

September 14, 2020; Monday.

The Global Compact,
United Nations,
New York, NY 10017,
USA

Statement of Continued Support for the Global Compact

Dear Sir/Madam:

I hereby confirm our continued participation and support to the Global Compact initiatives, as Kariwala Industries Limited continues to adopt Global Compact principles deeply intertwined with its daily operations.

Thank you.

Best Regards

Anil Kariwala

<p>E-mail: operations@kariwala.com</p> <p>Website: www.kariwala.com</p>	<p style="text-align: center;">2020 Communication on Progress (COP) from Kariwala Industries Limited India</p>
<p>Company Name</p>	<p>Kariwala Industries Limited</p>
<p>About the Company</p>	<p>Kariwala Industries Ltd. is a major part of Kariwala Group of Businesses that has forays into Textiles, Real Estate, Information Technology and Financial Services. Founded in 1989, Kariwala Industries Ltd. began as an enterprise to export quality workwear with constant customer satisfaction as a touchstone. Since then, we have grown from a small manufacturer of work garments to a diversified portfolio of products and services including manufacturing Industrial workwear, Corporate Identity Clothing and Uniforms, Personal Protective Clothing, Eco-friendly bags, and sustainable fashion accessories.</p> <p>Since inception, Kariwala has been dedicated to the fundamentals of community engagement, ethical business practices and environmentally responsible business. We take pride in continually updating our processes and policies to uphold these values.</p> <p>Today, while we bring our Clothing and Bags to 44 countries, our goal is to have the happiness created by our presence felt in 100 countries by 2025. We are not only one of the leading exporters of textile goods in India, we offer the highest quality garments and bags with stringent environmental standards at every step of production in our manufacturing. Our products offer a blend of superior craftsmanship with environmental responsibility. The facilities and the people that help bring these products to market are the best in the business. Workplace happiness for our staff is a goal we continually strive to cultivate in our company and our community. We value our people their story is the fabric of our story.</p> <p>We do all this for only one mission – To Spread Happiness all around, just by doing business with the Principles of Dharma.</p> <p>Kariwala Industries Limited is member of the UNGC (United Nations Global Compact) SEDEX and BSCI and we actively complement all the 17 SDGs of United Nation and work in collaboration with world known brands.</p>

We work with local communities to fight immediate challenges negatively impacting the lives of our neighbors.

We apply our competencies, services, and innovations to address key challenges in order to empower people. We participate in a number of community development programmes that fall under the banner of Swachh Bharat Nirmaan, an initiative implemented by the Indian government, to incorporate community outreach into a strategic business plan.

- **Eye Care Camps:** There are thousands of poor people in rural areas near us who are blind, primarily due to cataract overgrowth. A simple surgery can bring back vision to the eyes of these people. But due to lack of awareness, lack of money, and lack of proper infrastructure, many people still suffer in darkness. We conduct eye operation camps every year in our Falta factory on the premises. Many patients from nearby villages are screened and examined by doctors and provided with free cataract removal surgeries along with lens implantation.
- **Medical Camps:** We organise various medical camps to endeavor to make a lasting difference in the lives of many people in rural areas. We reach out to leverage our resources to enhance access to medical facilities, qualified doctors, and ambulances in rural India. As one of the major problems facing rural populations is a lack of adequate medical care, Kariwala Industries works as a social and economic intervention to bring about positive change in the lives of people in society through medical aid programmes.
- **Purvanchal Kalyan Asharam:** Residing in our country's faraway villages, remote and sometimes unreachable hills and forests, are eight crore Vanvasi brethren, divided into 425 tribes speaking more than 150 dialects. The selfless sacrifice of this section of our Hindu Society to preserve the unity and sovereignty of our motherland has been immense. Their contribution to Indian history has been lettered in gold but today unfortunately, they are leading a neglected and exploited life. They are still unaware of the present pace of development and lack even the basic amenities like Health Care and Education. In order to find a solution to this scathing national problem, Late Vanyogi Balasaheb Deshpande founded the Vanvasi Kalyan Ashram in 1952 at Jashpur Nagar (Chhattisgarh). Kalyan Ashram is dedicated to the all-round development of the Vanvasi and is the world's largest organisation working for their Well-being, Education, Health Care, Self-Dependency, Preservation of their Rich Cultural Heritage and Unity. Presently Kalyan Ashram has a dedicated workforce of over 1044 Full Time Workers and thousands of part-time workers and volunteers.
- **Blood donation Drives:** Twice a year, we conduct an onsite blood drive at each of our facilities and at our Head Office.
- **Unused Drug Banks:** We collect medical supplies for distribution to child and elder care facilities, and to NGOs.
- **Contribution towards SOS Children Villages:** SOS Children's Villages of India, reaches out to over 6,500 once parentless or abandoned girls and boys in 32 SOS Children's Villages across India. We are very proud to be associated with their cause. The programme aims to enable families to move out of the vicious cycle of poverty towards greater dignity and self-reliance by ensuring education of children and income-generating capacity development of the caregivers.
- **Our commitment to the Friends of Tribal Society:** We are committed to the empowerment of Tribals and rural brethren by making them socially strong, educationally aware, economically vibrant and self-reliant.

Global
Compact
Principle(s)

Human Rights

Global Compact Principles principles were always followed at Kariwala Industries Limited, even before their formal introduction into the company about seven years ago. The formal introduction raised awareness amongst the employees, which made the employees feel more important as well as more valued. Being part of the United Nations Global Compact, and having received an award from GCNI for best practices for women empowerment was a huge morale booster for the company as well as its employees.

Kariwala Industries Limited not only protects, but also raises awareness of the human rights of its employees. All employees can express their feelings and opinions freely through administrative channels, as well as via an open-door policy. The company believes that the employees are the center of the company and without them there is no existence of the company.

Labour Rights

Kariwala Industries Limited conceives in high productivity of employees through freedom of work. Employees are never forced to work. We believe in free competition of the employees irrespective of sex, cast, age, and religion; however, during employee recruitment, for women empowerment purposes, in a male-dominant society, it gives high priority to women and disadvantaged groups. There is no discrimination in benefits, compensation, access to training, promotions, termination or retirement based on race, caste, national origin, religion, age, disability or gender.

Highlights:

- There is no child labour involved in the company.
- Age bar (minimum age – 18 years) in the recruitment of the employees.
- It is compulsory for the employees to send their school-aged children to school. Award based scholarships in collaboration with other agencies are given to the employees' children .
- All the employees and their families are provided with compulsory Employee State Insurance .
- Provident Fund facilities are integrated into monthly salary, with the company matching 100%.
- Employees receive 15 days of paid leave as per eligibility.
- Paid Maternity Leave is available at 6 months per maternity, up to 2 times.
- Employees are free to engage in a trade union, although the Kariwala Industries Limited in-house trade union has not been active since most of the employees are content.

All employees are informed of company policies. The process of dissemination is through monthly workers committee meetings and interaction programs..

Our initiative on women empowerment has made a measurable social impact while contributing to our overall business objectives. It has created employment opportunities for socially disadvantaged women through training and employment with skilling programme. Almost 85 per cent of our workforce in our factory in Kalyani and 50 percent of our workforce in Falta have been inducted and appointed through this initiative.

Under the programme more than 1000 women have been trained and provided employment over the last 10 years. The beneficiaries of the programme are not limited to working in our factories but also have started their home based tailoring business and also are working in nearby factories. It has helped skill women from families below poverty line while helping them battle social taboos against working in factories. The initiative has been appreciated by the communities around the factory, and also by various government agencies and other stakeholders.

This initiative has won the hearts of many, who have been a part of the Kariwala family as the programme helped them create sustainable livelihoods by building sustainable business. This women empowerment initiative has created livelihoods and crafted lives – and our journey has just begun.

Environment

SOLAR ENERGY -We have installed solar panels at our facility for generation of electricity from solar panels. This is very effective and has a positive outcome for our facility. For remote monitoring of total units generated; the system is connected with a pro log data logger installed at our facility. The review of energy consumption and conservation is monitored on daily/weekly/monthly frequency. Daily we get around 60 Kwh of electricity generated through the solar plant which is directly connected to our main grid.

POWER SAVING MOTORS IN UBT MACHINE – To reduce the energy consumption Power Saving Motors/machines have been installed which are a major part of the production process. The conventional belt drive and clutch motors have been totally removed and machines with servo motors have been installed. This has reduced the energy usage by 25%. In the year 2015 we have procured 168 such machines worth INR 64 lakhs .

LED LIGHTS – We have installed LED lights in all the portable cutting machines and stitching machines to get the desired lux levels for ease of work with a very minimal energy usage. All the machines are fitted with topical LED lights which gives desired lumination (Lux levels) for the area and the activity and we conserve a considerable amount of energy in comparison to conventional lights.

SOLAR WATER HEATER – We have installed a Solar water Heater on the factory building which is used in the ironing section for Steam irons to readily provide warm water for production of steam. It pre-heats the water required for ironing boilers to 75 degrees, while only the remaining 25 degrees is done by conventional power. Heating water for a boiler from room temperature would require at least 40% more power and 20% more time.

ATRIUMS & VENTILATORS – Atriums are provided on the stitching floor, enabling us to keep lights completely off on an average sunny day. We have installed forced ventilators and on our terrace roof which keeps the temperature normal in summer seasons and we are blessed to be on the just fifty meters from river Ganges and the breeze from there enables us to even switch off fans on normal days.

BICYCLES & POOL TRANSPORT SERVICES– More than 70% of the workforce come on bicycles which they bought from taking interest free loans from the company and rest of the workers come on chartered pool service provided by the company on very subsidised rates.

DIGITISATION -80% of our internal documentation has been digitized. This paperless reports and communications is not only saving our environment but has also increased our efficiency .

REDUCTION IN CARBON FOOTPRINTS BY INSTALLING ROBOTIC MACHINES – We have installed many specialised robotic machines which has increased our efficiency thereby saving on energy usage and carbon footprint

In our organization water is largely used for domestic purposes only. In processes water is being used for producing steam for ironing purposes and for cleaning of screens used in printing. To conserve the usage of water we use rain water harvesting and the rain water is connected to our main tank through a filtration/treating unit and is used for all the domestic and production process purposes. We also have an ETP which treats the water from screen washing. We use only GOTS approved paints . Organic paints being non hazardous, the treated water from ETP is used for gardening purposes.

Anti-Corruption

We do not tolerate, permit, or engage in bribery, corruption, or improper payments of any kind in our business dealings with both Public Officials and the private sector. Employees and Service Providers must not give or receive bribes or other payments, gifts or inducements or other undue advantages (of whatever kind) to any person or persons, including Public Officials, Service Providers, or any Employees in violation of laws and the officials' legal duties which are intended to influence a business decision or compromise independent judgement; nor must any Employees or Service Providers give money, hospitality or gifts in order to obtain business for the Company, nor receive money, gifts or inducements for having given Company business to an outside agency. Also, they must not use subcontracts, purchase orders, consulting agreements, etc., as means of channelling payments to Public Officials, to employees of business partners or to their relatives / business associates or others.

Bribery could expose the Company and / or its Employees to prosecution regardless of where such bribery took place in the world. We make no distinction between bribery and Facilitation Payments. Employees and Service Providers are therefore prohibited from making Facilitation Payments of any kind.

Challenges Faced	<p>2020 marked the onset of the global Coronavirus pandemic, which is unfolding as we speak. As of this writing, worldwide infections have eclipsed more than 29 million and cases in India have increased to 4.85 million. We had a continuous 3 weeks of lockdown and intermittent lockdown till today extending from a day in a week to even the full week. Through our strong commitment all the Salaries were paid even during the lockdown period. Till date we have been operating our facilities with various social distancing measures including work from home without any cases. We will need to see how the COVID-19 pandemic will unfold entirely and thus would like to refrain from making any pre-mature comments on how we have handled this crisis.</p>
Impacts and Benefits	<p>The privilege of being part of the United Nations Global Compact is priceless. This has been not only a network booster internationally, but also a morale booster internally. The countless visits by interested organizations to see the model business at Kariwala Industries Limited has a positive effect on the employees. Employees have become more conscious about their health, their children's education, the surrounding environment, and how they play a part in the grand scheme of things. Vendors as well as customers alike are happy to work with Kariwala Industries Limited because of its good track records and constant pushing of the envelope with respect to social and environmental issues.</p> <p>The COP allows Kariwala Industries Limited to reflect upon itself once a year, It gives the board as well as the employees (with whom the COP is shared before it is published on the UNGC website) a feeling of accomplishment and motivation, not to mention appreciation on the international level, that everything they have worked for so hard, stands for something positive in the bigger picture.</p> <p>Kariwala Industries Limited is a paying active Participant in the UNGC "Engagement Tier,"</p>
Future Plan	<p>Kariwala Industries Limited will continue working on all its programs/facilities mentioned above, refining each program/facility as it goes forward and the program/facility gains maturity.</p>