



SHAHI

MOVING THE NEEDLE

Sustainability Report FY 2022-23



About Shahi

Shahi is one of India's leading apparel manufacturers and exporters. Our vertically integrated operations, diversified product portfolio, and ethical and sustainable practices make us one of the most trusted garment manufacturers in the world.

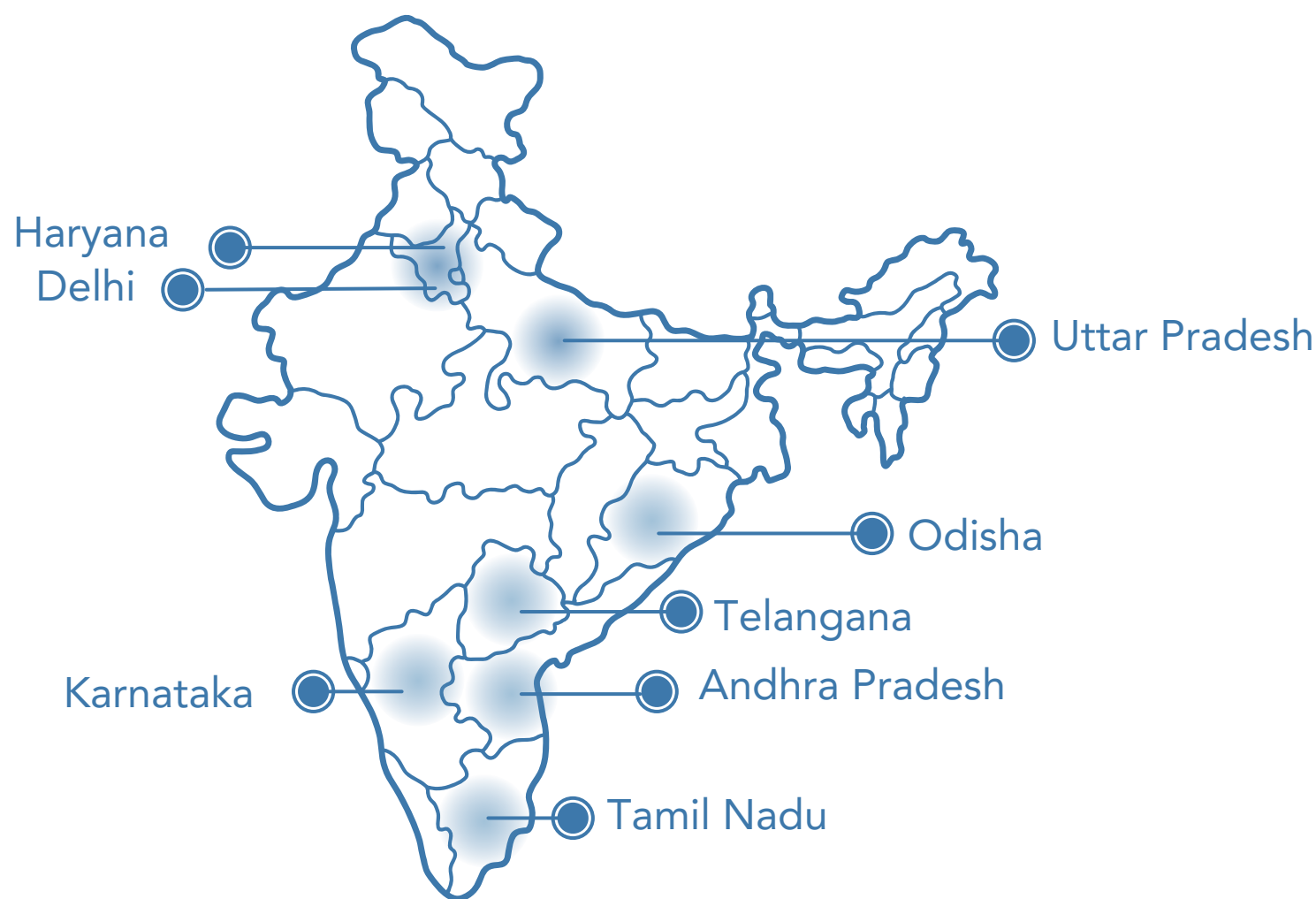
In 1974, Mrs. Sarla Ahuja laid the foundation for Shahi with a powerful mission to empower women by offering them a means of income and sustenance through a modest home-based business. The story of Shahi is not just about business growth but also about the triumph of one woman's vision and how it has transformed the lives of countless individuals.



Mrs. Sarla Ahuja,
Founder and Promoter, Shahi Exports



Our Presence



8

States

3

Processing Mills

143+ million

Garments produced annually

50+

Factories

96,000+

Full-time employees

Supplier of Choice for leading global brands for nearly **five decades**:



Quality Customer Service



Vertical Integration



Robust Design and Innovation Capability



Responsibility for People and Planet

About the Report

Moving the Needle



This year, with 'Moving the Needle'- Shahi is thrilled to present its second sustainability report. Through this report, we reflect on the year's work, shed light on progress against our goals, and highlight the pivotal role that manufacturers can play in fostering sustainable transformations within the textile industry.

The report is made in adherence to the reporting principles of the Global Reporting Initiative (GRI) Standards 2021. It focuses on its principles and approach in terms of clarity, completeness, context, and accuracy. It also showcases our ESG efforts in alignment with the United Nations Sustainable Development Goals (UNSDGs).

The scope and boundaries of the disclosures in this ESG report predominantly pertain to our company's activities within India. The present report is for the reporting period of the financial year 2022-23 (FY 2022) — April 1, 2022, to March 31, 2023.

Message from our Chairperson and MD



As I present this year's sustainability report, I am filled with immense pride in our remarkable progress in integrating sustainability into the fabric of our business operations. At Shahi, sustainability is not an afterthought but a key pillar of our success. Our sustainability journey is guided by our 'Responsible for People and Planet' framework.

Last year, we released our first Sustainability Report and set ambitious targets for the future. This year's report titled 'Moving the Needle' demonstrates our unwavering commitment to achieving and exceeding our goals.



Harish Ahuja,
Chairperson and Managing Director,
Shahi Exports

Our 'Responsible For' Framework

Responsible For Planet



Energy & Emissions Management:

Improve energy efficiency and adopt renewable energy to mitigate emissions.



Water Efficiency:

Reduce dependence on freshwater through recycling & reduce water consumption.



Chemical & Materials Stewardship:

Align with global standards for zero discharge of hazardous chemicals and source sustainable alternatives.



Waste Towards Circularity:

Managing our waste to reduce, reuse, recycle, and ultimately close the loop.

Responsible For People



Empowered Workforce:

Enhance technical and soft skills of employees.



Employee Health and Well-being:

Ensure safety, creating awareness on and tackling health issues.



Fair and Respectful Workplace:

Uphold human rights through enabling policies and strong grievance management systems.



Corporate Social Responsibility:

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

Responsible For Planet

Our Sustainability Progress



Area	Base Year	Objective	Target Year	2021 Performance (Cumulative)	2022 Performance (Cumulative)
 Energy	FY 2018	To achieve 100% renewable electricity ¹	FY 2026	68%	70%
	FY 2021	To achieve 50% energy consumption from carbon-neutral sources*	FY 2026	31%	36%
 Water and Wastewater	FY 2021	To achieve 85% recycled water usage for industrial purposes in garment units	FY 2024	80%	81%
	FY 2021	To achieve 75% recycled water usage for industrial purposes in textile mills	FY 2024	68%	71%

*We have expanded to a new mill amid the reporting period. The data regarding the same will be mentioned in our ESG Report for FY 2023.

Responsible For Planet

Highlights FY 2022

8.75 MW

OF WIND ENERGY INSTALLED,
RESULTING IN A TOTAL OF
92.5MW RENEWABLE CAPACITY

B-

CDP SCORE
AGAINST THE GLOBAL AVERAGE
OF C

78.05%

VERIFIED HIGG INDEX SCORE
AGAINST GLOBAL AVERAGE 59.67

JOINED **FASHION FOR GOOD**
AND **ORGANIC COTTON**
ACCELERATOR

0

COAL USED IN GENERATING
ON-SITE ENERGY IN
GARMENTING

56%

SUSTAINABLE FIBER USED IN
GARMENTING ²



Responsible For People

Our Sustainability Progress



Area	Base Year	Objective	Target Year	2021 Performance (Cumulative)	2022 Performance (Cumulative)
 Governance	FY 2018	To have all factories under SLCP ⁴	FY 2024	79%	84%
	FY 2021	To have inache tool in all factories ⁵	FY 2024	57%	74%
 ³ Training and Development	FY 2007	To train 90,000 women in Gap Inc. P.A.C.E. ⁶	FY 2024	74,000 (82%)	86,492 (96%)
	FY 2019	To train 100% supervisors in STITCH ⁷	FY 2024	41%	78%
	FY 2020	To enroll 500 leaders in eight months of leadership course training under PULSE ⁸	FY 2025	320 (64%)	455 (91%)
	FY 2017	To train 2,000 people for various behaviors and soft skills	FY 2024	846 (42.3%)	2,495 (124%)
 Skill Training	FY 2018	To train 65,000 women in soft and technical skills	FY 2024	44,000 (68%)	53,542 (82%)

Responsible For People

Highlights FY 2022

96%

OF GAP INC. P.A.C.E. 2024
TRAINING GOALS COMPLETED

1.2

MILLION HOURS
OF TRAINING CONDUCTED

ACHIEVED **82%**

OF OUR 2024 GOAL TO TRAIN
WOMEN IN COMMUNITIES IN
SEWING SKILLS

ACHIEVED **124%**

OF OUR BEHAVIORAL AND
SOFT SKILLS TRAINING GOAL
SET FOR 2024

SCREENED **13,000+**

WORKERS AND

480+

CORPORATE STAFF UNDER EYE
HEALTH PROJECT

PARTNERED WITH THE

**INTERNATIONAL
ORGANIZATION FOR
MIGRATION (IOM)** TO AID
MIGRANT WORKERS

New Goals

- Train 100% of our workforce in the first round of BSafe – a training on Grievance Redressal Mechanisms by FY 2025.
- Implement the Captain Program⁹ in all three sections, namely cutting, sewing, and finishing, and in all units of the Knits Division and Men, Bottoms, and Denim Division by FY 2025.



Our CSR Efforts and Everlasting Impact

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



CSR Highlights

38,276

TOTAL BENEFICIARIES REACHED THROUGH OUR
CSR PROGRAMS IN FY 2022

New Goals

- Reach **10,000** students in underserved schools through school development projects by FY 2025.
- Launch Project Swabhiman with 'Know Me India Trust' to help skill **380** women at risk of trafficking by FY 2025.
- Improve solid waste management practices in communities for **150,000** beneficiaries by FY 2025.



The Partnerships That Kept Us Moving



We became an Affiliate Partner of FFG to bring sustainable innovations from niche to norm.

Anant Ahuja, Head, ESG, joined the Board of Directors of BBI.



TRANSFORMERS
FOUNDATION

Shahi and a group of suppliers formed a steering committee with TF to launch a paper on the industry's legislative developments.

We joined and took part in regular exclusive conversations with suppliers organized by AGH.



We became a contributor to OCA to build a transparent, responsible, and resilient organic cotton supply chain.

Shahi participated in All's Carbon Leadership Program.



Awards in FY 2022-23

Received 'Highest Global Exports Award (Gold Trophy)' by Apparel Export Promotion Council (AEPC)

Received the 'International Green Apple Environment Award' for carbon reduction by The Green Organization

Received 'International Green Apple Environment Award' for water efficiency by The Green Organization

'Giga-Guru Supplier' by Walmart for setting SMART climate goals for the 4th consecutive year

Received 'Excellence in Performance' Award under the ground-mounted solar category by The Confederation of Indian Industry

Received 'Business Transformation Award-2022' in the category of Competitive Edge for cost optimization for our Bots RRP project by Mint and TechCircle

Received 'Best Performance Award for completing 5 Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)' projects in Odisha by ORMAS

Standards

MATERIALS



ENVIRONMENTAL MANAGEMENT



COMPLIANCE



Glossary

- ¹ In 2018, 47% of our electricity was from renewable resources
- ² Sustainable fibers include BCI, Organic cotton, Sustainable Viscose, Recycled polyester, Lenzing modal, and Recycled cotton
- ³ Our Diversity, Equity and Inclusion goal to deliver unconscious bias training for 300 leaders will be baselined against our progress in FY 2023.
- ⁴ Social & Labor Convergence Program (SLCP) aims to reduce audit fatigue by adopting a standardized framework for assessing factories on social compliance topics.
- ⁵ Inache is a two-way, multilingual, and anonymous communication tool where workers can call or send an SMS about their complaints, grievances, suggestions, or questions to factory staff for response and resolution within a stipulated time.
- ⁶ Gap Inc. P.A.C.E. is a soft skills training program for female workers to enhance their skills and support career advancement.
- ⁷ STITCH is a Leadership Program for supervisors to build their capacities as a person, supervisor, team member, and leader by improving their people management and operational skills.
- ⁸ PULSE is an intensive and robust leadership development program for personal and interpersonal growth for all levels above supervisors.
- ⁹ An upskilling program designed to elevate the work environment by promoting holistic skills in candidates chosen to become Captains. Candidates undergo comprehensive training to manage sewing lines.



Scan to read the full
Sustainability Report for FY 2022-23

For further information please write to us at
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SHAHI
Exports Pvt. Ltd.