

# Moving The Needle

Adapt. Impact. Inspire.

Sustainability Report FY 2023-24









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# ABOUT THE REPORT

## Moving the Needle: Adapt, Impact, and Inspire

This comprehensive ESG report showcases our progress in governance, environmental sustainability, social initiatives, stakeholder engagement, organizational culture, and key material issues.

The fashion industry, known for its rapid turnaround and global reach, has faced challenges related to ethical practices, resource consumption, and environmental impact. Growing awareness of these issues has led to a positive shift in how the industry operates. Global organizations are now reimagining supply chains, raw materials, and products with a strong focus on people, processes, impacts, and governance. Key areas of focus have emerged, including increased awareness of circularity, innovation, conscious sourcing, and robust legislative frameworks. At Shahi, we have prepared this report to reaffirm our commitment, highlight our successes and learnings, and outline the future roadmap.

Our overarching theme for sustainability, 'Moving the Needle,' reflects our commitment to driving measurable positive impact. This year, we build on that foundation with an enhanced focus on 'Adapt, Impact, Inspire.' We adapted to changing regulations and customer expectations, grounded our actions in creating a tangible difference, and aspired to advance

sustainability across the fashion value chain. Our goal is to lead the industry towards a more sustainable future.

As we step into the next chapter of our sustainability journey, we re-evaluate and reaffirm our commitment to industry best practices, inspiring hope and confidence in our stakeholders.

## Reporting Framework

Our report, aligned with the Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals (UN-SDGs), aims to provide a clear, comprehensive, and accurate overview of our sustainability efforts. We strive to maintain transparency and build stakeholder confidence in our commitment to sustainable practices.

## Reporting Scope and Boundary

This report's reporting period is FY 2023-24, from April 1, 2023, to March 31, 2024. The report's sustainability disclosure primarily pertains to our operations within India.

We have acquired a new mill, SKPL (Shahi Knits Private Limited), which enhances our dyeing capabilities for knitted fabrics. With its addition, we have updated our data and revised our progress toward our goals accordingly.

This report is relevant to all our stakeholders, including employees, value chain partners, customers (B2B), consumers, government, NGOs, and communities. Throughout the report, Shahi Exports Pvt. Ltd. is referred to as 'We,' 'Shahi,' and 'Our Company.'

## External Assurance

The information presented in this report has been reviewed at various stages to ensure completeness and accuracy. It was prepared in collaboration with M/s Incorp Advisory and a qualified team at Shahi, following our internal sustainability reporting procedures.

TÜV SÜD South Asia Pvt Ltd has verified this report under limited assurance.

We value feedback from all our stakeholders as it helps us to refine and realign our strategies and objectives. Please share your suggestions and observations with us at [communications@shahi.co.in](mailto:communications@shahi.co.in).



# MESSAGE FROM OUR CHAIRPERSON



Dear Valued Stakeholders,

With great pleasure and pride, I present the third edition of our sustainability report as Shahi approaches its 50th year of operations. This report is a repository of our commitment to sustainability.

The fashion industry continues to evolve. There has been a heightened legislative focus on circularity and sustainability across our key markets, driving new expectations. At the same time, the EU and the US saw slower growth in 2023, creating uncertainty for suppliers. The need for resilience to adapt to the new realities of the macroeconomic, geopolitical, and climate crisis pressures had never been more important. In this dynamic landscape, staying nimble has helped us in navigating challenges and identifying opportunities. We have continued to embrace change to create meaningful impact and inspire progress in the industry. We have embraced these changes at Shahi by adapting to new realities, creating meaningful impact, and inspiring progress.

This year has been a learning curve in adapting to industry shifts and environmental challenges.

We established a Governance team to strengthen due diligence across health and safety, regulatory and social standards, organizational management, and customer service. Through concerted efforts to adapt to the evolving legislative landscape, our Knits Processing Division became one of India's first mills to undergo the Yarn Ethically and Sustainably Sourced Assessment.

We expanded our spinning capacity and added a dyeing facility to strengthen our vertically integrated operations in India. Despite our expansion, our mills and garment units recycled 78% of the water back into our processes. We increased our reliance on carbon-neutral energy to 36%, converting our energy source to biomass at Sarla Fabric Limited, our woven mill in Ghaziabad. These concerted efforts have improved our CDP score to 'B,' well above the global average.

Innovations in sustainable production have been a key focus for us. These efforts range from partnering with next-gen material and dry processing innovators. Shahi also played a crucial role in manufacturing a

100% recycled jacket for the Prime Minister of India, Shri Narendra Modi, during Bharat Tex 2024. We are also scaling our flagship digitization project, 'Trakwel' across factories.

While we continue to make our operations more sustainable, we are equally committed to positively impacting our people, who remain at the core of our business. We scaled Inache, our grievance redressal tool, across all our factories to ensure a safe workspace for all. Our key initiatives like GAP Inc. P.A.C.E. and STITCH trained 95,698 women and 5,044 employees, achieving and surpassing our goals ahead of time. As a new addition, we launched EWASE (Empowering Women at Shahi Exports) to promote gender equality and advance women into leadership roles on the shopfloor. The dedication of our teams and the strength of the collaborations has enabled us to set new targets for some of our key programs, including BSafe for grievance management training, STITCH, and Inache.

In FY 2023-24, we supported 162,644 people through our community programs, making a meaningful difference in the lives of many. Since the Migrant Support Centre (MSC) program began in 2021, we have assisted over 7,836 migrant workers in accessing crucial resources and opportunities. I'm pleased to share that we achieved our targets in four community programs well ahead of schedule.

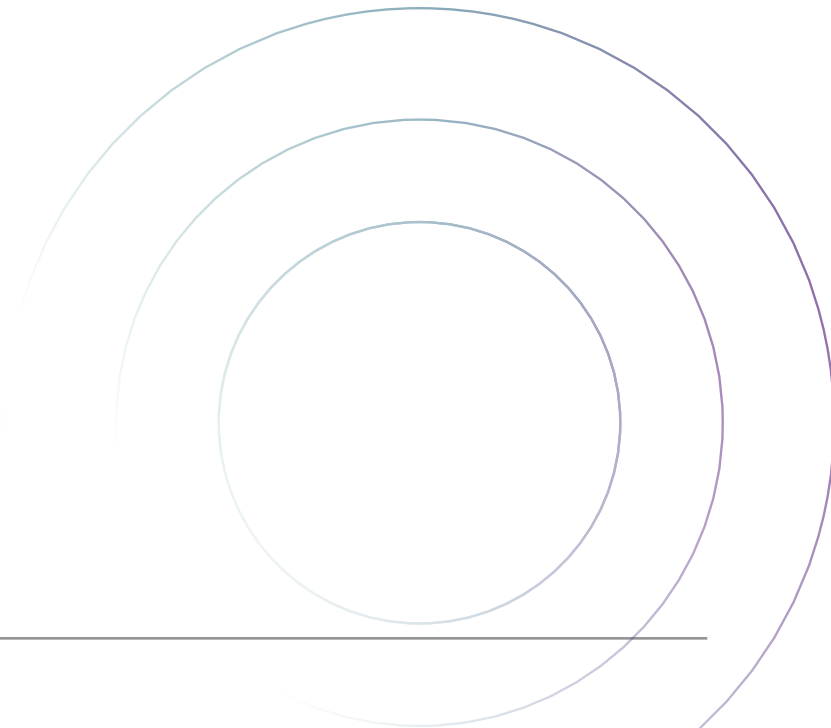
As our efforts converge on our singular goal of conducting business with responsibility, we aim to inspire industry-wide change by actively collaborating to amplify the supplier's voice. We now serve on the Steering Committee of the Fashion Pact, helping shape discussions on key sustainability challenges. We collaborated with our peers in the industry to create 'An Apparel Supplier's Guide to Key Sustainability Legislation'-- a unique supplier perspective on the evolving legislations in the Global North. Our engagement across platforms like the Fashion Producer Collective and with the

International Apparel Federation reinforces our aim to drive an inclusive and sustainable supply chain.

As we enter our 50th year, we're excited about what lies ahead. Our roadmap focuses on diversifying our product portfolio, prioritizing sustainability, and investing in our people. We look toward a more circular future and remain steadfast in our role as catalysts for change. Thank you for your continued trust and support as we embark on the next chapter of Shahi's journey.

**Harish Ahuja**

Managing Director and Chairperson,  
Shahi Exports





# ABOUT SHAHI

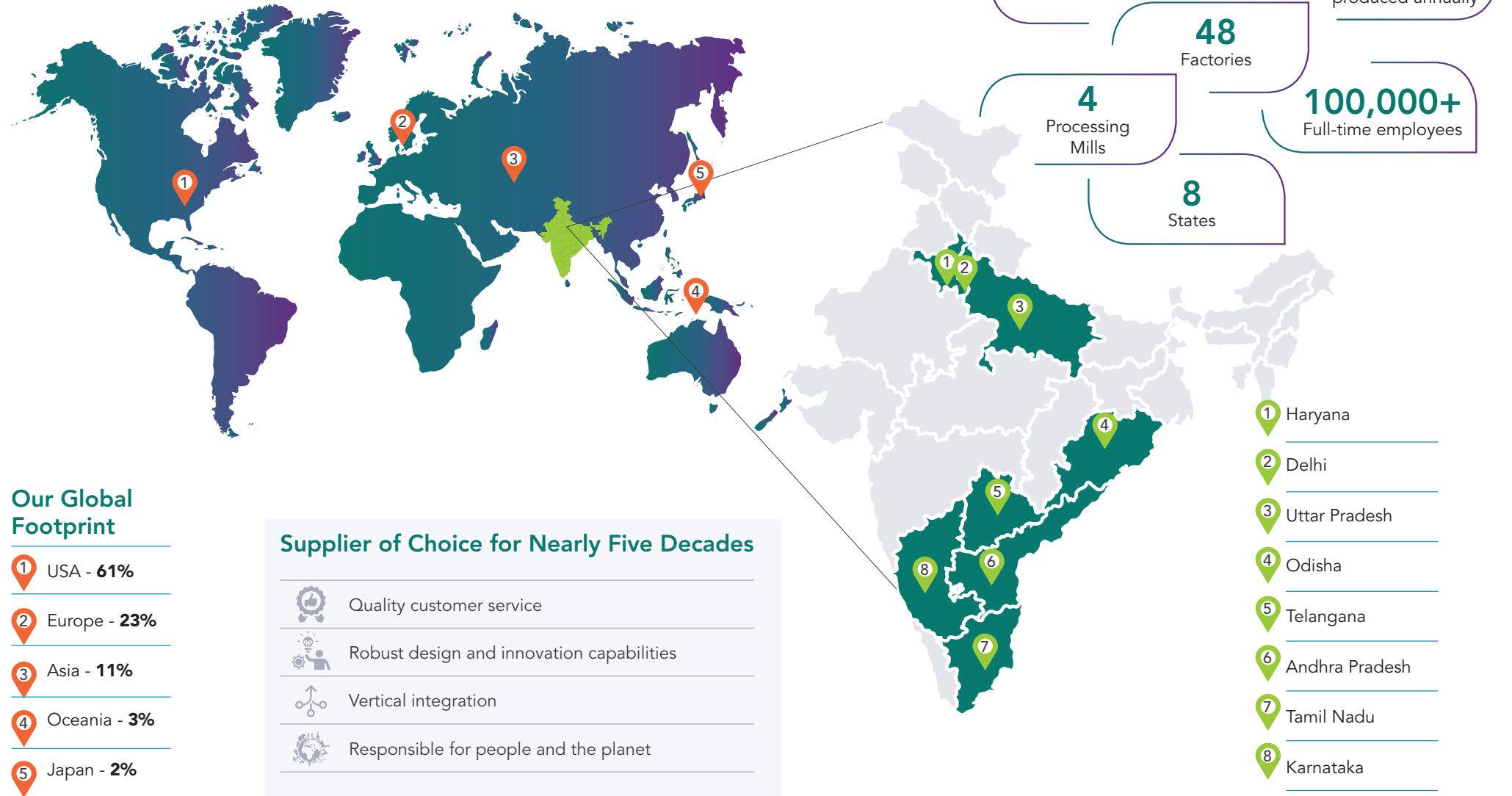
Shahi is India's largest apparel manufacturing and export company, known for its diverse product range, innovation, and sustainability. Established in 1974, we grew from a small home set-up into a global enterprise. Today, we operate across the entire textile value chain, from yarn to ready-made garments.

To meet the growing demand and adapt to market dynamics, we have expanded our capacity by adding

new mills, and optimized operations by reducing some units. Our vertically integrated factories, diversified product portfolio, and above all, our unwavering commitment to ethical business practices, have earned us the trust of leading global brands. Over the years, Shahi has remained a leader in textile manufacturing. We continue to focus on delivering excellence and creating value for our employees, customers, and other stakeholders.



## Our Presence





## Our Capabilities

Our state-of-the-art mills and garmenting units specialize in producing high-quality woven and knitted fabrics. We use responsibly sourced fibers and yarn from both our in-house spinning mills and trusted value chain partners.

Around 80% of our textile production supports our advanced garment manufacturing, enabling us to serve customers globally. A collaboration between our in-house design, innovation, and laboratory teams ensures a seamless design-to-deliver process. This integration guarantees enhanced traceability and higher quality standards throughout the production line, from yarn to finished items.

### In-house Laboratory

Accredited by the American Association of Textile Chemists and Colorists (AATCC), the American Society for Testing and Materials (ASTM) International, the International Organization for Standardization (ISO), and British Standards (BS). We also incorporate client-specific testing methods for a comprehensive evaluation.

### Digital Sampling

Digital sampling improves efficiency by 50%, while resource optimization supports eco-friendly practices. This practice fosters seamless collaboration and drives innovation.



### Spinning

Our advanced spinning operations use cutting-edge machinery and vortex ring spinning to produce premium yarn, ensuring consistency, traceability, cost-efficiency, reduced lead times, and a streamlined, strengthened supply chain.

### Weaving & Knitting

Our weaving and knitting facilities handle cotton and cotton blends, producing lightweight to heavy fabrics in various weaves, dobbies, high-twist, and knitted fabrics like jersey, rib, and fleece.

### Fabric Processing

Our advanced processing facilities offer a range of finishes for woven and knitted fabrics, from mercerization and brushing to wrinkle-free, PFC-free DWR, and moisture-wicking finishes. Additionally, our state-of-the-art dyeing facility enhances color consistency and efficiency, meeting high-quality standards and market demand.

### Garmenting

Our garments division operates 48 cut-to-pack units across eight Indian states, producing denim, twill, wovens, and knitwear with real-time quality control, lean manufacturing, design, and lab testing. The design team uses CAD, 3D sampling, and augmented reality for faster turnarounds, while the in-house laboratory ensures product quality with rigorous testing to international standards, enhancing customer experience and optimizing production.

## Expanding Vertical Integration

### Dyeing and Processing Mill

We operationalized Shahi Knits Pvt. Ltd., a state-of-the-art fabric dyeing facility in Perundurai, Tamil Nadu. This advanced facility enhances efficiency and helps us meet market demand while delivering the quality and innovation benchmark Shahi is known for.

### Spinning Capacity

We upgraded our ring spinning capacity with vortex features, capable of spinning a variety of fibers, including polyester, with an annual capacity of about 12,000 tonnes.

Division	Men, Bottoms & Denim (MNB & MND)				Ladies Specialty Division (LSD)				Knits			
Mill Type	Spinning	Weaving	Woven Processing	Garmenting	Spinning	Weaving	Woven Processing	Garmenting	Spinning	Knitting	Knit Processing	Garmenting
Capacity	9,240 tonnes/year	54 Mn meters/year	72 Mn meters/year	55.6 Mn pieces/year	-	14 Mn meters/year	40 Mn meters/year	39.5 Mn pieces/year	12,240 tonnes/year	14,400 tonnes/year	14,660 tonnes/year	48.4 Mn pieces/year
Location	Shivamogga WPD	Shivamogga WPD	Shivamogga WPD	14 Factories	No Unit	Ghaziabad SFL	Ghaziabad SFL	18 Factories	Shivamogga KPD	Shivamogga KPD	Shivamogga KPD, SKPL Perundurai	16 Factories



# 'RESPONSIBLE FOR' FRAMEWORK

Our 'Responsible For' framework is a comprehensive sustainability model tailored for our company. This framework reflects our commitment to promoting a growth and innovation-driven environment while addressing the needs of people, the planet, and collective prosperity. At Shahi, sustainability is an exercise fostering both social and environmental well-being. It's about taking responsible steps to deliver a meaningful and positive impact across the value chain.

## Responsible for Planet

Protect the environment by practicing resource conservation, improving efficiency, and promoting innovation.



### Energy and Emission Management

Improve energy efficiency and strategically increase usage of renewable energy.



### Water Efficiency

Reduce dependency on fresh water and increase recycled water usage in manufacturing.



### Chemical and Materials Stewardship

Align with global standards for zero discharge of hazardous chemicals and promote sustainable, ethical resource consumption.



### Waste Towards Circularity

Implement waste management practices to reduce, reuse, and recycle, ultimately closing the loop.

## Responsible for People

To foster a secure and thriving environment for our people and the communities we operate in.



### Empowered Workforce

Promote the development of employees' technical and soft skills.



### Employee Health and Well-Being

Boosting the safety and well-being of our people through awareness and wellness programs.



### Fair and Respectful Workplace

Uphold human rights through enforced policies and robust grievance management frameworks.



### Corporate Social Responsibility (CSR)

Drive impact in the community on health, education, skill development, and environmental management.

# FY 2023-24 PROGRESS

## Responsible For Planet

Area	Base Year	Objective	Target Year	FY 2022-23 Performance (Cumulative*)	FY 2023-24 Performance (Cumulative*)
Energy	FY 2018-19	Achieve 100% renewable electricity	FY 2026-27	67%	65%
	FY 2021-22	Achieve 50% energy consumption from carbon-neutral sources <sup>1</sup>	FY 2026-27	34%	36%
Water and Wastewater	FY 2021-22	Achieve 85% recycled water for industrial purposes in garment units	FY 2024-25	81%	78%
	FY 2021-22	Achieve 75% recycled water usage for industrial purposes in textile mills	FY 2024-25	72%	78%

\*Following the addition of a new mill at the end of 2022, we have updated the data and accordingly revised the progress of our goals for FY 2022-23 and FY 2023-24.

## Responsible for People

Area	Base Year	Objective	Target Year	FY 2022-23 Performance (Cumulative)	FY 2023-24 Performance (Cumulative)
Fair and Respectful Workplace	FY 2018-19	Cover 100% factories under SLCP <sup>2</sup>	FY 2024-25	84%	90%
	FY 2021-22	Cover 100% factories with Inache Grievance Redressal Tool <sup>3</sup>	FY 2024-25	72%	100%
	FY 2022-23	Train 100% of the workforce on Grievance Redressal Mechanisms (BSafe) <sup>4</sup>	FY 2025-26	27,363 (28%)	106,821 (110%)
	FY 2023-24	Train 300 leadership against Unconscious Bias	FY 2025-26	Started in 2023	159 (53%)

1. Carbon-neutral fuels: Energy sources that do not increase the net amount of carbon dioxide in the atmosphere, such as biomass or renewable electricity.

2. SLCP (Social and Labor Convergence Program): An initiative to reduce audit fatigue in global supply chains by providing a standard, scalable framework for assessing social and labor conditions.

3. New goals will be established to drive quality and timely resolution.

4. New Goal: To train 100% of our workforce in the first round of BSafe V2 training by FY 2027-28.



Area	Base Year	Objective	Target Year	FY 2022-23 Performance (Cumulative)	FY 2023-24 Performance (Cumulative)
Empowered Workforce	FY 2007-08	Train 90,000 female workers in Gap Inc. P.A.C.E. <sup>5</sup>	FY 2024-25	86,492 (96%)	95,698 (106%)
	FY 2019-20	Train 100% supervisors in STITCH <sup>6</sup>	FY 2024-25	3,750 (78%)	5,044 (106%)
	FY 2020-21	Train 500 leaders in PULSE <sup>7</sup>	FY 2025-26	455 (91%)	623 (125%)
	FY 2017-18	Train 2,000 people for various behaviors and soft skills <sup>8</sup>	FY 2024-25	2,495 (124%)	3,087 (154%)
	FY 2023-24	Implement the Captain Program <sup>9</sup> , in two divisions	FY 2025-26	Started in 2023	65%
Skill Training for Community Women	FY 2018-19	Train 65,000 community women in soft skills and technical skills	FY 2024-25	53,542 (82.3%)	64,309 (99%)
	FY 2021-22	Extend sexual and reproductive health services to 20,000 beneficiaries <sup>10</sup>	FY 2024-25	5,123 (25%)	30,787 (153%)
	FY 2021-22	Support 10,000 migrant workers through the expansion of our Migration Support Center	FY 2024-25	5,947 (59.4%)	7,836 (78%)
	FY 2021-22	Reach 15,000 beneficiaries under the Maternal and Child Health Project	FY 2024-25	9,348 (62%)	20,590 (137%)
	FY 2023-24	Improve access to medical infrastructure for 200,000 beneficiaries through PHCs	FY 2024-25	Started in 2023	25,000 (12.5%)
	FY 2021-22	Provide access to menstrual cups to 7,000 women	FY 2024-25	2,854 (40%)	5,596 (80%)
	FY 2021-22	Provide 6,000 students access to STEM Lab	FY 2024-25	2,050 (34%)	5,945 (99%)
	FY 2021-22	Improve infrastructure for 10,000 rural school children	FY 2024-25	1,004 (10%)	5,194 (52%)
	FY 2022-23	Plant 21,000 trees in the communities across NCR under Ankuram Project <sup>11</sup>	FY 2024-25	10,000 (47%)	35,885 (170%)

\*Our previous reports indicated FY 2025 as the target year for CSR goals. In India, the financial year runs from April 1, 2024 to March 31, 2025.

5. Gap Inc. P.A.C.E. is now a part of RISE: Reimagining Industry to Support Equality

6. New Goal: To train 100% Supervisors and Incharges in STITCH 2.0 by FY 2027-28

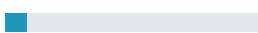



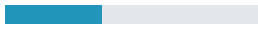

7. New Goal: To enroll 650 leaders in eight months of leadership course training under PULSE by FY 2025-26

8. New Goal: To train 4,200 individuals in Behavioral and Soft Skills Training by FY 2025-26

9. In three sections: cutting, sewing, and finishing

10. New Goal: To extend sexual and reproductive health services to 45,000 beneficiaries by FY 2024-25

11. New Goal: To plant 50,000 trees by FY 2024-25

Area	Base Year	Objective	Target Year	FY 2022-23 Performance (Cumulative)	FY 2023-24 Performance (Cumulative)
	FY 2022-23	Improve solid waste management practices in communities for 150,000 beneficiaries	FY 2024-25	 13,025 (8.6%)	 75,101 (50%)
	FY 2022-23	Skill 380 women at-risk of trafficking in sewing machine operation	FY 2024-25	 78 (20%)	 251 (66%)
	FY 2022-23	Provide Soft Skill Training to 1,500 women in communities <sup>12</sup>	FY 2024-25	 573 (38%)	 2,150 (143%)



12. This project is now complete.



# EVENTS AND RECOGNITIONS OF FY 2023-24

## Key Industry Events



### Bharat Tex 2024

Shahi proudly served as the Sustainability Partner at Bharat Tex 2024 in New Delhi. We collaborated with the Ministry of Textiles to showcase industry innovations and reinforce our commitment to sustainability. We curated the Sustainability Pavilion, exhibited advanced products, and engaged in industry dialogues. This event highlights Shahi's leadership in driving a more circular and responsible future for the apparel industry.



### Global Fashion Summit

Harish Ahuja, Managing Director and Chairperson of Shahi, participated in a panel at the Global Fashion Summit: Copenhagen Edition, discussing 'Collective Financing Models for Climate.' Holly Syrett moderated the session, which included key leaders from H&M Group, Global Fashion Agenda, and the Former CEO of Unilever.



## Our Awards and Accolades: FY 2023-24



### AEPC

We received the 'Highest Global Exports' award for FY 2021-22 and FY 2022-23 conferred by the Apparel Export Promotion Council.



### Walmart's Giga-Guru

Shahi has bagged Walmart's Giga-Guru Supplier Award for implementing SMART goals for the fifth consecutive year.



### CXO Conclave Award for Outstanding Contribution

Awarded by the Jharkhand State Livelihood Promotion Society at the CXO Conclave for providing employment and fostering career growth for DDU-GKY candidates.



### BSL Awards

Harish Ahuja, Managing Director at Shahi, received the prestigious Platinum Excellence Award from the Brands & Sourcing Leaders Association at the 'Glocal Maneuver Series Powerplay-2.' This award recognizes his significant contributions to the apparel and textile industry in India. Shahi was also honored with the Good Earth Award for Exemplar Social Impact Community Engagement, reflecting our commitment to making a positive difference within communities.

# PARTNERING FOR PROGRESS

We have formed new partnerships by joining various organizations to amplify the manufacturer's voice and drive collective action in our industry. These memberships enhance our advocacy efforts and enable us to engage effectively with diverse stakeholders to build a more responsible supply chain.

## New Partnerships

### THE FASHION PACT

**The Fashion Pact:** Our Managing Director and Chairperson, Harish Ahuja, serves alongside approximately 15 other CEOs on the Steering Committee. Anant Ahuja, our Director of ESG and Sustainability, joined the Operations Committee, which includes around 20 CSOs.

Through our engagement with The Fashion Pact, we aim to contribute to a value chain partner's perspective and collaborate with the other members on crucial industry and environmental issues. We recognize the challenges of aligning supply chain operations with sustainability targets and look forward to learning from this distinguished group to enhance our practices.



**Legislative research paper with The Transformers Foundation and Suppliers:** We partnered with peer companies, including—Epic Group, Simple Approach, and Norlanka—to create 'An Apparel Supplier's Guide to Key Sustainability Legislation in the US, UK, and EU.' This comprehensive document outlines 12 upcoming sustainability legislations. We presented our findings at Cascale's annual supplier meeting in Bengaluru.



**Fashion Producer Collective (FPC):** Shahi is one of the founding members of this collective, with representation on their Producer Committee. FPC is a producer-led organization that amplifies producer voices, enables knowledge sharing, and creates thought leadership in sustainable fashion.



**International Apparel Federation (IAF):** Shahi joined the International Apparel Federation (IAF), the world's leading federation for apparel manufacturers (SME) brands, their associations, and the supporting industry. This platform unites members to strengthen sustainable supply chains while working on industry standardization, collaboration, and inclusive solutions.















**Forum for the Future:** Shahi partnered with 'Forum for the Future' to explore innovations and scale solutions using design thinking principles. The report is scheduled for release in FY 2024-25.

## Ongoing Partnerships





Shahi is a distinguished member of several key Indian and global industry bodies that set benchmarks for growth and excellence. By participating in forums, discussions, and initiatives led by these associations, we aim to drive industry trends and play a pivotal role in advancing the textile industry.

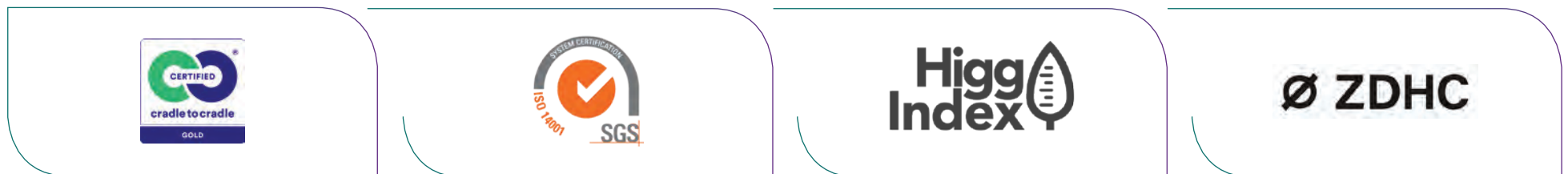
 <p>TEXPROCIL THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA</p>	 <p>AEPC APPAREL EXPORT PROMOTION COUNCIL</p>	 <p>CII CONFEDERATION OF INDIAN INDUSTRY</p>	 <p>FICCI FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY</p>	<p><b>Our collaborative efforts extend further as we closely work with</b></p> <hr/> <p>National Skill Development Corporation (NSDC)</p> <hr/> <p>Karnataka Textile Mills Association (KTMA)</p> <hr/> <p>Apparel and Handloom Exporters Association (AHEA)</p> <hr/> <p>Sector Skill Council</p> <hr/> <p>Confederation of Indian Textile Industry</p>
 <p>ASSOCHAM Ideate · Innovate · Impact</p>	 <p>GEMA GARMENTS EXPORTERS &amp; MANUFACTURERS ASSOCIATION</p>	 <p>Textiles Committee</p>	 <p>CMAI CLOTHING MANUFACTURERS ASSOCIATION OF INDIA</p>	
 <p>FIEO FEDERATION OF INDIAN EXPORT ORGANISATIONS</p>	 <p>KEA KARNATAKA EMPLOYERS' ASSOCIATION</p>	 <p>srtepc™ SINCE 1954 SYNTHETIC AND RAYON TEXTILES EXPORT PROMOTION COUNCIL</p>	 <p>FIA FARIDABAD INDUSTRIES ASSOCIATION</p>	

# STANDARDS AND CERTIFICATIONS

## Materials



## Environmental Management



## Compliance







# GOVERNANCE

At Shahi building and maintaining trust with our stakeholders is grounded in our approach to strong Governance. We are committed to upholding the highest ethical standards and demonstrating responsibility across our business.



# GOVERNANCE FRAMEWORK

Governance is essential for maintaining the highest standards in policy enforcement, adequate safety management systems, adherence to regulatory compliance, and upholding of human rights.

In FY 2023-24, we constituted a dedicated team to enforce the Governance, led by a Head of Governance who reports to the Director of ESG & Sustainability and communicates directly with the Board of Directors. The team aligns with Shahi's broader goals by coordinating

with the Executive Committee (EC) to guide strategies and initiatives in establishing an effective safety management system, ensuring sustainability efforts are seamlessly integrated into our operations.

## Scope of Governance



### Health & Safety

Safeguarding people, infrastructure, and the environment with compliance like Fire, Chemicals, Electrical, Operations, Health & Hygiene



### Regulatory & Social

Meeting regulatory, legal, and ethical standards like Local and National regulatory mandates, International Labor and Human Rights standards



### Organizational

Strengthening organizational structure and management. Ensuring clarity and compliance with like Policies, Procedures, Compliances



### Customer Service

Meeting expectations and supporting customer goals

## Health & Safety

At Shahi, we prioritize safety by implementing comprehensive protocols, conducting regular assessments, and offering training to ensure a secure and healthy working environment. Our focus includes fire, structural, chemical, and electrical safety, and overall employee well-being. Based on safety assessments, we invest in long-term infrastructure improvements to continuously raise safety standards.

As a part of this commitment, we actively participated in the Life and Building Safety (LABS) Initiative, a program developed to mitigate preventable structural, fire, and electrical safety risks in key apparel-producing countries.

## Regulatory & Social

The Governance team periodically assesses adherence to regulatory requirements by maintaining up-to-date records, filing timely returns, securing necessary licenses, and disclosing mandatory information. This ensures compliance with social, international, national, regional responsibilities, and legal standards.

## Organizational

Our governance is driven by comprehensive policies and procedures that guide operations and decision-making. We ensure alignment with corporate values and regulatory obligations, including ethics, anti-corruption, and environmental stewardship. Shahi is a signatory

to the *Social & Labor Convergence Program (SLCP)*, actively working to reduce assessment fatigue and provide a standardized assessment framework.

Since FY 2019-20, we've brought 90% of our factories under SLCP.

## Customer Service

We uphold strict standards to consistently meet and surpass customer expectations while adhering to ethical and regulatory guidelines. Governance ensures meeting customer demands, including product quality, safety, and data privacy.

## Board of Directors

Our Board’s diverse knowledge and commitment have contributed to Shahi’s sustained performance and growth. Governed by the Companies Act of 2013, our Board includes individuals with varied expertise. Our Managing Director and Chairperson leads the Board in maintaining close oversight of the operations. The Internal Audit team, composed of skilled professionals, works closely with the Board to monitor and maintain performance and operational systems. Their key responsibilities include assessing risks, conducting operational audits, investigating fraud, and recommending automation for efficiency to support Shahi’s long-term growth and sustainability.

## Executive Committee

The Executive Committee (EC), a subset of the Board of Directors, provides strategic oversight and decision-making authority. It includes key Directors and top management:

- Harish Ahuja, Managing Director & Chairperson
- Girish Ahuja, Group Chief Financial Officer
- Ramanujam Venkat Raghavan, CEO, Men, Bottoms, and Denim Division
- Ramalingam T., CEO, Knits Division
- Anant Ahuja, Director of ESG and Sustainability
- Ananda Padmanabhan P.B, President-Corporate Affairs; Advisor

The Executive Committee shapes and oversees ESG performance and collaborates with the ESG Management Team to materialize its vision into a reality.

## ESG Governance

The Board plays a crucial role in supporting Shahi’s ESG practices. By collaborating with various departments, the Board sets objectives and reviews performance to ensure ESG initiatives align with Shahi’s strategy. The Board maintains a strong communication channel with the ESG team and all the stakeholders, including employees, value chain partners, customers, government, NGOs, and communities.

Throughout the year, we work to expand the Board members’ knowledge of sustainable development. Our Managing Director and Chairperson, and the Executive

Committee lead monthly factory and mill performance reviews. Each business division reports on key ESG parameters, particularly compliance, health, and safety, in these reviews.

Additionally, the Executive Committee has established task forces for targeted areas, such as the Energy Transition Taskforce, which focuses on accelerating decarbonization efforts in our textile mills. This task force, a collaborative effort that brings together leaders from Sustainability, Operations, Engineering, and Procurement, ensures that all perspectives are considered in identifying and developing sustainable solutions, such as phasing out coal from our operations.



\* The CSR Team operates under the guidance of the CSR Committee, which reports to the Board of Directors

## Corporate Social Responsibility Committee

The CSR Committee ensures our company's social responsibility efforts align with our values and legal requirements, focusing on community and environmental well-being. Established under The Companies Act 2013, this Committee is responsible for:

1. Developing and recommending a CSR policy to the Board, outlining the initiatives as per Schedule VII of the Act
2. Proposing a budget allotment for CSR activities to the Board
3. Annually reviewing the CSR Policy
4. Developing and recommending an Annual Action Plan (AAP) to the Board each year
5. Establishing a transparent mechanism for implementing and monitoring CSR initiatives

The CSR Committee and team meet monthly to review project updates, address challenges, and ensure that CSR spending aligns with our goals.

## Our Policies

At Shahi, our governance system includes a wide range of policies for both internal and external stakeholders. We use a decentralized approach, promoting accountability by allowing divisions and departments to establish their goals, strategies, and policies.

The Board conducts a comprehensive evaluation of policies, keeping the process transparent and inclusive, while incorporating a detailed presentation and duly

considered feedback. Senior decision-makers in relevant departments are promptly notified of material hazards, ensuring they are always informed and involved in the process.

### GOVERNANCE

- Code of Conduct
- Anti-Bribery and Anti-Corruption Policy
- Risk Analysis Policy
- POSH Policy
- Outsourcing Policy
- Vendor Code of Conduct Policy
- Communication Policy

### ENVIRONMENT

- Sustainability Policy
- Environmental Health and Safety Policy
- Climate Change and Energy Policy
- Water Policy
- Chemical Management Policy

### SOCIAL

- Health Policy
- Injury and Illness System Management – Policy and Procedures
- Policy and Procedures on Occupational Health Management
- Prohibition of Child Labour Policy
- Anti-Harassment and Anti-Abuse Policy
- Modern Slavery and Human Trafficking Policy

We are committed to ensuring that our policy commitments are effectively communicated to all our stakeholders, keeping them reassured and well-informed.

- Freedom of Association and Right to Collective Bargaining
- Anti-discrimination Policy
- Quality Policy
- Xinjiang Cotton Ban Policy
- Cotton Sourcing Policy
- Internal Reporting of Adverse Events Policy

- Chemical Purchase Policy
- Waste Management Policy
- Air Policy
- Conflict Mineral Policy

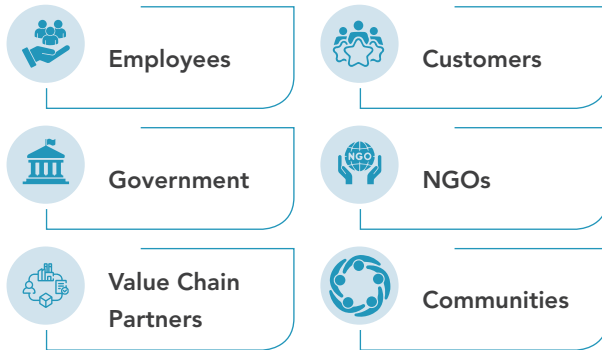
- Policy on Women's Rights
- Policy on Non-retaliation Against Associates/All Stakeholders
- Policy on Handling of Complaints and Confidential Appeals
- Crèche Policy
- Policy on Human Rights
- Corporate Social Responsibility Policy



# MATERIALITY

We conducted a materiality assessment exercise adhering to the GRI standards 2021. The process was instrumental in identifying and prioritizing key sustainability issues pertaining to Shahi, incorporating insights from both internal and external stakeholders.

## Our Stakeholders



## Stakeholders Involved in the Survey

### Internal Stakeholders



### External Stakeholders



## Material Issues

Material Issues	Shahi's 'Responsible for' Pillars	Impact	Stakeholders	Management Approach
Employee Well-being	Employee Health & Well-being	Social and Financial	Employees	Shahi prioritizes employee well-being and safety at the workplace. We implement comprehensive training and healthcare programs to achieve the workers' professional and personal growth. We also conduct multiple safety programs to spread awareness, reduce workplace accidents, and improve emergency responsiveness.
Material Innovation and Product Quality	Water Efficiency, Energy & Emissions, Waste for Circularity, & Chemical & Material Stewardship	Social, Environmental, and Financial	Value Chain Partners, Customers	Shahi drives material innovation with eco-friendly fabrics and R&D, ensures quality through rigorous control, and adopts sustainable practices to reduce environmental impact.
Customer Satisfaction	Water Efficiency, Energy & Emissions, Waste for Circularity, & Chemical & Material Stewardship	Social, Environmental, and Financial	Value Chain Partners, Customers	Shahi ensures customer satisfaction with high-quality products, tailored solutions, and a focus on sustainability and ethics. Shahi's ESG team works closely with brand partners to align the sustainability goals and compliance standards with customers.
Human Rights	Fair & Respectful Workplace	Social and Financial	Employees, Value Chain Partners, Customers, NGOs, & Local Communities	Shahi is committed to upholding human rights for all through policy intervention. We ensure compliance with global standards through regular audits, assessments, due diligence, and training.
Diversity and Equal Opportunity	Fair & Respectful Workplace	Social and Financial	Employees	Shahi treats all individuals with respect and dignity, mitigating bias or discrimination.
Local communities and CSR	Corporate Social Responsibility	Social, Environmental, and Financial	Government, NGOs, & Local Communities	Shahi fosters community development by engaging in various CSR initiatives.

Material Issues	Shahi's 'Responsible for' Pillars	Impact	Stakeholders	Management Approach
Training and Development	Empowered Workforce	Social and Financial	Employees, Customers, & Local Communities	Shahi organizes training and skill enhancement programs, including softskill development and leadership programs. Through tailored training programs, we ensure that our women are empowered and promoted to leadership positions. We focus on enhancing diversity and closing the gender gap on the factory floors.
Waste Management and Circularity	Waste for Circularity	Social and Financial	Value Chain Partners, Government, & Local Communities	Shahi proactively tackles waste management by implementing comprehensive strategies to reduce, manage, and reuse waste.
Water and Waste Water Management	Water Efficiency	Social, Environmental, and Financial	Government, Local Communities	Shahi reduces its freshwater consumption in wet processing by recycling most of the water used.
Energy, Emission, and Climate Change	Energy & Emissions	Environmental and Financial	Employees, Customers, Government, & Local Communities	Shahi actively adopts renewable energy sources like solar, wind, and biomass, aiming to reduce carbon footprints and comply with environmental norms.
Governance and Business Ethics/Compliance	Fair & Respectful Workplace	Social and Financial	Employees, Value Chain Partners, Customers Government, NGOs, & Local Communities	Shahi has established robust governance mechanisms by implementing policies and practices that ensure ethical conduct.
Sustainable Supply Chain Management	Fair & Respectful Workplace	Social, Environmental, and Financial	Value Chain Partners, Customers, & Local Communities	Shahi actively collaborates with value chain partners to foster long-term sustainable partnerships and promote ethical conduct and fair practices. To enhance value chain partner representation, Shahi has partnered with several organizations and collaborated on collective initiatives to promote sustainability practices across the supply chain. These efforts focus on improving raw material procurement and garment manufacturing processes.









## RESPONSIBLE FOR PLANET

Conserving resources, improving efficiency, and enhancing innovation are essential to protecting the environment. Through sustainable sourcing, circular production, ethical supply chains, and investment in innovation, we reduce our environmental footprint and foster positive impacts across our supply chain. The 'Responsible for Planet' framework supports these efforts, ensuring Shaha operates with long-term environmental responsibility.



## Highlights FY 2023-24

**100%**

of the dyes and auxiliaries used in our production processes are ZDHC MRSL compliant

**100%**

Coal phase-out achieved in one mill

**78%**

Recycled water used in our textile mills, exceeding our goal

**7.4%** and **23.5%**

Reduction in emissions intensity for Mills and Garments, respectively, compared to FY 2020-21

**CDP Score B**

An improvement compared to last year's score of B- and the global average of C

**68.92%**

Verified Higg FEM Index Version 4.0 score, against global average 48.08%



## Higg Index Facility Environmental Module

The Higg FEM delivers a standardized framework for assessing annual environmental performance, providing a holistic insight into a manufacturer's environmental footprint. It helps manufacturers, brands, and retailers in having a more targeted approach by identifying and prioritizing key areas for improvement.

FEM Year	Self-assessment score (%)	Shahi's average verified score (%)	Difference between self and verified (%)	No. of facilities undergone verification	Global apparel median (verified)
AY 2023 (4.0)	70.34	68.92	2%	45	48.08*
AY 2022 (3.0)	81.10	78.05	4%	44	53.82
AY 2021 (3.0)	80.62	75.80	6%	41	53.64
AY 2020 (3.0)	77.53	73.48	5%	36	51.08
AY 2019 (3.0)	73.98	72.79	2%	15	48.50

\*This figure is as of October 28, 2024.

A slight impact in our scores and the global apparel median score from AY 2022 is due to the update of the Higg Index from Version 3.0 to Version 4.0, which introduces a more comprehensive framework with additional assessment

modules. Our Higg verified score aligns with our self-assessment score. This indicates an accurate self-evaluation of our practices, enhancing our credibility. All Shahi units underwent Higg FEM 4.0 training, facilitated by a third-party verifier, with follow-up sessions by the Central Environment Team for guidance on self-assessment documentation.

## Carbon Disclosure Project (CDP)

As a leading global non-profit, CDP provides a widely accepted platform for measuring and reporting greenhouse gas emissions. Shahi's participation in CDP enables us to identify risks and opportunities, guiding our development of targeted strategies. This highlights our commitment to transparency and responsible environmental practices, contributing to the industry's broader sustainability efforts and climate change mitigation.

Year	Shahi	Global Average	Asia Average	Global Textile and Fabric Industry Average
AY 2023	B	C	C	B
AY 2022	B-	C	C	B
AY 2021	B-	B-	B-	C

In AY 2023, we achieved a CDP score of B, surpassing the global average of C and the textile industry average of B, reflecting our commitment to improving environmental practices and transparency.



# ENERGY AND EMISSIONS

Textile mills and garment factories are essential parts of our vertically integrated manufacturing operations. Mills are more energy-intensive due to processes like spinning, weaving, knitting, dyeing, and finishing. In contrast, garment factories focus primarily on assembly and sewing, which requires comparatively less energy.

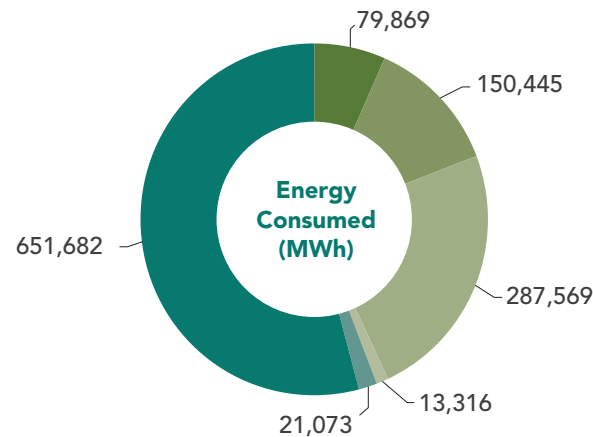
At Shahi, we meet our energy needs through both direct and indirect sources. **Direct energy**, primarily thermal energy, is sourced on-site, while **indirect energy**, mainly electrical, is sourced off-site. Transitioning to clean energy sources in both areas is a key focus in our daily operations in order to reduce greenhouse gas emissions and supporting industry and global climate goals. 81% of our energy comes from direct sources, while 19% comes from indirect sources.

## Energy Consumption in Our Operations

We prioritize clean energy by expanding renewable sources like solar and wind. We also explore alternative fuels and work closely with stakeholders to build resilient supply chains. This ensures that our large-scale operations meet sustainability goals while reducing environmental impact.

While coal continues to be the predominant fuel, we are increasing our usage of biomass and focusing on strengthening its supply further. In FY 2023-24, 75% of our total energy consumption of 1,203,954 MWh

36% of our energy comes from carbon-neutral sources, up by 2% from FY 2022-23



- 7% Conventional Electricity
- 12% Renewable Electricity<sup>13</sup>
- 24% Biomass
- 1% HSD/Diesel/CNG
- 2% Gas (PNG + LPG)
- 54% Coal

was consumed by mills, while our garmenting units consumed the remaining 25%.

## Direct Energy

Direct Energy Consumption in Mills (MWh)				
Year	Diesel/Petrol/CNG	Biomass	Gas (LPG/PNG)	Coal
FY 2023-24	1,204	80,355	10,394	651,682
FY 2022-23	1,038	13,870	14,961	603,837
FY 2021-22	945	21,434	21,195	475,185

Biomass energy consumption in the mills surged by approximately 476% from FY 2022-23 to FY 2023-24, marking a significant shift towards carbon-neutral energy. Our mills have reduced PNG consumption by shifting to biomass, leading to a further 30% reduction in PNG demand. The demand for coal increased solely due to the addition of a new textile mill.

Direct Energy consumption in Garmenting (MWh)				
Year	Diesel/Petrol/CNG	Biomass	Gas (LPG/PNG)	Coal
FY 2023-24	12,112 <sup>14</sup>	207,214	10,679	0
FY 2022-23	9,727	205,901	8,234	0
FY 2021-22	8,539	156,831	10,819	14,570

The garmenting units have successfully transitioned away from coal since FY 2022-23, reflecting a strategic shift towards sustainable energy sources like biomass. As

13. This includes electricity consumption of 3,603 MWh generated from our own steam turbines in the mills.

14. Our calculations of diesel, petrol, and CNG usage since 2023, which includes onsite vehicles, have resulted in an increase in our reported consumption figures. This comprehensive approach ensures a more accurate representation of our overall energy usage.

a result, 90% of direct energy demand in garmenting units was met with carbon-neutral fuel during FY 2023-24.

## Indirect Energy

Electricity Consumption in Mills (MWh)		
Year	Conventional Electricity	Renewable Electricity
FY 2023-24	43,253	121,803
FY 2022-23	33,322	117,033
FY 2021-22	29,984	111,080

Electricity Consumption in Garmenting (MWh)		
Year	Conventional Electricity	Renewable Electricity
FY 2023-24	36,616	28,642
FY 2022-23	36,479	28,164
FY 2021-22	35,349	25,139

In FY 2023-24, renewable electricity consumption in our mills and garmenting rose by 9.5% and 14%, respectively, since FY 2021-22. Energy generated from steam turbines at our mills contributed to this increase along with optimization of renewable electricity distribution across our factories.

The overall increase in the electricity demand at our mills can be attributed to the addition of a new mill. Currently, we harness 84 MW of solar and 8.57 MW of wind energy, which combined caters to approximately 65% of our electricity needs. Our rapid transition to clean electricity has enabled a generation of approximately 130 million kWh annually. To accelerate this transition further, we plan on adding 55 MW of solar capacity in FY 2024-25 and upcoming years. This will take us closer to our target of 100% renewable electricity by FY 2026-27.

## SFL Phases Out Coal in Steam Generation

In December 2023, Sarla Fabric Limited (SFL), our woven mill in Ghaziabad, Uttar Pradesh, initiated a transition from coal-based fuel to biomass briquettes for steam generation. This shift aligns with our goal of achieving 50% carbon-neutral fuels by FY 2026-27.

- To support this transition, SFL invested in an Atmospheric Fluidized Bed Combustion (AFBC)<sup>15</sup> boiler and Thermopac, equipped with Electro Static Precipitator (ESP) systems, that capture fine particles emitted from boilers, reducing environmental impact.
- We also installed an automated ash handling plant to minimize health hazards associated with fine ash particles.

Our Shivamogga mills have invested in biomass-enabling systems, such as handling systems, ESPs, and fuel storage expansion, positioning us ahead of global energy transition goals. In line with these efforts, we also established a cross-departmental Energy Transition Taskforce, to drive coal phase out in our mills.



15. AFBC (Atmospheric Fluidized Bed Combustion): A type of boiler used in energy production that burns solid fuels with high efficiency, reducing pollutants like SO<sub>x</sub> and NO<sub>x</sub>.

## Emissions Management

As global temperatures rise and climate patterns become increasingly unpredictable, responsible emission management has become crucial. The main emissions disclosed in our report are:

**Scope 1 Emissions:** Direct greenhouse gas emissions from owned or controlled sources, such as fuel combustion in company facilities and vehicles.

**Scope 2 Emissions:** Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company.

Emissions can also be categorized based on fuel type:

**Fuel Emissions:** Greenhouse gas emissions from the combustion of fossil fuels like coal, oil, and natural gas used for energy and transportation.

**Biogenic Emissions:** Emissions including CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O that are produced as a result of the combustion and/or degradation of biogenic materials, wastewater treatment, and a variety of biological sources in soil and water.

Since FY 2018-19, we have made significant progress by sourcing renewable electricity from our solar parks and windmills, transitioning from fossil to carbon-neutral alternatives, and reducing our overall energy consumption.

Year	Scope 1 <sup>16</sup>			
	Mills (MT)		Garmenting Units (MT)	
	Fuel Emissions	Biogenic Emissions	Fuel Emissions	Biogenic Emissions
FY 2023-24	277,796	21,063	5,259	78,459
FY 2022-23	255,807	3,517	4,264	78,294
FY 2021-22	203,013	6,135	10,442	63,974

The 493% increase in biogenic emissions for mills from FY 2022-23 to FY 2023-24 reflects our shift towards using more bio-based and carbon-neutral fuels, aligning with our sustainability goals. A detailed case study on this is mentioned above.

Year	Scope 2	
	Mills (MT)	Garmenting Units (MT)
FY 2023-24	30,969	26,217
FY 2022-23	27,324	29,913
FY 2021-22	24,587	28,986

In FY 2023-24, Scope 2 emissions from our garmenting units decreased by around 12% compared to FY 2022-23, contributed by increased energy efficiency and cleaner electricity sources.

As a responsible organization, we have successfully mitigated over **600,000** metric tonnes of GHG equivalent emissions since 2018.

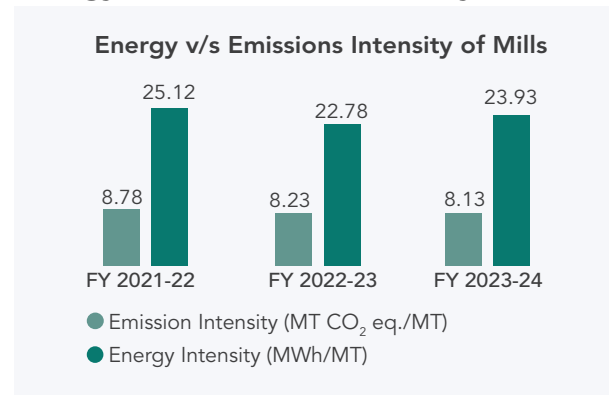
On World Earth Day, we organized a 'Nature Care Drive' to emphasize the importance of tree plantations and ecosystem preservation. Our employees, along with local community members, participated in manuring and watering activities at our sites. These tree plantation drives have helped us mitigate **715,900** kg of GHG equivalent emissions.



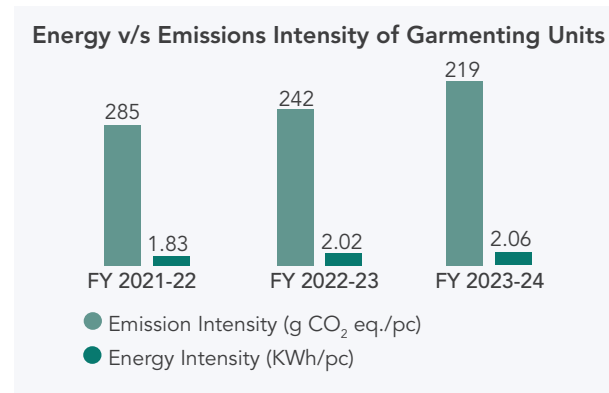
<sup>16</sup> The gases factored into our emissions calculations include CO<sub>2</sub> (carbon dioxide), CH<sub>4</sub> (methane), and N<sub>2</sub>O (nitrous oxide). Furthermore, we align our reporting practices with the Greenhouse Gas (GHG) Protocol.



## Energy and Emissions Intensity



Since FY 2021-22, our emission intensity and energy intensity in our mills have decreased by 7.4% and 4.7%, respectively. This can be attributed to energy efficiency measures in operations and fuel transitions.



In FY 2023-24, we achieved a 23.5% improvement in emission intensity within our garmenting units compared to FY 2021-22. This significant reduction is attributed to phasing out the use of coal and energy efficiency initiatives.

## Climate Adaptation at Shahi

India experiences extreme heat waves, with temperatures surpassing 49 degrees Celsius the previous year, affecting worker productivity and well-being. The International Labour Organization (ILO) reports that Southern Asia is experiencing significant working hour losses due to heat stress, with India projected to lose 34 million full-time jobs by FY 2030-31. The apparel industry must prioritize climate adaptation alongside climate mitigation. At Shahi, employee welfare is paramount, prompting various interventions to create a comfortable work environment amid rising temperatures.



Our factories and mills have implemented natural ventilation systems, installed high Solar Reflective Index (SRI) sheets on roofs, and introduced high-volume low-speed fans to improve airflow.



Switching to LED lighting has also reduced ambient temperatures by 2.4 degrees Celsius, boosting productivity.



We provide medical support, uninterrupted clean drinking water, and regular breaks during heat waves to ensure worker health.



# CHEMICAL STEWARDSHIP

Shahi is committed to sustainable chemical management and has been an active participant in the ZDHC (Zero Discharge of Hazardous Chemicals) program since its inception. We align with ZDHC's approach, utilizing their chemical and wastewater modules to enhance transparency and support sustainable procurement decisions.

To elevate our chemical management practices, all our wet processing units, including mills, have fully transitioned to using ZDHC check tools such as Performance InCheck and ZDHC ClearStream. This ensures that all chemicals entering and leaving our facilities have minimal environmental impact.



100% of the dyes and auxiliaries used in our production processes are ZDHC MRSL compliant, with approximately 90% conforming to ZDHC MRSL Levels 1 to 3

We also use online chemical management tools like BVE3, Bhive, and Clean Chain for Performance InCheck, and work with ZDHC-approved third-party laboratories for ClearStream testing of wastewater and sludge.

Additionally, we hold the OEKO-TEX® STANDARD 100 certification for 12 facilities, including all four mills. This globally recognized independent testing system assesses products for harmful substances based on their intended use, applying stricter requirements for products with significant skin contact.





## Management and Safety

Our Chemical Management and Chemical Purchase Policies detail our practices for managing chemicals, following established SOPs that are in accordance with the ZDHC Technical Industry Guidelines for the usage and storage of chemicals.

Chemical storage is vital to our safety measures, with access restricted to authorized personnel and monitored by a designated individual. These areas are well-ventilated, sheltered, and equipped with essential safety equipment, including fire extinguishers, eye wash stations, and spill kits. We have comprehensive chemical and leak management procedures that provide clear guidelines for handling chemical leaks and

spills, emphasizing safety, environmental protection, and regulatory compliance. Responsibility for these procedures rests with the individual overseeing the chemical storage area or the location where chemicals are utilized.

## Sustainable Chemicals Alternatives

Innovation in chemicals and the development of sustainable alternatives are a key focus for Shahi as a leading textile brand committed to environmental responsibility. Embracing cutting-edge and innovative solutions allows us to significantly reduce our environmental footprint while maintaining high-quality standards in our products.

Our wovens mill has transitioned 30% of their dyeing process to a salt-free method, saving 300 tonnes of salt and subsequent steam





## ***Innovations in Pre-treatment, Coloration, and Finishing***

Processing accounts for 52% of emissions in the textile supply chain, making it the largest source of pollution. Through our partnership with 'Fashion for Good', we collaborated with innovators across all stages of processing—pre-treatment, coloration, dyeing technology, machinery, and finishes—offering them a testing ground to validate their technologies. We seek solutions that maintain or improve quality parameters while reducing energy consumption, resource use, and our carbon footprint. These efforts support the industry's transition from wet to dry processing.

### **Pre-treatment:**

- We are conducting pilots with bio-based prepare-for-dye solutions and plasma pre-treatment technologies, to reduce water consumption and overall emissions.

### **Coloration:**

- In April 2023, Shahi joined the 'Fashion for Good' Dyestuff Library Project, a digital tool enabling partners to choose sustainable dyestuff based on competitive performance and environmental metrics. This tool supported by partners like Adidas, Inditex, Bonprix and Otto International (members of the Otto Group), BESTSELLER, Target, Patagonia, Paradise Textiles, Welspun, and Shahi Exports, will accelerate the shift from harmful chemicals to more sustainable alternatives.
- Throughout the year, we have done lab trials with low-impact dyes and pigments derived from various nature-based sources such as algae, wood, and microbes. We are also exploring supercritical CO<sub>2</sub> and digital spray dyeing technologies.

### **Finishing:**

- In FY 2023-24, we started trials with PFAS-free and bio-based DWR finishes to replace conventional, metal-releasing finishes, aiming to protect the planet and improve material quality.

While we continue to pilot these innovations, their scalability in the industry requires collaboration across the value chain. As a vertically integrated value chain partner, we are eager to provide our technical expertise in processing and work closely with other brands and innovators.



# SUSTAINABLE MATERIALS

Sustainable materials have low environmental impact at every stage of their lifecycle, from production to disposal. In the textile supply chain, material production is the second most polluting stage after dyeing and finishing. To minimize carbon emissions, we use

sustainable materials such as organic cotton, recycled cotton, recycled polyester, lyocell, and regenerated cellulose. Currently, about 50% of our materials fall under the sustainable materials category, and we are working to increase that percentage.

Scaling material innovations requires strong partnerships. We value collaboration between value chain partners and innovators, which helps us strengthen the supply chain for sustainable raw materials and drive progress towards a more sustainable future.



## Natural Fibers



BCI Cotton



Regenerative Cotton



Organic Cotton



## Human-made Sustainable Fibers



Sustainable Viscose



Recycled Polyester



Lenzing Modal



Recycled Cotton

## Fabric Innovation Cell of Ladies Specialty Division

Since its inception in FY 2015-16, the Fabric Innovation Cell (FIC) at Shahi has become a hub of creativity. This dedicated team explores innovative fibers, yarns, and fabrics that meet the evolving needs of brands and consumers. By understanding brand demands, the FIC pitches low-impact, high-performance materials that stand out in the market. The cell collaborates with R&D experts and designers, generating fresh ideas. It also offers a unique collection of in-house designed fabrics, showcasing Shahi's commitment to innovation in the textile industry.

We continue to do pilots and trials with emerging next-gen materials like agri-waste-derived natural fibers and textile-waste-derived MMCFs (Man-Made Cellulosic Fibers). The scalability of these materials requires commitment and collaboration across the supply chains.



## Circulose Supplier Network

Shahi has always been committed to the development of innovative and sustainable products. In FY 2023-24, Shahi joined The CIRCULOSE® Supplier Network (CSN), a group of leading yarn and textile producers working to make fashion more circular. These early adopters are the first to access CIRCULOSE® volumes. By joining the CSN, we commit to the development of circular solutions and democratizing more sustainable textiles and end-products. CIRCULOSE®, a 100% recycled raw material created by Renewcell, is used to make textile fibers like viscose, modal, lyocell, and acetate. It can be blended with other materials at each manufacturing stage. In FY 2023-24, we completed several orders using Circulose, and believe that as the demand and volume commitments from brands grow, next-gen materials like Circulose will continue to scale.





## 100% Recycled Jacket for India's Honorable Prime Minister

Shahi played a key role in designing and manufacturing a sustainable jacket for Shri Narendra Modi, Prime Minister of India which was presented at the inaugural Bharat Tex 2024 event. The jacket's fabric blends recycled cotton scraps from the factory floor with polyester fiber from discarded PET bottles to make a 100% recycled jacket. Shahi was selected as the manufacturer to design and develop the fabric for the jacket. It is encouraging to see prominent leaders promote the use of recycled materials in fashion.



The Prime Minister was spotted wearing the jacket on key occasions, including an interaction with Former Microsoft CEO, Bill Gates.

## Traceability & Due Diligence

Understanding the origins of materials in the supply chain, especially natural fibers like cotton, is essential for promoting ethical practices. Traceability helps brands ensure that their sourcing aligns with sustainability goals and ethical standards. This transparency builds consumer trust and encourages responsible management of resources. Numerous upcoming legislations on traceability and due diligence, such as the UFLPA and the EU Forced Labor Law, form the foundation of many of our efforts. These regulations are central to driving our approach and actions.

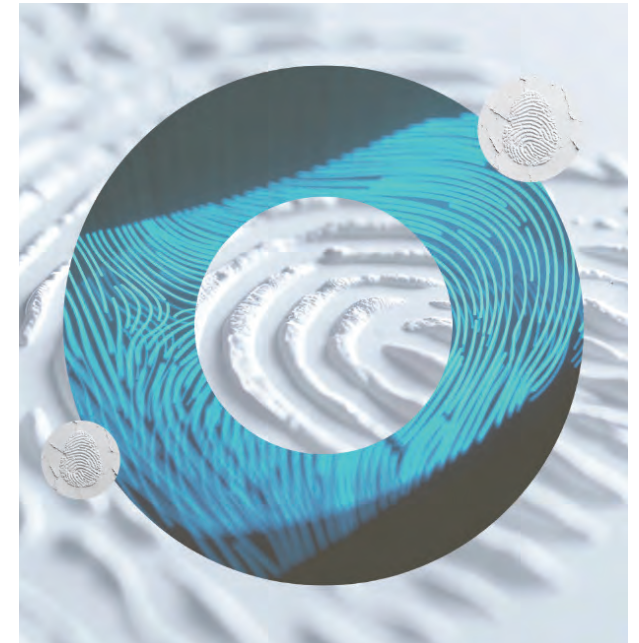
Conducting thorough due diligence of the supply chain involves:

- a. **Value Chain Partner Evaluation:** We conduct in-depth assessments of our value chain partners to evaluate their compliance and risk levels, using publicly available entity details.
- b. **Risk Assessment:** We gather all traceability-related documents necessary for compliance with border checklists, actively seek any missing information, and analyze the collected data to assess potential risks within the product trail.
- c. **Empowering Teams with Training:** We train all divisions to ensure we have high standards in ethical practices, focusing on building capacity and an understanding of topics such as legislation, compliance, risk assessment, due diligence, documentation, and risk mitigation.

## Advanced Digital and Physical Tools

At Shahi, we embrace innovative digital traceability tools to monitor our processes closely, enhancing clarity and efficiency. We use 'Textile Genesis' for certain sustainable fiber categories to track materials from their origin onwards, streamlining our operations and transparency. As traceability tools keep evolving, we collaborate with our brand partners to find the best solutions.

We have piloted the use of genetic tracers, to scientifically verify the source of our cotton. Although the landscape of physical tracing is still developing, we are committed to this transformative journey, ensuring responsible material sourcing.



## Shahi's Commitment to Ethical Sourcing in Cotton

### Conducting YESS Assessment in the Knits Processing Division

Our Knits Processing Division (KPD) has set a new benchmark by becoming the inaugural Indian mill to undergo the YESS assessment. YESS (Yarn Ethically & Sustainably Sourced), led by Responsible Sourcing Network, combats forced labor in cotton production, promoting ethical and sustainable sourcing. In FY 2023-24, we focused on implementing all the action plans necessary for foundational level conformance.

Over the past year, we've made some key advancements:

- Updated 'Know Your Supplier' (KYS)
- Developed Sourcing Policy
- Strengthened Value Chain Partner Vetting Process
- Improved Communication with Value Chain Partners
- Conducted Internal Team Trainings

These initiatives have strengthened our relationship with our value chain partners and reinforced our commitment to ethical sourcing practices. We continue to share the learning from the YESS Program with other Divisions within Shahi.



## Leading the Digital Transformation with Trakwel

Embracing rapid digitization in the textile industry, we collaborated with Track Tech Solution to pilot project 'Trakwel'. Each garment receives a unique QR code, enabling real-time tracking from fabric receipt to finished goods, delivery, and quality measurements. This system enhances efficiency, accuracy, traceability, and cross-departmental communication and coordination. It:

- Eliminates record duplication
- Optimizes resource usage
- Provides a real-time, single source of information
- Moves us closer to the vision of a 'paperless factory'

After successful trials, project 'Trakwel' is being scaled in various factories. This collaboration positions Shahi as a leader in digital transformation within the textile industry, setting new standards for operational efficiency and resource management.



# WATER EFFICIENCY

Water is a life-sustaining, limited resource. As one of the leaders in the textile industry, Shahi recognizes the importance of water conservation in water-intensive activities such as dyeing, finishing, and washing. To address this, we have taken up several initiatives to conserve this essential resource.

At Shahi, we embrace the three R's: Reduce, Reuse, and Recycle. We reduce water consumption and reuse treated wastewater wherever possible, including production and for everyday needs like gardening and washrooms.

**Treatment Plants:** We strategically install and upgrade Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) to enhance water efficiency. Our monitoring systems help us catch leaks early, maximizing water conservation. We create detailed operating manuals and SOPs (Standard Operating Procedures) for ETP (Effluent Treatment Plant) and STP (Sewage Treatment Plant) to align with the highest quality standards for effluent discharge.

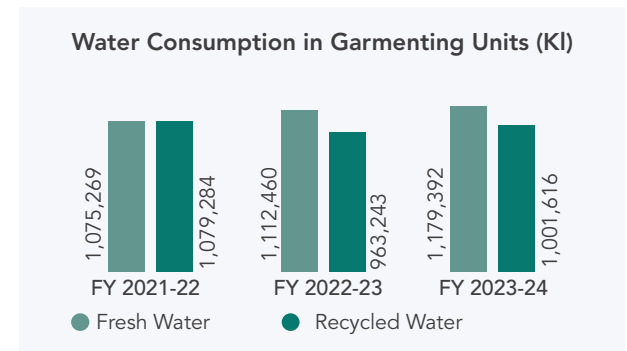
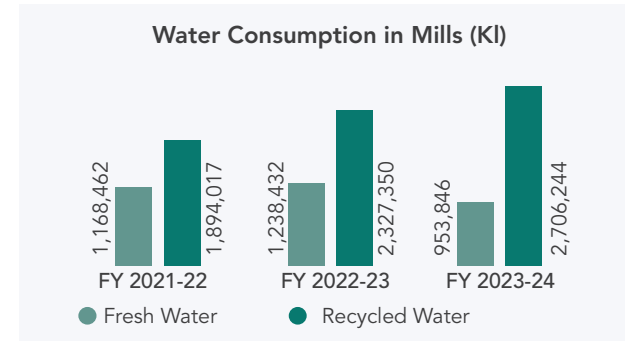
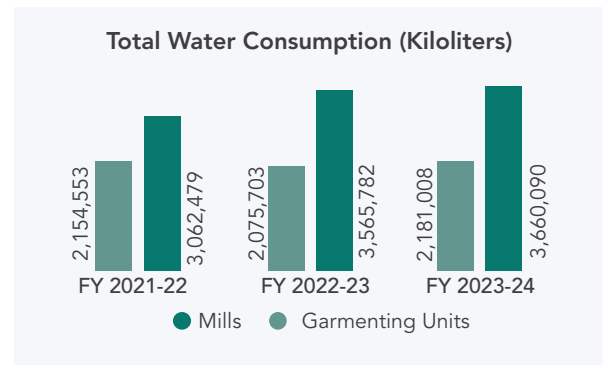
**Compliance:** We comply with all water management laws and Pollution Control Standards to ensure sustainable practices. Our wastewater treatment process is thorough and rigorous, ensuring safety for reuse. With our commitment, we follow the Zero Discharge of Hazardous Chemicals (ZDHC) Wastewater guidelines to monitor, control, and manage our effluents responsibly. Our discharged water meets the strict State Pollution

Control Board (SCPB) regulations. We also prioritize water conservation in our laundry operations, leveraging Environmental Impact Measurement (EIM) tools to get real-time insights into our environmental footprint. This allows us to devise effective strategies to keep our ecological impact within the prescribed limits.

Our goal is to set high standards in water management by integrating leading global practices and innovations, continuously refining our methods.

## Water Consumption in our Operations

We are dedicated to expanding our use of recycled water while gradually reducing our reliance on groundwater. We set a goal to use 75% of the recycled water in our mills for fabric processing. In FY 2023-24, we surpassed this goal, achieving 78% of recycled water usage.



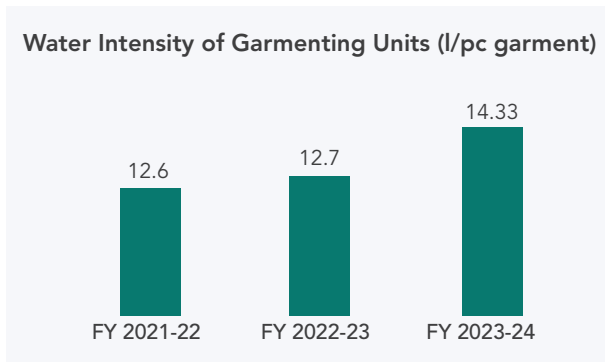
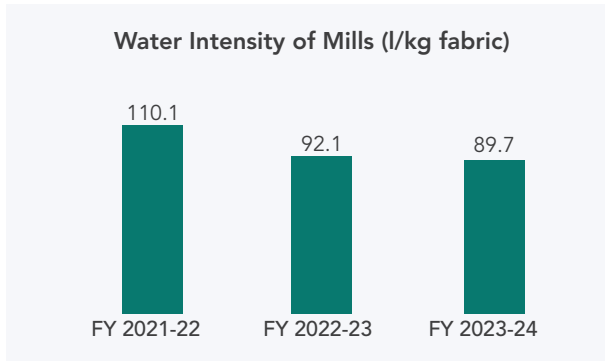
Increased production volumes have elevated the demand for water in mills. We are meeting this primarily through recycled water. We continue to make investments in our recycling and water conservation efforts. For example, in our Wovens mill- SFL, there was

**Reduced freshwater consumption in our mills by 23% since FY 2022-23**



expansion of the aeration tank in the Effluent Treatment Plant (ETP), doubling its capacity to reduce biological oxygen demand (BOD) and enhance waste water treatment. As production increased, the overall demand for freshwater rose. This higher water usage also increased our recycled water output since FY 2022-23.

### Water Intensity



In FY 2023-24, water intensity in garmenting units increased by 1.63 l/pc due to added production capacities and the implementation of special product washing processes.

## Water Efficiency in Our Mills

Our weaving mill, Sarla Fabric Limited, recently implemented several innovations to enhance water conservation and operational efficiency.

- Counter-Flow Water System: In the CBR (Continuous Batch Reactor) machines, we adopted a counter-flow water system that recycles post-steamer washing water, reducing water consumption by 15-20%.
- Automatic Drum Washer: We installed an automatic drum washer, cutting water usage by over 30% and saving over 60% of cleaning time.
- Automated Dosing System: An automated dosing system in the wash box optimizes water usage and minimizes manual intervention.

These actions collectively contributed to substantial water savings, reduced cleaning time, and streamlined operations, reinforcing our commitment to sustainable practices and resource optimization.



# WASTE TOWARDS CIRCULARITY

Our textile waste management strategy emphasizes reducing waste at the source by upcycling on the shop floor and reusing fabric in design and development. We focus on segregating waste to maximize value and connect with recyclers to ensure fabric waste is fully reused. Systems for collecting, quantifying, and selling paper, plastic, and other non-hazardous waste are in place. Hazardous waste is safely disposed of through specialized management systems.

We follow the 'Procedure for Hazardous Waste Minimization', which mandates handling by a SPCB (State Pollution Control Board)-authorized recycler or disposer to manage hazardous wastes. Similarly, approved vendors are selected for the treatment, recycling, and disposal of non-hazardous waste.

Our waste management policy reflects full legal compliance with the highest industry standards. Key aspects include improving waste management processes, minimizing raw material use, and ensuring safe disposal of hazardous waste. We also provide rigorous employee training to ensure effective implementation of waste management practices at the operational level.

In FY 2023-24 waste oil generation in mills, decreased by 22%, due to upgraded machinery and maintenance. ETP sludge generation was higher due to periodic deep cleaning of the ETPs every few years for optimal performance. All hazardous waste is directed to SPCB-authorized or approved vendors for compliance, while the non-hazardous is directed to approved vendors.

## Waste Generated

Waste Generated in Mills				
	FY 2023-24	FY 2022-23	FY 2021-22	Units
<b>Hazardous Waste</b>				
ETP Sludge/MEE salt	24,897	10,313	8,555	MT
Waste Oil	8,159	10,458	5,920	Liters
Boiler Ash (Biomass)	8,749	9,568	0	MT
Empty Chemical Drums	68,135	56,541	47,868	Nos
<b>Non-Hazardous Waste</b>				
Paper/Carton waste	1,120	872	777	MT
Plastic Waste	165	170	171	MT

Waste Generated in Garmenting Units				
	FY 2023-24	FY 2022-23	FY 2021-22	Units
<b>Hazardous Waste</b>				
ETP Sludge/MEE salt	3,275	3,044	2,357	MT
Waste Oil	15,059	17,736	9,547	Liters
Empty Chemical Drums	37,700	54,219	48,121	Nos
<b>Non-Hazardous Waste</b>				
Paper/Carton waste	3,296	3,088	3,331	MT
Plastic Waste	230	234	147	MT
Fabric Cutting Waste	10,882	10,173	10,619	MT

## Advancing Waste Management Practices

This year, Shahi also launched a pilot project in two factories to improve the segregation of cotton-cutting waste. By separating waste directly on the shop floor, we enhanced the quality of feedstock for recyclers and created added value for the factories. We are actively increasing our vendor base of recyclers to collect and close the loop on textile waste.



## Partnerships in Focus

### Forum for the Future's project to study circular economy

Shahi is pleased to be a part of the Forum for the Future's Enabling Systemic Circularity in Fashion (ESCF) program, which explores the factors that drive circular innovations in fashion. This initiative aims to identify both the conditions that support these transformative solutions and the barriers they encounter. Some of the key questions that need to be answered include: What factors in the value chain and among partners help innovations flourish? What barriers are currently holding them back? The program also explores how industry relationships can be leveraged, offering strategies to accelerate innovation and make meaningful solutions more feasible.



### Tracing Textile Waste Initiative by Fashion for Good

In FY 2023-24, Shahi joined Fashion for Good's 'Tracing Textile Waste' as an advisor. This two-year collaborative project addresses the challenges of tracking textile waste from its source to recycling. Currently, the process is heavily manual and lacks standardized data, making it difficult to consolidate and share information effectively. By utilizing Textile Exchange's Material Declaration Form, the initiative helps establish clear classifications for pre-consumer reclaimed materials, improving communication across the reverse supply chain. Additionally, we're exploring digital waste mapping platforms to simplify administrative tasks for certified processes, creating a streamlined and scalable approach for the industry.





A group of people, including men and women, are walking along a path outdoors. The path is bordered by a concrete wall on the right and lush greenery on the left. In the foreground, four individuals are prominent: a man in a plaid shirt and light blue jeans, a woman in a blue and black saree, a woman in a pink and purple saree, and a woman in a red and black outfit. The woman in red is wearing a lanyard with an ID card. A large purple circle is overlaid on the left side of the image, containing the text 'RESPONSIBLE FOR PEOPLE' and a paragraph of text.

## RESPONSIBLE FOR PEOPLE

The textile industry, a cornerstone of global economies, employs around 45 million people in India and supports millions more across related sectors. Shahi, with its extensive reach, recognizes its responsibility to impact the lives of those we engage with positively.



## Highlights FY 2023-24

**1.3 million**

Hours of training conducted for employees

**110%**

of our goal to train all workers in BSafe - GRM awareness training, achieved ahead of FY 2024-25\*

**106%**

of our goal to train supervisors in STITCH, achieved ahead of FY 2024-25\*

**100%**

Inache V2 scaled up to all factories, achieved ahead of FY 2024-25

**106%**

of our target to train 90,000 women in Gap Inc. P.A.C.E., achieved ahead of FY 2024-25

**90%**

of our factories are now covered under the Social & Labor Convergence Program

Founded on the principle of empowering women through financial independence, Shahi has driven change for nearly five decades.

Our focus centers on four key areas: empowering our workforce, promoting employee well-being, ensuring a fair and respectful workplace, and contributing to community development. Over the past year, Shahi surpassed key goals in areas such as employee training and grievance mechanisms, continuously improving practices and governance to foster a sustainable and inclusive environment for all.

\* Goals exceeded workforce strength because of attrition and onboarding of new employees.

## New Goals

Since 2017, Shahi has applied an evidence-based approach to deliver impactful programs prioritizing employee well-being and development. Through collaborations with customers, social enterprises, and research organizations, Shahi collects valuable feedback to assess the long-term impacts of its initiatives and identify the areas for improvement.

As many programs have successfully scaled up, Shahi reflects on its approach and expands the scope to address emerging needs. While the long-term goal involves regular program reviews, the immediate focus is enhancing employee-centered programs that elevate the overall experience at Shahi.



To train 4,200 individuals in behavioral and soft skills by FY 2025-26



To extend STITCH 2.0 to 100% of supervisors and in-charges by FY 2027-28



Train 100% of our workforce in the first round of BSafe V2 Training by FY 2027-28



To enroll 650 leaders in eight months of leadership course training under PULSE by FY 2025-26

# FAIR & RESPECTFUL WORKPLACE

## Responsible Recruitment

Responsible recruitment is critical to building a sustainable and inclusive workplace at Shahi. Our commitment to ethical practices extends through every stage of recruitment, from initial planning to ongoing evaluation.



### Planning for the Future

Every six months, we thoroughly review our annual budget, workforce planning, job descriptions, and resource allocation. This helps us anticipate our future needs and align our recruitment efforts with the company's strategic goals.



### Adhering to Standards

We have established a comprehensive Standard Operating Procedure (SOP) for recruitment and selection. Following this SOP ensures consistency and fairness throughout the process.



### Filling the Gaps

When a new position arises, we use a Manpower Requisition Form (TRF) to define the requirements clearly. Relevant heads approve the TRF before the recruitment process begins.



### Tracking Progress

We monitor recruitment progress closely, tracking the status of each open position every month. This helps us identify bottlenecks and areas of improvement.



### Continuous Improvement

We conduct weekly internal factory review meetings to ensure effectiveness. These meetings allow us to analyze performance, identify root causes for vacancies, and explore potential improvements.



### Escalating Issues

We report key findings and recommendations to management each month during our factory performance review meetings. This ensures timely responses to challenges or opportunities.



### Seeking Approvals

We carefully analyze budget, infrastructure, and resource availability to determine if additional resources are needed. If so, we seek approval from the Board of Directors to address any gaps.



### A Cycle of Improvement

Our commitment to responsible recruitment is an ongoing process. We strive to create a positive and inclusive workplace for all by regularly reviewing our practices and making necessary adjustments.



## Developing Skills through Community Programs

As a project implementation partner of the Government of India, Shahi provides comprehensive skill-building programs to underprivileged women and youth. Upon completing training, participants receive a certificate from the Sector Skill Council and National Skill Development Corporation (NSDC) and a job opportunity at Shahi and other garmenting firms.



Mobilization



Training



Counseling



Placement Life-cycle Support



## Community Skill Development Programs:

Project	Program Description	Location	Total Trained
DDU-GKY	DDU-GKY (Deen Dayal Upadhyaya Grameen Kaushalya Yojana) provides skill training and placements for rural youth to create income diversity and support career aspirations.	Jharkhand, Karnataka, Chhattisgarh	751
Samarth Entry Level and Samarth Upskilling	Samarth (Scheme For Capacity Building In Textile Sector) incentivizes industry, promotes textile sector skilling, and offers demand-driven, placement-oriented training for livelihood creation.	Assam, Bihar, Chhattisgarh, Haryana, Jharkhand, Karnataka, Andhra Pradesh, Madhya Pradesh, Odisha, West Bengal	5,497
			3,134
BSDM-RTD	The Recruit-Train-Deploy (RTD) under the Bihar Skill Development Mission (BSDM) recruits candidates, provides upfront offer letters, and offers industry-relevant training before deployment.	Bihar and Delhi	291
OSDA and CSSDA	We run a 300-hour sewing machine operator (AMH/Q0301) in collaboration with Odisha Skill Development Authority (OSDA) and Chhattisgarh State Skill Development Authority (CSSDA). The program aligns with the National Skills Qualification Framework (NSQF) to ensure industry employment and income diversity for underprivileged and rural youth.	Odisha and Chhattisgarh	874
Odisha Mining Corporation	The 730-hour sewing machine operator (AMH/Q0301) training program, in collaboration with Odisha Mining Corporation, aligns with NSQF to ensure industry employment and income diversity for underprivileged and rural youth in mining regions	Odisha	69
PM Vishwakarma (CG)	The PM Vishwakarma scheme, launched in September 2023, supports artisans and craftspeople. Shahi facilitated a 32-hour training program for the SMO trade under this scheme.	Chhattisgarh	151
<b>Total</b>			<b>10,767</b>

Year	Trained	Placed	Placement %
FY 2023-24	10,767	9,067	84%
FY 2022-23	9,542	8,017	84%
FY 2021-22 (since 2014)	44,000	32,560	74%
Cumulative Progress	64,309	49,644	77%
Target by FY 2024-25	65,000	50,000	77%
<b>Goal Achieved</b>	<b>99%</b>	<b>99%</b>	<b>77%</b>

In FY 2023-24, we have met 99% of our goal to drive skill development in communities

**Recognitions:**



We received the 'Best Performance' award for completing 5 **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)** projects in Odisha.



Awarded by the Jharkhand State Livelihood Promotion Society at the **CXO Conclave** for providing employment and fostering career growth for DDU-GKY candidates.

## Stitching a New Future



“My life took a turn for the better thanks to SAMARTH. After marriage, financial struggles made further education a distant dream. I worked tirelessly at a beauty parlor, but it wasn’t enough. SAMARTH’s sewing machine operator training not only equipped me with valuable skills but also ignited a spark of hope within me. Today, I’m working at Shahi Unit-F1, Faridabad, and the financial independence I’ve gained is empowering me to support my family and build a brighter future. I’m truly grateful to the Ministry of Textiles, Govt. of India, and the SAMARTH Scheme for this life-changing opportunity.”

- **Pinki, Sewing Machine Operator**  
SAMARTH (Entry-Level),  
Ballabgarh Center



## Our Workforce

Shahi takes pride in its diverse and dynamic workforce of over 100,000 employees across management, non-management, and factory workers, ensuring a blend of skills and perspectives. Almost 92% of Shahi's workforce are factory workers, with women constituting 73%.



**104,340**  
Total workforce

### Women Leadership on the Shopfloor

It's crucial to have women supervisors on the shop floor to promote gender diversity and inclusivity. Factories with women supervisors report improved communication, worker satisfaction, and productivity. Women in leadership positions inspire other women workers to grow within the organization, fostering a more balanced and supportive workplace. Additionally, the presence of women supervisors helps in addressing gender-specific concerns on the shop floor. In FY 2022-23, 40% of our supervisors were women.

Today, nearly 45% of our supervisors are women, due to targeted training and leadership skilling programs

#### Employee Bifurcation by Gender (Position-wise)

Category	Male	Female	Total
Board of Directors	8	-	8
Senior Management	139	18	157
Manager	1,634	211	1,845
Non-manager	4,395	1,034	5,429
Worker	23,406	73,488	96,894

#### Employee Bifurcation by Age (Position-wise)

Category	<30	30-50	>50	Total
Board of Directors			8	8
Senior Management	0	114	43	157
Manager	44	1,533	268	1,845
Non-manager	1,402	3,695	332	5,429
Worker	39,061	54,776	3,057	96,894

### EWASE: Empowering Women at Shahi Exports

The Empowering Women at Shahi Exports (EWASE) is a structured program to promote gender equality by encouraging more women to take leadership roles at Shahi. The program is not a one-size-fits-all solution, but a tailored approach to train potential supervisors in all-around technical and behavioral skills, enabling effective problem-solving, prompt decision-making, clear communication, and sound empathy.

The program involves systematic selection, capacity building, and deployment of women leaders on the shop floor. We have initiated the program in Shahi's F1 and F2 Units in Faridabad and trained 35 candidates so far to advance in their professional careers.

The need for women in leadership roles is underscored by their positive impact on workplace culture and the advancement of gender equality. We aim to expand the program to additional Shahi units and increase women's representation in leadership positions on our shop floors.

## From Feeder to Leader



Babita Rani, a dynamic 34-year-old, began her journey at Shahi in 2010 as a Feeder— a humble starting point that would spark a remarkable transformation.

In 2011, Babita's thirst for growth led her to the Gap Inc. P.A.C.E. training program. This experience not only revealed her potential but also intensified her hunger for knowledge. Keen to broaden her horizons, she actively engaged in Shahi's in-house Multi-Skill Operator training, showcasing her proactive approach to skill development.

With an insatiable drive for knowledge, Babita pursued EWASE training, and today, she stands on the brink of a new chapter. She is now completing on-the-job training as a supervisor for a team of 60 operators. With unwavering determination and boundless ambition, Babita is set to become a skilled and inspiring leader, ready to shape the future of Shahi.

## Elevating Women's Voice

We are committed to fostering a workplace where women's voices are heard, valued, and amplified. Creating diverse and inclusive platforms empowers women to share their perspectives, contribute to decision-making, and drive positive change. Our initiatives focus on providing opportunities for women to develop their skills, advance their careers, and become leaders within the organization. Through active participation in dialogues and forums, we ensure that women's voices are integrated into shaping our company's future.

### Bridging Barriers: Women Deliver Conference 2023



Shahi co-hosted a virtual concurrent session on 'Breaking the Glass Ceiling: Growth for Women in Low-Income Work' with Good Business Lab and the United Nations Foundation at the Women Deliver Conference 2023. In a first, Shahi was represented by a factory worker, Kalyani Pandey Needle Keeper alongside Chitra Ramdas, Senior General Manager, Organizational Development, presenting cross-cutting views from across the value chain. This included insights from lived experience, research, on-ground implementation, and policy perspectives.

Kalyani Pandey, Needle Keeper, shared, "Women face biases right from home and at work, where they expect us to drop the ball in quality and responsibility. The programs I have been a part of have helped break down different aspects of my life that potentially impact my

work. It showed how awareness, communication, time management, and financial planning can help bring about big changes at work and at home.”

## #AskHER: International Women's Day 2024

Shahi hosted the 'AskHER' event in March 2024 to celebrate and learn from successful women leaders. This event highlighted the journeys of inspiring women in middle and senior management roles, focusing on their strategies for overcoming challenges and achieving success. By sharing their experiences, these women empowered other women and promoted gender equality within the organization.

We held three panels across our corporate offices, featuring speakers from positions as diverse as Assistant Managers to Assistant Vice Presidents. Women leaders, supervisors, and factory in-charges in our factories also took the floor to inspire our workers.

The interactive “Ask Me Anything” session, a key part of the event, allowed attendees to directly engage with the speakers, seeking advice and inspiration.



## Cultivating Women Leaders: Susan's story



Fresh out of college, Susan began her journey at Shahi in 1997. Twenty-seven years later, she now serves as an Associate Vice President of Marketing. Susan's career in Shahi has seen continuous growth from her early days in quality assurance to her work in planning, product merchandising, sourcing, marketing, and branding. Her deep understanding of the industry and diverse exposure enabled her to play a pivotal role in Shahi's growth.

Susan is currently leading the marketing and branding division at Shahi. She exemplifies women's empowerment and has inspired many to break the glass ceiling to pursue their dreams.

“ I had the privilege of witnessing the amazing growth of the apparel industry in the late 90s. Each new assignment was a pivotal moment, fueled by the belief and support of my managers. Their efforts to foster a progressive and innovative culture created an environment where we could ideate, systemize, and bring in many innovative changes.

One particularly challenging moment was when I was balancing motherhood with leading three factories, a role often associated with men. With my manager's support, I not only overcame this challenge but also identified multiple growth paths. What I saw as a challenge quickly turned into an opportunity.”

- Susan Paul

Associate Vice President of Marketing



# HUMAN RIGHTS

Our human rights policies reflect our deep commitment to dignity, equality, and justice within Shahi and our value chain. These policies apply to all affiliates, subsidiaries, individuals, and value chain partners associated with Shahi to prevent any adverse effect on people connected to our business. We also ensure that our commitment to human rights is upheld across our supply chain, pledging adherence to national and international labor laws and the ethical Buyers' Code of Conduct.



## Local and National regulatory mandates

- The Bonded Labour System (Abolition) Act, 1976
- Child Labour (Prohibition and Regulation) Act, 1986
- Minimum Wages Act, 1948
- Immoral Traffic (Prevention) Act, 1956
- The Factories Act, 1948, and other laws



## International Labour and Human Rights Standards

- Universal Declaration of Human Rights
- Global Compact
- Modern Slavery Act, 2015



## Buyers' Code of Conduct

## Access to Grievance Mechanisms

We provide employees with comprehensive human rights awareness sessions that promote a fair and equitable workplace. Our approach to resolving human rights issues prioritizes fairness and offers multiple resolution channels in factories and offices. Our human rights professionals receive continuous training, and we have a strict framework for investigating and resolving any reported violations, especially concerning child labor.

Fair and timely grievance resolution enhances employee well-being, satisfaction, and productivity. We have implemented standard operating procedures at Shahi to administer the Grievance Resolution Mechanism across our factories effectively. Our Organizational Development officers deliver interventions, evaluate the performance of our systems, and drive innovations.



## Welfare & HR Personnel

Workers can approach welfare and HR officers and the factory head to voice concerns and feedback.



## Organizational Development (OD)

OD is a centralized neutral team at each factory that leads worker development programs and facilitates grievance redressal.



## Worker Committees

Five elected worker-management committees are operational in all factories.



## Suggestion Box

Workers can share suggestions and complaints by dropping them into designated boxes throughout the factory.



## Hotline

Workers can use these hotlines to discuss their issues.



## Inache

Anonymous, digital, two-way, multilingual communications tool where workers can call and share their suggestions, queries, and grievances.

## Prevention of Sexual Harassment (POSH)

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) is a critical legislation in India that aims to protect women from sexual harassment in the workplace.

Shahi is firmly dedicated to maintaining a safe, respectful, and inclusive work environment for all employees, aligning with the POSH Act's principles. We have established robust Internal Complaints Committees in each factory to handle sexual harassment complaints promptly and confidentially. The committee comprises experienced members trained to conduct impartial investigations and provide appropriate resolutions. We also offer regular training to our employees on workplace ethics, sexual harassment prevention, and grievance redressal mechanisms.

# 84,508

Total hours of POSH Training conducted

## Bsafe: Delivering awareness for Worker Voice

In 2022, we launched Bsafe, a two-hour participatory awareness program to educate our workforce on harassment prevention and resolution methods. This initiative, developed with A&F Co. as a knowledge and training partner and NGO partner, Kshitij, has received validation from the Garment Labor Union. This validation reassures us of the program's effectiveness and relevance.

**In FY 2023-24, we achieved our goal of training all workers in BSafe ahead of time.**

### Introducing BSafe Version 2

To address the emerging needs of our workers, BSafe has been updated to include the following:

- Recognizing and preventing gender-based violence and harassment
- Attention to mental health and resources for suicide prevention
- Understanding cybercrime and its prevention

**The new target is to train 100% of our workforce in the first round of BSafe V2 GRM Training by FY 2027-28.**

Year	Trained
FY 2022-23	27,363
FY 2023-24	79,458
Total <sup>17</sup>	106,821



17. Numbers exceeded workforce strength because of attrition and onboarding of new employees.

## Inache: A Digital Platform for a Better Workplace

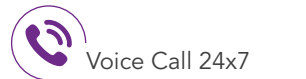
We are committed to fostering a safe, open work environment at Shahi Exports. In 2019, Inache was developed by Good Business Lab (GBL) to study the impact of a worker communication tool on absenteeism and productivity.

In FY 2023-24, we launched Version 2 of Inache, incorporating what we learned from the pilot. We have successfully scaled it to 100% of our factories, partnering with GBL Ventures for optimal implementation.

### Enhanced capabilities

Inache offers customized workflows and multilingual support, ensuring accessibility for our diverse workforce and aligning with HR requirements. This user-centric process was accompanied by quality checks integrated into Inache’s workflow to ensure a timely resolution that boosts worker satisfaction.

With these capabilities, we are working to digitize all our grievance redressal channels, enabling real-time insights into worker needs.



“ For those of us who cannot write or are shy to communicate, Inache is a welcome way to voice our concerns. I’ve been with Shahi for three years as a Grade B tailor. At first, I was hesitant to use it, but after a helpful demo, I realized how easy it is. Just a call away! ”

- a Tailor

“ Inache designed a user-friendly dashboard that is both familiar and intuitive. Easy to use and accessible for the workers. Since the dashboard was put in place, we’ve gotten fewer requests (about the grievances), and people are generally happier. ”

- HR Manager at Shahi Exports



# EMPOWERED WORKFORCE

Shahi's comprehensive training programs reflect its dedication to empowering the workforce, reducing gender disparity, and promoting a fair and respectful workplace. We have introduced tailored programs focusing on upskilling and establishing a future line of leadership. These programs impart skills for our workers to succeed in their respective roles. Our training programs include leadership development, soft skills enhancement, technical training, and education on human rights awareness, among other similar areas.

Training data	FY 2023-24		FY 2022-23		FY 2021-22	
Category of Employees	Total Attendees	Total Training Hours	Total Attendees	Total Training Hours	Total Attendees	Total Training Hours
Workers*	347,850	1,295,588	188,567	1,247,219	207,422	933,695
Employees	7,631	44,638	9,595	82,925	7,971	46,508

\*The number of attendees is higher than Shahi's total workforce because each employee undergoes multiple training programs.

## RISE/GAP Inc. P.A.C.E. Program

Gap Inc. P.A.C.E. program remains our longest-running well-being initiative. To date we have trained 95,698 women, exceeding our goals to train 90,000 women by FY 2024-25 ahead of time. In FY 2023-24, 627,256 hours of training were conducted under this program, which has benefitted 9,206 workers. In 2023, the Gap Inc. P.A.C.E. program became part of RISE: Reimagining Industry to Support Equality. RISE brings together the four largest women's empowerment programs in the apparel industry—BSR's HERproject<sup>18</sup>, Gap Inc. P.A.C.E., CARE International, and Better Work—to empower women workers, embed gender equality in business practice and catalyze systems change.



18. BSR HERproject® is now RISE: Reimagining Industry to Support Equality. It was a global initiative that empowered low-income women working in global supply chains through health, financial, and gender equality training.

## Shaping Future Leaders and Effective Managers

### PULSE: Promoting Upcoming Leadership at Shahi Exports

PULSE is an eight-month immersive curriculum for personal and interpersonal growth that focuses on embodying Shahi’s vision for future leadership to cultivate a positive and productive work environment. **Our aim is to enroll 650 leaders in eight months of leadership course training under PULSE by FY 2025-26.**

Target Group	Middle Management
FY 2023-24	168 trained

“PULSE is a remarkable initiative to cultivate the next generation of leaders at Shahi. This program has already made a significant impact on our facility. Our managers’ attitude and problem-solving skills have seen immense growth, leading to a more positive and efficient work environment. We believe that these individuals, equipped with the knowledge and skills gained from PULSE, will become invaluable assets to our organization, surpassing external talent.”

- Sujeet Kumar,  
General Manager, Operations, Unit E10



“The STITCH training program ignited a spark within me, transforming my approach to leadership. Today, I am humbled to hear employees express their desire to work under my guidance. It is a testament to the power of knowledge and empathy. I am grateful to the OD team for this incredible opportunity to learn and grow. The training has equipped me with valuable skills and instilled in me a passion for empowering others.”

- Lipun, Supervisor, Unit 23

### STITCH: Soft Skill Enhancement

STITCH is a comprehensive leadership program that imparts technical training to aspiring and working managers on leading their teams, fostering a positive workplace culture, and driving operational efficiency.

Target Group	Supervisors
FY 2023-24	1,294 trained

STITCH 2.0 aims to evolve from a traditional training intervention to a holistic learning system, aligning with the 70/20/10 learning principle. By focusing on self-directed learning, peer collaboration, and formal training, STITCH 2.0 will enhance organizational effectiveness at various levels. A Learning Management System (LMS) will be implemented to support continuous learning and development for senior and other managers, focusing on leadership, effective execution, and team dynamics. **Our aim is to train 100% Supervisors and Incharges in STITCH 2.0 by FY 2027-28.**

## Captain Program

Understanding the Captain's pivotal role in guiding the team to the goal, we launched the Captain program – a holistic upskilling initiative designed to build the next line of leaders to elevate the work environment. Currently, 846 captains are deployed in our lines across 2 divisions.

<b>Target Group</b>	Workers
<b>FY 2023-24</b>	65% of our lines in 2 divisions have deployed Captains

“I have been working in Unit 45 for 4 years. The Captain program transformed me, teaching me effective problem-solving and calm communication. I approach challenges with a level head, resolving issues peacefully and empowering my team. The Captain program isn't just a title; it's a catalyst for personal and professional growth.”

- Varalakshmi, Captain, Unit 45



## Upskilling Our Employees

Poonam's journey at Shahi began in 2002 as a helper in the Embroidery department, where she worked with dedication and nurtured a spark of ambition. She participated in various training programs, from first-aid to firefighting, expanding her skills and broadening her horizons.

In 2004, a pivotal moment arrived. Poonam seized the opportunity to become a sewing machine operator through Shahi's in-house training. This new role allowed her to showcase her talent and creativity by transforming fabric into beautiful garments.

Despite her growing responsibilities, Poonam's quest for knowledge kept her going. In 2011, she fearlessly pursued higher education in law, balancing her studies with her demanding job.

This determination and resilience were further reflected in her decision to participate in the Gap Inc. P.A.C.E. training in the year 2015.

“The Gap Inc. P.A.C.E. training was a crucial turning point,” says Poonam, “I was fascinated by the inspiration the trainer brought to the room. I knew that this was what I wanted to be. I wanted to share and help women around me the same way the trainer helped me. After completing my higher education in law, I expressed a desire to my trainer.”

This transformative experience ignited a passion within her for education and its profound impact on individuals and communities. On completing her education in 2017, Poonam was promoted as an Executive in the Organizational Development Department, where she now empowers others through training. Her journey

from a helper to a skilled trainer is a testament to her unwavering spirit, relentless pursuit of knowledge, and commitment to uplifting others.





# EMPLOYEE HEALTH & WELL-BEING

We place a strong emphasis on employee wellbeing. Shahi implements a range of measures to ensure the comprehensive well-being of all its employees.

## Prioritizing Employee Safety at the Workplace

At Shahi, employee safety is our top priority. We have implemented a comprehensive Occupational Health and Safety Management (OHSM) system that aligns with the Factories Act of 1948 and International Labour Organization standards.

Our Governance team is pivotal in overseeing effective safety management systems and operations. However, the proper drivers of our safety culture are our employees. Their awareness and commitment are essential to ensuring compliance and preventing accidents.












We've appointed dedicated Safety and Wellbeing Officers at each factory to strengthen our safety initiatives further. These professionals are responsible for adherence to the compliance guidelines and the rigorous enforcement of safety measures.

## Risk Assessment and Safety Preparedness

Shahi delivers extensive training programs on emergency preparedness, fire, electrical & chemical

safety, machine and equipment, the importance of personal protective equipment, and occupational hazard awareness. Additionally, we emphasize efficient resource utilization, waste management, and adherence to environmental regulations through comprehensive environmental and sustainability training.

The training given to our workers includes:

-  Waste Handling Training
-  Personal Protective Equipment (PPE) training
-  Fire Fighting & Fire Hydrant
-  Chemical Handling Training
-  Environmental Awareness Training
-  Wastewater Backup Plan Training
-  Pill Kit Training
-  Mock Drill
-  First Aid Training
-  Waste Handling at Effluent Treatment Plant (ETP) & Reverse Osmosis (RO)
-  Restricted Substances List and Manufacturing Restricted Substances List Training

To further enhance workplace safety, we organize extensive safety training, health camps, and awareness programs to build knowledge essential to mitigate risks. These protective measures significantly reduced workplace fatalities by fostering consciousness.



## Employee Healthcare

Through our 'Responsible For People' initiative, we guarantee all employees access to healthcare. We have established fully-equipped medical centers, including skilled doctors and nurses, in all our facilities to manage injuries and provide essential healthcare services. Additionally, all employees are covered in the Employee's State Insurance (ESI) scheme, ensuring broader healthcare protection for everyone.

### Medical Camps

The company conducted multiple awareness and health testing camps to extend medical support beyond on-site services. Several health topics were covered, including general wellness, disease prevention, and early detection screenings. Employees received comprehensive medical information and resources to facilitate better overall health management. These initiatives enable them to undergo essential screenings and check-ups without taking time off from work.

We have implemented various initiatives to achieve this goal:

- **Antenatal Care:** Providing access to essential maternal healthcare services for expectant mothers
- **On-site Crèche Facilities:** Providing convenient childcare options to support working parents
- **Dengue Fever Awareness:** Training employees on prevention and early detection



- **Cancer Prevention:** Organizing awareness campaigns to promote healthy lifestyles and early cancer detection
- **Disability Awareness:** Promoting inclusivity and breaking stereotypes surrounding disabilities
- **Ergonomic Training:** Empowering employees to maintain good posture and prevent work-related injuries
- **Snake Bite Awareness:** Training employees to respond effectively to snake bites
- **Eye and General Health Check-ups:** Providing comprehensive screenings for housekeeping, canteen staff, and workers







## CORPORATE SOCIAL RESPONSIBILITY

Over five decades, Shahi has been committed to economic and social sustainability. Inspired by our founder's vision, we've focused on four key areas to empower our workforce, particularly women and underprivileged communities. Our 'Responsible For People' initiative reflects our commitment to holistic development.



## Highlights FY 2023-24

**162,644**

Beneficiaries reached in FY 2023-24

**30,787**

Beneficiaries accessed SRH services through the Satellite Clinic, achieving 31% above our goals

**11,139**

Students receive access to better school infrastructure and STEM Labs

**35,885**

Trees planted through Ankuram, achieving 52% above our goal

**7,836**

Migrants from 3 states registered for services through Migrant Support Center, achieving 78% of our goal

**20,590**

Mothers and Children reached under MCHN Services, achieving 42% above our goals



	<p><b>Vision</b> Serve, Uplift, and Transform communities for a sustainable future</p>				
	<p><b>Strategy</b> Shahi's CSR program is specifically designed to meet the goals of three targeted areas:</p> <table border="1"> <tr> <td data-bbox="445 437 958 501"> <p><b>Flagship Portfolio:</b> Ensure the well-being of garment workers in the industrial ecosystem</p> </td> <td data-bbox="994 437 1491 533"> <p><b>Strategy Portfolio:</b> Community development through Education, Health, Environment Sustainability, and Skill development</p> </td> <td data-bbox="1523 437 1989 533"> <p><b>Contingency Portfolio:</b> Establishing a robust mechanism to address stakeholders' emerging concerns</p> </td> </tr> </table>	<p><b>Flagship Portfolio:</b> Ensure the well-being of garment workers in the industrial ecosystem</p>	<p><b>Strategy Portfolio:</b> Community development through Education, Health, Environment Sustainability, and Skill development</p>	<p><b>Contingency Portfolio:</b> Establishing a robust mechanism to address stakeholders' emerging concerns</p>	
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	<p><b>Process</b></p> <table border="1"> <tr> <td data-bbox="450 638 786 772"> <p><b>Interacting with Stakeholders</b> Understanding the needs of stakeholders and enhancing contribution to communities</p> </td> <td data-bbox="853 638 1173 772"> <p><b>Strengthening Synergy</b> Pursuing higher growth levels and creating shared value for stakeholders</p> </td> <td data-bbox="1252 638 1630 772"> <p><b>Risk Management</b> Implementing a risk management framework to support conservation and community needs</p> </td> <td data-bbox="1688 638 2009 740"> <p><b>Creating Social Impact</b> Aligning future growth with a focus on social impact</p> </td> </tr> </table>	<p><b>Interacting with Stakeholders</b> Understanding the needs of stakeholders and enhancing contribution to communities</p>	<p><b>Strengthening Synergy</b> Pursuing higher growth levels and creating shared value for stakeholders</p>	<p><b>Risk Management</b> Implementing a risk management framework to support conservation and community needs</p>	<p><b>Creating Social Impact</b> Aligning future growth with a focus on social impact</p>
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## Focus Areas



**SAMARTHANAM**  
(Skill Development)

Promoting and providing access to soft and technical skills to enable sustainable employment by:

- Providing training in industry-relevant skills
- Removing social and economic barriers to skill development
- Supporting individuals through the employment life-cycle: pre-placement to post-placement



**SHIKSHANAM**  
(Education)

Elevating foundational literacy and numeracy for school-going learners by:

- Developing and maintaining institutions and learning centers
- Providing innovative and high-quality learning material
- Encouraging research and innovation



**SOUKYAM**  
(Health)

Enhancing health and life expectancy for women, children, and marginalized communities by:

- Addressing psycho-social barriers to better mental and physical health
- Raising awareness of health programs and benefits
- Building capacity of state-sponsored health programs to increase reach in target communities



**SWACCHATAM**  
(Environmental Sustainability)

Facilitate a better living environment by:

- Creating awareness of critical environmental needs
- Reviving ecosystems
- Empowering communities for sustained environmental action

# SAMARTHANAM

SAMARTHANAM is our flagship skill development initiative that provides technical and soft skill training for career and personal development. We are committed to providing employment support through the pre and post-placement phases.



## Migration Support Center

### Target Demographic:

Youths and parents from Odisha, Bihar and Karnataka

### Program Partners:

Odisha Rural Development and Marketing Society (ORMAS),

Bihar Rural Livelihood Promotion Society (BRLPS)–JEEVIKA,

Sanjeevini - Karnataka State Rural Livelihood Mission

### Location:

Bengaluru, Odisha, and Bihar



### Goal:

Increase access to the Migrant Support Center for 10,000 migrants by FY 2024-25

### Impact:

**3 Migrant Support Centers in the Bengaluru campus have:**

Assisted over 7,836 migrant workers since we founded the MSC program in FY 2021-2022.

Provided access to training, employment assistance, financial literacy, placement opportunities, and health support for young migrants across three states.

Maintained a 24-hour helpline for support.

**7,836**

Beneficiaries reached since FY 2021-22





## Soft Skill Training for Women

### Target Demographic:

Women between the ages of 18 to 50

### Program Partner:

Kshitij

### Location:

Rural Karnataka, Tamil Nadu, and Andhra Pradesh



### Goal:

Positively impact 1,500 women in Soft Skill Training by FY 2024-25

### Impact:

2,150 women have utilized their training to enhance their financial condition and health since FY 2022-23.

891 women opened savings accounts in postal banks.

588 women accessed social protection schemes.

52 women have started their entrepreneurial ventures.

710 women's benefited from health camps.

**2,150**

Beneficiaries reached since FY 2022-23



## Swabhiman Project

### Target Demographic:

Underprivileged women and victims of trafficking

### Program Partner:

Know Me India Trust (KMIT)

### Location:

Jharsuguda, Odisha



### Goal:

Provide vocational skills in sewing machine operation to 380 underprivileged women at risk of trafficking by FY 2024-25

### Impact:

Assisted 70 women with job placement in the garment industry in India.

Empowered 16 women, enabling their self-employment in their homes, towns, and villages.

**251**

Beneficiaries reached since FY 2022-23

# SOUKYAM

SOUKYAM aims to enhance the quality of life for women, children, and underserved communities by addressing psycho-social barriers to health, increasing awareness, and improving accessibility to quality health care.



## Swasthya Parivaar: Satellite Clinic

### Target Demographic:

Daily wage earners, women, and hospitality staff

### Program Partner:

Family Planning Association of India (FPAI)

### Location:

Peenya and Bengaluru



### Goal:

Extend sexual and reproductive health services to 20,000 beneficiaries by FY 2024-25

### Impact:

Over 250 girls and women received access to Human papillomavirus (HPV) vaccinations to prevent infections and reduce the risk of HPV-related cancers.

The project has treated more than 1,000 anemic patients, including migrant workers.

Ensured availability, accessibility, and affordability of the services through counseling, consultation, camps, and awareness sessions.

Reduced financial burden on the beneficiaries.

**30,787**

Beneficiaries reached since FY 2022-23

**New Goal: Provide access to 45,000 community members to SRH service by FY 2024-25**





## Maternal Child Health and Nutrition

### Target Demographic:

Antenatal and Postnatal women, Children, ASHA<sup>19</sup> Workers, Anganwadi<sup>20</sup> workers, CDPO<sup>21</sup>s, ICDS<sup>22</sup> supervisors, Department of Health personnel, Nurses, and Primary Health Centre Officers

### Program Partner:

Bal Raksha Bharat  
(Save the Children, India)

### Location

Kolar, Krishnagiri and Kuppam districts in Karnataka



### Goal:

Reach 15,000 beneficiaries under the Maternal and Child Health Project by FY 2024-25

### Impact:

Provided thorough training to the Department of Health and Department of Women Child Development, maximizing the 1,000-day window to improve antenatal and postnatal care.

Engaged 400 students and 20 teachers to raise awareness around Type 1 Diabetes.

Enriched skills of Anganwadi and other healthcare workers in providing antenatal and postnatal care in communities.

Improved access to foundational learning for children in Anganwadi centers by upgrading learning infrastructure, environment, and materials.

**20,590**

Beneficiaries reached since FY 2022-23

**New Goal: Provide access to Maternal and Child Health Services to 25,000 beneficiaries by FY 2024-25**

19. ASHA- Accredited Social Health Activists, are community health workers in India who provide primary health care, promote healthy living, and connect communities with the health system.

20. Anganwadi- Anganwadis are government-funded centers that provide early childhood care and development for children, pregnant women, and lactating mothers in India. They are part of the Integrated Child Development Services (ICDS) scheme, which was launched in 1975.

21. CDPO- Is a Child Development Project Officer (CDPO) who is responsible for implementing the Integrated Child Development Scheme (ICDS) at the field level.

22. ICDS- Launched in 1975, Integrated Child Development Scheme (ICDS) is a unique early childhood development programme, aimed at addressing malnutrition, health, and also development needs of young children, and pregnant and nursing mothers.



## Menstrual Cup Distribution and Awareness

### Target Demographic:

Women aged between 25 to 45

### Program Partner:

KSHITIJ

### Location:

Mysore, Mandya, and Shivamogga districts in Karnataka



### Goal:

Provide access to menstrual cups to 7,000 women by FY 2024-25

### Impact:

Provided access to sustainable and cost-effective menstrual hygiene products.

Improved menstrual hygiene management and personal hygiene in rural women.

Reduced health issues.

**5,596**

Beneficiaries reached since FY 2021-22



# SHIKSHANAM

SHIKSHANAM improves accessibility to foundational literacy and numeracy among school-going children by providing access to fundamental requirements like infrastructure and learning material.

## Mini Science Lab

### Target Demographic:

Children, Teachers, and School Development and Monitoring Committee (SDMC) members

### Program Partner:

STEM Learning

### Location:

Hiriyuru, Kolar, Mysore, Shivamogga, and Faridabad



### Goal:

To provide 6,000 students access to STEM Lab by FY 2024-25

### Impact:

Our endline survey in 3 schools revealed

86% of students: reported that complex topics were explained more easily with the help of models.

91% of students: felt the teaching-learning process became more engaging and interactive.

87% of students: found it easier to express their understanding.

75% of the teachers: noticed some improvements in student participation and understanding.

**5,945**

Beneficiaries reached since FY 2022-23





## School Development Projects

### Target Demographic:

Government schools, Students, and Teachers

### Location:

Karnataka and Faridabad



### Goal:

Improve educational infrastructure for 10,000 rural school children by FY 2024-25

### Impact:

- Distributed 271 bicycles and 858 education kits to students.
- Established a digital library and information center in Village Panchayath Offices.
- Enhanced awareness about hygiene and cleanliness among children.
- Created a child-friendly learning space to increase enrollment in Anganwadi centers.
- Increased community participation in school activities.
- Improved capabilities of Anganwadi workers and Government schools.

**5,194**

Beneficiaries reached since FY 2022-23

# SWACCHATAM

SWACCHATAM is our environmental stewardship program that facilitates a better living environment. Through SWACCHATAM, we focus on the critical ecological needs of our communities. Our goal is to empower local communities to engage in conservation efforts and waste management.



## Solid Waste Management

### Target Demographic:

Community, schools, markets, households, commercial shops, and vegetable vendors

### Program Partner:

Saahas

### Location:

Bengaluru and Shivamogga



### Goal:

Improve solid waste management practices in communities for 150,000 beneficiaries by FY 2024-25

### Impact:

Achieved 90% adherence to waste segregation, and community members handing over waste to the vehicles.

Collected 6.5 tons of dry waste and 8.9 tons of wet waste.

Initiated waste segregation in schools, resulting in improved hygiene conditions.

Engaged with the gram panchayat members to support the project staff in the activities.

Expanded project reach to Shahi's residential facilities.

## 75,101

Beneficiaries reached since FY 2022-23

# Ankuram

Ankuram is our environmental stewardship initiative to battle critical environmental issues like global warming, deforestation, soil erosion, and desertification in semi-arid areas.



## Target Demographic:

Local Community and Schools

## Location

Faridabad, Ghaziabad, and Karnataka

## Goal:

Plant 21,000 trees in the communities across Delhi-NCR by FY 2024-25

## Impact:

Reducing the amount of stormwater runoff and flooding, preventing soil erosion, improving soil quality, and providing habitats for wildlife.

Planted 25,885 trees that can eliminate 561,700 kg or 561 tonnes of CO2 from the environment in a year.

Filtered 1.25 Lakh liter of water daily.

Running the program in schools and communities has drawn attention to the environment, ecology, and sustainable development.

## 35,885

Trees planted since FY 2021-22

**New Goal: Plant 50,000 trees by FY 2024-25**



# GRI INDEX

Shahi Exports Private Limited has reported the information cited in this GRI content index for the period 1st April 2023 to 31st March 2024 with reference to the GRI Standards.

DISCLOSURE	LOCATION
2-1 Organizational details	About Shahi
2-2 Entities included in the organization's sustainability reporting	About the Report
2-3 Reporting period, frequency, and contact point	About the Report
2-4 Restatements of information	About the Report
2-5 External assurance	About the Report
2-6 Activities, value chain, and other business relationships	Our Capabilities
2-7 Employees	Our Workforce
2-8 Workers who are not employees	Our Workforce
2-9 Governance structure and composition	ESG Governance
2-11 Chair of the highest governance body	ESG Governance
2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance
2-13 Delegation of responsibility for managing impacts	ESG Governance
2-14 Role of the highest governance body in sustainability reporting	ESG Governance
2-17 Collective knowledge of the highest governance body	Board of Directors
2-22 Statement on sustainable development strategy	Message from Our Chairperson
2-23 Policy commitments	Our Policies
2-24 Embedding policy commitments	Our Policies
2-27 Compliance with laws and regulations	Scope of Governance
2-28 Membership associations	Partnering for Progress
2-29 Approach to stakeholder engagement	Stakeholder Engagement Approach to Materiality Assessment
3-1 Process to determine material topics	Stakeholder Engagement Approach to Materiality Assessment
3-2 List of material topics	Stakeholder Engagement Approach to Materiality Assessment
3-3 Management of material topics	Stakeholder Engagement Approach to Materiality Assessment
302-1 Energy consumption within the organization	Energy and Emissions

DISCLOSURE	LOCATION
302-3 Energy intensity	Energy and Emissions
302-4 Reduction of energy consumption	Energy and Emissions
303-1 Interactions with water as a shared resource	Water Management
303-2 Management of water discharge-related impacts	Water Management
303-3 Water withdrawal	Water Management
303-5 Water consumption	Water Management
305-1 Direct (Scope 1) GHG emissions	Emissions Management
305-2 Energy indirect (Scope 2) GHG emissions	Emissions Management
305-4 GHG emissions intensity	Emissions Management
305-5 Reduction of GHG emissions	Emissions Management
306-1 Waste generation and significant waste-related impacts	Waste Management and Circularity
306-2 Management of significant waste-related impacts	Waste Management and Circularity
306-3 Waste generated	Waste Management and Circularity
306-5 Waste directed to disposal	Waste Management and Circularity
403-1 Occupational health and safety management system	Employee Health and Well-being
403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Well-being
403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Well-being
403-5 Worker training on occupational health and safety	Employee Health and Well-being
403-6 Promotion of worker health	Employee Health and Well-being
403-8 Workers covered by an occupational health and safety management system	All the workers at Shahi Exports are covered by an occupational health and safety management system.
404-1 Average hours of training per year per employee	Empowered Workforce (Data provided in Hours)
404-2 Programs for upgrading employee skills and transition assistance programs	Empowered Workforce
405-1 Diversity of governance bodies and employees	Our Workforce
406-1 Incidents of discrimination and corrective actions taken	There have been no instances of discrimination inside Shahi Exports during the reporting period.
408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights
413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility
413-2 Operations with significant actual and potential negative impacts on local communities	Corporate Social Responsibility

Drafted by : InCorp Advisory  
Designed by : Pitchcraft Communications  
Assured by : TÜV SÜD South Asia Pvt. Ltd.  
Images by : Ankit Bannerjee and Rahul Duhan





# shahi

**Shahi Exports Pvt. Ltd.**

<https://www.shahi.co.in/sustainability/>

<https://www.linkedin.com/company/shahi-exports-pvt-ltd/>