters such as CO2, SOx, NOx and dust through on-line, emission measurement systems.

Our main pollutants are NOx, SOx and PM and is monitored by third party agency quarterly. Our state of art technologies installed, ESP (Electrostatic Precipitator) ensures that we are within the permissible limits specified by the regulation.

In the reporting period there has been no significant environmental impacts due to transportation of inbound and outbound materials and transporting members of workforce.

We will be looking to improve our emissions performance, awareness levels and capability of our employees and key stakeholders on emissions management and mitigation.

OZONE DEPLETING SUBSTANCES

In GBTL, the refrigerants are used in air conditioners which are installed in all our offices. These air conditioners are installed and maintained by local contractors. During FY16, we of the amount of refrigerant topped up with the refrigerant gas and plan with contractor to replace the same with ammonia based refrigerants.
RESPONSIBLE STEWARDSHIP

“Elimination of Discrimination”

Our approach to human rights is aligned with universally accepted human rights standards and we support human right issues included in the Universal Declaration of Human Rights.

ABG is a member of the United Nations Global Compact, an international forum that operates under the aegis of the United Nations and ascribes to the human rights policy of the United Nations Global Compact. Integrity, trust, fairness and honesty are the basics that guide our strategies, our behavior and the relationships we build with people, both internally and externally.

The Aditya Birla Group has re-articulated the values that spawn across its diverse businesses and locations and act as an organizational glue to bind people together. These values are: integrity, commitment, passion, speed and seamlessness. The values drive the organizational thinking and processes - whether related to people, manufacturing, environment or community responsibility, the bedrock of the principles outlined by the UN Global Compact.

These guidelines serve as the pillars in areas where local regulations are assessed as weak or non-existent. We are also non-tolerant to any human rights violation that comes to our attention within our organization and supply chain.

Our human rights policy is committed and applies to every employee and sits alongside other specific policies such as health & safety, environment, anti-corruption etc.

HUMAN RIGHTS PERFORMANCE REVIEW

Our performance as per the UN Global Compact’s ten principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

We make a conscious effort to identify, access and manage human rights impacts within operations and among our identified suppliers. We strongly stand for human rights including non-discrimination, prohibition of child and enforced labour, and freedom of association and the right to engage in collective bargaining.

We have also implemented social accountability (SA-8000) standard which is auditable and enables monitoring for compliance against human rights issues. With implementation of such standards, we are able to assess our operations for human rights through our internal and external audit programs. We have also established appropriate procedures to evaluate and select major suppliers and contractors, based on human rights and social policies, and to monitor their performance where appropriate. We have included human rights clause in our contracts such as labour contracts.

We respect the customs and values of the neighbouring communities where we operate and we aim to ensure the provision of security is consistent with the laws of the countries in which we operate.

It is expected from our employees to respect the human rights, and comply with all the applicable national, state and local laws.
RESponsible Stewardship

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

We duly respect the right of all employees to form and join unions and to bargain collectively. We have recognized the union formed by employees. This is evident through the copies of Union Agreements. GBTL enjoys good relations with its unions and there has never been any strikes, walkouts, labour unrest or demonstrations.

We are always open to suggestions from union representatives; we ensure that representatives of union are never subjected to any discrimination. We ensure that the union representatives have access to their members in the workplace. We have also provided the union with a room facility with telephone for easy access to its members and we do not interfere in their activities.

As and when required, the union is given the freedom to assemble and discuss their issues within the plant premises. There are regular meetings between the management and the union members to discuss various welfare issues for the employees. We have not identified any violations of right to freedom of association and collective bargaining in our operations and suppliers.

Principle 4: The elimination of all forms of forced and compulsory labour;

We do not engage or support the use of forced labour and ensure that all employees are working voluntarily. The terms and conditions relating to the employment are communicated prior to recruitment. The document containing applicable rules governing the conditions shared with all employees and also displayed on the company notice boards. In FY15, there have been no cases identified or registered related to forced and compulsory labour.

Principle 5: Effective abolition of child labour

We have framed our policy for not engaging in, or supporting the use of child labour. We have also developed procedures based on the Factories Act, 1948”. In compliance with local law we do not employ any person who is less than 18 years of age. Documentary evidence of proof of age is verified at the time of recruitment. In addition to this, we have communicated this policy to all contractors who provide labour for un-skilled / skilled jobs through the “Contracts” and “Service Agreements”. Supervision of all labour issues is done by all heads of departments to ensure that there is no child labour provided by the contractors.

In FY15, there have been no cases identified or registered related to child labour.

Principle 6: The elimination of discrimination in respect of employment and occupation.

We comply with our corporate guidelines which outline the elimination of discrimination, this is also highlighted in our Code of Conduct, which is read and accepted by all employees on joining the organisation. Our corporate values also highlights this message and the same is reinforced through various communication channels annually. The SA 8000 policy and process outlines actions for not engaging or supporting any discrimination in any corporate action based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliations, or age. Our
well defined systems for recruitment, promotions, remuneration and training ensures no discriminations occur in these processes.

In FY14, there have been no cases identified or registered related to discrimination.

**Principle 7:** Businesses should support a precautionary approach to environmental challenges

We adopt the precautionary approach in all decisions that we take that may have an impact on human health and the environment including selection of products, services and technologies. We examine all alternatives and related costs that may not be reflected in the initial price, including that of mitigation of our impacts, and seek those that will have the least impact on human health and the environment.

**Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

We, at GBTL, recognize the responsibility to monitor, manage and reduce our environmental impacts wherever possible. We have also undertaken sustainability projects to improve our environmental performance viz. energy consumption, increase renewable energy percentage, energy risk management, GHG assessment, emission reduction projects, management of waste and effluents, reducing water consumption, increasing water recycling percentage, protecting diversity and compliance.

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

We relentlessly pursue integration of cleaner production processes that inherently reduce pollution levels and require fewer resources.

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

We aim to be respectful of local customs and circumstances wherever we operate, while ensuring that we observe the same high standards of integrity and business ethics across the world. While engaging with stakeholders who are spread in different countries, it makes it all the more pertinent that we are clear about the standards of behaviour we expect from our directors, officers and employees and anyone who acts on our behalf. In FY15, there have been no cases identified or registered related to corruption in employees and our business partners.

Our code of conduct clearly states: "I will not seek or encourage bribes or kickbacks in any form. I will not deal with a supplier who offers me a bribe to get a contract awarded." Adherence to the policy is total and no leniency is shown to a defaulter. Whistle Blower mechanism aids detection of any departures from this policy.
We have incorporated such principles into our Code of Conduct and anti-corruption guidelines. Our whistle blower policy and Code of conduct outlines important aspects of accountability and transparency which enables all employees to voice complaints internally in a responsible and effective manner when they discover information which they believe shows serious malpractices.

As a part of risk assessment, the central audit team and external agencies conduct audits to ensure our activities are free from corruption. At present, we operate at only one location and we have assessed the risks related to corruption at the same. The major risks identified were loss of credibility and trust amongst stakeholders, reputation, and brand image as well as financial loss to the company.

As part of our sustainability communications, we have briefed all our governance body members, employees and business partners on Code of Conduct with regards to anti-corruption and human rights.

In FY15, we audited all departments as part of SA-8000. During the reporting period, no cases of corruption was reported.

**POLITICAL CONTRIBUTIONS**

Our Code of Conduct guides us to respect the government, laws and institutions in the nations where we operate. While participating in democratic processes, the Code encourages us to remain apolitical and not to entertain any requests related to representation in elections or request for fund from parties or sharing of resources or opinion formation.

In FY15, we have not made any political contribution.
MESSAGE FROM  
HEAD - HUMAN RESOURCE

“To be a role model company in HR systems and practices through total employee’s engagement”

No business can sustain without engaging its stakeholders, and we believe that co-creation and stakeholder engagement go hand in hand. Stakeholder engagement is key to our sustainability framework, our stakeholder engagement policy highlights our commitment to integrate the stakeholder engagement into the organization’s strategy, operations management and decision making process.

With regards to stakeholders, our employees are the highest among them, and therefore at the heart of our operations. We work consistently towards building a culture that empowers our employees, builds confidence, and creates a positive environment. Our HR mission is “To develop our employees as competent and responsible people for organization & society and build GBTL as a great place to work” and our HR vision is “To be a role model company in HR systems and practices through total employee engagement”.

Matters of succession and growth are usually issues with all organizations. So as to mitigate such risks we are building the managerial capacities of different level of employees that is empowering for employees on the one hand and benefits the organization on the other.

Gender equality is a priority in our diversity agenda and we are working on a number of initiatives to empower women and help them further in their careers and work towards senior management positions. We also encourage diversity at the workplace and encourage those with diverse skills, backgrounds, experiences and education levels to work with us. Through our assessment systems and a well-structured training and development program we encourage our employees to grow professionally and personally to achieve their highest potential. The ABG Talent Management System is in place to manage available talent in the organization.

- Mr. Sugata Bhowmick
“We recognize intrinsic value in Workforce Diversity”

The Aditya Birla Group (ABG) is among the most respected global brands, recognized as much for its global vision and leadership, as it is for its social responsibility and humane values.

EMPLOYEE DIVERSITY

We recognize that diversity fosters innovation; helps us to better understand and meet the needs of our customers. A diverse workforce and inclusion creates an environment wherein everyone has the opportunity to grow and deliver value, it brings fresh ideas, perspectives and experience to business.

We are, therefore, committed to maintaining workplace diversity in age, gender and region. We have also adopted the diversity policy to ensure a workplace that fosters inclusive practices and behaviour. These principles and policies are supported through goals and communicated to all employees so that they understand and relate to these.

We have representations at various committees of workman in the committees.

EMPLOYMENT

Efforts are made to recruit, maintaining workplace environment conducive for a diverse work force.
ENTRY LEVEL WAGE, BASIC SALARY AND REMUNERATION:

Regardless of gender and all other parameters being equal, all employees draw the same remuneration in cognizance with their designation and position in the organization. The ratio of entry level wage offered to all employees by GBTL is 1:1 and is as per government regulations. All employees gradually grow through a fair evaluation and promotion program at GBTL.

RETURN TO WORK AND RETENTION RATES:

We make work place environment conducive for male and female employees to return to work and continue working post parental leave.
Return to work and retention rates post parental leave by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>1</th>
<th>10</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>11</td>
<td>0</td>
<td>14</td>
</tr>
</tbody>
</table>

- Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work
- Total number of employees that were entitled to parental leave
- Total number of employees that took parental leave
- Total number of employees who returned to work after parental leave ended

**TRAINING AND EDUCATION**

Empowering our employees - Skills Management and Career Development

We have established structured human resource development programs like Quality Circles (QC), SS, Kaizen, suggestion system (SS) etc. Attending these trainings and contributing is part of the employee job profile. We integrated these activities under our unique business excellence framework to align these with our business needs and key strategies. These have helped us to develop in our employees a sense of belongingness, teamwork, morale, work area improvement and self-management skills. We are continually improving our assessment systems and workforce planning, our appraisal process helps us to understand our employee’s challenges, strengths and areas where they seek improvement.

We have also developed a skill matrix framework to identify competency levels, skills and qualities of employees vis-à-vis skills required to improve on-the-job performance. Based on such mapping, we develop the training calendar for all employees and ensure their progress in their career.

Employee recognition is one of the development tool employed by GBTL employee, this motivates employees to participate in all organizational and individual level activities across the organization. Various awards and recognition schemes include:

- **Employee of the Quarter**
- **ABG Chairman’s Award**
- **5s area improvement awards**
- **Kaizen award**
- **Quiz completion of safety, environment etc.**
EMPLOYEE TRAINING AND DEVELOPMENT SYSTEM

Orientation
- Organization introduction
- Vision, Mission, Values
- IT policy & Co. Policies
- Rules & Regulations
- Contact the Mentor

Induction Training
- Processes Management
- Processes Interactions & Interdependence
- Role in process improvement

Language & SHE
- Language for selected B & R resource operating with specific country customers
- QMS, EMS, OHSAS
- Quality & SHE responsibility

Multi-Skill Development
- Cross-functional deputation
- Basic Maintenance for Operators
- Lubrication, Transmission
- Basic E & I

Analytic Skill Development
- SQC & SPC
- QC Story & 7 QC Tools
- Kaizen & PDCA Employee

Leadership Development
- Global Leadership Program
- Outstanding Business Leadership
- Young Leadership
- Communication & Team Building
- Coaching Skills
Employees performance is being recognized in various platforms such as general gatherings, posters at various locations, photos in EKYA magazine etc. Employees are nominated for Chairman’s individual awards in different categories like young achiever, distinguished achiever and exceptional achiever. These awards instill a sense of achievement and pride in them.

**LIFELONG LEARNING**

Gyanodaya - The Aditya Birla Institute of Management Learning was established in the year 2000 to strengthen the management capabilities of our managers. It collaborates with some of the best institutions and experts across the world to deliver quality programmes. Each year, we provide varied opportunities to our managers who successfully complete such programmes and deliver value to our businesses.

**Total number of employees who received regular performance and career development review by gender**

- Male: 354
- Female: 10

**Total number of employees who received regular performance and career development review by category:**

- Staff: 364

**Strengthening Skills and Carving out Leaders**

In FY15, we conducted 20 employee training programmes to develop the skills, careers and leadership potential of our employees. Our training programmes are continuously evolving based on the need assessment of industry and individuals.

Employees are also provided training and guidance on career development and performance improvement. We guide employees on ways to earn regular income even after retirement from the company. Employees widely use the Aditya Disha Knowledge Portal which is our knowledge management centre for collecting, managing, distributing and sharing with members. We have a complete library where employees can access technical, management books, magazines to enhance their knowledge. Our knowledge sharing culture ensures that those who have been trained or acquired new knowledge have a responsibility of sharing the knowledge with at least 5 co-workers or subordinates through a knowledge sharing session.
QUALITY OF LIFE

To “develop able and responsible citizens”

- The training course include morning exercise, religious and spiritual lectures, motivation and team building exercises and teaching on good food habits etc.

- The objective of the program is to develop a sense of responsibility in employees towards their job, family, society and improve their quality of life.

This is unique program has brought a sea change in the employee’s attitude.

A WORLD OF OPPORTUNITIES:

MANAGERIAL TRAINING PROGRAMMES AND SKILLS COVERED

<table>
<thead>
<tr>
<th>No.</th>
<th>Programme</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enhancing The Kaizen Participation Index</td>
<td>Self Initiative</td>
</tr>
<tr>
<td>2</td>
<td>Value Workshop for New Joinees</td>
<td>Only a awareness session</td>
</tr>
<tr>
<td>3</td>
<td>Meet Your HR</td>
<td>Familiarities on the company policies, systems and processes</td>
</tr>
<tr>
<td>4</td>
<td>A Workshop on Customer Centricity</td>
<td>Customer Focus Communication &amp; Influencing</td>
</tr>
<tr>
<td>5</td>
<td>Alchemy -The Magic Begins</td>
<td>Team building</td>
</tr>
<tr>
<td>6</td>
<td>Samunder Manthan</td>
<td>Total Quality of Life, Development of self and Organization</td>
</tr>
<tr>
<td>7</td>
<td>Workshop on BCE Champions</td>
<td>Awareness on BCE initiatives and processes</td>
</tr>
</tbody>
</table>

Technical Training Programmes organized in FY15

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New PS Versa C V1 Cone winding machine</td>
</tr>
<tr>
<td>2</td>
<td>New Fongs Dyeing Machine 100 kg</td>
</tr>
<tr>
<td>3</td>
<td>Application Training for Uster Quantum</td>
</tr>
<tr>
<td>4</td>
<td>Sultex - Pneumatic cutter training</td>
</tr>
</tbody>
</table>

Average training hours FY15

6.18 Female

6.00 Male
EMPLOYEE BENEFITS

GBTL has policies for employee’s benefits and compensation. While we operate in a cross cultural environment, there is no discrimination in terms of work systems, promotions, career development and recognitions. In addition to these, other benefits include: bonus, attendance award, and annual increment, shift allowance, medical insurance, loan on interest and advance, uniform to employees, etc.

DEFINED BENEFIT PLAN

We operate a provident fund that is a defined contribution plan. The provident fund is funded by payments from employees and by the company. The company has no further payment obligations once the contributions have been paid. Gratuity scheme is applicable to all employees as per the Gratuity Rules and pension policy is not applicable. The basis of contribution to gratuity fund is calculated annually based on Actuarial Valuation Report (latest was as on 31 March 2015).

SENIOR MANAGEMENT HIRING

Our belief in inclusive growth and a diverse workforce helps us identify individuals with required skill sets from our area of operations, to be a part of our management and contribute to our growth in the cross cultural environment we operate in.

We have implemented programmes to build capacity amongst identified potential leaders for senior management roles.
EMPLOYEE ENGAGEMENT

Communication is Key to Employee Engagement

Open and regular communication is fundamental to employee engagement.

- We use internal engagement process such as communication sessions, workshops, seminars & training, employee appraisal, employee committees, cultural events, newsletters, intranet and email contact.

- The engagement explores innovative ideas in quality, environment, health and safety, production, grievances and helps to address challenges.

- We have our annual group-wide people survey that helps us to assess engagement levels and identify opportunities to improve ways of working and support employees to do their best.

- We apply the “Open Door Policy” at GBTL to ensure that the employees can share any issue at work and outside of work with the managers, customers, suppliers and authorities.

- GBTL acknowledges that creating an open, and an environment of continuous communication is vital in maintaining motivation and efficiency levels of its employees.

- In order that we may overcome all language barriers all announcements and communication is done in both Hindi as well as English.

- We also engage with our employees as required and discuss on-the-job and, personal concerns and organization growth through various ways. We conduct employee satisfaction survey at the management level which get covered in “Vibes” to get an independent feedback and to identify improvement initiatives.

- Employee satisfaction survey (ESS) is carried out for shop floor employees and detailed action plans are made to improve employee satisfaction.

- We also carry out an internal customer satisfaction survey, which is used as feedback within the organization to improve the work processes.

- To develop bonding with the locals, we invite them for participation in our social and environment related programmes.

- The Business head directly communicates with management staff bi-annually on performance, industry challenges for overseas spinning business performance as well as other businesses like domestic textiles & acrylic fiber in the textile sector.

LABOR MANAGEMENT RELATIONS

To improve labour management relations, we adopt open door policy which allows for free and fair discussions on issues such as health and safety, terms and conditions of health and safety and other specific concerns. However formal agreements with trade unions do not cover health & safety topics. In GBTL 92% of employees are covered by collective bargaining agreements.

At GBTL, we have recognized 8 unions and workers have the freedom to join a union of their choice. The representative committee consists of both union members and members of the workforce, its purpose is to facilitate co-operation and reach a consensus between employer and employee unions regarding working terms and conditions. The agreed terms and conditions are contained within a collective bargaining agreement that the business must adopt and adhere to. While minimum notice period of 21 days relating to operational changes is specified in the collective bargaining agreements, we also openly discuss such operational changes during our employee meetings before any changes are made. We also communicate such operational changes prior to its occurrence during our employee meetings.
OCCUPATIONAL HEALTH & SAFETY

Security and safety of the workplace is of primary importance

OHSAS 18001 based management system is deployed to ensure adherence to continual improvement and total employee involvement in addressing the challenges of safety and occupational health. Our employees are represented in health and safety committees and continually monitor working conditions at our facilities and report any issues to management.

We have a fully equipped health care unit within our premises. In order to improve OHS performance and to ensure participation of employees, programmes such as suggestion development and improvement system have been deployed.

Conscious efforts are made to go beyond compliance and follow best industry practice. Employees are encouraged to use grievance and whistle blower mechanisms to bring forward actions and conditions that negatively impact safety and occupational health.

Improvement in injury frequency and severity rates are included in the department performance targets of all GBTL employees. Dangerous situation notifications, near-miss accidents and occupational accidents are analyzed and the root-causes are examined under the “Hazard Identification and Risk Assessment (HIRA)” process in order to eliminate further such incidents. Occupational accidents and their root causes are also assessed at monthly OHS meetings by all GBTL executives and employee representatives.

“Our strategy is designed to tackle the root causes of major incidents and to create a mature safety culture across the company.”

We conduct OHS aspect and impact analysis once a year to identify the areas of concerns and improvement. We have established a risk assessment evaluation framework to understand
the risks associated in each operation, based on these findings, improvement measures are implemented. These assessments are conducted once in 6 months by both internal & external agencies. Basic condition evaluation (BCE) is being audited internally on quarterly basis for continual improvement on health & safety parameters.

Sustainability and Safety data are reviewed by both the Business head as well as the Chairman (BRC) in Business review meetings.

We have reviewed our safety policy and the management systems in the reporting year and updated the same. At GBTL, we have formed a central safety committee which comprises of 3 health and safety committees, each further comprising 16 members with 39% worker representation. The areas of concern raised by workers have been with regard to absence of confidence in staff while working on machines and unsafe work conditions.
In FY 15, number of projects have been undertaken, such as:

- Session on health awareness is a part of the monthly workers awareness programme.

- Continuing health campaigning in GBTL premises like eye check-up, lung function test, full body health check-up etc.

- Audiometric test for workers who are exposed to high noise areas.

There are no cases of workers who are involved in activities with high incidence or high risk of exposure to diseases.

We are still in the process of strengthening our risk analysis framework, incident reporting and management of key risks including rolling out of EHS programmes and projects so that we improve our performance on injury rates, lost day rates, absentee rates and minor/ LTI rates for our employees, contractors.

“*In FY15, we provided 3,000 hours of training on occupational health & safety for all employees.*”

Presently we do not supervise our contractors and conduct audits for assessing their occupational health and safety systems or hand hold them to improve the same. However, over the next two years, we hope to further deploy programmes to improve Environment, Health and Safety performance in operations.

**ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST**

There have been no disputes, sanctions or fines for any form of non-compliance with any laws and regulations related to anti competitive and anti trust behaviour.

<table>
<thead>
<tr>
<th>FY</th>
<th>Injury Rate (&lt;24hrs)</th>
<th>Absentee Rate</th>
<th>Lost Day Rate (&gt;24hr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>37.51</td>
<td>5.47</td>
<td>3.68</td>
</tr>
<tr>
<td>15</td>
<td>57.32</td>
<td>4.07</td>
<td>4.18</td>
</tr>
</tbody>
</table>

\[
\text{Injury Rate (<24hrs)} = \frac{\text{Total No. of Accidents}}{\text{Total Man-Hour Worked}} \times 10^6 \\
\text{Absentee Rate} = \frac{\text{Total No. of days absent}}{\text{Total Man-days Worked}} \times 100 \\
\text{Lost Day Rate (>24hr)} = \frac{\text{Total No. of Accidents}}{\text{Total Man-Hour Worked}} \times 10^6
\]
STAKEHOLDER ENGAGEMENT
STAKEHOLDER ENGAGEMENT

Our mission is “To Create Value for all Stakeholders”

We have identified our stakeholders who are impacted by our business based on peer review, depth of interaction and influence on the organization. We consider stakeholder engagement as an integral part of our business. In order to fulfill this mission we have identified the value drivers for all our stakeholders. Understanding stakeholder concerns and expectations enables us to partner with them effectively, co-create and share value.

As part of our business excellence frameworks, we have considered “Stakeholder Satisfaction and Benchmarking” as an important business element. As a part of the annual review of value creation processes for improvement and for identification of new areas of value creation, several proactive initiatives were taken and the inputs from relevant stakeholders were incorporated.

During the years, we have leveraged our strengths and enhanced our learning through collaboration with all stakeholders. These collaborative efforts have driven business growth. During the global economic crisis, when others were groping in the dark, we focused on the following new collaborative initiatives:

- **Formation of EXCOM** - Executive committee of senior leadership team to review long-term strategic choices, start new initiatives and review progress with clear focus on business growth.

- **Collaboration with Suppliers**: Our main raw material polyester viscose fibre constitutes more than 70% of product cost. We established strategic partnership with the suppliers and signed long term formula based contracts with the supplier, for assured volumes of raw material.

- **Collaboration with Employees**: One of our key HR strategies during the years has been the “shop floor excellence” through qualitative engagement of employees at all levels. Through structured communication sessions on current business situation, imparting training to employees on loss reduction activities and initiatives on empowerment and delegation, we have strengthened the daily management on the shop floor in all areas where quality improvement and loss reduction projects were taken up.

We have taken cognizance of our stakeholder concerns and prioritized issues that were material and incorporated this knowledge to drive innovations, solutions and create value. The input in designing and improving our value creation processes is obtained through regular interactions with our customers and suppliers.

- **Interactions are held at various levels including the** scheduled meeting of our senior leadership team with all key customers and suppliers.

- **The customer satisfaction survey and the annual customer meet organized by us also provide the opportunity to capture the current and future needs of our customers.**

We have tried to address sustainability concerns expressed through strengthening our engagement platforms and integrating the same into our business strategy thus protecting our social license to operate and enhancing our reputation as a responsible organization.
We are aware that certain barriers to effective stakeholder engagement still exist including a lack of engagement platforms in some cases, strategy and process. To avoid some of these common pitfalls, we are drawing up plans and processes for greater engagement with our stakeholders.

Our current stakeholder interactions are need based, these interactions are also used to take on board their views, identify potential risks, trends and opportunities.

Following were the mode of communications and stakeholders concerns addressed in the reporting period:

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Mode of communication, Frequency of meeting</th>
<th>Concerns raised and resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>Emails, phone calls, one-on-one meetings. Ongoing</td>
<td>Payment terms, new business</td>
</tr>
<tr>
<td>Customers</td>
<td>Emails, phone calls, one-on-one meetings. Ongoing</td>
<td>Timely delivery, product quality, value-added products</td>
</tr>
<tr>
<td>Employees</td>
<td>Emails, phone calls, one-on-one meetings. Ongoing</td>
<td>Increments, promotions, amenities, work satisfaction, safety, training</td>
</tr>
<tr>
<td>Local community</td>
<td>One on one meetings</td>
<td>Employment for locals, expansion of CSR activities, environmental impacts</td>
</tr>
<tr>
<td>Banker</td>
<td>Emails, phone calls, one-on-one meetings. Ongoing</td>
<td>New loan off take</td>
</tr>
</tbody>
</table>
To further strengthen the stakeholder engagement, we have developed and began deploying the stakeholder engagement processes as below:

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Concerns</th>
<th>Engagement Mode</th>
</tr>
</thead>
</table>
| **1. Customers**  | • Timely Delivery  
                      • Quality  
                      • Pricing  
                      • Post-Sales Support  
                      • Product Related Certifications  
                      • EHS Management Systems | • Customer Feedback  
                      • Customer Satisfaction Survey  
                      • Phone calls, Emails and Meetings  
                      • Signed Contracts  
                      • Exhibitions, Events  
                      • Customer Visits  
                      • Websites |
| **2. Employees & Labor Unions** | • Fair Wages and Rewards  
                      • Work life Balance  
                      • Training & Skill Development  
                      • Career Growth  
                      • Occupational Health and Safety  
                      • Job Security  
                      • Transparent Communication | • Emails and Meetings  
                      • Intranet Portals  
                      • Employee Satisfaction Surveys  
                      • Training Programs  
                      • Performance Appraisal Reviews  
                      • Grievance Redressal Mechanisms |
| **3. Suppliers**  | • Timely Payment  
                      • Continuity of Orders  
                      • Capacity Building  
                      • Transparency | • Emails and Meetings  
                      • Vendor Assessment & Review  
                      • Supplier Audits  
                      • Signed Contracts  
                      • Training Workshops and Seminars  
                      • Social Gatherings |
| **4. Communities** | • Local Employment  
                      • Environmental Pollution Control  
                      • Infrastructure Development  
                      • Training & Livelihood Programs  
                      • Participation in Social Services | • Training & Workshops  
                      • Regular Meetings  
                      • Need Assessment & Satisfaction Surveys  
                      • CSR Reports |
| **5. Investors & Shareholders** | • Sustainable Growth & Returns  
                      • Risk Management  
                      • Corporate Governance  
                      • Market Share  
                      • Operational Performance | • Board Meetings  
                      • Annual Reports  
                      • Website |
| **6. Governments & Regulatory Bodies** | • Tax and Royalties  
                      • Compliance to Laws & Regulations  
                      • Employment  
                      • Pollution Prevention  
                      • Local Economy Growth | • Annual Reports  
                      • Communication with Regulatory Bodies  
                      • Formal Dialogues |
| **7. Media** | • Community Relations  
                      • Workplace Safety and Wellbeing | • Social Media  
                      • Press Releases  
                      • Interviews  
                      • Website |
MESSAGE FROM HEAD - PROCUREMENT

“Procurement at GBTL is managed responsibly with sustainability at the centre.”

Responsible Procurement at GBTL includes –

- Suppliers adhering to fair, social and sound environmental practices
- Improving our resource efficiencies in manufacturing and products
- Delivering fair value to suppliers
- Preference to local suppliers

GBTL fosters local and small suppliers for procurement of the goods and services in proximity to its plant locations.

During reporting period, we have included sustainability criteria in the “request for quotation” (RFQ) and “vendor registration” process for supply of alternate, renewable or recycled materials wherever feasible. We have also recently revised our supplier policy and processes to reflect the labour, health and safety, ethical and environmental standards we expect our suppliers to meet.

Growth in business cannot be ours alone and we must ensure that our stakeholders grow with us. As we grow our business and adhere to international best practices we will also increase engagement with our supply chain on sustainability concerns and, wherever possible, influence the behaviour or change our suppliers to bring about change.

- Mr. Ravi Gupta
At GBTL, raw material is procured from strategic vendor partners as per well-defined purchasing procedure. We prefer to buy from the nearest production centre of the product. We have defined Haryana as local area. Some items including machine spares and biomass are purchased locally.

Only in exceptional cases where our expectations or that of the customer’s requirements are not met, we procure from other countries. This way, we ensure that major spending on sourcing is distributed within the country thereby contributing to the economic growth of local vendors in the supply chain. During the reporting period, we have spent INR 15.96 crores on local suppliers (within state), which accounts for 5.08% of total procurement.
MESSAGE FROM VICE PRESIDENT - FINANCE & COMMERCIAL’S

Delivering Optimum Value to Stakeholders

“The inclusion of sustainability criteria in risk identification has brought climate change to the forefront”

Performance of key economic, social and environmental indicators are now being monitored and managed on a monthly basis, we have achieved a standardization of information related to sustainability and established a board reporting process. In addition to financial growth, we also strive to achieve resource efficiency resulting in financial savings, this forms a fundamental part of our operational excellence. Inclusion of sustainability criteria in risk identification has also brought to the forefront – one that we understand can have significant financial implications if not addressed proactively, we are now exploring ways to mitigate our environmental footprint.

- We have started capturing and monitoring expenditures incurred towards environmental protection, transportation and business travel;
- We are also setting aside funds towards investments in new projects and improving our environmental performance. A project evaluation matrix that integrates sustainability aspects for categories and stages of projects is being developed which would be beneficial during evaluation of all potential investments going forward.

We aim to strengthen our financial performance and at same time want to focus on improving the livelihoods of communities within which we operate.

Our activities are aimed at being a leader in responsible behaviour, enabling us to deliver long term sustainable and profitable growth.

- Mr. Atul Dixit
DELIVERING ECONOMIC VALUE

We Strive to Benefit our Internal and External Stakeholders

We quantify and analyze the economic value we add to, first and foremost, our shareholders, subsequently, our internal stakeholders (i.e. its employees), and then to our external stakeholders, our customers, suppliers and the broader economic community.

Direct Economic Value Generated and Distributed (in INR lakhs)

<table>
<thead>
<tr>
<th>Parameters</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic value generated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>45,560.63</td>
<td>46,690.65</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>31,242.32</td>
<td>31,933.25</td>
</tr>
<tr>
<td>Employee wages and benefits</td>
<td>4,975.85</td>
<td>5,720.52</td>
</tr>
<tr>
<td>Community development expenditures</td>
<td>1</td>
<td>11.34</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance cost</td>
<td>385.83</td>
<td>644.03</td>
</tr>
<tr>
<td>Payments to government (by country)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate tax</td>
<td>2,115</td>
<td>1,480.82</td>
</tr>
<tr>
<td>Economic value retained</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and funds invested or contributed to charities, NGOs and research institutes</td>
<td>1.17</td>
<td>1.47</td>
</tr>
<tr>
<td>Financial assistance received from government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidies</td>
<td>207.46</td>
<td>175.33</td>
</tr>
<tr>
<td>Financial incentives</td>
<td>828.55</td>
<td>1,325.26</td>
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</tbody>
</table>

In terms of growth, since 2011, our sales volume has soared consistently by delivering high quality products with world class services by blending state-of-the-art technology and visionary management in partnership with competent and committed staff. Keeping pace with the market, our revenue streams are expected to grow at 10-15% over next five years period.

In line with legal requirements, to meet our liabilities towards employee’s long term benefit schemes like pension, investments have been made in separate pension and insurance funds.
INDIRECT ECONOMIC IMPACTS

GBTL has been in the Bhiwani district for over 35 years, and enjoys a long standing relationship with all its stakeholders, including but limited to media, local government, employees, customers, suppliers, and local communities. Our company policies reflect our mission of generating value for all, the employment policy of the company is to give maximum employment to people from the local and surrounding community. We have provided below a gist of our actions.

- Today we have a workforce of 2,906 employees, out of which around 50% of the employees are from the surrounding community.
- We outsource services like security, fabrication, gardening, cleaning, and a few other maintenance jobs to the locals and have given priority to neighboring industries and establishments while exploring agencies for these services.

As part of community development activities, we invested a sum of INR 60 lakh to develop community service centres over the last 3 years. In FY16, we have planned to initiate new projects and expand our CSR budget accordingly. Community development has, therefore, been an intrinsic part of business activities at GBTL.

During FY15, in terms of infrastructure development, we have undertaken the following initiatives so far:

- To promote green environment, GBTL has developed and maintained two local parks in adjacent colonies benefiting around 2,000 people from the community.
- We repaired 5 hand pumps in ward no. 31 of Bhiwani, benefiting around 400 families.

- We are also sponsoring lights and distributed 37 solar street lights to community to promote the use of renewable source of energy.
- Installation of two fire extinguishers at KGBV Safakhedi benefiting around 150 students.
- Roads were repaired at Kharkhadi and Sui villages benefiting around 40 families.

All community initiatives have been undertaken in the vicinity of the unit.

ENVIRONMENTAL EXPENDITURES

Measuring expenditure on environmental compliance, prevention and mitigation today will lead to right evaluation of investments into cleaner and greener options.

We monitor environmental expenditure towards:

- Personnel on site for management of environmental activities
- Operation & maintenance of treatment equipment and waste management
- Environmental trainings
- Operating cost such as permit applications, environmental consultants
- Measures when operations are discontinued

Our total environment expenditure accounted for INR 156.61 lakh in FY-15.
SUPPLIERS

Supply Chain – Our Pillar of Strength

With an extensive global supply chain, there is a risk that some suppliers or subcontractors might not meet or comply with rules and regulations pertaining to the environment, working conditions and human rights. We take utmost care while screening new & existing suppliers.

Our supply chain and procurement policy has been reviewed in the reporting period, it has helped us identify sustainability issues that need to be considered while evaluating new and existing suppliers. During the reporting period, we have included sustainability criteria in the ‘Vendor Registration’ process.

We procure from REACH-compliant suppliers who manage their manufacturing with minimal use of harmful chemicals and in a responsible manner.

We also recognize our dependency on the our key suppliers to meet quality expectations as also their sphere of influence, risks and ability to impact the value chain in the long term. To build sustainable business relationships with our suppliers, we require all our suppliers to conform to environmental, social and economic requirements. These requirements form an integral part of any commercial agreement between GBTL and the supplier.

We have adopted sustainability criteria according to the level of risk associated with specific business contracts. In FY16, we will initiate the screening of new and existing suppliers using such criteria, analyse their performance on counts such as environment, labour, human rights and society, conduct an impact assessment, and create an action plan for improvement in areas of concern.

COMMUNITIES

Smiles all around

Our social responsibility has a direct synergy with our business goals. At present, we have operations at only one location and we are engaging with local community in the vicinity.

We are an integral part of the area in which we operate and contribute significantly to its economy. Our units draw large quantities of energy, water and raw materials, and generate visible direct emissions and substantial waste streams. Our operations impact is also felt indirectly, such as volumes of traffic from inbound and out bound logistics. In response to these issues, our factories taken necessary precautionary measures to minimize any adverse impacts, and have certified environmental management systems in place to continually improve and minimize our impacts on environment, health & safety and society.

There has not been any complaint from the community regarding our operations during the reporting period.
An impact assessment was done in February’15 with the help of MSW students from Choudhry Bansi Lal University, Bhiwani, focusing on the sustainable livelihood projects and Computer Training Centre being run by our CSR team. To assess the impact of the programme, interviews, focused group discussions were conducted with more than 50 beneficiaries. The objective of conducting such an assessment was:

1. To assess the impact of skill training programmes being run by Aditya Birla GBTL Jan Kalyan Trust.
2. Assessment of awareness, employment, income generation and social empowerment among beneficiaries.

As a part of our global satisfaction measure, we have distribute 4,000-5,000 saplings/year to the local farmers who takes the responsibility of planting and growing the plants.

**BASELINE/ NEED ASSESSMENT SURVEY**

A base line survey was organized in February 2014 in the GBTL CSR project area with the help of students from Institute of Rural Management Anand (IRMA). The objectives for conducting such an assessment were:

1. To conduct a baseline survey for need assessment in villages/urban colonies selected by GBTL.
2. To prepare a road map for CSR at GBTL.
3. To find out opportunities for interventions to fulfil CSR goals of the unit in synergy with the business goals.

Based on the need assessment survey conducted amongst the target beneficiaries, following community needs have been identified:

1. Children’s education
2. Children’s welfare
3. Contribution to health

CSR projects were selected keeping in mind coverage of target beneficiaries and feasibility of implementation

As GBTL is located in Bhiwani district where poor workers move their families from the north eastern region to industrial surroundings. The primary areas of concern in the surrounding community observed are:

1. Basic literacy
2. Rural Development
3. Women’s welfare
4. Rural health care

**MEETINGS AND GREETINGS**

Community Interaction and Satisfaction

Our CSR activities are carried out under the umbrella of the Aditya Birla Centre for Community Initiatives and Rural Development led by Ms. Rajashree Birla. We have formed Aditya Birla GBTL Jan Kalyan Trust registered under the Trust Act to execute projects and activities.

We are working in 10 nearby villages and one urban ward (ward no. 31) in Bhiwani District in the state of Haryana, covering a population of around 40,000 people. The objective of this initiative is to empower the local people & nearby communities who are economically weak through high quality vocational training, education and capacity building towards economic self-reliance.

To engage the community members, we are proposing new projects in FY16 including sustainable agriculture, women's empowerment, and skill training for youth. Apart from these, other ongoing projects related to health and hygiene, education, infrastructure, environment & social development will be continued.

During FY15, around 51,209 people have been benefited through various initiatives covering the following five focus areas viz. education, health, sustainable livelihood, infrastructure development and social causes undertaken by our CSR team.
STAKEHOLDER ENGAGEMENT

EDUCATION

We support two Kasturba Gandhi Balika Vidyalaya (KGBV) schools, one at Safakhedi and the other at Phulia Khurd village in Jind district. In addition, BTM Government Primary School and other government schools have been provided infrastructure, free electricity, stationary and other supporting facilities benefiting students from the community.

Our intervention in an otherwise highly patriarchal society has raised the status of girl child. Due to the efforts taken up by our CSR team, community members have started understanding the significance of girl child education and are coming forward for admission of girls in schools.

HEALTH

Sustainable Livelihood

In our project area, women empowerment has been observed as one of the important issues impacting the community. Therefore, we planned to support the sustainable livelihood opportunities for the underprivileged women members of the society by providing them tailoring and handicraft skills. This has significantly improved the income for their families ensuring quality education for their children and also improving overall good living conditions for the family. We are also running 2 tailoring centres benefiting 128 women members. These centres are being supported at KGBV Safakhedi benefiting around 40 girl students in getting vocational training. In addition, 3 farmers club are being supported at Kharkhadi and Haluwars villages benefiting 45 members.

SOCIAL CAUSES

Awareness campaigns on girl child education, female foeticide were organised benefiting around 600 people.

### Education : Number of Beneficiaries

- School Infrastructure: 46%
- Vocational Technical Education Project: 4%
- School Education Project: 13%
- Education Support Project: 30%
- Pre School Education: 7%
- Others if any: 0%

### Healthcare : Number of Beneficiaries

- Curative Health Care: 36430
- Preventive Health Care: 630
- Health Support Program: 455
- Reproductive & Child Health: 1050
The key communities’ needs are systematically identified through interaction with the leading community members, community satisfaction surveys and the “Community Meet” that we organize regularly in our project area.

Basic English language literacy emerged as one of the prime needs. We, therefore, conduct a regular basic English course for our employees in the factory and also for the primary and secondary school children in the schools. The senior staff of the company conducts training sessions in local school on Sundays and holidays.

A number of training programs including professional skills development, income generation and enhancing communication skills were initiated and deployed in the community in FY15. For FY16, we have planned the following initiatives:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Focus Area</th>
<th>Target no. of Beneficiaries</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health &amp; Sanitation</td>
<td>11,373</td>
<td>Sanitation project with Sulabh International</td>
</tr>
<tr>
<td>2</td>
<td>Education</td>
<td>1,849</td>
<td>Special Coaching Project</td>
</tr>
<tr>
<td>3</td>
<td>Sustainable Livelihood</td>
<td>1,050</td>
<td>Integrated Livestock Development Project</td>
</tr>
<tr>
<td>4</td>
<td>Infrastructure Development</td>
<td>2,000</td>
<td>Solar Lights Project</td>
</tr>
<tr>
<td>5</td>
<td>Social Causes</td>
<td>752</td>
<td>Awareness Programs</td>
</tr>
</tbody>
</table>

“GBTL as the most favoured employer and a community friendly company: Social Satisfaction Survey”

We work in close association with various local administrative and government authorities to ensure a continuous improvement in Social Satisfaction Index. A social satisfaction survey is carried out annually. The survey findings are reviewed at the highest level and appropriate steps are taken to increase the satisfaction index in the identified areas.

- We participate with full fervour in the celebration of local festivals near-by temples
- We make donations to temples for society welfare. Some other activities carried out by us as a part of our community service are:
  - Donation for flood victims
  - Merit scholarships (40 scholarships / year) to the employees’ children and students from the surrounding community
  - Monetary and material support to local orphanage and needy persons
  - Promote community harmony between the organization and surrounding community
  - Religious discourse for employees and local

In addition, we also engage with the larger society through

- Monthly meetings
- Attending various functions, activities and ceremonies arranged by local communities
- Yearly planned programmes for communities’ development projects
- Community survey and annual community meeting
MESSAGE FROM BRAND DIRECTOR

“Customer centricity is our motto - due to excellent customer service, customization of products through our wide range of specialty fibres and superior customer connect.”

Our sustainability drive has added certain nuances to our advertising, marketing and product development strategy at GBTL. We have already initiated the process of preparing to review our marketing communications manual in keeping with the International Chamber of Commerce (ICC) code on advertising practices while developing new products. Our manuals would be reviewed to imbibe ethical guidelines that are self-regulatory from the Code thus minimising the need for legislative and regulatory restrictions enabling us to follow best practices in advertising. Our customer satisfaction survey forms has been reviewed to include sustainability criteria which will include feedback from customer on critical issues and also help us improve our performances.

We are continuously working towards innovating without having any negative impact on the environment and society.

- Mr. Abhijit Ganguly
PRODUCTS

Value and Ethics Driven Products and Services

All our products are OEKO-TEX certified and comply with product health and safety regulatory requirements in almost all countries of exports and showcase our global good practice of product stewardship.

Our Brands & Retailers division emphasizes on creating & defining unique value proposition for its customers in order to stand out in the clutter and to differentiate its product offering from that of peers. The below mentioned points define Unique Value Proposition (UVP) of the Brands & Retailers division (B&R):

- Shade consistency in each lot and every supply
- In / On time (24x7) services to customers
- Speedy Developments

Our products find use in niche applications and fashion garments. We are actively involved in working with big brands like:


Our brands are operating in Fashion & Lifestyle industry; as a result, it is imperative for us to continuously launch new product collections to keep up pace with fast changing fashion. We are putting a lot of thrust on maximizing the sales volumes from new product collections in the first 2 years of its launch as obsolescence would set in very fast. We, therefore, made strategic investments in establishing a full-fledged design & development (D&D) department. This department helps us develop speciality products, product blends and applications for our fabric that ultimately enhances our value proposition to customers.

Replete with state of the art equipment, this is fully equipped to accomplish breakthrough improvements in technology for quality improvement, cost
reduction and for developing new value added products for high-end applications.

At GBTL, the main steps involved in new product development includes:

1. Requirement definition based on changing needs of consumers and annual Band Tracks, product price portfolio, global/domestic trends and competitor analysis.

2. Concept Development involving semi bulk trials, documentation of product specifications.

3. Development and finalization on new products both in-house and outsourced.

4. Carrying out commercial production/development

5. Preparing launch plan, dispatch plan, evaluation, feedback and corrective action

In Brands & Retailers, we have given top priority to customization as our products are made to order. Customer service team members visit customers regularly, improving their end-product quality, taking various trials to establish value added products, and helping customer to improve their efficiency etc. We are also on top of sectoral developments as well as keep a close watch on national and inter-
national regulations. These inputs are analyzed and become the driving force for product and quality improvement, customization of products, and value added product development.

We strive to reduce our use of chemicals, dyestuff and continue to conduct research in both product and process innovations that improve resource use and have low environmental impacts. Particularly with respect to the use of chemicals, we comply with European Union Directives, REACH and national legislations. For this purpose, the methods and substances for increasing measures regarding human health and environment are investigated both in development studies and production phase.
CUSTOMER IS KING

As a responsible citizen, we strive to be the customer’s business partner of choice. We are committed to fulfilling the present needs and anticipating the unmet needs of our customers. Our customer relationship management is process driven and is focused at creating higher value for customers.

We believe in walking the talk and letting our customers witness our work first hand. We organize regular plant visits for our customers to demonstrate our high standards of operation and system management and strong quality commitment. During the period of 2012-2015, more than 12 visits were done by customers from different countries to GBTL.

- We deliver value for our customers through creativity, innovation, productive relationships, quick responses in all our engagements
- We practice ethical business principles in all customers’ transactions
- We support our customers through technical insights
- We share market information to help our e-customers gain timely insights and enable decision making
- We continue to organize annual customer meets

CUSTOMER SATISFACTION

Brands Grasim & Graviera carry out an annual customer satisfaction survey wherein a questionnaire is sent to all the customers (agents & dealers) of both the brands and their opinion is taken on various parameters of the business ranging from product quality, packaging, pricing, new launches, advertising, customer complaint handling and after sales service etc. Feedback of survey forms is tabulated, analyzed and suitable action is initiated to improve the performance of the brands on identified parameters. GBTL fared better than its competitors on various attributes including its service quality. The improvement in overall satisfaction level can be attributed to the all - rounded improvement across 12 parameters.

Through such customer feedback, we could identify few areas of improvements such as reducing lead time in logistics, enable an easy and effective way of claims, set right expectations up front with our dealers, ensuring commitments are made and any delay to be communicated in advance. We have redesigned our customer satisfaction form to include product health and safety performance indicators including ‘in-use’ stage. The customer satisfaction survey for year FY 14-15 is under progress and our CSAT score has been in the range of 2.8-3.5 out of 5.
PRODUCT INFORMATION

Although as a responsible procurer, we track the sourcing of our input materials, however we do not provide information related to its use and disposal as our products are intermediary in nature and are not offered directly to the end users. Since our yarn and fabric does not pose a hazard during transportation, storage or in use, there are no special product labeling requirements.

We only provide a handle handling advice note which details out precautionary measures whilst handling and stacking of our products. However, as a part of handling of the products, we provide necessary information on how to handle the products safely. During the reporting period, there were no cases registered related to non-compliance concerning product information and labelling or provision and use of products.

CUSTOMER PRIVACY

Customer privacy and security is a vital part of our responsibility to customers and essential to our relationship. Our customers trust us with their personal information and their privacy. Protecting that information and respecting their privacy is fundamental to maintaining their trust. Our privacy rules include confidentiality of customer information, and controlled access to such information.

We are in the process of developing a framework to further strengthen processes to protect customer privacy. We have no violations to customer privacy in FY 15.

CUSTOMER HEALTH AND SAFETY

Our fibre is OEKO-TEX Class-1 certified (the category suitable for baby garments, with the most narrow limits and highest number of tests), OEKO-TEX examines all stages of production and tests for harmful substances used in production systems to ensure customer safety. The chemicals used in our production process are REACH compliant.

Since 2010, the products of GBTL pass Class-1 conformity tests and their certificates are renewed. In FY15, there were no incidents on non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services.

WE DEMONSTRATE GOOD PRACTICE IN ADVERTISING AND MARKETING COMMUNICATION

To demonstrate responsibility and good practice in commercial communications we have developed and adopted the guidelines on responsible advertising and communications in line with principles of International Chamber of Commerce. Such self-regulation enables us to create, enhance and preserve consumer trust and confidence in the business communities.

In FY15, there were no incidents or cases related to marketing communications including advertising, sponsorship or promotion.
PAVING THE PATH FOR FUTURE PROOFING
PAVING THE PATH FOR FUTURE PROOFING

GLOBAL MEGA TRENDS IMPACTING OUR BUSINESS

The global trend shows that the apparel market is estimated to grow at ~4% CAGR by 2020 following subdued medium term growth for major consuming economies. The market has shifted from China to other South East Asian countries such as Bangladesh, Vietnam, Cambodia and Myanmar. With increased focus on PV fabric, India’s export grew by 8% in 2013 over 2012 and key export market were UAE, Vietnam, Bangladesh and Sri Lanka. The GBTL’s fabric export surpassed other competitors in India catering same business by 11% in the same year. Also the larger brands are increasing their focus on women’s segment.

The domestic apparel markets have seen considerable growth at 9% CAGR from 2012-2016. Several brands and retail sector have made their entry to domestic market and sourcing of brand is slowly moving towards socially and technically compliant facilities across the world.

OTC and PV market being highly competitive, players are looking to gain market share by following increasing brand awareness, high market spend, expanding distribution networks to increase market penetration, expansion of PV product portfolio to non-PV (100% cotton, linen suitings, shirting, women’s wear apparel.

Salient Long Term Trends for our industry

**Domestic**

- Growing purchasing power of Indian consumers fuelling growth
- Consumer base shifting to smaller towns
- Festivals/Marriages dominating purchases
- Shift from RTS to RMG
- Brands playing a bigger role in consumer wardrobe
- Retail power on rise - standalone retailers increasing their presence
- Un-organised competition intensified in the PV category
- Customer preference for natural fibres like cotton & linen
- Emergence of e-commerce

**International**

- Fabric sourcing moving to countries with shorter lead time & MOQ
- Garment manufacturing concentrated in Bangladesh, Cambodia, Vietnam, Myanmar and Sri Lanka.
- Women’s apparel will account for 55% of total apparel sale by 2025 which is 60% of total growth mainly driven by emerging markets.
- New product development / innovation is driving markets / customers
We evidently see the following developments in demographics, climate change and availability of resources and input materials that exert pressures on society and economy with material impact on our business:

**DEMOGRAPHIC CHANGE**

By the year 2025, it is likely that there will be more than a billion more people living on our planet, with global population growing from 6.9 billion to reach 8.1 billion. According to the United Nations, the population in less developed countries is projected to rise from 5.4 billion in 2007 to 6.7 billion in 2025. In contrast, the population of the developed world could decline but for the projected net migration from developing to developed countries, which is expected to average 2.3 million persons a year after 2010.

Demographic changes are certain, the proportion of older people is projected to more than double worldwide over the next half century. The proportion of older people is projected to more than double worldwide by 2050. By 2025 over 20% of the populations of the EU, USA, Russia and China will be over 60 years of age. This will significantly impact manufacturing and also consumption.

The median age of the Indian consumer is 26 years with maximum population lying in the age bracket of 15-60 years. It is expected that India will add another 140 million people in this consuming age group by 2020. This is one of the lowest median ages among the developing countries. This population has more aspiration, is more aware and has a higher spending power and will consume a greater number of categories than their parents.

According to the Indian census report, the number of households with an annual income of US$7000 or more is going to treble from about 30 million today to 100 million by 2020. There will be approximately 400 million individuals in the middle to high income bracket by 2020.¹

Demographic changes are certain, but coping pattern of society is less so. The global challenges we’ve seen in the last 2 decades, the rising oil prices, climate change, the access to the internet, rising labour costs, supply chain risks have impacted the textile and apparel industry in a variety of ways including the costs of conducting business, regulatory compliances, competition for diminishing resources in a crowded world; workforce diversity; and catering for and marketing to different types of global consumer.

As global influences shape fashion, and clothing retailers and e-tailers leverage brand value to expand markets beyond age groups, fashion is becoming more homogenized. Fashion and preferences for clothing are becoming increasingly similar in the connected worldwide, thanks to web-centralized patterns, ideas, social networking and a love of global brands. Online tracking systems are increasingly used to promote transparency in supply chains. Sustainable and responsible consumption will start becoming the norm, resource scarcity will encourage vintage clothing retailers, re-cycling of garments and recovery of precious materials or energy at disposal.

Recently, we witnessed reduction in differences between the clothes worn by people in different age groups in some societies. Jeans, for example, are worn by all ages. Concern about ‘ageing’ and improving health standards resulting in older people adopting the style of a younger generation. Also, small children are now dressing much like adults. In addition, each new wave of immigration has brought fresh variations in lifestyles in the West. Increasing global flows of Asian, Middle Eastern or Latin American migrants, or climate change refugees, could shape styles, culture, fashion and textiles and this may impact textile business also.

**SUSTAINABLE CONSUMPTION**

Consumer awareness of organic and fair trade food, ethical clothing, eco-detergents, car-sharing and so on is higher now than it ever has been, in developed and emerging economies, though it still is not main stream. Consumer behavior plays a major part in the sustainability of textiles, for example in the amount of energy and water used in

clothing care.

Citizens are becoming ‘fashion engineers’ enabled by the web and open source platforms and this trend is likely to increase. Many brands have begun to sell easy-to-adapt fashion items with attached personalization kits, as well as post-purchase services, for example providing regular ‘fashion upgrades’. Consumers can also purchase online and use them to make outfits and accessories out of locally available materials.

Clothing care is relatively easy in nations or regions with renewable energy and secure water supplies. New solutions are emerging in other places, for example clothes cleaning services provided by retailers, which achieve cost-savings through scale, or coatings that reduce the need for washing and ironing – although no way of recycling clothing with such coatings has been identified. Waterless washing machines are a staple of every household in areas experiencing water shortages; cheap versions have been manufactured and popularized by local brands in India and China.

Increasingly, resources are incorporated back into the supply chain. Sophisticated bio-synthetics and disposal processes that reduce the burden on the local environment are emerging.

**CLIMATE CHANGE AND ITS IMPACTS**

The climate changes in the coming decades will be critical.

We will experience real disruption to our climate system as a result of global warming in the next 15 years. Individuals and communities, especially in low-income countries, are already experiencing elevated levels of climate stress, more frequent occurrence of climate disruptions, raising sea levels, melting of glaciers. The Government of India has been taking all possible measures proactively by adopting various plans for up to the next fifty years. We are bound to comply by all the directives issued from time to time, by the concerned authorities.

Flax blooms and grows at best in a moderate climate and in places where enough farmland is available. The Flanders and other Northern European regions offer the ideal conditions for the growing of flax. In Northern Europe, climate change is initially projected to bring mixed effects, including some benefits such as reduced demand for heating, increased crop yields and forest growth. However, as climate change continues, its negative impacts (including more frequent winter floods, endangered ecosystems and increasing ground instability) are likely to outweigh its benefits. Impact of such climate changes on availability of flax may not be significant.

The growth and quality of pasture and fodder crops may be affected by changes in rainfall amounts and variability as well as higher CO2 concentrations. Water resources in many regions are projected to decrease and become more variable. Animal health is expected to be adversely affected by rising temperatures and a greater incidence and range of pests and diseases. There is likely to be greater stress on the landscape principally brought about by rainfall deficits and increased climatic variability. There is also a strong possibility of increased competition for water and land resources from other agricultural activities, particularly cropping and meat production.

The combination of these effects is likely to have an impact on both wool production and quality, changes in mean fibre diameter and staple strength. National and international markets could also be affected, with reductions in demand for wool fibre apparels in response to a more temperate climate.

In southern and eastern Australia and, in New Zealand, in North and some eastern regions - the regions where we source high quality Merino wool - water security problems are projected to intensify by 2030. The nature and scale of these impacts will vary between the wool growing regions, depending on the manifestation of the climate change.

Production from agriculture and forestry is projected to decline over much of southern and eastern Australia, and over parts of eastern New

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2 http://www.sciencedirect.com/science/article/pii/S0308521X06000771
Zealand due to increased drought and fire. International production and supply markets might also shift, with the wetter wool growing areas of both New Zealand and China potentially being advantaged by climate change, and the drier wool regions of these countries being disadvantaged. Impact of such climate changes on availability of Merino wool is uncertain.

**FRESHWATER AVAILABILITY**

Fresh water availability in, South, and Southeast Asia, particularly is projected to decrease due to climate change, along with population growth and increasing demand arising from higher standards of living, could adversely affect the availability fresh water for industrial purpose as access to clean drinking water becomes an even more pressing global issue. Coastal areas, especially heavily-populated mega-delta regions in South, East and Southeast Asia, will be at greatest risk due to increased flooding from the sea and in some mega-deltas flooding from the rivers. Our manufacturing locations may be impacted due to such developments.

India’s population of 1.2 billion also faces several critical issues in meeting its people’s basic water needs. Like China, most of its freshwater sources are contaminated by pollution. Tragically, water-related diseases result in the deaths of over a thousand people each day in India. Over 100 million people are living near severely polluted water and about 99 million lack access to an improved water source. Additionally, the available water is being used up at a rapid rate for farming and industrial use. More than 40% of the surface water is being used each year while groundwater levels across 4,000 wells fell about 54% over seven years. A report by McKinsey & Company predicts that water demand in India will reach 1.5 trillion cubic meters in 2030 while India’s current water supply is only 740 billion cubic meters.

The main sources of water for the industrial sector in India are groundwater and surface water. Groundwater has emerged as an important source to meet the water requirements of industries. Choice of source of water depends on the availability of sufficient and regular supply of water and the cost of water from the source. Since the surface water supply from municipal sources is not sufficiently guaranteed, industrial units tend to depend on groundwater. Industrial water demand has been increasing with the pace of industrial development. The growth in some of the water intensive industries has been quite significant, putting further pressure on the industrial demand for water.

While the annual growth in the chemical industry and construction has been around 9 per cent, it has been around 6 per cent in textile and food since the 1990s and 5 per cent in paper and paper products industry. World Bank estimates that the current industrial water use in India is about 13 per cent of the total freshwater withdrawal in the country and the water demand for industrial uses and energy production will grow at a rate of 4.2 per cent per year, rising from 67 billion cubic metres in 1999 to 228 billion cubic metres by 2025. The future demand will inevitably put pressure on the available freshwater resources, both due to water consumption and water pollution.

More than 60% of India’s agriculture is rain-fed, making the country highly dependent on groundwater. Even without climate change, 15% of India’s groundwater resources are overexploited.

Although it is difficult to predict future ground water levels, falling water tables can be expected to reduce further on account of increasing demand for water from a growing population, more affluent life...
styles, as well as from the services sector and industry.

Many parts of India are already experiencing water stress. Even without climate change, satisfying future demand for water will be a major challenge. Urbanization, population growth, economic development, and increasing demand for water from agriculture and industry are likely to aggravate the situation further. An increase in variability of monsoon rainfall is expected to increase water shortages in some areas. Studies have found that the threat to water security is very high over central India, along the mountain ranges of the Western Ghats, and in India’s northeastern states.  

Industrial water demand in India is on the rise. The key to the problem lies in effective management of water resources. Suitable measures including improved process technology; effluent treatment; reuse of process water for more than once; re-circulating of process water in the same use for a number of times; rainwater harvesting; waste-minimization must be adopted. Coordination among different authorities/ Ministries is a must if the future water conflicts are to be avoided. 

It is estimated that projected change in water stress by 2020 in the region of Bhiwani will increase 1.4 times baseline scenario under business- as- usual (BAU) scenario, the BAU scenario is determined by stable economic development in the region and steadily rising global carbon emissions. By 2020 the projected water supply will decrease by 1.2 times the current baseline scenario while water demand will remain the same.

While water stress by 2020 in the region of Rishra and Malanpur will be near normal under the BAU scenario. Here the projected water supply and demand will be near normal in the 2020 BAU scenario.

We are also working with the World Business Council for Sustainable Development (WBCSD) and have signed the Pledge for Access to Safe Water, Sanitation and Hygiene (WASH) at the Workplace. This aims to ensure appropriate access to safe WASH for all employees in all premises under direct company control. The business case is straightforward: investing in safe WASH for employees means a healthier and more productive workforce. Additional tangible business benefits include a more secure social license to operate and increased brand value. Through signing of the pledge we can make a direct contribution to the universal realization of the Human Right to Water and Sanitation.

RESOURCES SCARCITY

In addition to and due to, changing climate and increasing pressures from growing populations, the cost of key resources such as food, fiber, materials and energy to rise in many places as demand grows and supplies fail to keep pace. For our business, the availability of resources such as energy, water and fibre will be crucial in the years to come. By 2025, 1.8 billion people are expected to be living in countries or regions with absolute water scarcity. This would have significant impact on our raw material supply and manufacturing. In addition it will impact our product characteristics and demand.

By 2030, the regions from where our raw materials are drawn especially wool is likely to be impacted by severe water shortages, shortage of forage, land carrying capacity and sustainability, animal health and competition from other sectors However, our present wool processing plant located at Rishra, Kolkata will not face water quantity shortages but

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will have to deal with water quality challenges.

The raw material for the production of linen, flax is a 100% natural yarn. Flax is a renewable, durable, biodegradable and recyclable plant. During the growth and elaboration of the flax plant and yarn a lot less energy is needed in contrast to other, comparable, natural fibers. Furthermore, the whole flax plant is used for various purposes. This means there is no waste. The growth of the flax plant uses only a fifth of the pesticides and fertilizers necessary for the production of, say, cotton. The plant also needs only half of the water quantity used for cotton to reach full growth. Flax plant cleans the soil of heavy metals and prepares it for the growth of a new or next crop. There may not be much water, energy or land restrictions on cultivation of Flax, but the locations suitable for cultivation are severely restricted and cannot be extended.

The production of Merino wool from the regions where we source from presently conforms to ethical standards, additionally the Woolmark brand provides consumers with guaranteed fibre content and an assurance of quality. Climate change, rainfall variability is likely to reduce pasture production, and the increasing population, stress on food resources, sheeps may also become scarce for wool.

It is well known that fiber diameter among other quality parameters is crucial in determining the economic value of wools such as the Merino, the quality of coarser (merinos) wools is less vulnerable to the impact of drier conditions than finer wools as future scenarios due to climate change show . In the situations where agriculture productivity is adversely impacted, farmers now rely more on the dual purpose livestock system where both meat and wool traits share a production focus using a single flock.

Cotton garments is getting competition from linen due to its better capacity to absorb moisture and other natural qualities that provide protection from ultra-violet rays and bacteria. The linen market is expected to grow by 25% over the next few years.\textsuperscript{10}

One of the competitive advantages for wool is its clean, green image. Consumers want to know provenance of the products they are buying, wool being natural as opposed to oil-based synthetics provides the uniqueness.

Polyester staple fibre, another primary input material for our yarn is made from petrochemicals and hence non-biodegradable, producing polyester uses large amounts of water for cooling along with lubricants which can become a source of contamination. The process is also energy intensive at the spinning stage, this in turn increases emissions of GHGs, and undermines air quality. Hence, given the resource limitations, rising energy costs and upcoming regulations limiting energy consumption, we are looking at ways to introduce renewable power in our energy mix and increase

\section*{ENERGY}

For the next two decades the challenges with energy, specifically the availability of supply and its links to security, will receive increasing attention. Demand for energy, particularly from India and China, will grow rapidly. The International Energy Agency estimates, based on current trends, energy needs might be over 40\% higher in 2030 than today. The path to a viable, sustainable energy mix will not be easy.

The policy responses to mitigating climate change will require us to become energy efficient and use renewable energy. We have developed a technology roadmap wherein we have budgeted investments in renewables to improve the demand supply balance for green fuels and bring in cost efficiency in the long term .

Technological shifts are streamlining the textile supply chain. It is expected that there we will see huge improvements in energy efficiency within the fashion supply chain, for example, in how garments are dyed and finished.

We have hence budgeted investments in quality improvement and modernization technologies that will not only improve our operational efficiency but also increase the energy efficiency of existing equipment’s and process i.e. continuous focus on reduction of unborn fuel, up gradation of existing motors/air compressors/air condition plant along with waste heat and water recovery.
INCREASING LABOUR COSTS

In India, the textile industry faces hurdle of labour shortage. Due to growing rural economy and some government schemes, unskilled labour now find job opportunities closer to home, the industry has hence started seeing a migration of skilled and unskilled labourers to their home towns and villages.

This has pushed companies to raise wages and offer other benefits to retain labourers. Also this has compelled many industries to consider shifting production base to regions where labourers are most accessible.

We are hence exploring technological modernization, innovations, improving labour skills, better infrastructure to overcome these challenges and continue to cater to world markets.

We consider, sustainability practice would enable us to scan, understand and address economic, social and environmental risks comprehensively. We have scanned the relevant future global trends that is relevant for our raw material sourcing, manufacturing and markets and addressed a few challenges. We would continue scanning the global trends and relevant scenarios and revise our coping strategies, each year, to future proof our business.

POLICY DIRECTION

Climate change has been on the global political agenda for last 20 years though fragmented and intermittent. Low Carbon Technology is the driver of transformation, supported by government incentives including feed-in tariffs incentivizing renewable energy and tax breaks. Global agreements channel funding and resources to low-income countries for technological climate change adaptation schemes. This is a new age of belief in technology, where climate Change related regulations will drive the energy costs higher in all geographies and requirement of sourcing and using renewable energy and using energy efficiently, will be covered by regulations.

Many voluntary guidelines e.g. Higgs Index, require the producer to take the responsibility of environmental and social impacts of their products. Presently, regulations in some countries cover the health and safety of textiles- end products and intermediates. In near future, taking responsibility of the life cycle impacts on environment and society will be covered by regulations. Providing product related information adequately and correctly and complete transparency across the value chain will also be required by upcoming regulations.

PUBLIC ATTITUDES WILL ALSO PLAY A KEY ROLE

The response to resource shortages and climate change will depend on a complex set of factors including the willingness of people; cost competitiveness, business to change their approach and the Government policies to reach global trade agreements.

Public attitudes will play a key role. How much will people be willing to alter consumption patterns and make lifestyle choices that reduce pressure on the environment? Will radical change occur in pursuit of low-carbon/impact living? Could we see a shift in values, with people concerned less with consumption and more with wellbeing and quality of life? Or society will rely more on technological response to resource shortages and climate change and continue
with consumption that drives the economy?

The public response and preferences in addressing resource scarcity and climate change will play an important role in influencing the critical political responses to these problems. Whether governments go for market-based responses or regulatory incentives will have a big impact on businesses and they role they play. Working with the markets could lead to businesses harnessing innovation to deliver transformation.

**INFORMATION TECHNOLOGY**

In fashion, online trading, showcasing, tailor made wardrobe solutions help retailer to understand changing trends, and it increases their ability to create its own niche.

Whatever other technologies are deployed it is clear that ICT will continue to play a vital role in our economy and the way the textile industry operates. In 2013, Asia-Pacific emerged as the strongest business-to-consumer (B2C) ecommerce region in the world with sales of around 567.3 billion USD, a growth of 45% over 2012, ranking ahead of Europe (482.3 billion USD) and North America (452.4 billion USD). The Internet economy in India has the potential to grow to $200 billion by 2020, contributing to as much as 5% of the country’s GDP. It is expected that the percentage of Internet users from rural locations will grow to 40-50 percent by 2018, up from 29 percent in 2013. Women accounted for just 25% of India’s total Internet population in 2013, but it is expected that this number will grow to 33% by 2018. It is expected that the percentage of Internet users aged above 25 in urban India, with higher disposable incomes, will grow to 54% by 2018, up from 40% in 2013.

The fashion and preferences for clothing are becoming increasingly similar in the connected worldwide, thanks to web-centralized patterns, ideas, social networking and a love of global brands. In future, fads and fashions can last hours not seasons, as global networks swarm to imitate or micro-trend to live the moment or occasion. 3D scanners in store windows give ‘screen shoppers’ immediate visualizations of themselves in the latest fashions. Clothing booths enable groups of friends to ‘try on’ clothes in virtual mirrors, using various style inputs and suggestions on screen. Most of this can also be done online, but many people still enjoy the fun of shopping with friends.

**HIGG INDEX**

GBTL has gone beyond compliance in safeguarding environment. We have conducted analysis based on Higg Index for our facility and have implemented the Environment and Social/Labour module at Facility level. The Index seeks practice-based, qualitative questions to gauge environmental sustainability performance and drive behaviour for improvement. The overall facility score for environment module was 50 out of 100 and for social module was 338 out of 605, which we think, is reasonable. It requires further improvement and extension to the product module.
CSO’s EPILOGUE

GBTL has always adopted systemic approach to continually improve manufacturing efficiencies. A number of awards and certifications for Business Excellence and Total Quality Management, received by GBTL are testimony to this. Sustainability movement at GBTL has extended this systemic and disciplined approach to all stakeholders- shareholders, employees, customers, suppliers, communities and government; and across the value chain. Quite a few steps taken to effect sustainability transformation at GBTL have clear and short term business benefits in the areas of improving productivity & efficiency in the areas of energy, water, emission & effluent and employee health and safety are driven by our belief in sustainable business principles.

GBTL has voluntarily adopted Aditya Birla Framework for Sustainable Business consisting of Responsible Stewardship, Stakeholder Engagement and Future Proofing. This perspective has helped us to calibrate our plans and actions. To us at GBTL, Sustainability practice is an integral part of achieving Business Excellence and Future Proofing. It is with this belief and commitment, we conducted materiality assessment. This assessment, we believe has enabled us to identify issues that are important, at present and in future, for our business and to our stakeholders.

Our Sustainability Apex council and Advisory Council Experts played a very critical role in galvanizing and guiding us through the sustainability journey. Various key sustainability agenda are driven by ten workgroup- mission teams having members from all nine units of Textiles, Acrylic Fibre and Overseas Spinning business. To manage various aspects of sustainability, we reinforced our existing ISO based management systems and included many issues identified as material, in these structures. These management systems have internalized “continual improvement” and “total employee involvement”. Inclusion of many aspects of sustainability within this management system ensured that sustainability is mainstreamed into management of business.

Our performance on energy, water, waste, equal opportunity, diversity, customer health and safety, community welfare etc., has improved during the reporting period. We have undertaken carbon footprint printing, taken steps to increase renewable materials, understood and addressed climate and water risks, mapped our environmental expenses and value delivered to regional economy and diversity indices. In addition, we have made best efforts, this year, to put in place governance and management systems to ensure all material issues are addressed by the business and such issues are revisited periodically. We have started implementation & monitoring of Higg index for all our manufacturing locations and products including supply chain, jointly with Aditya Birla Group textile value chain businesses in collaboration with Sustainable Apparel Coalition (SAC). This step, we are sure, will further catalyze our performance on all material sustainability issues, manage the risks and harness all opportunities. We also invite all stakeholders to engage actively with us on our stakeholder engagement platforms.

This sustainability report is an effort to be accountable to our stakeholder that we are fair, responsible and deliver value; we contribute positively to environment, society and economy; and finally we accept our responsibility across the life cycle.

We look forward to receiving suggestions and comments from our stakeholders. We believe without indulgence of our stakeholders and continuous engagement, our business cannot be sustainable.

- Dr. Jagadish Barik,
Chief Sustainability Officer
Textiles, Acrylic Fibre & Overseas Spinning Business
We believe that independent assurance leads to quality and process improvements, and reassures readers and our management that the information we publish is accurate and material, and therefore contributes to building trust and credibility with key interest groups.

We engage professional assurance providers who combine the strengths of non-financial assurance experience with technical competency in environmental and social standards.

This report has been assured by Bureau Veritas, third party assurance provider.

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of Grasim Bhiwani Textiles Limited (GBTL)

Introduction and objectives of work

BUREAU VERITAS Certification (India) Pvt. Ltd. has been engaged by Grasim Bhiwani Textiles Limited (GBTL) to conduct an independent assurance of its Sustainability Report 2014-15. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the Sustainability Report 2014-15 are the sole responsibility of the management of GBTL. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard AA1000AS (2008) Type 2 assurance. The scope of work included:

- Data and information included in Sustainability Report 2014-15 for the reporting period 1st April 2014 to 31st March 2015;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)¹
  - Inclusivity
  - Materiality
  - Responsiveness
- Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timeliness and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Guidelines G4;

The level of assurance has been applied as “Moderate” for all sections of the report.

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Visit to the manufacturing location of GBTL on 12th & 13th June 2015 and interviews with relevant personnel of GBTL including the plant in-charge and heads of various departments such as Production, Energy, Environment, Safety, Procurement, Human Relations, Marketing and Corporate Finance & Accounts;
2. Review of documentary evidence produced by GBTL;
3. Audit of performance data, on a sampling basis;
4. Review of GBTL data and information systems for collection, aggregation, analysis and review;
5. Review of stakeholder engagement activities by review of the Stakeholder Engagement minutes and report prepared by RSM GC consultants who were engaged by GBTL;
6. Direct interviews with a few stakeholders during the site visit.

Our work was conducted against Bureau Veritas’ standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance. The work was planned and carried out to provide “moderate”, rather than “high” level of assurance and we believe it provides an appropriate basis for our conclusions.

¹ Published by Accountability: The Institute of Social and Ethical Accountability\http://www.accountability.org.uk

BUREAU VERITAS
Our findings
On the basis of our methodology and the activities described above, it is our opinion that:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- It is our opinion that GBTL has established appropriate systems for the collection, aggregation and analysis of quantitative data such as Environmental, Health & Safety, Human Resource, Labour, Social & Community welfare as well as Product, Customer and Investor related data.

Alignment with the principles of AA1000AS (2008)

Inclusivity
GBTL has processes in place for engaging with a range of key stakeholders including socially responsible investors, government officials, local representatives and has undertaken a number of stakeholder engagement activities in 2015 covering a range of topics such as Customer satisfaction, Employee welfare, Supply Chain, Community Welfare and Environment.

Materiality
The Report addresses the range of environmental, social and economic issues of concern that GBTL has identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders’ views and concerns. The material issues were identified by a process of stakeholder engagement and interaction and the entire process was conducted in the presence of RSM GC who were engaged by GBTL for that purpose. In all, a total of 34 issues in the 3 categories of Business, Environment and Social were identified as material through this process.

Responsiveness
GBTL is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making. The company has taken various initiatives towards making an environmentally friendly product, waste minimisation, occupational health and safety at work and community and local development.

Specified Sustainability Performance Data
Performance data within the report continues to be gathered through a variety of data systems and processes. We consider the data as presented in the report to be reliable but also highlight our recommendation that GBTL reviews the data, gathering inputs against the key performance indicator stated in the report to ensure that performance against these metrics can be consistently and regularly reviewed and continue to provide accurate and reliable information.

Evaluation against Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines
Bureau Veritas undertook an evaluation of GBTL Sustainability Report 2014-15 against the G4 Sustainability Reporting Guidelines. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI reporting option.

Based on our work, it is our opinion that the Sustainability Report 2014-15 has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of GRI G4 Reporting Option “In accordance- Core”.

Best practice observations
- Several initiatives were taken on improvement of energy efficiency which resulted in overall reduction of energy intensity compared to last financial year.
- The need assessment study carried out considers 10 villages in the vicinity and the local stakeholders were observed to be satisfied with response time taken by GBTL for actions taken against recommendations.
Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period stated herein above;
- Positional statements (expressions of opinion, belief, aim or future intention) by GBTL and statements of future commitment;
- Our assurance does not extend to the activities and operations of GBTL outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 180 years history in providing independent assurance services, and an annual turnover in 2014 in excess of Euros 4.00 billion.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with GBTL, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes and has over 5 years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas Certification (India) Pvt. Ltd.

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Sanjay Patankar
Lead Assuror
Product Manager- Sustainability & Climate Change Services
Services

Date: 24-Sep-2015

Anirban Chatterjee
Technical Reviewer
Manager-Sustainability
## General Standard Disclosures

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FEEDBACK

We sincerely appreciate your feedback and concerns for our improvement. For any comments/concerns, please send queries to following address:

Contact Name: Mr. Sanjay Kumar Gupta
Address: Grasim Bhiwani Textiles Ltd., Bhiwani – 127021, Haryana, India
Email: sanjay.k.gupta@adityabirla.com

DEFINITIONS AND ACRONYMS

GBTL: Grasim Bhiwani Textile Limited

Stakeholders: A person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization’s actions, objectives and policies.

Sustainability: Sustainability is meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Stewardship: It is an ethic that embodies the responsible planning and management of resources.

Higg Index: It is an apparel and footwear industry self-assessment standard for assessing environmental and social sustainability throughout the supply chain.

CAP: Customer Acquisition Plan

CTS: Customer Technical Service

GRI: Global Reporting Initiative

BE: Business Excellence

EXCOM: The Executive Committee

EHS: Environment, Health and Safety

Whistleblower: Anyone who has and reports insider knowledge of illegal activities occurring in an organization

Compliance: It means conforming to a rule, such as a specification, policy, standard or law.

APEX: Accepted Practices Exchange

Enablon: It is the world’s leading provider of Sustainability, EH&S and Operational Risk Management Software.

LCA: Life Cycle Assessment

GHGs: Greenhouse Gases

Scope 1 Emissions: These are direct GHG emissions from sources that are owned or controlled by the entity

Scope 2 Emissions: Indirect GHG emissions from consumption of purchased electricity, heat or steam

Scope 3 Emissions: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

CTS: Customer Satisfaction

KPIs: Key Performance Indicators

OEKO-TEX: OEKO-TEX examines all stages of production and tests for harmful substances used in production systems to ensure customer safety

QC: Quality Circles

KSS: Kaizen Suggestion System

TPM: Total Productive Management

ESS: Employee Satisfaction Survey

ETP: Effluent Treatment Plant

REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals

REACH Compliance: Addresses the production and use of chemical substances, and their potential impacts on both human health and the environment.