

BEST FOOT FORWARD

FARIDA SHOES PRIVATE LIMITED

SUSTAINABILITY REPORT
2018 - 2019







Farida Shoes Private Limited(FSPL) is a subsidiary of one of the leading shoe manufacturing group “Farida Group” based out of Tamil Nadu, India. The group started its journey from a small tannery unit in 1957 and evolved into a full shoe manufacturing unit. The Group employs 25000 employees and FSPL serves markets through top luxury brands across 40 countries worldwide. FSPLs vision is to grow, lead and achieve through inclusive growth practices.



PDF Reducer Demo

BEST FOOT FORWARD APPROACH

The best foot forward is about making conscious choices at each step to create best opportunities and outcomes for people, planet, community, customers and suppliers. Our values are about being fair and proactive, have humility and pursue excellence while always assuring we meet or exceed social and economic compliances.

The values are integrated into our systems that govern our business practice and operations at our manufacturing units. The best foot forward approach is designed to bring out a win-win solution for all stakeholders.

CONTENTS

Report Overview	07
FSPL's Journey	13
Materiality	23
People	28
Planet	42
Product	54
Community	62
GRI Index	72



“ Creating employment for women is one of the core driver for our growth and our belief that empowering a woman empowers her family directly and her community indirectly has been our motivation throughout. ”

- Founder, FARIDA Group

REPORT OVERVIEW

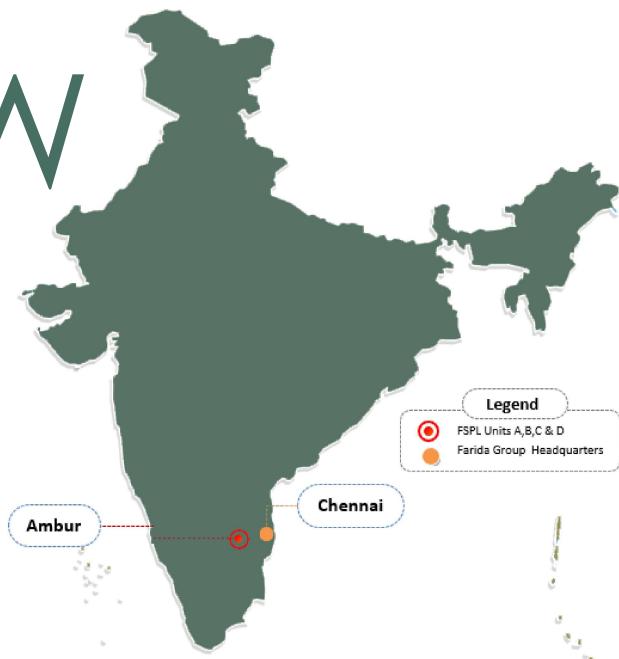
PROFILE

This is the first sustainability report of Farida Shoes Private Limited. FSPL is a subsidiary of Farida Group. Farida Group is one of the leading exporters of finished leather products in India. The Group comprises of a private holding company with its 11 subsidiaries. FSPL was established in 1976, and is headquartered in Chennai with its four manufacturing units in Ambur, Vellore district of Tamil Nadu.

REPORTING FRAMEWORK

This report is prepared in accordance with the 'core' criteria of the Global Reporting Initiative (GRI) Standards. In accordance with the core criteria, every material matter that has high impact on business or is important for our stakeholders is reported. The report is prepared with the guidelines provided for aspects and overall guiding principles of accuracy, balance, clarity, comparability, reliability and timelines to map the quality and stakeholder inclusiveness, context, materiality and completeness to define the content of the report.

During the process of writing this report as also during a recent impact assessment survey we have mapped our alignment with the Sustainable Development Goals (SDGs), which are also reported alongside the material matters. The alignment of our work with SDGs would be strengthened in coming



OUR VALUES

FAIR

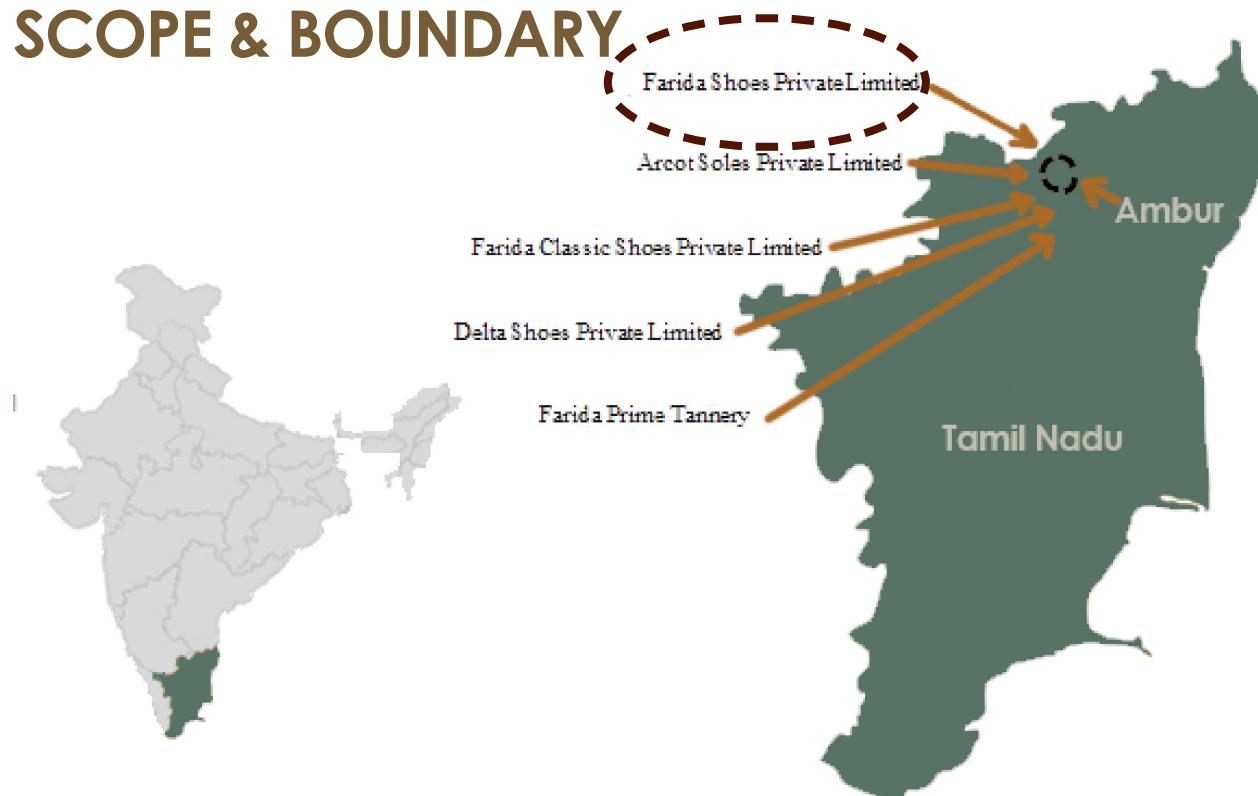
PROACTIVE

EXCELLENCE

HUMILITY

LEGAL & SOCIAL
COMPLIANCE

SCOPE & BOUNDARY



This report covers the period from 1st April 2018 to 31st March 2019 for most indicators that we were mapping. For certain indicators the baseline year 2016-17 and progress year 2017-18 is provided for creating context. The report puts on record our commitment to social and economic, governance and societal issues on record. Sharing of the content of this report is our attempt at voluntarily disclosing the information on progress and gaps on our journey towards economic, social and environmental progress. Report boundary includes all four units of FSPL in Ambur which specifically are referred to in this report as Unit A, B, C & D. For the Community section, where FSPL conducts programmes along with other Group companies through '**FARIDA SOCIAL SERVICE**' which is our CSR wing, the data is provided for the entire Group work.

The headquarters at Chennai are not included in this report. All other factories of Farida Group such as Arcot Soles Private Limited, Farida Classic Shoes Private Limited, Delta Shoes Private Limited and Farida Prime Tannery etc. are excluded from the report boundary. Water data for unit C & D and employee turnover data for unit C not included.

Feedback:

For any feedback or comments, please reach out to

Mr.Udhay
FARIDA SHOES Pvt. Ltd.
Ambur, 635 802, Vellore District, Tamil Nadu, India.
Phone: +91-4174 244301
Email: fspladmin@farida.co.in

MESSAGE FROM CHAIRPERSON



EMPOWERMENT OF WOMEN | ENVIRONMENTAL | COMMUNITY WELLBEING
SUSTAINABILITY



Three highlights that I can spot in this report are empowerment of women, our exemplary human resource practices and pro-active environmental approach. Our commitment to renewable energy has been an important step for reducing our carbon emissions.

Dear Readers,

I am very pleased to bring the first ever GRI Report of Farida Shoes Private Limited (FSPL) for all our stakeholders. The purpose of the report is to integrate sharing of information as part of our commitment for continual improvement process on all significant matters.

Farida Group with 12 companies and 25000 as its employee base has achieved year on year growth for last five decades. FSPL is a part of Farida Group and manufactures about 10 million shoes a year. However, our real growth story is that of an inclusivity where we measure our success also by the employment that we have created or communities that we have served.

Our commitment for employing local women in our manufacturing facilities have helped us achieve an envious employee ratio in favour of women. We are aware that organizations across the globe are striving hard to achieve a 50% gender ratio through multiple interventions. Here, at FSPL we have the ratio well above 90% for a long time. This is also a validation of the vision of our founders who wanted to create employment for women while growing business.

In terms of compliances, be it related to governance of the company, social and environmental regulations, FSPL has always paid utmost importance to the law of the land. We have always strived for pursuing excellence and in that pursuit, we have implemented global standards and practices. We invest in human capital, take our customer's feedback in a responsive manner and work to achieve a high degree of optimization in all process cycles.

We belong to the town of Ambur and the wellbeing of the local community is at the core of our business practices. As a contribution to the local community that has supported our growth and progress, we have been engaging with them on many different matters of concern. I am glad to share that we have been able to conduct eye camp surgeries, open child care clinics, provide clean drinking water to the needy communities, organize tuition centres for underprivileged students and support pulse polio immunization implementation.

At this stage, and through this report, using a globally preferred reporting framework such as Global Reporting Initiative (GRI), we have arrived at a clear understanding of our means to achieve our already clear business goals.

As a family run business, I take pride in the values that have driven this business and those values will continue to guide us as the company grows further. This report will provide you with our progress on environmental, social and economic progress and hope you enjoy reading the report.

Chairperson

Dr. Rafeeqe Ahmed Mecca

Farida Group

MESSAGE FROM MANAGING DIRECTOR

Dear Readers,

This is our first GRI based sustainability report that adheres to the current GRI Standards 'Core' criteria. The report is for the year 2018-19 and to provide reader a perspective, we are glad to share the progress for some of the key indicators for preceding two years as well.

We have been improvising on our policies, systems and adherence to standards; working on social and environmental initiatives in a consistent and incremental manner. We have made contributions to local communities as part of extending our social footprint and enhancing community engagement. We have been engaging with our customers to understand the values that are important for them and have integrated those into our every-day work culture.

This reporting exercise has been a unique opportunity for us to consolidate information that we have been reviewing internally. It has also helped us in understanding gaps that we discovered while accounting for certain metrics. I hope that this will enable us to create a comprehensive sustainability action plan and enable us to report and share progress with our stakeholders.

A close-up portrait of a man with dark hair and brown eyes, wearing a dark suit jacket, white shirt, and tie. He is smiling slightly. The background is blurred green foliage.

PDF Reducer Demo

THE FOCUS AREAS

PEOPLE:

Women employment as the focus-maintained 95% worker ratio favouring women.



Health and Safety- Achieved a Zero incident rate promoted through implementation of OHSAS:18001.

PLANET:

Reducing carbon emissions: By opting for wind power and solar power, net emissions have been reduced by 42% from the baseline, that is before the renewable power option was exercised. This led to lower emissions per pair.



Energy conservation: Reduced to lower energy consumption per pair-achieving our set target

Recycled water usage: 70% up from the baseline.

PRODUCT:

Product safety protocols are followed.



Implemented ZED (Zero effect Zero defect) system for better process and product quality.

COMMUNITY:

Impacted beneficiaries across Ambur in health and education sector.



FUTURE OUTLOOK:

FSPL is expanding its operations further in the town of Ambur to start a new manufacturing unit called "Palms". By expanding this facility, we aim to expand employment opportunities for women as well as diversify from our existing product range.



It has been a learning journey to integrate sustainability into our core business proposition and realizing the full potential of human, natural and economic capital. We fully understand that organization's growth trajectory cannot be maintained without investing in technological, social and environmental capitals. We at Farida, stand by our commitment to be the leaders in the industry and set the benchmark for indicators that are important for our stakeholders.

I would also take this opportunity to thank all our stakeholders i.e. our customers, employees and workers who actively participated in carving out material aspects for us to focus on. At Farida, long term is the mainstream thinking and it is a pleasure to share this with our stakeholders.

Managing Director

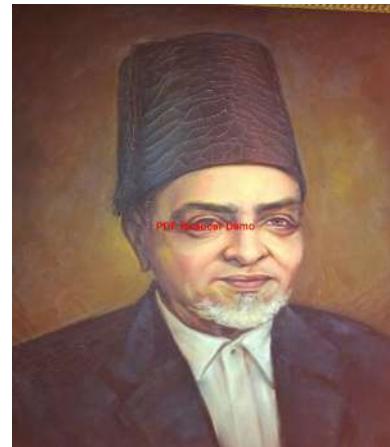
Irshad Ahmed Mecca

Farida Shoes Private Limited (FSPL)

FSPL's JOURNEY

THE SUSTAINABILITY HIGHLIGHTS 2018-2019

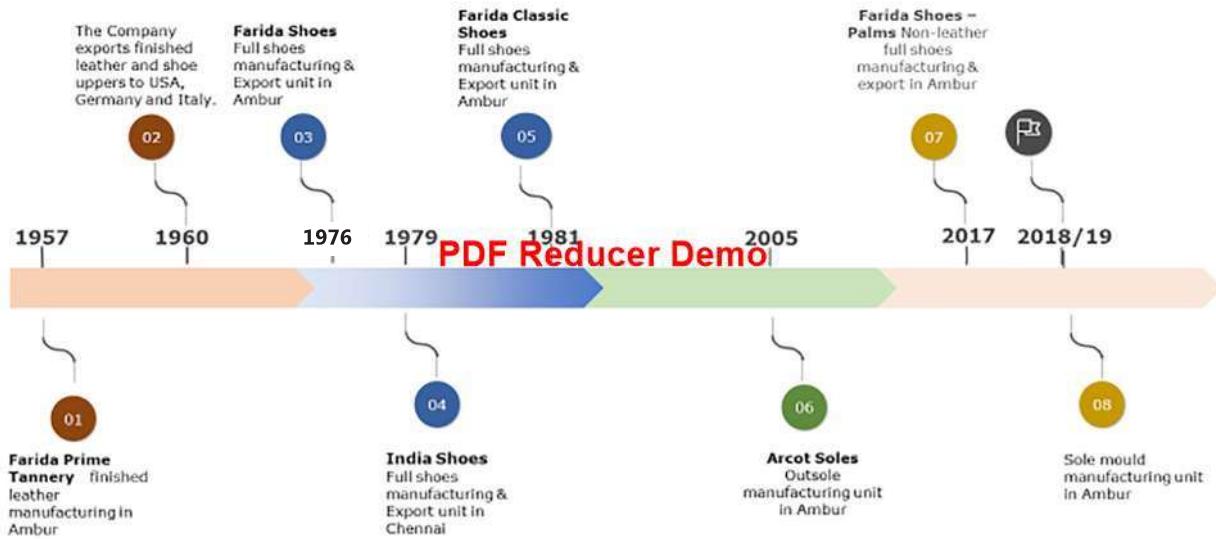
Farida Shoes Private Limited is one of the leading manufacturers and exporters of leather shoes in India. FSPL is a part of Farida Group that started as a small tannery unit in 1950s by its founder

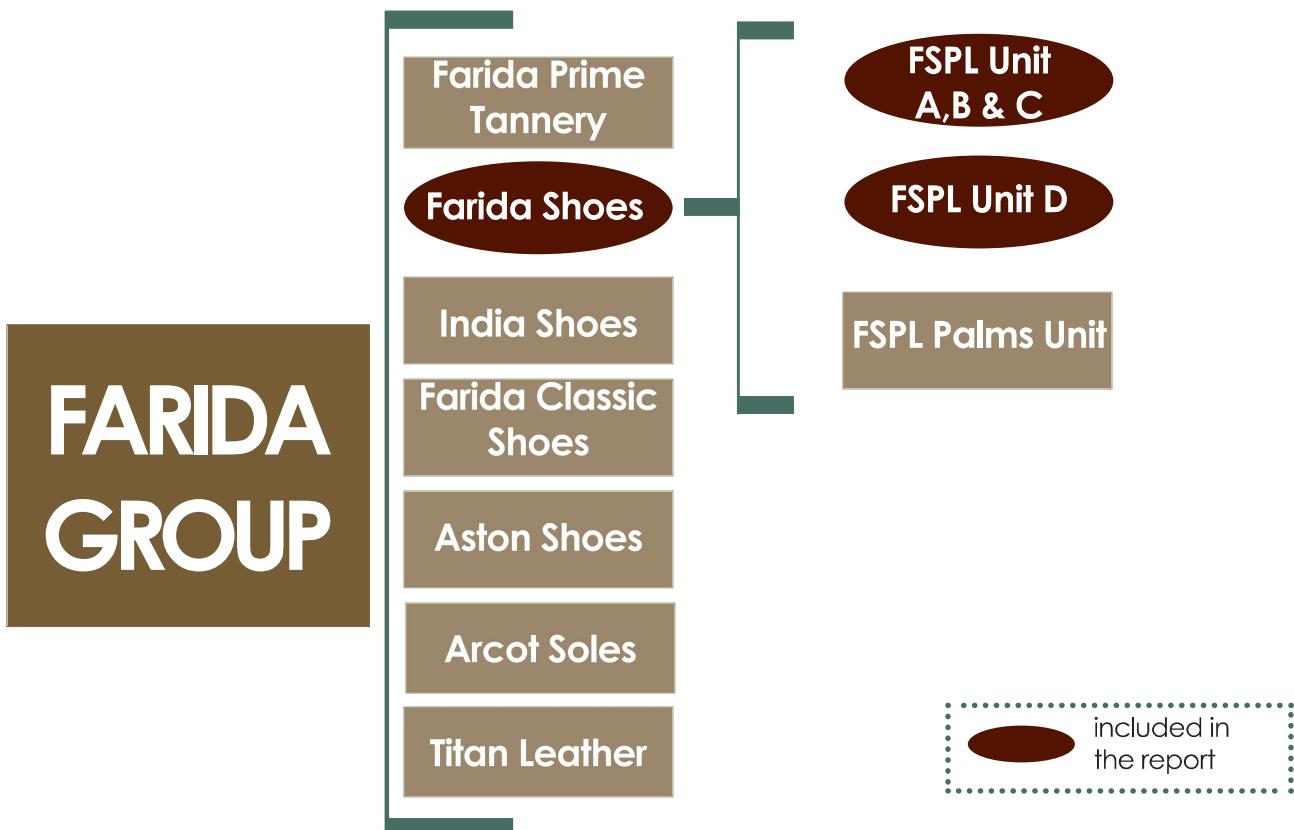


Late Haji Mecca Abdul Majid Sahib

in Ambur town of Tamil Nadu state. Ambur, at that time was gaining reputation as a leather hub. By 1965, Dr Rafeeqe Ahmed Mecca took over the company and moved from semi-finished leather to finished leather goods. In 1976, FSPL was set up as a small unit and the market expansion and corresponding expansion in capacity happened over the last four decades. During this period, multiple other group companies were set up to support full shoe manufacturing which include shoe uppers and soles. The vertical integration has helped in business stability, continuity and expansion. At the end of the financial year 2019, FSPL's annual production capacity is 10 million shoes. The expansion plans are continuing with the setting up of a new manufacturing unit in Ambur known as "Palms Unit" that is aimed at diversifying the product line. FSPL employs nearly 17.4% (4371) of the Group's total employee strength of 25000.

Farida Group - A TIME TRAVEL





One of the prime drivers of our growth on the social side has been creating employment for women. In a small town in India, women ordinarily do not have many working opportunities. All throughout our market expansion to global customers and different countries, if there is one aspect that we have persistently focussed on, that it is the cause of women employment. By design, we have assured that more than 95% women work in our manufacturing units.

Our efforts revolve around efficient usage of resources across operations. Our workers engage themselves with our values of leadership, dedication and hard work, to create sustainable value. Our sense of purpose pushes us to make corporate social responsibility (CSR) an integral part of our organization.

It is our vision to be quality driven leaders in footwear manufacturing with the state of the art facilities and ethics. We strive to get respect from all stakeholders, our workers, customers and peers. We believe that our efforts for the past 60 years are a testament for what we are today, and our efforts today will define our tomorrow. The underpinning guidance for our vision stems from staying focused on leading, achieving and getting recognised.

BUSINESS HIGHLIGHTS 2018-2019

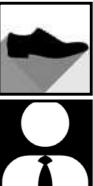
OUR PRODUCTS

- MEN & WOMEN FOOTWEAR
- CEMENTED AND MOCCASIN CONSTRUCTION ARTICLES

OUR EMPLOYEES

- TOTAL NUMBER: **4371**
- EMPLOYEES – **143** FEMALE **MALE 638**
- WORKERS – **3498** FEMALE **MALE 92**

TOTAL PRODUCTION

-  **9.8 MILLION**
NUMBER OF PAIRS OF SHOES PRODUCED
-  **637**
NUMBER OF NEW EMPLOYEES

ENVIRONMENT

-  **1.190 KWH/PAIR**
ENERGY CONSUMPTION PER PAIR
-  **70%**
RENEWABLE ENERGY
-  **297.55 TCO₂e (SCOPE I); 2942.48 TCO₂e (SCOPE II)**
CARBON FOOTPRINT
- REDUCTION IN EMISSIONS DUE TO RENEWABLE ENERGY – **7365.55 TCO₂e**
-  **70%**
WATER RECYCLED
-  **98% WOMEN WORKERS**
GENDER EQUITY
- LEATHER PROCUREMENT – **90% IMPORTED AND 10% LOCAL**
- NON-LEATHER PROCUREMENT - **74% IMPORTED AND 26% LOCAL**

SOCIAL

- TOTAL TRAINING HOURS
EMPLOYEES– MALE 62453 HOURS, FEMALE 4946 HOURS
WORKERS – MALE 25298 HOURS, FEMALE 189894 HOURS
- COMMUNITY WELLBEING (FSS)
EYE CAMPS-**43**
EYE CAMP SURGERIES -**3,973**
EYE SCREENING- **61,491**
SPECTACLES-**40,809**
CHILDCARE BENEFICIARIES-**960**
PULSE POLIO -**12,000**
AMBULANCE SERVICES – **240**
DIALYSIS CENTRE
CLEAN DRINKING WATER - PUBLIC BENEFICIARIES - **98,000**
CLEAN DRINKING WATER - STUDENT BENEFICIARIES - **19,250**
TUITION CENTRE BENEFICIARIES - **1,960**
GROSS ENROLMENT RATIO TARGET- **95% ACHIEVED**
135 CHILDREN AVAIL CRÈCHE FACILITY EVERY YEAR
TREES PLANTED: **1,600**

MEMBERSHIPS & ASSOCIATIONS



ACCREDITATIONS



CURRENT & PAST POSITION HELD BY OUR CHAIRPERSON IN VARIOUS INDUSTRY FORUMS:

PRESIDENT

- Federation of Indian Exporters Organization (Twice)
- The South India Chamber of Commerce & Industry
- Footwear Design and Development Institute
- Federation of Indian Chamber of Commerce and Industry-Tamil Nadu Chapter
- All India Skin and Hide Tanners and Merchants Association (current)
- Ambur Economic Development Organization Ltd. (AEDOL) (current)
- ANJUMAN (current)

CHAIRMAN

- Council for Leather Exports (Thrice)

DIRECTOR

- Export Credit Corporation of India Limited.
- Apollo Hospital Enterprises Limited

As a leader in the industry, we have aspirations for growth and at the same time be clear that this growth means something for the local people. For us the journey from 1000 pairs a day to 30,000 pairs a day is meaningful when we say we are able to create employment for local women. At 25,000 employees and over 4000 employees at FSPL alone, we are proud to say that all of the women working have a stable source of monthly income, access to financial services and an opportunity to learn and be aware of their rights. **This has been recognized by Confederation of Indian Industries (CII) through their gender parity award in 2017.** Other awards include Best Kaizen Award, CLE Award 2017.



Our success can be attributed to our focus on quality, customer and worker centric approach and ability to stay ahead of compliance through standards, social and other voluntary measures. One of our core commitment has been towards women employment and that commitment has helped us achieve our economic and social targets alongside our economic growth.

We have been proponents of best practices in our manufacturing units whether it is for environmental or social norms. The worldwide focus on carbon reductions and commitments by our customers on reducing the carbon emissions from the product life cycle, is the driver for us to make sure that we stay ahead of their commitments. By choosing renewable energy options for our manufacturing units, we could reduce our emissions per pair by 15%.

As our endeavour was to move above and beyond compliance, we looked for voluntary frameworks that would enable systemic adherence to highest possible standards across the globe.

We identified four pillars of sustainable growth which are People, Planet, Product and Community.



PEOPLE



PLANET



PRODUCT



COMMUNITY



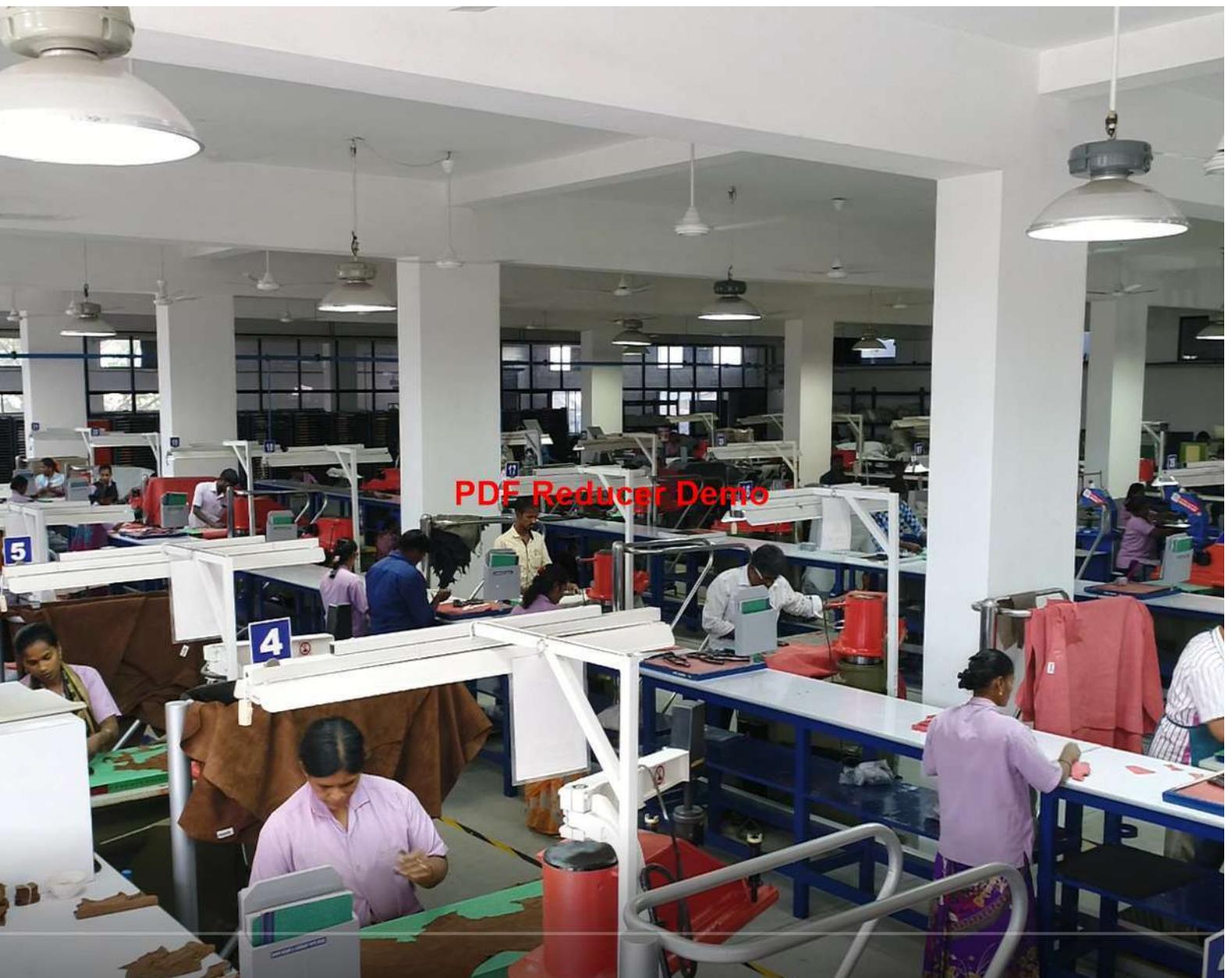
BEST FOOT FORWARD

for people which means our employees and workers was to assure that we have the highest standards of accountability and create an equitable, fair and safe workplace. The SA 8000:2015 certification for social accountability and OHSAS 18001:2007 for occupational health and safety helped us establish highest possible standards for our organization which enables us to measure and improve our performance. Collective Bargaining Agreements for our workers help us and workers in having clarity on issues and concerns. OHSAS 18001:2007 helped us in continuously improving health and safety practices at workplace.

We identified four key focus areas for the planet. First was to understand our environmental footprint, second was to reduce emissions, third was conserving water and fourth was to screen our suppliers for environmental aspects. Our commitment to identifying, managing, monitoring and improving our environmental performance drove us to implement ISO 14001:2014. The driver to reduce emissions led us to opt for wind energy as well as solar for our operations. For water reduction, we took multiple initiatives and finally for supply chain we implemented Leather Working Group (LWG) initiative that helps us check environmental compliances in the supply chain. Adherence to REACh (Registration, Evaluation and Authorization of Chemicals), CP 65 (California Protocol), CPSIA (Consumer Product Safety Improvement Act) standards assure that the materials and chemicals that we use stay within the globally prescribed limits.

For Product quality ISO 9001:2015 implementation along with emphasis on ZED (Zero effect Zero defect) approach helps in finest quality products. We also have C-TPAT compliance for all our service providers. The Customs-Trade Partnership Against Terrorism (C-TPAT) is a supply chain security program led by U.S. Customs and Border Protection focused on improving the security of private companies' supply chains with respect to terrorism. Our Association with SATRA helps us in the testing and other requirements at a global best practice level.





PDF Reducer Demo

FSPL is committed to local initiatives through industry bodies and partnering with associations, chambers of commerce and confederation of industries. We are proud to be facilitating a customs clearance office in Ambur that has helped in speeding up of work at industrial units in and around Ambur.

Farida's commitment to community is expressed through its social work wing called '**Farida Social Service**'. For the sake of efficiency, scale and impact, the information presented in this report is for Farida Group. A recent impact assessment report helped in mapping the impact.

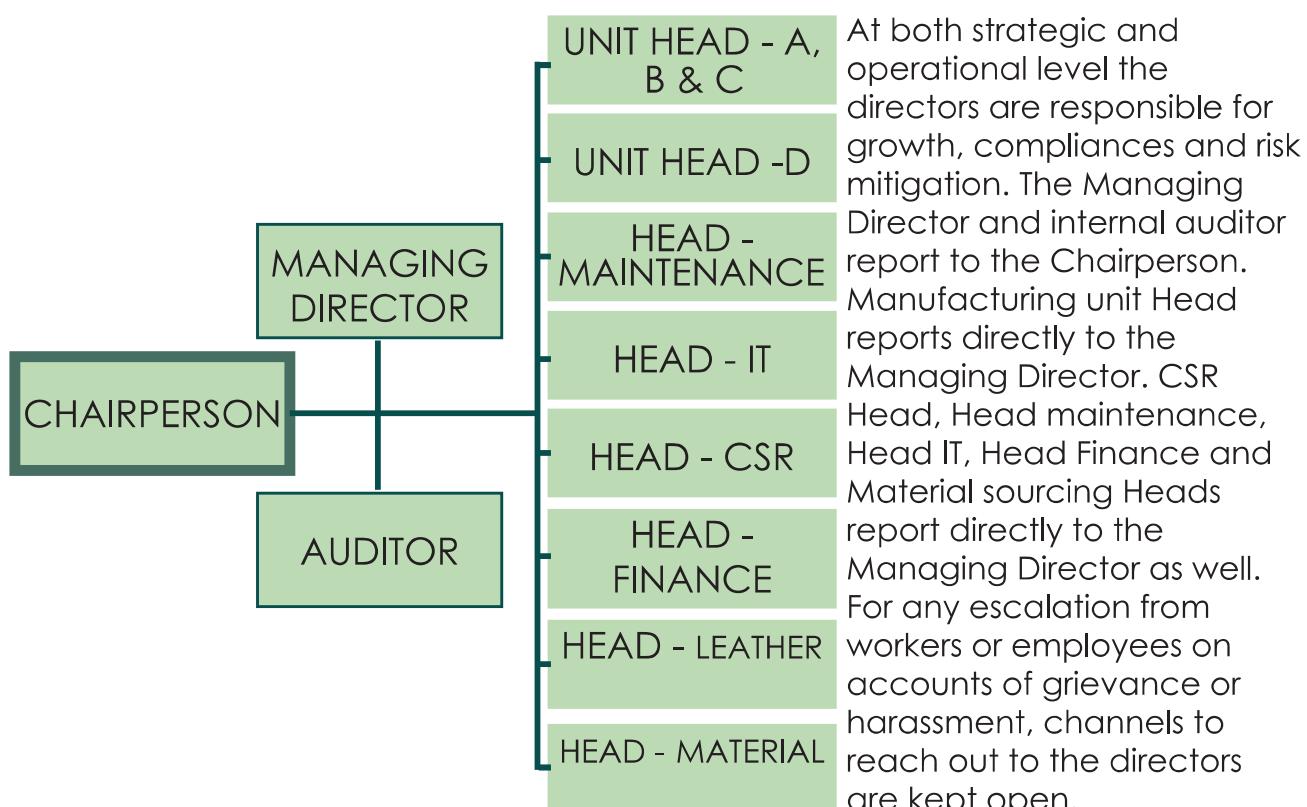


Product timeliness and reliability comes through a well-established supply chain and we are proud to say that amongst our suppliers 63% are with us for over 10 years. Legal best practices within and outside of FSPL are enforced through various means. For employees we have an employee code of conduct, awareness sessions on prohibitive/unethical activities and persistent emphasis on our core values. We have zero tolerance to bribery, fraud and corruption and follow the regulations relating to these. All through the reporting period there have been no incidents of corruption in which employees or our business partners were terminated. There have been no public legal cases regarding corruption brought against FSPL or its employees during the reporting period.

To extend the same fairness to our external stakeholders a policy on anti-competitive behaviour is implemented. This helps us in a fair dealing with customers, suppliers, competitors, any other business partners and local community. To safeguard the interests of the consumers we have also implemented 'The undue influence policy'. The requirement of the policy is to prohibit manufacturers from exercising undue influence on a third-party conformity assessment body (i.e., third party testing laboratory).

GOVERNANCE

Farida is a family owned company, and to have highest standards of governance, transparency, accountability and ethical conduct is given topmost importance. To achieve our goals, and to ensure sustainable growth, the trust of our employees, workers, customer and suppliers is very important. Our corporate governance reforms are an effort to build better and more robust practices. The board meets regularly to review the strategic framework and policies of the company, its operations, oversee capital investments, exercise risk and quality management measures, and apply financial and compliance diligence.



For Governance, internal control and monitoring, five committees are in place which are **Health and Safety Committee**, **Worker's Management Committee**, **Grievance Committee**, **Canteen Committee** and **Sexual Harassment Prevention Committee**.



The Committees meet at regular intervals on a monthly or quarterly basis and report to the Managing Director of the company.

One of the best practices that FSPL has been following since 2010 is that management visits the homes of workers on a weekend to have a dialogue and interaction with the family members. This channel provides an opportunity for the worker for a direct conversation with the management and also management gets a sense of the concerns of the worker or her family.

MATERIALITY

Material aspects are those that have an impact on FSPL or those that FSPL impacts. The content in the report was defined through first assessing internally what impacts FSPL. This helped us arrive at relevant topics. Nevertheless to get the perspective of the stakeholders, we opened up all topics to internal and external stakeholders and gained their perspective.

Key stakeholder groups are identified considering the present and potential impacts of our business on them and vice versa. Farida Group, Management, employees and workers form the internal stakeholders of FSPL, whereas the external stakeholders are the customers, local government, community and supply chain etc. While it is assumed that all compliance and regulations are relevant; the Government, supply chain and community stakeholders were not consulted for want of time in the reporting period. We shall be taking up these consultations in coming years. The consultations with external and internal stakeholders go on throughout the year as mentioned in the table through various means and methods. Some of the special consultations were carried out through questionnaires, focussed group discussions and surveys for this report.

The response of the consultations is segregated into issues that are of high importance to each group of stakeholders and plotted against the impact on business. The aspects that rate high on impact of business as well as their importance to stakeholders are mentioned in this report. In the interest of transparency we have detailed out what topics our stakeholders found important and yet we have chosen those which were rated high by one or majority of other stakeholders.



STAKEHOLDER PRIORITIES FOR MATERIAL MATTERS

Material Topic	Indicator	Stakeholder Priorities			
		Employees	Workers	Customers	Peer Group
Economic	Economic Performance		✓	✓	✓
	Market Presence		✓		
	Anti-Corruption			✓	
Environment	Materials				✓
	Energy & Emissions	✓	✓	✓	✓
	Water and Effluents	✓	✓	✓	✓
	Environmental compliance	✓		✓	
	Supplier Environmental assessment			✓	
Social	Employment	✓		✓	
	Labour Management Relations	✓	✓	✓	
	Occupational Health and Safety	✓	✓	✓	✓
	Training and Education	✓		✓	
	Diversity and Equal Opportunity	✓		✓	
	Non-discrimination	✓		✓	
	Freedom of Association & Collective Bargaining			✓	
	Child Labour	✓		✓	
	Forced or Compulsory Labour	✓		✓	
	Human rights Assessments	✓	✓	✓	
	Local communities and contribution to society	✓			✓
	Supplier Social Assessment	✓		✓	
	Customer Health and Safety	✓		✓	
	Marketing & Labelling			✓	
	Corporate Governance and Socioeconomic Compliance		✓	✓	

MANAGEMENT APPROACH FOR MATERIAL MATTERS

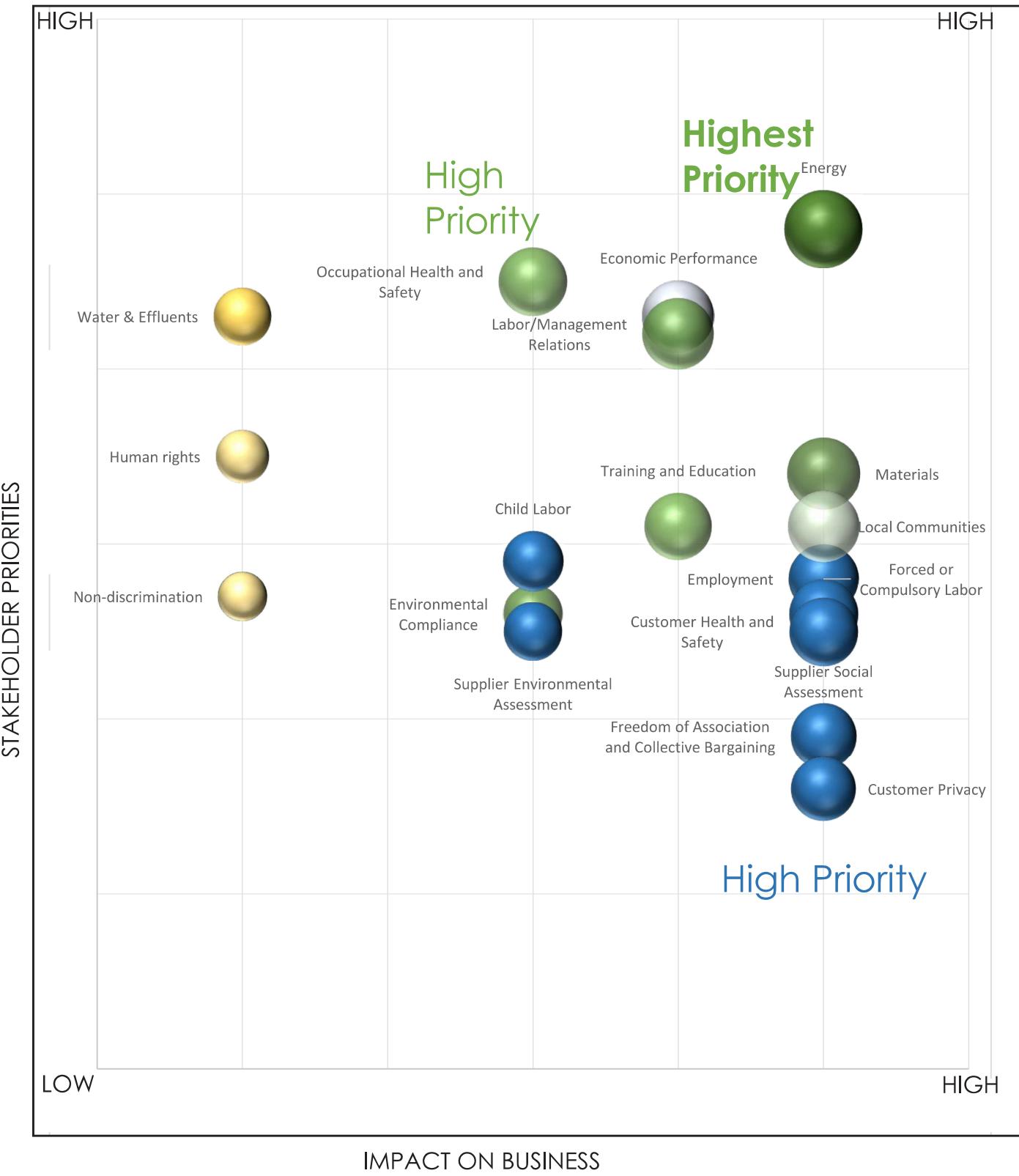
Material Topic	Indicator	GRI INDEX	SDG Mapped	Management Approach
Economic	Economic Performance	201	8 DECENT WORK AND ECONOMIC GROWTH 	<p>Our approach is to go for economic growth that is hinged to product stewardship and enhancing human capital.</p>
Environment	Materials	301	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> *Materials to meet the environmental guidelines.
	Energy & Emissions	302,305		<ul style="list-style-type: none"> *Reduce per pair energy and emissions. Climate action through commitment on the ground
	Water and Effluents	303		<ul style="list-style-type: none"> *Optimize water usage by soft and hard measures. such as emissions, effluents and waste from the operations.
	Environmental compliance	307		<ul style="list-style-type: none"> *We have imbibed this principle of efficient and sustainable operations to the work force, through the 5 thatvas guidelines.
	Supplier Environmental assessment	308		<ul style="list-style-type: none"> *Stay 100% compliant all the time on all laws of the land *LWG for leather suppliers and exploring new systems that cover all suppliers. *Engaging and building capacity with suppliers on issues that are important for us.
Social	Employment	401	5 GENDER EQUALITY 	<ul style="list-style-type: none"> *Fair and ethical, non-discriminatory recruitment.
	Labour Management Relations	402		<ul style="list-style-type: none"> *For our workers, we have Collective Bargaining Agreements (CBAs) put in place that helps direct perspective of the workers. We have put in place mechanisms that helps us in receiving inputs from our employees.
	Occupational Health and Safety	403		<ul style="list-style-type: none"> *Keep highest standards for safety and ZERO harm is the target.
	Training and Education	404		<ul style="list-style-type: none"> *Learning and skill development for technological, product, communication, safety, rights and responsibility.
	Diversity & Equal Opportunity	405		<ul style="list-style-type: none"> *With our local communities, an approach of need assessment-based intervention has been used. Impact is measured for improvising the interventions in the area of health and education.
	Non-discrimination	406		
	Freedom of Association & Collective Bargaining	407		
	Forced or Compulsory Labour	409		
	Human rights Assessments	412		
	Local communities and contribution to society	413		
	Supplier Social Assessment	414		
	Customer Health and Safety	416		

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a fundamental component of materiality assessment. Input from key stakeholders forms an integral part of an organization's approach to sustainability. At FSPL, we continually engage with all our stakeholder groups through various modes of communication. We would like to keep all our involved stakeholders informed about our moral obligation and key performance indicators in the company with respect to the economic, environment and social issues.

STAKEHOLDER GROUP	ENGAGEMENT METHOD
Internal Stakeholders	
WORKERS 	<ul style="list-style-type: none"> • Training programs • Focus group consultations conducted by a third party • On the job training • Feedback & Suggestion – Kaizen • Gate meetings and contact meetings • Home visits by management
EMPLOYEES 	<ul style="list-style-type: none"> • Regular meetings • Training programs • Feedback & Suggestion - Kaizen • Online survey conducted by external group
MANAGEMENT 	<ul style="list-style-type: none"> • Management review
External Stakeholders	
CUSTOMERS 	<ul style="list-style-type: none"> • Customer feedback form • Online survey
LOCAL COMMUNITY 	<ul style="list-style-type: none"> • Through CSR activities • Need assessment • Meetings • Facility Assessment
GOVERNMENT AUTHORITY 	<ul style="list-style-type: none"> • Regulatory compliance • Need based • Industry meetings
SUPPLY CHAIN 	<ul style="list-style-type: none"> • Personal interaction • Pre-assessment

MATERIALITY MATRIX





PEOPLE



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



FSPL is a family owned company, and to have highest standards of governance, transparency, accountability and ethical conduct is given topmost importance. To achieve our goals, and to ensure sustainable growth, the trust of our employees, workers, customer and suppliers is very important. Our corporate governance reforms are an effort to build better and more robust practices. The board meets regularly to review the strategic framework and policies of the company, its operations, oversee capital investments, exercise risk and quality management measures, and apply financial and compliance diligence.

GROWTH HIGHLIGHTS

98% 2%
FEMALE - MALE

GENDER RATIO AMONG WORKERS

95%

WOMEN ATM CARD

ZERO

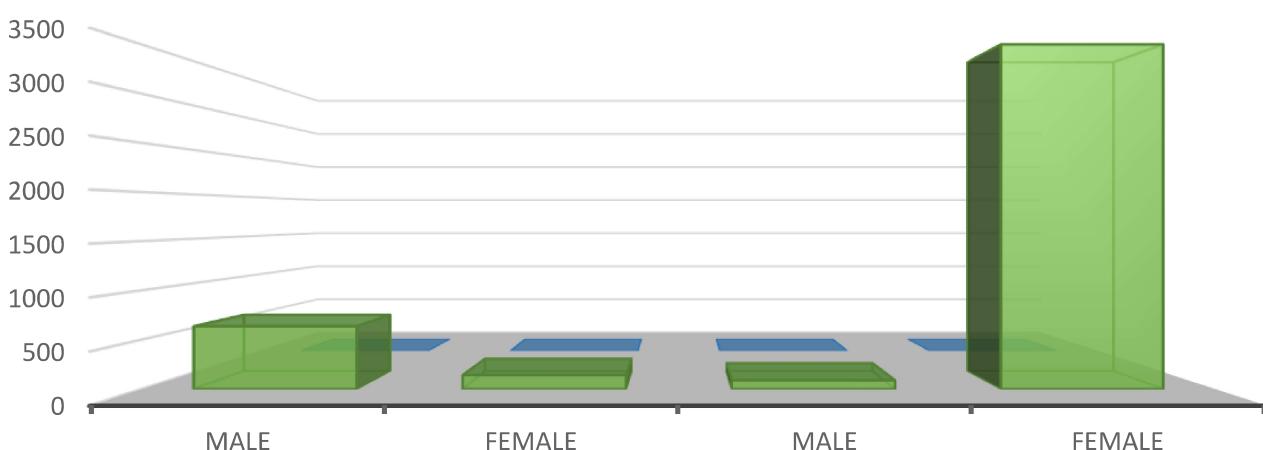
ACCIDENTS

637

NEW EMPLOYEES HIRED

365

DAYS OF SAFE WORKPLACE



	MALE	FEMALE	MALE	FEMALE
PERMANENT	638	143	91	3498
CONTRACT/ TEMPORARY	0	0	0	0

FSPL, from it's inception has focused on women employment. At FSPL, we have continuously strived for improvement of working conditions for inclusivity & safety of women workforce. FSPL has led from the front on issues related to gender equality and non-discrimination at workplace. The employee data category wise is as presented for male and female.



Of the total employees in FSPL for all units, women account for 83% and men about 17%. There is more than 70% increase in the hiring in the reporting year in units A & B. More than 66% of the workers are in the age group of 30 - 50 years, 31% are under 30 years of age and 3% above the age of 50 years.

We at FSPL ensure that the hiring of new recruits happen without any discrimination. The job applications are viewed with neutral lens. We give equal opportunity to all the applicants.

NEW EMPLOYEE HIRED			EMPLOYEE TURNOVER		
2018-19	2017-18	2016-17	2016-17	2017-18	2018-19
3	6	4	senior management	1	9
70	9	14	middle management	13	36
76	81	65	juni	9	79
488	277	326	workers	343	425
637	373	409	TOTAL	407	497
					482

EMPLOYEE TURNOVER:

The employee turnover for unit A & B, in the base line year as well as the reporting year has been at the same rate.

While the turnover rate is in sync with trends for manufacturing sector, FSPL has put in place systems to retain the employees and workers. Counselling, management visit to worker homes, contact meetings and open channels for conversation, discussion about issues helps in employee retention. The shift system helps many women manage the home and work environment. Apart from making sure that the employees have provision for clean drinking water, canteen, in-house medical centre, a tuck-shop is also provided for basic provisions.

BEST PRACTICES

FSPL provides equal opportunity to all without discrimination and see that the diversity exists in the organization. Women form 98% of work force. It is ensured that age, race and region does not hinder the growth opportunities for the employees. FSPL received **CII IWN gender parity award** constituted during a conference on bringing parity at workplace.

Since inception one of our core focus is empowerment of women. By design we have decided to have 95% women workers in our factories. We are happy to say that we have exceeded our targets. We do require a higher percentage of women in junior, middle and senior management. Efforts are on to ensure that some of the workers go up the career ladder. We have introduced programs and trainings on computer skills, financial literacy, communications etc., One of the challenges that local women face is their comfortability with English language. The local language is used as the medium of instruction, communication, display and AV system, to meet the needs of the workers. However to meet the aspirations of workers for learning English language we conduct spoken English classes.



STORIES OF THE WORKERS...

Nirmala (union representative) – Employed in Farida for 20 years, started as a line worker and moved up the levels – now handles customer orders, have never faced any problem. Very happy with all the facilities including safety of the workers. Family also happy. Feels the need for training in spoken English for better communication.

Viji (training in-charge) - working in Farida for 33 years, very happy with all facilities.

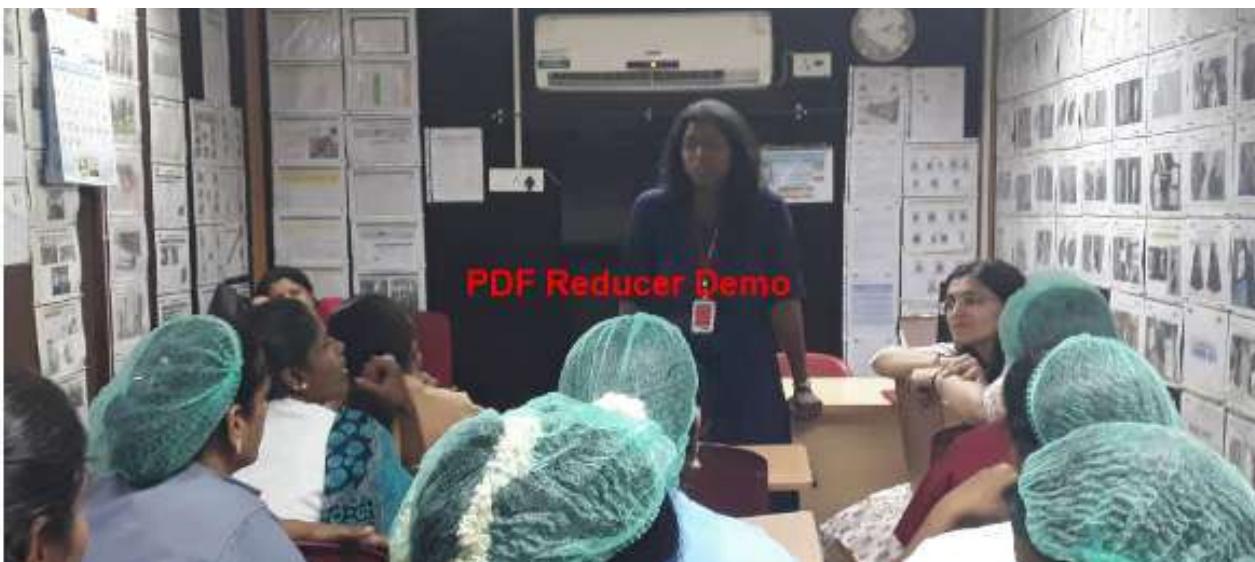
WORKER 1

"Previously worked in a similar factory but never got salary on time. After having joined FSPL there has never been any delay in receiving salary. Extremely happy to be working with FSPL."



WORKER 2

"Being employed at FSPL, had the flexibility to pursue studies. Farida also helped with a loan in time to help with marriage expense."



WORKER 3

" Family considers it a pride to say that their daughters are employed at FSPL."

WORKER 4

"Very thankful to all the facilities provided to the employees and their family. Can continue to support and care for ailing mother."

EMPLOYEE WELFARE

To ensure women retain their jobs during pregnancy or while caring for babies, the company has taken proactive measure such as:



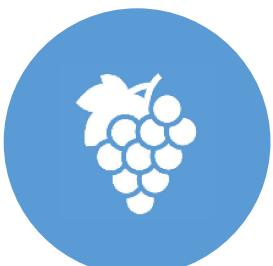
ALL ASSISTANCE TO
CONTINUE WORK
UNINTERRUPTEDLY



CHANGE IN ROLE TO
SUPPORT THEIR HEALTH



PREGNANT
WOMEN CAN REST IN
RECESS AREA



NUTRITIOUS FOOD - FRUITS
AND MILK FOR EXPECTING
WOMEN



PAID MATERNITY LEAVE FOR
6 MONTHS

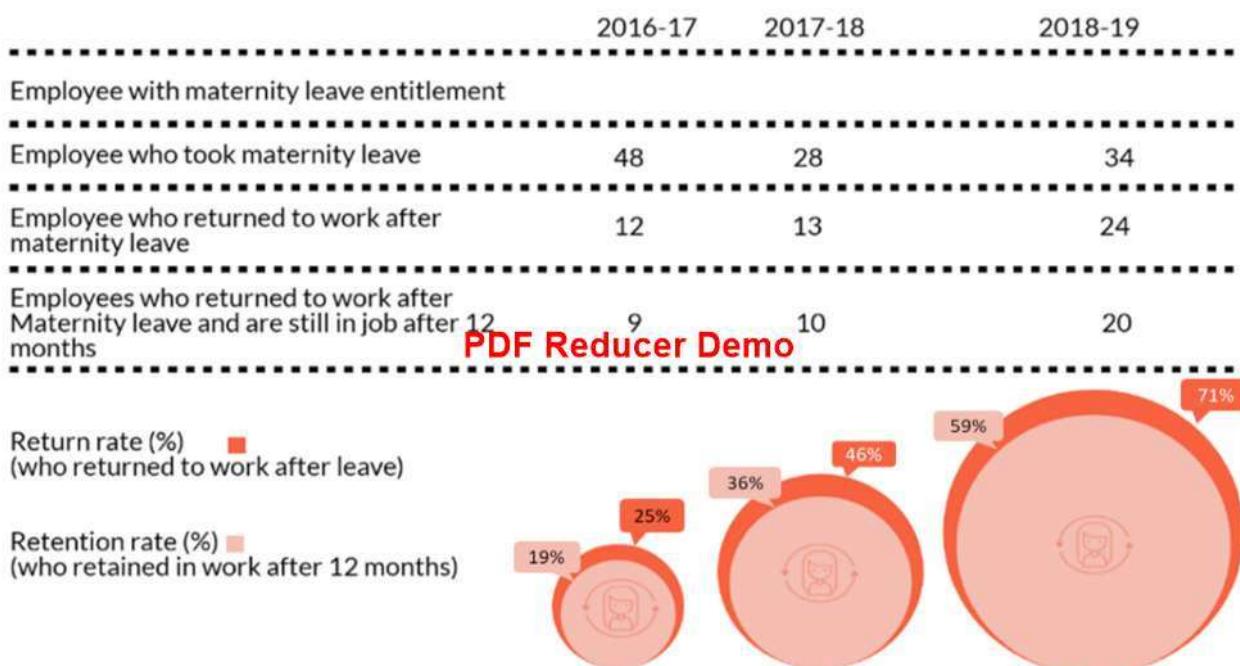


CRÈCHE FACILITY



MOTHERS CAN MEET AND
FEED THEIR BABIES AS
REQUIRED

The special care for women at work has improved our retention rates for women workers and employees. The retention rate which was 19% for women who took a maternity leave in 2016-17 has improved to 59% in 2018-19, while the rate of returning women improved to 71%.



The morale of employees is held high by continuously engaging them in activities and celebration in the factory premises.

FAMILY DAY

When women workers come to work in our factories, we know that they are doing a balancing act of managing their work and family life. To recognize and encourage the value of family, we celebrate family day throughout the year, when the worker families can visit the factory and interact with other families to build a social relationship. Management visits to workers homes assure that families get to know the employer.

WOMEN'S DAY CELEBRATIONS

Women are the backbone of FSPL manufacturing. To encourage them, on March 8th we celebrate International Women's day annually at the premises. The programs included motivational speech by dignitaries, cultural activities, self-defense techniques from experts, play to create awareness on domestic violence due to alcohol addiction and awareness on usage of existing helpline numbers. Women enthusiastically take part in the events and share their stories with peers.

EMPLOYEE REWARDS & BENEFITS

Employees are entitled to various benefits as part of their employment. These include fortnightly salary disbursal, prize for hundred percent attendance and zero leave of absence, 18% annual bonus, two sets of uniform and gifts for highest productivity, Provident Fund benefits (12% employer contribution), Insurance and ESI facility.



INTERNATIONAL WOMEN'S
DAY CELEBRATIONS



CANTEEN FACILITY



FAMILY DAY CELEBRATIONS



FIRST AID ROOM FACILITY

OCCUPATIONAL HEALTH & SAFETY

ZERO
FATALITIES

ZERO
INCIDENTS

365
ACCIDENT FREE
WORKING DAYS

OHSAS
18001:2007

“PEOPLE FIRST” has always been our philosophy at FSPL. The primary stakeholders in our business are the employees and workers. Their occupational health and overall health and safety is of paramount importance. All endeavour at FSPL is aimed at zero incidents. Over the years we have discovered best practices, implemented standards and policies and a culture of nurture and care. Every employee's health is important; however, we are aware that we have 98% women working in our factories and so an emphasis on women health and safety is especially stressed upon and highlighted.



COMPLIANCE

We are 100% compliant with all health and safety related regulations. All the data is collected and provided in time to the local or state authorities as per the statutes and regulations. At FSPL, employees and workers are the backbone of our business OHSAS (18001:2007) and we maintain the employee medical history in an online platform that is password protected, with access to authorized HR personnel. All the employees are covered under the health insurance scheme.

STANDARDS

Environment, Health and Safety head directly reports to the Managing Director of the company. In order to identify the work-related hazards and assess risks, a team is formed by selection of members from each department irrespective of their designation. A consultation meeting is organized before performing risk assessment to develop risk assessment tool and risk score chart. Hazard identification and Risk assessment are covered for all routine and non-routine activities of workers. Almost all activities in the organization are covered. Risks identified as significant are addressed through hierarchy of control and those that are insignificant are addressed through operation control or work instruction.

Any hazard related work is reported directly to safety management committee members through submission of near miss formats, raising the concern through suggestion channels etc. A Non-retaliation policy is in place and awareness on the same is provided to employees. The injuries and health issues are kept at bay by providing regular check-up camps and safety trainings to the employees. The implementation of occupational health and safety standards [OHSAS 18001] have created awareness and may be one of the motivating factors for employees. We have been pro-actively taking measures to identify potential safety hazard and mitigate it. In case of any incident, the staff nurse follows up with the witness and visits the place of incident and files an investigative report and submits it to the safety management committee. We are extremely focused on the use of Protective Personal Equipment's (PPE) such as safety gloves, face masks, lighting and ventilation. This culture has promoted a safe working environment.

- **Coverage of employees and workers under OHSAS**
- **Coverage of employee under an internally audited OHSAS system**
- **Coverage of employee under a system audited & certified by third party**

We are proud to have achieved 365 accident free days. There are no fatalities or serious incidents of injury. In the coming years we will be recording any incident through total recordable incident rate (TRIR) format, which will highlight even the minor incidents.

CARE AND NURTURE

While we want to keep our workforce happy and healthy, to encourage preventive health care as well as good habits, 5S pledge followed by exercise routine is a must for every employee. The exercises are bespoke and prescribed by a physiotherapist that helps in joint and muscle exercises.

A voluntary health camp including awareness programs on breast cancer, eye checkup camps, general health checkup, heart checkup are organized inside the factory premises. Also, discounted or special treatment is provided at the well-equipped hospitals. Other initiatives to improve the health and safety of employees include:

- In house health centers
- Health Camps
- HER awareness programs
- Nutrition supplements to expecting mothers



HEALTH CENTRE



5S PLEDGE & EXERCISE

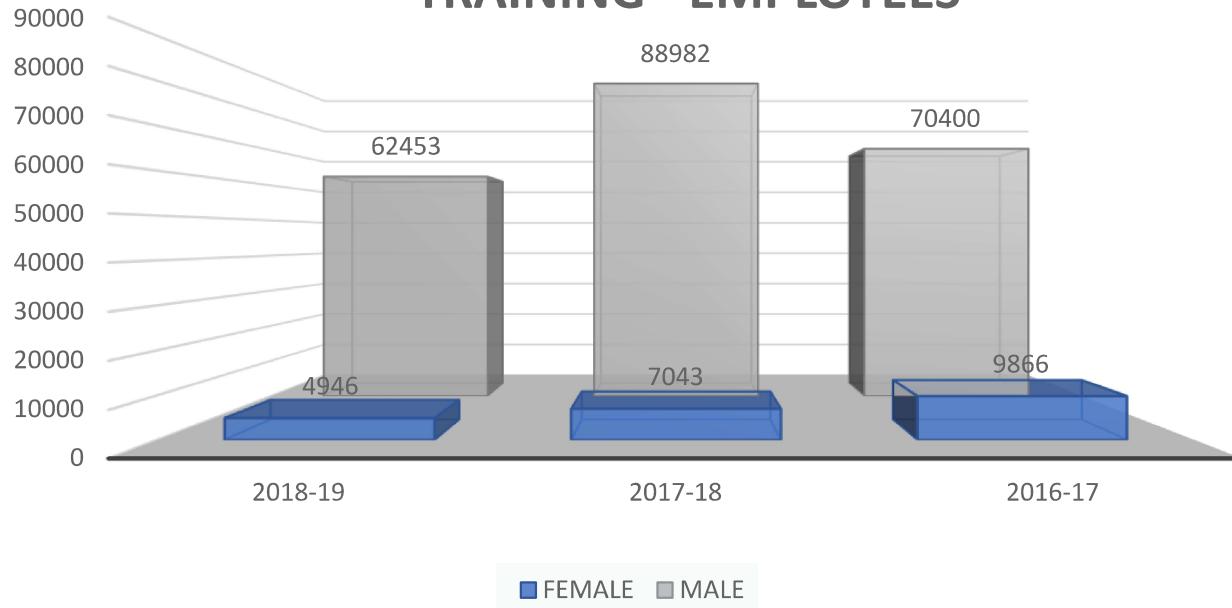


MEDICAL CAMP

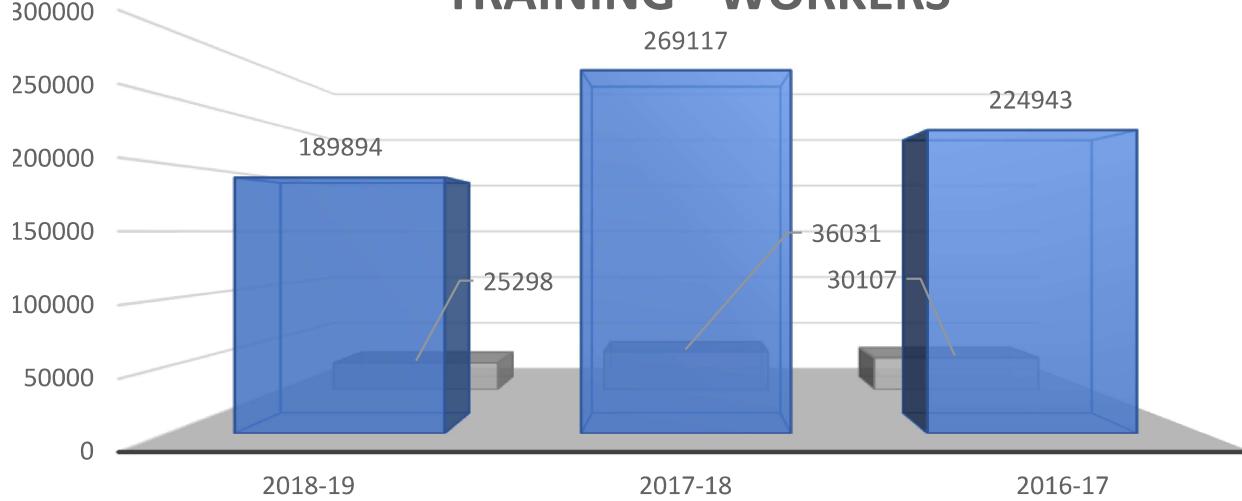
LEARNING & DEVELOPMENT

FSPL VALUES ‘EXCELLENCE’; abhors mediocrity and believes that through continuous learning and development, excellence is achieved. Human Resources department plans the training requirement for each individual and has learning management system in place. All the new employees must undergo the induction training before taking up the role. This training imparts them with 5 tattva and ZED war room practices that enables team FSPL to provide the quality product to our customers. To have the exposure to the external environment, guest lectures are also provided by external faculties. The total training hours for employees and workers are as shown:

TRAINING - EMPLOYEES

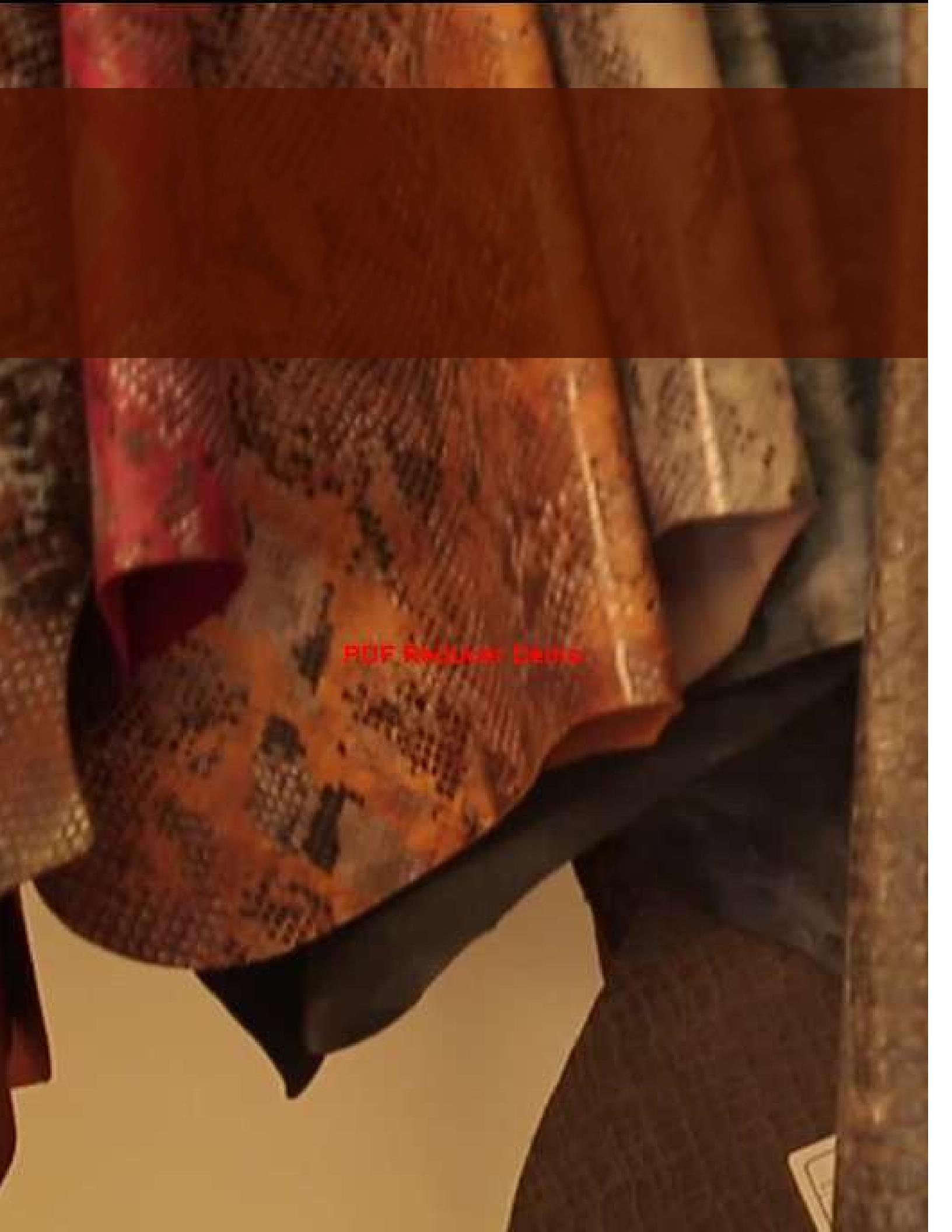


TRAINING - WORKERS



S.No.	LEARNING & DEVELOPMENT	TRAINING FREQUENCY	DETAILS OF THE TRAININGS
1	COMPANY RELATED	<ul style="list-style-type: none"> • Daily • Weekly • Monthly • Monthly 	<ul style="list-style-type: none"> • Induction welcome committee • Exit process standardization • KIOSK- HELPDESK • 5s System standardization & ZED awareness • Awareness on existing committees & channels to raising grievances
2	HEALTH & SAFETY	<ul style="list-style-type: none"> • Quarterly 	<ul style="list-style-type: none"> • Outreach Programme - Health/Safety etc • Health Screening Camps - Penn nalam • Health Screening Camps (Medical Camp) • Health Screening Camps - ESI camp etc) • Training on Health Enable Return (Nutrition, Menstruation, Sanitation & Hygiene, Breast Cancer etc..) • Importance of personal protective equipment • Chemical handling • Machine safety • Electrical Safety • Emergency preparedness program • Training on Fire fighting • Training on First aid • Training on Self defense
3	FINANCIAL LITERACY	<ul style="list-style-type: none"> • Monthly • Annually 	<ul style="list-style-type: none"> • Women Empowerment programs (Financial Inclusion Programs, HER, SAKHI etc) • Financial inclusion training (Budgeting, Savings, Social protection schemes etc..)
4	GENERAL	<ul style="list-style-type: none"> • Half yearly 	<ul style="list-style-type: none"> • Awareness on Customs trade partnership against terrorism • Training on Spoken English





PUF RAKH - Dens

PLANET

PDF Reducer Demo



ENVIRONMENTAL STEWARDSHIP

Our 'Best Foot Forward' approach towards planet has helped us stay ahead of the curve. As an industry that manufactures shoes, we are aware that across our supply chain and along the life cycle of the product our first and foremost responsibility is to reduce resource consumption wherever we have a direct control. With the new report on climate change suggesting limiting the rising temperatures to 1.5 degrees, it is incumbent on every industry to reduce the emissions and help mitigate the potentially disruptive changes that the world will face. Reducing water and energy consumption is one of our foremost commitment towards helping mitigate climate change.

STRATEGY

We have two-pronged environmental strategy. One is by all means having 100% compliance for environmental regulations. Second is to be a leader in the industry for environmental stewardship. We are conscious of the material, energy, and other resources used that goes into manufacturing. By being careful in using these resources, opting for best possible technologies, supporting innovation and encouraging initiatives has helped us achieve our annual targets for environment.

At strategic level, reducing emissions meant switching to cleaner sources of energy. At operational level, reducing energy consumption through new equipment, which are energy efficient, i.e. motors, lighting, water fixtures, electric power management, ventilation and cooling measures adopted, compressor systems, better heating and insulation systems for process equipments.

Our open policy where our teams can initiate projects for energy or water conservation that has the ROI for less than a year has helped in taking up a lot of bottom up and employee driven initiatives.

ENVIRONMENTAL COMPLIANCE

Environmental compliances are required for establishment and operations. We operate after fully obtaining the regulatory consent. As an established and respected manufacturing house, we have been taking care of the environmental compliances as our basic business requirement. We would like to state upfront that during the reporting period we have received no notices or fines or penalties from any of the regulatory bodies.

We are a dry manufacturing unit and so there is no effluent that comes out of FSPL's operation. Some of the legislations that are relevant to us are Water Act, Air Act, Noise Act, Manufacture, Storage & Import of Hazardous Chemical Act Etc. We are certified by TUV SUD Asia Pacific for ISO 14001. Environmental Management Standard is an indication of our commitment to preserve our environment. We make sure that all our operations are environment friendly by conserving and optimizing the usage of resources like power, water and fossil fuels. We also set objectives and targets to prevent or reduce pollution and waste at our end and improve our environmental performance.

Being a company that supplies its products to 40 countries worldwide, we also abide by the legislations that may be important for the trading country. For example, each of our client has separate requirement for restricted substances, performance standards that mandates us to keep product safety within legal limits. We adhere to these standards and through our restricted substance manual, we cover all the separate requirements of our clients.



ENERGY



Footwear industry is highly energy intensive and the energy expenses takes up a major part of the operational costs. Apart from that the energy-emission nexus is also a motivating force and a driver for us to look for options that help achieve optimization of resources as well as mitigate global climate change.



Strategic Steps

FSPL in its effort to reduce the environmental footprint from its operations, had switched to renewable energy source as its preferred energy source from February 2012 for units A & B and subsequently for units C & D. This clearly indicates our commitment to minimize the environmental impacts.

FSPLs power supply is primarily renewables based. Our sources of renewable energy are wind power through power purchase agreement, solar power installed on the premises, TNEB Power supply (factoring in for the state grid renewable mix of 14%).

Although our renewable consumption has gone up from 2016-17 to 2018-19 but in percentage terms it has come down from the baseline year due to increase in production volume and increase in energy consumption.

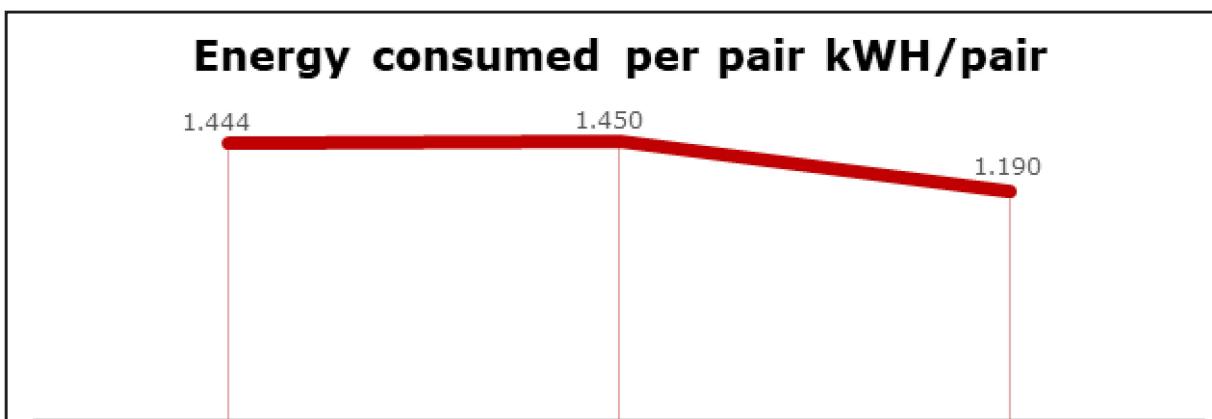
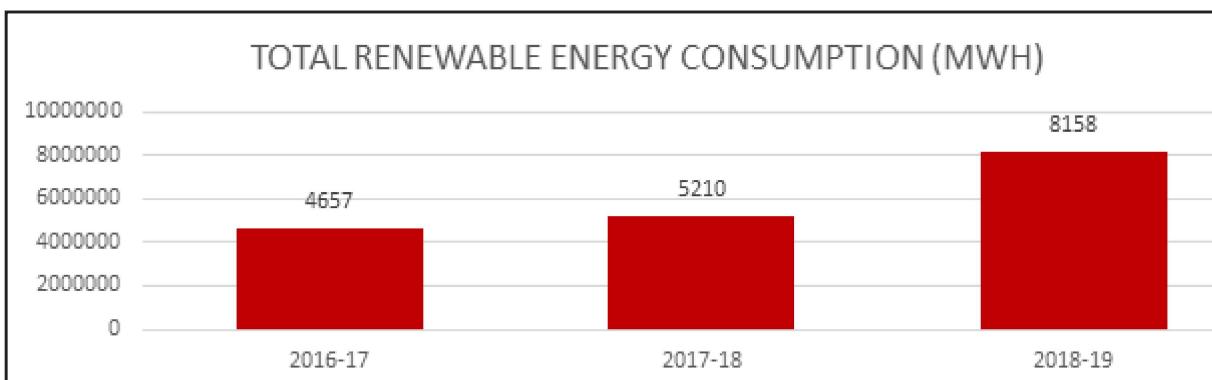
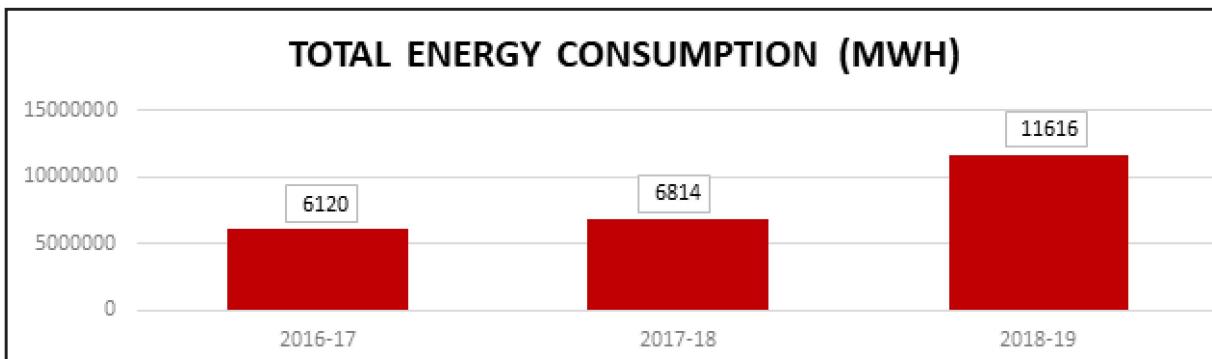


Operational steps

The highlight of the reporting period is the various energy saving projects taken up by FSPL in reducing the environmental impacts and to improve energy performance through the application of energy efficient technologies, and up-gradation of plant & machinery. Examples of initiatives included replacing halogen bulbs to CFL bulbs & LED tube lights; efficient inspection tables that are undersized and power saving; clutch motors in sewing machines replaced with servo motors; replacing the condenser cooling fans with water cooled chillers etc. Although our overall energy consumed per year has increased, this is attributed to the increase in the number of pairs produced.

Energy Intensity - consumption per pair

Energy consumption per pair is a direct measure of energy efficiency. In comparison to year 2016, our energy consumption has increased, owing to an increase in the production volume of 56%. With the energy saving projects initiated we were able to bring down the energy intensity per pair from 1.44kWH/pair to 1.190kWH/pair, which is a 15% decrease.





EMISSIONS

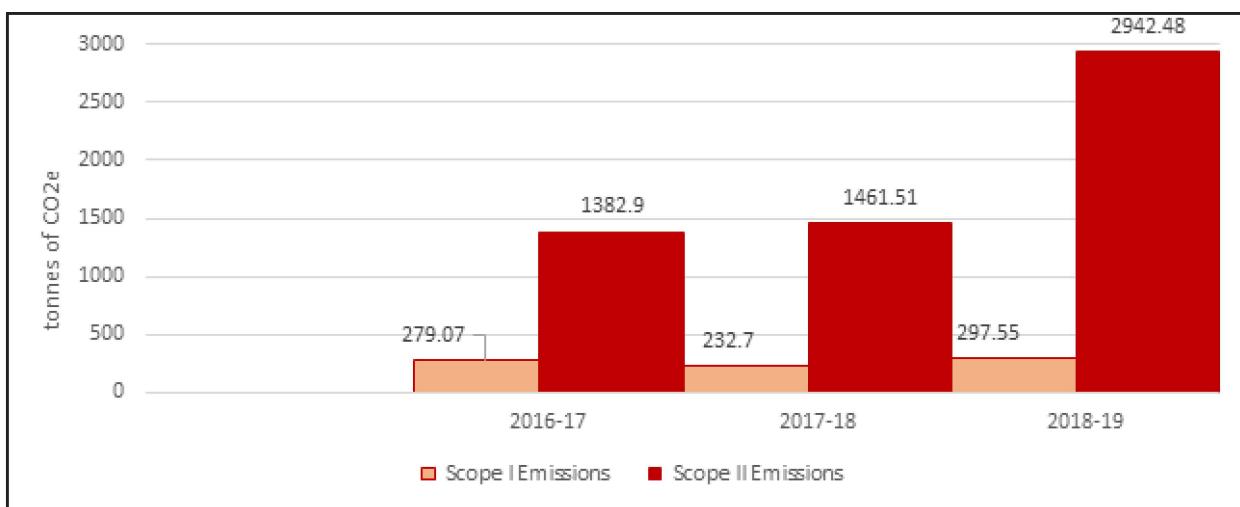
Emissions generated from our own premises and from the power supply are the primary sources of emissions for us. Following GHG Protocol, the emissions that are from primary energy sources within our operations that is Scope I comes from diesel, fuel, liquified petroleum gas. Emissions associated with purchased electricity are called Scope II emissions. At this stage we have not accounted for the Scope III emissions which are upstream and downstream emissions.

Keeping 2016-17 as the baseline year, Scope I emissions show a decline from baseline to the year 2017-18 and increases in the reporting year on account of increased production volume. In the reporting year the cumulative scope II emissions has increased from the baseline year owing to the higher reporting volume. However, emission intensity or emission per pair have steadily decreased from the baseline year and is an indication of our efforts in the right direction towards doing our bit in mitigating climate change.

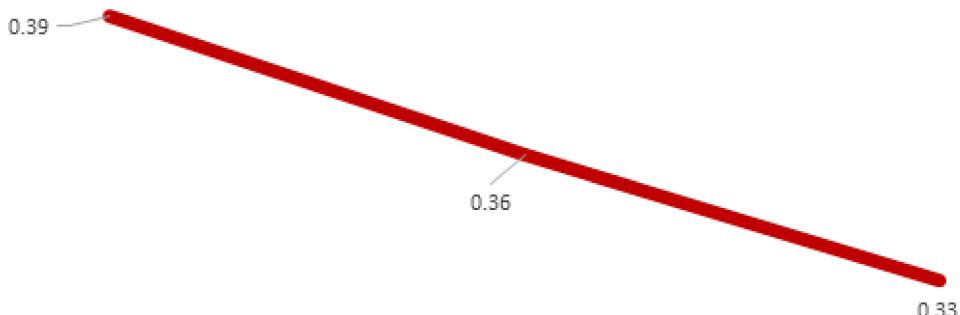
7 AFFORDABLE AND CLEAN ENERGY



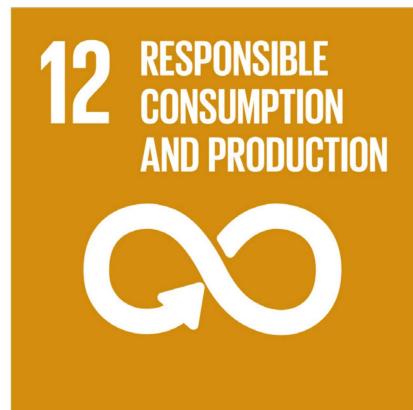
13 CLIMATE ACTION



EMISSIONS PER PAIR IN kg CO₂e



WATER



Water is the primary constituent of life on the planet. With the water stress fairly palpable to the state of Tamil Nadu where we have our operations, it is a matter of self-disciplining ourselves and respect the resource that is important for everyone.

As a responsible business, FSPL pays special attention on economic use and conservation of water in its premise. We also understand the value of each drop of water and ensure that water is not wasted. The wastewater collected after primary usage is treated through STPs and then reused for domestic gardening and other suitable purposes.

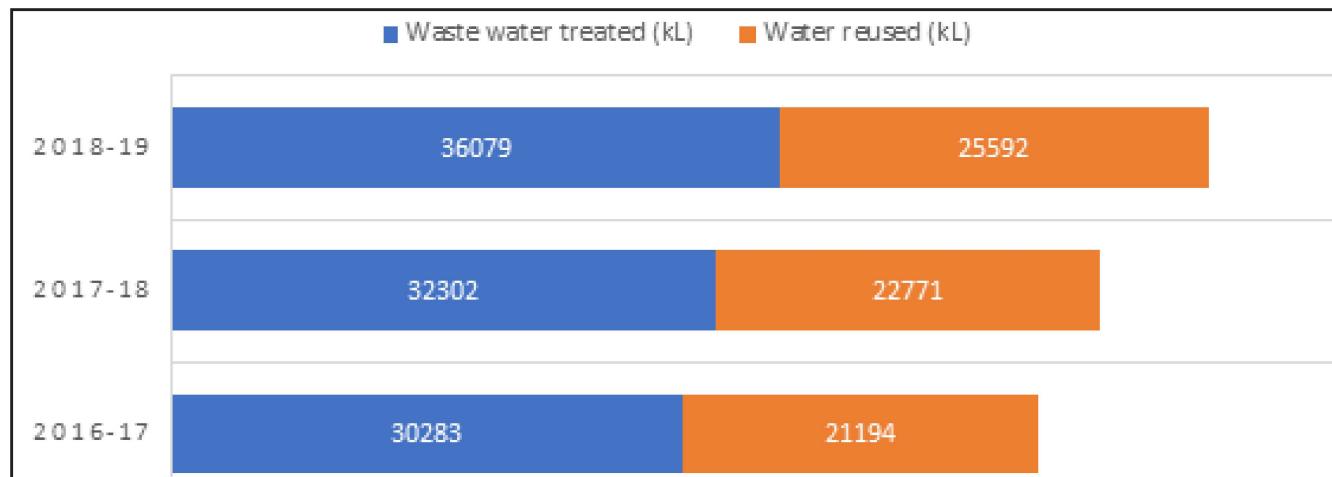
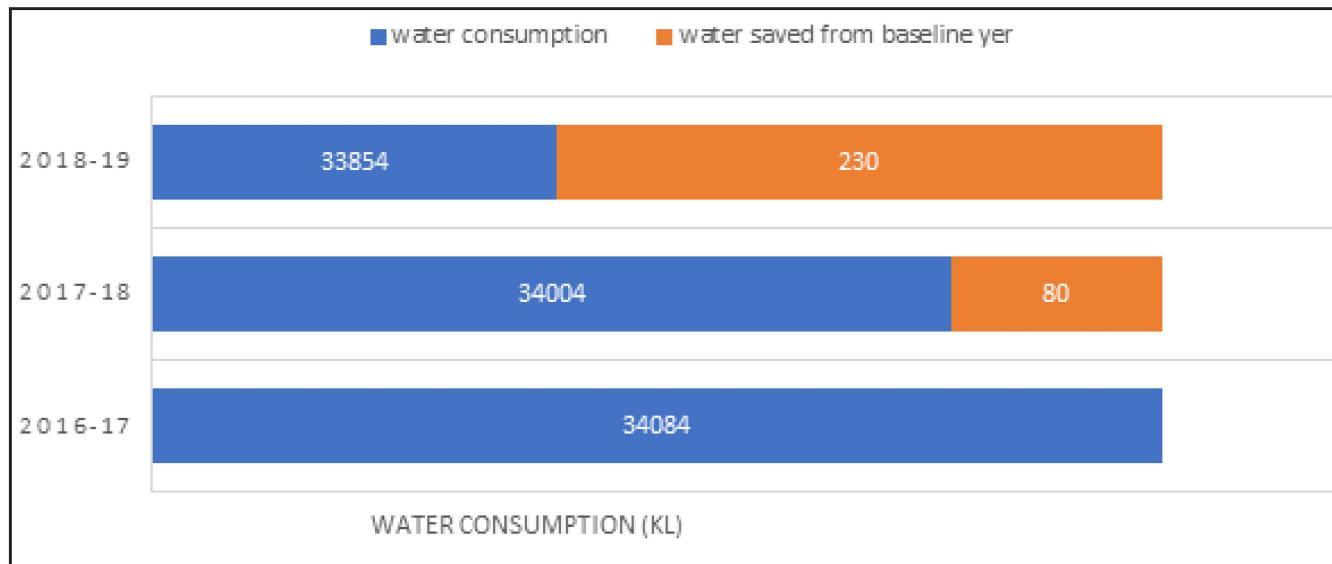
It may be important to mention that FSPL has dry operations which implies that no water is consumed for its operations and hence there is no effluent that comes out of FSPL manufacturing units. We are reporting on this indicator as workers rated water as a matter of concern for this region. The wastewater is from domestic water usage which is treated through STP as mandated by regulation and released as per the desired qualities.

The three main source of water at FSPL are ground water, water tankers supplying ground water, and bottled water.

Some of the measures taken by operations team is to reduce water use by implementing number of innovative measures within its premises. A saving of 2 litres of water per minute of operation is achieved by installing aerators in the taps used for personal uses. FSPL facility has installed 114 special foot pedal operated water taps, which significantly prevent wastage of water by switching the taps on only for the exact time duration for which it is needed. These taps help conserve water up to 4 litres per minute of operation from each tap.

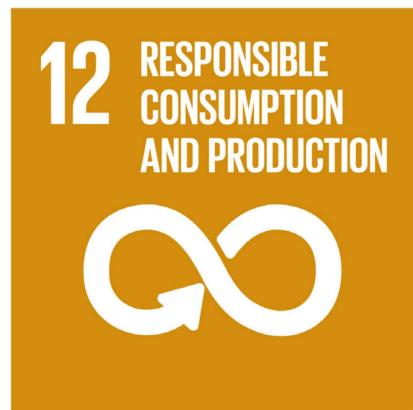
FSPL has highly efficient sewage treatment plant installed in all four of its factories. The STP plants reuses more than 70% of total treated waste into water fit for secondary uses. The recycled water from the STP plant is well within the tolerance limits as specified by Tamil Nadu Pollution Control Board Standards.

There is a consistent increase in the total amount of water treated in the STP since last 3 years. In year 2018-19, the STPs have treated a total of 36079 kL of wastewater and recycled 25592 kL of water which was used for secondary purposes.

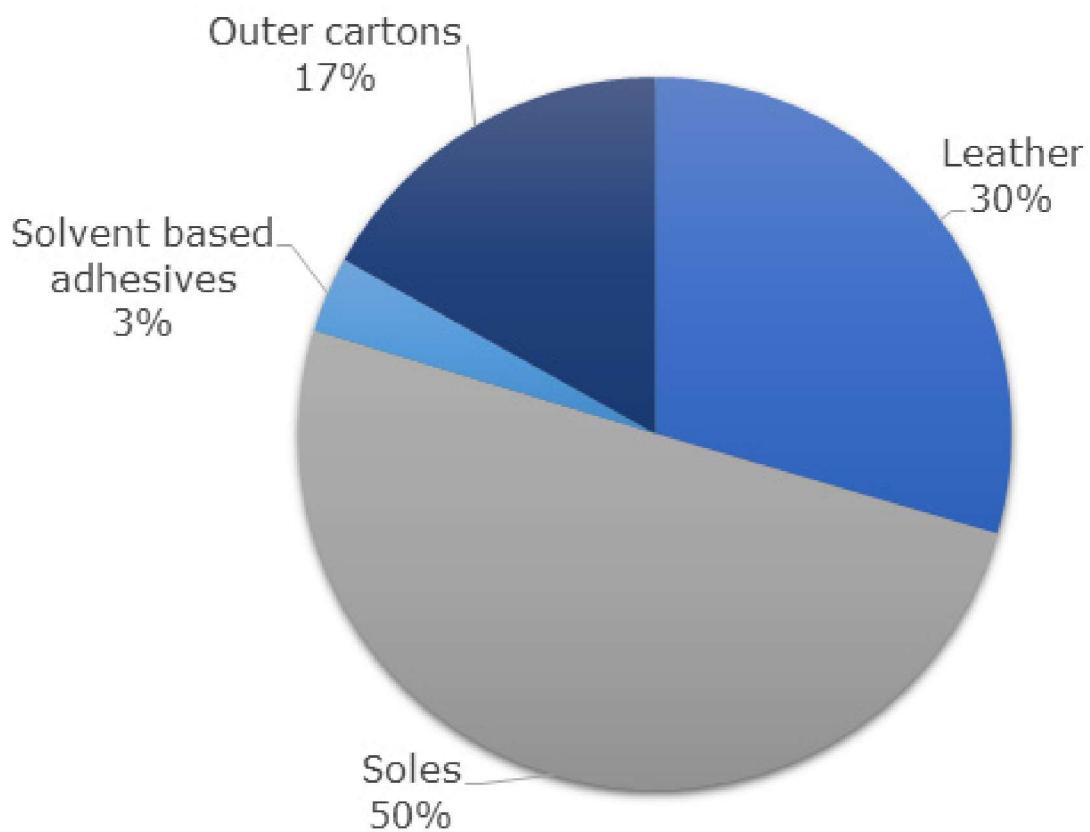


MATERIALS

Over the four-decade long journey of FSPL, we have moved on to become a pioneer in leather manufacturing industry in India. We have strived continuously to optimize material consumption and achieve an improved operational efficiency in the processes and production. Leather has been a primary material input for shoe making operations at FSPL.



The other materials are soles, solvent based adhesives and outer cartons. These basic materials that are used to produce and package primary products can be classified as: renewable materials i.e. Leather & outer carton and non-renewable materials i.e. Soles & Solvent based adhesives. Chart below shows the consumption of materials in percentage at FSPL in the year 2018-19



CONSUMPTION OF MATERIAL 2018-19

FSPL pays great attention in how it deals with the waste generated at its units. We work along with our stakeholders to change the general perception of waste being an unwanted burden to a resourceful material. We try to incorporate the concepts of circularity and waste reduction throughout our operations.

FSPL endeavours, wherever possible, to recycle the scrap from the production into other small useful items. For example, we have enabled our local supply chain to dispose the scraps of leather bits to vendors who then process these to make key chains, wallets, purse, mobile pouch etc. Similarly, the heel dust is being utilised for manufacturing hard boards. The chemical containers and barrels, on account of safety reasons, are not reused and are sent back to the chemical manufacturing industries. The used lubricant oil waste is disposed responsibly only through authorised agencies. The waste created from the outer cartons, unit boxes, general stationery are also reused and recycled.

SUPPLIER ENVIRONMENTAL ASSESSMENT

Suppliers form an integral part of the business at FSPL and being fair and just to our suppliers is a company value that everybody at FSPL adheres to. We do follow a supplier code of conduct and strictly follow the restricted substances list when procuring raw materials; and collaborate with brand customers to audit and monitor suppliers' practices. 100% of new suppliers were screened using environmental criteria. About 90% of Farida's leather suppliers are LWG certified. The remaining 10% are in the process of preparing themselves for LWG certification. Leather Working Group (LWG), is a multi-stakeholder group established to develop and maintain protocols that assess the environmental compliance and performance capabilities of leather manufacturers. They promote sustainable and appropriate environmental stewardship practices within the leather industry. Farida is committed to ensure that all its suppliers are LWG compliant. By opting for LWG complaint suppliers, we make sure that our supply chain does not have a negative impact on the environment.



PRODUCT



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



NUMBER OF MARKETS SERVED

40 COUNTRIES WORLDWIDE

NUMBER OF SHOES PRODUCED

9.8 MILLION

We are proud of our product quality, safety and customer connect, and that is achieved through connect with our workers and employees. It is because of the success of the product that we have had consistent year on year growth.



PRODUCT SAFETY

Best foot forward for our product implies very high standards of product safety. It also implies that the product is manufactured using safe practices at work. Our customers expect the manufacturing units to be fully compliant, and it provides us additional frameworks to assure a high standard of product safety and quality and social and environmental compliances.

Health and safety impacts are assessed for 100% of our significant product and service categories for improvement. Product and service information including the sourcing of components particularly about substances that might produce an environmental or social impact is required by our internal organizational guidelines.

“FSPL is committed to ZED – Zero Effect Zero Defect.”

This is a program instituted by Ministry of Micro, Small and Medium enterprises to empower the brand “Make in India” for it to be competitive in global marketplace. Zero defect has its focus on customer and Zero effect has its focus on society.



‘Zero effect Zero defect’ policy assures the customer that the quality of the product is not compromised and that it does not have any ill effect on the environment.

ZED model is a holistic approach for achieving growth and by following the model we aim to enhance our performance parameters namely productivity, quality, cost, delivery, morale, safety and environment.

As part of the awareness program, which was taken up by FSPL for its employees and workers every employee and worker undergoes 5 sense training (see, hear, smell, touch, feel) that identifies, quantifies and eliminates any deviations from the norm at the workplace. The deviations at workplace can be related to any of the performance parameters like loose cables, oil leakage, excess waste, dust, rust, insufficient lighting, insufficient space which can be identified by seeing. ZED and five sense implementations have led to safe and happy working environment. The commitment to ZED is made at all the levels in the organization from operators to MD.

Our approach to social compliance is that these reflect societal concerns and it is incumbent upon the industry to stay ahead of compliance as that enhances social capital for the organization. All the regulations from the Centre and State related to establishment of factories are adhered to. SA 8000 certification was taken to stay ahead of compliances on issues that matter most to our society. This social accountability management standard that is widely used across the globe provides for an overall framework to help certified organizations demonstrate their dedication to the fair treatment of workers across industries. The standard reflects labour provisions contained within the Universal Declaration of Human Rights and International Labour Organization (ILO) conventions. Being SA certified, all rules and regulations with respect to Child Labour, Forced or Compulsory Labour, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration and Management System, are followed strictly.

CERTIFICATE

The Certification Body
of TÜV SÜD Asia Pacific TÜV SÜD Group
certifies that

Farida Shoes Pvt. Ltd.

No. 17, Jalal Road,
Ambur - 635802, Tamil Nadu, INDIA

has established and applies
an Occupational Health and Safety Management System for
PDF Reducer Demo

Manufacture and Supply of Leather Footwear

An audit was performed, Report No. 4153132630.

Proof has been furnished that the requirements according to

OHSAS 18001:2007

are fulfilled. The certificate is valid from 2018-09-12 until 2021-03-11.

Certificate Registration No.: **TUV116 07 2193**

2018-09-12

Certification Body
of TÜV SÜD Asia Pacific
TÜV SÜD Group



Accredited by the Joint Accreditation System
of Australia and New Zealand (JAS-ANZ)

TÜV[®]

CERTIFICATE

The Certification Body
of TÜV SÜD Asia Pacific TÜV SÜD Group
certifies that

Farida Shoes Pvt. Ltd.

No. 17, Jalal Road,
Ambur - 635802, Tamil Nadu, INDIA

has established and applies
an Environmental Management System for
PDF Reducer Demo

Manufacture and Supply of Leather Footwear

An audit was performed, Report No. 4153132630.

Proof has been furnished that the requirements according to

ISO 9001:2015

are fulfilled. The certificate is valid from 2018-09-12 until 2021-06-03.

Certificate Registration No.: **TUV100 07 2193**

2018-09-12

Certification Body
of TÜV SÜD Asia Pacific
TÜV SÜD Group



TÜV[®]

CERTIFICATE

The Certification Body
of TÜV SÜD Asia Pacific TÜV SÜD Group
certifies that

Farida Shoes Pvt. Ltd.

No. 17, Jalal Road,
Ambur - 635802, Tamil Nadu, INDIA

has established and applies
an Environmental Management System for
PDF Reducer Demo

Manufacture and Supply of Leather Footwear

An audit was performed, Report No. 4153132630.

Proof has been furnished that the requirements according to

ISO 14001:2015

are fulfilled. The certificate is valid from 2018-09-12 until 2021-05-11.

Certificate Registration No.: **TUV104 07 2193**

2018-09-12

Certification Body
of TÜV SÜD Asia Pacific
TÜV SÜD Group



Accredited by the Joint Accreditation System
of Australia and New Zealand (JAS-ANZ)

TÜV[®]

ABS Quality Evaluations
Certificate Of Conformance

This is to certify that the Social Accountability Management System of
Farida Shoes Pvt Ltd
#17/17A Jalal Road, Ambur - 2
Ambur, Tamil Nadu 635802
India

(WITH ADDITIONAL FACILITIES LISTED ON ATTACHED ANNEX)
Has been assessed by ABS Quality Evaluations, Inc. and found to be in conformance with the requirements set forth by:
SA 8000:2014
The Social Accountability Management System is applicable to

MANUFACTURE OF LEATHER FOOTWEAR WITH THE PROCESS OF CLICKING, PREFITTING, SKIVING, ATTACHING, FOLDING, STITCHING, LASTING, FINISHING, FINAL INSPECTION AND PACKING & DISPATCH.

The assessment was conducted in accordance with the requirements of SA8000:2014.
Social Accountability International and/or its stakeholders or the SA8000 process only recognize SA8000 certification issued by entities that have a formal accreditation by IAF and/or can recognize the validity of SA8000 certification issued by organizations that are not accredited by IAF. Organizations may request a copy of the certificate by sending an email to www.consecratation.org/certification/.

Certificate No: 53939
Effective Date: 09 March 2022
Expiration Date: 10 April 2019
Revision Date: 10 April 2019

Dominic Townsend, President

ABS Quality Evaluations, Inc. • 1300 City Plaza Drive, Spring, TX 77389, U.S.A.
www.absquality.com • info@absquality.com • +1 281 240 2200
Copyright 2014-2019 ABS Quality Evaluations, Inc. All rights reserved.

VALUE CHAIN

Suppliers are our close partners and we take pride to mention of our long and outstanding relations with our suppliers.

We are associated with 63% of our suppliers for over 10 years.

There are around 70 non-leather suppliers who are associated with us for more than 5 years.

All our new suppliers (100%) are screened using our social code of conduct. All our operations are subjected to reviews conducted during Brand audits and Social audits. Social Accountability principles are part of our contractual documents with our suppliers & outsourced processes. We strive to maintain a healthy relation with all our suppliers and there were no negative social impacts in our supply chain.

FSPL adheres to the European, American and Californian legislation on restricted chemicals. '**Restricted Substances List (RSL)**' an internal manual, provides clear and complete guidance on substances and the criteria that is considered safe for exports by EU and USA. RSL provides detailed information on substances such as flame retardants, lead, dyestuff, heavy metals, VOCs fluorosurfactants, pesticides PVC, asbestos, dioxins and other banned chemicals. It also provides detailed information and guidance on REACh (Registration, evaluation and authorization of chemicals) CPSIA (Consumer Product Safety Improvement Act) and Proposition 65. In addition to that, conflict mineral policy, undue influence policy framework is also provided. To comply with REACh regulation, the tests required for each of these materials are performed that help us meet the required product safety. The adherence to REACh helps in assuring the products meets the human health and environment safety requirements as prescribed by the EU. Similarly, US Consumer Product Safety Improvement Act provides for health and safety requirements that meets US export requirements.

We are happy to inform our stakeholders that during the reporting period, there were no non-compliance issues with respect to economic, socio-environmental, marketing communication and voluntary codes for product information and labelling or any other regulation. On customer front, there have been no breaches of customer privacy and loss of customer data. We owe these results to a well-organized teamwork between the top management and employees. We also continuously monitor and improve the business activities with respect to their economic, social and environmental impacts.



Being associated with Council of Leather exports (CLE) and other industry associations, FSPL paves the way for the best norms in industry practices, for example procurement. We strictly adhere to the restricted substances policy and have 100% compliance for suppliers. We also have C-TPAT compliance for all our service providers. The Customs-Trade Partnership Against Terrorism (C-TPAT) is a supply chain security program led by U.S. Customs and Border Protection focused on improving the security of private companies' supply chains with respect to terrorism. To safeguard the interests of the consumers we have also implemented 'The undue Influence policy. The 'requirement of the policy is to prohibit manufacturers from exercising undue influence on a third-party conformity assessment body (i.e., third party testing laboratory).

FSPL's association with suppliers:

6 Years
13%

7 Years
8%

8 Years
13%

9 Years
3%

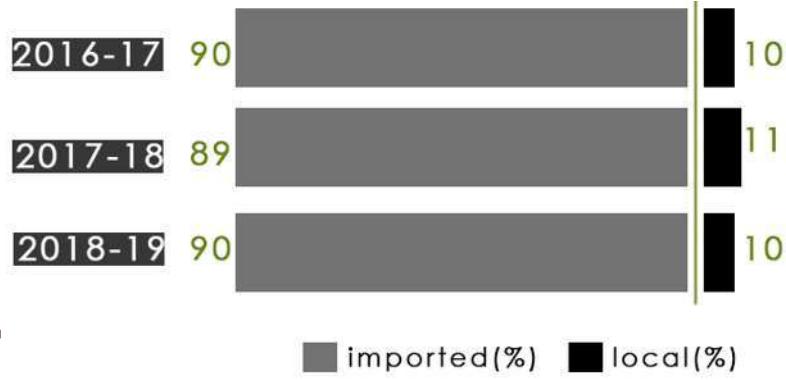
10 Years
44%

12 Years
16%

25 Years
3%



LEATHER PROCUREMENT



NON-LEATHER PROCUREMENT







COMMUNITY

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



13 CLIMATE ACTION



FARIDA SOCIAL SERVICE

Taking community along either through direct employment opportunities or through health education and welfare programmes has been at the core of FSPL's business goals.

Despite local employment opportunities there are many people in the community, who require help on education and health services. We identify and reach out to them based on need assessment that either we map directly or through NGOs. The persistent CSR efforts have helped us create impact on local communities. A third-party assessment could substantiate the impact for us. To achieve scale, efficiency and impact, all Farida group companies join hands on to the common platform of Farida Social Service and help in achieving our goals which are aligned to three SDGs: Good Health and Well-being(SDG 3), Clean water and sanitation (SDG 6) and Quality education (SDG 4).

Communities served- In and around Ambur town

Area of work-
HEALTH, EDUCATION, EQUITY, ENVIRONMENT

**GOOD HEALTH AND WELL BEING
CLEAN WATER AND SANITATION
QUALITY EDUCATION**

Number of beneficiaries -

Healthcare = **240,739** Education = **1960**

TOTAL IMPACT

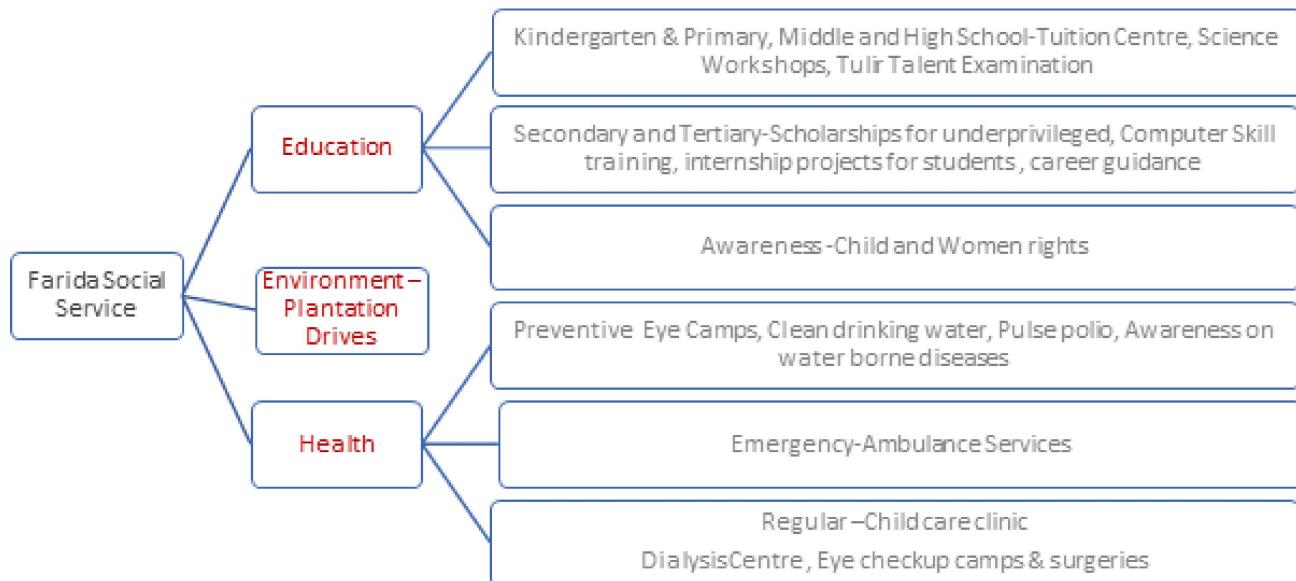
- **43**- Eye camps
- **3973** - Eye Camp Surgeries
- **61,491** - Eye Screening
- **40,809** - Spectacles
- **960** - Childcare beneficiaries
- **12,000** - Pulse Polio
- **240** - Ambulance services
- Dialysis Centre
- **98,000** clean drinking water public beneficiaries
- **19,250** clean drinking water student beneficiaries
- **1,960** tuition centre beneficiaries
- **95%** Gross Enrolment Ratio Target- achieved
- **135** children avail crèche facility every year
- **1600** Trees planted

SOCIAL WORK PROGRAMME

Ambur is a small town with population of a little over 100,000 people. Farida Group has a recognizable presence in the town as one of the larger employers. As our founders belong to the town, they are fully aware of the issues and concern that Ambur community have had in last four decades. For any town wide event, or any social cause, Farida Group has actively partnered with the communities directly or through other non-profit organizations. As all of our workers come from the local community, we do get a pulse of the community concerns through our workers as well.

Objective of the program is "**to give back to the community in all possible ways**" and the approach is holistic. We are focused on areas of health, environment and education. Our environment program is focussed on greening initiatives through tree planting drives in various parts of the town. Our health program includes preventive, regular and emergency healthcare. Similarly, our education program targets children and students of all age groups. Education programs also focus on capacity development programmes aimed at creating awareness of women and child rights. We believe that in healthcare and education in our country, early stage interventions go a long way in stabilizing the otherwise potentially hazardous community issues.

Summary of our CSR initiatives FY 2018-19



ENVIRONMENT

TREE PLANTATION DRIVE:

From 2007 onwards, 1600 trees were planted in and around our operating sites. The trees planted are either fruit bearing or flowering, mostly native species. Tree plantation drives are useful when the saplings are taken care of in early stages and the provision of watering and maintenance is provided. For making sure that the trees survive the first three years protective guards are provided. Watering and maintenance is taken care of by FSPL till the saplings are rooted well.

HEALTH

PREVENTIVE HEALTHCARE PROGRAMME:

PROVISION OF CLEAN WATER DRINKING:

Ambur town, faces water shortage during summer months and some of the communities are impacted. Supplying safe potable water in about 9 localities where the local water supply is not available helps reduce the disease burden of the communities as well as helps them save on cost of water. By providing 15,000 litres per day that costs 1500 INR, Farida group helps communities, tide over the difficult summer months

EYE CARE:

Eye health is important for every human being and in earlier times eye camps were conducted for cataract treatment. However, owing to the issues in early childhood, the eye screening and optimal treatment is necessary to arrest the degeneration at an early stage. Our eye camps are aimed at screening, operations and distribution of spectacles. In 2018-19, a total of 43 camps led to screening of 61,491 persons, Total persons operated are 3,973 and 40,809 spectacles were distributed.



TREE PLANTATION DRIVE



Eye care camp

PULSE-POLIO CAMP:

While India celebrates complete eradication of polio, Farida group is proud to have contributed to the mission. We have a long-standing connection with this mission as across Ambur we have facilitated pulse-polio programmes in eleven centres from last 27 years. In the annual year 2018-19, around 6000 children were immunized through these 11 centres. This makes for about 40% of the total children immunized in Ambur.

DRINKING WATER PROGRAMME FOR LOCAL SCHOOLS:

FSPL under the umbrella of Farida Group has implemented several clean drinking water projects. The ultra-filtration technology is used to remove harmful micro-organisms such as bacteria and cysts apart from other impurities like dust and sand etc. The projects were implemented in the Qaide Milleth School where 950 students are the beneficiaries.



It was also implemented in Gracious school where 1200 students benefitted. This helps schools reduce their costs on getting clean drinking water. The desired impact of reducing water borne illness and reducing absenteeism in school has been achieved. Hygiene lessons were embedded in the project deliverables and that is aimed at early stage awareness on connection between hygiene and healthcare. In addition to that, the neighbouring communities also get access to clean water.

REGULAR HEALTHCARE PROGRAMME

CHILDCARE CLINIC:

Specialized paediatric care for under-privileged communities is essential. About 150 children below the age of five from such communities are enrolled with a childcare clinic for timely treatment. Twice a week consultation assures families of a reliable and timely health check-up. In addition to that, free medicine is also provided.

DIALYSIS CENTRE AT AMBUR:

Chronic kidney disease requires constant treatment and the facilities are usually available at crowded and distant centres. For those suffering from kidney ailments and requiring dialysis, a nearby well-equipped centre set up by FSPL in partnership with Rafeeq hospital & Rotary international, helps in saving time and effort for the patients and care providers.

EMERGENCY HEALTHCARE PROGRAMME

The nearest fully equipped hospital is 50 kms from Ambur and the nearest multi -speciality hospital is at 200 km. So, one of the dire needs of the community was to ferry patients in extreme health distress to the well-appointed medical facilities. FSPL provided an ambulance service for the community. On an average 20 patients per month are taken to the hospitals in time. This helps in necessary medical interventions required to save lives.



Dialysis Centre



Pulse polio drive

EDUCATION

KINDERGARTEN, PRIMARY, MIDDLE AND HIGH SCHOOL PROGRAMME:

Farida supports running of an anganwadi for the children in the community.

SCIENCE WORKSHOP:

To inculcate the spirit of discovery and encourage curiosity amongst children, science workshops are conducted by Farida Group in partnership with Tamil Nadu Science Forum (TNSF) to inspire and educate them on Science.

TULIR TALENT EXAMINATION & CERTIFICATION IN PARTNERSHIP WITH TNSF:

Talent search exams are conducted by Farida, for students in partnership with TNSF. Certificates are given to the performers.

TUITION CENTRE:

Children from underprivileged communities face additional challenge as they do not ordinarily get guidance from their parents as the parents are illiterate. To bridge that gap, tuition centres where children can get help in doing their homework which their counterparts from educated families get from their parents.

Four centres enrolling around 220 children from class one to nine are coached by trained faculty. The basic classroom facility is provided by FSPL in association with Farida Group. Classes are held in the evening.



Tuition Centre



Science workshop - TNSF



PDF Reducer Demo



TULIR talent search

SECONDARY AND TERTIARY PROGRAMME: SCHOLARSHIP PROGRAMMES:

To facilitate learning for students from under privileged communities pursuing higher education, FSPL as a part of Farida Group partners with the Universal Higher Education Trust. Universal Education Trust is a non-profit organization that caters to the needs of under privileged students.

CAREER GUIDANCE AND EDUCATION FAIR:

While students in big cities have exposure to different career choices at the right age, students from small towns have limited information on the career choices available to them. 'Career guidance and education fair' is aimed at conducting direct exposure through seminar on courses and employment opportunities. The counselling offered to parents and students helps in clarifying doubts regarding different career lines. These programmes were carried out in association with Universal Higher Education Trust.

Objective of this program is to achieve at least 85% Gross Enrolment Ratio (GER) of students in higher education. Farida has been able to map the impact of the programme in which they achieved a GER of 95% among facilitated children, with a national GER of 21.7 % and state GER of 42%.

COMPUTER SKILLS

Digital Literacy is path to progress in all dimensions of life. Be it access to citizen services, or convenience of booking tickets, it is well perceived that digital divide that exists amongst underprivileged need to be bridged. In this regard, FSPL conducts free computer coaching classes and certification in partnership with local skill provider in Ambur town (Apollo Computers).

INTERNSHIP PROJECT FOR STUDENTS:

Farida engages students by giving them opportunity of internship with the group. On the job training help students get the real-world workplace feel and it changes the perspective of students when they pursue their education. FSPL team provides guidance and mentorship for these training programmes.



Career Guidance



Computer skills

AWARENESS ON WOMEN RIGHTS AND CAPACITY DEVELOPMENT:

“My Suraksha, My Rights” is an initiative to help women get access to their rights. The project is aimed at enrolling women for various governmental schemes and subscribe to their rights. It works as a help desk for providing citizen services such as opening the bank accounts, applying for a Permanent Account Number (PAN card) and a unique identity number issued by the Government of India known as AADHAR card. The helpdesk also facilitates withdrawal of widow pension. The helpdesk assists women in filling the application, takes it for further processing through different agencies. It also acts as an awareness centre.

AWARENESS ON CHILD RIGHTS:



Creating awareness of rights amongst children need a touch point and a story line which they connect with. One of the best mediums for reaching out to children is through a movie or a story. ‘Maaya Changu’ is a Tamil language movie that aims to create awareness and understanding of key issues around child rights. The movie claims to address specific issues such as fundamental rights of the child related to personal safety, good touch and bad touch, protecting one’self, creating awareness for parents and offering connects for reaching out in case of an abuse.



GRI Standards Content Index

GRI	DISCLOSURES	Page Number
GRI 101: Foundation 2016		
ORGANIZATIONAL PROFILE		
GRI 102: General Disclosures 2016		
GRI 102-1	Name of the organization	Report Overview, Page 7
GRI 102-2	Activities, brands, products, and services	Report Overview, Page 7
GRI 102-3	Location of headquarters	Report Overview, Page 7
GRI 102-4	Location of operations	Report Overview, Page 7
GRI 102-5	Ownership and legal form	Page 7 & 22
GRI 102-6	Markets served	Pages 3 & 56
GRI 102-7	Scale of the organization	Page 7 & 8
GRI 102-8	Information on employees and other workers	Business Highlights, Page 15, 30 & 31
GRI 102-9	Supply chain	Pages 15, 59, 60, 61
GRI 102-10	Significant changes to the organization and its supply chain	Not reported
GRI 102-11	Precautionary Principle or approach	Not reported
GRI 102-12	External initiatives	Page 19
GRI 102-13	Membership of associations	Page 16
GRI 102-14	Statement from senior decision-maker	Pages 9-12
GRI 102-15	Key impacts, risks, and opportunities	Not reported
GRI 102-16	Values, principles, standards, and norms of behaviour	Page 4 & 7
GRI 102-18	Governance structure	Page 22
GRI 102-40	List of stakeholder groups	Page 26
GRI 102-41	Collective bargaining agreements	Page 19
GRI 102-42	Identifying and selecting stakeholders	Page 26
GRI 102-43	Approach to stakeholder engagement	Pages 23,24 & 26
GRI 102-44	Key topics and concerns raised	Page 24
GRI 102-45	Entities included in the consolidated financial statements	Not reported
GRI 102-46	Defining report content and topic Boundaries	Page 8
GRI 102-47	List of material topics	Page 25
GRI 102-50	Reporting period	Page 8
GRI 102-51	Date of most recent report	2018-19

GRI 102-52	Reporting cycle	Page 8
GRI 102-53	Contact point for questions regarding the report	Mr Udhay – CSR Head
GRI 102-54	Claims of reporting in accordance with the GRI Standards	GRI Standards - CORE
GRI 102-55	GRI content index	72
GRI 102-56	External assurance	This report is not assured by external agencies.

MANAGEMENT APPROACH

GRI 103-1	Explanation of the material topic and its Boundary	Page 25
GRI 103-2	The management approach and its components	
GRI 103-3	Evaluation of the management approach	

ECONOMIC INDICATORS

GRI 201: ECONOMIC PERFORMANCE

GRI 201-1	Direct economic value generated and distributed	Pages 15, 56
-----------	---	--------------

ENVIRONMENTAL INDICATORS

GRI 301: MATERIALS

GRI 301-1	Materials used by weight or volume	Page 52
GRI 301-2	Recycled input materials used	Not reported
GRI 301-3	Reclaimed products and their packaging materials	Page 53

GRI 302: ENERGY

GRI 302-1	Energy consumption within the organization	Page 46
GRI 302-2	Energy consumption outside of the organization	Not reported
GRI 302-3	Energy intensity	Pages 46 & 47
GRI 302-4	Reduction of energy consumption	Pages 46 & 47
GRI 302-5	Reductions in energy requirements of products and services	Page 47

GRI 303: WATER & EFFLUENTS

GRI 303-1	Interactions with water as a shared resource	Pages 50 & 51
GRI 303-2	Management of water discharge-related impacts	Page 50

GRI 303-3	Water Withdrawal	Pages 50 & 51
GRI 303-4	Water discharge	Pages 50 & 51
GRI 303-5	Water Consumption	Pages 50 & 51

GRI 305: EMISSIONS

GRI 305-1	Direct Scope -1 GHG Emissions	Page 49
GRI 305-2	Energy indirect (Scope 2) GHG emissions	
GRI 305-4	GHG Emissions intensity	
GRI 305-5	Reduction of GHG Emissions	

GRI 307: ENVIRONMENTAL COMPLIANCE

GRI 307-1	Non-compliance with environmental laws and regulation	Pages 44 & 45
-----------	---	---------------

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 308-1	New suppliers that were screened using environmental criteria	Page 53
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	

SOCIAL INDICATORS

GRI 401: EMPLOYMENT		
GRI 401-1	New employee hires and employee turnover	Pages 30 & 31
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 34 & 35
GRI 401-3	Parental Leave	Page 34

GRI 402: LABOUR MANAGEMENT RELATIONS

GRI 402-1	Minimum notice periods regarding operational changes	Not reported
-----------	--	--------------

GRI 403: OCCUPATIONAL HEALTH & SAFETY

GRI 403-1	Occupational health and safety management system	Pages 36-38
GRI 403-2	Hazard identification, risk assessment, and incident investigation	
GRI 403-3	Occupational health services	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	

GRI 403-5	Worker training on occupational health and safety	Pages 36-38
GRI 403-6	Promotion of worker health	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
GRI 403-8	Workers covered by an occupational health and safety management system	
GRI 403-9	Work related injury	
GRI 403-10	Work-related ill health	
GRI 404: TRAINING & EDUCATION		
GRI 404-1	Average hours of training per year per employee	Pages 39, 40
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	
GRI 405: DIVERSITY & EQUAL OPPORTUNITY		
GRI 405-1	Diversity of governance bodies and employees	Pages 30-35
GRI 406: NON-DISCRIMINATION		
GRI 406-1	Incidents of discrimination and corrective actions taken	Page 21
GRI 407: FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 20 & 21
GRI 408: CHILD LABOUR		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Pages 20 & 21
GRI 409: FORCED & COMPULSORY LABOUR		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pages 20 & 21
GRI 412: HUMAN RIGHTS ASSESSMENT		
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Page 19
GRI 413: LOCAL COMMUNITIES		

GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Pages 64 - 71
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
GRI 414-1	New suppliers that were screened using social criteria	Page 59
GRI 414-2	Negative social impacts in the supply chain and actions taken	Pages 59,60 & 61
GRI 416: CUSTOMER HEALTH & SAFETY		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Pages 56, 57
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 56, 57

SAGE Sustainability is a consulting firm focussing on Reporting, Compliance, Training and Gender Equality helping organizations integrate sustainability into their everyday business practices.

SAGE Sustainability

