


THE HOME OF NATURAL FIBRES



SUSTAINABILITY REPORT | 2022-23



**Sustainability is no longer
about doing less harm.
It's about doing
more good.**

- Jochen Zeitz

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O INTRODUCTION

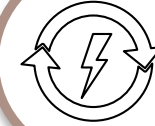
0.0 Introduction

NC John Garments Pvt. Ltd. operated as the garments division of NC John & Sons Pvt. Ltd. (NC John Group). Situated in Tirupur, the garment division became an independent entity as a spin off from the group in 2022. In 2022, we published our inaugural report for the garments division of NC John, followed by this second sustainability report, which marks the first of its kind for NC John Garments. The transition in our corporate structure has resulted in certain changes in data points, and these modifications are elaborated upon herein.

“Striving to evolve into a garment manufacturer and exporter that operates fully sustainably.”



Most sustainable garment manufacturer. Here's how :



100% renewable energy commitment-
added capacity for rooftop solar for operations



Using **sustainable fabric & yarn**



Water reduction throughout the life cycle of the product



Minimizing plastic use across entire production process

GOTS Certified Dyes -
gold standard for organic



Maximizing use of **recycled materials**



Natural Dyes -
plant and mineral based, chemical free



Tracking emissions for **Net zero pursuit**



1 REPORT OVERVIEW

1.0 Report Framework

1.1 Report Standards

1.2 Scope and Boundary

1.3 Message from the CEO

This marks the release of our second edition of the Sustainability Report. The primary aim of this report is to transparently disclose essential non-financial factors that directly or indirectly influence our organization's environmental, social and governance aspects. Moreover, it serves as an evaluation of the progress we have achieved toward our ESG objectives and targets, which were initially set by the organization in the baseline year.

Our report maintains a consistent structure with the previous edition, featuring chapters dedicated to Materiality, People, Planet, and the GRI Index.

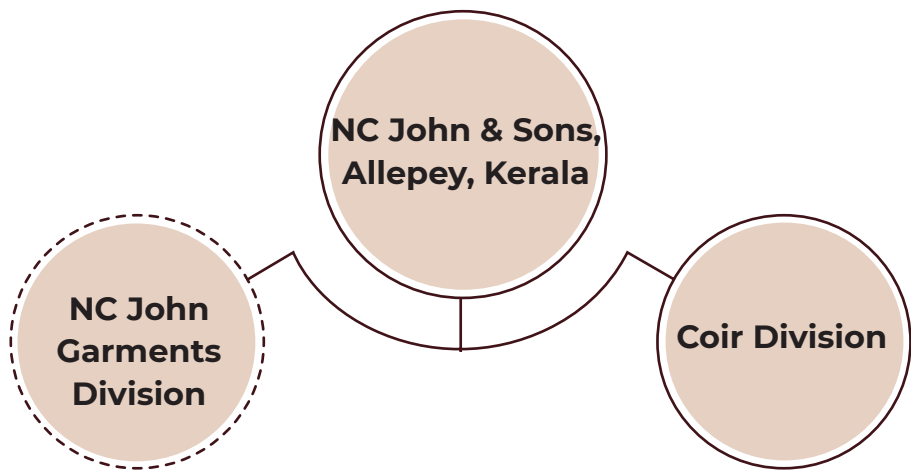
This uniformity in structure ensures continuity and facilitates easy comparison with the prior report, without any alterations to the boundaries we established. It's important to note that we are still addressing the same material matters as highlighted in the 2021-22 year report. This commitment to continuity allows for a clear assessment of our ongoing efforts and their impact over time.



1.1 Report Standards

This report has been meticulously prepared in strict adherence to the Global Reporting Initiative (GRI) Standards, which serve as a comprehensive framework for sustainability reporting. In alignment with the stringent requirements set forth by GRI, our report provides full disclosure of the substantial economic, social, and environmental advancements achieved by our company. These disclosures are essential in offering stakeholders a holistic view of our performance in these critical areas.

The selection of indicators used for reporting was the outcome of a thorough and inclusive stakeholder consultation exercise. This process involved engaging with diverse stakeholders, including but not limited to customers, and employees. By involving these various stakeholders, we aimed to ensure that the chosen indicators are relevant and reflective of the concerns and priorities of those vested interest in our operations. This approach underscores our commitment to transparency and accountability in our sustainability reporting.



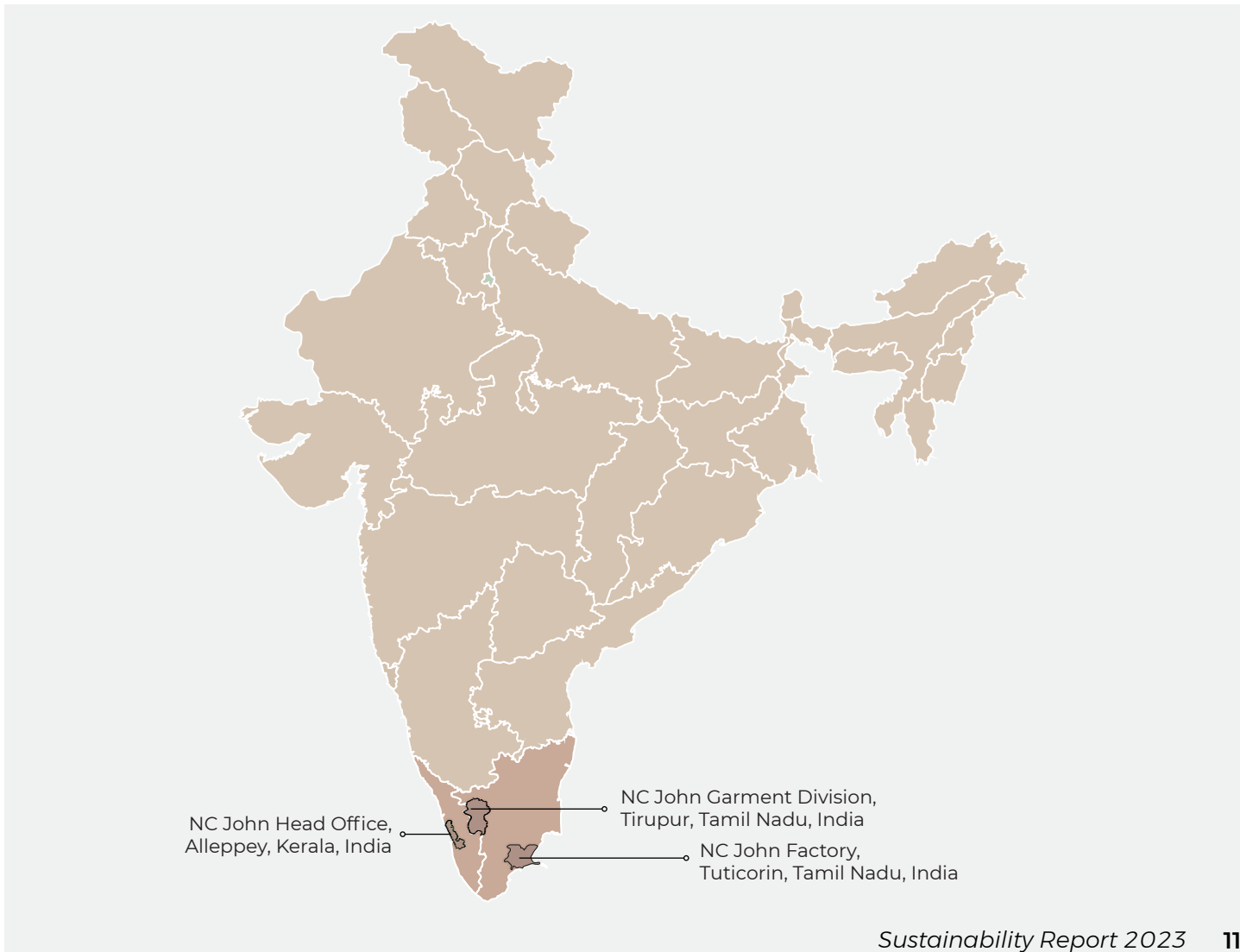
Report Boundary

For any feedback or comments on the report, please write to feedback@ncjohn.net
NC JOHN GARMENTS PVT. LTD.,
158,159 SIDCO, TEA NAGAR, MUDALIPALAYAM,
TIRUPUR - 641 606,
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1.2 Scope and Boundary

The Sustainability Report covers the period from April 1, 2022, to March 31, 2023, with 2020-21 as the baseline year. It includes data and analysis for FY 2021-22, and the reporting year 2022-23, with primarily emphasizing on the latter. References to the baseline year will be made when relevant.

The Sustainability Report provides disclosure of key social, environmental, and economic indicators that have been identified as significant by stakeholders. This information pertains to our manufacturing unit located in Tirupur and, wherever available, extends to our supply chain. By sharing this data, we aim to enhance transparency and accountability in our operations and supply chain management, aligning with our commitment to sustainability and responsible business practices.



1.3 Message from the CEO

My dear stakeholders,

This year, we are pleased to present our performance on various non-financial indicators. These indicators provide a compelling narrative of the impact of our initiatives as we continually strive for higher sustainability standards.

One particularly intriguing aspect of this GRI Report is the concept of materiality. Engaging with our customers, suppliers, and employees to determine reporting priorities has been an enriching experience.

The carbon commitment landscape is undergoing a transformation globally. We chose to become a certified carbon-neutral company, which was shared in the previous report. As per our commitment towards net zero, we adopted emission reduction strategies that helped move our emissions from Scope 1 to Scope 2, while actually reducing overall emissions by over 55 tonnes.

On the social front, our primary focus is on the health and well-being of our employees and workers, aiming to transform their lives. This commitment extends to providing opportunities for skill development within our team, empowering them to make sustainable decisions and set an example for others.

Our in-house brand, Unmoda, caters to businesses and customers interested in environmentally progressive products.

Sincerely

Alexander Neroth
CEO, NC John, Tirupur

GRI 2-22



2 NC JOHN'S LEGACY

2.0 The Journey So Far

2.1 Mission & Principles

2.2 Memberships and Associations

2.3 Awards and Recognitions

In the previous reporting cycle, emission hotspots were identified, opportunities for water recycling were spotted and waste management was approached in a structured manner for enhanced transparency.

Wood-based boiler was a hotspot identified during the previous year: we also spotted new sources of emissions such as freon, used for refrigeration.

We moved to an electric boiler, which increased electricity consumption, but shaved off over 55 tonnes of carbon emissions.

The factory at Tirupur was initially set up to source recycled clothing (post and pre-consumer) to weave into the recycled fabric mats. Hence recycling has been fundamental to the company,

For water we implemented rainwater harvesting solutions to recharge water and also added RO reject water for flushes in toilets.

For waste management, we tied up with other stakeholders in the circular economy to advance the movement on transparency. We repurposed waste cuttings and the foam waste that was earlier disposed is now reused.

We were one of the India's first textile companies' to have secured a climate neutral label for operations last year. Now that we have reduced emissions further, we do have grid electricity sourcing for four months in a year as that was when solar was installed. Going forward we would have complete dependency on solar power and other TEKIC renewable power.

We have also had an elaborate data collection for various scope 3 categories, including waste, business travel and employee commute. For carbon-neutral operations' certification, these emissions were added to scope 1 and scope 2 emissions while calculating for offsets through a solar project.

For more information - www.ncjohnapparel.com

It is important to focus on net zero emissions, and circular economy, both of which are our signature commitments

– Alexander Neroth

Living up to the Mantra “In harmony with Nature”



The business unit in Allepey, 1940's



The business unit in Tuticorin

Significant milestones in our journey

**FY 2019-2023**

2019: Recycled PET

2020: Natural Dyes

2021: Expanded from 100 to 140 printing stations

2022: First Sustainability Report

Fairtrade Certification-----
Carbon-neutral Certification**FY 2014-2018**

2014: 5th manufacturing facility at Tuticorin for Door mats

2015: Recycled Cotton

2017: 100 printing stations, under one roof

2018: In-house Phthalate free rubber mat production unit

Linen**FY 2009-2013**

2010: Recycled PET with Organic cotton

2012: Jacquard looms of Belgian origin installed

2012: Hemp

FY 2004-2008

2004: GOTS Certified Cotton

2004: Major Expansion at Tuticorin Location

2006: PVC Tufting unit at Tuticorin - Joint venture with European partners

2008: Organic Cotton/ Bamboo

FY 1991-2003

1992: Diversified into Garments

1998: ISO 9001-2000 Certification

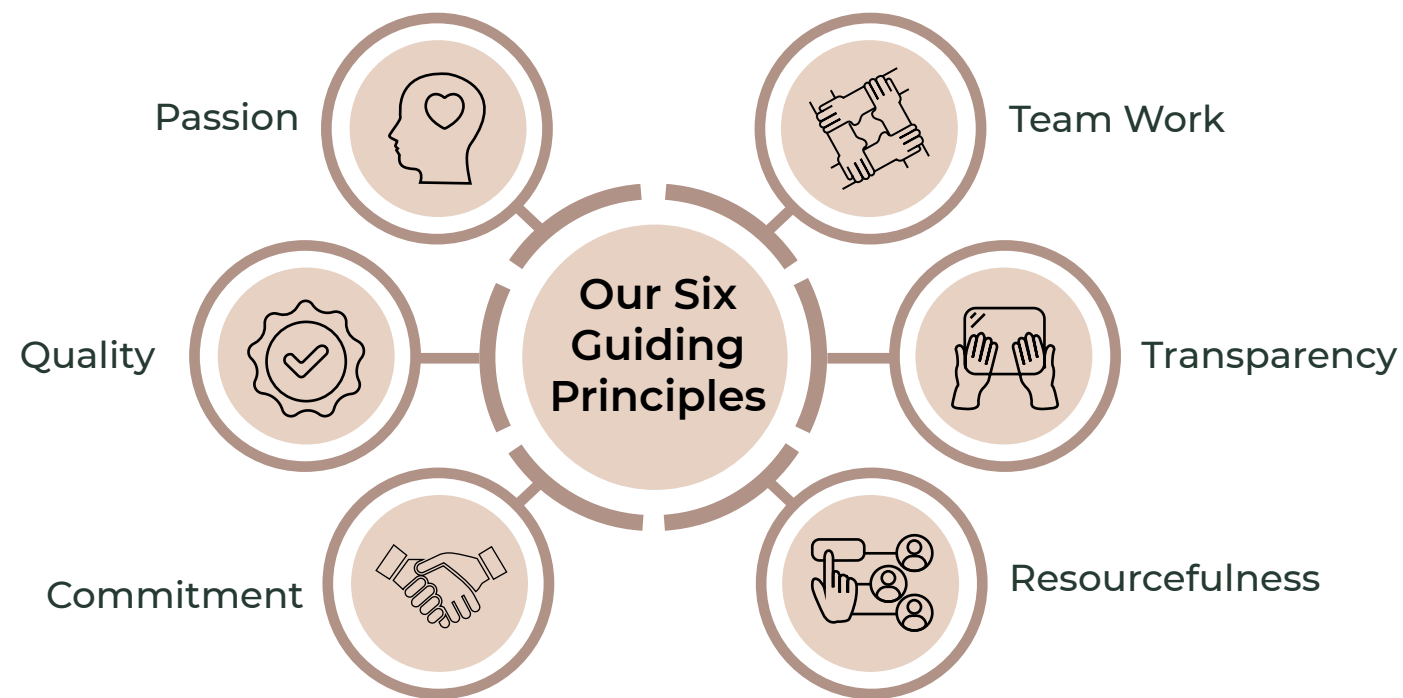
FY 1943-1990

1943: Company Established

1965: Sisal Manufacturing Started

2.1 Mission and Principles

At NCJ, our vision is to curate the world's most extensive selection of eco-friendly fabrics- firmly rooted in the principles of the circular economy. Our journey is dedicated to transforming into a fully sustainable apparel producer and exporter. We are unwavering in our belief that every action we take should be perfectly harmonious with nature. Through the adoption of sustainable and accredited manufacturing practices, we strive to minimize our ecological footprint. Our commitment lies in crafting garments that are stylish, durable and also environmentally conscious. We remain closely attuned to the latest textile innovations worldwide, inspiring brands to incorporate these cutting-edge materials and designs into their collections.



Our Mission: **Circularity and Climate Neutrality**

2.2 Memberships and Associations

- Tirupur Export Knitwear Industrial Complex (TEKIC)
- Indian Texpreneurs Federation (ITF)
- Confederation of Indian Industry (CII)
- Tirupur Expoters Association (TEA)

2.3 Awards & Recognitions

The government of India has awarded the parent group NC John and Sons the National MSME award for the largest exporter of coir floor covering products in 2017 and 2018.



3 ABOUT NC JOHN GARMENTS

3.0 NC John Garments

3.1 Sustainability Goals

3.2 Business Highlights

3.3 Governance Structure

3.4 Committees

3.5 Policies

3.6 Certifications

3.7 Products / Brands

3.8 Markets Served



3.0 NC John Garments

Our state-of-the-art manufacturing facility at Tirupur is spread over a 40,000 sq. ft area and has a capacity of producing 650k garments annually.

Owing to the group's sustainable ethos and living up to the mantra "in harmony with nature", the garment division is certified for Global Organic Textile Standard (GOTS), Global Recycled Standards (GRS), and Worldwide Accredited Responsible Production (WRAP).

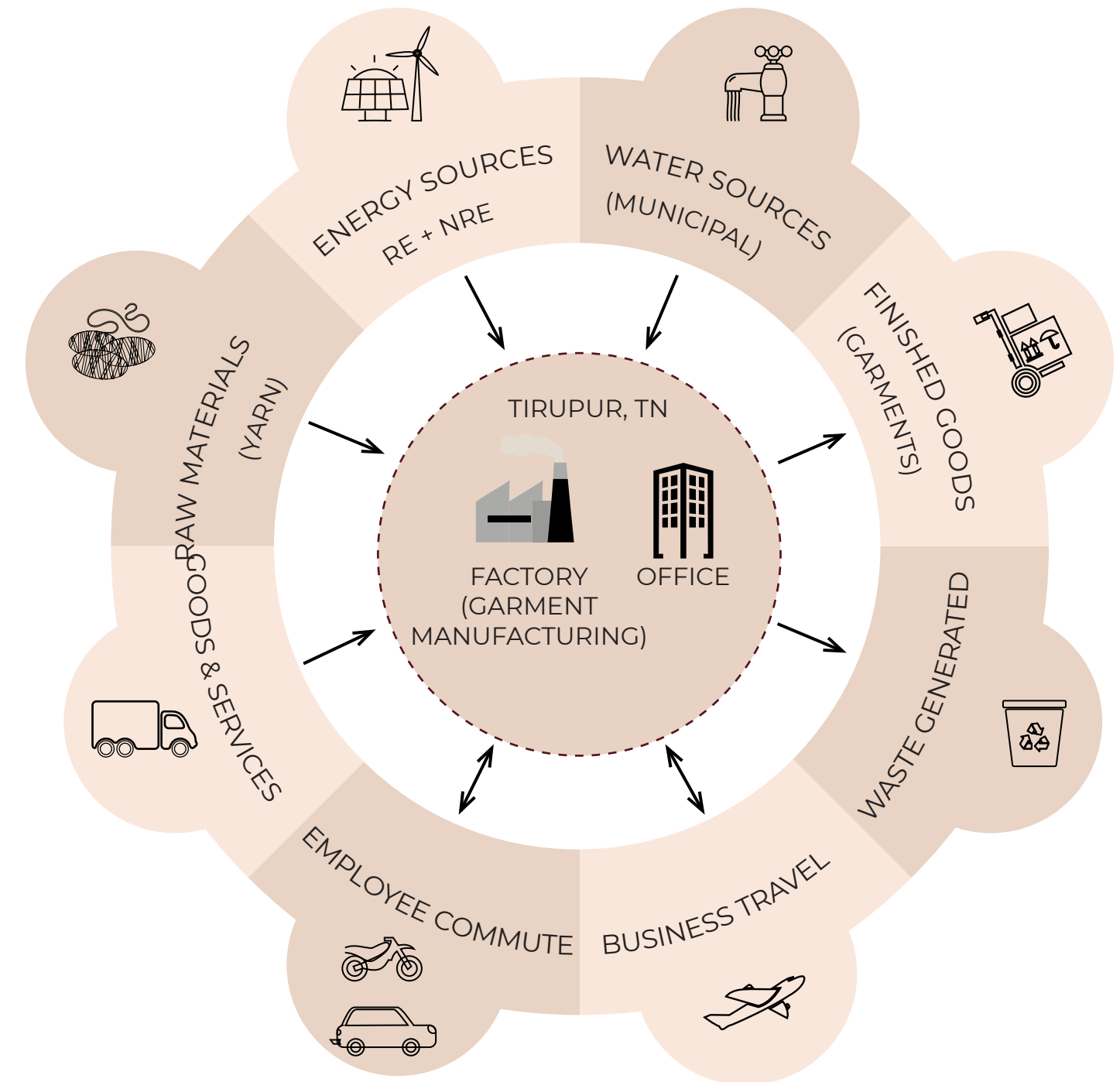
At NC John Garments, we embrace a forward-thinking approach. We source the latest sustainable fabrics and transform them into finished garments built for longevity. Our cutting-edge sustainable fabric lineup includes Recycled PET, Better Cotton, Bamboo, Hemp, Recycled Cotton, Organic Cotton, Premium Cotton, and Tencel. Through this diverse fabric selection, we pave the way for brands to integrate these novel materials into their collections immediately. We have also adopted natural dyeing, which further reduces negative environmental impact and enhances organic credentials.

Our USP is carbon-neutral facility with:

- Factory-direct pricing and service from a dedicated production and merchandising team.
- Experienced in-house sampling team - for quick turnaround on all sampling requirements.
- Extensive fabric stockholding both in yarn and fabric from across an extensive collection of natural and recycled fibers.

As specialist manufacturers of sustainable garments, we export to clients across the USA, France, Italy, UAE, Poland, Australia, New Zealand and the U.K.

Carbon-Neutral to Net-Zero journey



100% Sustainable
Manufacturers and Exporters



3.1 Sustainability Goals

In our sustainability report from the previous year, we outlined our objectives for sustainability. We successfully met some of these goals and made significant strides in others. The table below illustrates our progress on each of these targets:

As explicitly highlighted in the prior report, the objectives were set based on material areas, and with input from the sustainability core team. We remain dedicated to accomplishing the targets outlined as we continue our sustainability journey.

Environment Vision Areas	What we said we would do	What we did	Future targets
Lead carbon positive textile movement	<ul style="list-style-type: none">Carbon-Neutral CertificationNet Zero organizationBecome carbon positive	<ul style="list-style-type: none">Achieved CN certification in 2022Reduction in energy intensity from 1.16 to 0.31 kWh per garmentEmission reduction from 121 tonne to 54 tonneAvoided ~70% of the Scope 1 emissions	- Energy efficiency; Offsite renewables; Value chain emission reduction advocacy support; Net Zero; Carbon positive (2030)
Promote water positivity in textile manufacturing	<ul style="list-style-type: none">Become a water neutral organizationmove on to become water positive	<ul style="list-style-type: none">Rainwater harvesting in Tirupur unitRecyled water for flushes from RO Reject (saving 7% fresh water supplied)Water intensity reduction from 10.8 to 9.5 liters per garment	- Water conservation measures in TEKIC campus; Become a water neutral organization; move on to become water positive (2030)
Source only sustainable and natural materials	<ul style="list-style-type: none">Increase sustainable sourcing to 50% by 2025	<ul style="list-style-type: none">Use of natural fibres such as BCI Cotton, BCI Cotton hemp blend and Australian cotton	- Long term: 100% sustainable materials by 2030; Create unique natural blends (2030)
Lead zero waste movement and promote circularity in textiles	<ul style="list-style-type: none">Become a zero waste organization Completely aligned to circular economy	<ul style="list-style-type: none">Waste characterization and monitoringRepurposing foam waste and cutting waste through tie-up with waste upcyclersWaste intensity reduction from 77.97 grams to 67.74 grams per garment	- Become a zero waste organization; completely aligned to circular economy; New spinning unit for utilizing waste (2027)
Preserving habitats to preserve life on land and below water	<ul style="list-style-type: none">Planting 10,000 trees; conservation of water bodiesCollaborate with one million tree plantation mission; Institute LCA vs Base case	<ul style="list-style-type: none">Dialogues with partners	- Positive impact on life on land and life below water (2030)

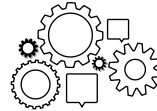


Social Vision Areas	What we said we would do	What we did	Future targets
To develop a purposeful workforce motivated for promoting sustainability	Instill purpose and promote a co-creative work culture	- Short term: Work life balance	- Employee retention and development through focused learning programs
Promote ‘equity for all’ across value chain	Short term: Increase gender diversity to 40% by 2025: Identify positions for disabled people	- Gender diversity from 34% (2021-22) to 36% (2022-23)	- Increase gender diversity to 50% and disabled personnel to 3% (2030)
Good health is priority number one	Adhere to standards and monitor data	- Zero injuries / accidents at workplace for last three years	- Injury free workspace through diligence and collaborative efforts - Recognition for inspiring other workplaces
Governance Vision Areas	What we said we would do	What we did	Future targets
To grow sustainably	Production capacity YoY increase by 25%	- Increased production capacity by ~41% increment.	Increase production capacity to 5,00,000 per month by 2030
Promote ethics and integrity as core values	Short term: Measure gaps; identify hotspots; conduct trainings Long term: Third party validation; maintain certifications.	- Introduced policies on Diversity & inclusion, Environment and CSR	Ethics and Integrity in policies, processes, systems and workforce by 2030
Privacy and security matters, always for all	Identify gaps, adhere to standards		Staying ahead of data security and privacy norms; Proactive approach to data security by 2030

1

Facility

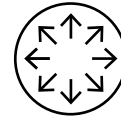
Manufacturing facility spread over 40,000 sq. ft.



2

Production Capacity

~41% increase in production quantity compared to 2021-22.



3

Embracing New Technologies

Using the latest CAD & ERP software to plan, control, and monitor production systems to ensure that our customers are regularly updated on the progress of their orders.



4

Environmental Impact

- Renewable Energy: overall 88% (offsite and onsite sources).
- Electricity intensity reduced by 12.5% @ 0.31 kWh per garment (FY-22: 0.36 kWh per garment).
- Emission reduction initiatives – switched to electric boiler from wood-based boiler.
- Overall emissions reduced by 55.7% compared to FY-22.
- Emission intensity reduced by ~68.5% @ 86.9 gm CO₂ per garment.
- Reduction in freshwater consumption by 7% through recycling and reusing RO reject water.
- Water intensity reduced by 12% @ 9.5 litres per garment.
- Waste intensity reduced by 13% @ 67.74 gm per garment.
- Certifications: GOTS, Confidence In Textiles and Global Recycled Standards (GRS), CII Climate Action Charter, BCI, Textile exchange – organic 100 and organic blended.
- Materials: Recycled cotton, Organic cotton, Hemp, Tencel, Australian cotton, and BCI cotton-hemp blend.



5

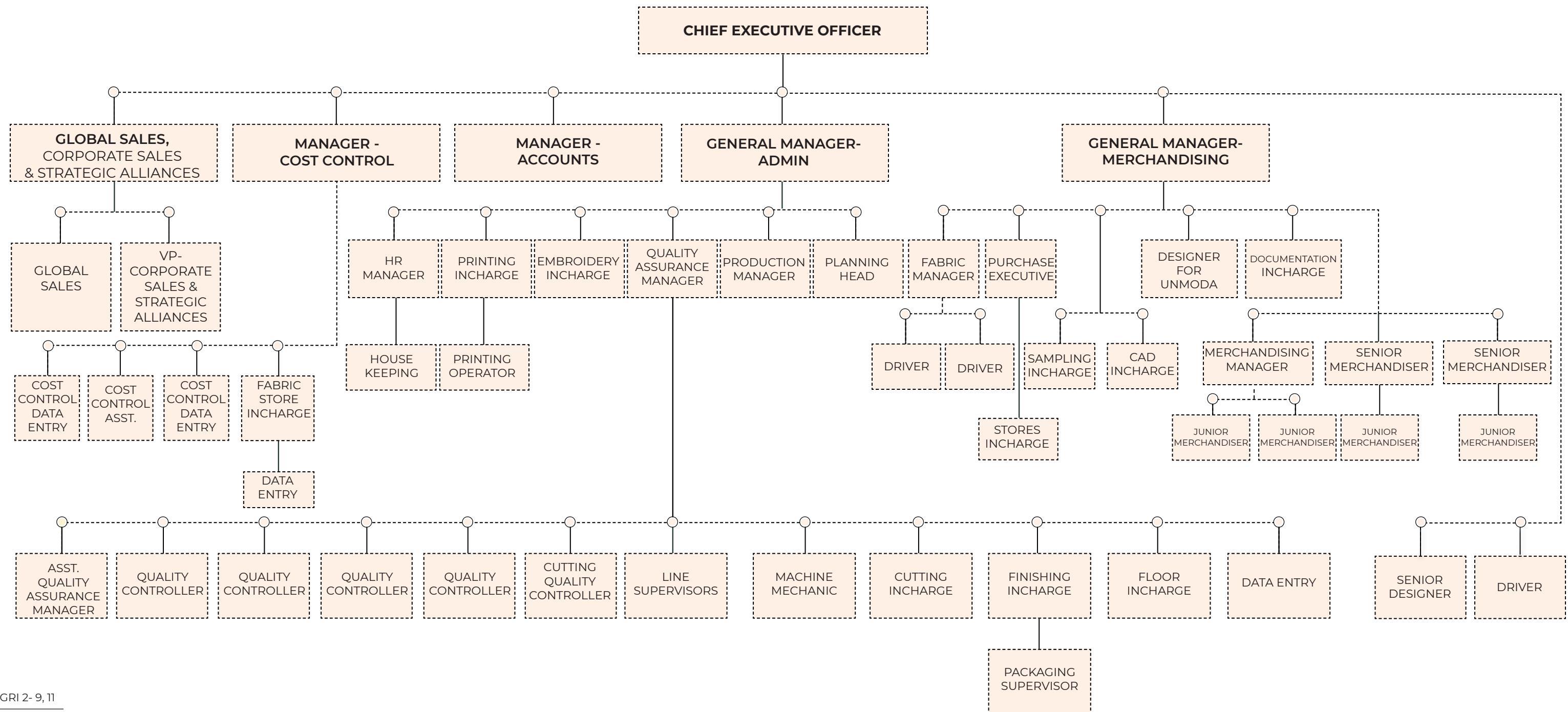
Social Impact

- Employee Strength: 194.
- Gender Diversity: Overall, 36% and among workers 40% .
- OHS: Zero cases of injury for the past three years.
- Training: average training hours: 6.34 hours/ male and 6.23 hours/ female employee. Doubled the number of training topics from 22 to 44.
- Supply Chain: 56% of all our suppliers possess industry-relevant certifications.
- Out of 14 new suppliers, 10 are certified. 99% of suppliers are local and based in Tamil Nadu.
- Certifications: Fairtrade, WRAP.

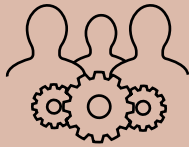


3.3 Governance Structure

A robust governance structure is vital to any organization as it ensures consistency, reduces risks, and enhances stakeholder confidence, driving sustainable growth and success. By diligently adhering to compliance requirements and clearly defining roles and responsibilities for departments and employees, we champion good governance.



3.4 Committees



Works Committee – A robust work culture is vital for employee well-being and company growth; at NC John, our works committee oversees assignments, performance, and skill development.



Health and Safety Committee – Our health and safety committee oversees employee well-being in line with international standards, holds regular reviews, and has reported no injuries or accidents in the past three years.



Sexual Harassment & Abuse Prevention Committee – We provide a dedicated suggestion box and urge employees to report any inappropriate behavior; a rigorous process is in place to address such concerns, ensuring swift and just resolutions.

“Good Governance is the bedrock for good business practices and exemplary performance”

3.5 Policies

Policies in an organization are essential guidelines and rules that help maintain order, consistency, and fairness in its operations. They provide clear expectations for employees, ensure compliance with legal and ethical standards, and support effective decision-making. Some of our organizational policies are:

- Human Rights Policy
- Health and Safety Policy
- Social Policy
- Environmental Policy
- Recruitment Policy
- Policy against Discrimination
- Harassment/ Abuse/ Other Grievances Handling Policies
- Code of Conduct
- Wage Administration Policy
- Other policies - Maternity Policy, Broken Needle Policy, Resignation/ Termination/ Discharge Policy.

Please refer to the detailed description of our policies on page 33 of the sustainability report 2022. (<https://www.ncjohnapparel.com/sustainability-report-2021>)

In the reporting period, we introduced the Diversity and Inclusion policy and CSR policy.

- Diversity and inclusion policy shows our commitment to promoting diversity, equity, and inclusion in the workforce. The policy includes guidelines on recruiting, hiring, and promoting a diverse workforce, as well as creating an inclusive workplace culture. It promotes an inclusive environment where diverse perspectives from diverse workforces are valued and embraced.
- CSR Policy: A CSR (Corporate Social Responsibility) Policy is our formal commitment to societal and environmental well-being. It outlines the company's strategies for philanthropy, and community engagement, fostering responsible corporate citizenship.

In the reporting period, there were zero incidents of corruption, anti-competitive behaviour or anti-trust against the organization. We are also happy to disclose that there were no cases of discrimination within the organization. We conduct regular communication and training sessions for the employees and workers, on topics such as human rights, and anti-corruption.

3.6 Certifications

NCJ believes in sticking to the benchmark for best practices, promoting environmentally-friendly and ethically-sound production processes. We know that standards and certifications play a crucial role in ensuring product quality, safety, and sustainability. Moreover, such certifications offer consumers confidence and transparency in the products they purchase, signaling that the company adheres to recognized global standards.

Some of the certifications for our garments division are as shown:

Worldwide Responsible Apparel Production Principles (WRAP)



It validates our commitment to global, socially responsible manufacturing, ensuring our products are crafted in a legal, humane, and ethical environment.

Fairtrade



It ensures that products meet social, economic, and environmental standards, promoting fair wages and sustainable practices in global trade.

Better Cotton Initiative (BCI)



It guarantees sustainable and ethically produced cotton, promoting environmental responsibility and fair labour practices in global textile production.

Climate Partner



This certification ensures that all relevant GHG calculations are accounted for, and any that is remaining is offset through voluntary carbon projects

Global Organic Textile Standard (GOTS)



It guarantees organic integrity in textiles, from harvesting to labelling, through eco-friendly and socially responsible manufacturing, ensuring consumer confidence.

Global Recycled Standard (GRS)



It verifies recycled content, supply chain integrity, and responsible social and environmental practices, including chemical limitations.

CII Climate Action Charter (CCAC)



It helps in mapping Climate Change as a material risk across value chains and developing long-term actions to build resilience.

Organic 100 Content Standard & Organic Blended Content Standard



It verifies the organic content of purchased products, facilitating transparent communication of organic claims for companies and providing organic farmers global market access for their fibre products.

3.7 Products / Brands

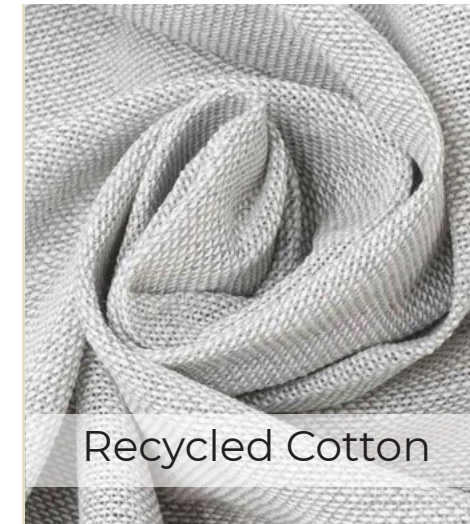
Our product lineup features garments crafted from organic cotton, premium cotton, bamboo, hemp, recycled cotton, and tencel. This year, we have introduced BCI cotton, Australian cotton, and various blends, encompassing a total of 20 distinct yarn types and combinations.

Australian cotton is known for its high quality, efficiency and sustainability. The cotton is typically long staple and high grade, making it suitable for high-quality textile products. Additionally, Australian cotton farming places a strong emphasis on sustainability, with continuous efforts to improve water efficiency, reduce pesticide use, and implement environmentally friendly practices. At NCJ, out of the total quantity of yarn purchased in 2022-23, around 9% was Australian cotton.

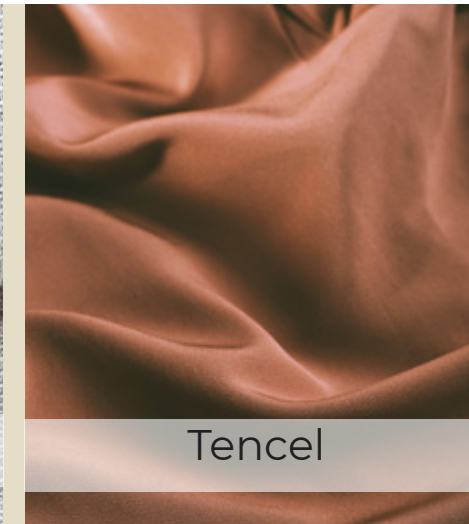
At NC John, our commitment to delivering high-quality products begins with stringent control over our raw material inputs, recognizing their pivotal role in achieving excellence. We implement rigorous checks at every stage of the production process, guided by a proactive approach to guarantee compliance with the stringent Acceptable Quality Limit (AQL) 2.5 inspection standards at the final stage. To further ensure quality, we maintain an in-house laboratory that assesses fabric materials against globally certified quality benchmarks, encompassing parameters such as wash fastness, crocking resistance, pilling resistance, shrinkage control, elongation, and grams per square meter (GSM). We also engage external laboratories to meet specific customers when necessary, upholding our unwavering commitment to quality assurance.

Our in-house embroidery and printing facility exemplify our commitment to exquisite craftsmanship. Leveraging the latest Computer-Aided Design (CAD) and Enterprise Resource Planning (ERP) software, we meticulously plan, control, and monitor our production systems. This approach not only allows us to maintain the highest quality standards but also ensures that our customers receive timely updates on the progress of their orders, fostering transparency and customer satisfaction.

Sustainable Fabrics



Recycled Cotton



Tencel



Organic Cotton



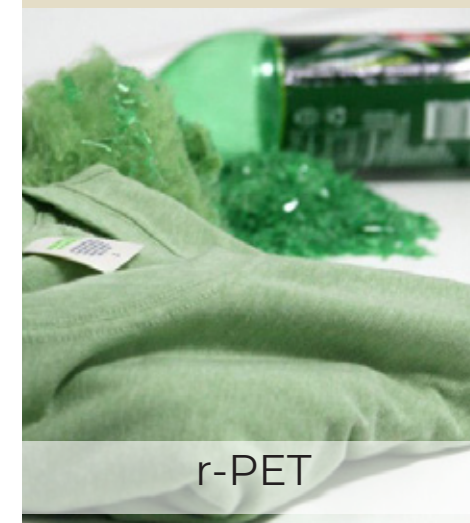
Merino



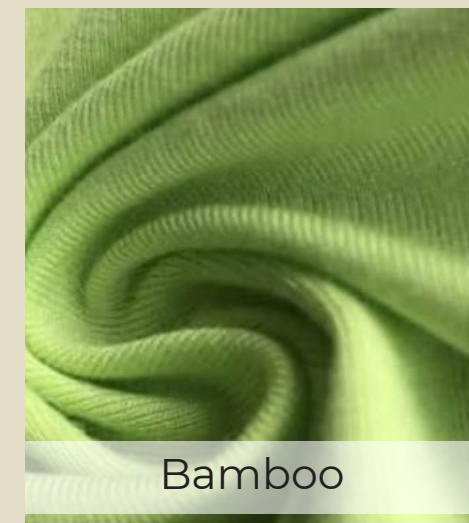
Hemp



Australian Cotton



r-PET



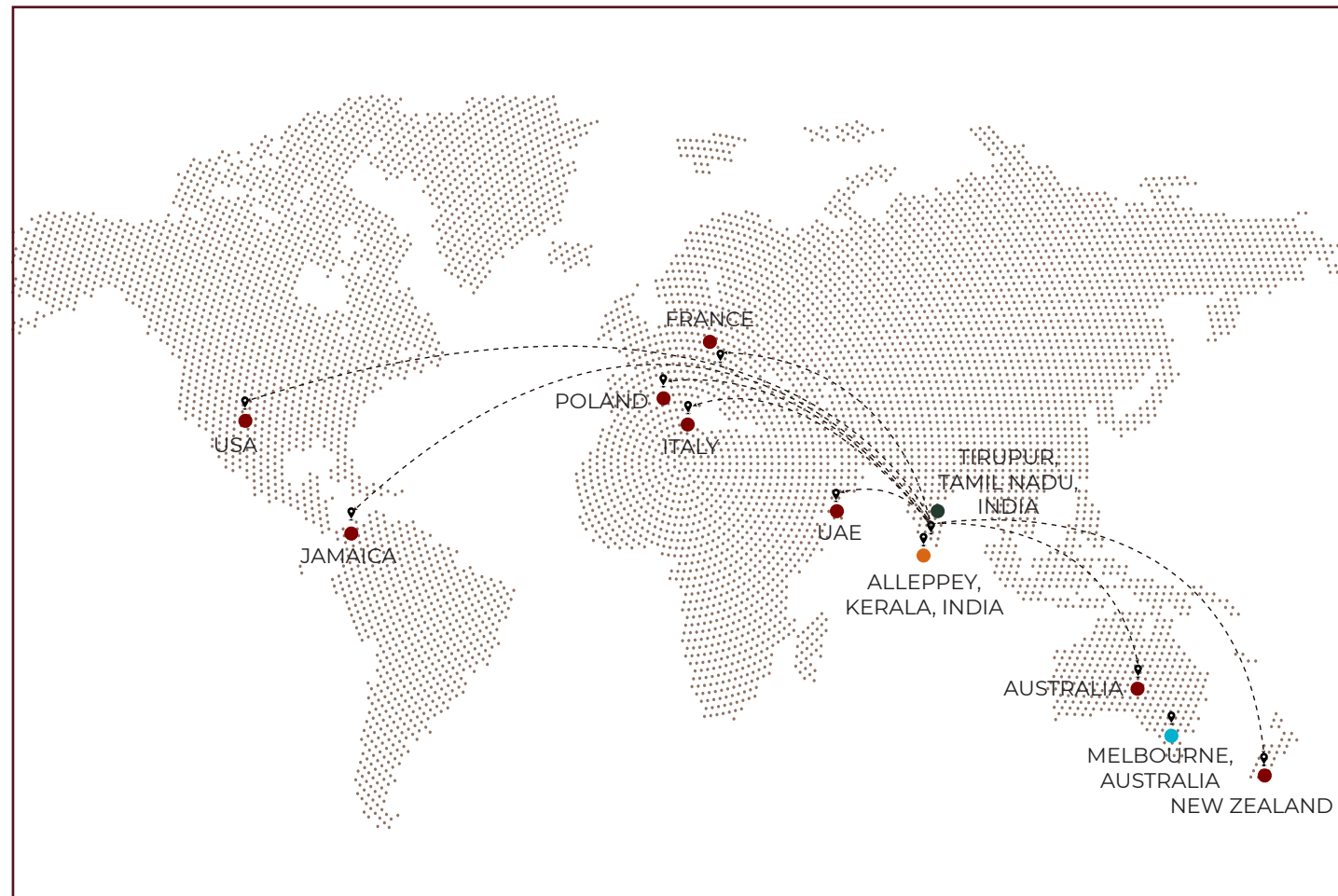
Bamboo



Upcycled

3.8 Markets Served

We serve markets in Europe, the USA, Australia, and New Zealand.



- NC JOHN APPAREL FACTORY
- NC JOHN HEAD OFFICE
- NC JOHN SALES OFFICE
- NC JOHN MAJOR MARKETS SERVED

4 MATERIALITY

4.0 Materiality Overview

4.1 Stakeholder Engagement

4.2 Stakeholder Priorities for Material Matters

4.3 Materiality Matrix

4.4 Management Approach to Material Matters

4.0 Materiality Overview

The company is in the business of finding solutions to the challenges that the global textile industry is facing. This implies influencing not just its internal stakeholders but also all external stakeholders.

Material areas are all the important areas that the company has a bearing on or those that are impacted by the company's actions. For the textile and garment business, there are multiple areas that get impacted in the business-as-usual world. Therefore, it is important for the company to identify those areas and measure its performance on those identified parameters.

Some of the important environmentally material areas that the garment industry impacts or gets impacted by are (i) use of energy and therefore associated emissions, (ii) toxic dyes leading to water pollution, (iii) contamination of land while growing crops owing to use of chemicals and negative impacts on biodiversity. Similarly, social issues prevalent in the industry on the negative side are:

(i) exploitative practices, (ii) abuse, (iii) child and forced labour, (iv) oppression of women, (v) inconsistent wages, and (vi) health & safety issues.

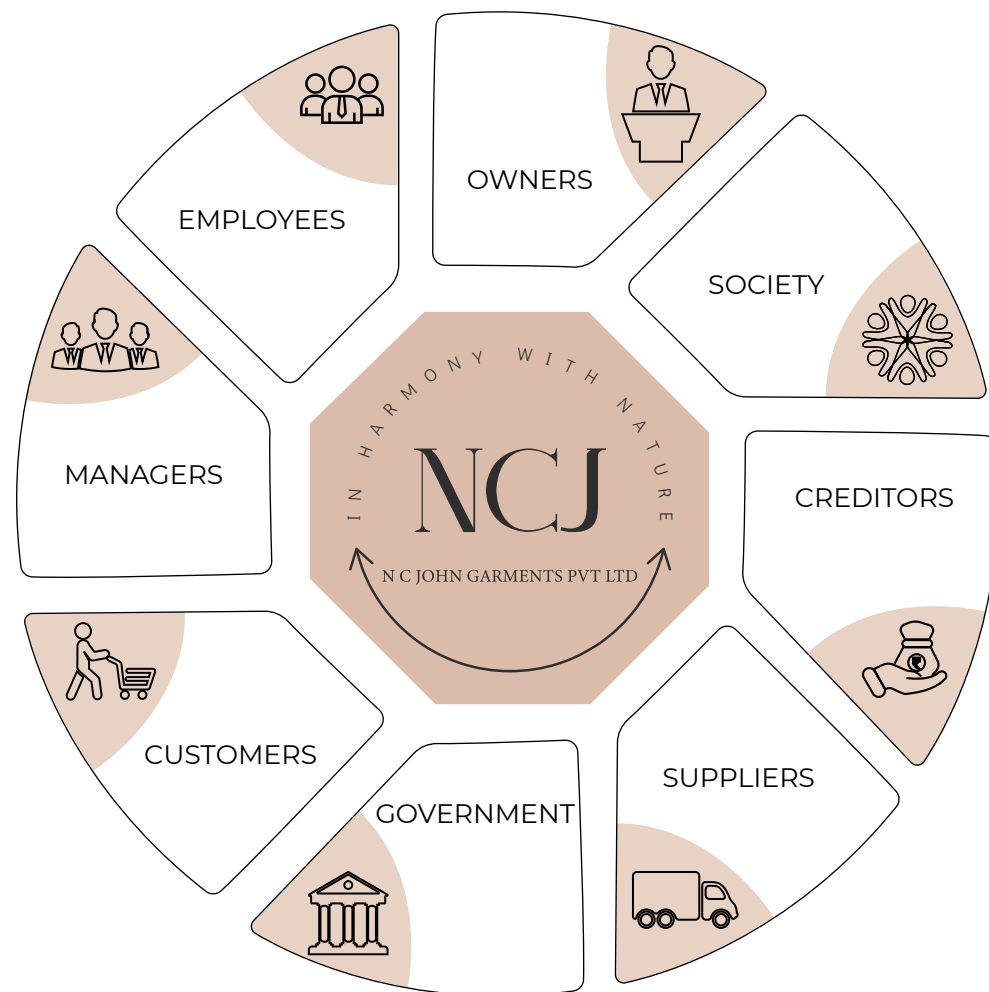
In general, business growth and profitability always remain the topmost anchor point without which the progress of every other function in the organization becomes limited. Equally important is good governance which gets executed through responsible committees and clearly laid out policies.



4.1 Stakeholder Engagement

Stakeholders are entities or individuals that are significantly affected by the organization's activities, products, or services; or whose actions can be expected to affect the organization in implementing its strategies or achieving its objectives. Stakeholder inclusiveness is an integral reporting principle for any organization to disclose its sustainability journey.

Stakeholders are classified as internal or external stakeholders. The employees and workers are the internal stakeholders whereas customers, suppliers, investors, press media and government agencies are external stakeholders. We consult with all our stakeholders regularly and periodically.



4.2 Stakeholder Priorities for Material Matters

Material matters were identified in a step-wise manner. A long list of material topics that have a sectoral relevance was created through a rigorous peer review of the global textile industry. Independently, management's view was mapped on these topics. That helped arrive at a long list.

The long list of material matters along with their brief description was the basis of framing a questionnaire. As part of the reporting journey, we consulted our internal stakeholders i.e., our employees and external stakeholders - our customers and suppliers, through an online survey questionnaire.

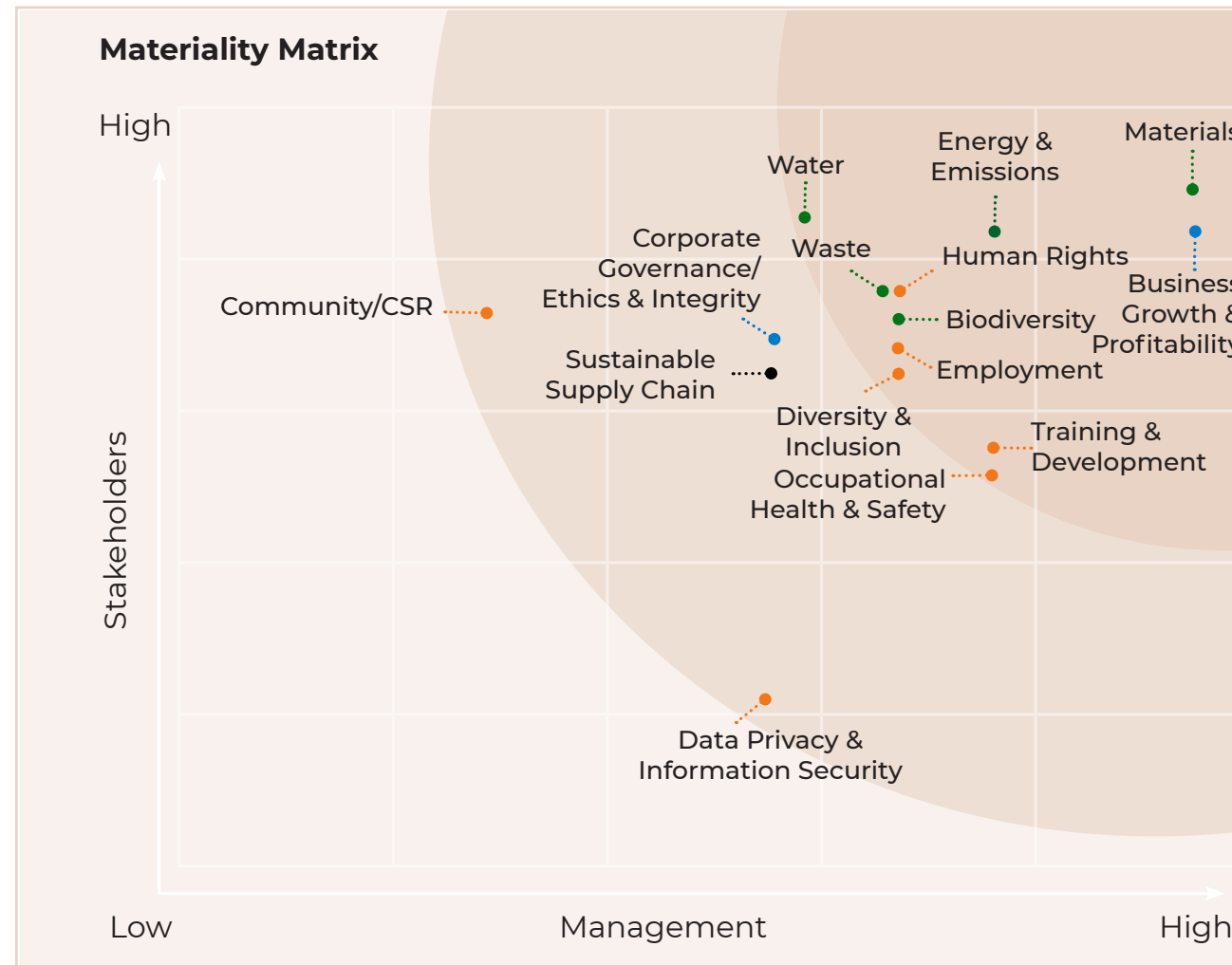
The questionnaire was focused on getting opinions about a topic that could be highly significant for measuring, monitoring and disclosures.

The response of the consultations is segregated into issues that are of high importance to each group of stakeholders and plotted against the impact on business. The aspects that rate high on the impact of business as well as their importance to stakeholders are mentioned in this report.

The responses from the stakeholders were analyzed and plotted to form the materiality matrix.

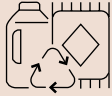




Material topics - Long list






- ◇ Energy & emissions
- ◇ Waste & effluents
- ◇ Biodiversity
- ◇ Water stewardship
- ◇ Materials management
- ◇ Employment
- ◇ Diversity & inclusion
- ◇ OHS
- ◇ Training & development
- ◇ Human rights assessment
- ◇ Freedom of collective bargaining
- ◇ Community development
- ◇ Sustainable procurement
- ◇ Corporate governance
- ◇ Ethics & integrity
- ◇ Business growth & profitability
- ◇ Data security



4.4 Management Approach to Material Matters

Based on the consultations with stakeholders, the following areas were identified as most significant.

Materials 	<p>We are focused on our path to becoming a 100% sustainable garment manufacturer and exporter. We are committed to using materials and resources in an efficient and sustainable manner. We have natural and recycled materials as input materials in our operations. We would like to increase the share of sustainable raw materials to 100% by 2030.</p>
Water 	<p>Water is an essential component in textile manufacturing. In our operations at Tirupur, our major water consumption is for domestic purposes. Our water needs are met through the TEKIC water supply. As a sustainable garment manufacturer, we would like to monitor and reduce water consumption in our facility. We are working on the rainwater harvesting potential in our facility to save water. We would like to achieve a water positive status in our operations.</p>
Waste 	<p>At NC John, we believe in the circularity principle and using resources efficiently, while reducing waste as much as possible. We are incorporating recycled materials in the product planning stages and sourcing of raw materials. We are working towards reducing resource usage by recycling waste. Our goal is to become a zero waste organization by 2027.</p>
Biodiversity 	<p>Biological diversity is important in ensuring the survival of all living beings and the natural ecosystem. As an organization, we believe in keeping the planet for future generations to live and enjoy the natural resources as we do. We would like to increase the green cover by planting 10,00,000 trees. Biodiversity also contributes directly to local livelihoods, making it essential for achieving poverty reduction, and thus sustainable development.</p>
Occupational Health and Safety 	<p>As an organization, we adhere to International OHS management systems and procedures across our operations focusing on zero harm for all employees and workers. We also place emphasis on the long-term well-being of employees and their families.</p>

Energy and Emissions 	<p>The NCJ group's belief in sustainability helped us to go in for renewable energy much ahead of the other peers in the industry. In 2022, we became a certified carbon-neutral operations. As a responsible organization, we would like to help our tier 1 suppliers move ahead in the sustainability journey by encouraging them to follow similar energy saving initiatives and opting for renewable energy.</p>
Training and Development 	<p>Training programmes are planned after conducting need analysis and consultations, empower and enrich employees for organizational skills as well as develop their human potential.</p>
Business Growth and Profitability 	<p>5,00,000 garments a month by 2030. This growth has to be in sync with sustainability mission.</p>
Diversity & Inclusion 	<p>50% women employment and maintaining equity is our target. Equally important is inclusion and empowerment.</p>
Human Rights 	<p>Human rights within and across the value chain. Monitor, identify hotspots and work with suppliers to eliminate any human rights abuse.</p>

5 PEOPLE

5.0 Overview

5.1 Employees

5.2 Occupational Health and Safety

5.3 Learning and Development

5.4 Supplier Information

5.5 Customers

5.6 CSR

This section of the report discloses the social aspects of NC John Garments, primarily focusing on key stakeholders - employees, suppliers, and customers. It encompasses topics such as employee diversity, hiring, turnover, training & development, and occupational health & safety.

Other social indicators such as community development initiatives through CSR projects, supplier relations and customer interactions are briefly addressed in this chapter.



5.1 Employees

At NC John, our employees are the cornerstone of our organization. Our employees are the greatest asset and uphold the highest social standards. Prioritizing their well-being and growth is integral to our mission.

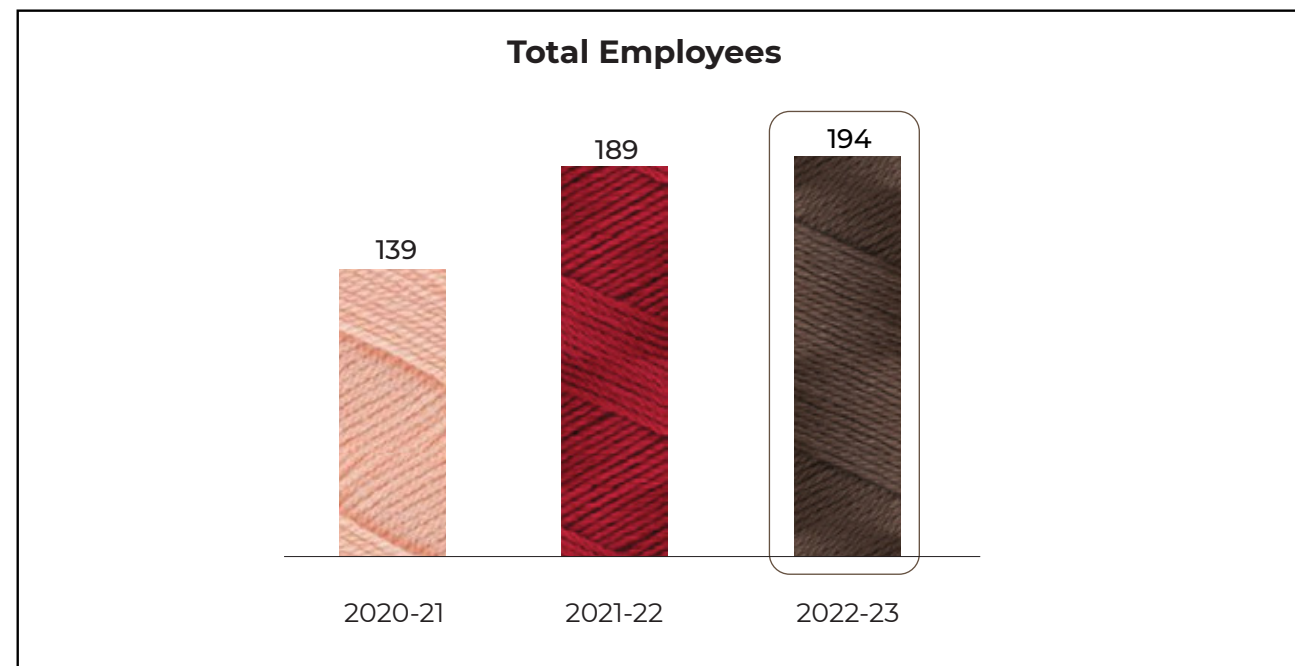
We are certified by Worldwide Responsible Accredited Production (WRAP), signifying our commitment to meeting and often surpassing international social compliance standards. This certification is instrumental in safeguarding the overall well-being of our employees and fostering a positive workplace culture.



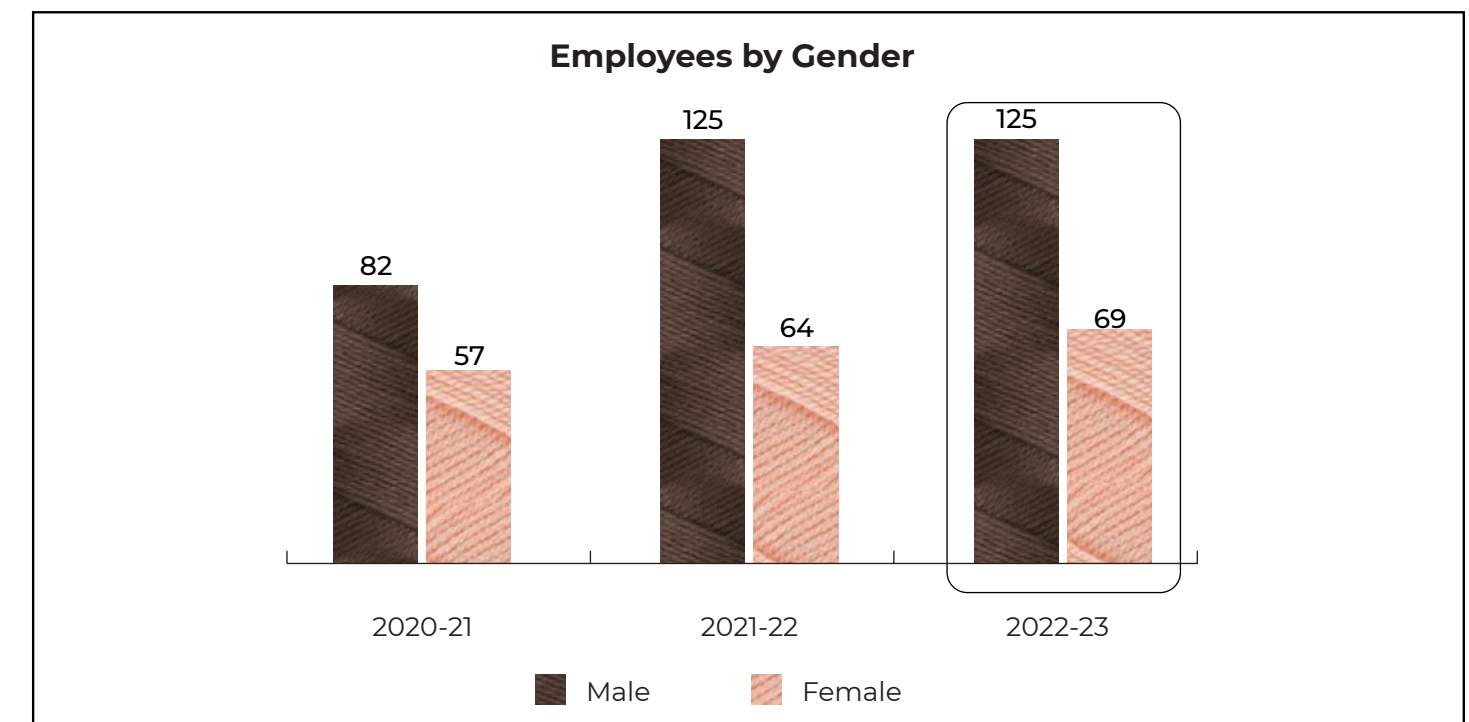
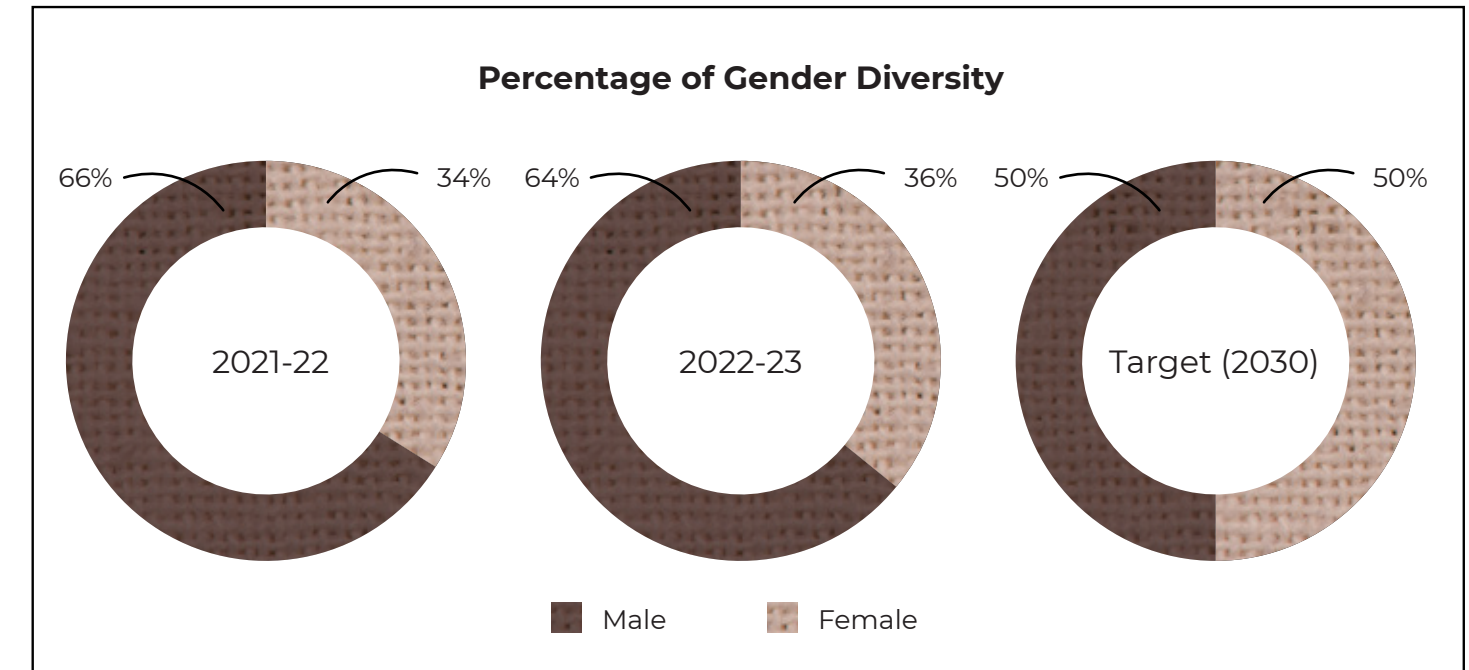
5.1 Employees

A diverse employee group enriches the work culture by bringing fresh perspectives, fostering innovation, and promoting inclusivity and respect. Our employee practices enable us to attract and retain talent in an ever-competitive market.

In the reporting year, our workforce grew from the previous year by 2.5% and from the baseline year by 28%, reflecting growth in the company. All our employees are permanent and full-time. We have also worked on gender diversity, reflected in an increase of 2% in the women's workforce from the previous year.



Commitment to 50% gender diversity by 2030

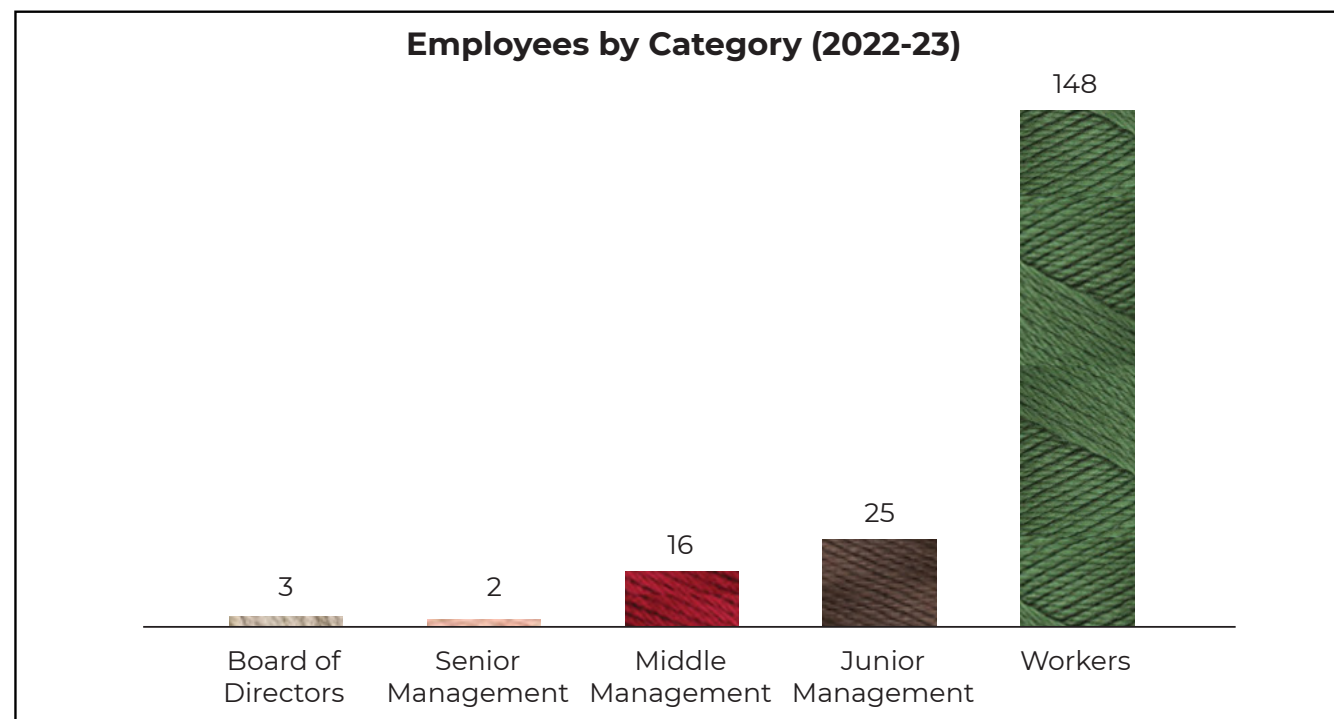


5.1 Employees

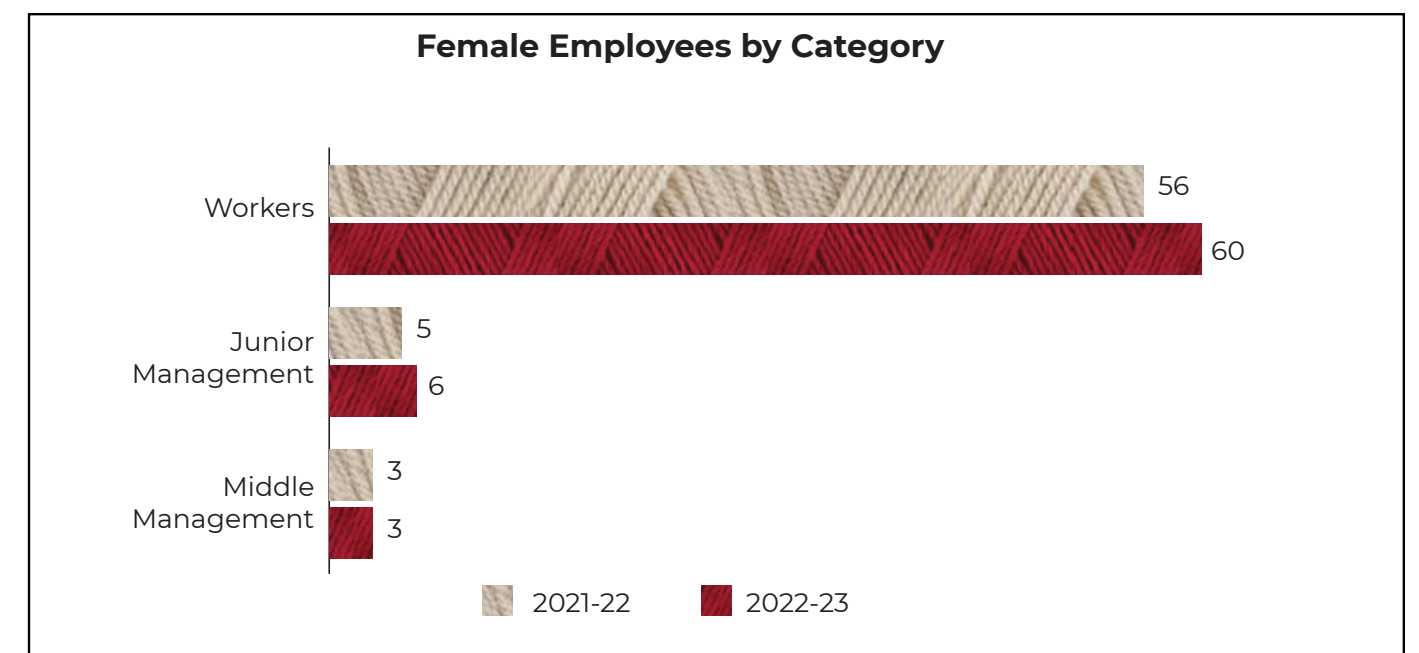
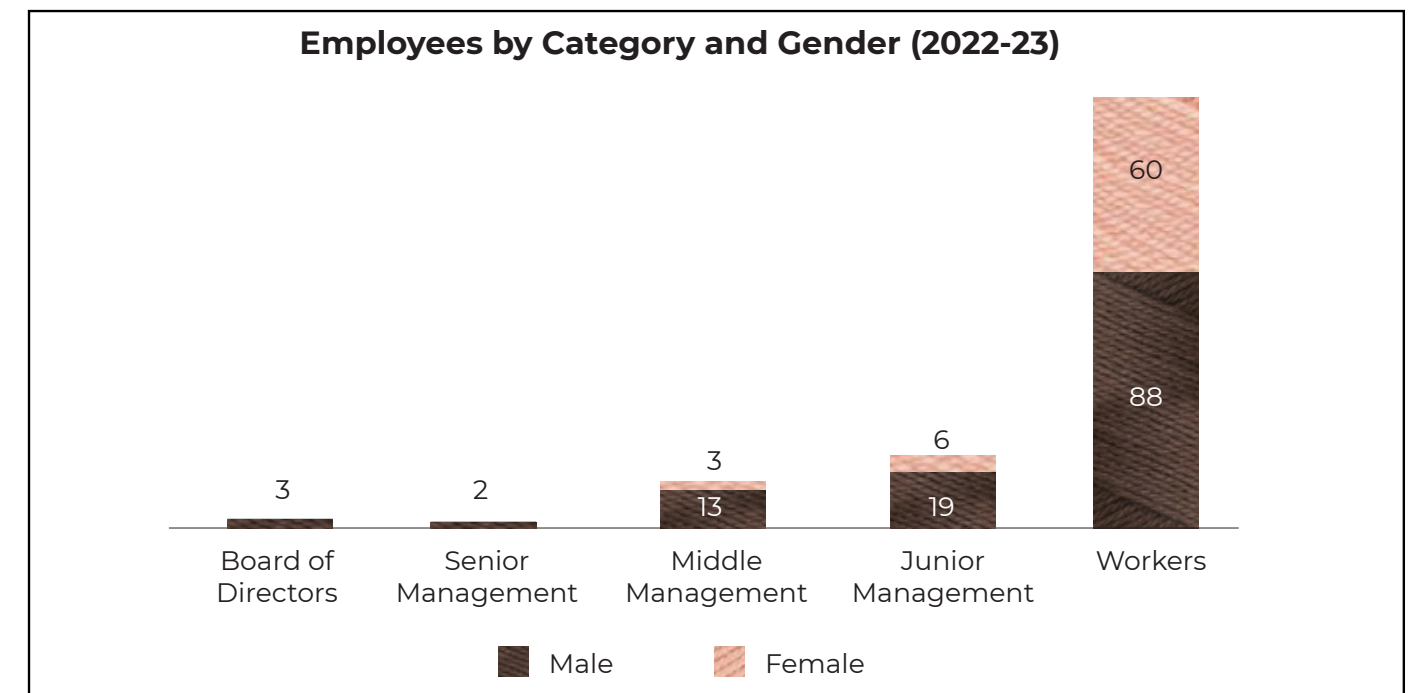
In the reporting period, the employee category composition included Board of Directors and Senior management at 3%, Middle management at 8% and Junior management at 13%. The worker category accounted for the maximum numbers at 76% of the total workforce (148 individuals).

Inclusion and equal opportunity are vital for diverse and fair workplaces, ensuring that every employee is valued and has the same opportunity for career advancement based on their skills and merit, rather than their gender, race, or any other personal attribute.

In the reporting period, the percentage of female employees in the middle management category was 19% while it was 32% in the junior management category. We had the maximum number of females in the worker category, at 40%.



The middle and junior management have 4% and 9% females respectively. NC John is constantly working towards increasing organizational gender diversity across all levels of management.

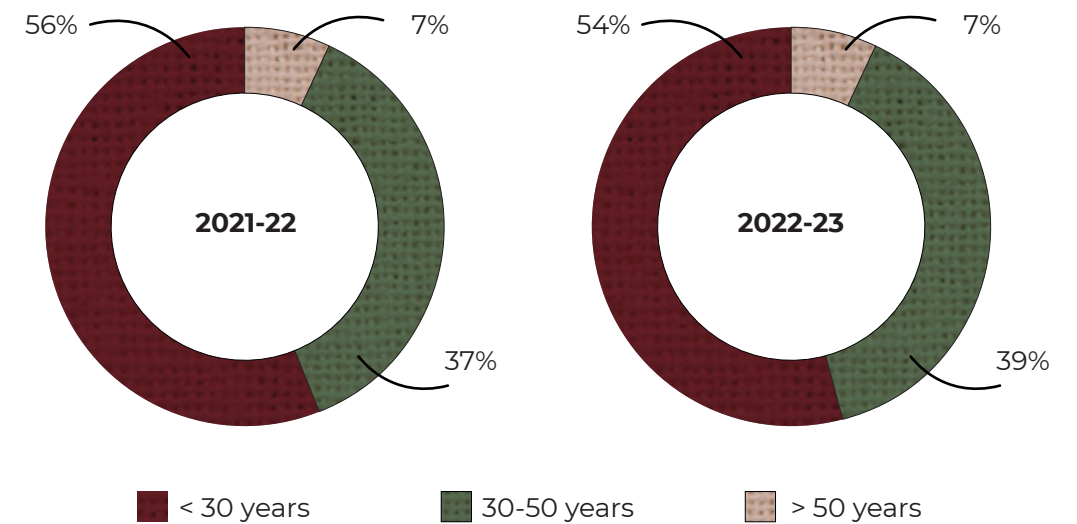


5.1 Employees

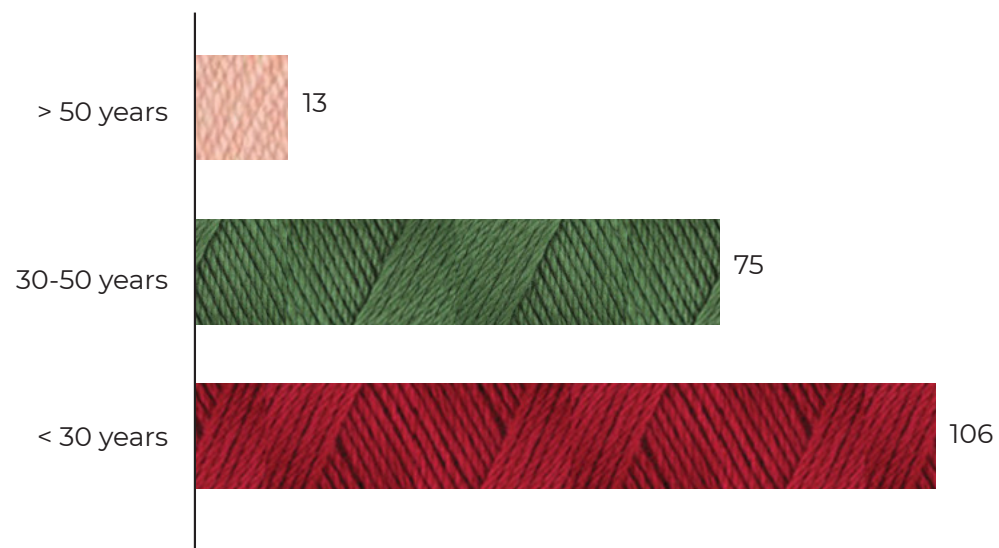
India has the largest youth population in the world with 60% of the population in the working age group (15-59 years*). Given this demographic advantage, at NC John Garments too, the majority workforce is below the age of 30. This represents 54% of total employees. The 30-50 years age group accounts for 39% of total employees and the over 50 years age group consists of the least number of employees at 7% of the total. The >50 years age group consists mainly of senior management and the Board of Directors.

There have been marginal changes in the number of employees across all age groups with an increase in female employees within the 30-50 years age group.

Percentage of Employees by Age

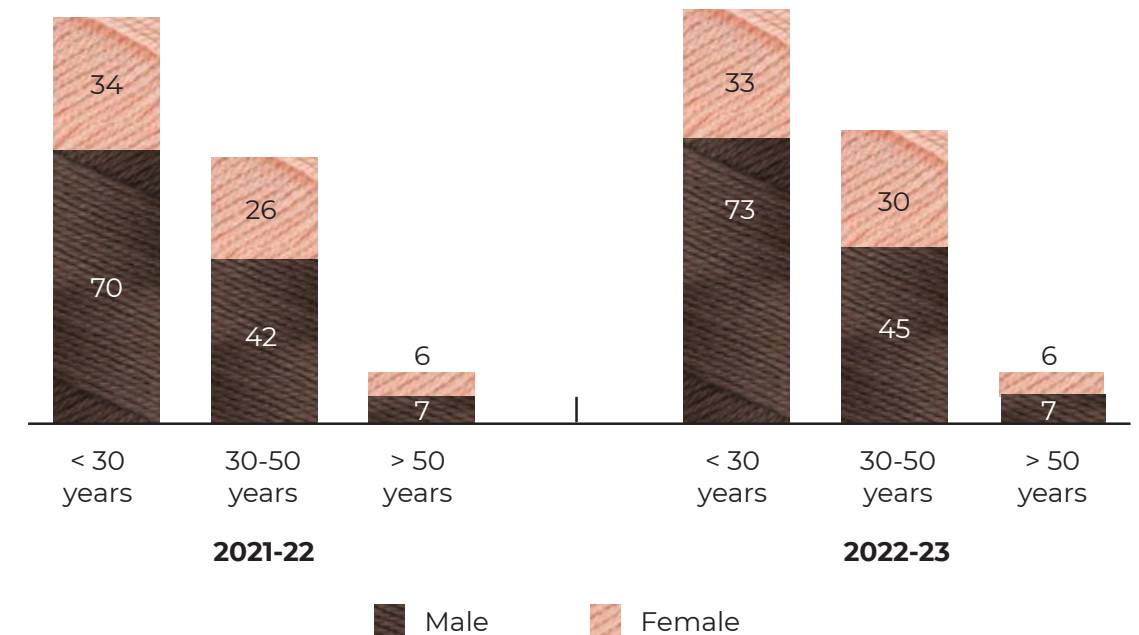


Employee by Age (2022-23)



* <https://indbiz.gov.in/one-of-the-youngest-populations-in-the-world-indias-most-valuable-asset/>

Employees by Age and Gender (Number)

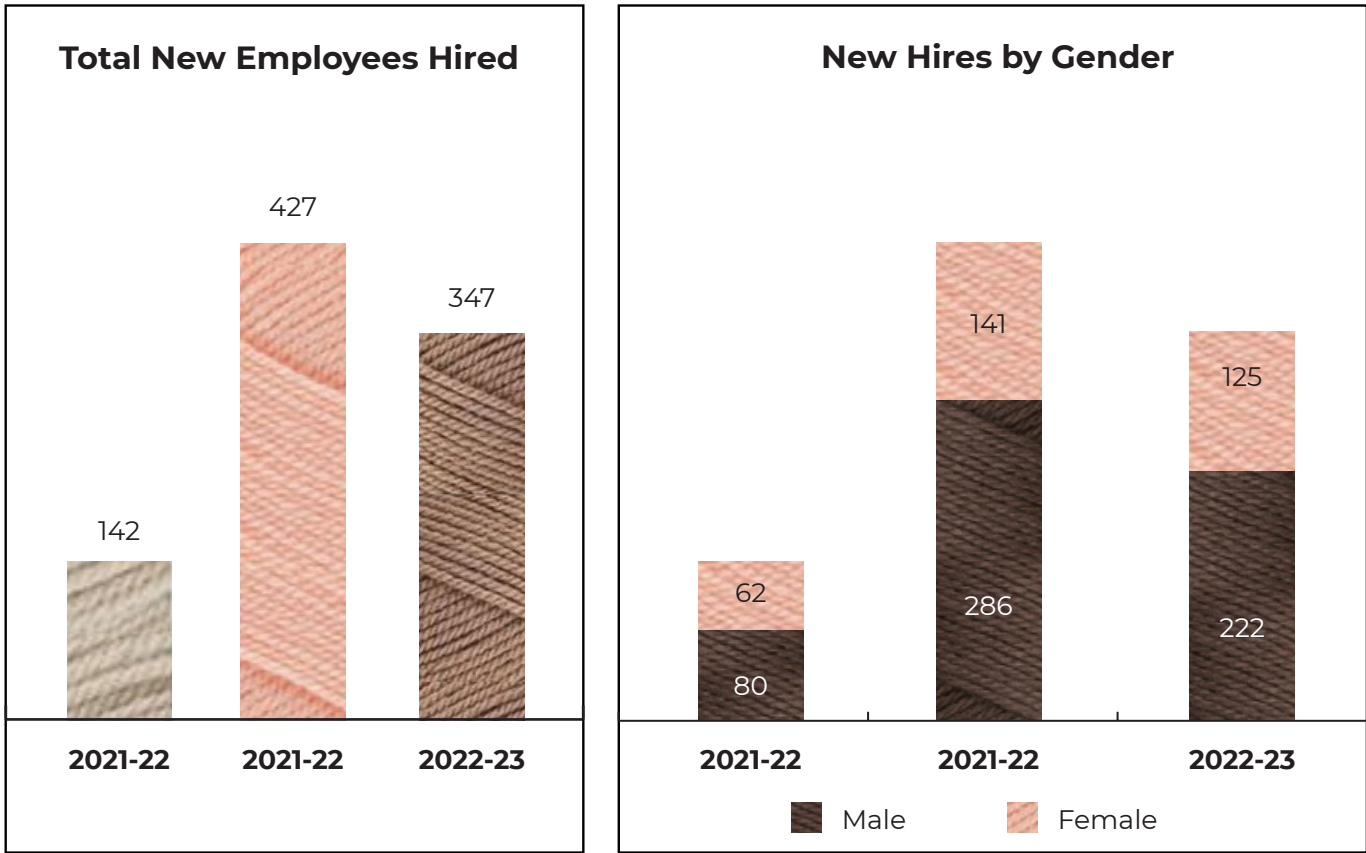


Hiring

New hiring is crucial for any organization as it brings fresh talent, skills, and perspectives into the workforce. It is an opportunity to strengthen and diversify the team, fill key roles and address the evolving needs of the company. During the reporting year, we hired 347 new employees, of which 36% were female and 64% were male.

Among the new hires, the maximum recruitment was in the worker category at 338 individuals, whereas it was eight and one new hires in junior management and middle management, respectively.

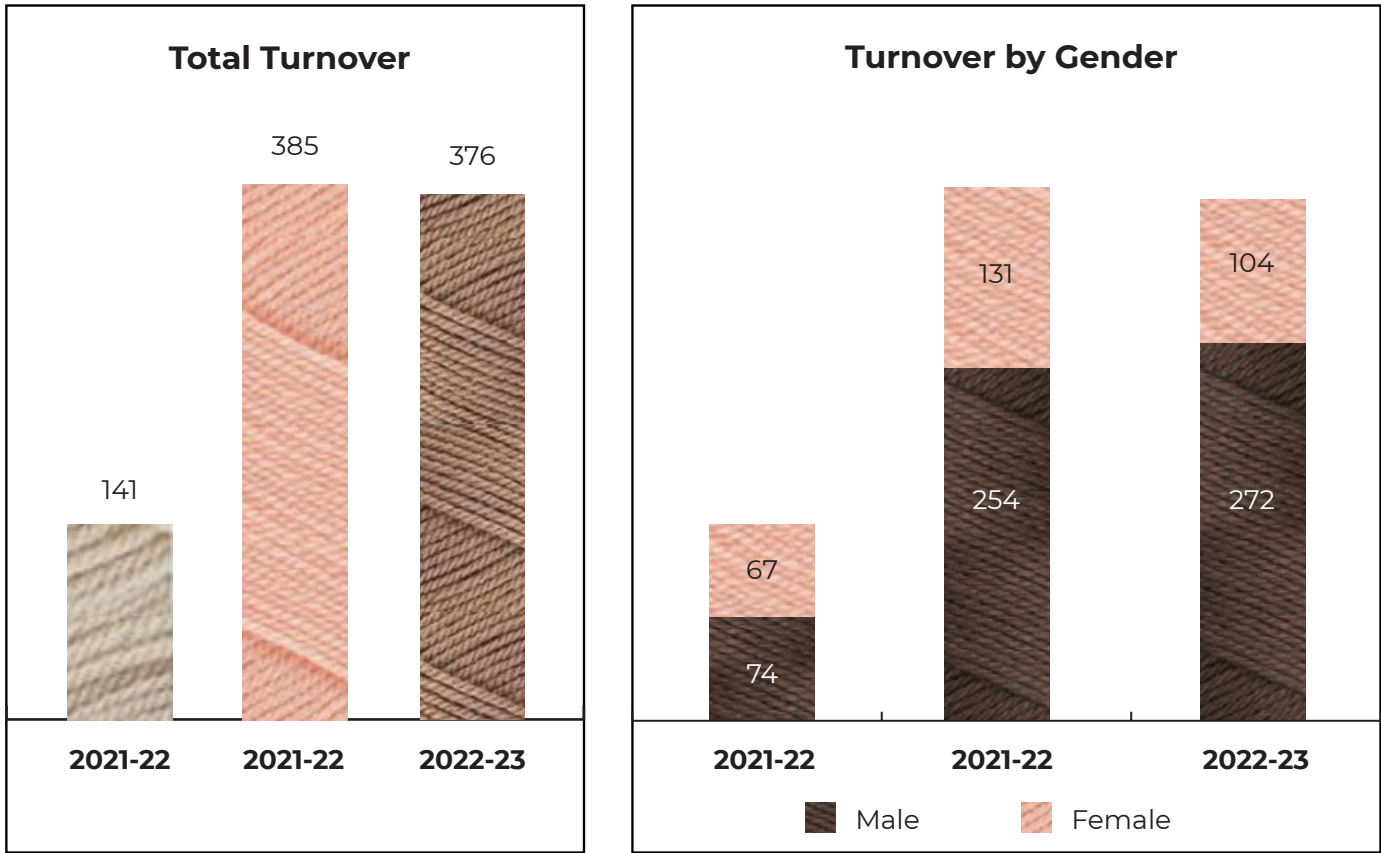
The average rate of hiring in the junior and middle management category was 20.5% in the reporting period.



Turnover

After the downturn of the pandemic years, turnover for the current reporting year has fallen to 376. The male turnover figure stood at 272 employees and 104 for female employees. There has been a 21% reduction in the turnover numbers for female employees and a 7% increase for male employees.

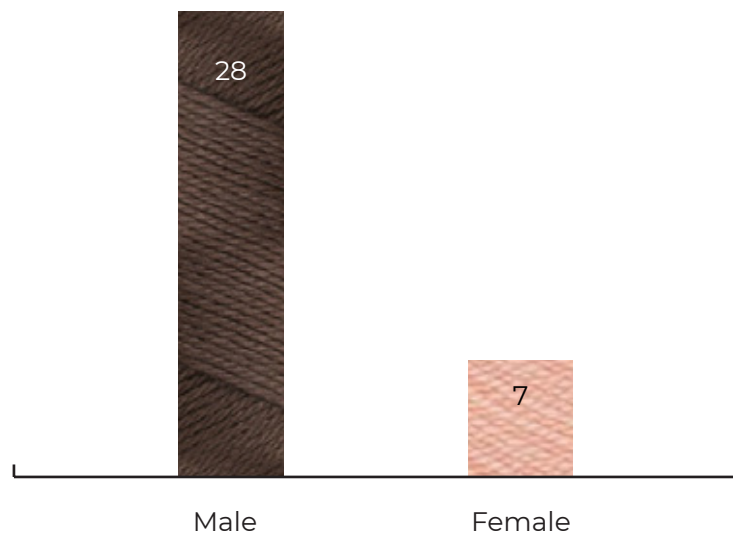
The maximum turnover occurred in the worker category which stood at 367 individuals in comparison with the previous years 372 workers.



Performance Review:

At NC John Garments, we prioritize the learning and growth of our employees through a continuous feedback mechanism. The employee performance review is a pivotal procedure in fostering the healthy growth of the organization. We have established a comprehensive performance review and career development system, enabling our employees to receive constructive feedback on their work. This proactive approach empowers the employees to take ownership, leading to increased efficiency and improved organizational workflow.

In 2022-23, a total of 35 employees received performance reviews, 80% of these were male employees who received regular performance and career development reviews which is more than that in 2021-22.

Performance Review by Gender (2022-23)**Staff**

Review Key Result Areas (KRA) and Key Performance Indicators (KPI)

**PERFORMANCE
REVIEW
CRITERIA FOR
STAFFS AND
WORKERS**

Workers

Grade in Skill Evaluation Slab

Employee welfare and benefits:

We consistently prioritize the well-being and development of our employees, empowering them to flourish and make informed decisions, thereby nurturing a fulfilling work environment. Our comprehensive benefits package includes Employee State Insurance (ESI), Provident Fund (PF), performance bonuses, petrol allowances, monthly telephone recharge, vehicle maintenance support, refreshment, and even accommodation arrangements for select staff members.



We also pledged our commitment against child labour, underscoring our dedication to welfare of the humanity and the betterment of society

5.2 Occupational Health and Safety

The health, well-being and safety of our employees and workforce are our top priorities. Our commitment to their health and well-being is outlined in our health and safety policy. We rigorously follow Occupational Health and Safety (OHS) management systems and procedures throughout our operations.

Safety and hygiene in the workplace are critical requirements for our employees. At NCJ, we make sure that all employees and workers are provided with the necessary safety equipment, PPEs and regular safety training. Some of the health and safety-related training includes fire safety, first-aid, mock drills, and PPE usage training. We also provide our employees with awareness-building sessions on HIV and COVID-19. The company HR executive is appointed as the health and safety management representative.

In the reporting period 2022-23, we have had zero cases of injury or accidents in the workplace.



First aid training

Three consecutive years of **zero** injuries



5.3 Learning and Development

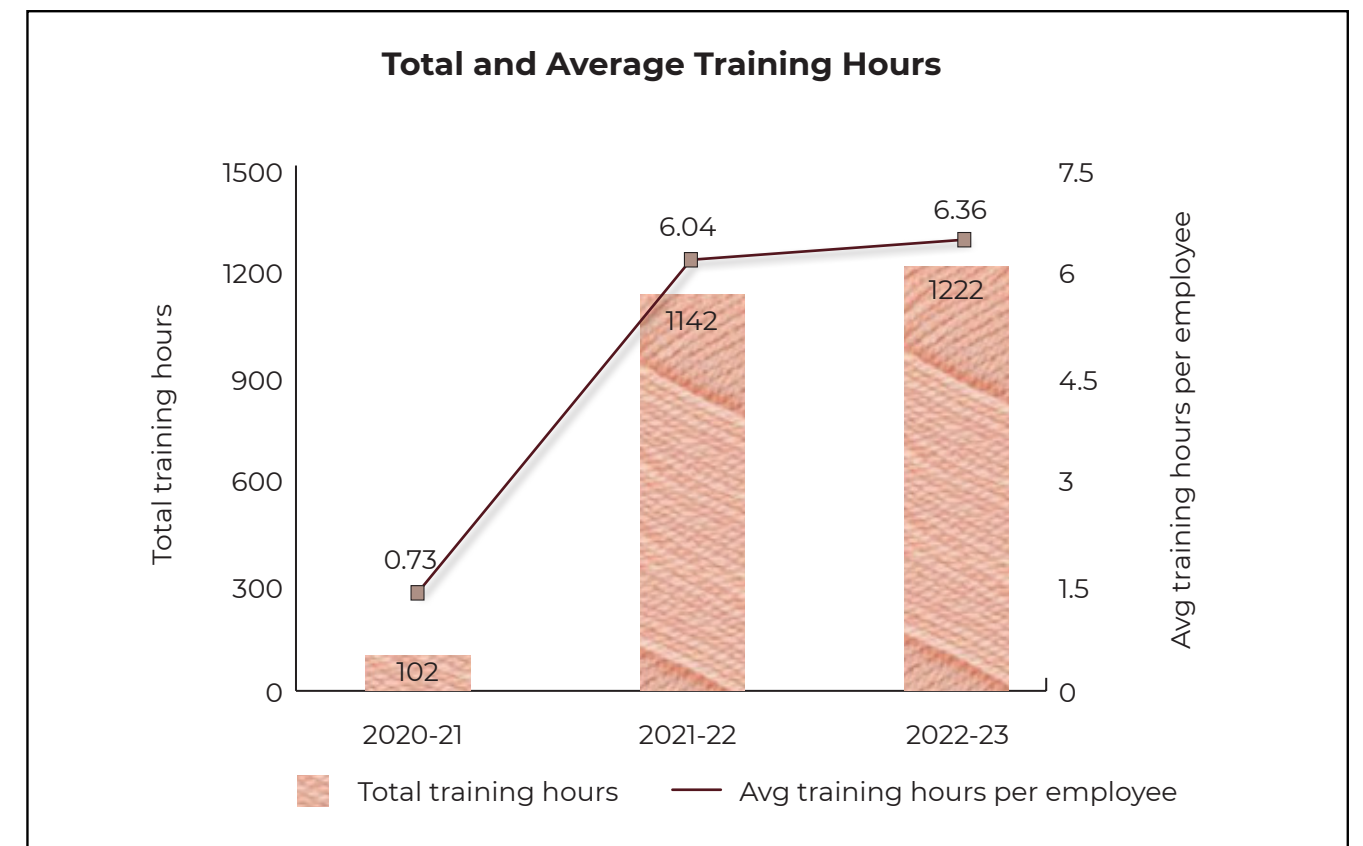
Offering relevant training and skill development to employees not only fosters their personal growth but also contributes significantly to the company's overall success. With this objective in mind, we regularly provide practical, hands-on training in various areas, including tailoring, software utilization, professional and soft skills, spanning all employee categories.

Some of the topics for which training was conducted included Line QC Cutting, "Ziilingo" Production Software, Introduction to Social Policies, Goal Setting, KRAs and KPIs, Middle-level management training, etc. We also conduct socio-economic training and workshops on topics outside the scope of our workers' tasks. We have conducted training on human rights, HIV awareness, CSR, leadership, etc. We have also conducted training specifically targeted at women's education, welfare and awareness of sexual harassment. These additions have doubled our total training topics from 22 to 44.



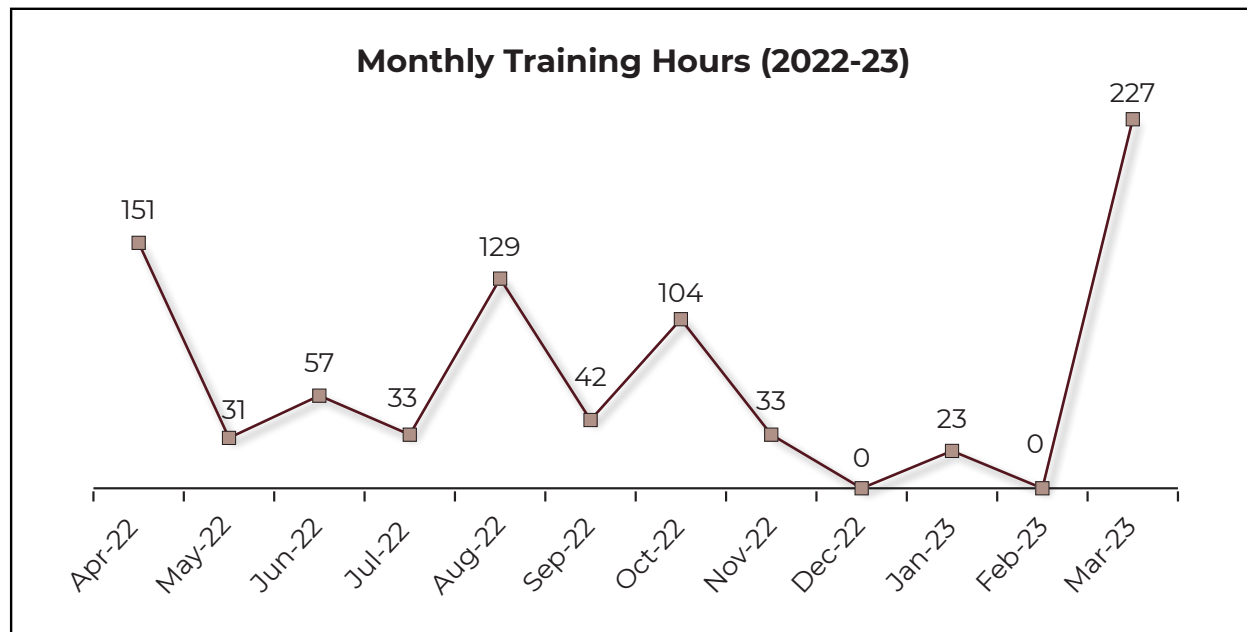
The total training hours in the reporting year were 1222 which is 7% higher than in 2021-22. The average training hour has increased to 6.36 hours per employee compared to 6.04 hours per employee in 2021-22.

In the reporting period, additional training was provided to employees on topics such as health, socio-economic and other non-work-related topics.



5.3 Learning and Development

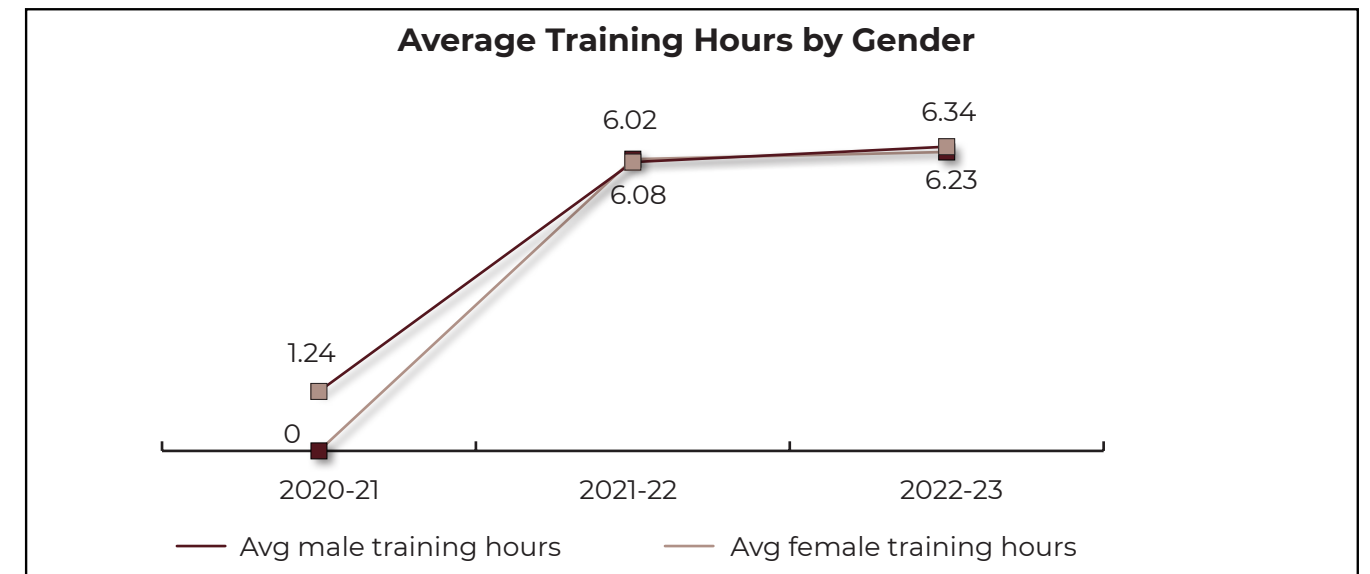
Within the organization, the Human Resources department is entrusted with the vital task of supervising and executing employee training initiatives. They ensure that training is tailored to meet the specific learning needs and requirements of each employee.



GRI 404-1

Training time by Gender

Considering our no-discrimination policy, we are putting our best efforts to train more female employees and give them equal opportunities in the workplace. In the reporting period, the average training hours for female employees is 6.23 hours, which is marginally lower than that of the average training hours for male employees at 6.34 hours. Of the total training hours, 65% (792 hours) of training time was utilized by men, and 35% (430 hours) by women in 2022-23.



5.3 Learning and Development

S. No	Type of training	Details	2022-23
1	HR Training	Middle- level management – Performance	✓
		Labour Laws applicable to factories	✓
		Women welfare, education and anti-sexual harassment	✓
		CSR, Human rights, Leadership qualities	✓
2	Software Training	New product software	✓
		Reliance software	✓
		Microsoft	✓
3	Technical Training	Stock report	✓
		NCJ Garments Flow Management Tool	✓
		NCJ Garments Task Management Tool	✓
		Sewing	✓
		IGCR-3, ROSCTL, EGM Filing	✓
4	Health and Safety Training	Fire Safety & Evacuation	✓
		First Aid	✓
		HIV Awareness	✓



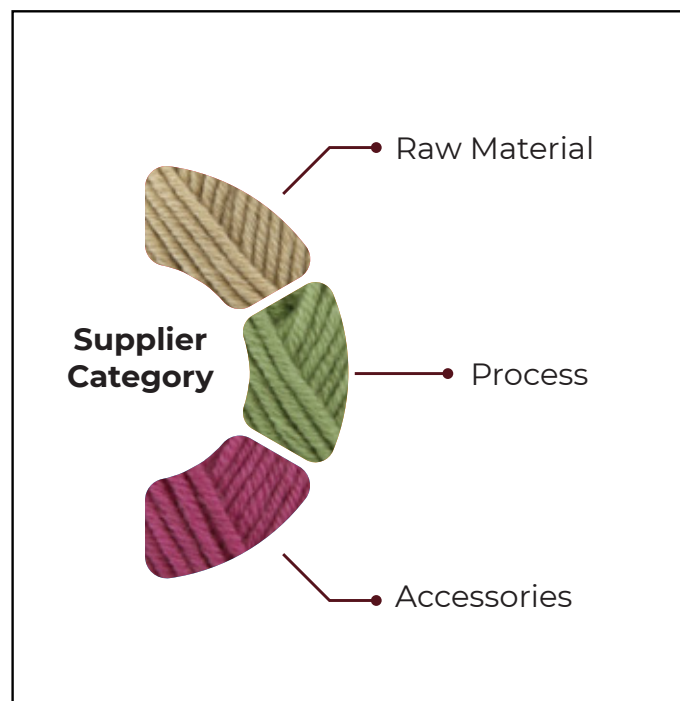
5.4 Supply Chain

Supplier category and tenure

The supply chain encompasses the entire network and process involved in various stages, such as sourcing raw materials, manufacturing, distribution, and logistics, ultimately forming a critical link in delivering goods to the market. An adequate supply chain is essential for ensuring the availability, quality, and timely delivery while minimizing costs and optimizing efficiency.

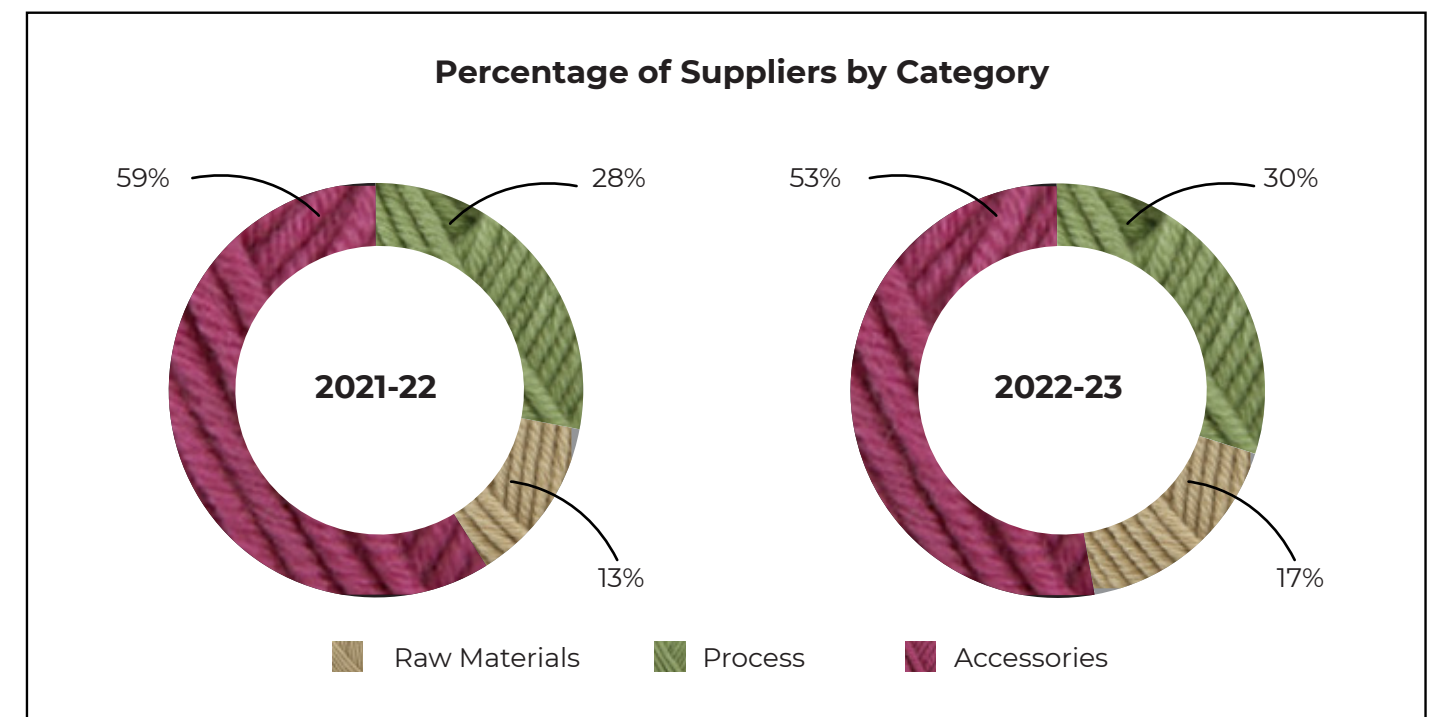
At NC John, we value the partnerships with our supply chain and understand its in building a successful business. Our supply chain supports us in procuring, processing, transporting and manufacturing of our garments.

In the reporting period, we had 77 suppliers from all over India. Among the total suppliers, about 17% of them are raw material suppliers, whereas the process-related and accessories suppliers form 30% and 53%, respectively.



We recognize the value of strong partnerships and have collaborated with a significant portion of our supply chain partners for over five years, with the majority exceeding a decade. Our most long-standing relationships are with our raw material suppliers, where the average partnership duration extends to 12 years.

As we look into our future and sustainability journey at NC John, we intend to address our Scope 3 emissions by ensuring our suppliers also move towards sustainable futures. We encourage initiatives such as switching to renewable energy, water conservation. As part of this journey, we will conduct an environmental and social assessment of our suppliers in the coming years.



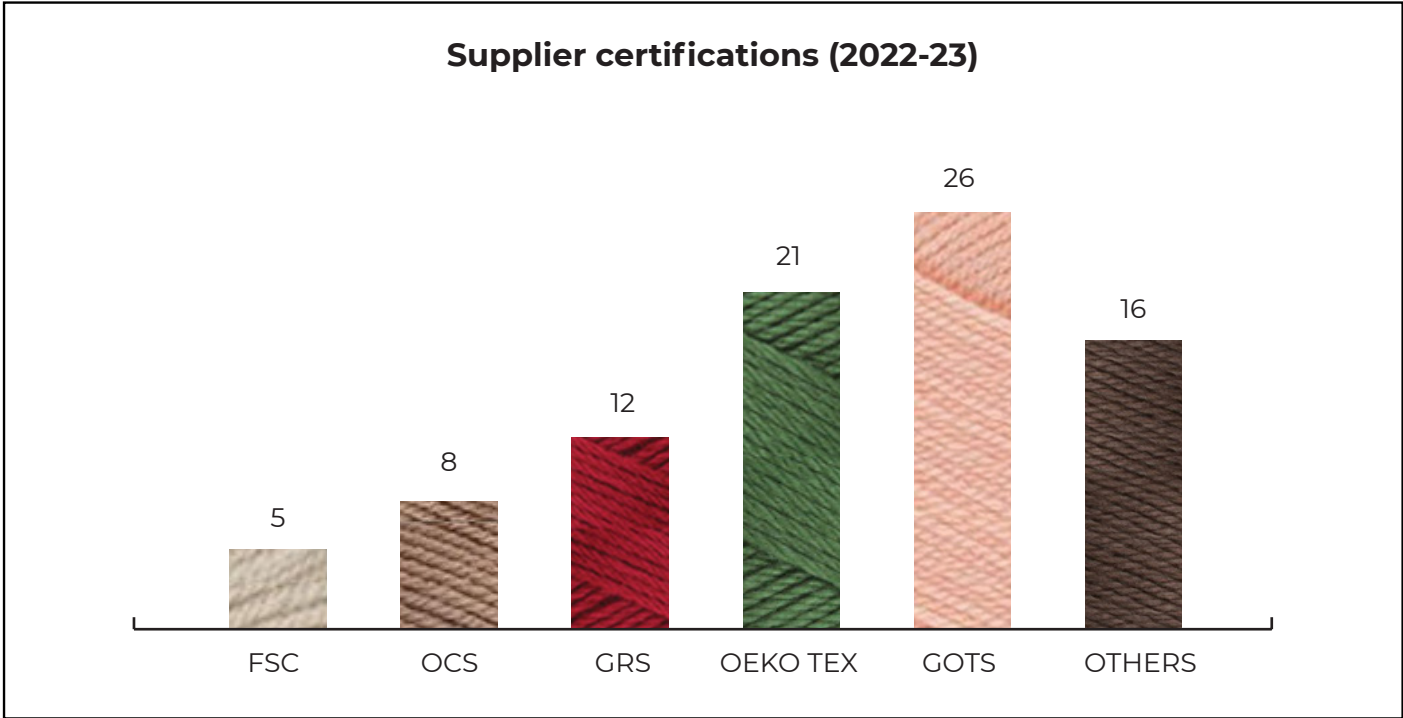
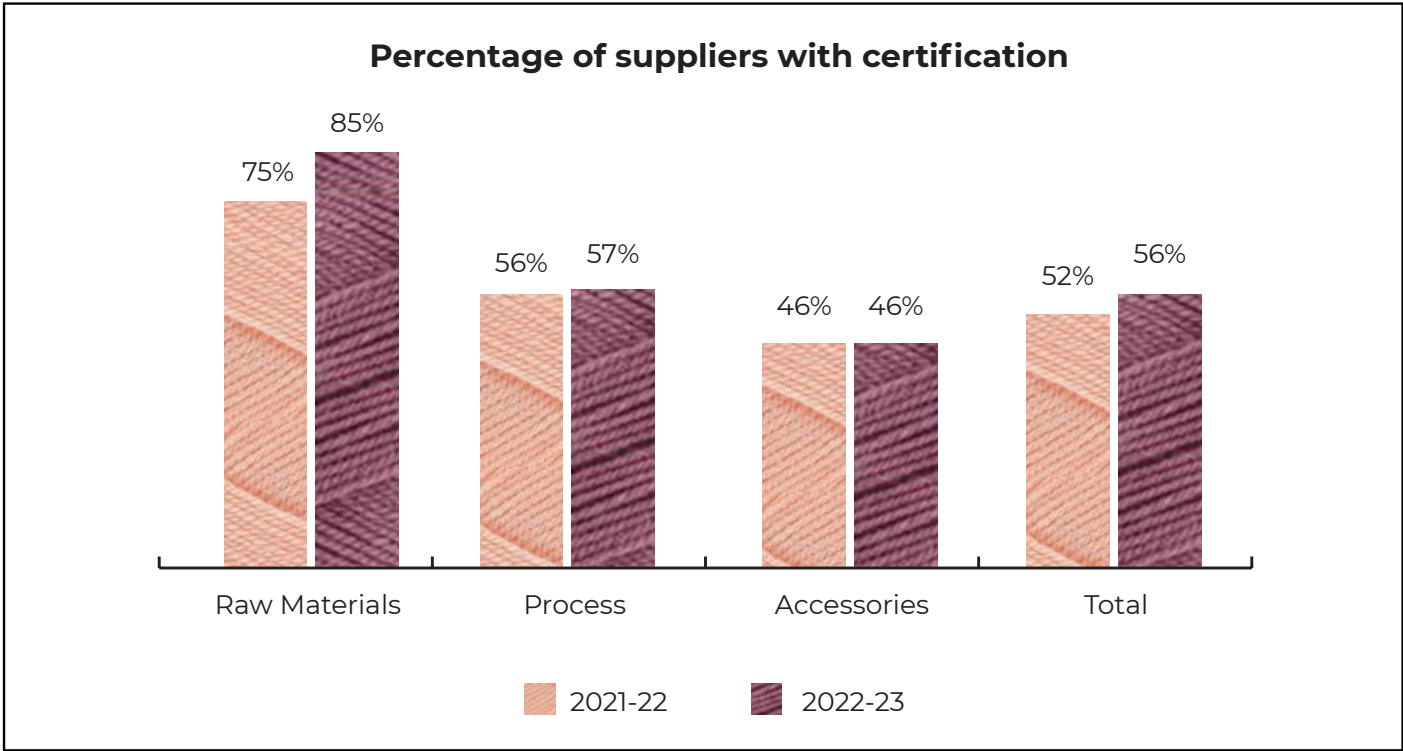
Supplier Certifications

Being a sustainable garments manufacturer, we ensure that our suppliers are also following the required compliances, through certifications. Supplier certifications refer to formal credentials or qualifications suppliers obtain to demonstrate their adherence to specific standards, regulations, or industry best practices. These certifications are typically awarded by relevant authorities, organizations, or regulatory bodies and serve as indicators of a supplier’s commitment to quality, safety, sustainability, or other key aspects. Some of the most significant certifications of our suppliers include GOTS (Global Organic Textile Standard), OEKO TEX, GRS (Global Recycle Standard), OCS (Organic Content Standard), BCI (Better Cotton Initiative), FSC (Forest Stewardship Council) and CmiA (Cotton Made in Africa). Other certifications include SEDEX (Supplier Ethical Data Exchange), FAMA (Facility and Merchandise Authorization), SA8000 (Social Accountability), BSCI (Business Social Compliance Initiative), OK COMPOSITE and ISO (International Organisation of Standardisation). These certifications ensure the suppliers meet defined standards, promoting trust and confidence in the supply chain.

In the reporting period, we have seen an increase in suppliers in all three categories. Among them, 43 suppliers i.e., 56% have certifications including 11 raw material suppliers, 13 process and 19 accessories suppliers. Total 14 new suppliers were added this reporting year, which 10 were certified (71%).

We have had no negative impacts on the environment and social aspects within the supply chain during the reporting period.

In the reporting period, we have had no violations concerning child labour, forced labour, freedom of association and collective bargaining, or human rights within our operations.



5.4 Supply Chain

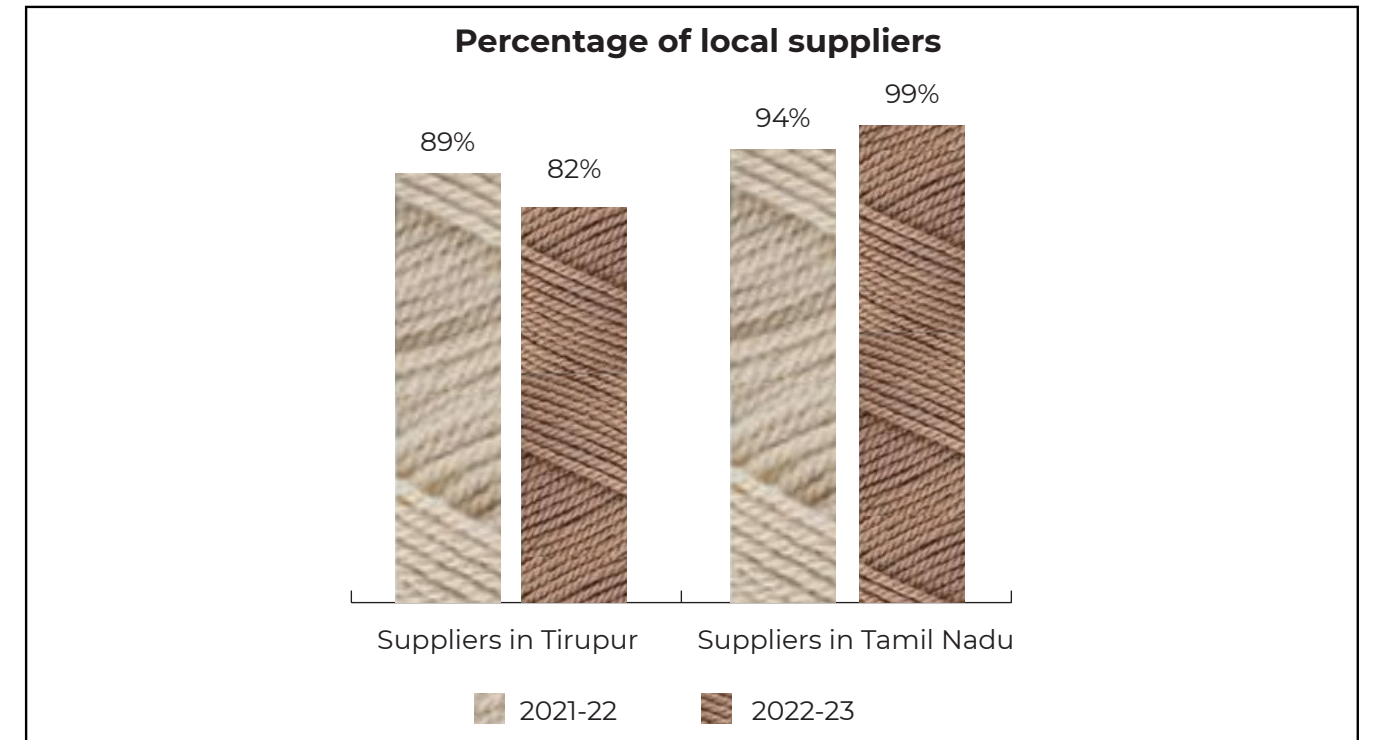
Geographical distribution of suppliers:

At NC John, we are committed to empowering local suppliers. Our support drives increased investments in the local economy and also generates employment opportunities in the local community, thereby enhancing financial independence.

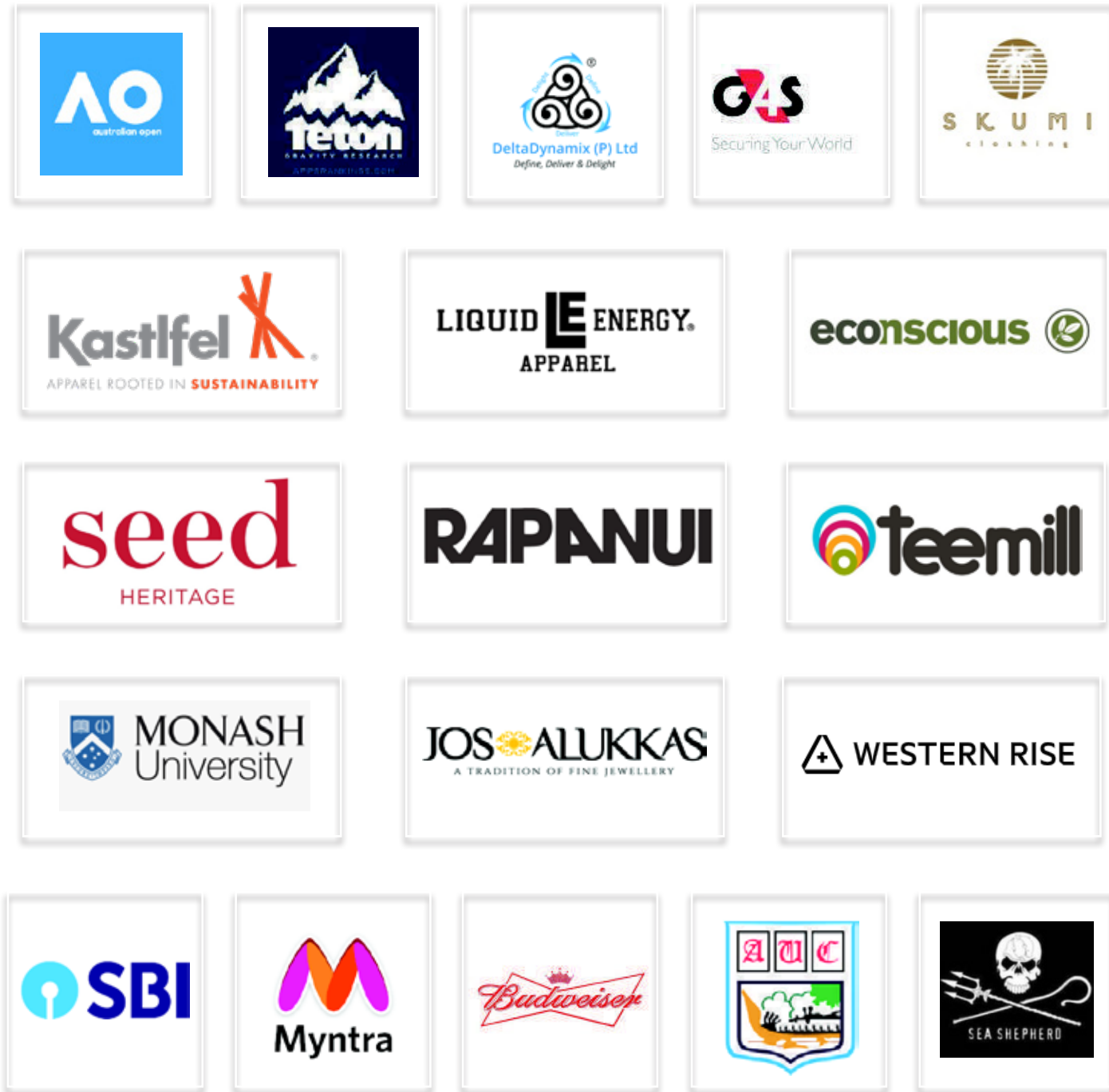
Among the different categories of suppliers, such as raw material, process and accessories, we had 77 suppliers in the reporting period. Among those, about 99% of the suppliers are from Tamil Nadu. It is also worth noting that among the suppliers from Tamil Nadu, about 82% are local, based in Tirupur.

Benefits of local supply chain

Embracing a local and inclusive supply chain strategy offers various advantages, including reduced transportation costs, shorter lead times, and a positive impact on the local economy. By supporting local businesses, a local supply chain can promote job growth, strengthen community ties, and contribute to sustainability by reducing carbon emissions associated with long-distance shipping. Additionally, it often enhances transparency and accountability in the supply chain, fostering trust between stakeholders.



Our customers include both national and international brands.



Customers and end-users need accessible and adequate information about the products they buy. Access to this information helps customers to make informed purchasing choices. We disclose appropriate and exact information about our products through product catalogues and marketing brochures. In the reporting period, we have had no incidents of non-compliance concerning product information and labelling or concerning marketing communications.

As a garment manufacturer, we sell our products to retail brands and do not have a direct link to the end-user of our products. We have had no incident of non-compliance concerning the health and safety impacts of our products from any retailers or customers.

At NC John, we understand the importance of customer privacy and take every effort to protect it. We collect data by lawful means and are transparent about how the information is being used and secured. We do not disclose or use personal customer information for any purposes other than those agreed upon.

In the reporting period we had zero complaints concerning breaches of customer privacy or loss of customer data.

NCJ has been rooted in a philosophy of giving back and playing an active role in the progress and welfare of the community. Recognizing the profound interconnectedness of our actions with the environment and society, we've initiated impactful and sustainable measures. Our transition from wood-based to electric boilers substantially reduces emissions and conserves trees, emphasizing our commitment to environmental responsibility. Complementing this, our rooftop solar installations further diminish emissions, underscoring our dedication to a cleaner future. Additionally, we emphasize our dedication to water conservation through initiatives such as rainwater harvesting and the reuse of RO wastewater in toilet flushes. Similarly, repurposing waste cutting and foam waste has led to value addition of waste generated.

When it comes to societal impact, our contributions extend beyond the immediate environment. Over the years, we've generously donated to enhance education, skill development, and healthcare facilities. In the reporting year alone, our support has reached the Hope Community Village with a donation of INR 24,000, skill training for three individuals, and the distribution of essential safety items like masks and sanitizers. At NCJ, we are determined to persistently drive initiatives that positively impact on both the environment and society at large.



GRI



6 PLANET

6.0 Overview

6.1 Energy

6.2 Emissions

6.3 Water

6.4 Waste

6.5 Materials



NC John Garments is deeply committed to sustainability, a foundational principle deeply rooted in the ethos of our parent company, a legacy extending back to the 1940s. Our dedication to sustainability transcends mere rhetoric, as we manufacture garments using environmentally friendly materials. We have enacted a series of transformative measures in our unwavering pursuit of sustainable development. Initially, we embraced renewable energy sources, commencing with offsite solar farms and subsequently transitioning to onsite solar rooftop installations during the reporting year.

Another pivotal milestone achieved in the current year pertains to the replacing emission-intensive fuels with clean alternatives. Specifically, we transitioned from wood-based boilers to electric heating systems, resulting in a notable reduction in greenhouse gas emissions. The Carbon-Neutral certification in 2022, encompassing the meticulous calculation of emissions across four distinct Scope 3 categories, underscores our commitment to further curbing greenhouse gas emissions.

Furthermore, our facility actively contributes to water conservation by capturing rainwater through harvesting and storage methods. We also prioritize sustainability by recycling rejected water derived from reverse osmosis processes for non-potable purposes.

Notably, our waste management strategy is characterized by creative repurposing of garment cuttings, exemplifying our profound dedication to the well-being of our planet and the responsible use of resources.

This chapter focuses on an in-depth exploration of our operational environmental impact. We will analyze critical indicators, including energy consumption, emissions, water usage, waste generation, and material handling.



Our commitment to sustainable energy predates the Paris Agreement, underpinned by favourable State Government policies that facilitated our transition to renewable sources. In alignment with our organizational values emphasizing clean energy, we embarked on a concerted group-level effort to procure offsite solar power. In a complementary move, the Tirupur Export Knitwear Industrial Complex (TEKIC) engaged in an agreement for wheeling wind and solar power. Our unwavering pursuit of achieving 100% reliance on renewables for our electricity consumption culminated in the successful transition by fiscal year 2021-22.

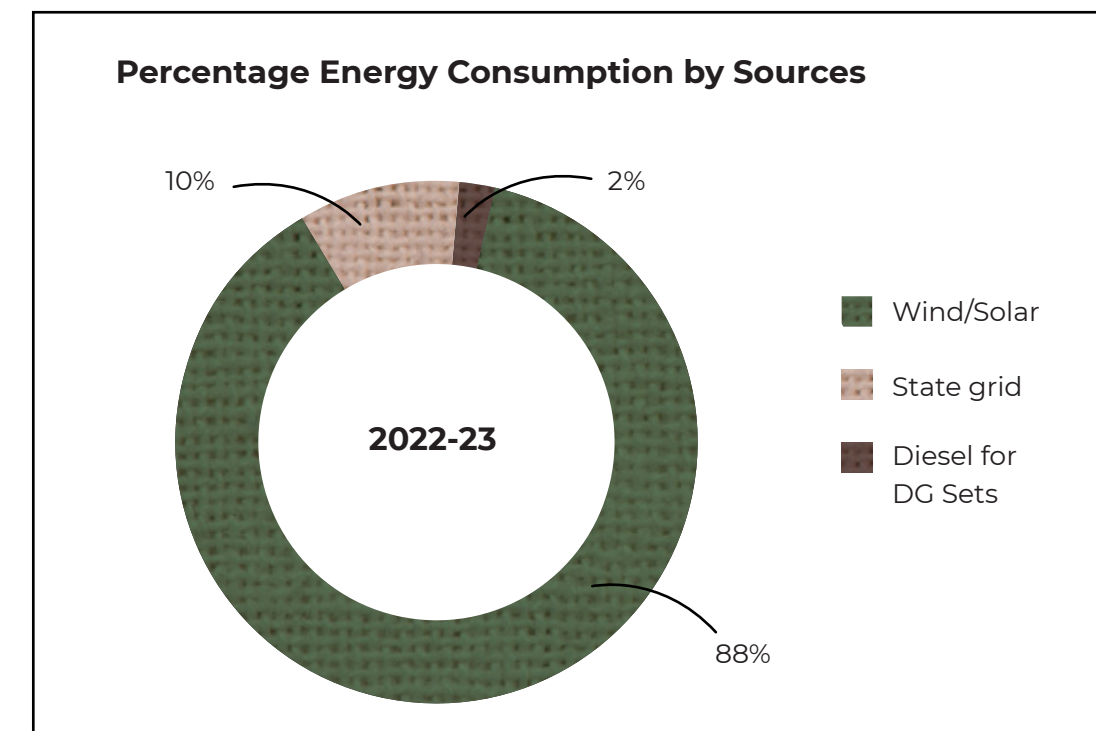
However, upon conducting a formal assessment during the fiscal year 2022-23, we identified a notable source of emissions related to wood consumption for our boiler, representing a significant proportion of the total emissions. Given that our emissions for Scope 1 and Scope 2 (operational) in 2021-22 amounted to only fifty tonnes, we sought to validate our emissions and opted for certification. The certifying agency, Climate Partner, recommended the inclusion of specific emission categories, namely Category 6 and 7 for business travel and employee commuting, Category 5 for waste, and Category 3 related to fuel and energy related activities. This was essential to attain organizational neutrality certification.

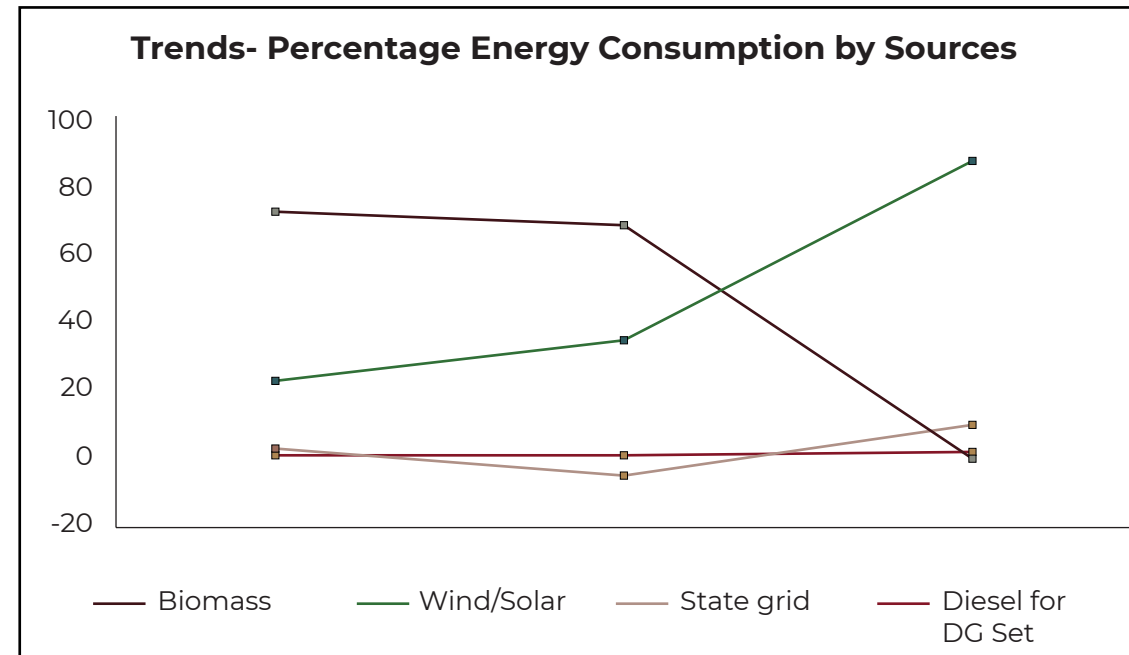
Our 2021-22 emissions, entailed 46 tonne for Scope 1, 4 tonne for Scope 2, and 106 tonne for Scope 3 (This includes buffers added by the verifying agency to account for any under/miscalculations). To mitigate our carbon footprint, we procured offsets equivalent to 164 tonne, achieving the status of a certified carbon-neutral organization through Climate Partner.

This landmark accomplishment positioned us as one of the pioneering companies in the textile industry to achieve carbon neutrality, exemplifying the feasibility of decarbonization. With validation, we are well-positioned to initiate our journey towards achieving net-zero emissions.

Energy

On the supply side, NCJ has been sourcing energy from four distinct avenues, encompassing renewable sources such as solar and wind power, renewable biomass, electricity from the grid, and Diesel for Generators (DG sets) and, utilized as backup during intermittent periods and fuel for vehicles. Notably, biomass, despite being a renewable resource, emerged as a major contributor to emissions. Consequently, the strategic decision to transition to an electric boiler, resulted in elimination of one of the sources of energy. So, in the FY 2022-23, we had three primary sources of energy consumption: grid electricity, renewables (from various sources) and Diesel for DG sets.

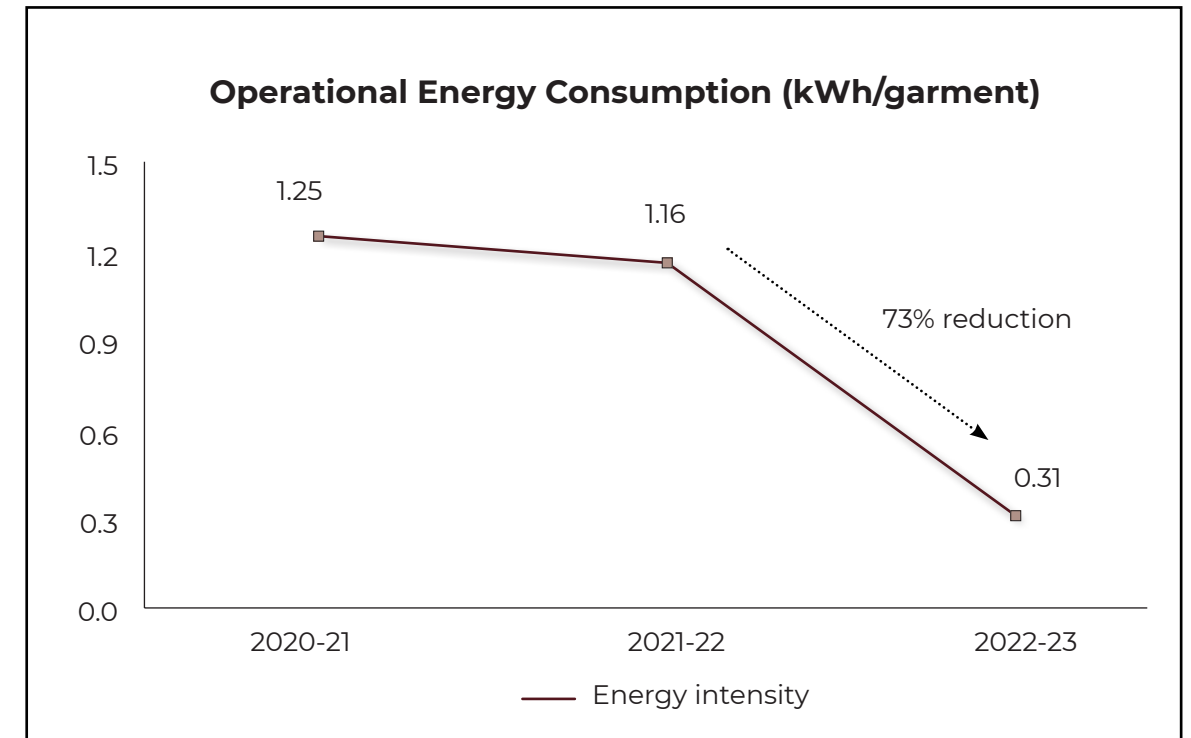




	2020-21	2021-22	2022-23
Biomass	73%	69%	0%
Wind/Solar	23%	35%	88%
State grid	3%	-5%	10%
Diesel for DG set	1%	1%	2%

A second pivotal transition occurred within renewable energy, involving a shift from offsite farms (owned by the Parent company) to onsite solar generation. The remaining renewable sources from the industrial association (TEKIC wind and solar) remained constant.

In the fiscal year 2022-23, the total electricity consumption is 1,93,845 kWh, up from previous year at 1,57,441 kWh. The absolute electricity consumption is up from the previous year because of the fresh intake of electricity for the boiler and also because of the rise in production volume. Our per garment electricity consumption has come down by 12% and overall energy intensity has come down by 73%. Our energy intensity per garment is 0.31 kWh/garment.



In terms of fuel consumption for transportation, we have additional requirements for diesel and petrol. Our total petrol consumption for vehicles is 1,223 litres for FY 2022-23, which is a massive reduction from 4,624 litre previous year. Similarly, consumption for diesel was also drastically reduced to 5,066 in FY 2022-23 relative to FY 2021-22, which was 6,856 litres.

We have made a strategic decision in this reporting year to opt for a hybrid vehicle to further reduce our transport-related emissions.

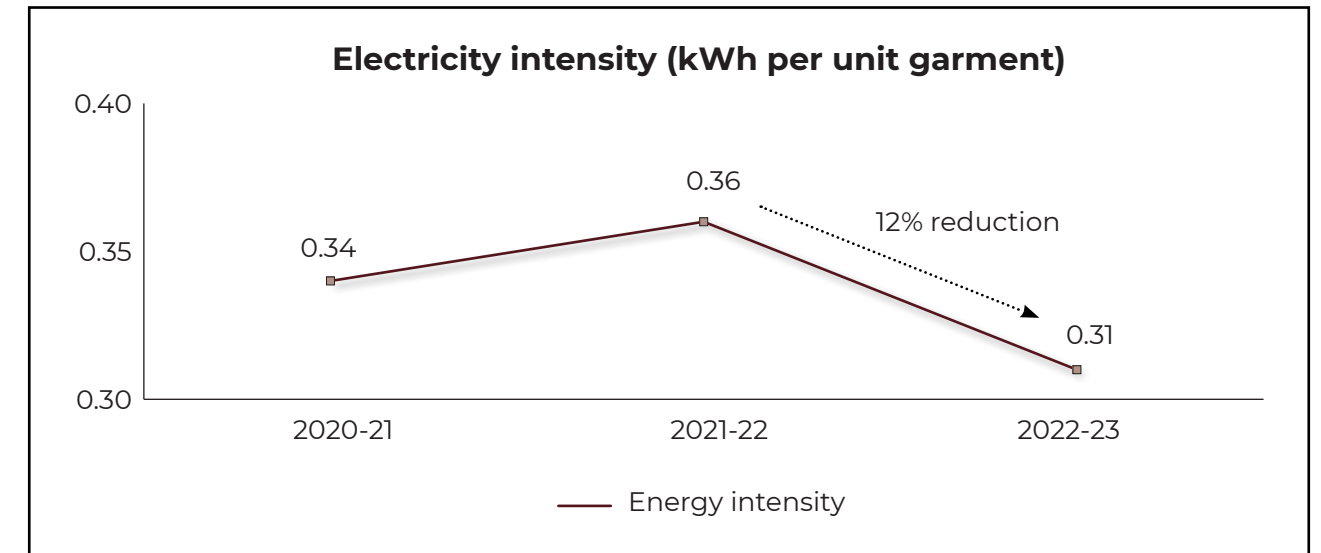
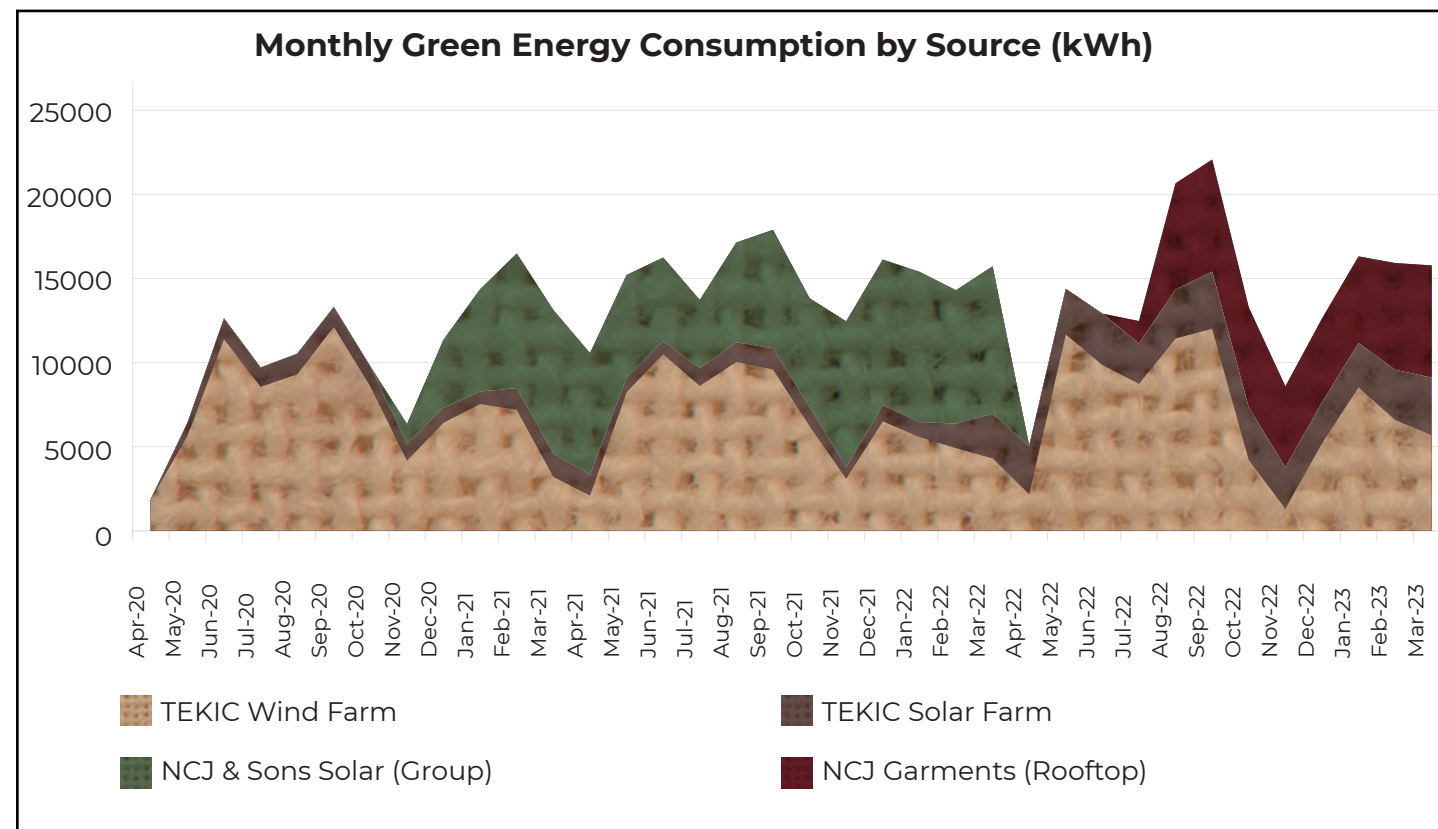
6.1 Energy

Energy v/s Green Energy

Green Energy Power Consumption by Sources

The organization is using green energy in most of its operations. This comes from the company's rooftop solar plant and the rest from TEKIC's wind farms and solar plant. The net green energy from TEKIC for 2020-21 it is 98,071 kWh, while for 2022-23 it is 1,21,837 kWh, which is 24% higher than the baseline year.

The slight reliance on grid during the reporting year, is because of no solar output during installation for first four months of the year. In the following year, we would be completely reliant on renewables for our operations



6.2 Emissions

Emissions are classified as Scope 1, 2 or 3, and for most organizations the first step is to inventorize GHG emissions in their own operations and then move to Scope 3 emission inventorization.

In 2022-23, we wanted to understand the impact the decision to move towards renewable energy had on our emission profile. So, the inventorization exercise revealed that our

1. Scope 1 emission sources are DG sets, refrigerants, owned vehicle emissions and biomass combustion.
2. Scope 2 emission sources are grid electricity purchased and renewable energy wheeled through a grid. The renewable energy wheeled was sourced from the parent company's solar farms (source 1), industrial associations (TEKIC) group wheeling from solar and wind, some from the grid.
3. Scope 3 emissions sources are purchased goods, fuel embedded energy, upstream and downstream transport emissions, employee commute, business travel and waste management.
4. We secured carbon-neutral certification for operations which were beyond Scope 1 and Scope 2 emissions and included specific categories for Scope 3 such as purchased good and services category, (non-production related) employee commute, business travel, waste management and fuel embedded energy.

The Scope 1, 2, and partial Scope 3 inventorization helped us in carbon mitigation strategy.

Our strategy was to become carbon-neutral in the reporting year

Total of Scope 1 and 2 emissions (as per the verifier and certifier, Climate Partner) were around 50 tonnes (with added 20% for eliminating error or under calculation)

The total of Scope 3 emissions (partially calculated) was around 100 tonnes. This includes 20% additional carbon credits to mitigate potential for under-calculation.

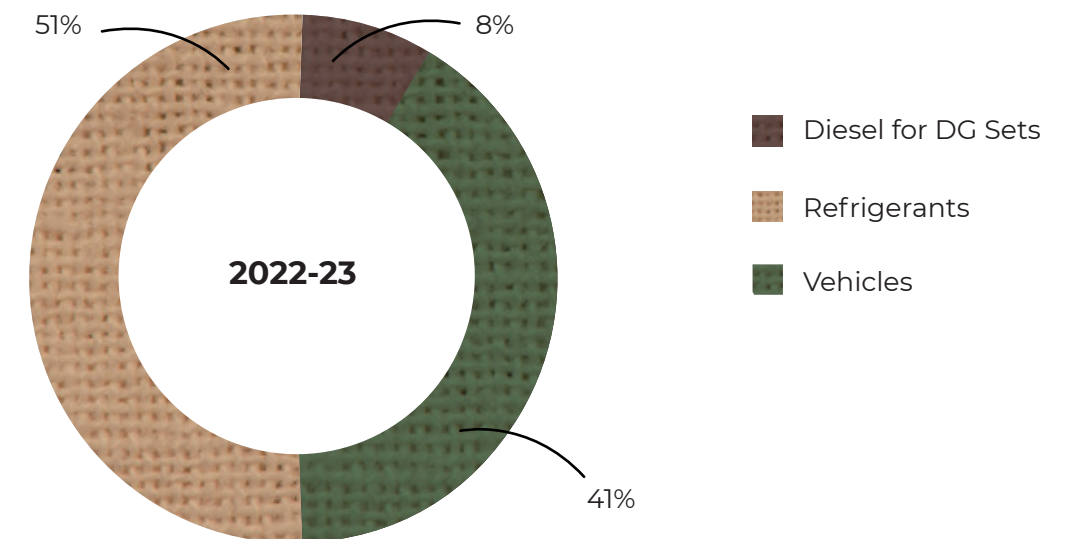
NCJ became a Carbon-Neutral Operations in 2022-23

The projects chosen as offsets were Gold Standard Number of credits purchased. Solar farm at Guttigoli, which is GOLD standard verified project

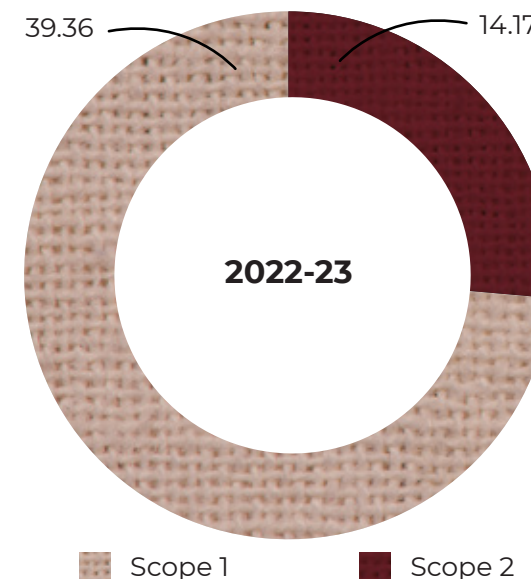
Certified Carbon-Neutral Operations

From the next year, we are aiming to have no scope 2 emissions and reduced Scope 1 emissions.

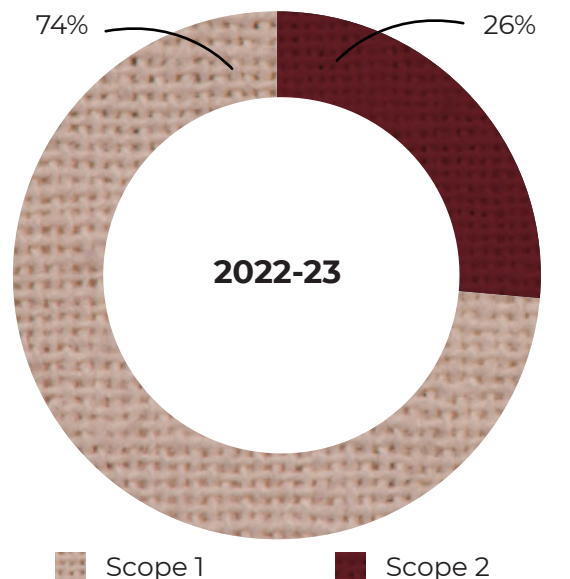
Percentage Scope 1 Emissions by Sources



Scope-1 & Scope-2 Emissions (tonne CO₂e)



Percentage Scope 1 & Scope 2 Emissions

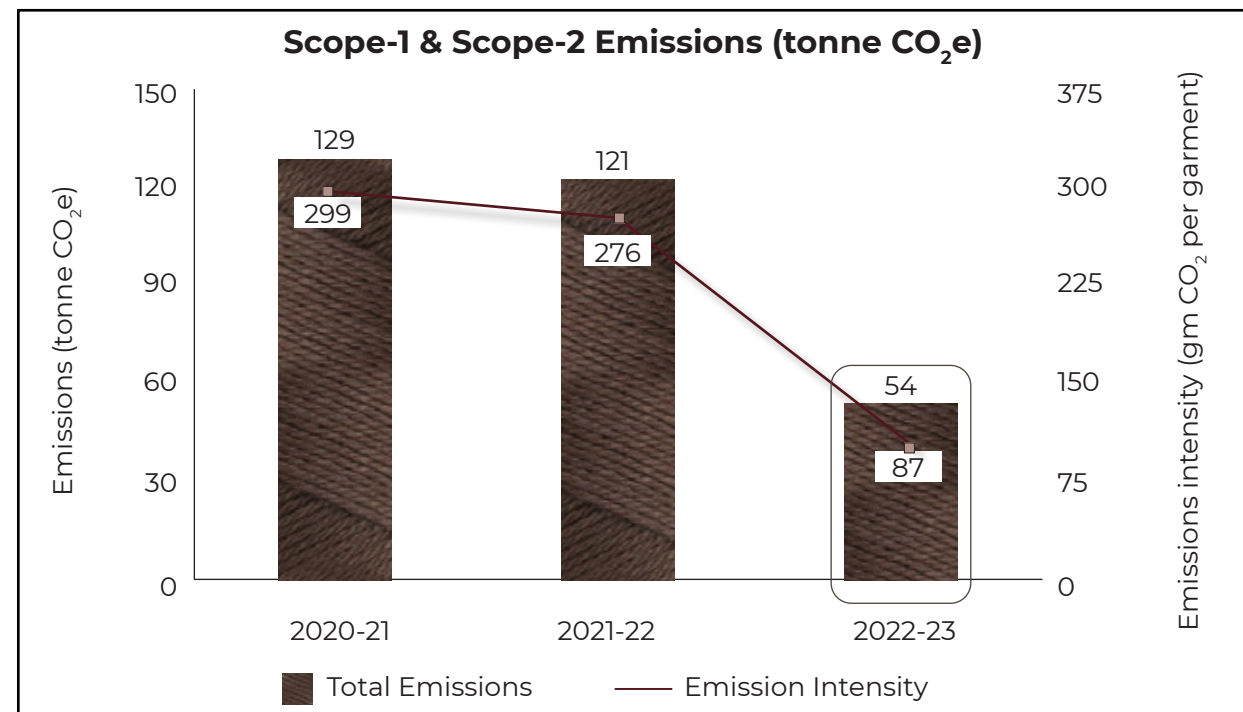


6.2 Emissions

Emission analysis led us to take immediate steps for Scope 1 and 2 reductions:

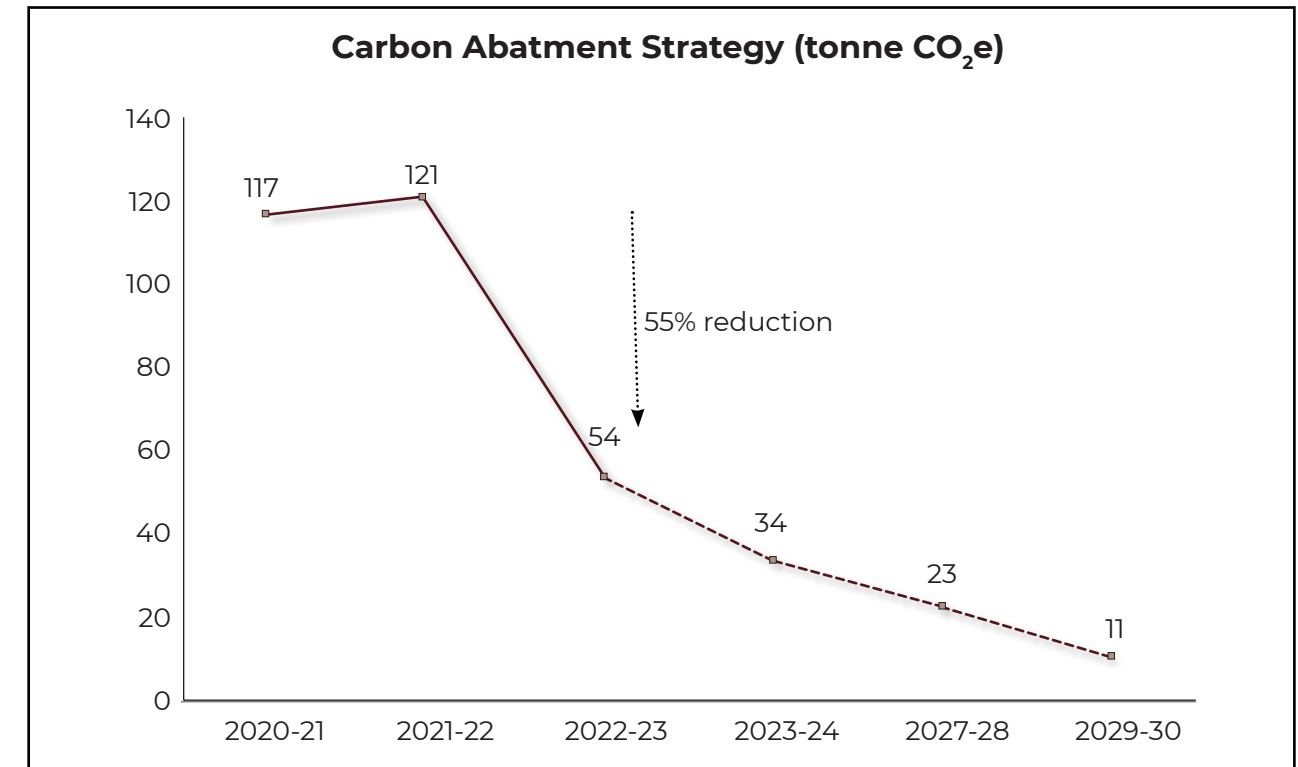
1. As NC John Garments is a new entity distinct from the parent Group NC John & Sons, a decision was made to have rooftop solar for augmenting the wheeling of renewable through the association. A lag of four months in the beginning of the year led to a temporary sourcing of grid power, which was not required after the installation of the solar project. This will ensure that 100% renewable energy is used to meet the requirements of the company.
2. We also noted that the major source of our emissions was biomass-based boiler, and technology shift to electric led to direct savings of emissions. Although it led to addition of electric consumption, overall our emissions came down because of process optimization.
3. The following year, we would look at lower vehicular emissions and refrigerant with lower emissions.

We have reduced the absolute emissions from 129 to 121 tonne CO₂e in the FY 2020-21 to FY 2021-22. This has further dropped substantially to 54 tonne CO₂e in the reporting year, which is almost 55.7% of total emission reduction as compared with FY 2021-22.



GRI 305- 1, 2, 4, 5

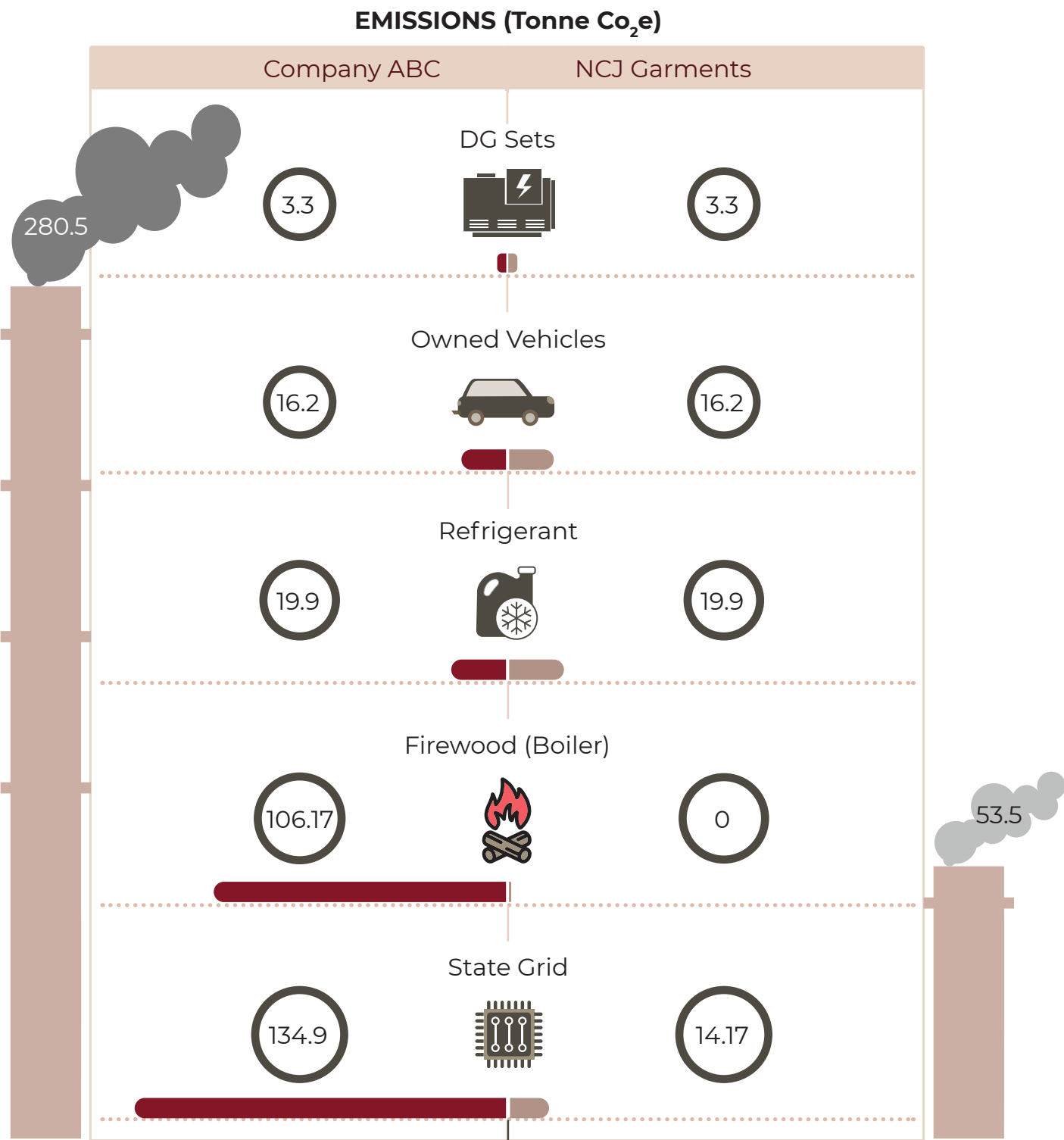
Operational emissions for Net Zero Journey (Stage 1)



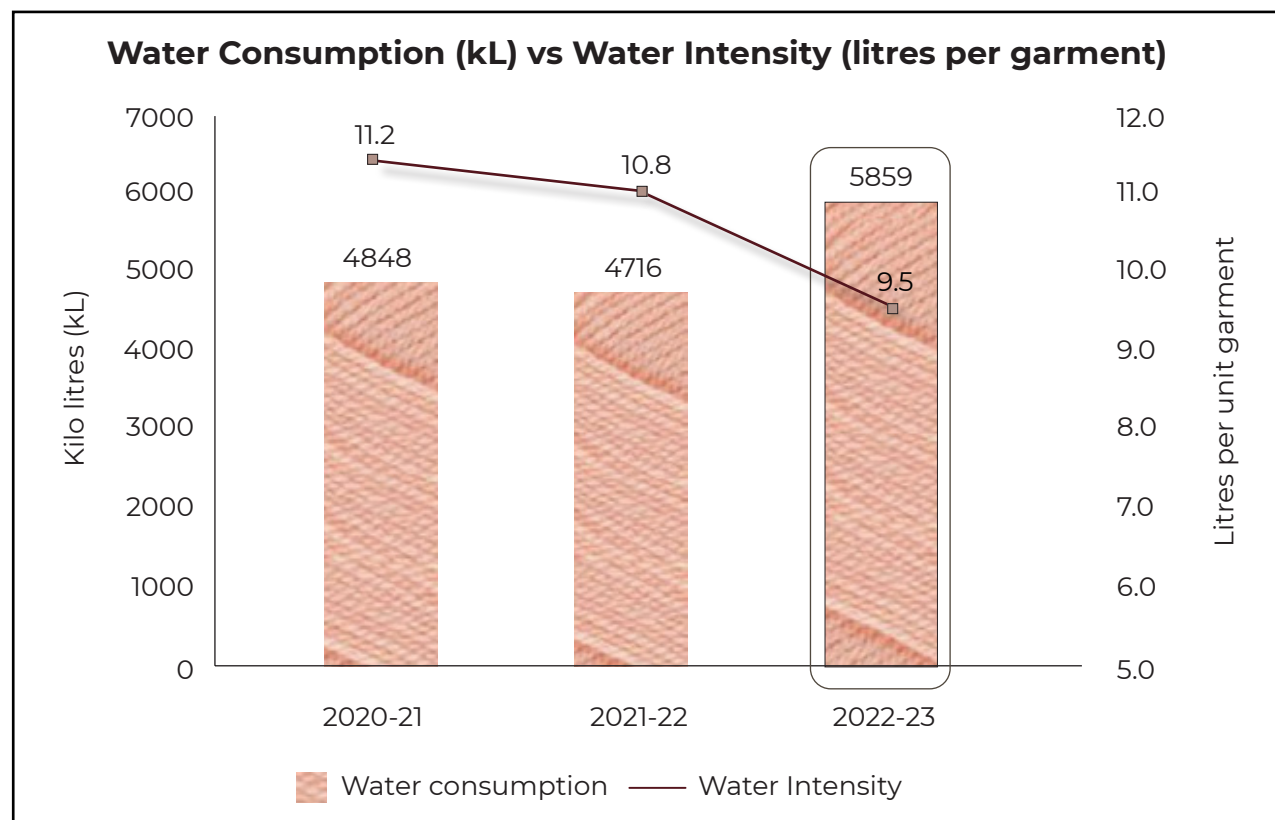
	Units	Scope 1	Scope 2	Total
NC John	tonne Co ₂ e	39.4	14.2	53.5
Mainstream Company	tonne Co ₂ e	119.6	134.9	254.6

Our Carbon Abatement Strategy is divided into two phases: Phase I is about bringing our emissions down and Phase II is about reducing supply chain emissions. Our emission sources are company owned vehicles, DG sets and refrigerants and possible power related, for business expansion. We are working on reducing our emissions.

Absolute emissions for any mainstream company (assuming at par efficiency and no abatement strategy vs NC John garments is mentioned in the chart)



Water assumes an indispensable role within the textile industry, functioning as an elemental component across diverse phases, spanning from the cotton cultivation to the culmination of production processes. Notably, the dyeing and finishing procedures necessitate a substantial allocation of water resources. Proficient water management emerges as a paramount imperative, fundamental for reinforcing sustainability and curtailing the ecological impact of the textile sector.



Within the purview of our operational paradigm, we abstain from involvement in wet processing activities, thus primarily channeling our water utilization towards domestic requisites. Our principal water source derives from the municipal supply facilitated by TEKIC (Tirupur Export Knitwear Industrial Complex). In the fiscal year 2022-23, our water consumption amounted to 5,859 kilolitres, which includes 44.8 kL used in the boiler, with the entirety of this supply from TEKIC. Though the overall water consumption has increased, because of increase in the production, notably the water consumed per garment has reduced from 10.8 litres to 9.5 litres.

GRI 303-1, 4, 5

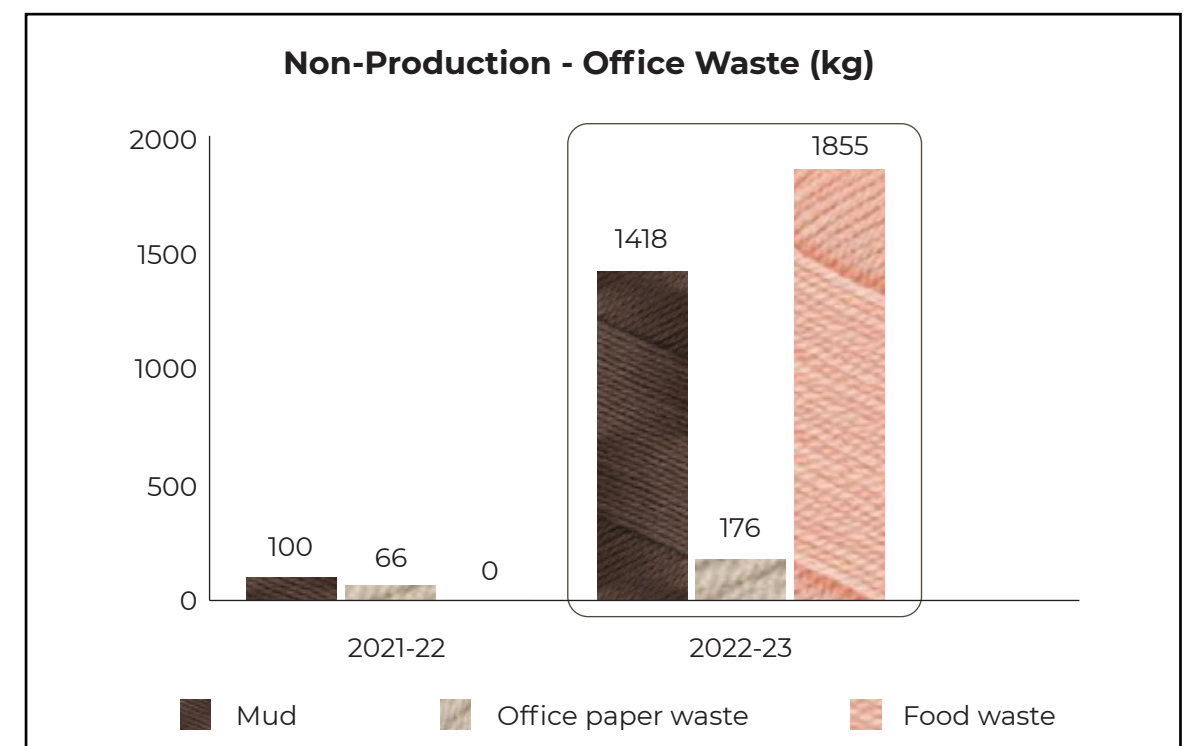
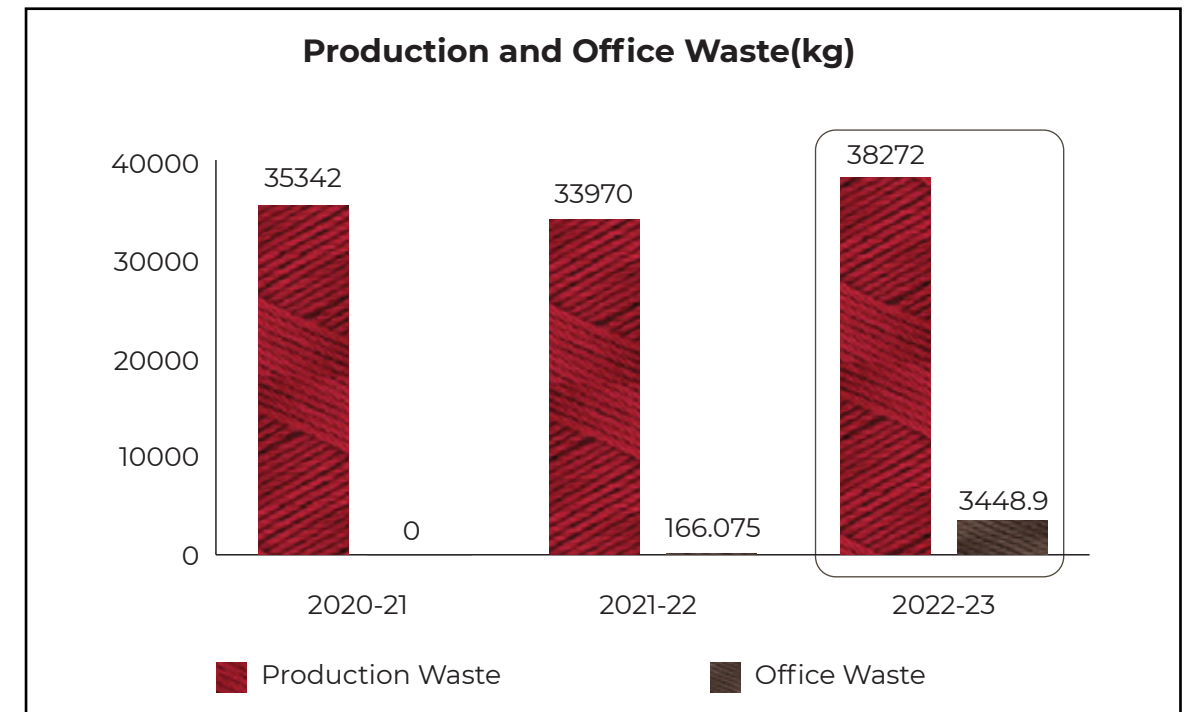
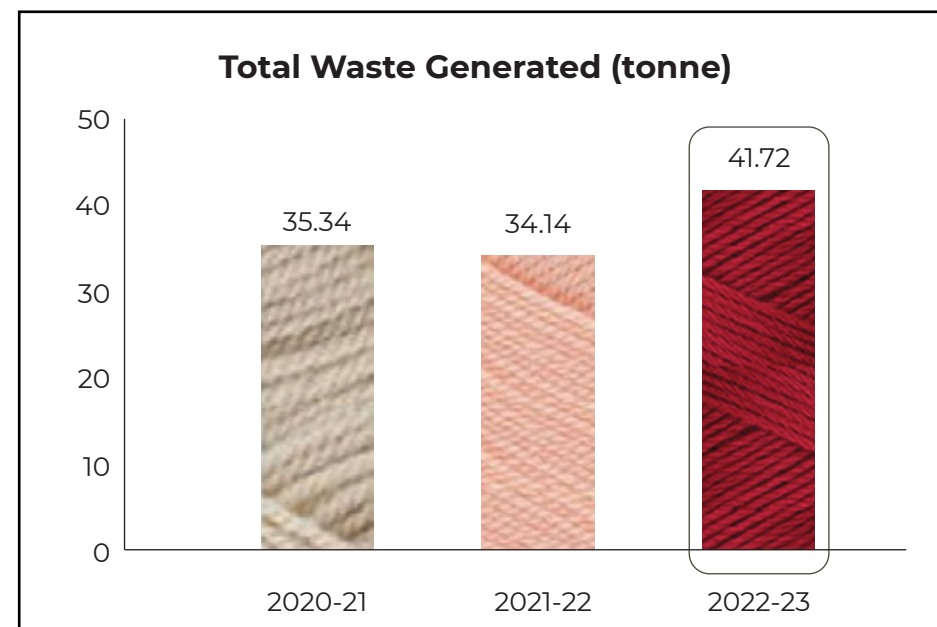
Water positive by 2030

Furthermore, it is noteworthy that during the current reporting year, we have instituted a novel water management practice. This innovation entails the recycling of rejected water generated by reverse osmosis (RO) system for the toilet facilities. This rejected water is meticulously stored within a reservoir, accommodating a capacity of up to 10,867 litres. Subsequently, it is propelled from these storage vessels to an elevated tank, from which it is distributed for toilet use. On average, our RO system produces approximately 1,200 litres daily, the entirety of which we judiciously repurpose. This innovative approach allows us to preserve roughly 438 kilolitres of freshwater annually, yielding an approximate 7% reduction in water consumption.



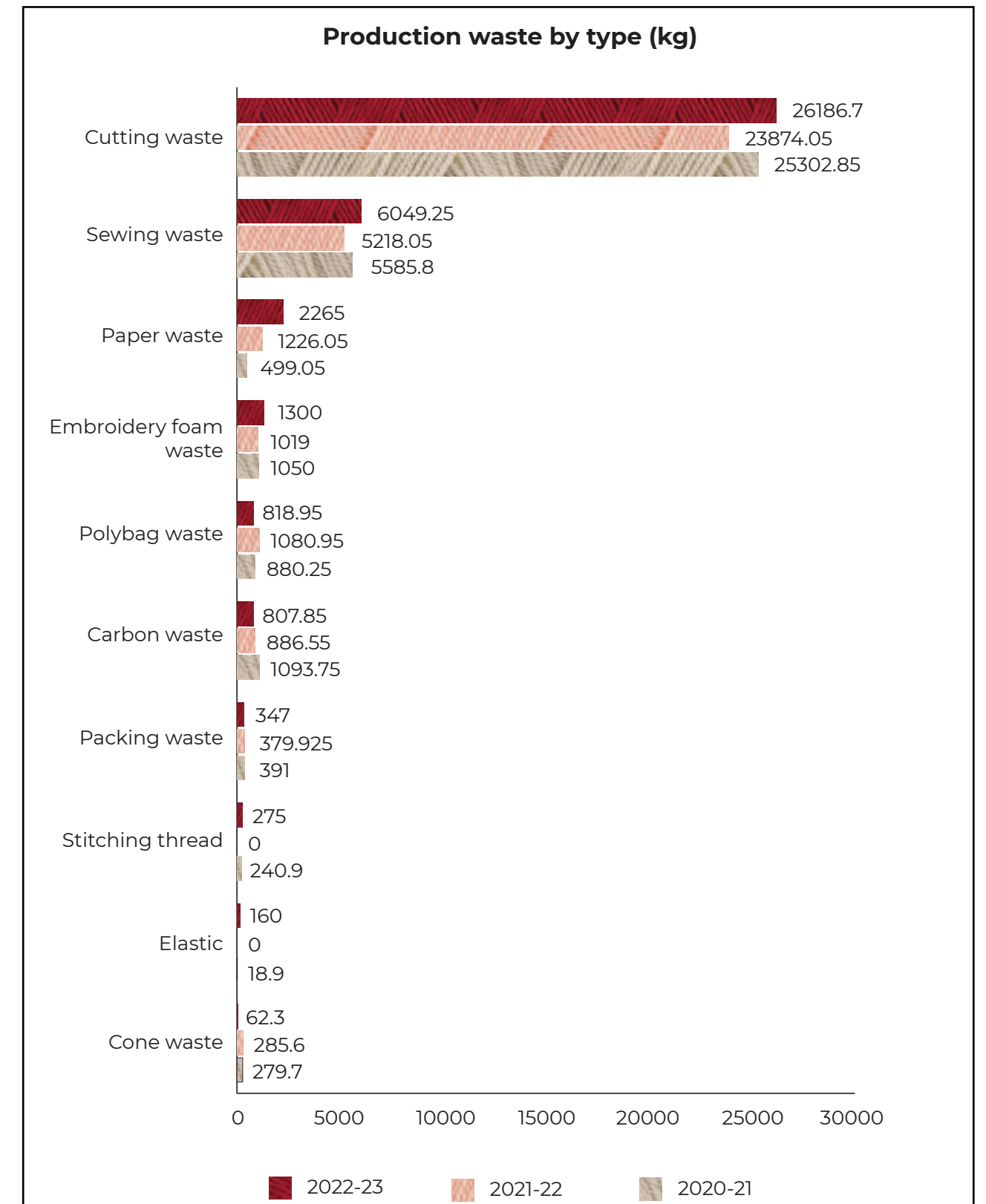
6.4 Waste

Our paramount focus is directed towards minimizing waste generation, and our strategy encompasses a sequential hierarchy of recycling, reusing, and ensuring the responsible disposal of waste materials to authorized vendors. Underpinning this approach, waste management assumes a fundamental role within our company's operational framework. Our unwavering commitment is reflected in our proactive stance towards meticulous waste segregation. This practice is instrumental in safeguarding the environment against potential soil, water, and air contamination and in promoting resource conservation and elevating overall cost-effectiveness. Building upon this commitment, we have seamlessly integrated rPET (recycled polyethylene terephthalate) and recycled cotton fabrics into our product offerings. This underscores our dedication to optimizing resource efficiency, offering our discerning customers apparel characterized by durability and uncompromising quality. Our overarching objective is to significantly curtail waste generated in our operational processes, aiming to attain a zero-waste status. It is pertinent to note that our generated waste can be classified into two primary categories: production waste and non-production waste (office waste), both of which fall within the purview of non-hazardous waste. We are pleased to affirm that our operations do not yield any hazardous waste.



Zero-Waste by 2030

Our operational waste encompasses a range of materials, including fabric cuttings, sewing remnants, paper, polybags, cartons, and embroidery foam. To provide a more detailed perspective, the chart below depicts the proportionate distribution of each waste type. Cutting waste constitutes the largest share, accounting for nearly 70% of our production waste.

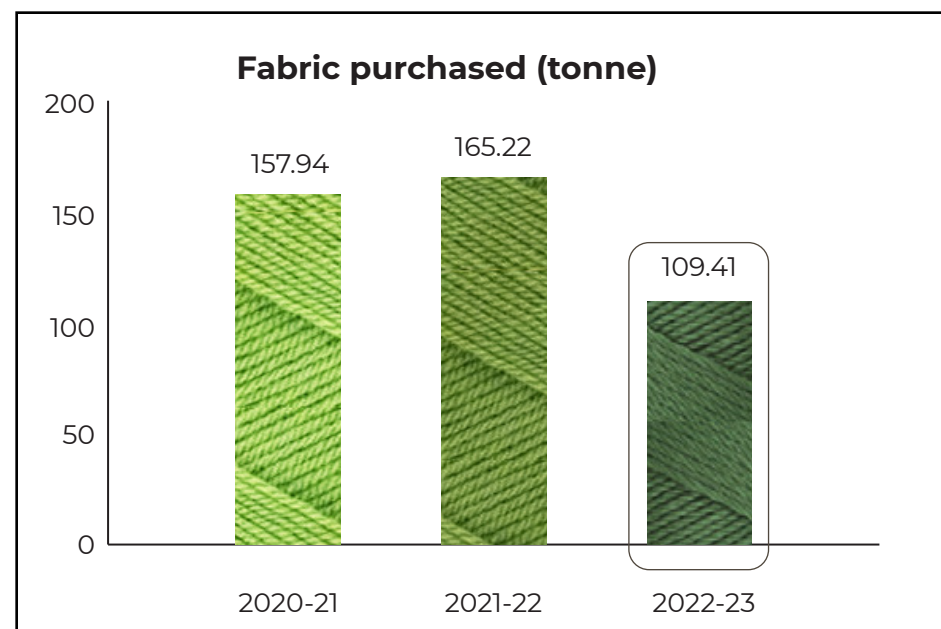


6.5 Materials

As a garment manufacturer, yarn fabric stands out as the predominant material of utmost significance in our production processes. Using of sustainable fabrics in our manufacturing not only plays a pivotal role in diminishing our environmental footprint but also actively contributes to resource preservation and waste reduction. Furthermore, adopting sustainable fabrics aligns with the escalating consumer preference for eco-friendly products, thus safeguarding the long-term sustainability and profitability of the industry.

Supplementary materials encompass buttons, labels, stitching thread, elastic, and other essential components vital to our production procedures. In a non-production context, the major constituents predominantly comprise office-related items and materials.

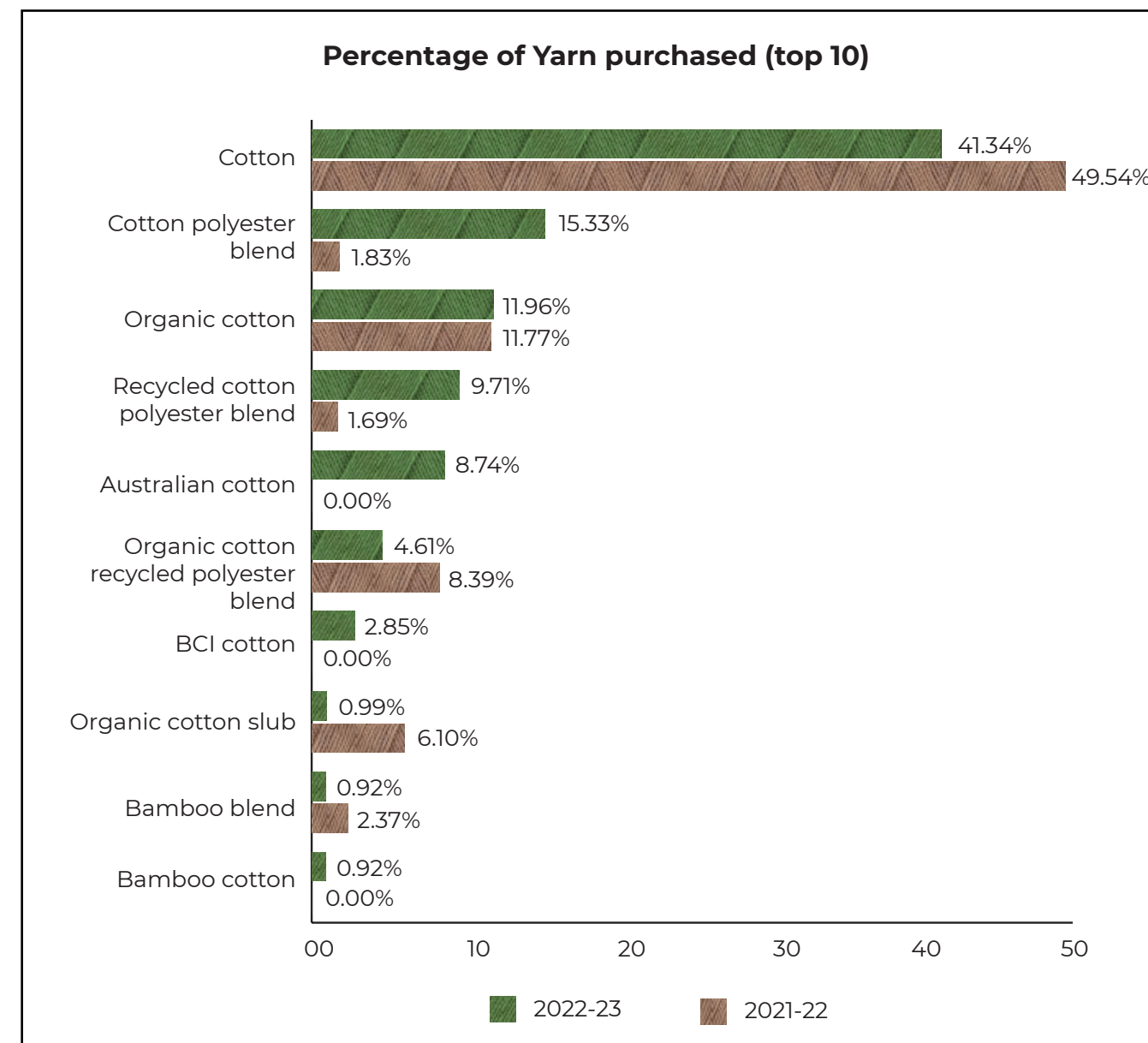
At NCJ, our extensive array of yarn fabrics encompasses a broad spectrum of individual and distinctive blends. In the current reporting year, we proudly introduced several notable additions to our repertoire, including BCI cotton, BCI cotton-Hemp blend, and our exceptional Australian cotton. In aggregate, our utilization encompassed a comprehensive array of 19 distinct single fibers and blended fabrics, with a collective weight exceeding 109 tonnes. In the reporting year, our per kilogram garment production rose from 2650 to 5630 garments. This increase can be attributed to both improved efficiency and a higher proportion of garments manufactured for children.



GRI 301-1, 2

100% sustainable materials by 2030

In the fiscal year 2022-23, the predominant contributors to our yarn sourcing are Cotton, representing 41% of the total, followed by Cotton Polyester blends at 12%, Australian cotton at 9%, and Organic cotton recycled polyester blends comprising 5% of our yarn inventory. The remaining 5% encompasses a diverse array of 12 other unique yarn types. To gain further insights into the year-on-year fluctuations in the aggregate quantity of yarn procured, we have presented a graphical representation below for reference.



6.5 Materials

Keeping our goal for 100% sustainable fabrics in mind, we are marching towards sustainable blends in 2023, some of them are mentioned in the table below:

S No.	Blend (April – June 2023)	Quantity (Kg)
1	60% Organic Cotton 40% Recycled Polyester	58758
2	100% Australian Cotton	7148
3	100% Cotton	6219
4	52% Organic Cotton 48% Bamboo	2786
5	88% Cotton 12% Viscose	1944
6	65% Polyester 35% Cotton	545
7	60% Tencel 40% Recycled Polyester	582
	Total	77982



7 GRI INDEX

7.0 GRI Index



GRI 2 - General Disclosures		
GRI No.	GRI Standard Disclosure - Description	Page Number/Reference Link
1. The organization and its reporting practices		
2-1	Organization details	
2-2	Entities included in the organization’s sustainability reporting	
2-3	Reporting period, frequency and contact point	
2-4	Restatements of information	
2-5	External assurance	
2. Activities and workers		
2-6	Activities, value chain and other business relationships	
2-7	Employees	
2-8	Workers who are not employees	
3. Governance		
2-9	Governance structure and composition	
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	
2-12	Role of the highest governance body in overseeing the management of impacts	
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	
2-16	Communication of critical concerns	
2-17	Collective knowledge of the highest governance body	
2-18	Evaluation of the performance of the highest governance body	
2-19	Remuneration policies	
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	

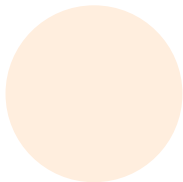
2-23	Policy commitments	
2-24	Embedding policy commitments	
2-25	Processes to remediate negative impacts	
2-26	Mechanisms for seeking advice and raising concerns	
2-27	Compliance with laws and regulations	
2-28	Membership associations	
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	
2-30	Collective bargaining agreements	
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3-2	List of material topics	
3-3	Management of material topics	
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201-3	Defined benefit plan obligations and other retirement plans	
201-4	Financial assistance received from government	
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GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	
203-2	Significant indirect economic impacts	
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	-

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205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	
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207-2	Tax governance, control, and risk management	
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207-4	Country-by-country reporting	
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308-2	Negative environmental impacts in the supply chain and actions taken	
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404-3	Percentage of employees receiving regular performance and career development reviews	
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406-1	Incidents of discrimination and corrective actions taken	
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
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413-1	Operations with local community engagement, impact assessments, and development programs	
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418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	



Abbreviations

AQL	Acceptable Quality Limit
BCI	Better Cotton Initiative
BSCI	Business Social Compliance Initiative
CAD	Computer-Aided Design
CCAC	CII Climate Action Charter
CII	Confederation of Indian Industry
CMiA	Cotton Made in Africa
CO2e	Carbon Dioxide equivalent
CSR	Corporate Social Responsibility
DG	Diesel Generator
EGM	Export General Manifest
ERP	Enterprise Resource Planning
ESG	Environmental, Social, and Governance
ESI	Employee State Insurance
FAMA	Facility and Merchandise Authorization
FSC	Forest Stewardship Council
FY	Financial Year
GOTS	Global Organic Textile Standard
GRI	Global Reporting Initiative
GRS	Global Recycled Standard
IGCR	Import of Goods at Concessional rate of Duty
ISO	International Organisation of Standardisation
ITF	Indian Texpreneurs Federation
KPI	Key Performance Indicators
KRA	Key Result Areas
LCA	Life Cycle Assessment
MSME	Micro, Small and Medium Enterprises
NRE	Non-Renewable Energy
OCS	Organic Content Standard
OHS	Occupational Health and Safety



PF	Provident Fund
PPE	Personal Protective Equipment
PVC	Polyvinyl Chloride
RE	Renewable Energy
RO	Reverse Osmosis
ROSCTL	Rebate of State and Central Taxes and Levies on Export of Garments and Made-ups
rPET	Recycled Polyethylene Terephthalate
SA8000	Social Accountability Standards
SEDEX	Supplier Ethical Data Exchange
TEKIC	Tirupur Export Knitwear Industrial Complex
USP	Unique Selling Point
WRAP	Worldwide Responsible Apparel Production Principles
YoY	Year on Year

Units

Units	Full forms
gm	Grams
GSM	grams per square meter
INR	Indian Rupee
kg	Kilo grams
kL	Kilo litres
kWh	Kilo Watt hour
sq. ft	Square foot

NC John Garments Pvt. Ltd. is an established garment manufacturer based out of Tiruput, Tamil Nadu focused on sustainable textile movement. The company has spun off from NC John & Sons Pvt. Ltd., a floor covering manufacturer headquartered in Allepey, Kerala .

