

KARIWALA INDUSTRIES LIMITED



**COMMUNICATION ON PROGRESS ON
THE UNITED NATIONS GLOBAL
COMPACT**

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STATEMENT



Kariwala Industries Limited is in a unique position globally, as a white label manufacturing solution provider for sustainable bags and garments, to deliver on sustainability targets that impact the full value chain. Critical to achieving this is a strong – and indeed sustainable – platform from which we can launch our initiatives, ensuring that sustainability is fully integrated throughout the business.

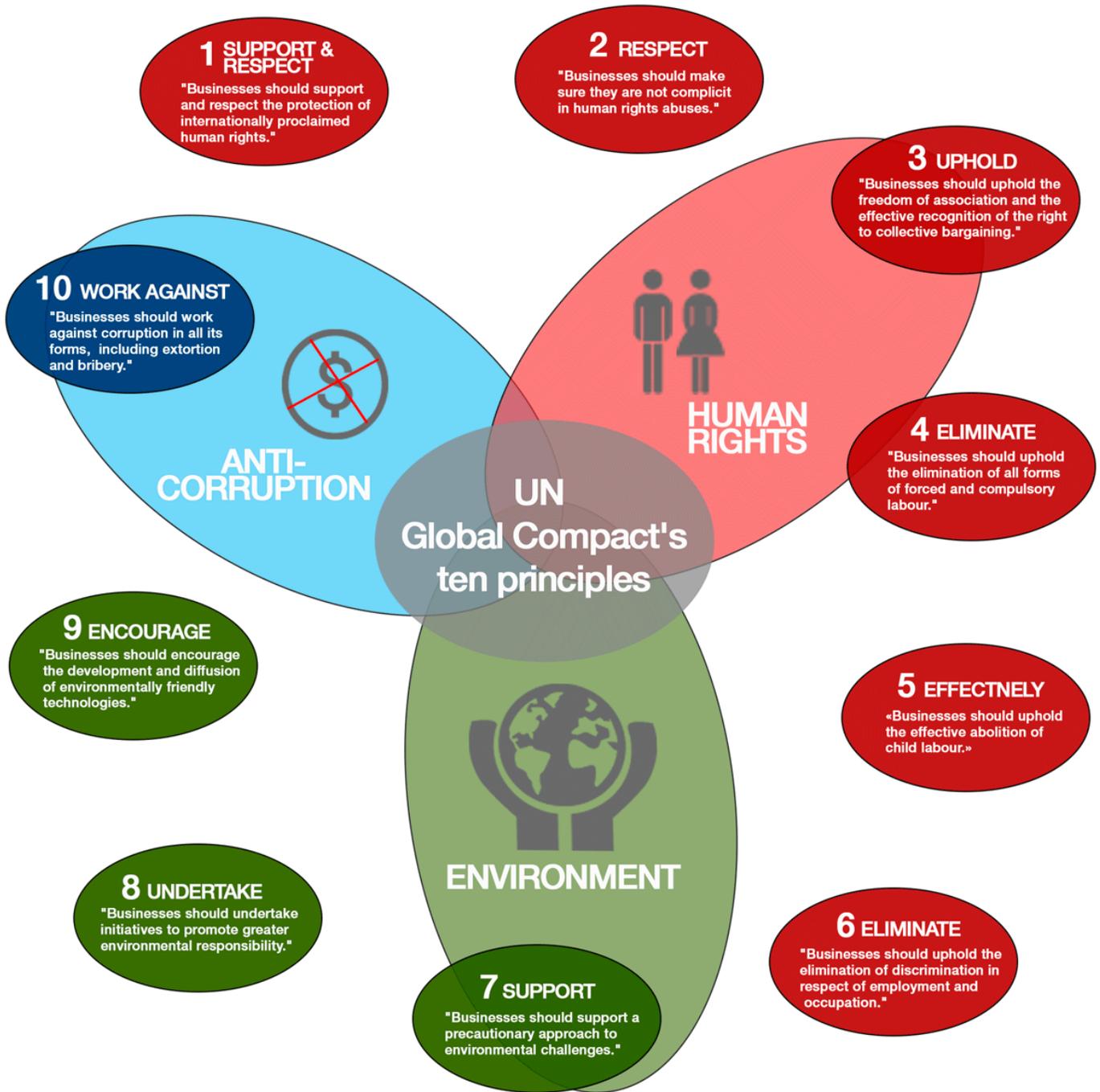
Spreading happiness simply by doing business with the principles of Dharma is our vision and we have been working towards it impacting our value chain. Meeting fundamental responsibilities relating to human rights, labor, environment and anti-corruption has never been more critical. I am proud to report that Kariwala Industries Limited has utilized these uncertain times to accelerate our sustainability efforts. Employee health and safety continues to be a major priority. In 2021, Kariwala Industries Limited will advance its efforts in alignment with the UNGC, furthering our commitment across multiple areas. Despite the complex, and uncertain trajectory of the COVID-19 crisis, we plan to build on our momentum and achievements in 2022; focusing on sustainable and responsible operations to produce positive results for our stakeholders. I am pleased to reaffirm Kariwala Industries Limited's commitment to the UNGC and its Ten Principles, and look forward to reporting on our progress in the coming year.

With best wishes,

Anil Kariwala
Chairman and Managing Director



UN GLOBAL COMPACT'S TEN PRINCIPLES



The “UN Global Compact Management Model”

The “UN Global Compact Management Model” guides companies through the process of formally committing to, assessing, defining, implementing, measuring, and communicating a corporate sustainability strategy based on the Global Compact and its principles. It is a simple, yet broad and flexible, model to guide companies of all sizes through the process of organizational change to embrace corporate sustainability. Produced in collaboration with Deloitte and a range of corporate sustainability and management experts, the model is particularly helpful for those just entering the sustainability realm, but also offers guidance on Leadership Practices for more experienced companies.



The Global Compact Management Model
COMMIT Leadership commitment to mainstream the Global Compact principles into strategies and operations and to take action in support of broader UN goals, in a transparent way
ASSESS Assess risks, opportunities, and impacts across Global Compact issue areas
DEFINE Define goals, strategies, and policies
IMPLEMENT Implement strategies and policies through the company and across the company's value chain
MEASURE Measure and monitor impacts and progress toward goals
COMMUNICATE Communicate progress and strategies and engage with stakeholders for continuous improvement.



HUMAN RIGHTS

PRINCIPLE: 1

Businesses should support and respect the protection of internationally proclaimed human rights

PRINCIPLE: 2

Make sure they are not complicit in human rights abuses



Kariwala Industries Limited fully considers and respects the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work and the relevant national legislation. Since 2009, Occupational Health and Safety ISO 45001 system has been established and maintained certification. Kariwala Industries Limited have also established and maintained certification for SEDEX 4 pillar, BSCI, WCA, ICS and Loreal standards

Implementation

Written corporate procedures, system manuals and directives are compliant with UNGC principles and requirements of ISO 45001. The respective documents are published in our factories Main notice board and are available to all employees. Also, new employees are informed about human rights corporate procedures and policies through induction seminars during their first working days.



Measurement of Outcome

An open-door and suggestion box policy has been established where employees can report grievances to upper management. We have a strong workers committee which looks after the expectations of our employees. No complaints have been filed over the last one year. Furthermore, our supply chain and operations are frequently audited by many accreditation agencies like WRAP, SMETA, BSCI Amfori and even many Customer audits who are members of UNGC .



LABOUR RIGHTS

PRINCIPLE: 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE: 4

The elimination of all forms of forced and compulsory labour

PRINCIPLE: 5

The effective abolition of child labour

PRINCIPLE: 6

The elimination of discrimination in respect of employment and occupation



Kariwala Industries Limited abides by local legislation as well as endorses the ILO's Declaration on Fundamental Principles and Rights at Work. Kariwala Industries Limited, has been one of the first companies in eastern part of India to be certified by SA 8000. This standard ensures the existence of a safe working environment in which non-discriminatory policies are applied and equal opportunities are offered to all employees irrespective of gender, age, and nationality. Furthermore, employee trade union rights are respected, as well as health and safety procedures are faithfully adhered to.



We are also certified by ISO 45001 Health & Safety standard. The application of the standard assists the company to preserve a safe and healthy work environment, through the identification of the hazards and the risks assessment. In the time of COVID -19 where workers were the soft target for all the employers. Here all the workers were paid Irrespective of lockdowns and COVID 19 restrictions. Those who could work from home were given the opportunity to work from home. Some indicative Health & Safety actions are:

- Training of employees on health & safety issues
- Setting in place procedures and guidance for the production line.
- Conduction evacuation-building drills
- Display escape root plans on all floors

Implementation

In this framework, an integrated human resources management system which includes: recruitment, career development system, performance appraisal system, rewards system, training and development system has been designed and implemented. The integrated human resources management system aligns with our principle that our employees have to be rewarded in accordance with their performance and their contribution to the achievement of company's goals. Our Company practices freedom of association and recognizes the right to collective bargaining. We have a workers committee and it has been active ever since company's starting and meets every month and whenever called by any member of the committee. The "open-door" policy and suggestion box policy, according to which employees can raise issues to upper Management any time, facilitates the direct communication among all the hierarchy levels.

We maintain transparency and update the employees continuously through the bulletin boards, e-mail, staff meetings and publications. Hiring and promotion of employees are based on meritocracy and criteria like academic, qualifications, skills and track record.

Measurement of Outcome

Employees are appreciative of the harmonious working environment, a proof of which is the fact that no serious employees' grievances have been filed with the Management during the last year. Kariwala Industries Limited respects the nondiscrimination principle and favors the diversity within teams. Equal payment is ensured for same job irrespectively from sex, race, physical ability etc. Till dateno incidents of discrimination were reported/found in any of the internal /external audits carried out.



ENVIRONMENT PRINCIPLES

PRINCIPLE: 7

Businesses should support a precautionary approach to environmental challenges

PRINCIPLE: 8

Undertake initiatives to promote greater environmental responsibility

PRINCIPLE: 9

Encourage the development and diffusion of environmentally friendly technologies



Kariwala Industries Limited supports the UNGC principles on environment and has been monitoring the environmental impact of its activities since 2009

Implementation

In 2009, an Environmental Management System (EMS) was adopted aiming at controlling the environmental impact of its activities. The EMS is certified in accordance with the international standard ISO 14001 (since 2000). Its maintenance, in parallel with the commitment in environmental efficiency and employees' awareness and training, are among the main priorities towards sustainable development.

Procedures for recycling and reusing materials are applied wherever possible. Surveys concerning occupational risks and environmental hazards are carried out at the facility in order to assess the risks, minimize environmental impacts and initiate preventive actions. Indicatively: preventive maintenance on equipment and electrical networks is performed, electrical parameters are regulated,



video-conference equipment which reduces the number of business trips required is used, integrated information systems which reduce the consumption of paper are used, 90% of our workers come to factory on bicycle, bought initially by loan given by us. Depending on their physical and chemical properties, waste produced is collected by authorized companies and delivered to authorized facilities for provisional storage, sorting, recycling, treatment, recovery or disposal. In the framework of climate change awareness, Kariwala Industries Limited calculates and monitors greenhouse gas emissions produced from Air conditioners, we maintain an ODS inventory and ensure 0% leakage of CFC gases.

Measurement of Outcome

Kariwala Industries Limited defines and documents identification and evaluation methods of all environmental aspects of its operations and their associated impacts. Evaluation is performed against predefined criteria including legislative and other regulatory requirements. Emergency Response Plans are designed to secure prevention and mitigation of the associated environmental impacts. We maintain continual improvement by setting specific environmental objectives based on identified environmental impacts, monitoring and documenting the achievement of these objectives.

Under the framework of ISO 14001 certification, Kariwala Industries Limited is audited by independent certification bodies on a regular-basis and is recertified every three years.

Kariwala Industries Limited recognizes the importance of preserving biodiversity and it follows all the environment norms and possesses all the necessary clearance from State and National environment regulations. We are now even LEED gold certified building , we have installed three projects of 63KW,53 KW and 40 KW capacity in all areas of our operation.



ANTI CORRUPTION PRINCIPLE

PRINCIPLE: 10

Businesses should work against corruption in all its forms, including extortion and bribery



Kariwala Industries Limited recognizes and values integrity, excellence, innovation and customer satisfaction, and is committed to the highest standard of ethical behavior in all its actions and decisions.

The Standing Order (properly verified by the State regulatory authorities) illustrates the policies and employees' obligations. One of these obligations is that employees are not allowed to accept payments, gifts, bribes offered for their Employments services or obtain privileges or other Benefits for themselves, or on their relatives 'account.

Implementation

Disciplinary actions are enforced when an employee violates provisions of Standing orders including, acceptance of payments, gifts and bribes. These actions are described in detail in the company's Standing order. Also, a complaint process, which is described in the company's Standing order, is in place.



Standing order is available to all employees in the Main notice board. Induction seminars regarding company anti-corruption procedures and Standing order are organized for new employees at the beginning of their employment. Auditing mechanisms as well as internal control procedures are in place in order to assure that risks are minimized and all activities are carried out in accordance with corporate policy and strategy.

Measurement of Outcome

The disciplinary actions to employees are imposed by the Management of the company .The penalties vary from oral warning up to dismissal depending on the severity of the violation. In the last financial year, no disciplinary actions were imposed on employees.

In the framework of the Company’s continuing improvement concerning anti corruption a Code of Business Conduct and Ethics which specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behavior in key areas. This Code applies to all employees, and contractors of Kariwala Industries Limited. The Code sets forth the standards for the way Kariwala Industries Limited conducts business ethically around the world. These ethical business standards include dealing with the company's employees, its customers, contractors and governments.

