

shahi

Moving The Needle

Adapt

Impact

Inspire

Sustainability Progress FY 2024-25

About Our Progress

Moving the Needle: Adapt, Impact, and Inspire

Sustainability Progress FY 2024-25 showcases Shahi's continued advancements across key pillars of governance, environmental sustainability, social responsibility, stakeholder engagement, and organizational culture.

The fashion industry continues to evolve amid growing global expectations around transparency, ethical practices, and climate action. With the focus on decarbonization, circularity, innovation, responsible sourcing, and emerging regulations, sustainability has become central to business resilience and growth.

At Shahi, we remain deeply committed to integrating sustainability into our operations and partnerships. Our FY2024–25 theme, "**Moving the Needle**," reflects our collective effort to drive measurable impact across our value chain. Guided by our mission — "**Adapt, Impact, and Inspire**" — we continue to strengthen systems, scale successful initiatives, and explore innovative solutions for a more responsible fashion ecosystem.

As we move forward, our focus remains clear: advancing people and planet-positive practices that create long-term value for our stakeholders and sets new benchmarks for sustainable manufacturing.

Reporting Scope and Boundary

This progress shares updates on key initiatives and progress toward our public goals. The reporting period is FY 2024–25, from April 1, 2024, to March 31, 2025, and the sustainability disclosure primarily pertains to our operations within India. The progress report is relevant to all our stakeholders, including employees, value chain partners, customers (B2B), the government, NGOs, and communities. Throughout the report, Shahi Exports Pvt. Ltd. is referred to as 'We,' 'Shahi,' and 'Our Company.'



Message From Our Chairperson

Dear Valued Stakeholders,

It gives me great pride to share this year's sustainability progress with all of you. FY 2024–25 has been a year of meaningful strides across Shahi, on our shopfloors, in our communities, and throughout our value chain.

The world around us is changing fast. Climate challenges are intensifying and expectations from our buyers and regulators continue to rise. At the same time, global trade dynamics are shifting, with rising tariffs and geopolitical uncertainty adding pressure on exporters like us. But at Shahi our commitment remains firm. We have stayed focused on decarbonizing faster, investing in our people, and building a safer, more responsible business.

I am especially proud that we have not only met, but exceeded, some of our most ambitious targets well ahead of schedule. Our move from coal to sustainable biomass was decisive and bold, helping us achieve 51% carbon-neutral energy across the company, up from 36% just last year. This kind of progress does not happen by chance. It reflects detailed planning, relentless execution, and the belief that we can and must do better.

We also made strong gains in social impact. Over 1 million hours of employee training were delivered. 75,000 women received technical skills training. More than 17,000 workers participated in health camps. Furthermore, we achieved 100% access to a digital worker-voice tool (Inache), and our community initiatives served more than 475,000 individuals.

Sustainability requires collaboration, and this year we significantly expanded our collective impact across the value chain. We co-created the Fashion Producers Collective to enable supplier-led research. And continued to drive transformative change through our commitment to The Fashion Pact. We ensured alignment with global standards by joining the OECD Advisory Group on Responsible Supply Chains and the Coalition for Reproductive Justice in Business under UNFPA.

To all our teams, partners, and supporters, thank you. This progress is yours. As we look ahead and define our next long-term strategy, this update reminds us that we are on the right path. Let us stay focused on what matters most for our people, our communities, and the planet we call home.



Harish Ahuja

Managing Director and Chairperson,
Shahi Exports

About Shahi



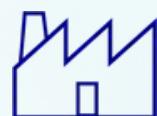
Shahi is the largest apparel manufacturing and exporting company in India, recognized for its commitment to quality, innovation, and sustainability.

Established in 1974, we have come a long way from being a small family-owned business to becoming a global enterprise with presence across the entire textile manufacturing value chain, from yarn to finished products.

Our vertically integrated manufacturing, diversified product portfolio, and ethical business practices make us one of the most trusted suppliers for several global brands and retailers.



8
States



47
Factories



109,000+
Full-time employees



72%
Female workforce



4
Processing mills



140+ Million
Garments produced annually

Our Presence



- 1 Haryana
- 2 Delhi
- 3 Uttar Pradesh
- 4 Odisha
- 5 Telangana
- 6 Andhra Pradesh
- 7 Tamil Nadu
- 8 Karnataka

Global Client Base



- 1 USA
- 2 Europe
- 3 Asia
- 4 Oceania
- 5 Japan

Our 'Responsible For' Framework

Responsible For Planet



Energy and Emission Management



Water Efficiency



Chemical and Materials Stewardship



Waste Towards Circularity

Responsible For People



Empowered Workforce



Employee Health and Well-Being



Fair and Respectful Workplace



Corporate Social Responsibility (CSR)

Responsible For Planet

Our Sustainability Progress

 In Progress

 Achieved

 Not Achieved

Objective	Base Year	Target Year	FY 2023-24 Performance (cumulative)	FY 2024-25 Performance (cumulative)
Energy				
Achieve 100% renewable electricity	FY 2018-19	FY 2026-27	65% 	68% 
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Achieve 50% energy consumption from carbon-neutral sources*	FY 2021-22	FY 2026-27	36% 	51% 
Water and Wastewater				
Achieve 85% recycled water usage for industrial purposes in garment units**	FY 2021-22	FY 2024-25	78% 	78% 
<hr/>				
Achieve 75% recycled water usage for industrial purposes in textile mills	FY 2021-22	FY 2024-25	78% 	81% 

*The target of achieving 50% carbon-neutral energy was met ahead of schedule, driven by significant efforts to phase out coal entirely in one mill, with the transition actively progressing in the remaining three mills. Shahi also continued to remain Walmart's 'GigaGuru Supplier', an award granted for implementing SMART goals on decarbonisation.

**While the mill water recycling target was successfully met, progress on the garment recycling target remained constant due to varying process requirements and complex finishes. The units remain committed to enhancing efficiency and will establish revised goals in the next reporting cycle.

Highlights FY 2024-25



15%

Improved Water
intensity in mills since
FY 2023-24



22%

Reduction in company-
wide Coal consumption
since FY 2023-24



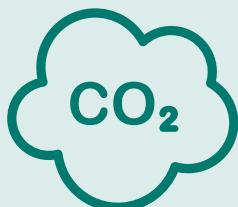
vFEM Score 74.04

Score improved to (up from 68.92 in FY 2023-24)

68.92



74.04



835,000 MT

Carbon dioxide equivalent mitigated since FY 2018-19



Exceeded

Our goal to achieve 50% carbon-neutral energy, ahead of time

CDP Score B

In Climate Change, against the global average of C, and a score of B- in
Water Security, against a global average of C



Responsible For People

Our Sustainability Progress

 In Progress

 Achieved

 Not Achieved

Objective	Base Year	Target Year	FY 2023-24 Performance (cumulative)	FY 2024-25 Performance (cumulative)
Fair and Respectful Workplace				
Cover 100% factories under SLCP ²	FY 2018-19	FY 2024-25	90% 	84% 
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Train 100% of our workforce on Grievance Redressal Mechanisms (*BSafe V2) ³	FY 2023-24	FY 2027-28	New goal set in 2023	74,112 (72%) 
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Scale Inache ⁴ V2 to new mills	FY 2023-24	FY 2024-25	Inache V1 fully scaled	100%  V2 scaled across Shahi incl. mills
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Training and Development				
Train 9,125 workers in RISE	FY 2023-24	FY 2025-26	New goal set in 2023	4,625 (50%) 

*The BSafe program has been updated to include Mental Health.

Responsible For People

Our Sustainability Progress

 In Progress

 Achieved

 Not Achieved

Objective	Base Year	Target Year	FY 2023-24 Performance (cumulative)	FY 2024-25 Performance (cumulative)
Train 100% supervisors and In-charges in STITCH 2.0, by 2027 ⁵	FY 2023-24	FY 2027-28	New goal set in 2023	To be started in FY 2025-26
Enroll 150 additional leaders (total 650) in the PULSE program	FY 2020-21	FY 2025-26	New goal set in 2023	785 (120%) 
Train 300 leaders against Unconscious Bias	FY 2021-22	FY 2024-25	159 (53%) 	309 (103%) 
Train 2,200 additional people (total 4,200) for various behaviours & soft skills	FY 2023-24	FY 2025-26	New goal set in 2023	5,134 (122%) 
Implement the Captain program in two divisions	FY 2023-24	FY 2025-26	65% 	67% 
Skill Training for Community Women				
Train 65,000 community women in soft and technical skills	FY 2018-19	FY 2024-25	64,309 (99%) 	75,280 (115%) 

Highlights FY 2024-25



1 million+

Hours of training conducted

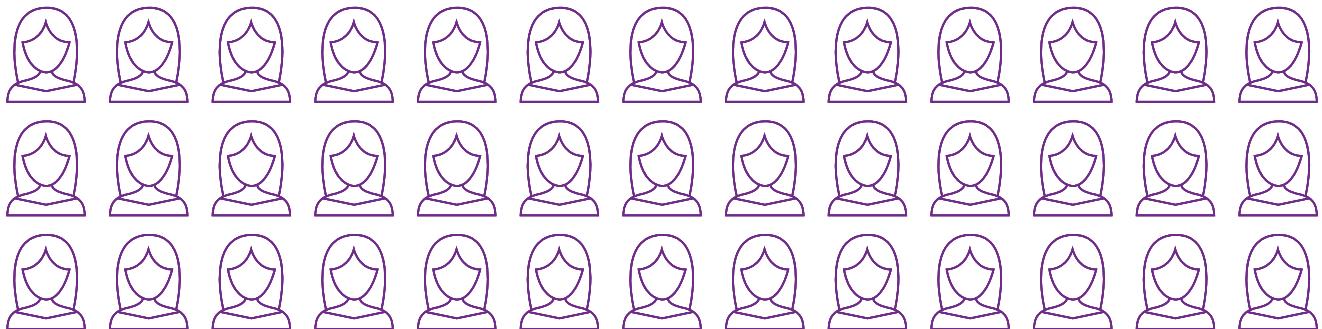


300+ leaders

Trained against unconscious bias

75,280

Women trained through our skilling centers



785

Next-in-line leaders identified and enrolled in the leadership development program PULSE



100%

Access to digital worker-voice tool



Our CSR Efforts and Everlasting Impact

Focus Areas

Focus Area	Description	Target Beneficiaries	
Samarthanam Skill Development	Promote and provide access to soft and technical skills and sustained employment.	Women, youth, and low-income, underprivileged communities.	
	Soukyam Health	Drive better health and life expectancy for women, children, and low-income and marginalized communities.	Women, children, migrants, and blue-collar workers.
	Shikshanam Education	Elevate access to foundational numeracy and literacy for school-going learners.	Learners (3-16 years), Underdeveloped, underfunded schools, Universities, and Anganwadi centers.
	Swacchatam Environmental Sustainability	Facilitate a better living environment.	All age groups from at-risk communities and ecosystems.

Highlights FY 2024-25



475,000+

beneficiaries from the CSR programs run in FY 2024-25

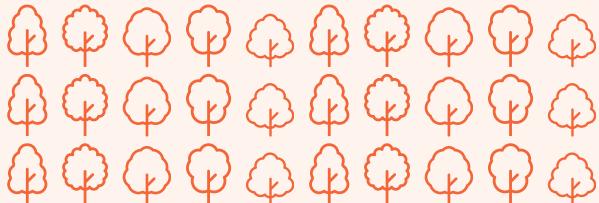
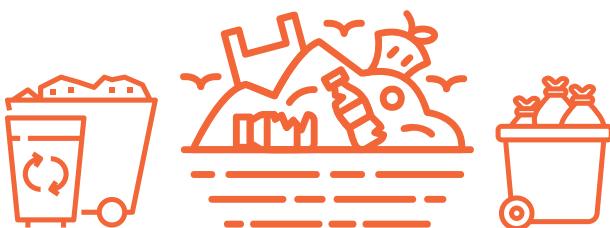


9 out of 11

CSR goals achieved ahead of time

407,691

community members participated in solid waste management practices



57,500+

trees planted across Delhi NCR and Karnataka

34,929

mothers and children received healthcare support



54,377

community members accessed sexual and reproductive health services

The Partnerships That Kept Us Moving



Organization for Economic Co-operation and Development⁶

We joined the OECD Advisory Group on Responsible Supply Chains in the Garment and Footwear Sector. This multi-stakeholder group facilitates active engagement with representatives from governments, businesses, trade unions, and civil society to provide input and promote alignment with the OECD's due diligence guidance for responsible global supply chains. These engagements will allow us to contribute insights from the supplier perspective and align our practices with internationally recognized sustainability and ethical business standards.



United Nations Fund for Population Activities

Shahi joined the Coalition for Reproductive Justice in Business. This embeds **sexual and reproductive health and rights (SRHR)** into our core ESG strategy and value chain. We recognize this as a critical human capital investment that directly boosts gender equality, improves workforce productivity, and builds overall operational resilience.

FASHION PRODUCER COLLECTIVE

Fashion Producers Collective

The Fashion Producer Collective (FPC) is a producer-led sustainability think-tank that supports knowledge sharing between producers and delivers sustainability thought leadership from the perspective of the supply chain. Co-founded in 2025 by five manufacturers, including Shahi, FPC provides a collaborative platform where producers can co-create, share insights, and influence effective sustainability strategies that directly impact their operations.

Continued Partnerships



Standards and

Certifications

Social



Materials



Yarn
Ethically &
Sustainably
Sourced



Environment



Glossary

1. Higg Index

A suite of tools developed by Worldly that helps companies measure and improve the sustainability of their supply chains.

2. SLCP (Social and Labor Convergence Program)

A multi-stakeholder initiative aimed at reducing audit fatigue in supply chains by creating a unified framework for social and labor assessments. We have successfully achieved 84% implementation of SLCP. This falls short of our 100% goal by 2025. While we remain committed to advancing standardization and adoption of singular audit processes, our goal to achieve 100% is dependent on adoption across the value chain.

3. BSafe

A comprehensive training program at Shahi that focuses on educating employees and workers about grievance redressal mechanisms and workplace safety.

4. Inache

A two-way, multilingual, and anonymous communication tool through which workers can share their complaints, grievances, suggestions, or questions to factory managers for response and resolution within a stipulated time.

5. STITCH

STITCH is a Leadership Program for supervisors to build their capacities as individuals, supervisors, team members, and leaders by improving their people management and operational skills. Version 2 of STITCH will have new modules around respect in the workplace

6. OECD (Organization for Economic Cooperation and Development) Sourcing Standards

Guidelines that promote responsible sourcing practices in supply chains, particularly for raw materials like cotton.

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Exports Pvt. Ltd.

