



ABY[™]
We spin excellence



SUSTAINABLE CHOICES

SUSTAINABILITY
REPORT 2015-16

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Foreword by BUSINESS HEAD



Dear Reader,

It gives me great pleasure to bring to you our second sustainability report for PT Indo Liberty Textiles.

The Overseas Spinning business (OS) has been adversely impacted by extremely sluggish market conditions and steep cost increases in Indonesia. Viscose margins have been under constant pressure throughout the year. We have been particularly hit by the ever decreasing Open End prices. Going forward as well, owing to overcapacity in the Fibre and Yarn value chain, the pressure on margins is likely to continue. The most critical focus area for the Overseas Spinning business is VAP portfolio enhancement and the team has been working to enhance its product mix. The Value Creation team onboarded to focus on new product development, has shown tremendous development in this area. The team has identified Technical Textiles as an area of focus and is continuously working to tap potential opportunities in this area. The Pilot Plant, Centre of Excellence, and Design Studio have been made fully functional to facilitate the faster development of Value Added Products. The 1st round of the Net Promoter Score was completed for the OS business in June'15. ABY has consistently scored better in all markets. While the business has a good NPS score vis-à-vis competition, supply chain emerged as a clear area of focus. The OS business took upon itself to implement a complete supply chain transformation project, from Demand Planning, Sales and Operations planning and Scheduling. The efforts put in by my colleagues have been recognized both within the Aditya Birla Group and outside as well. OS distinguished itself by winning the IMC Ramakrishna Bajaj National Quality Award 2015 in the overseas category. OS Indonesia won Gold at the 2015 Chairman's WCM award cycle, with the OS business winning Bronze in the business category of the Chairman's WCM awards.

We continue our sustainability journey from where we left off last year. As you will see in the report, we have made significant progress in a lot of initiatives in this fledgling area. Our sustainability roadmap over the next three years will focus on the expectations of our key stakeholders including our employees, and have defined strategies to be more economically, socially and environmentally beneficial and impacting the triple bottom line viz. people, planet and profit. The report will provide you with accounts of actions taken by us along with results achieved; I also encourage you to give us your feedback on the report, and share your kind views. Enjoy reading!

Mr. Thomas Varghese

CEO's Message



Dear Readers,

As a part my obligation to be accountable to all my stakeholders, I present to you our sustainability progress during the period from April 2015 to March 2016. Our sustainability report, second in succession, builds on foundations and processes that were deployed during the last three years.

We are one of the leading producers of premium quality of spun yarn serving globally, with limited control over the value chain operations. Considering our role as a convertor in the value chain and consequent constraints, limitations and challenges, at each stage, we evaluate and make choices that are ethical, environmentally and socially sustainable.

Our business strategy is to increase our value added products (VAP) through product innovations by our team with the help of facility provided in Centre Of Excellence (COE) as well as R&D centre. This will further strengthen our global market portfolio of value added products to improve our revenue and profitability in the coming years.

Our business is working closely and engaging with all stakeholders by ensuring the positive compliance in operations as per applicable laws and regulations and following best practices. As a responsible steward, we explore all improvement opportunities to conserve material, water, energy and minimize emissions, effluents and waste. Our approach is to engage all stakeholders in our strategy planning process where we discuss as well as evaluate the projects and elements of life cycle costing. We always steer towards cleaner and greener options. Despite resource constraints, we are continuously investing into modernisation plan, renewable energy, recycling and recyclability; and make choices that will sustain our growth.

We are using renewable as well as non-renewable energy in our units. We are continuously striving for maximum utilization of renewable energy which helps in reduction of carbon intensity.

We are testing a number of products that blend both recycled and non-renewable fibres with cellulosic fibres, these offerings are in demand by certain key fashion brands. Hence, we have included 100% recycled polyester and blends in our product basket. We believe renewability and recyclability are part of sustainable headwinds and accordingly we make choices to address these emerging challenges.

We are continuously engaging and supporting all our shareholders and contribute to enriching their lives and business. We have increased our environmental expenditures by 98% during the reporting period and decreased the suspended particulate matter in exhaust air by 40%. Our investment and efforts have resulted in a significant increase in energy saving during the reporting period i.e we saved 127 MWh which is 12 times our savings in the previous year. Due to our conscious efforts, we have been able to increase use of renewable materials by 104% and recycled materials by 11 %. We have assessed 30% of our active suppliers and 100% of our critical suppliers about their quality, environmental, labor and social impacts or ISO 9001, ISO 14001; OHSAS 18001, energy management system ISO 50001, and key Human Rights tenets.

We look forward further in collaboration with our key suppliers to understand, share and imbibe sustainability learnings. We have established our business share of 89% in value, to local vendors and establishments in the reporting period 2015-16, resulted in an increase of 325% in value over the previous year. In keeping with many of our initiatives, stakeholder satisfaction has steadily increased, e.g., local community satisfaction level in 2015-16 was 93%.

Our sustainability journey is successful with the help of all stakeholders' encouragement and dedication of our employees. We endeavour to become a leading industry benchmark for sustainability processes and performance by 2020, to be known for quality consistency and not to restrict this to the quality of product but to the entire service being rendered to the customer including the impacts on the environment. We have undertaken key project on improving and strengthening our supply chain value.

The sole objective is to improve service to our customers.

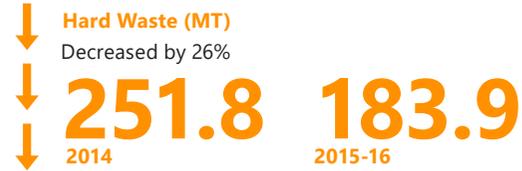
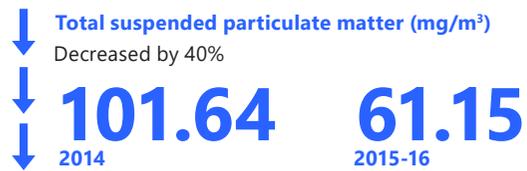
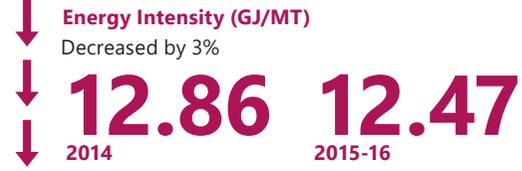
We have thus started making decisions which will shape the future of our company, our communities, and our planet. We understand that certain yarn blends despite its benefits can create environmental concerns especially at the end of its product life cycle; we are looking forward to collaborate with all stakeholders to overcome these challenges and implementing sustainability practices across the business.

We look forward to work with you on solutions that make a difference and help create a cleaner world.

– Mr. Kapil Agrawal



Highlights





FOOTPRINT

Our economic, social and environmental footprint is extended across the globe through our supply chain, manufacturing operations and products. Our customers process our products and add value before delivering to the end user.

Our Operations & Products

05

Our Operations & Products



● KARAWANG, INDONESIA.

- Total Employee Strength: 1414 (2015-16)
- Net Sales: 113.29 Mn US\$ (2015-16)
- Quantity of Products Sold: 48,000 MT (2015-16)

PT. Indo Liberty Textiles (ILT) was incorporated in April 1995 with a modest capacity of 21,120 spindles in a total area of 20 hectares in an industrial town of Karawang, about 70 kilometres east of the capital city Jakarta, in the West Java province of Indonesia. ILT is a closely held, non-listed company. Reporting to shareholders is done once in a year at the Annual General Meeting. However, key shareholders are represented on the Board of Directors and are kept informed about business developments via quarterly board meetings.

The annual turnover is US \$113.29 million , the present capacity is 181,836 spindles including 4,440 open end rotors with annual sales volume 47,730.16 MT per annum in 2015-16

Associations:



India – Indonesian Chamber of Commerce



The Employers Association of Indonesia



The Textile Association of Indonesia



Business Forum of India



Social Security Employment Agency (BPJS Ketenagakerjaan)



BPJS (Health Insurance)

Products Portfolio:

We manufacture spun yarn in different counts for different end users.

During the reporting period we have introduced the following products in our product range. These include:

Value Added Products

- PV Siro Spun Yarn
- Tri Blends (PVC and Rayon Wool Linen)
- Rayon Linen
- Polyester Linen

Special Fibres such as

- Optical White Polyester,
- Optical Bright Polyester,
- Low Pill Polyester
- Modal, Micro modal and Modal blends

This is in addition to the product basket including, Compact yarn, Rayon/ Cotton Yarn, High Twist Yarn, Slub Yarn, and Rayon Silk Yarn.

We are focussing on development of Aspirational products, listed below, in the following year:

- Meta Aramid
- Modacrylic
- Yarns on dyetubes (directly from winding, thus optimising the process)
- PPS (Polyphenile Sulphide) used in filtration process
- Luminescence polyester
- Wool-touch yarns (utilising speciality viscose blends)
- Recycled Polyester from PET bottles

ABY yarn is used by the weavers and knitters for manufacturing fabric for garments, upholstery, mattress ticking, and furnishing fabrics, industrial uses like packing cloth and medical uses. New Applications in the reporting period included:

- Technical Textiles (Protective clothing, automotive textiles, tyre chord, work wear (boiler suits), filtration application)
- Intimate apparel
- Carpets
- Fancy yarns (e.g. Chenille)
- Gum tapes (e.g. Easy tearing)



Value Added Products:



Polyster Linen



Tri-blend (Poly, Cotton, Rayon)



Cotton/Coolmax Band



Tri-blend (Rayon, Polyester, Linen)



CVC



Unifeel Ray 9001



Tri-blend (Bamboo, Wool, Linen)



Thermolite



Poly Vloft

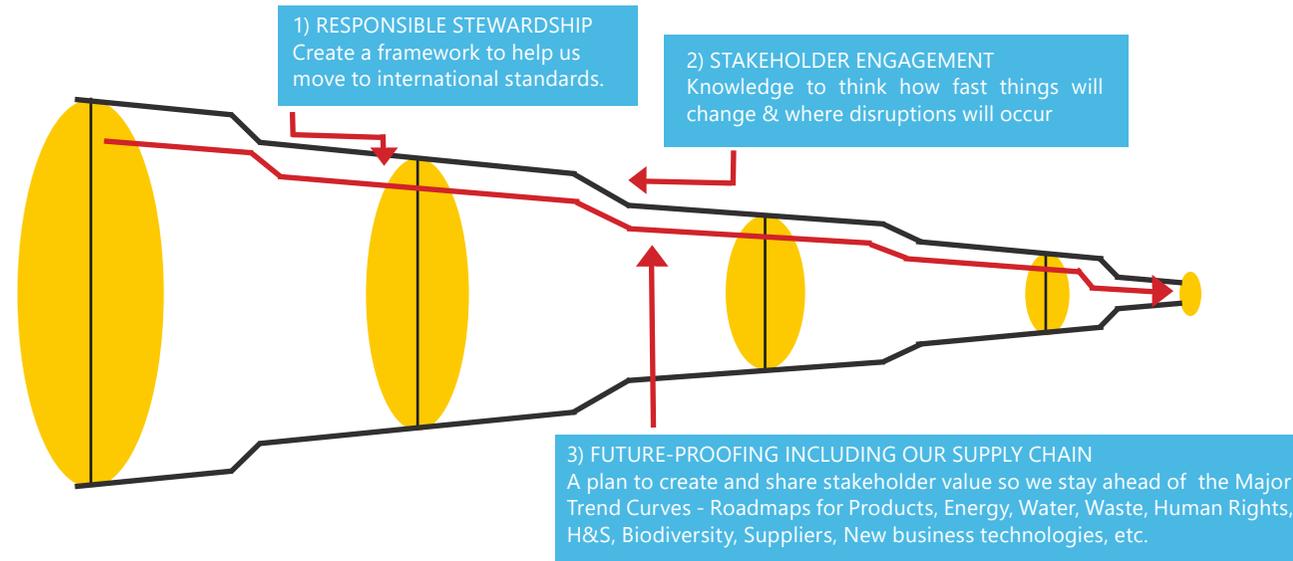


STRATEGIC FOCUS

ABG Sustainability framework drives us beyond being a responsible steward, to practice future proofing of business through strategic stakeholder engagement. As a responsible steward we identified TEN material issues to focus on and constituted mission teams to drive pursuit of road map and targets.

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ABG Sustainability Framework



Responsible Stewardship

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

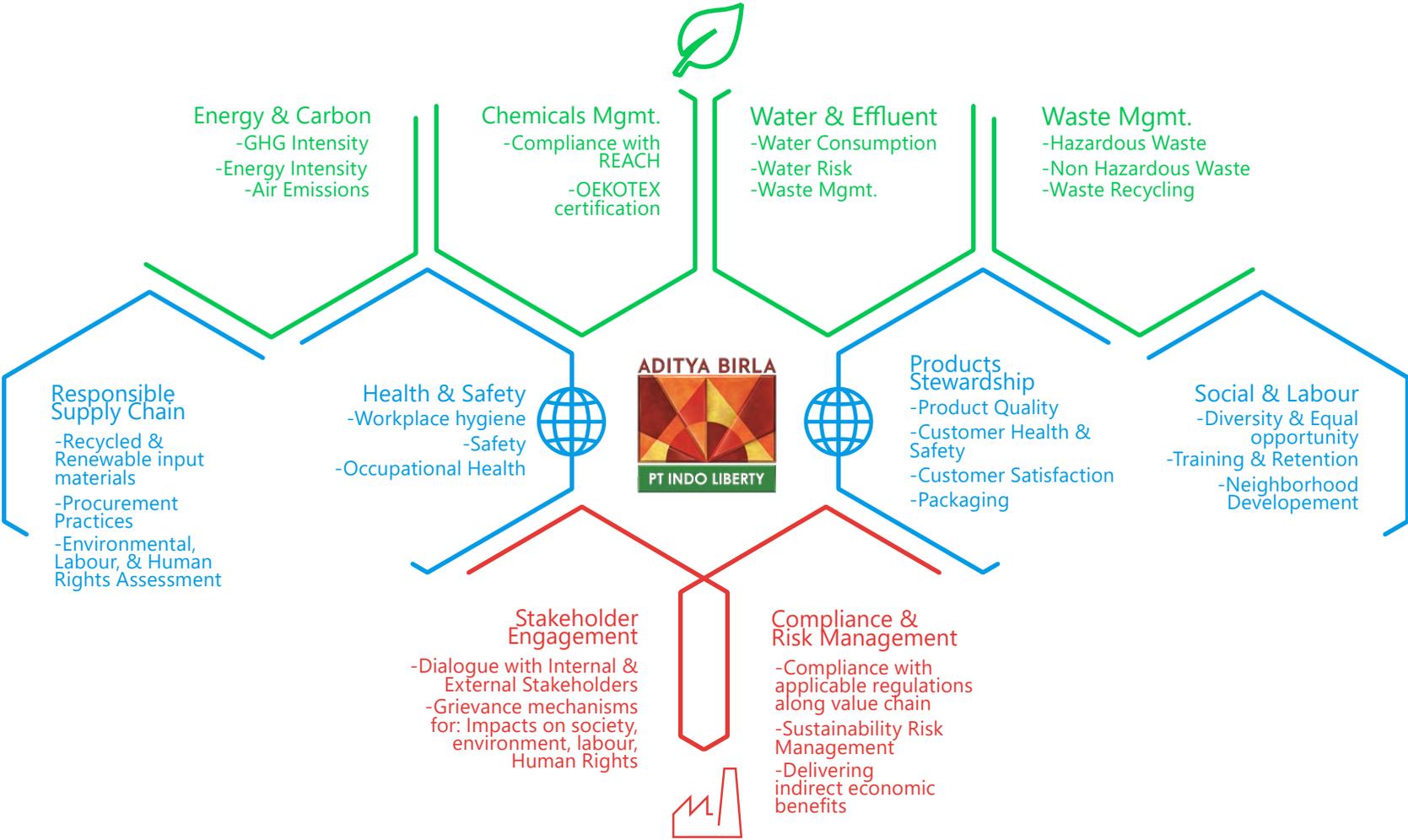
Stakeholder Engagement

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

Future Proofing

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

Ten "Missions"



Mission Teams:

1. ENERGY & CARBON



Saji George, N.C, Ghosh

2. WATER & EFFLUENTS



Parminder Singh, Narasimha Murthy

3. "WOW"-WEALTH OUT OF WASTE



Ram Chandak, Ravindra Kayarkar

4. CHEMICAL MANAGEMENT



Narsimha Murthy, Saji George

5. SUPPLY CHAIN MANAGEMENT



Ravindar Kayarkar

6. STAKEHOLDER ENGAGEMENT



Y.P. Singh, N.C. Ghosh, Ram Chandak

7. PRODUCT STEWARDSHIP (Higg Index, LCA etc.)



Umasankar Mahapatra, Saji George

8. SOCIAL & LABOUR



Lambok S., YP Singh

9. COMPLIANCE & RISK



Lambok S., Saji George, Ram Chandak

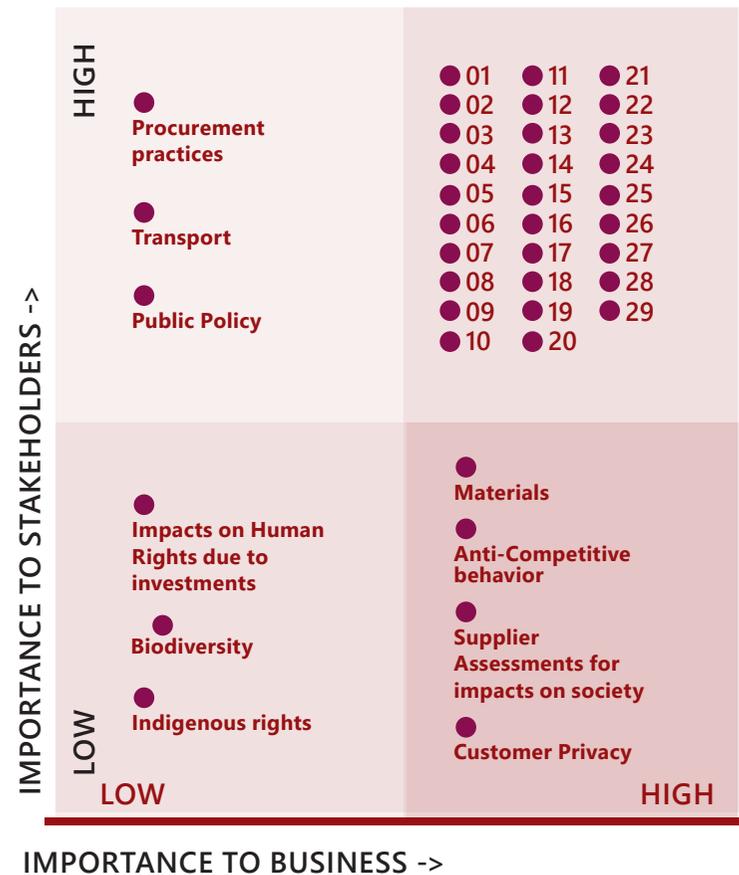
10. SAFETY, HEALTH & ENVIRONMENT



Y P Singh, Midwar Kamal, K.C.Bhushan,
N.C Ghosh, Parminder Singh

Material Issues

Through many internal and external stakeholder engagements, the material issues were determined in 2014-15. This is further reviewed during 2015-16 and also in internal stakeholder meeting and strategic stakeholder engagement meetings.



LEGEND:

S-supply chain; M-Manufacturing; T-Transport; C-Customer

The report is compiled in accordance with the Core Option of GRI to consider the relevant aspects of our business.

Aspect Importance along the Value Chain:

- 01 S M T Policies, Standards & Code of Conduct
- 02 S M T C Regulations & Legal Compliance
- 03 S M T C Grievance mechanisms(employee,Env, HR,society)
- 04 S M Economic Performance
- 05 M Market Presence
- 06 M Indirect Economic Impact
- 07 M Renewable & non-renewable materials
- 08 S M Responsible procurement
- 09 M Packaging
- 10 M C Energy management
- 11 M Waste management and effluents
- 12 M C Water stewardship
- 13 M C GHG emissions and air pollution
- 14 S M Compensation & benefits to employees
- 15 M Employee Recruitment & Retention
- 16 M Employee relations
- 17 S M Employee health & safety
- 18 M Training and education
- 19 M Diversity and equal opportunity
- 20 S M Collective bargaining
- 21 SM Human rights assessment of operations
- 22 M Community Impact, Relations and Development
- 23 S M Payments terms and negotiations with suppliers
- 24 S T Supplier screening and Audits(Labour, HR, Community)
- 25 M Investments in developing local supplier network
- 26 M C Customer health and safety
- 27 M C Product and service labelling
- 28 M C Marketing communications
- 29 M C Customer satisfaction

Boundary - All above issues are material within the single location operations plant, except indicators related to customer, supplier and transport (which are reported from outside boundary).



GOVERNANCE & MANAGEMENT

ABG Values steer our conduct in dealings with all our external stakeholders along the value chain. Our Board supervises adherence to ABG values at all times and guides the business to deliver sustainable value. Sustainability practice in the business is guided by the APEX committee and executed by TEN Mission teams covering all material issues that our business is challenged with.

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Message from Chief Sustainability Officer and Secretary, Sustainability Apex Council



Dear Stakeholders,

We have returned to you with our second sustainability report following GRI G4 guidelines. While there was no significant change in the entity boundary, the reporting period this year is 01st April 2015 to 31st March 2016.

Sustainability Initiatives at ILT are guided by Sustainability Apex Council, of which I am secretary President & the Sustainability Champion of ILT are members. An Independent Director of ILT is the chairman. Through the Apex Council, nine entities belonging to Aditya Birla Group with similar business interests and sustainability challenges work together, exchange experiences and traverse the sustainability path. We are also advised by an external advisory council.

Responsible Stewardship is the first component of ABG sustainability framework. Being a responsible steward entails focus on how we manage today and building a framework of policies, technical and management standards aligned to international standards as defined by the IFC, OECD, UNGC, Oekotex, REACH, ISO and OHSAS. By introducing these standards into our systems, we manage our operations in the most responsible manner. We have identified Ten Missions to address the challenge of being a responsible steward and have constituted 10 mission teams. At ILT, we have a sustainability team led by the champion and mission team leaders. We have developed policies covering all material sustainability aspects and have management systems in place that follow Plan-Do-Check-Act cycle. Most importantly, deployment of our policies, management frameworks and performance is internally and externally audited at least once in two years.

As you would see, we have made significant strides in our performance and in many cases will exceed our targets for 2017. Much of it is made possible by our recent technological modernisation, collective efforts along with four other ABG companies in R&D, product development, branding and marketing.

Besides performance improvement in many sustainability KPIs, we note with pride that our approach and efforts in hygiene, health and safety are yielding significant results.

We have strengthened our stakeholder engagement with communities, regulators, suppliers and customers and continue with our good practices of engaging employees. We believe that periodic structured engagement with stakeholders to understand their concerns, perspectives and plans are essential for sustained partnership. We desire to scale up the engagement to collaboration and co creation with stakeholders.

We recognise that grievance redressal mechanisms with stakeholders other than employees and whistle blower mechanism requires strengthening. Absence of recorded grievances and whistles blown, demonstrate that the mechanism requires strengthening in communication, awareness and independence & integrity of redressal process.

This reporting period, we have begun engagement with select stakeholders to gauge external changes that will inevitably impact our companies in the future. Our goal is to build strong relationships with our stakeholders and key technical experts on climate change, water and waste management, developments in human rights legislation, safety standards, health impacts and the like.

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

Our report is a critical part of our accountability to our stakeholders. We hope we have addressed their concerns and expectations, and this communication and further engagement shall pave the way for sustainability of OUR our business.

Dr. Jagadish Barik



Our Values Steer our Conduct



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



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



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



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



SPEED
Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimise organisational efficiencies.

Code of Conduct:

We voluntarily follow the Code of Conduct outlined by the Aditya Birla Group. The Code of Conduct, which incorporates the Business Principles, is our central guidance document for norms of behaviour. Under our Governance system we consider employees, suppliers, community, and our creditors as our stakeholders, and their legal rights are protected and treated with care.

We are in the process of strengthening deployment of the Code, we are focused on Values integration, Integrity, Safety and better deployment of our sexual harassment policy. If any employee come across a violation of Code of Conduct, he or she can report directly to the respective committees for an independent investigation, this is closely followed by the Corporate Cell.

Anti-Corruption:

The organization's risk assessment procedures for corruption, including the criteria used in the risk assessment (such as location, activity, sector is provided below)

RISK EVENT	RISK DRIVER	RMM*	IM*
Gratification from Vendor / Supplier	High value offered	Code of Conduct, Values, SOP	Business Value Standards Committee is assigned responsibilities to investigate complaints of value violation at workplace, if any, and to take appropriate action against the employee found guilty of such offence.
Mark up the Budget	Authority, lack of monitoring, high value	Financial Control / Audit, Code of Conduct, Values	
Misuse of Corporate Assets	Access, high value asset,	Asset Management, Asset Control / Audit, Code of Conduct, Values	

RMM* - Risk Management Mitigation

IM* - Impact Mitigation

Primary risks identified have been in the area of procurement. Hence, in order to mitigate this risk, we have established a multi-approval system and preferably undertake maximum procurement primarily from the OEMs. Currently the same is approximately 80%.

While negotiating for high value items, the head of stores negotiates with third parties. This is then reviewed by a common procurement head for the Overseas Spinning Business. The CFO then reviews and gives the final approval for the same.

In case of low value items, the deliberations are conducted both by the stores in charge and the technical head as required. Further, we request for three supplier quotations. The final purchase order has to be approved by the appropriate authority before finalisation.

In order to bring in greater transparency in the procurement process, prices for common items to the OS business such as packing materials, machinery spares are negotiated for collectively with suppliers.

Discipline is ensured through strengthening of the administrative security and installation of CCTV cameras at strategic locations.

Our Group Values document and Code of Conduct highlights how employees must conduct themselves both within the organisation and with external stakeholders

All employees shall ensure that their personal conduct in a public place and with public is dignified and reflective of Group Values.

Every individual is evaluated not only against business performance but also against the values espoused in the Code, this is also highlighted in the KRA.

All employees are encouraged to bring to attention of management i.e. their seniors/ other senior representatives of the Group when they come across a violation of Code of Conduct.

A total number of 353 employees have received anti-corruption training in the reporting period. During the reporting period no cases of corruption were reported.

Charitable Donations and Sponsorships

In order to ensure that donations or sponsorships to schools, communities or village government organisations are not misused, we ensure that we do not transfer cash but provide materials or items that are required.

Representatives from the company and the beneficiaries attend the hand-over event. We also take photographs for documentation and communication purposes.



The Board

The Board of Commissioners for 2015-16 are listed below:

Mr. K. M. Birla

Non - Executive Director
Age: 30-50
INDIAN

Mrs. Rajshree Birla

Non - Executive Director
Age: >50
INDIAN

Mrs. Neerja Birla

Non - Executive Director
Age: 30-50
INDIAN

Mr. S.S. Mhansaria

Non - Executive Director
Age: >50
INDIAN

Mr. C.H. Mahtani

Non - Independent Director
Age: >50
INDONESIAN

Mr. Vikash. C. Mahtani

Non - Executive Director
Age: >50
INDONESIAN

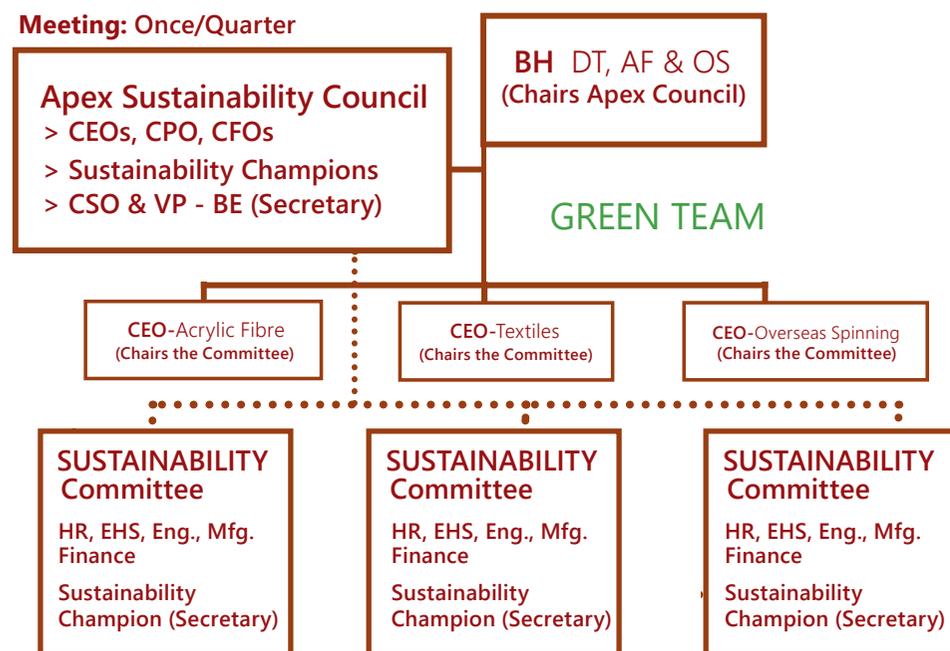
Mr. Askaran Agarwala

Non - Executive Director
Age: >50
INDIAN

The board provides the oversight to environmental, social and economic performance of the organisation and oversees upholding a broad set of governance principles, delegating management authority to the Chief Executive within the defined limits.

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

Our sustainability governance organisation is :



Meeting: Once/Month

Sustainability Governance

For sustainability initiatives, PTS coordinates with all other eight textile businesses of the ABG. The nine businesses are further divided into three sub groups and five units involved in spinning viz., IPT,PTE,ILT, and ITS are in the sub group Overseas Spinning. Our sustainability governance organisation structure is depicted below:

Overseas Spinning Sustainability Committee



Mr. Kapil Agrawal
Member



Mr. Kapil K. Agarwal
Member



Mr. S L Sipani
Member



Mr. N K Maheshwari
Member



Mr. Kishan Singhania
Member

ILT Sustainability Committee:



Mr. Y.P.Singh
Chairperson, Technical



Mr. S.M. George
Member, Engineering



Mr. Parminder Singh
Member, Engineering



Mr. Ravindra Kayarkar
Member, Store & Purchases



Mr. Ram Chandak
Member, Finance & Commercial



Ms. Isnenita
Member, BHR



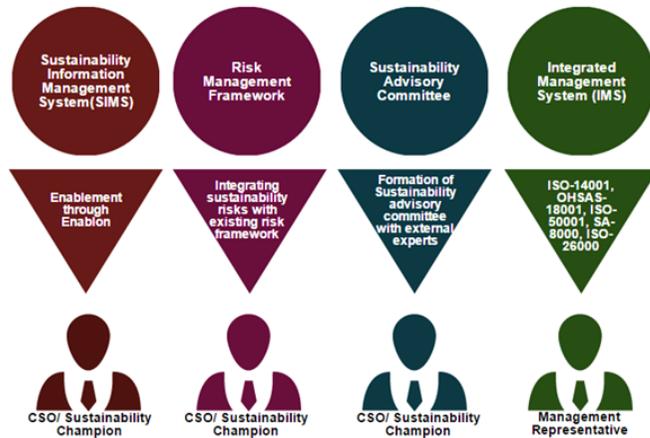
Mr. N.C.Ghosh
Member, HR & Production



Mr. Lambok Sidabutar
Member, Personnel

This institutional mechanism is the main enabler for driving sustainability practice and performance within the group. Besides, we have deployed comprehensive set of enablers that drive sustainability.

Driving Sustainability



IT Platform

Our IT platforms were further enriched through the deployment of the following projects:

- A system was developed for bar coding and scanning of 100% finished goods for transfer from packing to go-down and further onto dispatch.
- Upgradation of the payroll system and meeting new requirements as per Indonesian law.
- Sales dashboards were developed, which received a "Best in the Industry" recognition.
- Energy and water management and monitoring systems.

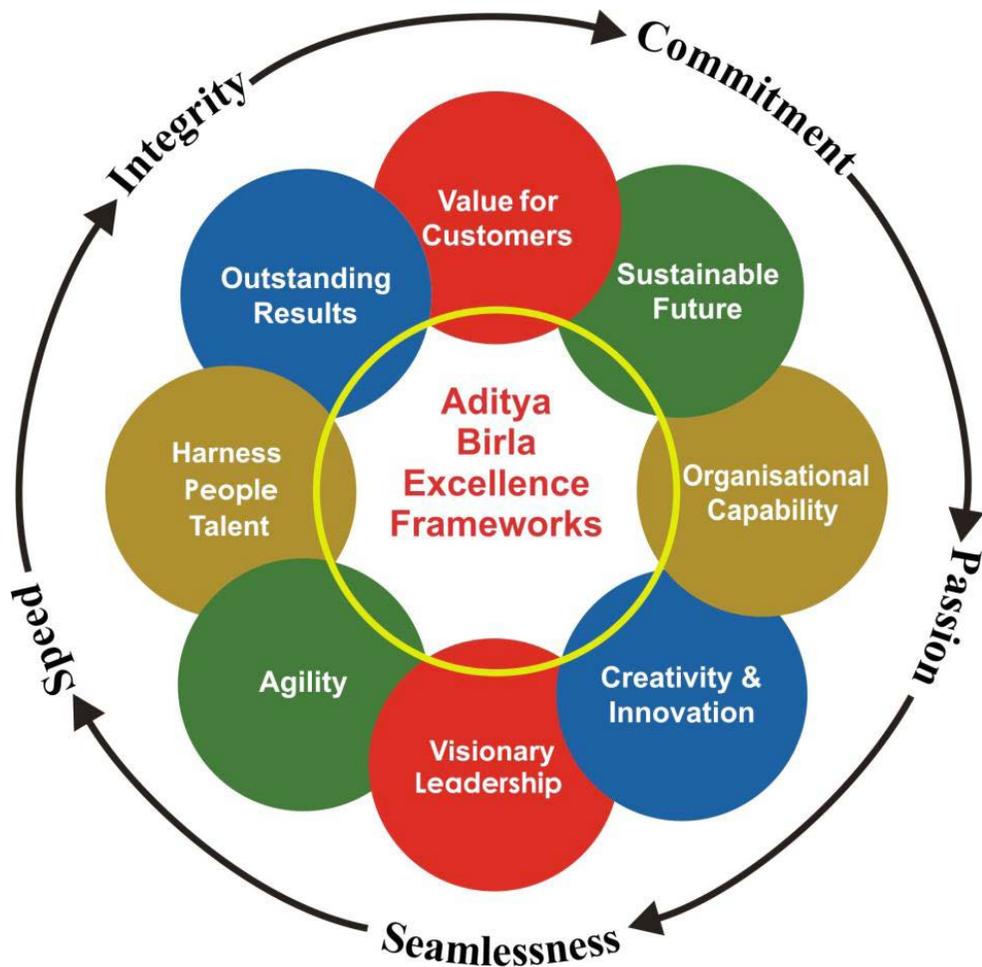
A supply chain project was also initiated for AB Yarn in the reporting period. This module concentrates on demand planning, production planning and scheduling, forecasting, pricing, profit maximisation, increase in OTIF and inventory management. Projects of demand planning was undertaken in the reporting period and is due for completion in the next year. A Management information report is prepared from this system and is reviewed by top management.

Policies & Management Framework:

a. Environmental Policy	ISO 14001, Oeko-Tex, Higg Index
b. Energy & Carbon	ISO 14001, Oeko-Tex, Higg Index
c. Safety	OHSAS 18001
d. Health	OHSAS 18001, Wash Pledge
e. Bio-Diversity	ISO 14001
f. Water Stewardship	ISO 14001, Oeko-Tex, Higg Index
g. Quality	ISO 9001, Oeko-Tex
h. Human Rights	UNGC
i. Stakeholder Engagement	SA 8000, AA 1000
j. Supply Chain	ISO 9001, 14001, OHSAS 18001
k. Procurement	ISO 9001, 14001, OHSAS 18001
l. Transportation	ISO 9001, 14001, OHSAS 18001
m. Product Stewardship	ISO 9001, ISO 14001, Oeko-Tex,
n. Security	-
o. Supplier Code of Conduct	ISO 9001, ISO 14001, OHSAS 18001 Higg Index
p. Anti Corruption	Code Of Conduct

RESOURCE STEWARDSHIP

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



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Message from Finance

Balancing Economic Values



Dear Stakeholders,

It is my important obligation to give you an account of our performance on delivering economic value to you all, as also our performance on positive compliance. During the reporting period, we continue to be adversely impacted by extremely sluggish market conditions and steep cost increases in Indonesia. Viscose margins have been under constant pressure and lowered cotton and Open End margins have been a challenge. Going forward all indications are that, in the Fiber and Yarn value chain, the pressure on margins is likely to continue. However, at ILT, we continue to strive to provide products of the highest quality to the customer. The most critical focus area is Value Added Product portfolio enhancement and in this reporting period, we have added a large number of Value Added Products in place of commodity yarns. VAP was 12 -13% during 2014 and this has increased to 20% in the reporting period.

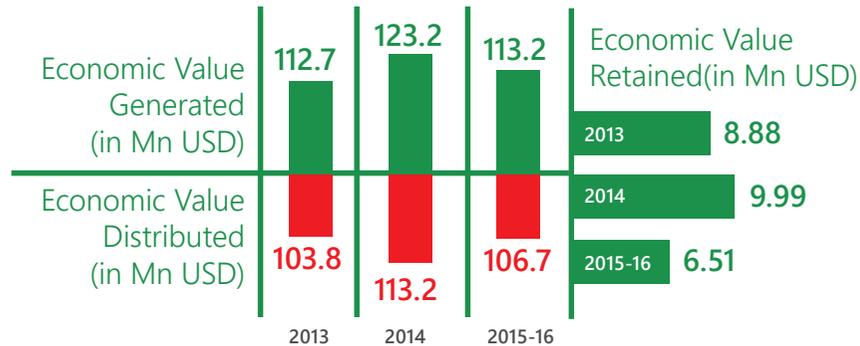
Economic Value generated in USD, during the reporting period, has reduced due to drop in the prices of our primary raw materials viz. poly fibre and cotton played and our products. This is compounded by Indonesian Rupiah gaining ground versus the US dollar. In addition, a large percentage of our markets are exports. We continue to monitor performance of key economic, social and environmental indicators and manage the performance on a monthly basis. In addition to financial growth, we also strive to achieve resource efficiency resulting in financial savings. This forms a fundamental part of our operational excellence. The inclusion of sustainability criteria in risk identification has also brought to the forefront climate change - one that we understand can have significant financial implications if not addressed proactively. We have installed new solar energy units and continue to explore many such similar options to mitigate climate change.

Out of our total procurement, 89% is from local vendors and establishments, an increase of 345 % over the previous year. One of our key local fibre suppliers has increased their production capacity, thus enabling us to procure more raw materials locally.

We give utmost importance to total compliance and take steps pro-actively even if administration of a certain regulation is weak in a region. During the reporting period we did not face any notices or penalties due to non-compliance.

Mr. Ram Chandak

Direct Economic Value Generated and Distributed (in USD)



Economic Value Generated in terms of USD has reduced, since the Indonesian Rupiah gained ground versus the US dollar. However we have focused on optimising the product range to yield better margins and targeting market segments where the margins are better. We have also focused on adding a large number of Value Added Products in place of commodity yarns, VAP was 12 -13% during 2014, and this has increased to 20% in the reporting period.

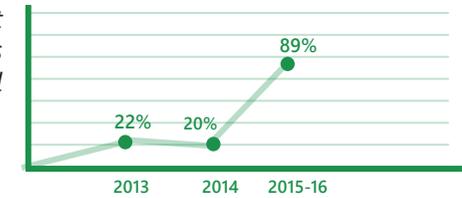
Productivity has improved due to:

- Process improvements carried out in the last year
- Increase in overall effectiveness.

Indirect Economic Impacts

The company has made efforts to localise most of its procurement so as to increase the indirect positive impact in the local economy. We always prefer sourcing of materials and equipment locally, provided that desired technical specifications are met. Local purchase accounted for 89% of our total purchases in the reporting period.

Percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation



Local Employment

Just 1.7 % of the management is from overseas. We are now in the process of deepening our pool of leadership talent by strategically giving more opportunities to local employees and developing their skills in managing the business.

Environmental Expenditures

We have completed our audits, including environmental audits, renewals for our ISO 14001 certification and are presently taking on the ISO 50001 certification.



Compliance & Risk Management



Compliance Registers are maintained by the respective departments. All upcoming regulations are reviewed annually and the compliance registers are updated, monitored and tracked.

During the reporting period, we did not pay any fines or face any non-monetary sanctions and/or cases brought through dispute resolution mechanisms for non-compliance with environmental and social laws and regulations. We also did not pay fines for non-compliance with laws and regulations concerning the provision and use of products and services, environmental, social or non-compliance

Guided by our business strategy and periodic updating of risk matrix, we identify areas and projects for improvement, assess feasibility and prioritize the projects. While selecting such projects, sustainability aspects are duly and diligently considered.

Compliance & Risk Management

0

Noted violations, fines (2015-16) : 0
Target for 2017-18 : 0

0

Number of Whistles blown (2015-16): 0
Target for 2017-18 : 0

Message from Operations

Aligning manufacturing processes with our sustainability goals



We, PT Indo Liberty Textile, a part of the ABG overseas spinning business, have adopted a sustainability framework and established guidelines by the business level sustainability Apex Council that provides supervision, planning and monitoring support to varied sustainability initiatives. We have articulated our policies on a variety of sustainability aspects. Our existing management systems are leveraged to integrate sustainability into our business strategy. We are committed to adopt the latest technologies, and every year we upgrade / replace existing equipments. We do our best to create a long term relationship of trust with our customers. Our performance on various sustainability aspects including energy, water, waste, equal opportunities, diversity, customer health and safety, community welfare etc. has improved during the reporting period.

We have faced lots of challenges, such as market slow-down, steep increase in wages and strong competition in commodity products. To keep ourselves ahead of the curve in the industry, we have created a focus on Value Added Products (VAP). A significant growth in VAP has thus been registered. We have allocated more resources for innovation, product and business development. We have undertaken various projects for energy conservation (power saving schemes), productivity improvement, quality consistency. So far, results are encouraging.

We have been adopting a systematic approach towards continual improvement in manufacturing efficiency. Numerous awards, recognitions and certificates for business excellence received by PT.ILT are a testimony to this. We also achieved an assessment of Gold level in the last BE assessment.

We have set targets for ourselves till 2017, related to key performance indicators covering energy, carbon, water, waste and effluents. Our entities have a target of decreasing their carbon intensity by 1.5-3% by 2017. We have targeted to reduce hazardous waste by 15% till 2017. We are extending the target setting exercise to social and economic aspects too.

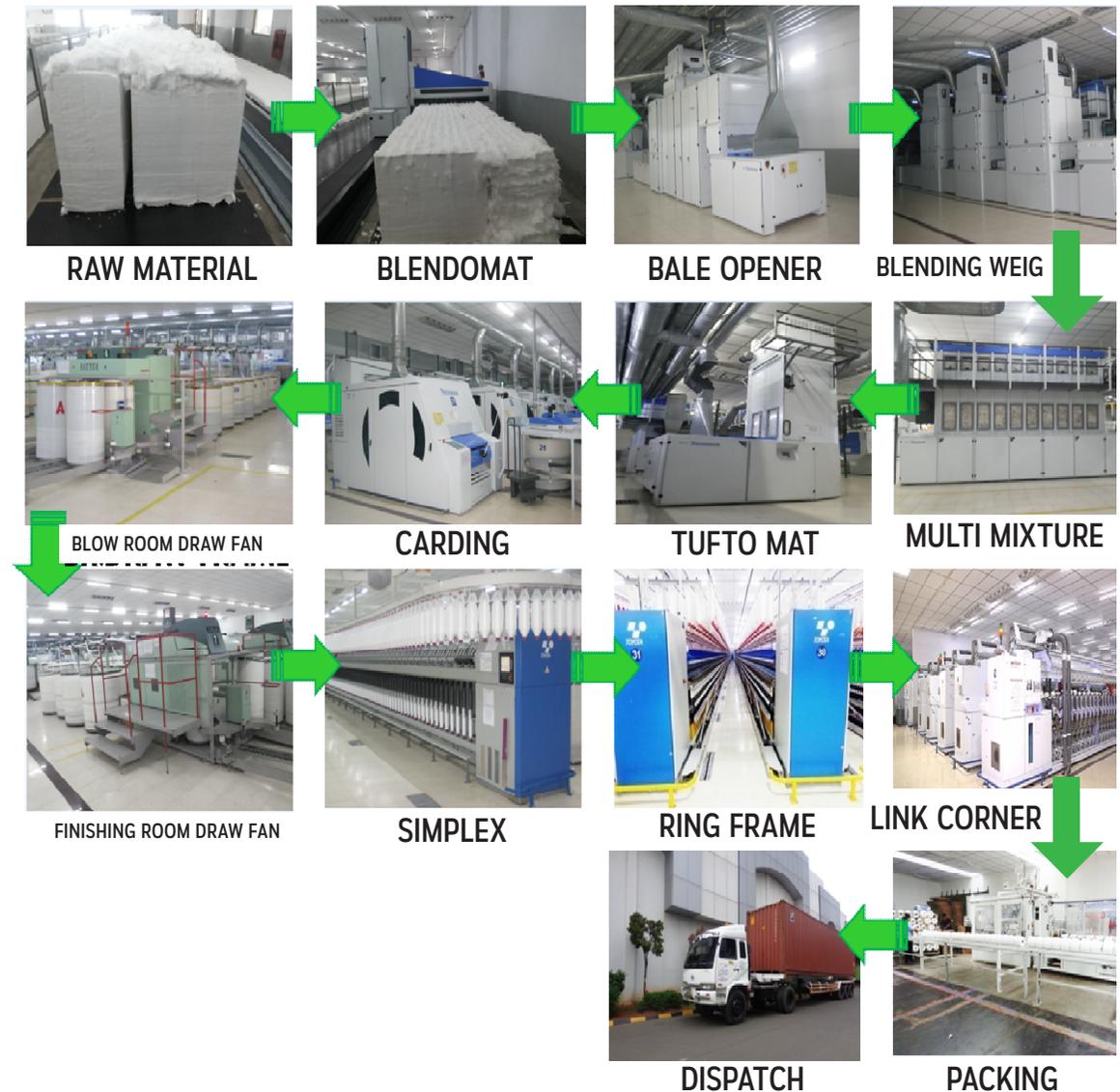
We maintain a safe and healthy work environment. Special emphasis is laid on organizational health and safety by sharing responsibility for safety amongst employees. We are raising safety awareness all the way from the Board, to the shop floor. Adherence towards Indonesian legal laws for occupational health and safety is a testimony of our unit's commitment towards this commitment.

In addition to improving our performance on sustainability aspects, we have utilized various tools like MTO, Plan Visage for operational excellence; Higg index tool for environmental sustainability performance. A sustainability IT platform and various dash boards are also there to help us in accessing requisite data.

We are endeavouring to become a benchmark for sustainability processes by 2020 in all aspects of sustainability including energy, water, waste, equal opportunities, diversity, customer health and safety, community welfare etc.

-Mr. Yashpal Singh

Process Flow – Ring spinning



Energy & Carbon



Energy & Carbon

12.47

Energy Intensity (GJ/MT) 2015-16 : 12.47
Target for 2017-18(GJ/MT) : 11.85

2.59

GHG Intensity (tCO₂/MT) 2015-16 : 2.59
Target for 2017-18 (tCO₂/MT) : 2.46

Energy Conservation & Renewable Energy

Energy amounts to 14% of the product cost. It is the second highest cost component after raw materials viz 65% - 70% of the product cost. We consume energy in excess of the minimum 6000 TOE/annum as stipulated by the Government Regulation ESDM, no. 40.2009. Hence it is mandatory to conserve energy continuously and report to the government.

It is mandatory to make provisions for the proper utilisation of energy resources.

We have undertaken a number of projects aimed at optimising resource consumption through the application of energy efficient technologies, upgradation of the plant & machinery and adjusting process parameters.

In the reporting period, we have been able to improve energy intensity by 3%.

There are a number of factors which directly or indirectly have bearing on energy intensity viz.,

- a) production
- b) sales
- c) profitability
- d) Efficiency
- e) Utilisation of machinery and reducing the down time.

The following projects have been undertaken in the reporting period:

List of Energy Saving Projects in reporting period 2015-16

1. Mill No-1 automization of Humidification plant with Inverter Drive
2. Replacement of inefficient Centrifugal Pump & Motor with high efficiency pump and IE2 category efficiency motors
3. Insulation of Chilled water pipe line Mill-1,2 and Open End
4. Optimization of lighting through occupancy Sensor & day light sensor and sensor for auto drain valve in compressor.
5. Insulation of Chilled water Tanks

KAIZEN PROJECTS UNDERTAKEN:

Blowroom sections in units 3 & 4 utilised supply fan motors of 22 KW and 15 KW washer pump respectively, to keep the temperature in the blowroom as per the specification, at 32°C. But the operation of supply fan consumed a high amount of power. Hence, we constructed windows in the blowroom, and a return air fan was installed so that fresh air would be sucked in. Results achieved:

- Maintaining the desired temperature
- Maintaining the quality of fibre and sliver in the blowroom area.



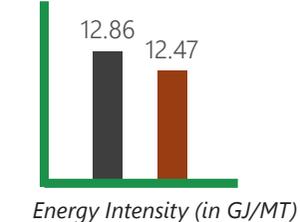
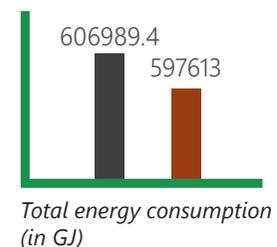
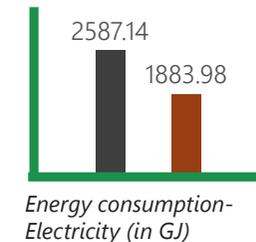
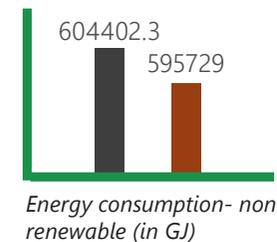
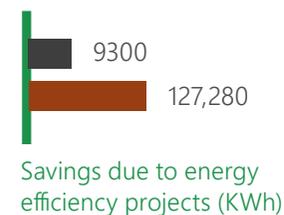
Tangible saving: \$ 14801 / Year

Indonesia's dependence on fossil fuels is more than 90% and hence a cause for concern. Dependency on fossil fuels and constraints on its availability has driven up electricity costs, thus posing a challenge to the textile sector.

Our GHG emissions are largely from the purchased electricity from PLN which is generated in coal fired generation plants. To reduce our GHG emissions, we have undertaken the following projects:

- Optimising lighting by utilising day light through installation of transparent sheets in packing units 1 & 2.
- Installed a 0.5 KW solar thermal water heater for yarn conditioning (AESA) purposes.

We have saved 458 GJ of energy during the reporting period.



Legend: 2013 (Grey), 2014 (Brown)

In 2016-17, the Group's energy cell Central Technical Engineering Services (CTES), will undertake an energy audit, which will help us to identify fresh energy saving projects for 2016-17.

We plan to use solar power for lighting & heating purposes. The following energy conservation and renewable projects are also planned:

Energy saving Schemes.

1. Cell Type Air washer in TFO
2. Low Pressure nozzles in Air washer(Unit -1,2 &3)
3. VFD for chiller units

2016-17

Renewable Energy Project

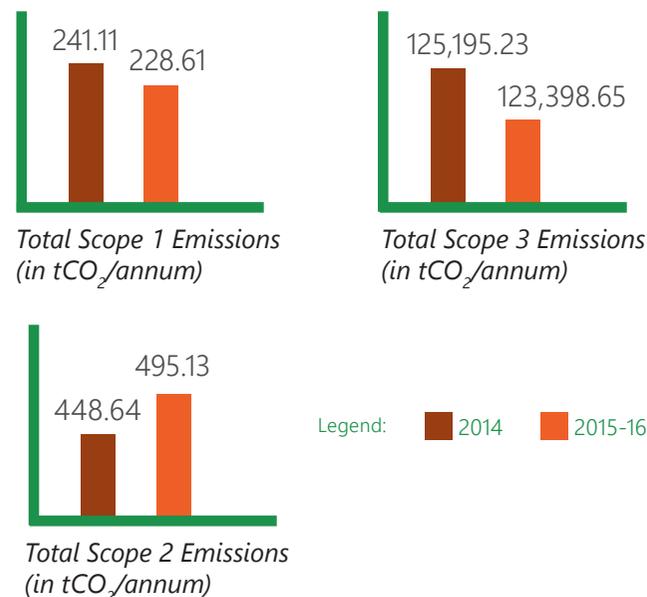
1. Solar power 15 KWp

Carbon

We have undertaken several energy saving initiatives to improve our performance, thereby reducing our GHG footprint

We understand the impact of climate change and have developed an environment awareness creation module addressed to all employees. This module is translated into Bahasa for easier understanding.

Our target for GHG emission intensity reduction was 1.5 % year on year. We have reduced the GHG emission intensity by 2.81% through our energy saving measures.



In order to reduce our Scope 3 emissions, we have undertaken the following initiatives in the reporting period:

- Utilisation of 40 ft. High Cube Containers
- Car Pooling
- Improvement in Inbound logistics viz. raw material procurement by utilising fleet of 16 tonne to 24 tonne trailers.
- Loading - unloading of imported raw material by utilisation of dock levellers at godowns.
- AMC with our OEM for forklift maintenance

We have undertaken a supply chain study in the reporting period which will lead to reduction in lead times, and OTIFs in the coming year. We are also evaluating and planning to introduce rechargeable battery operated forklifts in the coming years.

Emissions

We understand the need to improve the air quality conditions in the work place and in the surrounding region. We improved the in-plant air quality by following a Standard Operating Procedure (SOP) whilst undertaking civil works so as to reduce the particulate matter in the environment. Effective implementation of this SOP has brought down the total suspended particulate matter from 101.64 mg/m³ in 2014 to 61.15 mg/m³ in the reporting period.

We revised the maintenance schedule of our rotary air filters, re-placed our filter media at more frequent intervals and this has helped to maintain a pressure of 250 Pa, thus improving efficiency and reducing particulate matter in the reporting period.

We continue to use R134A in all our chillers and R410A in our split air conditioning systems which are non- ODS refrigerants.

We are also planning to install a VRV based centrifugal HVAC system in our premises in the coming years.

Air Emissions:

NOx	3.12	3.28
<small>μG/Nm³</small>	<small>2014</small>	<small>2015-16</small>

SOx	0.73	0.65
<small>μG/Nm³</small>	<small>2014</small>	<small>2015-16</small>

PM	101.64	61.15
<small>μG/Nm³</small>	<small>2014</small>	<small>2015-16</small>



Rotary air filters



Centrifugal Chiller using R134A Refrigerants
(Environment Friendly)

Water & Effluents



Indonesia’s water resources accounts for almost 6% of the world’s water resources or about 21 % of the total water resources of the Asia Pacific region. But in recent years, procuring clean water is becoming a serious problem in Indonesia as its water sources are getting affected due to industrialization and other activities.

Regulations in Indonesia require adherence to discharge water quality standards and responsible use of water resources. Discharged water quality and quantity is monitored on a monthly basis which is done by the government agency.

We have a Saskatchewan Irrigation Projects Association (SIPA) agreement with Perum Jasa Tirta-I, the water supplying authority for water intake and its consumption. We withdraw upto 40000 m³/month from the Citarum Lake. Water in huge volumes are not required in spinning units similar to ours. We were consuming approximately 1397 m³ of municipal water per day in 2014.

In 2015- 16 we reduced the same to 1363 m³/day. Most of the water is used for sanitation, landscaping and hygiene purposes.

Water & Effluents

0

% of Water recycled (m³)
(2015-16) : 0%
Target for 2017-18 : 5%

14,715 m³

Effluent water discharged (m³)
(2015-16): 14,715.3m³
Target for 2017-18 : 30,000 m³

5.86

Water Intensity(m³/MT)
(2015-16) : 5.86
Target for 2017-18 : 6.5

We have also assessed ourselves against WASH pledge in order to improve water, waste water, sanitation, hygiene and health. In the reporting period, we completed the following activities as a part of the WASH pledge action plan:

- Signage for handwashing behaviour, posters in washroom area
- Provision of soap, hot water and towels at all washrooms
- Renovation of old washrooms to improve its usability

We constructed a rain water harvesting system of 30 m³/hr capacity in our plant. We are planning to augment capacity with another 40 m³/hr approx. in the coming year.

We have focused on training and creating awareness amongst employees on water conservation, and celebrated a water saving month in March 2016. The following actions were undertaken during the reporting period:

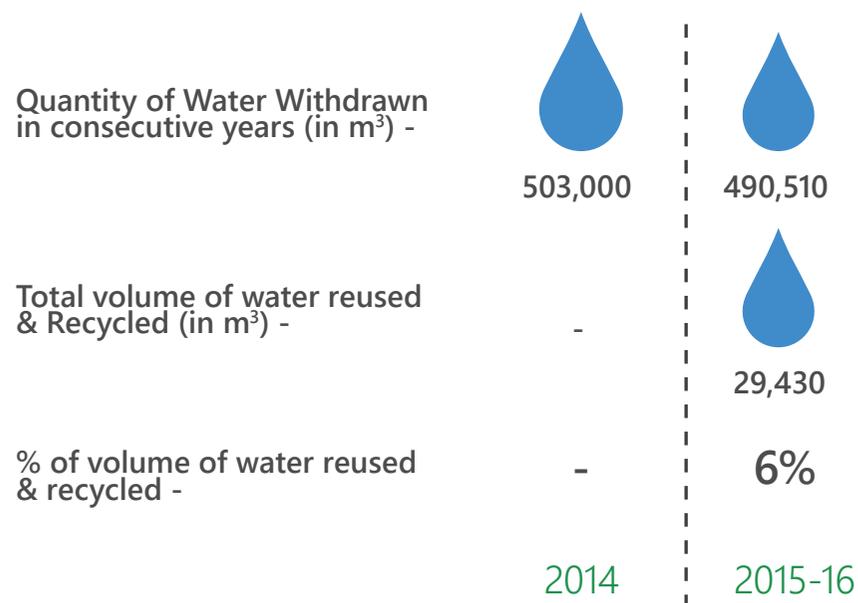
- Prizes were distributed for best posters that celebrated water conservation
- Monitoring of water consumption in plant wise with separate water metering system.
- Weekly checking of water taps, toilets & washrooms.
- Water conservation related quizzes, Posters and Prize.

We also undertook water consumption monitoring on a daily basis, which helped us to identify deviations and control losses. Additionally, we have undertaken the following projects in the reporting period:

- Replace rusted water pipelines in plant and dormitories.
- Measurement and analysis of water consumption for each mill.
- Automation has been undertaken at the water treatment plant to maintain quality of water at 10 ppm. This has resulted in reduction of blow down of cooling tower water.

Recycle & Reused

ILT recycles and reuses more than 6% of its intake water. During the filtration process, the inlet water enters a sand filter, and in a subsequent cycle to the carbon filter and to the softening process, this back wash water is channeled back to the raw storage tank where it is treated and reused within the facility. This has resulted in water savings of 82.5m³/day.

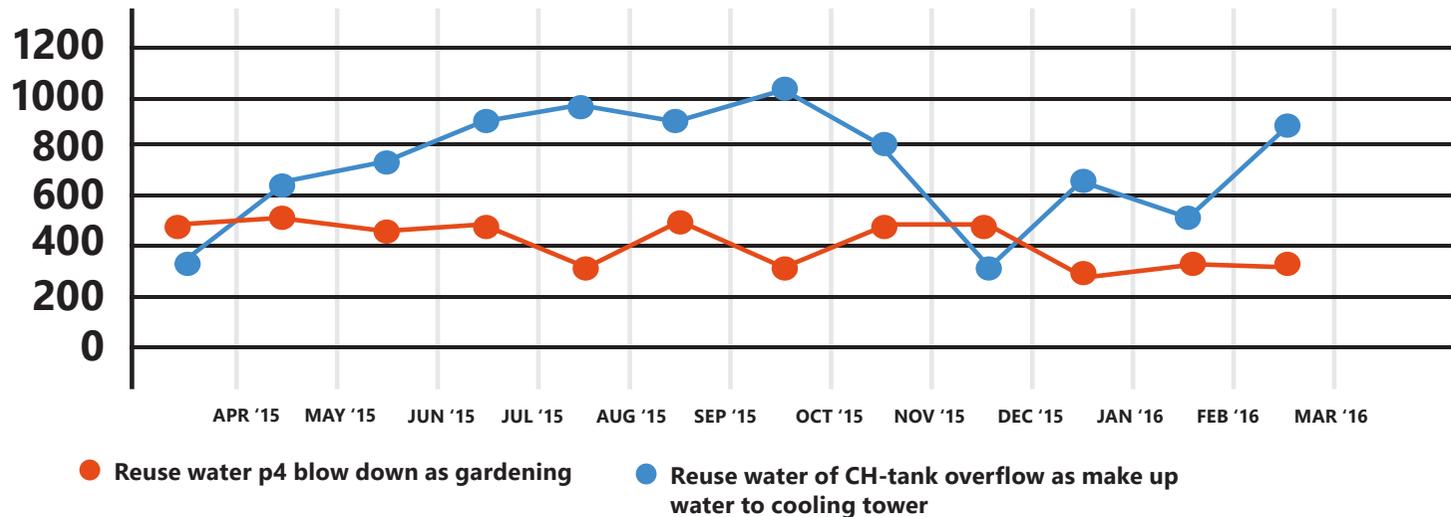


We focused on training and creating awareness amongst employees on water conservation and celebrated water saving month in March 2016. The following actions were undertaken during the reporting period:

- Weekly checking of water taps, toilets & washrooms.
- Water conservation related Quiz, Posters and Prize.

We also undertook overall water consumption monitoring on a daily basis, which has helped us to identify deviations and control losses. Additionally, we have undertaken the following projects in the reporting period:

- Separation of hard and soft water supply pipelines, so that soft water is supplied to only humidification plants, chillers and cooling towers.
- Replacement of our two old cooling towers which helped us in reduction of water used due to higher drift losses in older cooling towers.



Waste Water

As an environmental steward, ILT is committed to treating all the waste water and maintaining the same within prescribed limits of the Ministry of Environment, Indonesia.

We will be commissioning our waste water treatment plant, capacity: 2kL/day in the coming year, which would help us to treat any waste water generated through our product development process. Discharge water amounts to 3% of the total intake water. This water is largely from the air-washer unit and the blow down from the cooling tower.



Destination of Water Discharged	Quantity
Citarum Lake 2013	47.4 m ³ /day
Citarum Lake 2014	41.9 m ³ /day
Citarum Lake 2015-16	40.8 m ³ /day

Waste Water Quality:

COD mg/l	54.71	43.17
	2014	2015-16
BOD mg/l	101.93	93.38
	2014	2015-16
TSS mg/l	28	34.17
	2014	2015-16

In the reporting period, we have constructed a masonry channel containing filter and gravel and applied necessary chemicals. Waste water is allowed to settle through the system, thus reducing the COD and BOD load before discharge. This has resulted in marked improvements in the quality at discharge.

Materials & Waste



Materials

As we move towards a highly differentiated market with speciality yarns, our primary raw materials continue to be polyester staple fibre and viscose staple fibre, combining these with speciality fibres such as linen, modal, excel, coolmax, comber noil and bamboo.

We have introduced products like tri-blend with waste cotton as constituent, also known as comber noil to produce fancy yarns. There is now an increasing demand for recycled blends. Similarly we are also supplying quality linen blends. Renewable raw materials including cellulosic, fibre constitutes approximately 73% of our total material consumption.

Our material management policy ensures conservation, use of renewable, recovered and recycled material with speciality fibres. We aim to gradually lower our environmental foot print. There is also a focus on increasing the Value Added Products year on year.

We strive hard and put our best efforts to improve our material use efficiency.

Waste Management

0.52

Process waste for recycle as % of total raw materials by weight (2015-16): 0.52
Target for 2017-18 : **0.85**

2.46%

Raw materials waste intensity as % of of total raw materials (2015-16): 2.46%
Target for 2017-18 : **1.92%**

2.8MT

Recycled / Renewable Material in Packaging (2015-16): 2.8MT
Target for 2017-18 : **3.1MT**

2.97

Quantity of Hazardous Waste Generated (Tons) (2015-16) :2.97
Target for 2017-18 : **0**

Our focus has been to improve the yield of our spinning process by focusing on process waste reductions.

Sr. No.	Indo Liberty	2015-16 Target (process waste limit)	Achieved
a.	Mill 1	1.79	1.73
b.	Mill 2	1.60	1.79
c.	Mill 3	2.15	2.10
d.	Mill 4	2.07	2.08
AVG		1.90	1.92

During the reporting period we have focused on development of speciality material products also referred to as value added products (VAP). This has resulted in working with small lots of materials. The VAP percentage being high, we faced the dual challenge of improving productivity and at the same reducing the waste percentage. To overcome this, remnant waste that was un-utilised in a speciality material product is stored for further use.

The second challenge has been a high amount of filter waste due to large number of suction points in latest high speed carding machines. We have analysed and achieved an optimum setting and flat speed that reduces waste without affecting the quality.

While producing siro yarn, the challenge of singling exists (viz. completion of yarn in one roving in a double roving system), this results into single/ thin faults. Hence the sizes have been modified to accommodate larger roving resulting in reduction of waste.

We have achieved the following in the reporting period:

- Optimisation of winding machines to reduce hard waste percentage
- Discarding the stained dirty cones for rewinding and disposing only the defective parts.

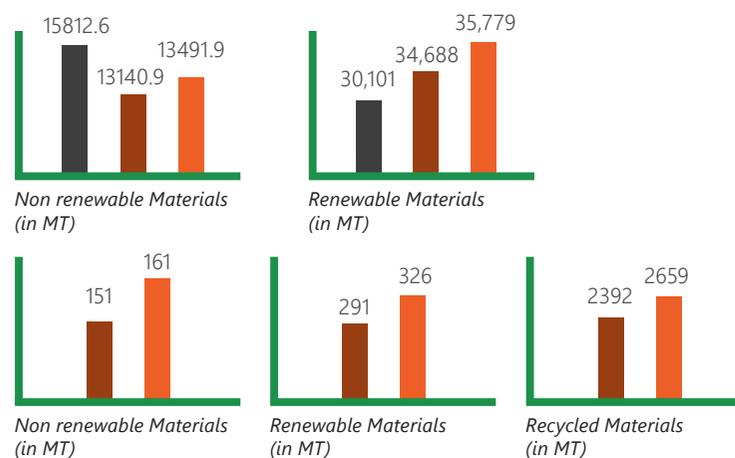
- Training operators to reduce damage of cones
- Overall awareness, categorisation of waste generation and daily monitoring to reduce instances.

During the reporting period, we have reduced hard waste by 27% (from 251.84 MT to 183.96 MT) by upgrading equipment software and better management. Sweeping waste was reduced by 37% (40 MT to 25MT) in the reporting period.

Waste reduction targets are set annually at our budget conference, held in the middle of the coming year. Similarly supply chain engagement and intervention have resulted in improving efficiencies, reduction in lead times and improvement in OTIF (On Time In Full).

In the reporting period we have collaborated with our paper cone supplier Paper Tech, wherein Paper Tech purchased the corrugated boxes and damaged paper cones, and recycled them. Papertech has obtained the FSC Certificate since May 2015; FSC (Forest Stewardship Council) Certification. Its main raw material is 100% waste paper and not from the forest wood.

Packaging Material:



We also discontinued the use of 20 micron plastic sheets and now use recycled polythene bags instead. We are evaluating the feasibility of reclamation of packing materials like cartons, and wooden pallets for local delivery. This will result not only in cost reduction, but also reduce the environmental impacts. We have increased the quantum of recycled materials used in packaging by over 15% in the reporting period. They consist of:

- Cartons
- Layer
- Recycled polythene
- Paper cones

Solid Waste Management

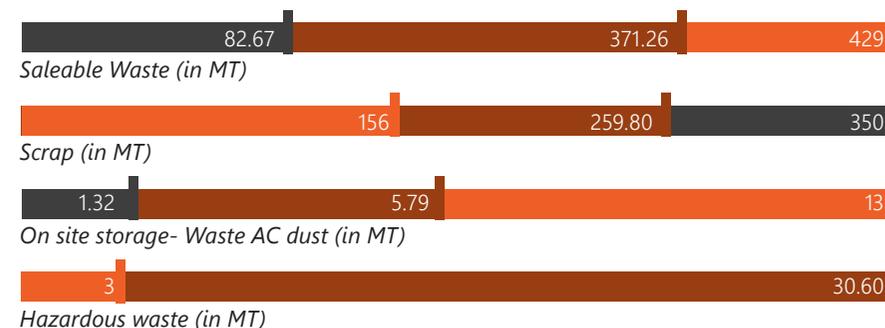
The main wastes produced by our facility in the spinning process includes fibre, scrap, paper, plastic and cartons.

We look at waste as a responsibility and an opportunity. We work in complete adherence to our waste management policy and provide a structured approach to waste collection, handling, storage and disposal of different types of waste generated in ILT.

Waste such as roving flat strips, filter, are collected and stored in the waste go-down. In order to overcome the challenges of waste organisation, a bale press machine was installed, which has resulted in better waste storage and disposal, resulting in lesser number of trips to dispose of the same.

We do not produce any hazardous materials or generate any hazardous wastes. Non-Hazardous waste is handed over to authorised waste handlers. We ensure that the certificate and evidence for treatment and disposal is provided. This also enables us to track, monitor and manage the waste.

Total Waste Generated:



Transport - In the reporting period, there has been no significant environmental impacts due to transportation of goods for organisation's operation and transporting members of workforce.

We do not transport, import, export or treat any hazardous waste, which can be classified under terms of Basel Convention, and no waste is being shipped internationally.



There were no significant spills during the reporting period.

Health & Safety



By its ratification of ILO Convention No. 187, the Government of Indonesia reinforces its commitment to achieve sustained and continuous improvement of occupational safety and health to prevent occupational injuries, diseases and deaths, and take active steps in consultation with the social partners.

Ensuring health and safety of employees is the first and foremost responsibility as they are the most important resource, and every process depends on them. Any incidents of accidents, injuries or lost days due to occupational hazards damage our employee well-being, cause business disruptions and damage our reputation.

In order to ensure adherence to continual improvement and total employee involvement in addressing the challenge of safety and occupational health we have implemented management systems as per OHSAS 18001 standards.

We continue to conduct OHS aspect – impact analysis on a yearly basis. The same is certified by external third parties. Risk assessments are conducted once in 6 months by an external agency. Basic Condition Evaluation (BCE) is being audited internally on a quarterly basis for continual improvement on health & safety parameters.

Health & Safety

1.28

Injury Rate (2015-16): 1.28
Target for 2017-18 : 0

88%

WASH Pledge Score(2015-16) : 88%
Target for 2017-18 : 95%

72

Higg Index score %(Env Module)(2015-16): 72
Target for 2017-18 : 90

Our commitment to WASH pledge and periodic internal audits to check adherence to the pledge, are the main levers for maintain health and hygiene in the work place. Post integration of the Wash Pledge module with Enablon. Our performance is tracked at a unit level and also at a business level which is tracked during our Apex council meetings. Our score was 1.4 / 2 in 20 14 which has improved to 1.8 in 2015-16. The actions undertaken during the reporting period are as follows:

- Expansion of existing worker canteens.
- Renovation of worker toilets, replacement of fittings and tiles.

Our commitment to health extends to customer and ultimate user of our products. This is achieved through undertaking Oekotex certification of our fibre and yarn. Periodic evaluation of Higg Index score ensures that our commitment is adhered to in our operations.

Our injury rate has decreased in the reporting period. We followed a process of analysing the type and cause of injuries and found that the injuries were of minor nature and mainly superficial related to grazing of skin whilst removal of lapping. We ensured that only supervisory level staff who are trained to do so to undertake removal of lapping., Tthis resulted in reduction of injuries. We are now evaluating alternate instruments for the same purpose, whichthis will be procured and deployed in the coming year. We are also identifying and analysing minor and near- miss accident reports on a monthly basis.

Safety Council at ILT is registered with the Manpower Department ,Department, Indonesia, and members are from different functions. The safety council meeting is held each quarter. Inclusion of more workers in safety committees and improved awareness and training to our workers employed by contractors are also some factors that contributed to improvement of our safety performance. Our Health & Safety Council comprises of of 53 members with 37.5% representation by workers.

The following actions were undertaken by the Council in the reporting period.

- Improving the Fire Retardant system of the entire plant - this has been upgraded by erection of a new fire pump house which consists of Jockey pumps, main fire and diesel fire pumps.
- Installation and commissioning of smoke detectors in the electrical panel room.
- Installation of Central Fire Announcement system at the main security post.
- Dedicated walking paths.
- Helmets for two-wheeler riders within the campus made mandatory
- Ensuring that all contract job based temporary workers have also been provided with helmets, safety shoes and belts; use of the same is ensured by the safety officer; and is linked to the contractor's license to work.

We plan to improve the quality of PPE equipments in the coming year.

In addition to the following training programmes such as First Aid, fire-fighting, emergency evacuation, mock drills, we have conducted awareness training programmes in the reporting period on HIV, Aids, Dengue, Malaria and Tuberculosis.



In 2015-16, we provided a total of 5244 hours of training on occupational health & safety, for a total of 1400 employees.

Health & Safety Committee

Mr. Y.P. Singh
Advisor, Management
OPERATIONS

Mr. S.M. George
Advisor, Management
ENGINEERING

Mr. P.S. Mangat
Advisor, Management
ENGINEERING

Mr. Lambok Sidabutar
Chairman, Management
PERSONNEL

Mr. Syawal Riyanto
Vice Chairman, Employee
ENGINEERING

Mr. Midwar Kamal
Safety Officer
ENGINEERING

Ms. Anita Octaviani
Vice Secretary
WCM

Ms. Pepi Putri Kartika
Member, Trainer
HR

Mr. Diana
Member, Management
ENGINEERING

Mr. Ade Suhendi
Member, Labor Union
MAINTENANCE

Mr. Agus Suprianto
Member, Labor Union
MAINTENANCE

Mr. Didi Damhuri
Member, Employee
PRODUCTION

Man-Hours

Total Man-Hours at unit

	841,650	820,256	674,600
	3,084,699	3,098,136	2,455,288
Total:	3,926,349	3,918,392	3,129,888
	2013	2014	2015-16

Total Man-Hours at Head Office

	2,427	2,488	2,496
	12,431	12,440	9,984
	14,858	14,928	12,840
	2013	2014	2015-16

Types of Injury & Injury Rate:

Injury rates by gender

Injury rates by gender



Occupational Disease rate by gender:



Lost day rate by gender:



Absentee rate:



We have conducted an audit during the reporting period to assess the work areas that have high risk of negative occupational health risk and found no such area in our manufacturing operations. We have included occupational health and safety in our agreements with the worker unions.

Chemical Management



Chemicals management is an important aspect for safe operations, maintaining quality of effluent and most importantly customer health and safety. At ILT, we manage chemicals through our Integrated Management System following ISO standards and REACH requirements. During the reporting period there were no significant spills in our operations.

We avoid known/identified toxic, harmful and bio- accumulative chemicals and substances. We comply with REACH requirements fully.

Our diligent chemical use is monitored by COD in our effluents.



Chemical Management

100%

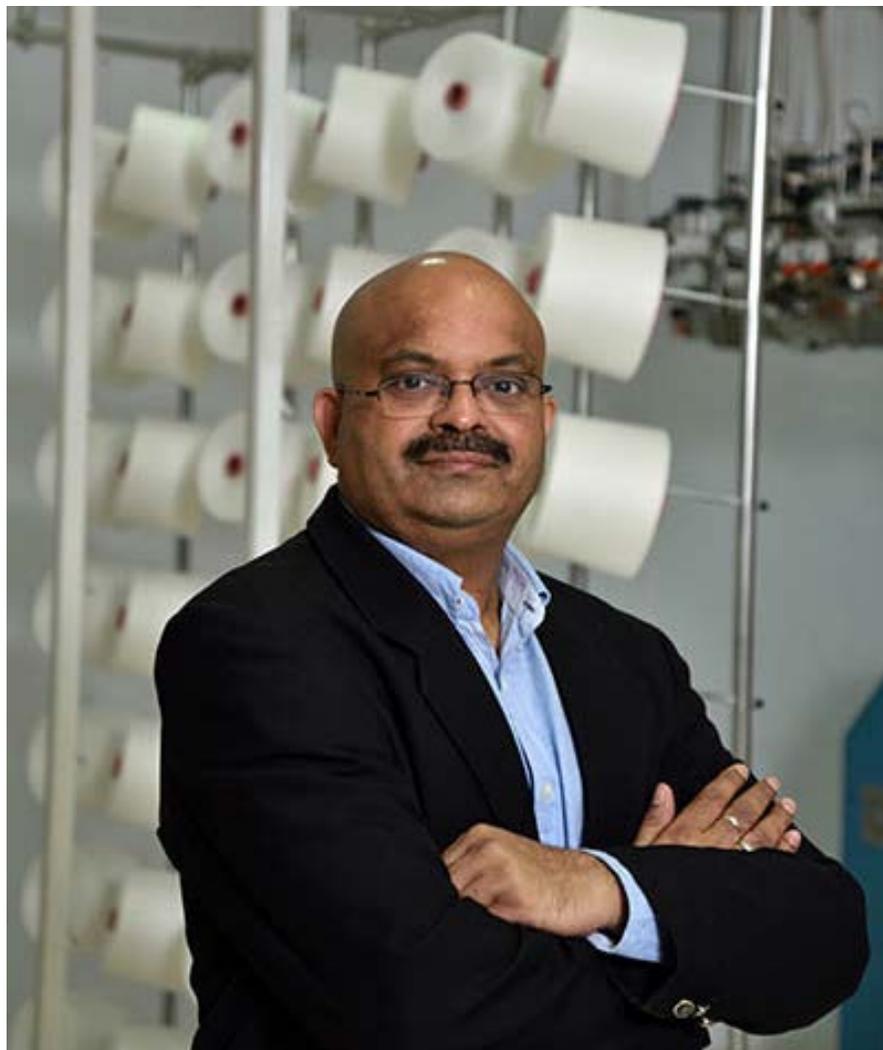
Compliance with IFC & regulatory standards of Effluent (2015-16) : 100%
Target for 2017-18 : **100%**

93.38

COD (mg/l) of Effluent (2015-16) : 93.38
Target for 2017-18 : **<90**

Caring & Sharing

Message from Head, HR



This year at ILT was marked by portfolio expansion with emphasis on value addition, penetration in domestic market and improved quality of products and services despite increased market competition and global economic downturn. In a situation when business sustainability is contingent upon innovation, flexibility and adaptability, people strategy will be a critical component of business strategy. Our employees are critical to our business and its sustainability. We are committed to creating a fair, healthy, safe and rewarding work environment that balances work and life.

Employee Retention is a major challenge at ILT. Due to changes in education and societal aspirations such as comfort at work, high pay and future growth, recruitment and retention in the textile business has become a challenge. In 2015 we studied and analyzed our employee background and pattern of attrition. Then we developed our recruitment and retention strategy. We thus hope to see a longer cycle of employee retention.

We have incorporated clauses covering important aspects such as non-discrimination, human rights, child employment in all our contracts with suppliers and we audit them once a year to ensure that they are being followed.

Workforce diversity and inclusion is a key driver of innovation, and adaptability at ILT. Every person at ILT is entitled to equal opportunity and treatment in employment, without discrimination. Employed workers as well as job applicants are not subjected to discrimination. Gender diversity is also an aspect that we take very seriously. The proportion of female workers to male is almost 3:1, which shows our efforts in promoting diversity. Currently, 3 women occupy senior management positions at ILT, with many more being groomed to do the same in the coming years.

Developing talents is one of the key strategic agenda at ILT to address shortage of technically skilled professionals in the textile sector.

This enables us to business challenges, increase productivity and gain employee loyalty. Adopting from Aditya Birla Group's Talent Management Framework in the past year, ILT has launched DAC program in order to develop its own talents. The selected employees were sent to the program for evaluation. Once the result was released, an Individual Development Plan (IDP) was defined. The IDP is reviewed each quarter.

We have established Grievance Redressal Mechanisms for our employees. The system involves communication of procedures, recording and investigating grievances, redressing grievances and communicating; and finally reviewing the effectiveness of the mechanism annually. During the reporting period we have not registered any grievance through this mechanism and we consider this as lack in deployment of this process. We are deploying this process more vigorously and expect to receive and address more grievances from our employees.

In 2016-17, the company will strengthen training and development through diverse learning methodologies such as E-Learning, exhibition visits and field trips besides class room training. It is expected to improve effectiveness of training and development and would cover more employees.

We are continually improving our assessment systems and workforce appraisal process which helps us to understand our employee's challenges, strengths and areas where they seek improvement.

We believe that we are accountable to our shareholder and expect inputs from you to improve our performance on all aspects of sustainability.

-Vinod Kumar Singh



Social & Labour



Training (Hours per capita)

2015-16 : 4.38
2017-18 : 8

Community Social Investment

2015-16 : USD 10,000
2017-18 : USD 10,000

Fair Employment Practices

Adhering to fair Employment practices is our commitment, more so as our industry is becoming more technology intensive and innovation driven.

We are an equal opportunity employer and do not tolerate child, forced or compulsory labour at the work place and in supply chain. We provide wages and benefits as stipulated by the regulations. We make best efforts to create enabling environment for diverse groups. We have made our premises disabled friendly. Our permanent labour and contract workers gets the following benefits such as Basic Salary/ Bonus/All allowance and Annual leave. We provide prayer rooms in our workplace in different zones to enable the devoted religious people to pursue their religious beliefs and requirements and practices. Dress codes have also been adapted to suit the culture.

Labour management relations

Maintaining a good relationship with our employees and workers is critical to maintain workplace harmony and productivity. We enjoy the support of our union- SPN, and to the credit of all, no time has been lost due to any dispute in the reporting period

If any dispute/grievance arises, both management and the union proactively engage to arrive at a solution. Both parties meet together as required to discuss and solve issues related to productivity, quality, and discipline. A lot of effort is invested by all to settle our biennial bipartite agreement.

All the employees are covered in the bargaining agreement.

New employee hire and employee turn-over

New Employee Hires	2014	2015-16
Total Workforce	1445	1414

New employees hired by age group

• Under 30 years old	104	209
• 30-50 years old	11	23
• Above 50 years old	0	0

New employees hired by gender

• Male 	25	41
• Female 	90	191

New employees hired by region

• West Java	97	175
• Central Java	9	28
• East Java	5	11
• Others	4	18

Employee turn over by age group

• Under 30 years old	102	203
• 30-50 years old	11	31
• Above 50 years old	2	0

Employee turn over by gender

• Male 	17	26
• Female 	98	208

Employee turn over by region

• West Java	96	156
• Central Java	11	55
• East Java	3	6
• Others	5	21

Compensation and Benefits

Entry level wage, basic salary and remuneration

Benefits offered to permanent employees:	2014	2015-16
• Employment Insurance (BPJS)	3.70%	3.70%
• Medical Insurance (BPJS)	4%	4%
• Eid Mubarak Bonus	1 x basic salary	1 x basic salary
• Allowance	Meals	Meals
• Others	Housing / Mess	Housing / Mess

Benefits offered to temporary/part-time/contract employees:

• Employment Insurance (BPJS)	3.70%	3.70%
• Medical Insurance (BPJS)	4%	4%
• Eid Mubarak Bonus	1 x basic salary	1 x basic salary
• Allowance	Meals	Meals
• Others	-	Housing / Mess

Retention rate after parental leave

	2014	2015-16
Total number of employees that were entitled to parental leave	1155	2528
	643	1592
	512	936
Total number of employees that took parental leave	21	188
	17	139
	4	49
Total number of employees that were entitled to parental leave	21	187
	17	138
	4	49
Total number of employees that were entitled to parental leave	21	178
	17	130
	4	48

Post return from maternity leave, they are reinstated to their original role thus reducing any opportunity for dissatisfaction. During the reporting period 37 women employees took parental leave and all returned to work and continue to stay for more than a year post the parental leave.

The traditional joint family system still continues in Indonesia, thus allowing for women to work, as children are taken care of by In-laws. Again as a social practice, women seek to work and remain financially independent.

Employee Diversity

Indonesia has ratified the two core ILO conventions addressing discrimination in respect of employment and occupation workforce diversity. We recognise that inclusion is a key driver of innovation, and adaptability at ILT. Every person at ILT is entitled to equal opportunity and equal treatment in employment, without discrimination. Employed workers as well as job applicants are not subjected to discrimination.

Diversity is important to the organisation for cross cultural management, engaging people to achieve business objectives, tweaking demographics to suit operational assignments. We find that Indonesian women by nature are as sincere and committed as men, they are focused on their work, disciplined and hence more and more promotions to senior positions are taking place. The following women with us are in senior positions:

1. Renta Sinaga – Finance Section Head,
2. Sulistyani – Export Marketing Sub Section Head
3. Feronika W. – Stores Senior Officer

We provide requisite training to women for their development in respective work areas based on their KRAs and performance as well their areas of interest. We are also looking to hire disabled members in the coming years in functions where the suitable environment could be developed and if such vacancies arise.

Diversity for employees

Total Employees by gender



Total Employees by age group



Total Employees by minority groups



Total Employees by region





Local communities meeting with Management

Human Rights

Indonesia has ratified various human rights treaties, and ILO Conventions and therefore, we have a responsibility to make sure that we are not complicit in human rights abuses. International norms, such as the United Nations Guiding Principles on Business and Human Rights, recognize that companies should undertake “human rights due diligence” measures to ensure their operations respect human rights and do not contribute to human rights abuses.

ABG is a member of the United Nations Global Compact, an international forum that operates under the aegis of the United Nations and ascribes to the human rights policy of the United Nations Global Compact.

Our approach to human rights is aligned with universally accepted human rights standards and we support the human right issues included in the Universal Declaration of Human Rights. Our human rights policy addresses key aspects such as non-discrimination, prohibition of child and forced labour, and freedom of association and the right to engage in collective bargaining.

We have included human rights clauses in our contracts, such as labour contracts. Contractor’s employees can also contact us directly in case of any grievance. Our new and existing supplier assessment formats include criteria relating to human rights compliances. Our approach to detect any violations on fair employment practices and human rights is through periodic internal audits, grievance and whistle blower mechanisms. We have not identified any violations during the reporting period. We will also be implementing the SA 8000 standard in 2016-17.

2015-16

Investments

Total number of agreements and contracts that contain clauses on human rights

1

Training

Number of employees who received training on human rights policies or procedures

30.34%

Total number of hours devoted to employee training on human rights policies or procedures

858

Security Practices

Total number of security personnel employed

2013	2014	2015-16
21	21	20

Total number of security personnel receiving formal training in the organization's human rights policies or specific procedures and their application to security

2013	2014	2015-16
0	0	0

Is the training also provided to third party organizations providing security personnel?

No

Training & Development

Empowering our Employees - Skills Management and Career Development

Developing talents is a strategic agenda at ILT due to unavailability of adequately skilled professionals, especially in the textile sector. To address business challenges and competition in the market, it is essential to train employees to increase productivity and achieve skills up gradation and gain loyalty. The Government of Indonesia is now focussing on developing sector specific Bachelors and Masters courses, so that industry requirements can be met.

We have also developed a skill matrix framework to identify competency levels, skills and qualities of employees vis-à-vis skills required to improve on-the-job performance. Based on such mapping, we develop the training calendar for all employees and such training is aimed to ensure their progress in their career. Adopting from Aditya Birla Group's Talent Management Framework in the past year, ILT has launched DAC program in order to develop its own talents. The selected employees were sent to the program for evaluation. Once the result was released, individual development plan (IDP) was defined. The IDP is reviewed each quarter. In the reporting period we initiated a practice where we conduct training every single day at an appointed time. Those who are entitled to attend make themselves available at 14:00 hours in our training room at the HRD centre

Training hours in 2014 F 4.77 hrs, M 1.47 hrs 2015-16 F 5.54 hrs, M 0.79 hrs

Our increase in the number of training hours was due to the increase in number of training topics such as anti-corruption, human rights, pre-retirement programs, basic condition evaluation (BCE), and family planning.

REWARDS FOR BEST EMPLOYEES 2015-16



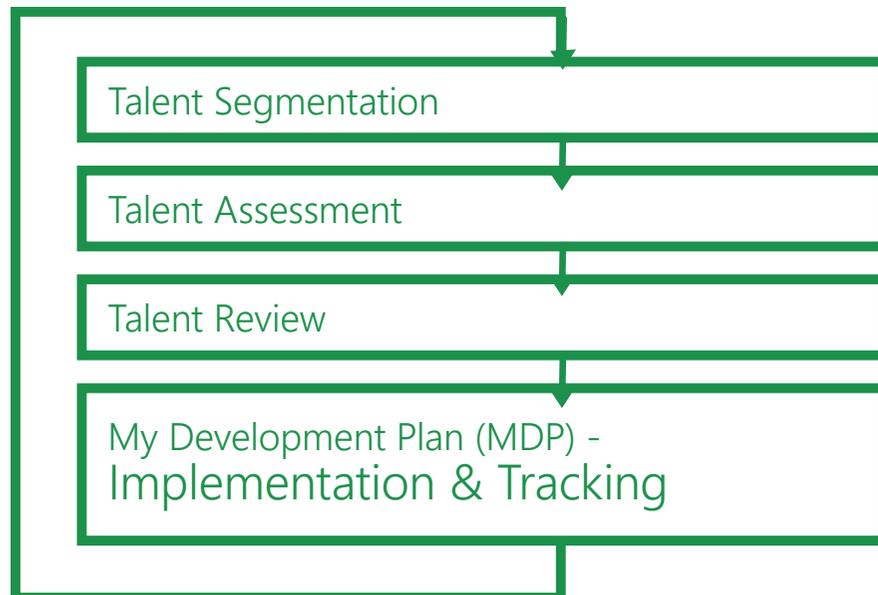
SURADI



**AHMAD
SULTON**



**HADI
SUHADI**



Men employed on the shop floor are skilled technicians, and OEM representatives provide on-the-job trainings on new developments and any upgradation. Additionally, they are also sent for external training programmes like energy conservation, power saving- two such externals sessions were organised in the reporting period.

We regularly measure the skill index of technical people working on the shop floor and we provide the required trainings that contribute to skill enhancement.

Training of Technical Staff at SKF Bearings:



We plan to achieve increase in training man hours by expanding our training portfolio to include the following modules:

- Value Added Products
- Packing
- Logistics
- Malaria
- HIV Aids
- TB

Performance Evaluation:

All employees including workers, long term contract workers and staff are evaluated annually by the HR and concerned manager. The grading system is based on the following attributes: absenteeism, attitude, discipline, responsibility, job knowledge, capability, initiative, health condition, and self-improvement.

Career Development:

Staff receive in-house trainings to groom them for senior positions as available, for the following levels such as: Group Head, Supervisor, Local manager.

We identify a pool of high potential candidates, approx. 15-20% of the total population. These star employees are selected through Corporate HR from the departments like production, finance, marketing, engineering, quality, and HR. We have selected 07 local employees from our staff. Based on competency, skills and performance, an Individual Development Plan (IDP) has been developed to fast track their growth within ILT.

Workshop on Excellence in Execution & Innovation was undertaken in the reporting period to improve the managerial skills of supervisory staff and local managers at external location.



25 people were winners of the Kaizen suggestion & 3 teams were the winner of the Best QC Awards (April 2015-March 2016)

The outcomes of Vibes Survey conducted in 2015 amongst employees highlighted the fact that 95% of employees felt their Manager provided them opportunities for learning and development. We are continually improving our assessment systems and workforce planning, our appraisal process helps us to understand our employee's challenges, strengths and areas where they seek improvement.

In 2016-17, we expected to improve effectiveness of training and development and would cover more employees in the basis of skill index available.

Employees who received regular performance and career development review

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



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



Average hours spent on training

Total number of training hours provided to employees



Total number of employees



Average hours spent on training



Notations:



Responsible Supply Chain

Message from Head, Procurement



In a challenging business environment, we can tide over the headwinds and turbulence only by partnering with all our stakeholders. Our suppliers are very critical for our business to be cost-effective, responsive, flexible and resilient.

Regulations in Indonesia on labour environment, human rights, and safety have become stringent and the Government is taking serious actions including closure of companies for not complying with these regulations. So, it is essential for our smooth business operations of ILT that its suppliers comply with these laws in letter and in spirit. Also, as per local regulations, we are liable for stakeholders who are not complying with the local regulations. We have communicated through our website and other means, our code of conduct and policies so that our stakeholders also follow the same in true spirit. Our vendor assessment system also includes human rights clauses.

We give utmost importance to safety of subcontractors working with us. With every contract, we tell our subcontractors to give focus on safety of environment and employees. A Standard Operating Procedure (SOP) on safe working is issued to all subcontractors for adherence. We provide on-site training to all contractors and ask them to follow all our safety procedures. Subcontractors provide us details of all labour being deployed on our site so that we can undertake necessary procedures and inform their supervisors in case of emergency. Subcontractors have to take work permit from us for activities such as hot work, working at height, inaccessible places, etc. Before the start of work, they need to sign a safety agreement to follow all relevant safety procedures.

We have undertaken a supply chain intervention study in the reporting period which will lead to reduction in lead times, and OTIFs in the coming year. This supply chain transformation project, from Demand Planning, Sales and Operations planning and scheduling has been recognized both within the Aditya Birla Group and from outside as well.

During the reporting period, our collaboration and co working with suppliers included:

- Improving the performance for open end yarn
- Reduction in hairiness of ring spun yarn
- Speciality polyester projects in collaboration with key suppliers
- Introduction of worsted effect in yarn

We continued our collaboration with packaging material suppliers and reduced consumption of plastic through working with our stretch film supplier to reduce from 22 microns to 15 microns in the reporting period. All our cones were packaged in polythene bags which had recycled element of 35%. This packaging has now been replaced with recycled element of 55%.

In next the few years, we will make sure that all our suppliers adhere to ABG Code of Conduct and have identified suppliers to follow environmental and social good practices adhering to ISO 9001,140001 and SA 8000. In addition, we will create structured an interactive/collaborative platform to engage, work and co-create with our suppliers.

-Mr. Ravindra Kayarkar



Responsible Supply Chain



Supply Chain

89.5%

Procurement from local suppliers (%) (2015-16) : 89.5%

Target for 2017-18 : 90%

30%

% of new and existing suppliers evaluated for Env & Soc aspects (2015-16) : 30% of our active supplier and 100% of our critical suppliers

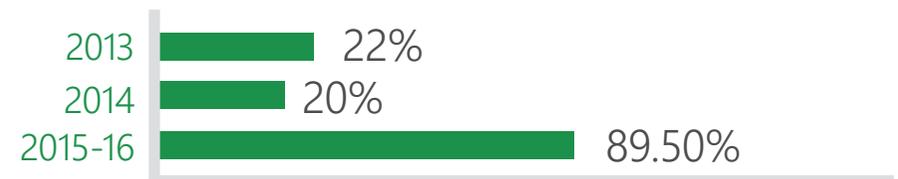
Target for 2017-18 : 90% of critical suppliers
Supplier Code of Conduct sign off for 100%



Number of Local Suppliers



Total procurement budget spent on local suppliers – USD



Procurement from local suppliers in %

Responsibility to Customer

Message from Chief Marketing Officer



Our vision is “to provide better, safer & environment friendly product to our customers”. We operate in over 50 countries worldwide, compete with different competitors in different markets, work with more than 1000 customers having different end uses using different kinds of machines and other complexities.

Customer centricity is our motto. Due to excellent customer service, customization of products through our wide range of specialty yarns and superior customer connect. Since 2013, our global market share has increased from 12% to 14%, in spite of international trade having increased.

Our sustainability drive has added certain nuances to our advertising, marketing and product development strategy. We have already initiated the process of preparing our reviewing our marketing communications manual in keeping with the International Chamber of Commerce (ICC) code on advertising practices. Our manuals are reviewed to imbibe ethical guidelines that are self – regulatory from the Code thus minimising the need for legislative and regulatory restrictions, and enabling us to follow best practices in advertising.

Our customer satisfaction survey forms have been reviewed to include sustainability criteria which will include feedback from customer on critical issues and consequently help us improve our performances.

Life cycle impacts study for a few select products will be completed in 2015. We will utilise the life cycle assessment to evaluate potential impacts of our products throughout in order to create value for us and ensure that our products are safe for the environment and health in all their intended uses. This will also help us to adopt internationally accepted good product stewardship practices.

We are continuously working towards innovating new products which would meet requirement of customers without having any negative impact on the environment and society. This effort would be augmented efforts in R & D which would include training for identification of environment friendly products.

-Kapil Kumar Agarwal

Product Stewardship



56 | 72

Higg Index score %(Env Module) :
(2014) 56 | (2015-16) 72

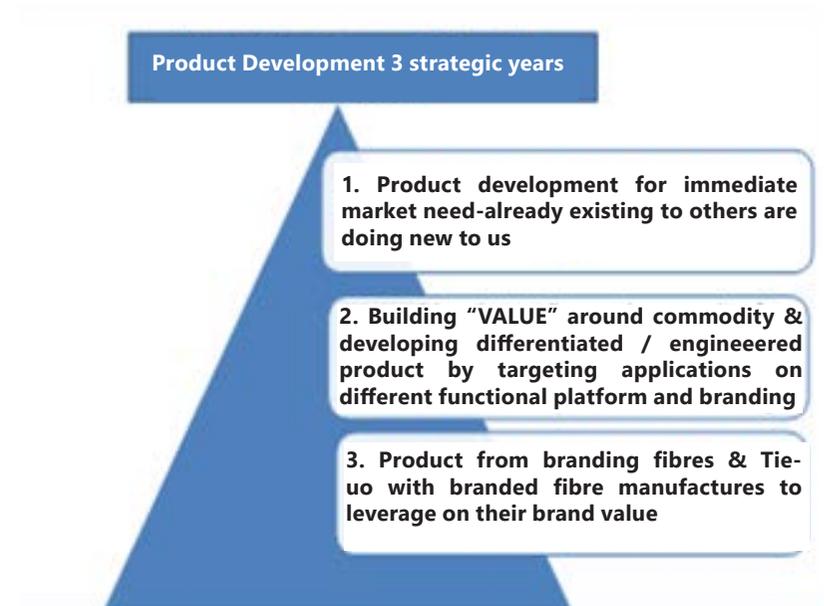
Target for 2017-18 : 90

Market Dynamics

We are in a business where supply of yarn is in excess of demand and newer products are coming up every day. Customers in different geographical regions have different requirements, expectation of better products with complete solution/ services at competitive prices and shorter lead time have become the norm.

Thus making the environment very dynamic, customer management has hence become an important aspect. In view of these conditions, apart from maintaining the best quality of our existing products which are well accepted in the market, we are also in a spree of developing new products in order to stay ahead in the value game.

We are having three strategic directions for product development. Our state of the art technology supports us to produce quality products in the most cost effective way.



Over capacity built up across various industry segments, margins in commodity products are going to remain under tremendous pressure for some time to come. Therefore product differentiation through a higher value added product (VAP) portfolio seems to be the only sustainable way forward for our businesses. However the success factors for a specialty player are very different from that of commodity, therefore, this shift in business strategy will require a change in mindset, value inculcation, and working styles. We are constantly analysing our business, yarn performance and benchmarking ourselves against industry players. Improvements are effected on a continual basis based on outcome of analyses and benchmarking.

Product Stewardship

Product labelling

We provide information related to certifications, yarn count, blend percentage, and ply of yarn. Additionally, customers provide their labelling requirements on an as-need basis, Kamafil, one of our customers demanded that all cones would carry labels as per standard design provided by them.

During the reporting period, there were no cases registered related to non-compliance concerning product information and labelling.

Research & Development

Our product development today considers utilisation of both natural and man-made fibres. We understand the impacts that fibres have across its life cycle, hence we have included 100% recycled polyester and blends in our product basket.

We continue to test a number of products that blend both recycled and non-renewable fibres with cellulosic fibres, these offerings are in demand by certain key fashion brands. We develop our own samples based on market place potential.

We have a pilot plant and a Centre of Excellence (COE) where we undertake both product sampling as well as knitting, dyeing and garmenting to showcase products to our customers. We have a product display studio where we showcase our products as well as our end customer's product wherever the same has been developed through collaborative efforts.

Customer Health & Safety

All our products such as rayon, polyester, modal, bamboo viscose, polyester rayon, modal/cotton, core spun yarn, polyester viscose including flame retardant yarn are Oeko Tex certified.

All our products comply with REACH regulations which restricts the use of identified chemicals and substances, and also comply with product health and safety regulatory requirements as required in the markets.

Use and service

We provide guide lines to our customer on how to use our product. We take adequate care during transportation of our product to customers and ensure that packaging is robust enough to avoid any deterioration of product quality. We also have a customer technical service (CTS) department which proactively reaches out and manages the customer's requirements. Occasionally we engage with our supply chain partners

Stakeholder Engagement



Our mission is "To create value for all stakeholders"

Customer Service is active through its department whereby the technical services personnel meet different customers to meet them, know their demands, and subsequently to tailor make and improve quality of these products. We also meet customers at exhibitions, moreover we conduct studies at the customer's end which helps us to improve the overall performance of our product globally. Suppliers – Joint Projects with suppliers for Fibre suppliers , machine suppliers

Communities – We engage the local village head and local authorities, understanding the locals' view points, provide assistance for infrastructural maintenance, they also provide us feedback w.r.t the environment.

During the reporting year, following were the concerns and mode of communication with our stakeholders



Stakeholder Engagement

55

No. of stakeholder meetings (2015-16) : 55
Target for 2017-18 : 12

94|83|69|73

Satisfaction Levels
(Supplier, Customer, Community,
Employee) (2015-16) - 94 | 83 | 69 |
73

Target for 2017-18 : 90%

25

NPS Score (2015-16): 25
Target for 2017-18 : 40

STAKEHOLDERS	Mode of communication and Concerns, Frequency of meeting
Suppliers	<p>Regular Meetings</p> <p>Concerns : Payment terms, new business, market dynamics, forecasts</p>
Customers	<p>Meetings, smart phone applications, phones, emails, fax, customer visits, internal and external surveys.</p> <p>Concerns : Timely delivery, product quality, value-added products, service quality</p>
Employees	<p>Meetings, Seminars, Web lectures</p> <p>Concerns : Increments, promotions, amenities, work satisfaction, safety, training, performance</p>
Local Community	<p>Meetings, Messages</p> <p>Concerns : Employment for locals, expansion of CSR activities, environmental impacts</p>
Banker	<p>Meetings, Mails</p> <p>Concerns : New loan off take, financing cost, market information, risk mitigation, business strategy, company performance</p>

Listening to communities Community Engagement

We at PT ILT operate at only one location. Hence, we are an integral part of the region in which we operate and will continue to contribute to the local economy through local recruitment and value generation. We would like to deepen our engagement with the community and plan to begin this effort in the coming year through undertaking a needs assessment study and see how our community investments focus can create real impacts both from the community and business perspective

We have regularly met with the local village heads and representatives to identify their requirements and provide them with the required necessities:

- 1) Supply and erection of street light fittings
- 2) Renovation of a nearby school building.
- 3) Providing mattresses to the orphanage.
- 4) Drinking water facility
- 5) Renovation of school playground facilities.
- 6) Donations to Village cultural activities.
- 7) Providing flood relief materials to nearby villagers during floods. time.

We are conducting a community survey on an annual basis, and , the survey results are discussed during our management review are as follows:

Society Satisfaction Survey is conducted on yearly basis and the results are :

SSS Result – 2014 = 9.18/10
SSS result – 2015-16 = 9.27/10

We have a plan to improve the SSS by:

1. Increasing the frequency of interaction with suppliers, society and stakeholders.
2. Taking timely feedback from the stake holders and analysed the same to focus on particular issues.

Social Grievances

We have not received any issue or complaints from nearby communities on environmental parameters or other issues in the reporting period.

We measure air, dust and noise levels in and around the plant and also conduct water discharge quality checks on a yearly or monthly basis and maintain records. Our union & its members actively participates in discussions with our community and suppliers regarding environmental issues, if any, and proactively take actions to address the same.

Engaging Employees

ILT acknowledges that creating an open environment of continuous engagement is vital to maintaining motivation and efficiency levels of its employees.

In the reporting period we have begun with the following

- Cross functional meetings involve both team heads and respective members. Such meetings help employees to open up, share problems and come up with joint solutions and improvement suggestions.
- Communication meetings where the Unit Head and senior management, staff and worker representatives along with union representatives meet and jointly deliberate the industry scenarios, challenges faced by the unit and action plan.

The ABY units across Indonesia also organize welfare activities such as company picnics for the employees and their families. Similarly during the annual Id ul Fitri celebrations, employees including contract workers and their families are provided to and fro transportation to travel to their native place so that they can, celebrate the festival along with their families.

We also annually celebrate Halal Bi-Halal jointly within the company campus.

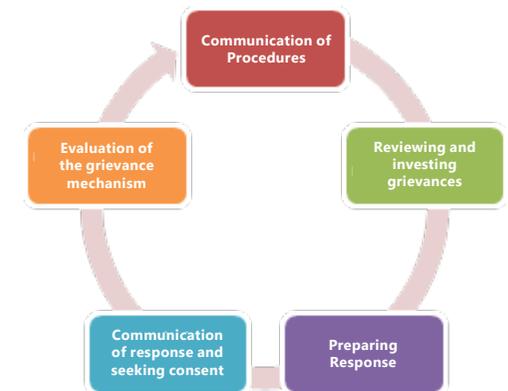
The Vibes Survey conducted in the reporting period focused on three themes; Compensation and Benefits, Customer Orientation and Communication. Employees were quizzed on the following four engagement questions:

- a. Rarely think about looking for another job
- b. Proud to work for my Business
- c. Recommend the business as a great place to work
- d. Extremely satisfied with my Business as a place to work

We received an overall score of 80 % for employee satisfaction and recommending the business as a great place to work, 86 % of our employees are proud to work with us while 77 % rarely think about looking for another job. Driving higher team engagement will be the primary objective of Managers, Business units and the Business

Grievance Redressal Mechanisms

We have established Grievance Redressal Mechanisms for our employees. The system involves communication of procedures, recording and investigating grievances, redressing grievances and communicating; and finally reviewing the effectiveness of the mechanism annually. During the reporting period we have not registered any grievance through this mechanism and we consider this as lack in deployment of of this process. We are deploying this process more vigorously and expect to receive and address more grievances from our employees .



Supplier Engagement

Our regular stake holders' meeting with our suppliers include discussions not only about price, but also about the general market environment, market forecast, general economic forecast, exchange rate fluctuations, oil price estimations, supply chain sustenance, geo - political risks, anti-dumping practices and other such critical aspects which could affect our performance and that of the value chain. This helps us to predict and fine tune our budget numbers and take necessary actions.



We constantly work with our key local suppliers on improving the quality of products. Joint improvement projects such as improving the quality at supplier end, testing the improved product at our end and at our customers' end, and using this input to further improve the quality of product of our supplier is being done continuously.

ILT participates regularly in the theat Textile Machinery Association seminar held every 4 years to be updated on the latest sustainability issues and trends in the textile industry.

Key Raw Material Projects:

- Improving the performance for open end yarn
- Reduction in hairiness of ring spun yarn
- Speciality polyester projects in collaboration with key suppliers
- Introduction of worsted effect in yarn with one of our key rayon fibre suppliers

Key Packaging Material Projects:

We have economised on our packaging costs and reduced consumption of plastic through working with our stretch film supplier to reduce from 22 microns to 15 microns in the reporting period.

All our cones were packaged in polythene bags which had recycled element of 35%. This packaging has now been replaced with recycled element of 55%

Our cones were also packaged in polythene sheets. This was discontinued, resulting in large amount of reduction in plastic consumption and we made the move towards environment friendly options. Please find below the combined reduction of both Polythene sheets and bags at other Indonesian units of ABY.

Total	2014-15 (MT)	2015-16 (MT)
PTE	156.095	112.896
ILT	152.177	143.566
PTS	94.122	95.721

Supplier Grievance Mechanism

There were no supplier grievances in the reporting period. We understand that effective grievances redressal is critical for our business and the mechanism will be adequately robust once our sustainability portal that includes stakeholder engagement and grievance redressal is flagged off in the coming year.

Customer Engagement

At ILT we do believe in that “Customer is the focus of everything we do”. The attributes such as nearness to the markets, a long-term relationship with customers, unique customer technical support services, quick complaint resolution and strategy of product customization to improve customers’ productivity has helped us to develop loyal & regular customers and has given us a competitive advantage.

However, in order to support our long-term strategy of capacity growth, it was necessary to increase the share of regular and loyal customers. The more detailed knowledge of customer & market needs and the expectation of customers’ customers in the entire value chain have helped in increasing the brand image of our yarn. Our long term approach is oriented towards developing customers as business partners.

Our Customer Relationship Management is process driven and is focused at creating higher value for customer. Further, as a standard practice we share the market information that we have with our customers including future market trends to enable customers to take timely business decisions and take maximum advantage of the market situations. Our approach is collaborative. An example of this is sharing of latest fashion trends with the customers so that they can optimize their product processes and create new products, this enhancing the production of VAP and expanding our product offerings.

The recessionary pressures in the reporting period has put a lot of pressure and although we have not been able to organise a customer meet in the reporting period, we increased our one on one meetings with specific customers.

Marketing heads also meet overseas customers once in a quarter for every region and the Regional Marketing Heads meet domestic customers once every fortnight. Our quality persons meet the customer on a need basis.

The Customer Technical Service Head (CTSH) also has a fixed schedule whereby he interacts with customers in different regions every quarter with the purpose of understanding customer requirements and product performance. He also interacts with domestic customers once in a month. Our work heads also meet customers bi-annually. The CMO meets customers once in a quarter and the CEO also meets selected customers periodically.

We also have a Value Creation Engine (VCE) team who interact with customers on a regular basis and showcase our products to them. As demonstrated, we are keen to continually collaborate with our customers in the value chain which will enhance the production of value added products which help us to expand our product offerings.



Customer visit at Bandung

Customer Satisfaction

OSB conducts customer satisfaction surveys biennially. However to get a more authentic feedback from customers we initiated the Net Promoter Score (NPS) study in the reporting period. We were reviewed against 22 attributes including quality, performance, service, delivery, pricing, and product basket. This survey gathered information from our customers with regards our products and services vis-à-vis our competitors and on customer loyalty.

Our NPS score is 11% overall. We are taking trials for many new products with customers, improve our quality and delivery and thus reduce customer complaints. We hope that through these steps we hope will enrich our product basket and improve our score in the coming years.

Main issues identified were “delivery and quality of the product” complaints from the customer over the last 2 years has reduced from 3/ 1000MT to 1.2/1000 MT in the reporting period. We target to reduce complaints to 1.5/1000MT in the coming year.

Customer Grievance Mechanism

Approach & Deployment	Assessment & Refinement	Evidence Available
OSB Units have a structured process of Customer Complaint Handling and the system is inbuilt to handle the complaint. For each process the responsibility and measurement is fixed so that the customers' complaints are used as a good relationship building measure and for areas of improvement. OSB encourages customers to share their entire problem so that minor issues re also brought to light helping us to proactively avoid any major deviation.	Customer complaint reports are treated as learning and circulated across the units for further improvement and avoiding recurrence of complaints of similar type.	Customers complaint reports

The time taken from receipt of complaint, to acknowledgement and resolution of the same is detailed below:

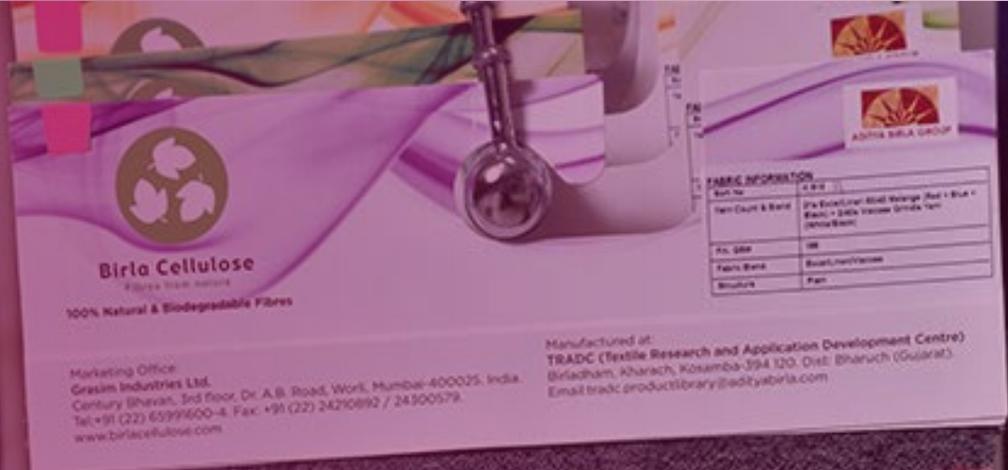
Complaint feedback and resolution process	Time Taken
1. Acknowledgement of complaint / feedback	24 hours
2. Reply from plant post routine investigation	3 days
3. Analysis of samples received from customers	7 days
4. Analysis of fabric samples received from customer with assistance from Development Assistance Committee	15 days
5. Analysis of fabric samples from outside agencies	30 days
6. Claim resolution for critical complaints	90 days

Number of Customer grievances received were 80 in the reporting period, all were resolved during this time

We have also developed a process of addressing our customers' client's needs.

Under this system we help fabric manufacturers in improving their product processing efficiency. We have helped many of them to improve their capacity utilization and maintain full plant operation on their premises byvia providing them our expertise. We also connected them with our network of yarn buyers in different countries, thus increasing our customer's production for their domestic and export markets as well as our sales

We have customer data controls with IT Policy and Code of Conduct. There were no breaches of private customer information in the reporting period.



STRATEGIC STAKE HOLDER ENGAGEMENT & FUTURE PROOFING

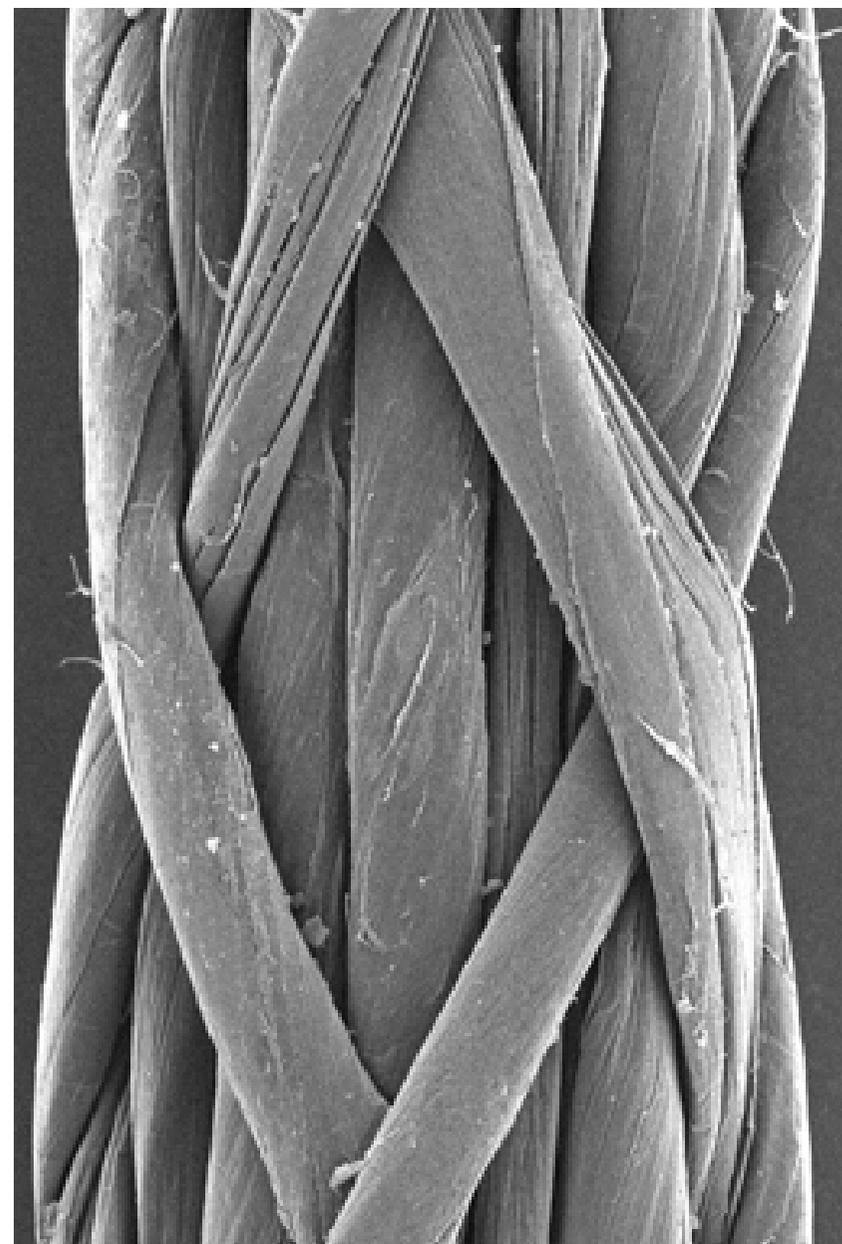
To understand the external changes that will inevitably impact our company in the future, we build strong relationships with our stakeholders and key technical experts on climate change, water and waste management, developments in human rights legislation, safety standards, health impacts and the like. We embed sustainability trends into our strategic business plans to minimise the risks and find new opportunities that will be presented by the requirements of a sustainable planet and society by 2030 and 2050 and make our businesses sustainable.

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Strategic Stakeholder Engagement and Future Proofing

Strategic Stakeholder Engagement, the second component of ABG Sustainability Framework is defined as: 'Horizontal scanning and megatrend analysis to gain knowledge of how, and how fast externalities will change usually by disruptions'. The goal of Stakeholder Engagement as per the ABG framework is to build strong relationships with our stakeholders and key technical experts on climate change, water and waste management, demographic changes, developments in human rights legislation, safety standards, health impacts, technology changes and the like.

This reporting period, we have conducted strategic stakeholder engagement. ABG engages with industry experts, regional and sectoral experts along with key stakeholders who deliberate on: environmental, social, economic, technological, and business trends that may impact the business' operations and products in the next 10 years. We invited to the engagement senior management teams of our critical shareholders, bankers, suppliers, regulators, communities, customers, employees and sector experts. In groups we deliberated on the following megatrends – nature and possibility of the trend in our geography and operating environment; its nature and scale of impact on our business and finally, response strategies.



Demographics & Associated Changes

& Future Proofing Response

Demographics & Associated Changes

Demographics of Indonesia and increasing skill levels of the population would result in work force (skilled) availability easier

Increase in wages is given and labour union unrest will be minimal due to government interventions to safeguard labour rights

Government is driving skill development in Indonesia and hence skilled labor availability will increase

Immigration will become more difficult and hence local employment at all levels will have to increase

Regulations on immigration, worker rights and safety will be more structured and stricter

There is an ageing population in developed countries, and in some markets a younger population is prevalent. But fashion is becoming more uniform and hence will not impact markets for yarn and fabrics

Present developing countries in Asia and Africa will witness faster market growth for end products

However nature of markets will be driven by brands more than demographics

(De) Population - Future Proofing Response

- Modernization/Automation, including robotics, wherever feasible may be adopted
- Workplace improvements to attract and retain talent
- Transition to significant share of Indonesians in supervisory and managerial workforce
- Prepare for rigorous and structured immigration regulations

Protectionism-Fragmentation of Global markets

While some stakeholders felt growing fragmentation – reversal of globalization- is temporary, many felt that forms of protectionism in commerce, trade and migration would continue.

Regional groupings in trade will be new form of globalization

Protectionism in markets would also grow.....could be beyond non-tariff trade barriers of environment and social aspect related. Opinions were divided and uncertain on how it will affect the access to ultimate markets

Future markets in Asia will be facilitated further by FTA

Indonesia will grow as a market

Protectionism-Fragmentation of Global markets - Future Proofing Response

- Continue efforts to overcome non-tariff trade barriers in developing countries
- Asian markets – focus....observe FTA progress and detail

Labour

Labour unions will be more accommodative and government mediation and intervention will be positive

Equal Pay for Equal Work will be the norm

Labour unions will demand safety and health

Labour - Future Proofing Response

- Safe & Healthy work place will continue to be a priority with unsafe work being automated
- Ensure equal pay for equal work for all including expats/migrants

Structural Changes

Size and Efficiency is not enough. Agility and innovation(differentiation) is necessary to survive

Indonesia will witness higher rates of growth

Structural Changes - Future Proofing Response

- Organisational culture has to be built around to be agile, responsive and innovative.



Consumer as fashion engineer

& Future Proofing Response

Citizens are becoming 'fashion engineers' enabled by the web and open source platforms and this trend is likely to increase.

3D Printing could be adopted earlier in apparels

Consumers can also purchase online "fashion kits" and use them to make outfits and accessories out of locally available materials.

Future Proofing Response

- Be prepared for customisation.....larger machines with flexibility for smaller batches
- Explore opportunities and threats if 3D printing in apparels becomes a material fraction of the market



Clothing Care & Sustainable Consumption

& Future Proofing Response

Customers will prefer minimal clothing care, including cost for careminimal care schedules, electricity, water etc.

Customers may also be happy if the cloth at the time of disposal does not harm environment or is recyclable or is made out of renewable material or with least life cycle impacts

Will recycling apparels/fabrics and recovery of fibre/fabric be a significant economic activity in the next decade? Such signs are already seen by brands asking for supplies from recycled materials and technology for recycling has overcome many separation barriers.

Instances of Japanese customers enquiring for recyclability of products are reported

Future Proofing Response

- Product development suitable for being...anti-bacterial, dust repelling, wrinkle free, requiring less chemicals and water in washing, durability
- Product development suitable for recyclability and improve share of products from recycled materials
- Prepare for product information management and disclosures and systems to demonstrate traceability to customers (e.g., to demonstrate source of viscose fibre from sustainably managed forests or carbon/energy/water footprint in a specific product)
- Explore possibility of ABY becoming top 10 brands for Yarn made from recycled material



Climate Change & Future Proofing Response

GHG Mitigation & Energy Constraints

Restrictions due to GHG mitigation related regulatory requirements addressing this sector is likely.....voluntarily reducing emissions and disclosing the same will give first mover advantage

Indonesia has committed for 41% decrease in GHG intensity of the economy by 2020 over 2005 and is also aligned with market mechanism of Japan

In Indonesia energy prices are not likely to increase out of pace with past trends. Some felt that the prices will increase as the government withdraws subsidies and invests in renewables. Voluntarily adopting renewable energy and continued efforts in energy efficiency will have reputational advantage. Government in Indonesia is promoting energy efficiency.

Consumer preferences, customers and regulations will require GHG foot print information

GHG Mitigation & Energy Constraints - Future Proofing Response

- Continue with efforts in GHG Mitigation/Energy Efficiency and Renewable Energy and its disclosure
- Continue GHG foot printing assessments and disclosures for select products

Adapting to Climate Change

Manufacturing locations are more likely to face the effects of extreme weather events

Climate change impact on markets (risks and opportunities) could not be ascertained

Adapting to Climate Change - Future Proofing Response

- Assess whether the risk alleviation is adequate in the face of climate change at the manufacturing locations



Fresh Water Availability & Future Proofing Response

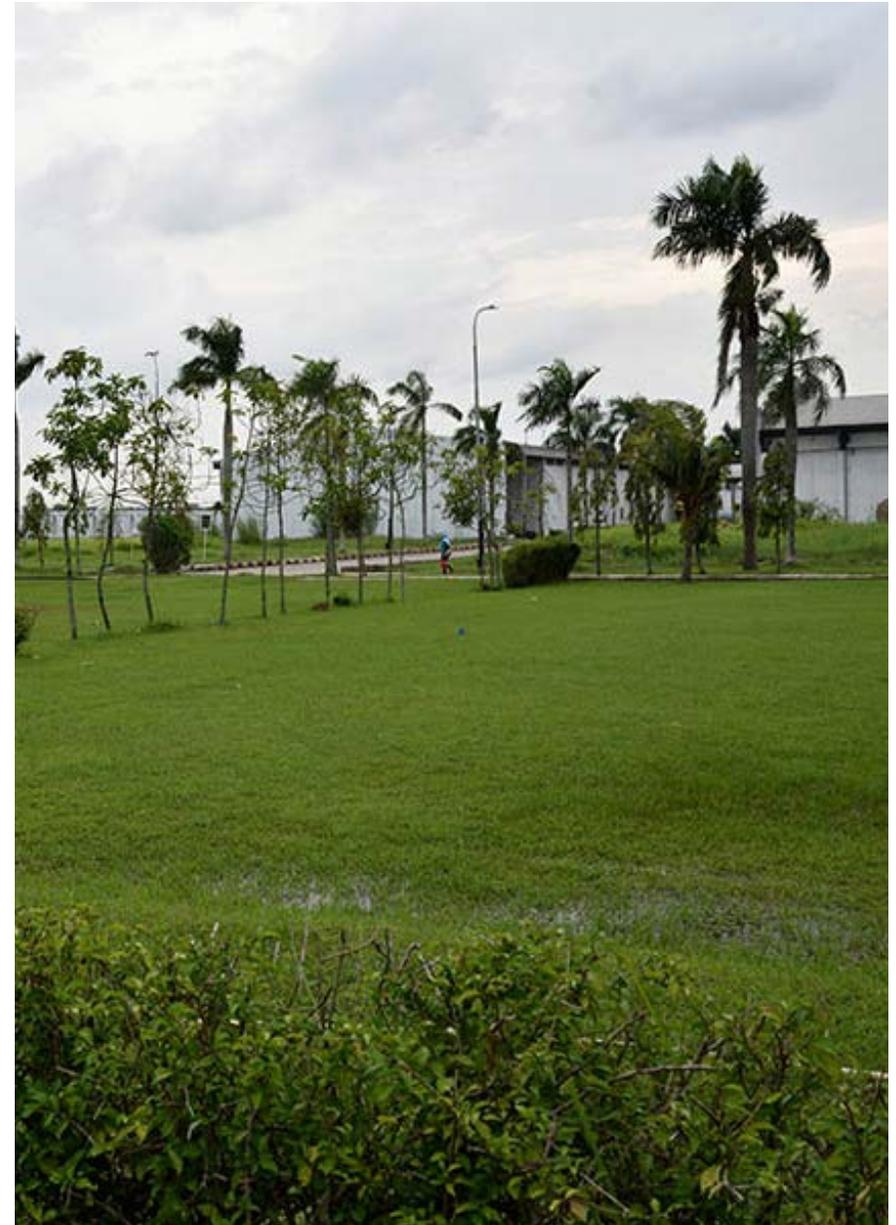
Water Resource Risk

Water resource risk (fresh water availability and effluent discharge) is faced by customers and will become severe. Significant water resource risk is faced by customers in Indonesia located around Batam

Water resource risk is not very significant in manufacturing except at PTS

Water Resource Risk - Future Proofing Response

- Continue with efforts in water conservation as the region faces fresh water availability risk and all industries may face risk of water resource allocation
- Product innovation to alleviate customer risk in water resources and effluents
- Keep information/assessment of customers that are likely to face water resource risk



Information Technology & Smart/Functional Fabrics

& Future Proofing Response

Information Management

Management of information related to manufacturing, inventory etc will become essential to address flexible demands of customers

Information management of Products to demonstrate traceability to customers

Information Management - Future Proofing Response

- Integrated (Supply Chain, Manufacturing, Customer) real time information management
- Traceability through information management is to be managed

Information Technology - 3D Printing

3D printing or any other similar technology will not eliminate spinning....fiber to fabric applications will be limited to industrial applications

Information Technology - Future Proofing Response

Robotics

Automation may increase significantly in the face of labour shortages, demand for quality and smaller batch sizes

Though regulators may not encourage robotics, application of robotics in unsafe tasks and transportation within manufacturing will happen

In near future very few operations may be amenable for robotic handling

IT application in controls will increase

Robotics - Future Proofing Response

- Continue focus on automation and explore robotic applications in operations with risk of safety and occupational health and for transportation within manufacturing

Smart/Functional Fabrics

Smart fabrics and their applications can rise in some specific segments ...medical, sports etc.

More importantly, demand for functional/function enhancing fabrics....medical and sports would grow

Smart fabrics would require incorporation of smartness at the stage of spinning

Smart/Functional Fabrics - Future Proofing Response

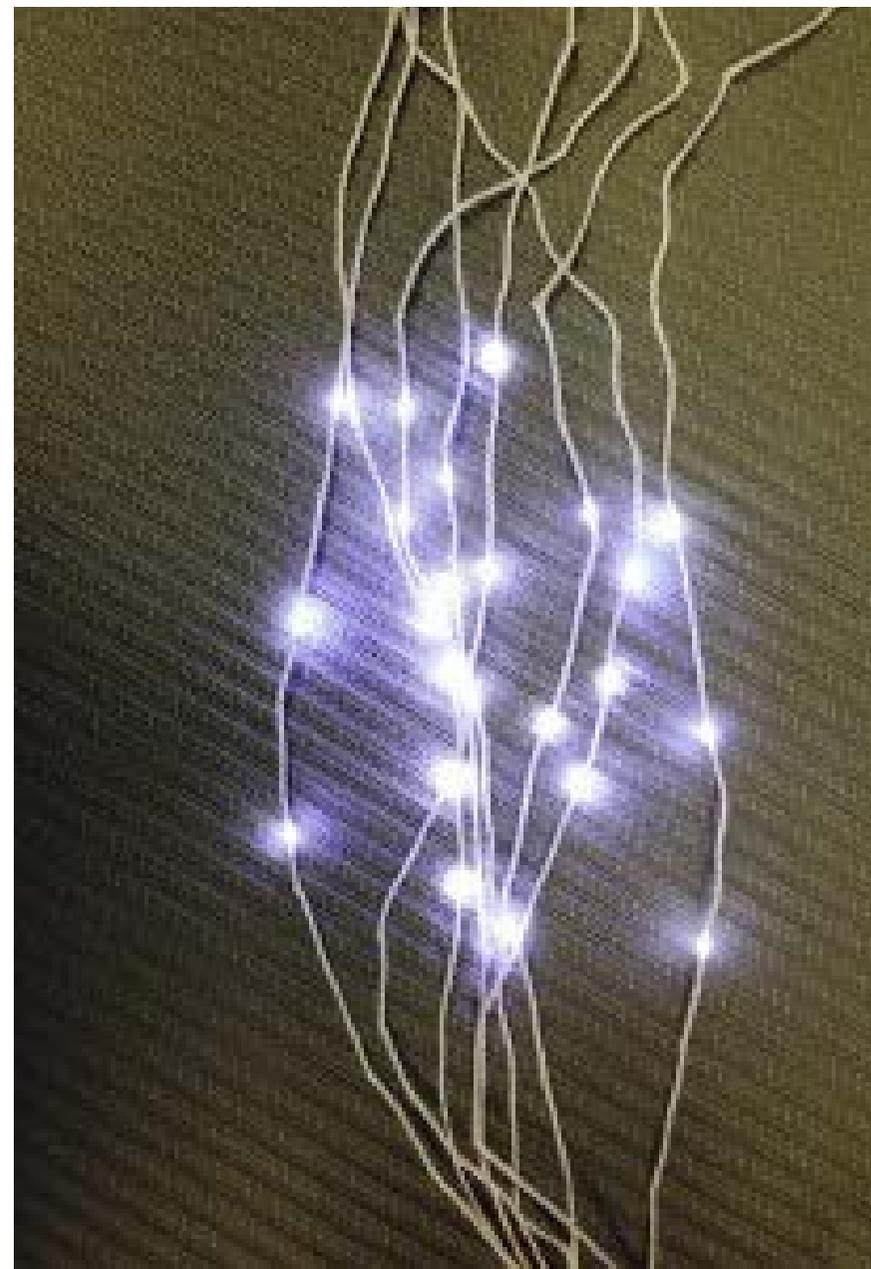
- Explore developing yarn products for Functional/Function enhancing fabrics in health care and sport applications

R&D and Innovation

R& D Innovation will be the absolute ingredient of business success in future

R&D and Innovation - Future Proofing Response

- Prudent, participatory and collaborative (along the value chain) investments in R&D
- Innovation across all functions and levels is to be promoted



Regulatory Environment & Future Proofing Response

Shareholders

Shareholders expectation on disclosures is increasing

Companies will be expected to contribute to local economy

Shareholders - Future Proofing Response

- Disclosures to shareholders be on par with listed entities
- Improved efforts to contribute to local economy

Labour & Immigration

Regulations related to work conditions and wages will be more stringent

Regulations on immigration /work visas etc. will be more stringent

Diversity related regulations for boards and executives...not sure

Regulations related to employing/ non-discrimination of differently abled personnel

Labour & Immigration- Future Proofing Response

- Wage advantages are only short term. Prepare for improved automation and productivity
- Management composition to change to include significant proportion of Indonesians

Environment

Regulations will continuously increase in rigor

Regulations related to product responsibility & related disclosures will increase in developed countries and also in developing country markets

Regulations on recyclability and textile (synthetic/non-renewable) waste disposal will become stringent

Climate mitigation regulations will be applicable for manufacturing but disclosures will be required in product declarations

Customers will face significant rigor in environmental regulations

Environment- Future Proofing Response

- Aggressive continuation of positive compliance in manufacturing
- Increase products under product stewardship performance and disclosures
- Identify and watch significant customers and suppliers with high environmental compliance risk



We are in the process of evaluating our business strategy for future proofing, considering how many of and to what extent the future proofing responses are addressed/incorporated in various strategy elements. If some critical responses are not addressed within the business strategy, the strategy will be altered/tweaked/calibrated. Our future proofing analyses is also presented in our last year report [ILT SR 2014](#) and this too will be updated in our next report.

We recognise that our stakeholders build their business and lives around long term success of our business. We assure our stakeholders that we will make best efforts to future proof our business so that we will continue to deliver value to all our stakeholders.

We recognize that
our stakeholders
build their business
and lives around the
long term success
of our business.

Assurance

Assurance Policy

We believe that independent assurance leads to quality and process improvements, and reassures readers and our management that the information we publish is accurate and material, and therefore contributes to building trust and credibility with key interest groups. We engage professional assurance providers who combine the strengths of non-financial assurance experience with technical competency in environmental and social standards. This report has been assured by Bureau Veritas, third party assurance provider.

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of PT Indo Liberty Textiles



Introduction and objectives of work

BUREAU VERITAS Certification (India) Pvt Ltd. has been engaged by RSM GC Advisory Services Pvt. Ltd. and PT Indo Liberty Textiles (ILT) to conduct an independent assurance of PTE's Sustainability Report 2015-16. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the Sustainability Report 2015-16 are the sole responsibility of the management of PTE. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The scope of work for this assurance included:

- Data and information included in Sustainability Report 2015-16 for the reporting period 1st April 2015 to 31st March 2016;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timeliness and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Guidelines G4;

The level of assurance has been applied as "Limited" for all sections of the report.

Methodology

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

1. Visit to the manufacturing location of ILT on 10.10.2016 and interviews with relevant personnel of ILT including the plant in-charge and heads of various departments functions such as Production, Energy, Environment, Safety, Procurement, Human Relations, Marketing and Corporate Finance & Accounts;
2. Review of documentary evidence produced by ILT;
3. Review of sustainability performance data on a sampling basis
4. Review of ILT data and information systems for collection, aggregation, analysis and review;
5. Review of stakeholder engagement activities carried out by ILT
6. Direct interviews with a few stakeholders during the site visit

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide "Limited" level of assurance and we believe it provides an appropriate basis for our conclusions.

Our findings

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

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

Specified Sustainability Performance Data

Performance data within the report continues to be gathered through a variety of data systems and processes. We consider the data as presented in the report to be reliable but also highlight our recommendation that ILT utilise suitable processes for internal review of its data, gathering inputs against the key performance indicator stated in the report to ensure that performance against these metrics can be consistently and regularly reviewed and acted upon, wherever the performance does not meet expectations and continue to provide information that can be relied upon as accurate.

Evaluation against Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Bureau Veritas undertook an evaluation of ILT Sustainability Report 2015-16 against the G4 Sustainability Reporting Guidelines. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI reporting option.

Based on our work, it is our opinion that the Sustainability Report 2015-16 has been prepared in accordance with the GRI Reporting Framework including appropriate consideration of the Reporting Principles and necessary indicators to meet the requirements of GRI G4 Reporting Option "In accordance- Core".

Positives and key observations

- 11% increase in the recycling of materials in 2015-16
- The energy intensity (energy consumed per MT of product) has decreased from 12.86 in 2014 to 12.47 during 2015-16
- The quantity of hard waste generated reduced to 183.9 MT in the reporting period. It was 251.8 MT during 2014
- Though ILT has engaged with its stakeholders during the reporting period and has reviewed the stakeholder concerns from 2014-15, a formal process to do so, timed preferably at the beginning of the reporting period would be more effective than at present
- ILT has adopted Enablon, to collect sustainability related data; however, this platform is not being deployed to its full potential and is somewhat underutilised at present
- The process for evaluating suppliers for sustainability can be strengthened e.g. environmental assessment, labour practices, human rights, child labour, societal impacts
- There is scope to deploy the whistle-blower policy with greater effectiveness and intent than at present
- No grievances have been reported through ILT's grievance redressal mechanism for its employees. Though a desirable outcome, this may necessitate a review to confirm that the mechanism has indeed been deployed effectively and implemented thoroughly.

Limitations and Exclusions

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

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

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

Statement of independence, impartiality and competence

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

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

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

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

Bureau Veritas Certification (India) Pvt. Ltd.

6th Floor, Marwah Centre, K. Marwah Lane, Off. Saki-Vihar Road, Saki Naka, Andheri (East) Mumbai-400072 India.

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

Date: 08-Feb-2017
Mumbai, India

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G4-5	Headquarters location	Fully	Company Profile	1, 5
G4-6	Where the organization operates	Fully	Company Profile	5
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G4-8	Markets served	Fully	Company Profile	5
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G4-EN11	Facilities in or near areas of high diversity	NA	-	-
G4-EN12	Impacts on biodiversity	NA	-	-
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G4-EN14	IUCN Red list species	NA	-	-
G4-EN15	GHG emissions(Scope1)	Fully	Emissions	24
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G4-EN19	Reduction of GHG emissions	Fully	Emissions	24
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G4-EN22	Water discharge	Fully	Waste Water Management	25
G4-EN23	Waste by type and disposal method	Fully	Waste Management	29
G4-EN24	Significant spills	Fully	Waste Management	Nil
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G4-EN26	Biodiversity affected by runoff	NA	-	-
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G4-HR6	Fully	Human Rights	Nil 22, 43
G4-HR7	Fully	Human Rights	Nil 22, 43
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G4-HR9	Fully	Human Rights	-
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G4-SO4	Communications and training on anti-corruption	Fully	UNGC*	50, 37
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G4-SO6	Political Contributions	Fully	Political Contributions	Nil
G4-SO7	Anti-competitive behavior	Fully	Anti-competitive behaviour	Nil
G4-SO8	Fines for non-compliance with laws	Fully	Compliance	1 20
G4-SO9	New suppliers screened for impacts on society	Fully	Strengthening our supply chain	37
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G4-PR4	Non-compliance with regulations concerning product and service labeling	Fully	Products and Service Information	Nil
G4-PR5	Surveys measuring customer satisfaction	Fully	Customer Satisfaction	44, 48
G4-PR6	Sale of banned or disputed products	NA	-	-
G4-PR7	Non-compliance with regulations concerning marketing communications	Fully	Responsible Advertising and Marketing communications	Nil
G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	Fully	Customer Privacy	Nil
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UNGC* - Our performance as per the UN Global Compact's ten principles

Contribution to UN SDG



Definitions & Acronyms

CoE: Centre of Excellence

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

CTS: Customer Satisfaction

CTS: Customer Technical Service

DfE: Design for Environment

EHS: Environment, Health and Safety

GHGs: Greenhouse Gases

GRI: Global Reporting Initiative

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

KPIs: Key Performance Indicators

ODS: Ozone Depleting Substances

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

OHS: Occupational, Health and Safety

PTE: PT. Elegant Textile

ILT: Indo Liberty Textiles

QC: Quality Circles

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

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

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

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

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

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

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



SUSTAINABLE CHOICES

We welcome your feedback on our
Sustainability Report 2015-16.

For any additional information, or to
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