



WINNING WELL

IN PICTURES













MAQUARELLE MADAGASCAR









■FLOREAL MADAGASCAR



ABOUT THIS REPORT

WE'RE DELIGHTED TO BE PUBLISHING CIEL TEXTILE'S SECOND SUSTAINABILITY REPORT: WINNING WELL.

WHAT IS 'WINNING WELL'? >>

It's a philosophy that is part of CIEL Textile's DNA.

We want to win, but not at any cost – success should be achieved in a sustainable and ethical way. Winning Well means achieving success while pursuing our purpose and remaining aligned with our values.

Finding the balance between profitability and prosperity involves considering all stakeholders, including employees, customers, and the wider community in which we operate - their needs and priorities today, and the challenges we'll all face tomorrow. That means placing Sustainability at the core of what we do every day: an investment in the present as well as in our shared future.

REPORTING PRACTICES >>

This second Sustainability report covers the period July 2020 to June 2022. Our goal is to publish this report every second year.

That being said, we're not required to report on our Sustainability performance, but we choose to do so. It is important to us to share our ongoing efforts to improve how we work, and to speak openly about our economic, social, and ecological impact and our governance.

It is clear from this report that we're getting better at collecting data. Our evolution in this sphere since 2020 is significant – the result of a powerful determination to improve. We've made a good start, and our aim going forward is to continue this journey, with the help of the numerous tools and processes we've put in place over the last two years.

This report has been prepared in-house, in accordance with core Global Reporting Initiative ("GRI") standards, without external assurance or audit.

WE ARE CIEL TEXTILE

More than just a supplier, CIEL Textile positions itself as a true partner in the world of fashion. With the mission to **Improve Fashion, Every**Day, the group offers a wide variety products, services and innovative solutions to its clients around the world.

Each year, 43.5M garments are created with passion by CIEL Textile's 23,000 talents

with passion by CIEL Textile's 23,000 talents across its 19 production units in Mauritius, Madagascar, India and Bangladesh.

2022 was a special year for CIEL Textile as we celebrated the company's 50th anniversary.

DISCOVER FLOREAL'S 50TH ANNIVERSARY VIDEO

Trends in the apparel industry change constantly, so the group continuously reinvents itself, making sure we remain a dynamic and innovative partner for our local and international clients.



400 M

USD TURNOVER



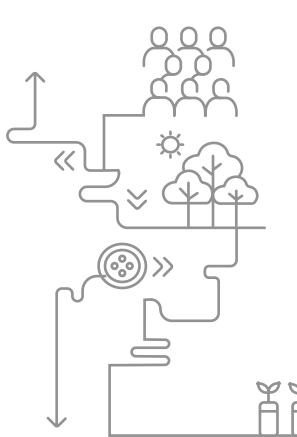
23,000 TALENTS



+43 M
GARMENTS/YEAR



PRODUCTION UNITS
MAURITIUS / MADAGASCAR
INDIA / BANGLADESH



WE ARE CIEL TEXTILE

OUR CLUSTERS PRODUCTS OFFERED





WOVEN

ØAQUARELLE

□LAGUNA

COTONA (JV) *



FINE KNITS

回TROPIC

⊠ CDL

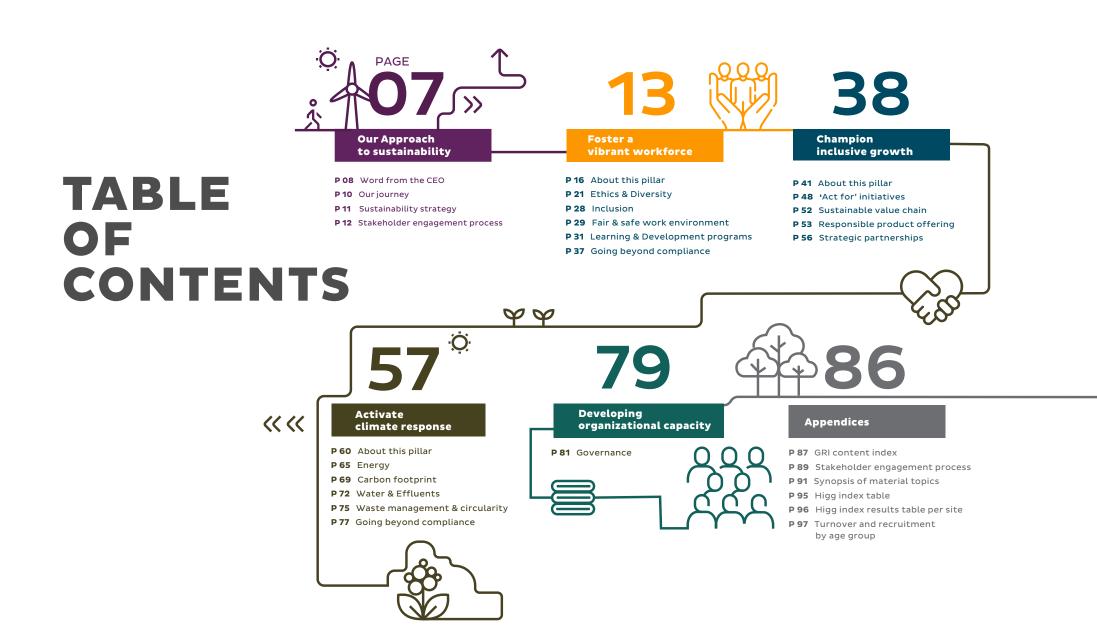


KNITWEAR

⊞ FLOREAL

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WORD **FROM THE** CHIEF **EXECUTIVE OFFICER**



Dear readers.

The past two years have been deeply challenging. COVID-19 has tested our resilience to the extreme.

While we are by nature strongly and inherently forward-thinking, we can't ignore the impact that this worldwide crisis has had on our environment, our communities and our organization.

Our immediate priorities have been to ensure that our talents across the globe are safe and to try our best to sustain our business operations. We recognized the importance of implementing a range of measures to support our employees, such as increased sanitation protocols, free vaccination campaigns, flexible working arrangements, additional training and learning and development opportunities.

Yet, despite the challenges, we have emerged as a leaner, stronger and more efficient organization.

Two years ago, CIEL Textile looked to the future with optimism.

We believed that the fashion industry would steadily self-regulate.

We hoped voluntary commitments would substantially solve Sustainability problems in the fashion industry.

We underestimated our role as part of the unpleasant truth of our industry, its overconsumption and waste creation.

We thought we were doing enough to be part of the solution.



WORD **FROM THE** CHIEF **EXECUTIVE OFFICER**

* Cont'd

Today's reality shows us this is not enough.

Over the past two years, we've accelerated our Sustainability actions and become more determined than ever in pursuing our purpose: To Improve Fashion, Every Day.

We've successfully implemented our digital platform for Sustainability performance tracking and monitoring; tripled the resources dedicated to Sustainability at each of our sites; achieved an average HIGG FSLM verified score of 85% and an average of 88.4% on the HIGG FEM across our 19 sites, and launched a Human Capital Management platform to provide a modern and technology-enabled workplace to our employees and enhance their digital experience. We're strongly committed to empowering all 23,000 colleagues and giving them the scope to grow. From that perspective, we've launched our International Graduate Program and built a foundation from which to scale it up within the whole organization; we also initiated a dedicated Gender Equity program (Go Beyond Gender) and have taken a bold stand to achieve pay parity by 2025.

Communities around us matter: free health camps have been organised in India, impacting more than 20,000 beneficiaries since their inception in 2014: our teams across all our business units have also participated in several initiatives, such as the supply of masks and hydro-alcoholic gel during the pandemic, or the organization of donations and/or activities with school children or in collaboration with local NGOs.

We've been daring – in shifting to a 100% coal-free production process, with more than a third of our energy consumption now derived from renewable sources; in making 100% of our sites ZDHC compliant; in embarking on reforestation projects with our partners and customers, with around 80,000 trees planted last year, and committed to developing a more ethical product offering, with 45% of our raw materials achieving sustainable certifications.

It's all good progress, but is it enough? From circularity/durability to traceability, learning and development at scale for all our talents, to waste management, we have much more to do.

Our second Sustainability report aims at providing readers and stakeholders with complete transparency about CIEL Textile's Sustainabilityrelated actions to date and plans going forward. We hope it will inspire you to share our passion and dedication for 'Winning Well' - pursuing our business goals while contributing to the re-birth of a more ethical and sustainable industry and helping to shape the future of our planet.

Be aware: you are our best judges. Please challenge us, ask questions, and dare us to improve how we do things. Partner with us to find new ways of developing products that will continue to be useful and meaningful for many years to come.

We urge you to join us on this journey - this is a responsibility that we all share. Call on governments to regulate to enact positive change. Consider what you can do in your own communities.

Let's IMPROVE FASHION, EVERY DAY together! **ERIC DORCHIES** CEO



2017 - 2019

of ZDHC

OUR JOURNEY

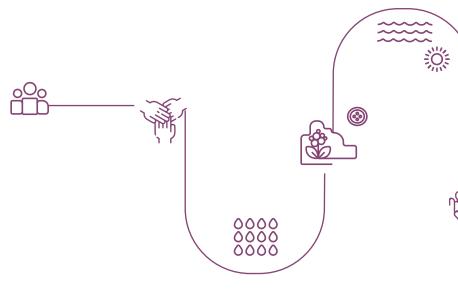
SAC Membership - Adoption of HIGG Index tools in 100% of our manufacturing sites

Contributor Kick-off of Go Beyond Gender initiative & Act for our Environment program

Implementation of Sustainability training for employees

Publication of 1st CIEL Textile Sustainability Report

2023 AND BEYOND

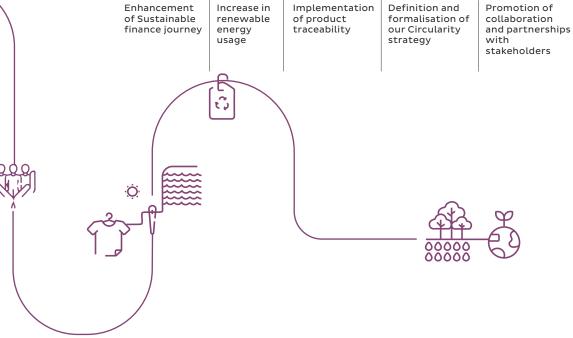


2014 - 2016

Launch of 1st CIEL Group Sustainability policy

Set-up of Governance at CIEL Group level

Development and implementation of Sustainability Governance at CIEL Textile



2020 - 2022

Implementation of UL, a Sustainability Reporting software

Development of internal Eco Index tool

Monitoring of Carbon footprint - Scope 1 & 2

Compliance with ZDHC standards



OUR **SUSTAINABILITY**STRATEGY

PURPOSE FOR A WORLD WE CAN **ALL FEEL PROUD OF**

Learning & Development **Ethics & Diversity** Inclusion Fair & Safe Work **Environment**

FOSTER A VIBRANT WORKFORCE

PROSPERITY

Responsible product offering Sustainable value chain 'Act For' initiatives Strategic partnerships

CHAMPION INCLUSIVE **GROWTH**

ACTIVATE CLIMATE RESPONSE

PLANET

Renewable energy Carbon footprint Water & Effluents Waste management & Circularity

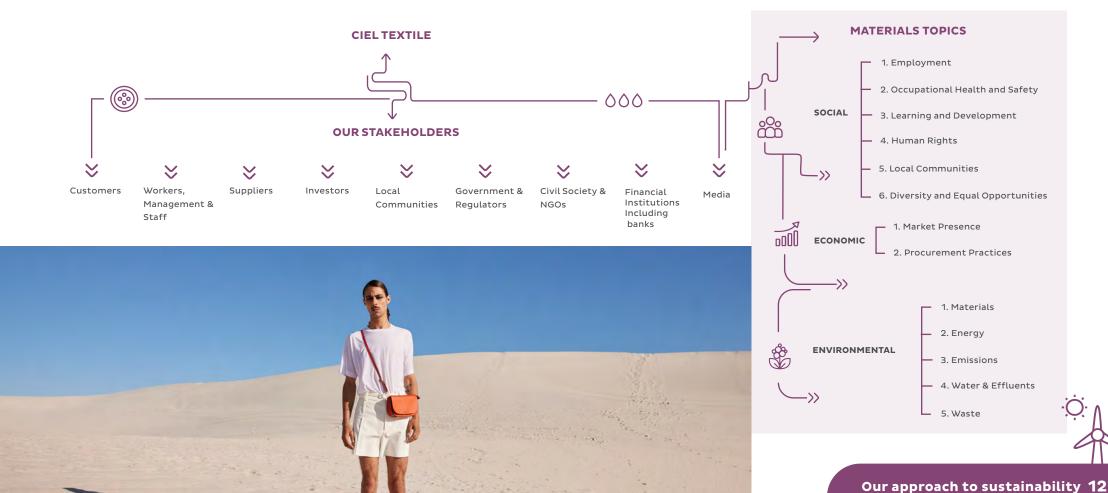
STAKEHOLDER ENGAGEMENT PROCESS

Head to Appendix 3 on **Page 90** for more details on our Stakeholder Engagement.

Head to Appendix 4 on **Page 91** for a synopsis of our material topics

Stakeholder dialogue & Material Topics

We define our stakeholders as the internal and external individuals, groups and entities who affect our organization and who may potentially be affected by our actions. We engage in regular, honest and transparent dialogue with them to identify key aspects that are relevant to our business from their perspective. These constitute our material topics.





OUR RESPONSE TO THE COVID-19 PANDEMIC

Over the course of this reporting period, we faced one of the most challenging sanitary crises of the past decades. The COVID-19 pandemic has caused significant disruptions with a serious impact on our lives, the economy and society at large. As the pandemic continued to impact our daily life and business operations, our full focus was on taking the measures necessary to protect the health and safety of our employees.

Masks and hydro-alcoholic gel were distributed to all our employees across the four countries in which we operate, helping to mitigate the spread of the virus. Social distancing measures in all offices and factories were implemented. Additionally, we offered free vaccination to all our employees and their close relatives. As a responsible organization, CIEL Textile ensured that its employees were fully paid during the pandemic period – thus providing some stability to our teams during these challenging times.

The COVID-19 pandemic has had a profound impact on the business world, highlighting the need for greater resilience, adaptability, and agility. It was crucial for the group and the management team to adapt quickly to the changing circumstances. This proactive approach has helped to keep the operations running as smoothly as possible, considering the conditions, thus minimizing the impact of the pandemic on our employees and the business.





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BRIDGING THE GENDER GAP

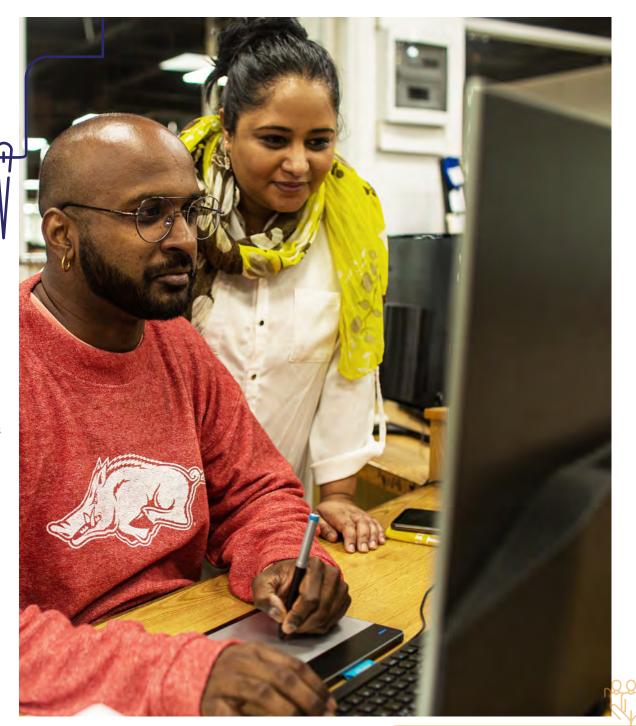


CIEL Textile's Go Beyond Gender initiative is a program that aims to promote female representation in upper management. Launched with the goal of attaining 35% of leadership roles filled by women by 2030, the initiative focuses on three key areas: pay parity, learning and development, and the implementation of more inclusive policies.

Pay parity is a key issue for women in the workplace. Through the Go Beyond Gender initiative, we are aiming to achieve pay parity by 2025. This means that women and men in the same job will be paid the same amount, regardless of gender. Achieving pay parity is an important step in promoting gender equality and ensuring that women have the same opportunities for career growth as men.

Secondly, the Go Beyond Gender initiative aims to invest in development specific to women, including training, coaching and awareness sessions. At CIEL Textile, we recognize that women often face unique challenges in the workplace. To go beyond unconscious bias and stereotypes, CIEL Textile is looking to provide targeted learning and development opportunities for women, which will ultimately help them overcome these barriers and grow professionally.

Through the implementation of more inclusive and female-friendly policies, such as flexible working arrangements, CIEL Textile aims to create a more inclusive workplace culture that supports women and helps them to achieve a better work-life balance. This will also help to promote diversity, which will drive innovation and growth in the long run.



ABOUT THIS PILLAR >>

At CIEL Textile, our people are our most precious asset. Our goal is to provide a best-in-class employee experience for each of our 23,000 talents by focusing on delivering a working environment that promotes a safe, diverse, and inclusive culture, and fosters growth through continuous learning and development.

The COVID-19 pandemic created challenging working conditions over the course of this reporting period, and our priority was to safeguard the health, safety, and wellbeing of our employees. A focus on effective sanitary protocols in the workplace and an employee vaccination program played key roles in managing this unique situation.

ETHICS & DIVERSITY



As a responsible and ethical employer, CIEL Textile strives to maintain the highest standards of compliance with labor legislation in the countries where the company operates. We also expect our partners in our value chain to adhere to similar standards.

We see diversity as a valuable tool – a key to success for all companies. At CIEL Textile, we are committed to promoting a diverse and inclusive culture, which we believe fuels better collaboration and employee engagement. Our Go Beyond Gender program focuses on empowering women at management level. From pay parity commitments and female-friendly policies to learning and development tools aimed specifically at female talents, our aim is to have 35% of senior management roles filled by women by 2030.

INCLUSION

CIEL Textile believes in fostering a culture of diversity and inclusion, leading to stronger collaborations and better employee engagement. Our sites in Asia have already integrated differently-abled employees within their operations, and a mapping exercise conducted in collaboration with an NGO in Mauritius has helped us assess the roles best suited for them. We are now actively onboarding differently-abled employees across all our sites.

FAIR & SAFE WORK ENVIRONMENT

Our operations have achieved industry-leading HIGG FSLM scores across all sites, with some business units scoring above 90%. The HIGG FSLM spectrum allows us to monitor our social performance across topics related to the industry.



LEARNING & DEVELOPMENT



Our ultimate goal is to make CIEL Textile a learning organization – a place where all employees can aspire to build their careers and fulfil their ambitions. We view training as an investment and our in-house Leadership and Management Academy continues to develop bespoke leadership, management, and technical training for our employees at all levels























OUR PROGRESS AND AMBITIONS >>

ETHICS & DIVERSITY*

OUR STRATEGIC GOALS AS AT PUBLICATION OF 15T

AS AT PUBLICATION OF 1st WINNING WELL REPORT (2020)

HUMAN RIGHTS

(The material topic HUMAN RIGHTS, present in the 2020 Winning Well report, has been integrated under the ETHICS & DIVERSITY material topic)

· Zero non-compliance on Ethical matters by 2025)

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

ETHICS

· Decentralised approach

DIVERSITY

- Start of journey
- Women held 24% of management level roles in 2020

CURRENT STATUS (2022)

ETHICS

- Grievance Handling mechanism (more than 90% of grievances handled within timelines)
- Set-up of Grievance Committees (Workers', Health and Safety...)
- · Whistleblowing Mechanism

DIVERSITY

- Women hold 28% of management level roles in 2022
- A current state assessment has been carried out with regards to initiatives pertaining to female empowerment in the group
- Training & awareness sessions for CIEL Textile leaders with regards to unconscious bias and the empowerment of women

OUR FUTURE AMBITIONS

ETHICS

• Zero-tolerance approach towards the employment of underage employees. We promote an environment in which everyone is treated with dignity and respect and expect the same from all our partners.

DIVERSITY

- Pay parity for men and women by 2025
- Women to hold 35% of management level roles by 2030



Cont'd

OUR PROGRESS AND AMBITIONS >>

INCLUSION*

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST WINNING WELL REPORT (2020)

NA

STATUS IN 2020 AS AT PUBLICATION OF 1ST WINNING WELL REPORT

Kick-off of journey

CURRENT STATUS (2022)

- Assessment of status regarding the inclusion of physically-challenged talents
- Mapping of jobs in CIEL Textile which are open to physically-challenged talents completed
- Onboarding of physically-challenged talents ongoing

OUR FUTURE AMBITIONS

• Target: onboarding of 3% differentlyabled employees by 2025



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OUR PROGRESS AND AMBITIONS >>

FAIR & SAFE WORK ENVIRONMENT

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST WINNING WELL REPORT (2020)

· 35% Women at Management level by 2030**

INJURY MONITORING

• Aim for zero lost-time injuries by 2030

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

Please refer to ETHICS & DIVERSITY material topic (DIVERSITY section)

(2022)

INJURY MONITORING

- Minor injuries: A decrease of 2% has been noted in the number of minor injuries, compared to 2020. 95% of the total number of injuries recorded in FY 2021/2022 were minor injuries.
- Severe injuries & fatalities: 0%

HIGG FSLM

· Verified score of 79.5% in HIGG FSLM

INJURY MONITORING

- Minor injuries: A decrease of 2% has been noted in the number of minor injuries, compared to 2020. Hence, 95% of the total number of injuries recorded in FY 2021/2022 were minor injuries.
- · Severe injuries & fatalities: 0%

CURRENT STATUS

HIGG FSLM

 Verified score of 89% on HIGG FSLM

OUR FUTURE AMBITIONS

INJURY MONITORING

- The KPI of zero-lost time injury that featured in our 2020 report has been removed. It is not an achievable target but remains part of our overall vision.
- We ensure that our employees operate in a safe and healthy work environment with a strong focus on compliance, continuous training and management systems.

HIGG FSLM

• Target: verified score of 90% on HIGG FSLM by 2025 in all CIEL Textile factories.



^{**} This goal has been transferred to the ETHICS & DIVERSITY material topic



Cont'd

OUR PROGRESS AND AMBITIONS >>

LEARNING & DEVELOPMENT

OUR STRATEGIC GOALS AS AT PUBLICATION OF 1st

• 100% of employees trained on Ethics and Sustainability by 2023

WINNING WELL REPORT (2020)

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

 Training & awareness initiatives across our business units, with a decentralised approach



CURRENT STATUS (2022)

- Implementation of a structured training mechanism on Ethics and Sustainability for all CIEL Textile employees
- · Launch of a digitalization journey to enhance employee experience
- · Mandatory awareness and training sessions on Sustainability, with a focus on processes and initiatives at CIEL Textile

OUR **FUTURE AMBITIONS**

• 100% of employees to be trained on Ethics and Sustainability by 2025, using a structured training mechanism

HUMAN RIGHTS***

OUR STRATEGIC GOALS AS AT PUBLICATION OF 1ST WINNING WELL REPORT (2020)

Zero non-compliance on Ethical matters by 2025

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

CURRENT STATUS (2022)

Please refer to ETHICS & DIVERSITY material topic (ETHICS section)

OUR **FUTURE AMBITIONS**



OUR WORKFORCE >>



Figures represent permanent employees only

	Period			
COUNTRY	FY 2019/ 2020	FY 2020/ 2021	FY 2021/ 2022	
Mauritius	1,935	1,885	2,433	
Madagascar	7,497	7,622	8,525	
India	5,951	7,656	10,670	
Bangladesh	1,067	989	948	
TOTAL	16,450	18,152	22,576	





Most of our workforce is employed in Asia: **51.5%**

CIEL Textile has 22,576 permanent employees.



EMPLOYMENT & DIVERSITY >>

More than 75% of CIEL Textile operations are run by permanent employees. Temporary workers are employed to deal with peak seasonality requirements. For this reporting period, **CIEL Textile's permanent staff headcount has increased by 37%** (from 16,450 in FY2020 to 22,576 in FY2022), demonstrating the company's ability to deliver growth in a difficult global and economic context, whilst continuously creating employment opportunities.

Compared to 2020, the percentage of female employees has reduced slightly from 60% to 58%. India, at 68%, has the highest female representation in its workforce whilst Bangladesh has the lowest at 28%. This reflects the general trend in these countries as well as cultural factors.

Overall gender balance

	Period					
COUNTRY	FY 2019/2022		FY 2020/2021		FY 2021/2022	
	Male	Female	Male	Female	Male	Female
Mauritius	43%	57%	40%	60%	47%	53%
Madagascar	45%	55%	45%	55%	48%	52%
India	28%	72%	30%	70%	32%	68%
Bangladesh	73%	27%	73%	27%	72%	28%
TOTAL	40%	60%	40%	60%	42%	58%



TAKEAWAYS

HR practices are aligned within the group. The same methodologies are used across all business units so as to provide a consistent snapshot of matters.

Male to Female ratio varies depending on local culture, labour market, and industry dynamics.



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EMPLOYMENT & DIVERSITY >>



GO BEYOND GENDER INITIATIVE

Our Go Beyond Gender program was launched to improve female representation in upper management. Our goal is to have **35% of leadership roles filled by**

Pay parity by 2025

improvement.

 Investment in development specific to women (training, coaching, awareness sessions)

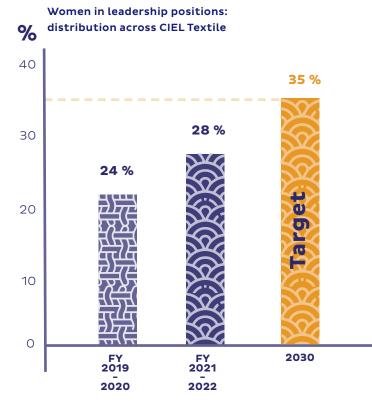
women by 2030. Program initiatives focus on:

Female-friendly policies

Women in leadership positions, by country

COUNTRY	TOTAL NUMBER	%		
Mauritius	25	17%		
Madagascar	38	25%		
India	81	54%		
Bangladesh	7	5%		

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Commitments to action: • Pay parity by 2025.

• Investment in development for female employees (training, coaching, awareness sessions).

TAKEAWAYS

· Female-friendly policies.

A comprehensive qualitative and quantitative diagnostic has identified areas of concern and points for

Training and awareness sessions on unconscious bias have been arranged for senior leaders.



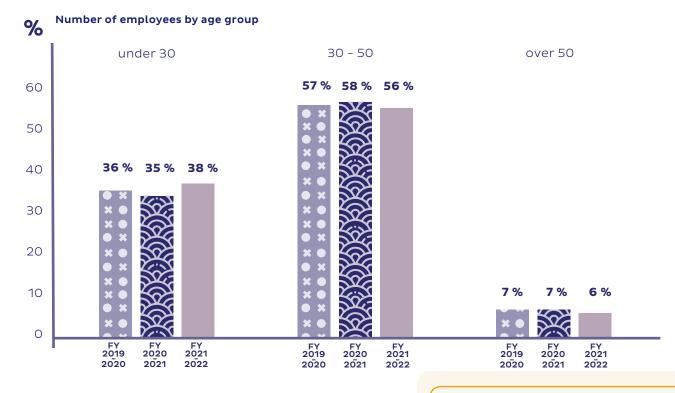
WORKFORCE & RECRUITMENT >>

More than 50% of our workforce is aged between 30 and 50, but there has been some positive movement towards the rejuvenation of our workforce:

the number of employees under the age of 30 has increased from 35% to 38% of the workforce.



MAQUARELLE MADAGASCAR









TAKEAWAYS

Our young & talented workforce increased between 2020 & 2022:

- 38% of the workforce is under 30.
- >50% of the workforce is within the 30 to 50 age bracket.



WORKFORCE & RECRUITMENT >>

Turnover rates have remained relatively stable throughout the period, with higher attrition among those under the age of 30 (in line with industry standards).

Our recruitment rates reflect our ability to attract talents across all our sites: CIEL Textile remains an employer of choice.



100% 100% 100% 100 80 60 39% 40 35% 30% 20 0 FY 2019/2020 FY 2020/2021 FY 2021/2022 Recruitment rate Turnover rate

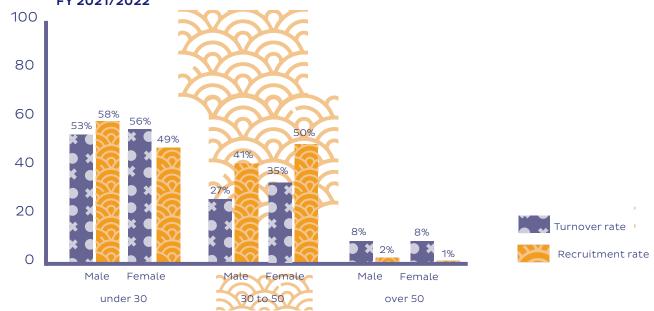
Overall turnover and recruitment rate

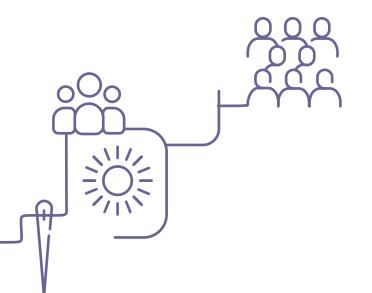
MAQUARELLE MAURITIUS

WORKFORCE & RECRUITMENT >>

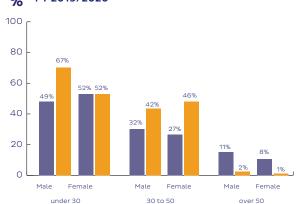
%

Turnover and recruitment rate by age group FY 2021/2022

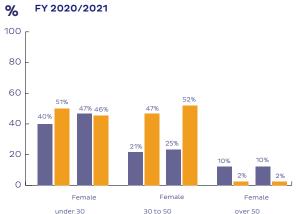








Turnover and recruitment rate by age group



HUMAN RIGHTS >>







MFLOREAL MADAGASCAR





MAQUARELLE MADAGASCAR



As a responsible corporate citizen, we ensure that we are always in compliance with international standards on human rights. We have a zero-tolerance approach towards the employment of under-age employees.

We promote an environment in which everyone is treated with dignity and respect and expect the same from all our supply chain partners.

We provide several channels and forums for our workers to interact with management about their needs and rights:

- Grievance handling process: more than 90% of grievances are handled within timelines
- Committees: Workers', Health and Safety, Grievances committees have been set up
- Confidential whistleblowing system



INCLUSION

EMPLOYMENT & INCLUSION >>

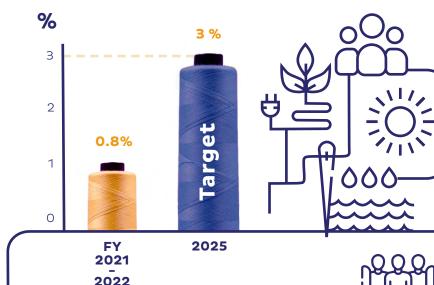
15% of the worldwide population live with some form of disability (Source: World Bank, 2022). **CIEL Textile believes in promoting a diverse and inclusive culture that fuels stronger collaboration and better employee engagement.**

Disability inclusion is about creating an inclusive workplace where people feel welcome and comfortable and where they are seen, valued, and appreciated for their contribution - not despite their differences but by actively acknowledging and adapting to their differences.

A diagnostic process conducted in collaboration with an NGO in Mauritius has helped us to assess which roles can be best adapted to the individual needs of differently-abled employees. A decentralised approach is favoured to a structured approach, as different sites have different needs and can better assess the fit. We are now actively onboarding employees with different needs across all our sites. Our Asian operations have already integrated differently-abled employees.



TROPIC MAURITIUS



TAKEAWAYS

Work in progress:

- Onboarding of people with physical or intellectual challenges: 0.8% as at FY 2022.
- Mapping of jobs in CIEL Textile which are open to differently-abled talents.



FAIR AND SAFE WORK ENVIRONMENT

HEALTH & SAFETY >>

Our employees operate in a safe and healthy work environment. CIEL Textile emphasizes compliance, ongoing training, and reliable management systems.

The COVID-19 pandemic tested the effectiveness of our health and safety management systems. It was encouraging to note that many of our systems and support processes were already sufficient to manage our pandemic response.

HIGG FSLM is now fully embedded across all our sites. Measuring several factors that influence employee well-being, each factory carries out an annual assessment, with the results verified by independent bodies. CIEL Textile factories consistently achieve excellent results, with our average score increasing by 1.2% from 2020 to 2021.

> Refer to PAGE 37 for more info on Higg FSLM

Injury types by year

	FY 2019/2020	FY 2020/2021	FY 2021/2022
Minor injuries (%)	97%	98%	95%
Serious injuries (%)	3%	2%	5%
Severe injuries (%)	0%	0%	0%
Total number of injuries	112	281	214



TAKEAWAYS

Despite an increase in the number of employees (up 24% from 2021 to 2022), workplace injuries **dropped by 23%** during this reporting period, reflecting our commitment to promoting a safe working environment.

HIGG FSLM is now fully embedded across all our sites. CIEL Textile factories consistently achieve excellent results, with our average score increasing by 1.2% from 2020 to 2021.



FAIR AND SAFE WORK **ENVIRONMENT**

FAIR REMUNERATION PROCESS >>

Our remuneration philosophy is based on principles of fairness, equity, and transparency. We consistently benchmark our pay practices against relevant industry standards and the general market, to make sure that we can attract and retain talents.

We aim to achieve pay parity between male and female employees by 2025.



TAKEAWAYS

Ratio of local minimum wage to entry level wage is 1:1 across all our sites.

All our employees are paid on time and in line with local regulations.



L&D PROGRAMS >>

Our ultimate goal is to make CIEL Textile a learning organization that supports all employees in building their careers and fulfilling their ambitions. We view training as an investment and our in-house Leadership and Management Academy continues to develop bespoke leadership, management, and technical training for our employees at all levels.









L&D PROGRAMS >>

EXCELLENCE AT GRASS ROOTS

Our flagship Roots to Routes ("R2R") program gained momentum in the last twelve months, with simultaneous deployment across most of our sites. The program's objective is to inspire an ambition to **be the best** in our employees, and to help them understand their role in delivering operational excellence. More than 1,500 employees have taken part in this program over the last three years.

RISE

The RISE program designed for shopfloor workers was launched in the Woven Cluster of the group. Focused on engaging staff, this program promotes and **celebrates individual and team excellence** at an operational level. The program will be extended to all our sites, following this successful initial implementation.

SUPERVISORY DEVELOPMENT PROGRAM ("SDP")

The SDP is a structured training program designed to enhance the knowledge, skills, and competencies of supervisors in our factories. The program typically includes a variety of training activities, such as coaching sessions, on-the-job training, and self-directed learning to equip each supervisor with valuable people skills to help them drive operations in a winning well spirit.











L&D PROGRAMS >>

CIEL-HEC LEADERSHIP DEVELOPMENT PROGRAM

Six of our top leaders participated in the CIEL-HEC Leadership program. This is a unique, tailor-made training in collaboration with HEC Executive education and is spread over a period of nine months to allow our leaders to gain practical understanding on key topics such as business strategy, customer intelligence, data for business and performance management amongst others.

LEADERSHIP DEVELOPMENT

We aim to develop outstanding leaders for our operations; **68% of our leadership teams have been certified in three core management practices** - Building Olympic Teams ("BOT"), People Performance Management ("PPM") and Management Infrastructure ("MI").

CMEA AND CFEA EVENTS

CIEL Textile holds two main award ceremonies recognizing hard work and innovation:

- the CIEL Textile Chairman's Manufacturing Excellence Awards ("CMEA"), and
- the Chairman's Front-End Excellence Awards ("CFEA").

These have motivated our teams in recent years as they **recognize the Winning Well culture.** Following last year's CMEA event, which took place in Mauritius, CFEA 2023 will be held in Bangalore, India in October.







EMPLOYEE TRAINING >>

The average number of training hours per employee stands at 12:8 hours per year for FY2021/2022 - An increase of 1:3 hours compared to previous report (FY 2019/2020).

Training is delivered on the basis of

- needs analysis, and/or
- performance development

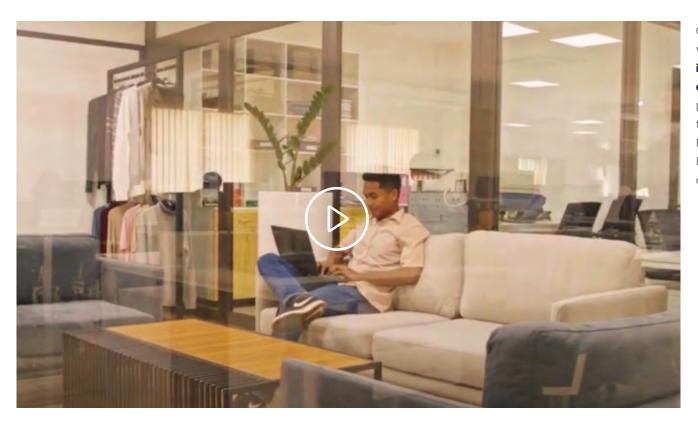
Total number of training hours

TOTAL NUMBER OF TRAINING HOURS BY GENDER	AGE GROUP	FY 2019/2020	FY 2020/2021	FY 2021/2022
Female	under 30	21,8	15,0	20,3
	30 to 50	12,5	21,5	15,9
	over 50	1,5	1,5	1,9
Weighted average - Female		14,9	18,1	16,5
Male	under 30	5,1	5,7	5,4
	30 to 50	8,3	12,0	9,7
	over 50	1,6	2,2	3,1
Weighted average - Male		6,6	8,9	7,5
Average number of training hours per employee		11,5	14,4	12,8

Number of employees who received regular training	1 088	1 225	2 425
%	7%	7%	11%



INTERNATIONAL GRADUATE PROGRAMS >>



Our graduate program in Madagascar was launched with the aim of attracting new talents to our industry by offering opportunities for accelerated development within their field of expertise. The program includes a three-month online introduction to the Textile industry, in collaboration with the National Institute of Fashion Technology ("NIFT") of India. This partnership showcases how CIEL Textile can leverage its international presence.

TAKEAWAYS

International Graduate Program launched in Madagascar:

- · 24 graduates onboarded
- First year completed



DIGITALISATION >>

We are embracing digital technology in the workplace. This not only boosts productivity, but also enhances the employee experience by creating a working environment that is more:

- Modern
- Flexible
- Inclusive

The **move to digital platforms** also improves employee access to important information and resources without needing to go through HR/IT or another department. This helps employees feel more in control of their work lives, leading to a greater sense of job satisfaction.

AN ENHANCED DIGITAL EXPERIENCE FOR OUR EMPLOYEES

Enhancing the employee experience is a priority for CIEL Textile. With that in mind, we have started implementing a Cloud-based Human Capital Management system ("HCM").

Our objective **is to provide a modern and technology-enabled workplace.** Self-Service portals will make it easy for employees to control their own data and access information and services they need.

LEARNING MANAGEMENT SYSTEM ("LMS")

We have begun deploying an online learning management system ("LMS"). This will **make learning content more accessible to all employees** and give them the flexibility to learn at their own pace.





GOING BEYOND COMPLIANCE

HIGG FACILITY SOCIAL & LABOR MODULE ("FSLM")

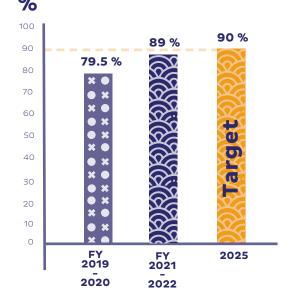
>>

The Facility Social & Labor Module ("FSLM") measures the social impact of manufacturing across the following areas:

- · Recruitment & hiring
- Working Hours
- Wages & Benefits
- Employee Treatment
- Employee Involvement
- · Health & Safety
- Termination & Retrenchment
- Management Systems
- Above & Beyond (social management practices)

Every CIEL Textile factory uses these tools to carry out an annual self-assessment. To ensure validity, all site results are verified by an external body in line with the SAC verification protocol.

HIGG FSLM verified score average for CIEL Textile units





HIGG vFSLM

5,542 factories in the apparel sector were verified in 2021, with a median score of 68%. (Source: higg.org data)



TAKEAWAYS

Average CIEL Textile HIGG FSLM score increased by **9.5%** from **2020 to 2021.**

CIEL Textile's **19 factories'** results were verified in 2020 and 2021.







BRINGING FREE HEALTHCARE TO INHABITANTS IN INDIA



SUPPORTING FREE HEALTH CAMPS IN INDIA

Since 2014, the Act for our Community program has organized and supported free health camps in India. Held across various sites where CIEL Textile operates. these health camps have benefited more than 20,000

who either do not have access to healthcare services or cannot afford any medical treatment or follow-up. These camps provide basic medical services, such as check-ups, diagnostics and medicines, all free of charge. But that's not all - CIEL Textile also focuses on raising awareness and educating people about the importance of health and hygiene practices.

Hundreds of CIEL Textile employees have participated in the organization of these health camps over the past few years. Employee participation is crucial in making these initiatives successful and sustainable. By volunteering in activities such as health camps, donation activities and other community activities, our employees are not only contributing to the betterment of society, but they are also developing new skills and building meaningful relationships within the communities in which they work.

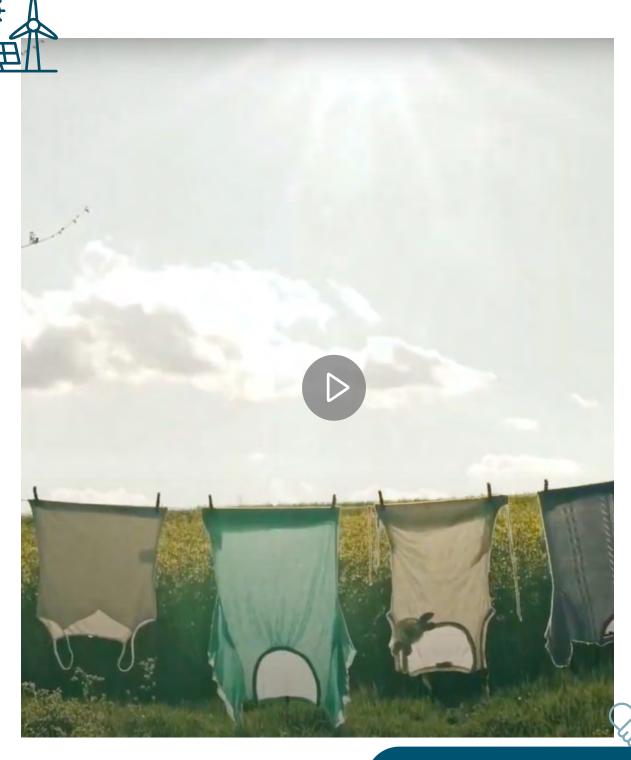




The fashion industry is known to be one of the most polluting industries in the world. At CIEL Textile, we have decided to take matters in hand and play our part as a responsible organization - in 2021, we introduced an innovative tool to evaluate the impact of a garment, from the choice of materials to the packaging system. The Eco Index is an automated calculator designed to build awareness and assist CIEL Textile's creative teams as they are designing product or garment, ensuring that it is developed with the lowest ecological impact possible.

The Eco Index uses a five-color grading system to identify the impact of clothes. The colors range from red to blue, with red indicating the highest impact and blue the lowest. By using this tool, the creative teams can easily identify the ecological impact of their designs and make changes – if and when necessary - to minimize the impact.

This is one of the many steps taken by the group to reduce our ecological impact. By building awareness and educating our design teams, we are confident that, in the long run, this will have a positive impact on the creative process, right at the source - resulting in the creation of more sustainably designed fashion products.



ABOUT THIS PILLAR >>

It's important for businesses and organizations to consider the impact they have on the communities in which they operate, and to work towards promoting inclusive growth and prosperity for all. Sustainability is a goal that requires partnership and collaboration - it can't be achieved alone.

CIEL Textile seeks to have a positive impact on the communities surrounding our factories and other facilities. This may be via investment in education and training, through supporting small, local businesses, or adopting policies that promote economic equality. By promoting economic development and prosperity, our presence contributes to the well-being of all who live and work in the wider area, including those who have traditionally been excluded from economic opportunities.

'ACT FOR' INITIATIVES

Building a world that we can all feel proud of means being proactive in areas where we can have a positive impact, both close to home and in the broader community. CIEL Textile has developed two corporate social responsibility initiatives - 'Act for our Community' and 'Act for our Environment'. Both initiatives are active across all our sites and have direct benefits for employees, stakeholders, and productivity, as well as positive outcomes for the communities in which we operate.



RESPONSIBLE PRODUCT OFFERING

CIEL Textile has created and implemented a bespoke Eco Index tool. This tailor-made program helps our Creative teams make informed choices throughout the design process, resulting in products that are ecologically responsible and ethical from A to Z.







SUSTAINABLE VALUE CHAIN

CIEL Textile is committed to ensuring that we are working with the right partners, so that our value chain reflects our organizational commitment to fair labour practices, regulatory compliance, and the reduction of our environmental impact.

To achieve this transparency, we have carried out a mapping process to assess the alignment of all suppliers with our Sustainability objectives.



Change requires concerted action, and CIEL Textile recognises that it cannot build a sustainable future for the fashion industry on its own. As a member of the Sustainable Apparel Coalition (SAC) and a contributor to the Zero Discharge of Hazardous Chemicals (ZDHC) program, CIEL Textile has formed **strategic partnerships** with hundreds of other companies in the garment industry

STRATEGIC PARTNERSHIPS

to drive positive action to protect the environment, workers' rights, and consumers alike.



























OUR PROGRESS AND AMBITIONS >>

ACT FOR INITIATIVES*

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST **WINNING WELL REPORT (2020)**

- Pursue reverse urbanization by continuing to create jobs in rural
- · Advocate maximum employee engagement in our CSR Initiatives: Act for our Community Act for our Environment
- · Quantify and increase impact on long-term CSR projects

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

- · Focus on short-term initiatives, one day per year for each program
- · No defined structure in place making it difficult to ensure the maximum impact from each initiative

CURRENT STATUS (2022)

- · Ensuring our factories and facilities have a positive impact on the communities we operate in, whether they are rural or urban.
- · Ongoing CSR activities driving maximum
- Act for our Community Act for our Environment
- · Total of 69 initiatives ongoing: This Includes 11 long-term CSR projects as of June 2022

OUR **FUTURE AMBITIONS**

- Pursue reverse urbanization by continuing to create jobs in rural areas. This target from our 2020 report has been written off as our goal is to ensure that we have a positive impact on the communities we operate in, whether they happen to be in rural or urban areas.
- · Advocate maximum employee engagement in our CSR Initiatives:
- Act for our Community
- Act for our Environment
- · To create high-impact initiatives focusing on long-term projects



^{*} Material topics which have been added in the 2nd Winning Well Report



Cont'd

OUR PROGRESS AND AMBITIONS >>

SUSTAINABLE VALUE CHAIN*

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST **WINNING WELL REPORT (2020)**

VALUE CHAIN MONITORING

- Advocate for Higg Index tools adoption in our value chain representing 80% of business volume, of which 50% verified by 2030
- Ethical & Sustainable supply chain representing at least 80% of business value by 2023

TRANSPARENCY

 Publicly disclose list of value chain partners by 2030

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

VALUE CHAIN MONITORING

- Start of journey
- · Creation of working group to define way forward and ambitions

CURRENT STATUS (2022)

VALUE CHAIN MONITORING

- · Already an advocate for adoption of the HIGG Index tools across our subcontractors and suppliers
- · Created a comprehensive list of our value chain partners, to be published in due course.
- · Several initiatives with regards to local sourcing as far as the availability of materials and resources allows it - have already been put into place.
- · Other initiatives promoting a circular economy are also currently running, for example the recycling or repurposing of materials at the end of their life cycle to keep resources in use as long as possible. This helps to reduce waste, our carbon footprint, and our environmental impact, as well as creating new economic opportunities

TRANSPARENCY

· Completed a mapping exercise of our suppliers and subcontractors across all CIEL Textile business units

OUR **FUTURE AMBITIONS**

VALUE CHAIN MONITORING

- FEM target: 80% coverage by 2030, with 60% verified
- FSLM target: 80% coverage by 2030, with 50% verified
- No value chain partner should be in the zero-tolerance category by end-2023, i.e., without any certifications, social/ environmental audits, or ESG governance
- Promote local sourcing. Our goal is to continue to encourage local sourcing, as far as the availability of materials and resources makes this possible.
- Continue to promote a circular economy

TRANSPARENCY

 Publicly disclose list of value chain partners by 2030





Cont'd

OUR PROGRESS AND AMBITIONS >>

RESPONSIBLE PRODUCT OFFERING

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST **WINNING WELL REPORT (2020)**

ECO INDEX

·Implement CIEL Textile Eco Index to measure sustainability performance in product design & development

SUSTAINABLE SOURCING

· Advocate for 30% Certified & Recycled raw material usage by 2025 & 50% by 2030

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

ECO INDEX

Setup of working group

SUSTAINABLE SOURCING

· Decentralised approach

CURRENT STATUS (2022)

ECO INDEX

- · Our Eco Index tool has already been implemented.
- This tool was designed to educate and assist our Creative teams to design products that reflect our responsibilities from A to Z

Refer to page 54 for more info for more information

SUSTAINABLE SOURCING

- · Implementation and deployment of a measurement methodology
- · 30% target for certified raw materials
- · Raw materials certified as recycled: 1% (end of FY 2021/2022)

OUR **FUTURE AMBITIONS**

ECO INDEX

• Eco Index tool has been implemented.

SUSTAINABLE SOURCING

- Target of 30% certified raw materials has already been achieved.
- New targets for certified raw materials: To reach 50% by 2025 and 80% by 2030
- Target for raw materials certified as recycled: To reach 10% by 2025





Cont'd

OUR PROGRESS AND AMBITIONS >>

STRATEGIC PARTNERSHIPS*

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST **WINNING WELL REPORT (2020)**

NA

STATUS IN 2020

AS AT PUBLICATION OF 1st WINNING WELL REPORT

- Member of SAC (Sustainable Apparel Coalition)
- · Contributor to ZDHC (Zero Discharge of Hazardous Chemicals)
- · Signatory of SLCP (Social & Labor Convergence Program)



CURRENT STATUS (2022)

- Member of SAC (Sustainable Apparel Coalition)
- · Contributor to ZDHC (Zero Discharge of Hazardous Chemicals)
- · Signatory of SLCP (Social & Labor Convergence Program)

OUR **FUTURE AMBITIONS**

• Partner with all stakeholders across the value chain to define the future of the textile and apparel industry



 $^{^{\}star}$ Material topics which have been added in the 2nd Winning Well Report

Cont'd

OUR PROGRESS AND AMBITIONS >>

COMMUNITY EMPOWERMENT**

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1st **WINNING WELL REPORT (2020)**

- · Pursue reverse urbanization by continuing to create jobs in rural
- · Advocate maximum employee engagement in our CSR Initiatives:
- Act for our Community
- Act for our Environment
- · Quantify and increase impact on long-term CSR projects

STATUS IN 2020

AS AT PUBLICATION OF 1st WINNING WELL REPORT

CURRENT STATUS (2022)

Please refer to ACT FOR INITIATIVES material topic

OUR **FUTURE AMBITIONS**





^{**} The material topic COMMUNITY EMPOWERMENT has been renamed ACT FOR INITIATIVES

Cont'd

OUR PROGRESS AND AMBITIONS >>

PROCUREMENT PRACTICES***

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST **WINNING WELL REPORT (2020)**

- Ethical & Sustainable supply Chain representing at least 80% of business value by 2023
- · Advocate for Higg Index tools adoption in our value chain representing 80% of business volume, of which 50% verified by 2030
- •Publicly disclose list of value chain partners by 2030

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

CURRENT STATUS (2022)

OUR **FUTURE AMBITIONS**

Please refer to SUSTAINABLE VALUE CHAIN material topic



LOCAL ECONOMY****

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST

WINNING WELL REPORT (2020)

Promote local sourcing

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

CURRENT STATUS (2022)

OUR **FUTURE AMBITIONS**

Please refer to SUSTAINABLE VALUE CHAIN material topic





ACT FOR OUR COMMUNITY

Launched in 2015, the Act for our Community program drives initiatives and projects on social issues across all our sites. All employees are encouraged to participate in the various activities we support, in collaboration with relevant NGOs. The program was put on hold during the financial year 2020/21 but moved forward again during FY 2021/2022.

28 different initiatives with a theme of 'Reconnect & Sustain' involved more than 1,500 employees in FY 2021/2022.

READ MORE HERE



28 **ACTIVITIES**













Cont'd

ACT FOR OUR COMMUNITY

Since 2014, the Act for our Community program has supported free health camps in India, from which more than 20,000 inhabitants have benefited. Our activities supported the supply of masks & hydroalcoholic gel in Mauritius, as well as donations of school materials and organising activities for children.



Fund-Raising activities allowed us to supply food and other essential products to Madagascar.

READ MORE HERE











Cont'd

ACT FOR OUR ENVIRONMENT >>

Launched in 2018, the Act for our Environment program is the driving force behind the group's community activities and projects on the environment. This program is also behind the reforestation initiative carried out by our Malagasy units, with around 80,000 trees planted last year. A thorough and clear process of follow-up ensures successful reforestation.

The Act for our Environment program was on hold during the FY 2020/2021 but relaunched in FY 2021/2022 with 41 initiatives involving more than 3,000 employees.

READ MORE HERE



ACTIVITIES 3,000+ **TALENTS INVOLVED**









NUMBER OF TREES PLANTED CARBON OFFSETTING THROUGH ANNUAL REFORESTATION PROGRAMS IN MADAGASCAR				
2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
53,193	50,764	44,775	56,846	79,440



Cont'd

ACT FOR OUR ENVIRONMENT >>

As well as our cleaning and reforestation campaigns in Madagascar, Act for our Environment has developed a program on wildlife and natural ecosystem awareness in India, and on biodiversity conservation at Ile aux Aigrettes in Mauritius. Other activities include the distribution of re-usable cloth bags in India, and upcycling and waste segregation initiatives in Mauritius.

READ MORE HERE



CELEBRATED ANNUALLY SINCE 2018 DURING THE MONTH OF JUNE, THIS IS OUR **CORE SUSTAINABILITY INITIATIVE TO CELEBRATE THE** PLANET.











SUSTAINABLE VALUE CHAIN

SUPPLY CHAIN TRANSPARENCY & COMPLIANCE >>

The garment industry relies on collaboration between partners in a value chain that brings together organisations and individuals from across the world. To ensure that our products are manufactured in a responsible and ethical manner across the value chain, involving our supply chain partners in the **process is critical**. This means addressing fair labour practices, reducing environmental impact, and adhering to regulations and standards. To achieve transparency in these areas, a process of mapping* and supplier assessment** ensures that suppliers and subcontractors

currently in the zero-tolerance category align with our sustainability objectives. We also share knowledge with our suppliers as and when necessary, supporting their efforts to achieve regulatory compliance and make positive changes in their own processes. There are digital tools available that will allow us to compile a complete set of information on products manufactured across our different units. These are currently being evaluated, with an objective of establishing complete traceability for all CIEL Textile products, from raw material origins to the final garment.

Our ambitions

Advocate for HIGG Index tools adoption across our subcontractors and suppliers:

- FEM: Target is 80% coverage by 2030, of which 60% is verified
- FSLM: Target is 80% coverage by 2030, of which 50% is verified
- *This process has identified all suppliers and subcontractors (using internal criteria). Please address any questions about this to our team at sustainability@cieltextile.com.
- **All suppliers and subcontractors have been assessed based on environmental and social criteria



TAKEAWAYS

All CIEL Textile Business Units have a process to monitor supplier and subcontractor compliance.

Supplier and subcontractor mapping exercises have

been completed across CIEL Textile units.

This is a work in progress: monitoring is ongoing for all suppliers and subcontractors, with live updates.



RESPONSIBLE PRODUCT **OFFERING**

SUSTAINABLE SOURCING >>

Sustainable sourcing in textile manufacturing refers to procuring raw materials and products in a way that minimizes harm to the environment and people and supports the long-term viability of the industry. Practices such as using eco-friendly materials, working with suppliers whose labour practices are ethical, reducing waste and emissions, and promoting circular economy principles fall under this heading.

	FY 2020 - 2021	FY 2021 - 2022
% of raw material certified OCS, GOTS, RWS, GRS, OekoTex	38%	45%
% of raw material certified as organic OCS, GOTS	16%	2%
% or raw material certified as recycled GRS	1%	1%

The drop from 16% to 2% was the result of a global decrease in supply of organic fabrics in FY 2021/2022.



New targets for certified raw materials:

50%

80%

by 2025

by 2030

Target for raw materials certified as recycled:

10% by 2025

TAKEAWAYS

Increased usage of certified raw materials: from 38% to 45%.

This has been achieved through a combination of:

• Efforts from CIEL Textile teams, including the

implementation of tools such as Eco-Index (which helps our design teams create sustainable collections to offer to our customers.)

· Front-End teams (Sales & Marketing) have had training and awareness sessions on Sustainability and product certification. There is a proactive, ongoing dialogue between customers and our Sustainability champions.

· Market demand.



RESPONSIBLE **PRODUCT OFFERING**

ECO INDEX >>





CIEL Textile Design and Sustainability teams have developed a pioneer tool - the Eco Index - to assist and educate our Creative teams in designing products that have the lowest ecological impact from A to Z, i.e., from choosing sustainable materials to the packaging system.

This incredible tool is an automated calculator which evaluates the impact of a garment. With its fivecolor system, we can easily identify the impact of our clothes, where red indicates the highest impact and blue the lowest.

Read more here

TAKEAWAYS

The ECO INDEX tool is a support tool used to help choose the materials and processes that will produce garments with the lowest ecological impact.



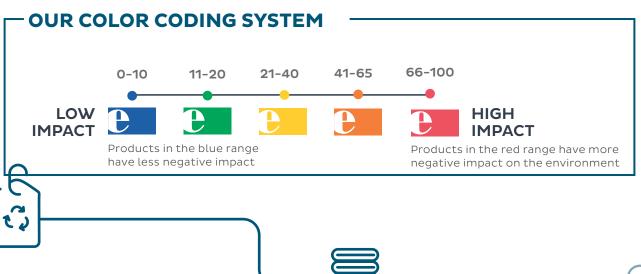


RESPONSIBLE PRODUCT OFFERING

ECO INDEX >>







STRATEGIC PARTNERSHIPS

OUR INTERNATIONAL PARTNERS >>





The Sustainable Apparel Coalition ("SAC") is a global, multi-stakeholder non-profit alliance for the consumer goods industry. As an independent and impact-creating organization, the SAC seeks to lead the industry toward a shared vision of Sustainability that is based on a joint multi-stakeholder approach for measuring, improving and sharing performance.

Today, the SAC brings together more than 280 global brands, retailers, manufacturers, NGOs, academics and industry associations throughout the whole supply chain, representing about half of the apparel and footwear industry. The SAC is deeply committed to creating a more sustainable, equitable, and just world for all through collective action efforts that enable positive social and environmental impact at scale.



Ø ZDHC

Zero Discharge of Hazardous Chemicals ("ZDHC")

is a multi-stakeholder organization that brings together around 150 contributors from the apparel and footwear industries, including brands, manufacturers, and chemical suppliers. The Roadmap to Zero Program provides a plan for the

fashion industry to eliminate harmful chemicals from its global supply chain by building the foundation for more sustainable manufacturing. This will protect workers, consumers, and our planet's ecosystems.

CIEL Textile, as a contributor to the ZDHC, is committed to the organization's vision and objectives. We use the standard developed by the organization in all our wet process units.



PART 04.
ACTIVATE
CLIMATE
RESPONSE
PLANET

ROOPNARAIN RAMLOLL

FABRIC INSPECTOR
QUALITY CONTROL DEPARTMENT
CDL



AQUARELLE SAMUDRA: A STATE-OF THE-ART MANUFACTURING FACILITY IN INDIA





DID YOU KNOW?

The AQUARELLE Samudra manufacturing facility is one of the first apparel (woven) eco factories in India!

Located in South Bangalore, India, this state-ofthe-art manufacturing facility is a testament to CIEL Textile's vision of developing an efficient and sustainable factory for our teams, giving them both the tools and the optimal working environment to deliver products of high quality.

We are proud to operate a factory that ticks all the boxes when it comes to sustainability. AQUARELLE Samudra – a LEED Platinum certified factory – showcases the latest technology, a sustainability-focused production process, and exceptional expertise and know-how. It incorporates eco-methodologies, light wells, water tables, renewable energy, and sustainable landscape design, among other features. Our water treatment plant also ensures that we minimize our water usage and treat the water we use. All of these actions reflect CIEL Textile's commitment to preserving the environment and reducing our footprint.



In addition to its commitment to environmental sustainability, AQUARELLE Samudra is also fully integrated within the local community. Since its creation, the facility has been very active in not only providing job opportunities, but also in offering training to the inhabitants of the region – allowing them to get the necessary skills to improve their living conditions. Additionally, our focus on sustainability has encouraged a shift in the behavior and mindset of the inhabitants of the region

We are confident that sustainable manufacturing practices are not just good for the environment but are also essential for the long-term success of our business. We will continue to integrate sustainability into our manufacturing processes and develop innovative solutions to reduce our impact on the environment. AQUARELLE Samudra is a great example of CIEL Textile's commitment to leading positive change both in the industry and the local community.





OUR RESPONSE TO THE MV WAKASHIO OIL SPILL

fabrics, and 13,000 meters of woven fabrics, in addition to face masks, and other equipment. With the help and support of employees of CIEL Textile and volunteers coming from all corners of the island, floating booms were constructed to contain the oil spill and prevent further damage to the marine ecosystem.

00000

The MV Wakashio wreckage and oil spill is one of the most catastrophic environmental disasters in the recent history of Mauritius. The ship ran aground on a coral reef on 25 July 2020 with 4,000 tons of fuel, causing an ecological emergency that had a devastating impact on the marine ecosystem and the livelihoods of local communities. In response to this crisis, CIEL Textile stepped forward to provide support to the recovery efforts.

The response from the group and its employees was immediate when news of the oil spill broke. There was no hesitation or delay in providing assistance to the recovery efforts. This rapid response is a testament to the ecological conscience instilled in our employees and management. It is a value which is deeply ingrained in our company culture and extends beyond the work perimeter.

The group provided 500 kg of wool waste, more than 5,000 kg of knitted

CIEL Textile's response to the MV Wakashio oil spill demonstrates that sustainability is not just a business strategy, but also a common responsibility that we share as part of a global community. The company's support has not only helped mitigate the damage caused by the oil spill but has also contributed to the recovery of local communities and the environment. These immediate and sustained efforts to support the recovery efforts following the oil spill demonstrate that we truly believe that, together, we can help make a positive impact on the world.







ABOUT THIS PILLAR



This pillar focuses on taking action to mitigate and adapt to climate change. This includes reducing greenhouse gas emissions, promoting renewable energy, developing sustainable transportation systems, and implementing measures to protect vulnerable communities from the impacts of climate change. As part of this effort, we have set a target to achieve a verified score of 95% on Higg FEM by 2025 in all CIEL Textile factories.

Our initiatives include:

- Launching our digital Sustainability management software
- Conserving and regenerating natural ecosystems
- Installing rainwater harvesting systems in all factories by 2025.

RENEWABLE ENERGY

Generated from renewable resources, the use of renewable energies, such as solar, wind, geothermal, and hydropower can reduce greenhouse gas emissions and help mitigate climate change.

Our 2030 target of eliminating coal as a fuel has already been achieved, with the move of CIEL Textile's CFL mill in Mauritius and the joint venture with COTONA in Madagascar.

READ MORE HERE



WATER & EFFLUENTS

These terms refer to the management of water resources and the discharge of wastewater and other pollutants into the environment. Proper management of water resources and effluents can help protect the environment and ensure sustainable water use. Zero non-conformity with ZDHC standards has been achieved across our sites, and we expect 20% of the water we consume to be recycled and reused by 2025.





A measure of the amount of carbon dioxide and other greenhouse gases emitted by human activities, such as transportation, energy production, and manufacturing. Carbon Footprint can be used to quantify the impact of human activities on the environment. An external service provider has been appointed to audit Scope 1, 2, and 3 emissions as of Financial Year 2022. CIEL Textile is targeting a 50% decrease in our Scope 1 and 2 carbon intensity by 2030.



WASTE MANAGEMENT & CIRCULARITY

The responsible handling of waste and the promotion of a circular economy minimizes the impact of waste on the environment through recycling and reusing materials and an overall reduction in waste generation.

A Waste policy has been implemented in order to establish a process for the classification of waste across all business units, with a target of 90% of waste to be diverted from landfill by 2025.





















OUR PROGRESS AND AMBITIONS >>



ENERGY

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST WINNING WELL REPORT (2020)

 Adopt CDP and SBTi methodology*

RENEWABLE ENERGY

- · Zero Coal as fuel by 2030
- · Achieve 35% renewable energy by 2030

ENERGY EFFICIENCY

• 5% reduction in energy intensity by 2025

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

RENEWABLE ENERGY

- · One factory still operating using coal as fuel
- Launch of digital Sustainability management software

ENERGY EFFICIENCY

• 14% of energy needs from renewables in 2020

CURRENT STATUS (2022)

RENEWABLE ENERGY

• Our 2030 target of eliminating coal as fuel has been achieved, with CIEL Textile's (CFL mill in Mauritius) move and our joint venture with COTONA in Madagascar.

READ MORE HERE

· 36% of energy from renewables

ENERGY EFFICIENCY

 Digital management software implemented and delivering accurate and live data

OUR **FUTURE AMBITIONS**

RENEWABLE ENERGY

- · Zero Coal as fuel by 2030: this target from the 2020 Report has already been achieved.
- · Achieve 35% renewable energy by 2030: this target from the 2020 Report has been reviewed. New targets are as follows: 60% of energy from renewables by 2025 and 80% of energy from renewables by 2030

ENERGY EFFICIENCY

• 5% reduction in energy intensity by 2025

^{*} This goal has been transferred to the material topic CARBON FOOTPRINT

Cont'd

OUR PROGRESS AND AMBITIONS >>

CARBON FOOTPRINT (previously known as EMISSIONS in the Winning Well 2020 Report)

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST
WINNING WELL REPORT (2020)

- Decrease our Scope 1 & 2 Carbon intensity by 30% by 2030
- · Adopt CDP and SBTi methodology (shifted from the material topic ENERGY - Winning Well 2020 Report)

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

- First manual evaluation of carbon footprint
- Launch of digital Sustainability management software
- Number of trees planted in FY 2019/2020: 44,775



CURRENT STATUS (2022)

- External service provider appointed for audit of Scope 1, 2, and 3
- Digital management software implemented and delivering accurate and live data per product/segment/factory
- Number of trees planted in FY 2021/2022 79,440

OUR FUTURE AMBITIONS

- 50% decrease in Scope 1 and 2 carbon intensity by 2030
- Adopt Carbon Disclosure Project ("CDP") methodology and Science-Based Target initiative ("SBTi") by 2024
- Continue efforts in conservation and regeneration of natural ecosystems

Cont'd

OUR PROGRESS AND AMBITIONS >>



WATER AND EFFLUENTS

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST
WINNING WELL REPORT (2020)

WATER

- Reduce water intensity by 10% by 2030
- Optimise rainwater harvesting

EFFLUENTS

• Target zero non-conformity in ZDHC

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

WATER

- Launch of digital Sustainability management software
- Ongoing installation of rainwater harvesting system (25% of factories covered)

EFFLUENTS

• Mandatory ZDHC testing for all wet units

CURRENT STATUS (2022)

WATER

- Digital management software implemented and delivering accurate and live data
- · Water intensity reduction of 10% achieved
- Ongoing project to implement monitoring systems in our recycling network
- Ongoing installation of rainwater harvesting systems (50% of factories covered)

EFFLUENTS

• Zero non-conformity achieved according to ZDHC standards on conventional & MRSL parameters

OUR FUTURE AMBITIONS

WATER

- 20% of water consumed to be recycled and reused by 2025
- Equip all factories with rainwater harvesting system by 2025

EFFLUENTS

Sustain zero non-conformity with ZDHC





Cont'd

OUR PROGRESS AND AMBITIONS >>

WASTE MANAGEMENT & CIRCULARITY (previously known as WASTE in the Winning Well 2020 Report)

OUR STRATEGIC GOALS

AS AT PUBLICATION OF 1ST WINNING WELL REPORT (2020)

WASTE

 No single-use plastic in our process by 2025, excluding OSH requirements

CIRCULARITY

- 50% reduction in waste to landfill by 2030
- · Advocate for 30% Certified & Recycled raw material usage by 2025 & 50% by 2030 **

STATUS IN 2020

AS AT PUBLICATION OF 1ST WINNING WELL REPORT

WASTE

- Launch of digital Sustainability management software
- · Creation of a Waste working group

CURRENT STATUS (2022)

WASTE

- Digital management software implemented and delivering accurate and live data
- Implementation of a Waste policy, helping to establish a process for the classification of waste across all business units

CIRCULARITY

• 80% diversion rate has been achieved in FY 2021-2022

OUR FUTURE AMBITIONS

CIRCULARITY

- Target of 50% reduction in waste to landfill has been reviewed into:
 - Target: 90% of waste diverted from landfill by 2025
 - Target: 100% of waste diverted from landfill by 2030



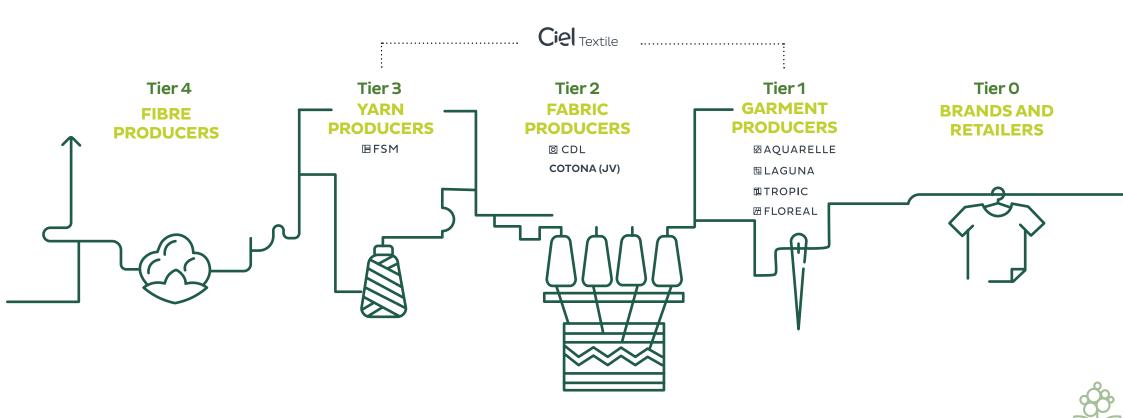


^{**} This goal has been transferred to the CHAMPION INCLUSIVE GROWTH pillar, under RESPONSIBLE PRODUCT OFFERING material topic

Garment factories and textile mills have varying energy requirements - textile manufacturing is typically more energy intensive than garment manufacturing. Textile manufacturing involves processes (such as spinning, weaving, and dyeing) which require significant amounts of energy.

Garment manufacturing involves cutting, sewing, and finishing of textiles, which are generally less energy-intensive processes.

It is our responsibility to choose and act wisely when these factors are within our control.



ENERGY INTENSITY BY PRODUCT TYPE >>

	PERIOD			
EMISSION INTENSITY	FY 2019/2020	FY 2020/2021	FY 2021/2022	
Garment		kwh/units		
CIEL Textile	2,0	2,4	2,6	
Fine Knits	0,6	0,6	0,7	
Knitwear	7,3	11,3	13,0	
Woven	1,3	1,2	1,3	
Mills		kwh/kg		
CIEL Textile	22	20	13	
Fine Knits	16	15	13	
Knitwear	15	16	14	
Woven	44	40	0	



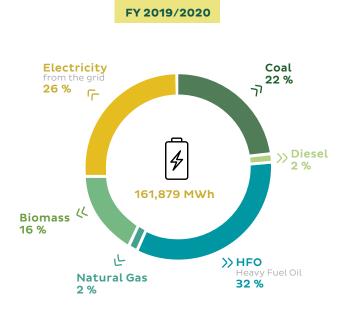
TAKEAWAYS

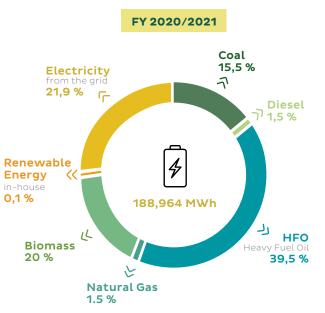
An increase in Garment energy intensity is due to the implementation of a new wet process in the Knitwear cluster, requiring more energy.

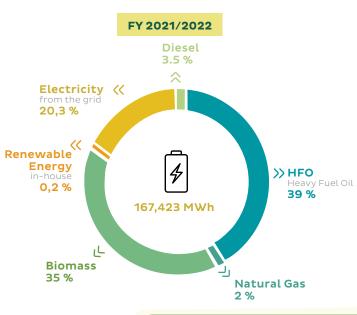
Significant progress has been made on the mills' energy intensity, which has been reduced by 17% (excluding Woven mills)



RENEWABLE ENERGY >>









TAKEAWAYS

Our 2030 target of eliminating coal as fuel has been achieved, with CIEL Textile's (CFL mill in Mauritius) move and joint venture with COTONA in Madagascar.

READ MORE HERE

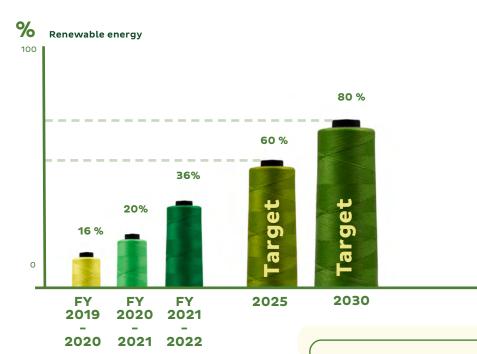
The contribution of the **photovoltaic farm** is **gradually becoming visible** and will continue to grow.

RENEWABLE ENERGY >>

Renewable energy is generated from natural resources that are replenished constantly (sunlight, wind, water, geothermal heat). These sources of energy are sustainable and have a much lower impact on the environment than traditional fossil fuels. By investing in renewable energy, textile companies can reduce their reliance on non-renewable sources of energy and decrease their carbon footprint.

Source:

- Biomass and photovoltaic solar panels (817 kWp as of end June 2022)
 - PV solar panels generating electricity production for factories
 - Biomass running the boiler for thermal needs in factories (to generate steam and to heat thermal oil)



OUR SHORT-TERM OBJECTIVE IS TO DERIVE 60% OF OUR ENERGY NEEDS FROM RENEWABLES BY 2025, AND ABOVE 80% BY 2030.

STATUS AS AT DATE:

36% OF RENEWABLE ENERGY USAGE ACROSS CIEL TEXTILE BUSINESS UNITS

TRACKING ONGOING

TAKEAWAYS

36% of energy used used across CIEL Textile Business Units comes from renewable sources.

Tracking is ongoing.

Target:

Short-term objective is to reach 60% by 2025, and above 80% by 2030.

CARBONFOOTPRINT

The textile industry is one of the largest industries in the world and is responsible for a significant amount of energy consumption and greenhouse gas emissions. As an industry, we have an important role to play in transitioning to renewable energy sources and reducing our environmental impact. The transition to renewable energy in the textile industry

is an important step towards a more sustainable future and is good for business too. Reducing our environmental impact also improves the bottom line through cost savings on energy bills.

At CIEL Textile, we are already acting on scope 1 and 2. We are confident that if each stakeholder in the value chain acts at their level, together we will be able, to bring a positive change to the industry.

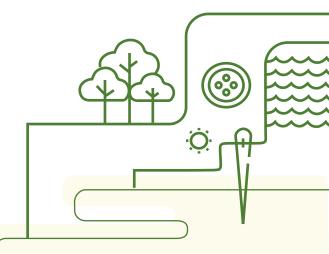


CARBON FOOTPRINT

EMISSIONS PER PRODUCT / CLUSTER >>

We are now able to monitor our Scope 1 and 2 emissions intensity at all our sites. The table below groups emissions intensity in Scope 1 and 2 by cluster to improve the transparency of the data.

	Period			
EMISSION INTENSITY	FY 2019/2020	FY 2020/2021	FY 2021/2022	
Garment		kgCO2e/units		
CIEL Textile	0,4	0,4	0,4	
Fine Knits	0,2	0,2	0,2	
Knitwear	0,7	0,9	0,8	
Woven	0,4	0,4	0,4	
Mills		kgCO2e/kg		
CIEL Textile	8,2	7	4,6	
Fine Knits	5	4,7	4,2	
Knitwear	6,5	7	6,3	
Woven	17	16	-	



TAKEAWAYS

Significant efforts have been made by the mills to reduce their carbon footprint intensity.

Despite the increase of the energy intensity per garment, emissions intensity remains stable due to efforts to incorporate renewable energy and use biomass.



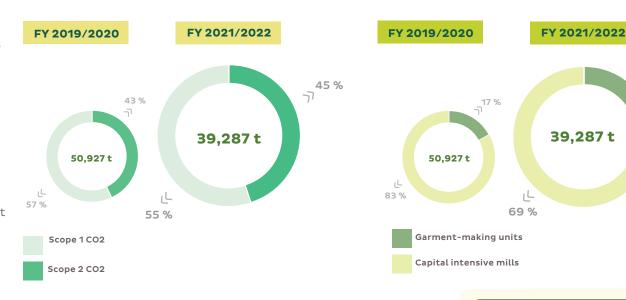
CARBONFOOTPRINT

EMISSIONS BREAKDOWN >>

Emissions are categorised into three scopes. Scope 1 includes all direct Greenhouse Gas (GHG) emissions from sources we own or control. Scope 2 covers indirect GHG emissions from the consumption of purchased energy, and Scope 3 refers to all indirect emissions that occur in a company's value chain but are not covered by Scope 1 & Scope 2.

We now have an external service provider for the audit of Scopes 1, 2, and 3. Their primary objective is a comprehensive assessment of our carbon footprint across all scopes. This requires that they verify data collection for Scope 1 and 2, as well as developing and implementing a new methodology for Scope 3 measurement that will allow us to report and track progress. All emissions from other sources that are shown in the images below were calculated using conversion factors from IPCC guidelines.

GHG EMISSIONS SCOPE 1 & 2





TAKEAWAYS

GHG EMISSIONS BY MANUFACTURING TYPE

External service provider appointed for audit of Scope 1, 2, and 3

For more information on our efforts with regards to reforestation, please refer to Page 50 \heartsuit \heartsuit

Number of trees planted in FY 2021/2022: 79,440 Targeting 50% decrease in Scope 1 and 2 carbon intensity by 2030.

Targeting adoption of Carbon Disclosure
Project ("CDP")methodology and Science-Based
Target initiative ("SBTi") by 2024



31%

WATER & EFFLUENTS

WATER STRESS & CONSUMPTION >>

Water's worth is arguably infinite. Without water life ceases to exist.

The 2030 Water Resources Group (2009) concluded that the world would face a 40% global water deficit by 2030 under a business-as-usual scenario.

(Source: The United Nations World Water Development Report 2021)

Recognizing, measuring, and expressing water's worth - and incorporating this into decision-making - are fundamental to achieving sustainable and equitable water resource management.

As water resources worldwide become increasingly stressed, water management and conservation are crucial for all of us.

Water stress and consumption per country

COUNTRY	WATER STRESS	TOTAL WATER CONSUMPTION (M3)		
		FY 2019/2020	FY 2020/2021	FY 2021/2022
Mauritius*	Low	1,044,608	1,139,482	848,403
Madagascar	High	264,162	268,324	338,446
India	Extremely High	49,283	41,708	76,363
Bangladesh	High	55,207	49,306	48,123
TOTAL		1,413,260	1,498,820	1,311,335

Source: World Resources Institute's Aqueduct Water Risk Atlas (2022)

We operate in countries with different water stress levels. The textile and fashion industry is one of the most intensive water consumers worldwide. From growing fibres and crops to dyeing and finishing fabrics, the industry relies heavily on water resources.

*All our mills are in Mauritius, leading to the high-water consumption recorded there

WATER & EFFLUENTS

WATER INTENSITY BY PRODUCT TYPE >>

WATER INTENSITY	FY 2019/2020 FY 2020/2021		FY 2021/2022	
Garment		L/units		
CIEL Textile	16,3	15,4	14,7	
Fine Knits	7,6	7,1	6,8	
Knitwear	55 59	59	63	
Woven	10,5 8,7		8	
Mills		L/kg		
CIEL Textile	198	169	136	
Fine Knits	152	131	141	
Knitwear	111	117	107	
Woven	368	355	+	



TAKEAWAYS

Water intensity:

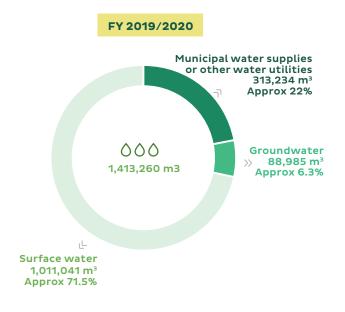
- · 10% reduction in garment sector
- 6% reduction in mills (excluding Woven from the calculation).

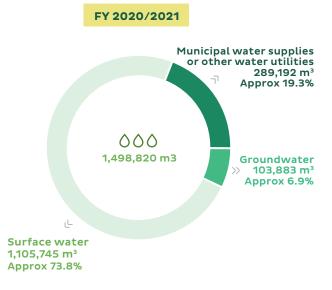


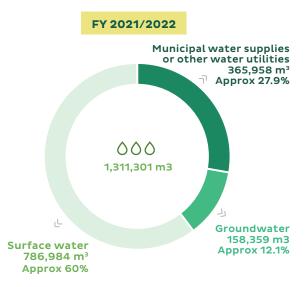


WATER & EFFLUENTS

WATER SOURCES BREAKDOWN >>







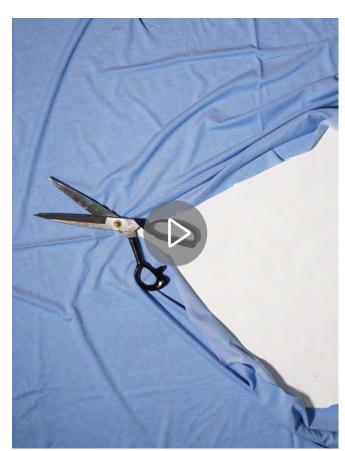


TAKEAWAYS

Our main source of water is surface water, in accordance with local regulations.



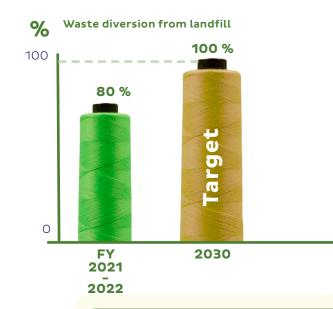
WASTE MANAGEMENT & CIRCULARITY



The textile and garment industry is one of the most resource-intensive industries in the world, generating a significant amount of waste.

At CIEL Textile, we are making a concerted effort to minimize waste at the source throughout the process, from conceptualization and design to how we use raw materials. Alongside mapping waste streams, improving traceability, and exploring practices related to the circular economy, since FY 2021 we have created a Waste Working Group and implemented a Waste policy. This policy is fundamental to establishing a process for the classification of waste across all CIEL Textile business units.





TAKEAWAYS

More than 80% of waste is diverted from landfill, as of FY 2022.

Target:

100% of waste to be diverted from landfill by 2030.



WASTE MANAGEMENT & CIRCULARITY

WASTE REDUCTION INITIATIVES >>



LEARN MORE HERE

Waste mapping and traceability project in all units.

TROPIC X THE GOOD SHOP: CONTRIBUTING TOWARDS A CIRCULAR ECONOMY.

Since 2021, Tropic has been helping The Good Shop Mauritius, a well-known social enterprise that engages with circular economy and impacting the environment, employment, and education through various channels.







Blanket Project



FLOREAL MADAGASCAR: CREATING A ZERO-WASTE TEXTILE INDUSTRY

Floreal has distributed 5,000 upcycled blankets to all its Malagasy employees in 2022. All scrap knitwear materials have been sent to a recycler to be shredded and spun into blankets. In doing so, Floreal has not only streamlined its textile waste down to 0%, but this initiative has also contributed to a 30% reduction in carbon dioxide. Floreal is committed to giving back to the community.



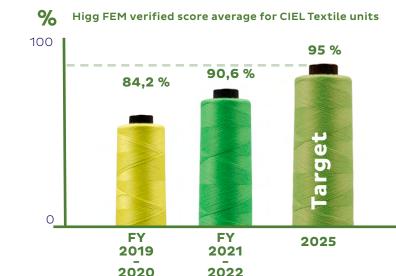
GOING BEYOND COMPLIANCE

Higg Facility Environmental Module ("FEM") >>

The Facility Social & Labor Module (FEM) measures the Environmental impact of manufacturing across the following areas:

- Environmental management system
- Energy
- Water
- Waste
- Wastewater
- Air
- Chemicals Management

All CIEL Textile factories use these tools and have carried out annual self-assessments since 2018. To ensure the validity of the results all outcomes are verified by an external body according to the SAC verification protocol.





5,137 factories, in the apparel sector, were verified in 2021 with a median score of 53.7% (Source: higg.org)

TAKEAWAYS

Average CIEL Textile Higg FEM score increased by 6.4% from FY 2019/2020 to FY 2021/2022.

Target: verified score of 95% on Higg FEM by 2025 in all CIEL Textile factories

CIEL Textile's 19 factories were verified in 2020 and 2021

GOING BEYOND COMPLIANCE

ZERO DISCHARGE OF HAZARDOUS CHEMICALS ("ZDHC")

>>

Ø ZDHC

ZDHC is a multi-stakeholder organization that brings together around 150 contributors from the apparel & footwear industries, including brands, manufacturers, and chemical suppliers.

The ZDHC's Roadman to Zero Program provides

The ZDHC's Roadmap to Zero Program provides a guide for the fashion industry in eliminating harmful chemicals from its global supply chain by building the foundation for more sustainable manufacturing to protect workers, consumers, and our planet's ecosystems.

CIEL Textile, as a contributor to the ZDHC, is committed to the organization's vision and objectives. We use the standards developed by the organization in all our wet process units.



TAKEAWAYS

100% compliance with ZDHC's standards on wastewater testing, on both conventional & Manufacturing Restricted Substance List ("MRSL") parameters.



DRIVING SUSTAINABLE PROGRESS



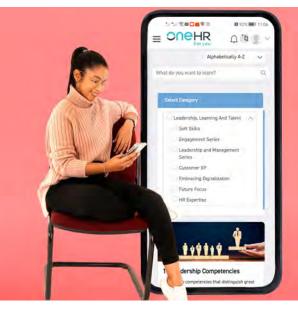
Significant progress towards achieving sustainable and ethical practices has been made throughout the group over the past two years. One of the most important areas of progress has been the adoption of digitalization across the organization. We have implemented digital solutions in our factories, but also at HR or sustainability department levels – these have been crucial in our transition towards more efficient processes, greater transparency and traceability and reducing waste.

We have also greatly improved in the measurement of data. This has enabled us to better measure our performance and adapt our operations accordingly. We can now, for example, better analyze our key metrics with regards to energy and water usage, or gender balance in our workforce. With this information at hand, we can now identify focus areas, track our progress along the way and work towards achieving sustainability goals.

In addition to digitalization and the measurement of data, improvements at governance level have been considerable since the first CIEL Textile Sustainability Report: live data has become an essential tool for achieving better performance, agility, and flexibility. This has allowed for more accurate and precise decision-making – which is critical in responding to the ever-changing needs of today's world. By leveraging live data, instead of waiting for reporting periods, we are now also able to adopt a more proactive approach with regards to sustainability challenges.

We remain committed to continuous improvement and will therefore pursue our digitalization efforts and our focus on data measurement. This will allow us to make datadriven decisions, which will in turn help us better shape the future of the industry.





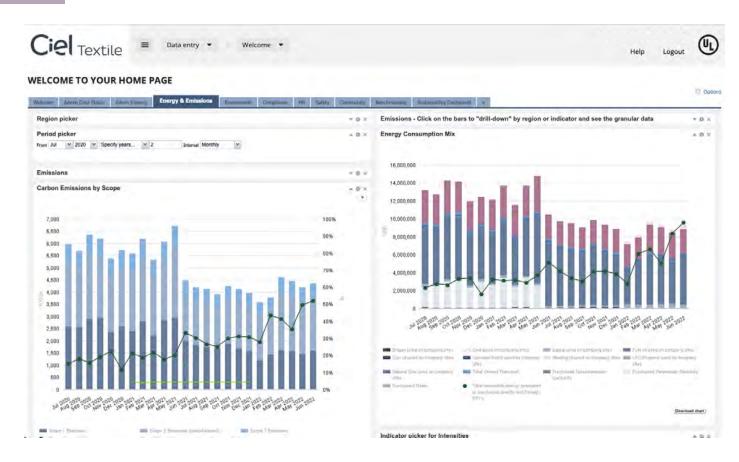


DIGITAL SUSTAINABILITY MANAGEMENT TOOLS >>

As a company, we recognize the challenges of managing sustainability across three dimensions: people, planet, and prosperity. CIEL Textile is made up of three clusters with 19 factories across four countries, which presents difficulties in gathering and managing sustainability data. We have encountered issues with data reliability and accuracy, hindering our ability to measure sustainability performance and align with business goals.

To address these challenges, in 2021 we implemented the UL 360 platform, an ESG management software. This tool allows us to accurately measure our sustainability performance, set targets, and track progress. Proper management of our ESG data is essential to achieving sustainability goals and improving operations.

In summary, implementing the UL 360 platform has given us greater control over our ESG data management and better alignment with our business goals. We are now more capable of effectively managing our sustainability performance and advancing towards a sustainable future.



CIEL TEXTILE OPERATIONAL COMMITTEES >>

The organization takes a precautionary approach to reducing or avoiding negative impacts on the business, its operations, and our stakeholders, including the environment. Our governance structure represents the backbone of this approach.

The CIEL Textile Board is responsible for overseeing the business affairs of the company.

Two sub-committees have been tasked with providing specialist guidance to its directors. Each committee operates within approved terms of reference. Recommendations from the committee escalate to the board. Reports from the chairmen of these committees are systematically included in Board meeting agendas.

AUDIT & RISK COMMITTEE

Focus areas during the year:

- Streamlining the internal audit process across all buisiness units.
- Presenting to the Board areas where there is a potential risk to the business and action plans to mitigate the same

Audit and Risk Committee – chaired by non-exec independent Director

The board appointed EY to conduct an independent survey to establish a CIEL Textile risk register.

Internal monitoring is carried out by a newly appointed Risk Champion on a quarterly basis Environmental and Social Risk Registers are part of Higg Index requirements

CORPORATE GOVERNANCE, ETHICS, REMUNERATION AND NOMINATION COMMITTEE

Focus areas during the year:

- Search for and recommend the appointment of independent directors.
- Review of remuneration of non-executive directors and senior management.

CIEL Textile Limited commits that it:

- 1. Shall be accountable for its impacts on society and the environment.
- 2. Shall be transparent in all decisions and activities that impact society and the environment.
- 3. Will behave ethically.
- 4. Will have respect for all stakeholders' interests.
- 5. Will have respect for the rule of law.
- 6. Will have respect for international norms of behaviour.
- 7. Will have respect for human rights.

A Code of Ethics, whistle-blower policy, Human Rights Policy and CSR Policies are used to provide clear objectives with which to align all operations and business processes, inclusive of enhancing awareness among employees and suppliers.



CIEL TEXTILE OPERATIONAL COMMITTEES >>

HR Governance Committee ("HRGC")

Chaired by CT Asia Executive Director, driven by Group Head of HR.

Become a strategic partner and trusted advisor to the organization. Develop HR excellence through cross-fertilization of best practices enabled by a common digital platform. Drive value creation and individual growth through best-in-class learning and development solutions.

IT Governance Committee ("ITGC")

Chaired by CT Asia Executive Director, driven by Group Head of Digital Transformation & IT. Offer the best possible digital experience to customers and stakeholders over the next five years. Develop a seamless digital working environment, accessible from anywhere. Implement crossfunctional digital teams across CT and speed up digital transformation.

Communication Governance Committee

Chaired by Chief Executive Officer, driven by the Group Head of Communication.

Ensure Corporate Identity is thoroughly instilled (Website, Rebranding, Sales toolkit).

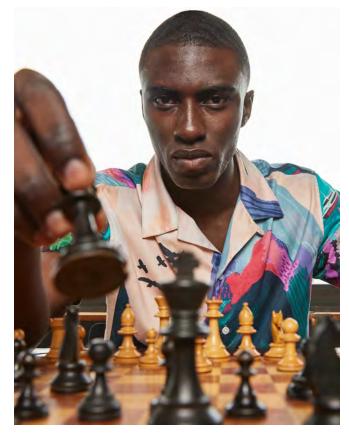
Sustainability Governance Committee ("SGC")

Chaired by CIEL Textile Chief Executive Officer, driven by the Group Head of Sustainability. Define strategic goals and objectives. Ensure adequate organizational capacity and management infrastructure to drive initiatives and achieve leadership status in the textile industry. Foster employee engagement, activate climate response and develop inclusive growth initiatives. Partner with stakeholders on joint Sustainability projects.

Operational Excellence Committee

Chaired by CIEL Textile Chief Executive Officer, led by the Group Head of Operational Excellence "Excellence is a Journey, not a destination." Continuously raising the bar in our Manufacturing and Front-end Performances. Put in place a common Framework via the Excellence review process and Excellence Committees. Promote and sustain Excellence in teams.

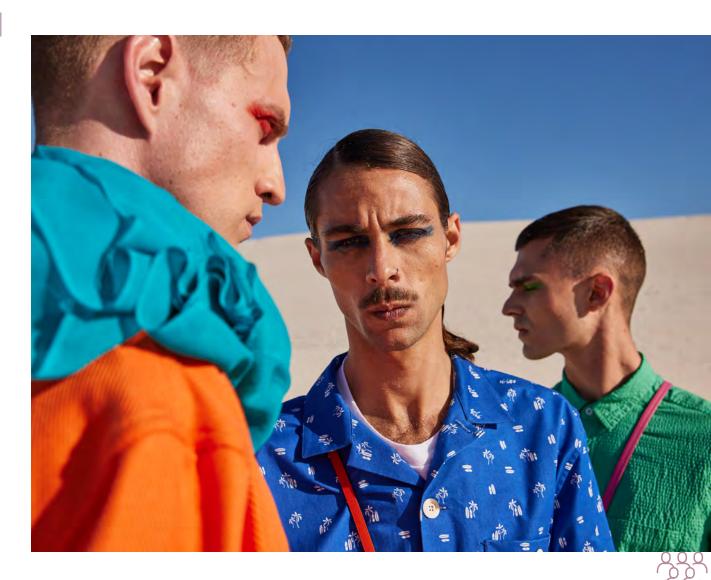
Organise CIEL Textile culture-based event -Chairman's Front-End Excellence Award (CFEA) and Chairmans' Manufacturing Excellence Award (CMEA), held in alternate years. Nurture corporate culture and values. Ensure achievements of individuals and teams are recognized.



CIEL TEXTILE SUSTAINABILITY GOVERNANCE >>

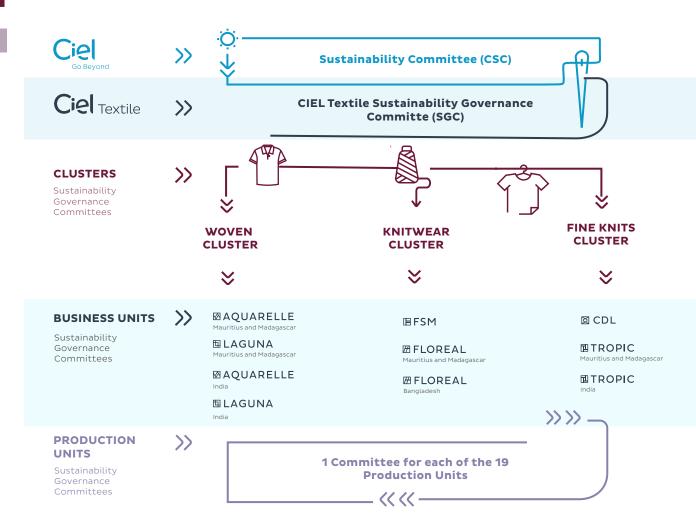
CIEL Textile's sustainability governance has been delineated by the Group Head of Sustainability in a way that ensures our organizational capacity is aligned with our sustainability strategy. Our governance structures help us to follow and track progress on the sustainability strategy and roadmap.

Four layers of governance have been defined: CIEL Textile, clusters, business units, and individual sites. Governance structures act as platforms for the exchange of common strategic issues and challenges. These platforms also help in maintaining alignment across the group and facilitate the sharing of knowledge. Best practice can be communicated easily as new processes are implemented at different sites, and bi-directional communication on sustainability from corporate to sites is assured.



SUSTAINABILITY MANAGEMENT INFRASTRUCTURE >>







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Child Labor Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	p.27, p.37
	Operations and suppliers at significant risk for incidents of child labor	p.27, p.37
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	p.27, p.37 p.27, p.37
Disclosure 408-1 Forced or Compulsory Laborate	Operations and suppliers at significant risk for incidents of child labor r Operations and suppliers at significant risk for incidents of forced or compulsory	
Disclosure 408-1 Forced or Compulsory Labo Disclosure 409-1 Local Communities Disclosure 413-1	Operations and suppliers at significant risk for incidents of child labor P Operations and suppliers at significant risk for incidents of forced or compulsory labor Operations with local community engagement, impact assessments, and development programs	
Disclosure 408-1 Forced or Compulsory Labo Disclosure 409-1 Local Communities	Operations and suppliers at significant risk for incidents of child labor P Operations and suppliers at significant risk for incidents of forced or compulsory labor Operations with local community engagement, impact assessments, and development programs	p.27, p.37



STAKEHOLDER ENGAGEMENT PROCESS

Stakeholder dialogue & Material Topics

We define our stakeholders as the internal and external individuals, groups and entities who affect our organisation and who may potentially be affected by our actions. We engage in regular, honest and transparent dialogue with them to identify key aspects that are relevant to our business from their perspective. These constitute our material topics.



STAKEHOLDER ENGAGEMENT PROCESS

STAKEHOLDERS	KEY TOPICS/CONCERNS RAISED	ENGAGEMENT MECHANISM & RESPONSE
CUSTOMERS	Customer satisfaction, Labor practices, Sustainability practices	Meetings Audits Surveys Visits
WORKERS	Labor practices, Economic Performance of the company, Health and Safety	Continuous dialogue with workers within all factories Open door policy Monthly Workers' Committee meetings Grievance handling system Training Programs to enhance working conditions and environment In Madagascar: legislation to protect Workers' Delegates and promote Industrial Relations through Trade Union Federation In Mauritius: remuneration order in place. Only FKL Tana has had an agreement in place since 1996.
MANAGEMENT AND STAFF	Company Performance, job satisfaction, personal development, and growth	Weekly/monthly routine meetings Training Programs Employee Engagement surveys Performance Appraisal Grievance handling system Open door policy
SUPPLIERS Terms and Share of Business		Regular vendor meetings Audits Visits Ethical & Sustainable self-assessment
INVESTORS	Economic and Environmental Performance, Governance	Board meetings and other shareholder meetings
LOCAL COMMUNITIES	Community development, livelihood opportunities	Meetings with local institutions and community leaders CSR events
GOVERNMENT, REGULATORS	Compliance, governance, tax revenues, job creation	Interaction through industry associations Participation in policy advocacy discussions
CIVIL SOCIETY, NGOS	Financial Support, environmental and social sensitization, and awareness needs.	Interaction during Act for our Community and Act for our Environment programs
FINANCIAL INSTITUTIONS INCLUDING BANKS	Business Risk	Regular meetings Reviews
MEDIA	Visibility, accountability, and engagement	Interviews with senior executives

SYNOPSIS OF MATERIAL TOPICS

Sustainability Context and Completeness: A list of topics were selected, in terms of significant economic, environmental, and social impacts, by agroup of executives. Stakeholder Inclusiveness: Key stakeholders were presented with these material topics, and they were asked to score on importance to them.

MATERIAL TOPIC		EXPLANATION AND ITS BOUNDARIES	STRATEGIC GOALS	MANAGEMENT APPROACH AND COMPONENTS	RELATED SDGS
Economic	• Market Presence • Procurement Practices	• We employ a substantial number of workers, in some countries, whose compensation is closely linked to laws and regulations on minimum wage. While this directly impacts workers, other stakeholders, such as customers and local communities, are also impacted.	Pursue reverse urbanisation by continuing to create jobs in rural areas: This target from our 2020 report has been written off as our goal is to ensure that we have a positive impact on the communities in which we operate, whether they happen to be in rural or urban areas. Eco Index tool has been already been implemented and is currently being used. Target of 30% certified recycled raw materials has already been achieved. New targets for certified raw materials: To reach 50% by 2025 and 80% by 2030 Target for raw materials certified as recycled: To reach 10% by 2025. Partner with all stakeholders across the value chain to define the future of the textile and apparel industry. FEM target: 80% coverage by 2030, with 60% verified.	Our approach is to pay entry-level workers above the minimum wage required by the law of the land. Changes in minimum wage are monitored by the company at each location and a prorata increase in wages is made when applicable. Local minimum wages exist in all locations where the company operates.	

APPENDIX 4 Cont'd

SYNOPSIS OF MATERIAL TOPICS

MATERIAL TOPIC		EXPLANATION AND ITS BOUNDARIES	STRATEGIC GOALS	MANAGEMENT APPROACH AND COMPONENTS	RELATED SDGS
Economic	• Market Presence • Procurement Practices	The purchase of goods and services constitutes over 70% of our expenses. By virtue of our buying power and purchasing practices, we can have a significant positive impact on the supply chain.	FSLM target: 80% coverage by 2030, with 50% verified. Ensure that no value chain partner should be in the zero-tolerance category, i.e., without any certifications, social/environmental audits, or ESG governance, by end-2023. Promote local sourcing. Our goal is to continue to encourage local sourcing, as far as the availability of materials and resources makes this possible. Continue to promote a circular economy	We view our suppliers as long-term strategic partners and an extension of our business. Our procurement practices reflect this philosophy. The selection of suppliers is based on capability and competitiveness, with local suppliers preferred in keeping with our lean manufacturing practices. Relationships with suppliers run deep and are not easily broken. Communication is regular. A detailed supply chain mapping has been carried out to better understand the sustainability practices of our suppliers.	

APPENDIX 4 Cont'd

SYNOPSIS OF MATERIAL TOPICS

MATERIAL TOPIC		EXPLANATION AND ITS BOUNDARIES	STRATEGIC GOALS	MANAGEMENT APPROACH AND COMPONENTS	RELATED SDGS
Environmental	 Materials Energy Emissions Water & Effluents Waste 	The global risks relating to environmental issues such as climate change and water security are well documented. We are committed to mitigating any adverse impact of our operations and our supply chain on the environment.	Zero Coal as fuel by 2030: this target from the 2020 Report has already been achieved. Target 5% reduction in energy intensity by 2025 Achieve 35% renewable energy by 2030: this target from the 2020 Report has been reviewed. New targets are as follows: 60% of energy from renewables by 2025 and 80% of energy from renewables by 2030 Target 50% decrease in Scope 1 and 2 carbon intensity by 2030 Adopt Carbon Disclosure Project ("CDP") methodology and Science-Based Target initiative ("SBTi") by 2024 Pursue efforts in conservation and regeneration of natural ecosystems Target 20% of water consumed to be recycled and reused by 2025 Equip all factories with rainwater harvesting systems by 2025 Sustain zero non-conformity with ZDHC Target 90% of waste diverted from landfill by 2025 Target 100% of waste diverted from landfill by 2030	We aim to: Set goals and governance structures within the organization. Drive awareness, training, and projects within every business unit and facility. Use the Higg Facility Environmental Module (FEM) to measure and drive improvements. Conduct several campaigns and awareness programs, including the Act for our Environment initiative, to coincide with World Environment Day on June 5 th each year.	

APPENDIX 4 Cont'd

SYNOPSIS OF MATERIAL TOPICS

MATERIAL TOPIC		EXPLANATION AND ITS BOUNDARIES	STRATEGIC GOALS	MANAGEMENT APPROACH AND COMPONENTS	RELATED SDGS
W,	 Employment Occupational Health & Safety Learning and Development Human Rights Local Communities Diversity & Equal Opportunities 	We strive to be responsible for our impact on society. We believe that generating sustainable livelihoods, developing human resources, and having a positive impact on society at large are key to our business and outcomes worth striving for.	Apply zero-tolerance approach towards the employment of underage employees. We promote an environment in which everyone is treated with dignity and respect and expect the same from all our partners. Achieve pay parity for men and women by 2025. Target: 35% of management level roles to be held by women by 2030. Target onboarding of 3% physically-challenged employees by 2025. Advocate maximum employee engagement in our CSR Initiatives: - Act for our Community - Act for our Environment Create high-impact initiatives focusing on long-term projects. The KPI of zero-lost time injury that featured in our 2020 report has been removed. It is not an achievable target, but remains part of our overall vision. We ensure that our employees operate in a safe and healthy work environment with a strong focus on compliance, continuous training, and management systems. Target verified score of 90% on HIGG FSLM in all CIEL Textile factories by 2025. Ensure that 100% of employees are trained on Ethics & Sustainability by 2025, using a structured training mechanism.	We strive to continue to have a positive impact on society at large, by generating sustainable livelihoods in our communities, and developing and upskilling our human resources. We also intend to continue our annual employee- driven Act for our Community initiatives.	

APPENDIX 5 HIGG INDEX TABLE

Cluster	BUs	ID
	Cotona (JV)	124087
	Aquarelle Mauritius - Grand-Bois	123510
	Aquarelle Madagascar - Antananarivo	123508
	Aquarelle Madagascar - Antsirabe	123506
	Laguna Mauritius – Quatre-Bornes	123509
	Laguna Madagascar - Antsirabe	123507
Woven	Laguna India - Kanakapura	126077
	Laguna India Doddaballapura	156881
	Aquarelle India Bannerghatta - AIPL 2	128183
	Aquarelle India RCC - AIPL 6	128448
	Aquarelle India Samudra - AIPL 7	128449
	Aquarelle India Palamner – AIPL 9	46781
	FSM	122599
Walkerson	Floreal Madagascar - Antsirabe	122598
Knitwear	Floreal Madagascar - Antananarivo	122596
	Floreal Bangladesh - Ajax	43947
	CDL	122595
Fina Waite	Tropic Madagascar - Antananarivo	123593
Fine Knits	Tropic Mauritius - Reunion	43730
	Tropic India - Coimbatore	122594



HIGG INDEX RESULTS TABLE PER SITE

Cluster	Manufacturing type	Process type	Facilities	Higg vFEM 2020 (%)	Higg vFEM 2021 (%)	Higg vFSLM 2020 (%)	Higg vFSLM 2021 (%)
Knits	Capital Intensive	Wet	CDL	87	87.6	91.8	88.5
Knitwear	Capital Intensive	Wet	FSM	85	91.2	85.2	91.7
Woven	Capital Intensive	Wet	Cotona (JV)*				
Knits	Garment	Wet	Tropic Mauritius - Reunion	87	92.6	90.2	86.7
Knits	Garment	Wet	Tropic Madagascar - Antananarivo	88.2	91.3	88.2	88.2
Knits	Garment	Wet	Tropic India - Coimbatore	57.1	79.3	43.2	78.5
Knitwear	Garment	Wet	Floreal Madagascar - Antsirabe	92	95	92.3	87.1
Knitwear	Garment	Wet	Floreal Madagascar - Antananarivo	80	91.5	88.8	89.8
Knitwear	Garment	Wet	Floreal Bangladesh - Ajax	85	91	-	90.2
Woven	Garment	Wet	Aquarelle Madagascar - Antananarivo	86	90	88	84.9
Woven	Garment	Wet	Aquarelle Madagascar - Antsirabe	86	89	88	82.9
Woven	Garment	Wet	Laguna Madagascar - Antsirabe	86	84.5	88	84.4
Woven	Garment	Dry	Aquarelle India Bannerghatta - AIPL 2	83.4	94	43.8	99
Woven	Garment	Wet	Laguna Mauritius – Quatre-Bornes	88	94	87.5	89.6
Woven	Garment	Dry	Aquarelle Mauritius - Grand-Bois	88	90	88.4	86.4
Woven	Garment	Dry	Aquarelle India RCC - AIPL 6			73.2	98
Woven	Garment	Dry	Laguna India - Kanakapura	85	93.4	90.5	90.5
Woven	Garment	Wet	Aquarelle India Samudra - AIPL 7	83.3	94.7	44.3	98
Woven	Garment	Dry	Laguna India Doddaballapura**				
Woven	Garment	Dry	Aquarelle India Palamner***				
			Average	84.2	90.6	79.5	89

^{**}Laguna Doddaballapura factory has been acquired in FY 2021-2022 (February 2022)

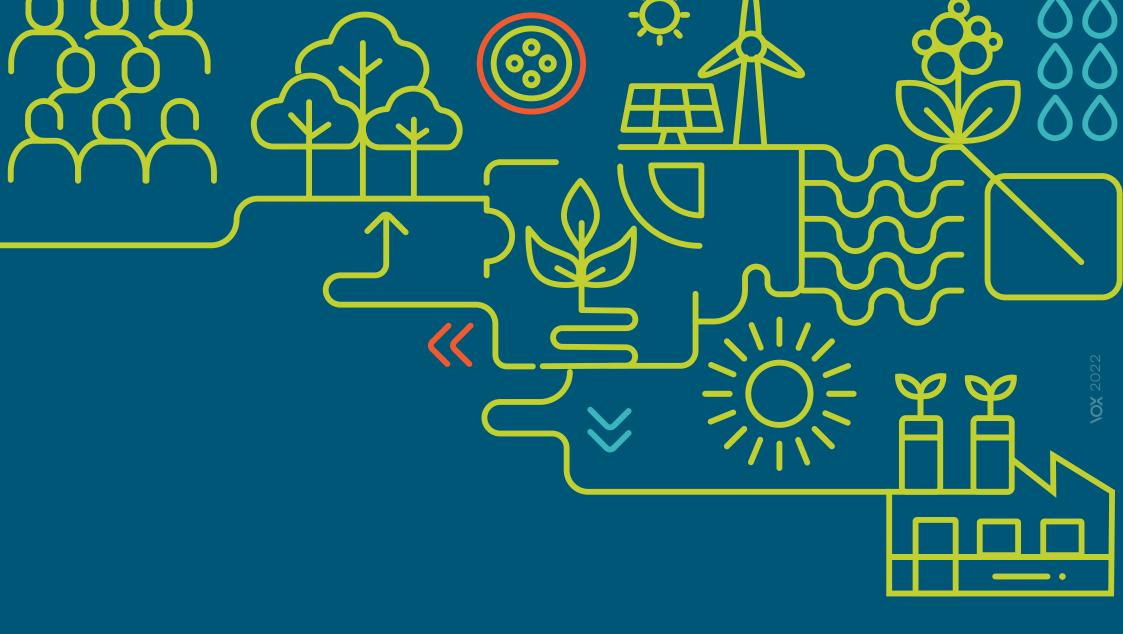
*A 50-50 joint venture agreement with Groupe SOCOTA (COTONA in Madagascar) was signed in August 2021.



^{***}Operations at Aquarelle India Palamner - AIPL 9 have started in FY 2021-2022. Data pertaining to this business unit will be integrated in next Winning Well report.

TURNOVER AND RECRUITMENT BY AGE GROUP

GENDER	AGE GROUP	TURNOVER RATE PER CATEGORY			RECRUITMENT RATE PER CATEGORY		
		FY 2019 - 2020	FY 2020 - 2021	FY 2021 - 2022	FY 2019 - 2020	FY 2020 - 2021	FY 2021 - 2022
Male	under 30	49%	40%	53%	67%	51%	58%
	30-50	32%	21%	27%	42%	47%	41%
	over 50	11%	10%	8%	2%	2%	2%
TOTAL MALE		37%	27%	37%	44%	41%	42%
Female	under 30	52%	47%	56%	52%	46%	49%
	30-50	27%	25%	35%	46%	52%	50%
	over 50	8%	10%	8%	1%	2%	1%
TOTAL FEMALE		34%	31%	41%	56%	59%	58%
Weighted average		35%	30%	39%	100%	100%	100%



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