SUHANA ZARI ARTS

SUSTAINABILITY REPORT 2024-25

S U H A N A

About the Report

Purpose of the Report

This Sustainability Report presents Suhana Zari Arts' environmental, social, and governance (ESG) performance for the financial year **2024–25**. It reflects the company's ongoing efforts to embed sustainability within its manufacturing processes, workforce practices, and business relationships. Through this report, Suhana Zari Arts aims to communicate its progress, challenges, and commitments toward responsible growth to its stakeholders — including clients, suppliers, employees, and the wider community.

Reporting Framework and Standards

The report has been developed in reference to the **Global Reporting Initiative (GRI) Standards (2021 version)** and aligned with the **United Nations Sustainable Development Goals (UN SDGs)** most relevant to Suhana Zari Arts' operations. While the company is at an early stage in its formal sustainability reporting journey, it seeks to progressively strengthen data quality, transparency, and alignment with recognized global benchmarks..

Reporting Scope and Boundary

The scope of this report covers the operations of **Suhana Zari Arts**, headquartered in **Mumbai, India**. It includes all manufacturing, design, and administrative activities within the company's direct operational control. Subsidiaries or partner entities are excluded from the current reporting boundary but may be considered in future disclosures as sustainability practices expand.

Reporting Period

This report covers activities and data from **1st April 2024 to 31st March 2025**.

Historical references have been included where relevant to provide context and performance trends.

Assurance

This report has been compiled and reviewed by **Youniformity Consulting Pvt. Ltd.**, an independent consulting firm specializing in ESG and sustainability reporting. The assurance process focused on verifying the accuracy, consistency, and completeness of disclosed information, ensuring alignment with the defined scope and reporting principles.

Forward-Looking Statement

Certain statements in this report, including future plans, targets, and commitments, represent forward-looking information. These statements are based on current expectations and assumptions and are subject to risks and uncertainties. Actual outcomes may differ based on economic, regulatory, and operational conditions.

Feedback and Continuous Improvement

Sustainability at **Suhana Zari Arts** is a continuous learning journey, built on collaboration and open dialogue. The company welcomes feedback, suggestions, and partnerships that can help strengthen its sustainability initiatives and reporting practices.

We encourage all stakeholders — clients, suppliers, employees, and community partners — to share their insights and ideas that can contribute to our collective progress.

Please reach out to us at suhanaembroideries.in to share your feedback or explore collaboration opportunities.
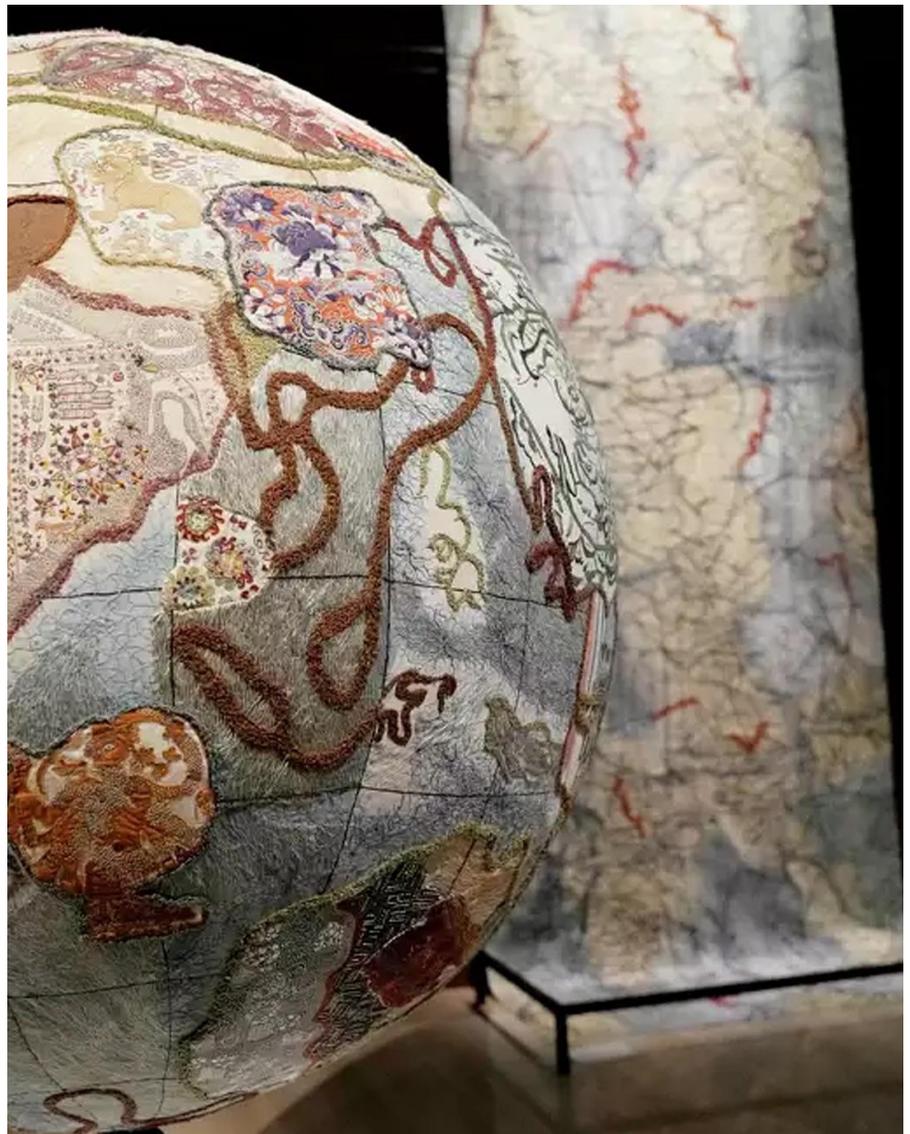
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Foreword from Management

At **Suhana Zari Arts**, craftsmanship is more than a profession — it is a legacy of precision, creativity, and dedication. For years, we have upheld the rich tradition of Indian hand embroidery, combining artistry with discipline to create products that reflect both beauty and integrity.

As we continue to grow in an increasingly conscious and competitive global marketplace, we recognize that excellence today is measured not only by quality but also by responsibility. True craftsmanship lies not only in what we create, but in how we create it — with respect for people, resources, and the environment.

This **Sustainability Report for FY 2024–25** marks a meaningful step in our commitment to transparency and accountability. It reflects our efforts to manage our environmental footprint, ensure the welfare of our artisans, and uphold ethical and compliant business practices. While this is our first formal sustainability report, it builds upon the values that have always guided our work — integrity, consistency, and care.

Our team of 495 skilled male artisans represents the backbone of Suhana Zari Arts. Their expertise, attention to detail, and passion for the craft are the reasons behind our success. We continue to invest in their growth by strengthening workplace safety systems, providing regular training, and maintaining fair and respectful employment practices.

On the environmental front, we are committed to improving energy efficiency, reducing waste, and optimizing our resource use. Though our operations are largely manual and artisanal, we understand the importance of minimizing our impact and are actively exploring ways to integrate sustainable practices into daily processes.

Sustainability, for us, is an evolving journey — one of learning, adaptation, and steady improvement. Each year brings new insights, and we are determined to transform these learnings into action that strengthens both our business and our contribution to society.

We express our gratitude to our artisans, employees, customers, and partners who have supported our journey so far. Their trust and collaboration encourage us to keep progressing — not only as creators of fine embroidered art, but as responsible stewards of a craft that carries cultural and environmental significance.

Together, we look forward to continuing our mission: creating products that are timeless in design, ethical in process, and sustainable in purpose.

Abdul Hanef Jamader
Managing Director
Suhana Zari Arts

About Suhana Zari Arts

At **Suhana Zari Arts**, every creation is a living expression of Indian artistry — where centuries-old hand-embroidery traditions are refined through modern management, technology, and sustainability.
 Based in **Mumbai**, the company designs and manufactures **high-fashion embroidered garments, panels, and accessories** for global luxury brands, combining heritage craftsmanship with contemporary standards of governance and responsibility.

Over the last two decades, Suhana Zari Arts has evolved into a **fully integrated, compliance-driven manufacturer**. Its operations are guided by an **Integrated Management System (IMS)** that unites six globally recognized standards:

- **ISO 9001:2015 – Quality Management System**
- **ISO 14001:2015 – Environmental Management System**
- **ISO 45001:2018 – Occupational Health & Safety Management System**
- **SA 8000:2014 – Social Accountability Standard**
- **ISO 37001:2016 – Anti-Bribery Management System**
- **ISO 27001:2013 – Information Security Management System**

This comprehensive framework ensures quality, integrity, environmental stewardship, worker well-being, ethical governance, and robust information security across all aspects of business.

Suhana Zari Arts employs **495 skilled artisans and professionals**, all directly engaged under written contracts with fair wages, social protection, and safe working conditions. The company maintains **zero child, bonded, or contract labour**, and its statutory benefits include Provident Fund, ESI, paid leave, and annual bonus.

Recognized as a **"White Category" enterprise** by the **Maharashtra Pollution Control Board (MPCB)**, Suhana operates with **no hazardous waste generation** — underscoring its low-impact production and responsible material management.

Beyond compliance, Suhana's mission is to **preserve the cultural heritage of hand embroidery while fostering innovation, efficiency, and ethical growth**. Every design that leaves its studio embodies not only elegance but also accountability to people, partners, and the planet.

Who We Are

OUR ETHOS IN ACTION

Heritage in Motion: Each Suhana design reinterprets the richness of India's embroidery tradition for the modern world — blending timeless artistry with innovation and purpose.

Hands that Define Excellence: Behind every creation are the hands of 495 dedicated artisans whose mastery, discipline, and passion transform creativity into precision and perfection.

Responsibility Woven In: Sustainability is integral to every process — from ethical sourcing and energy efficiency to data protection and transparent business conduct. At Suhana, responsibility is not an initiative; it is the way we work.

Key Facts & Figures – FY 2024–25

Indicator	Details
Registered Name	Suhana Zari Arts
Location	Mumbai, Maharashtra, India
Legal Status	Private Manufacturing Enterprise
Core Activity	Design & manufacture of high-fashion hand-embroidered garments, panels & accessories
Employees	**495 (100% direct employment; no contract labour)**
Certifications	ISO 9001, ISO 14001, ISO 45001, SA 8000, ISO 37001, ISO 27001
Regulatory Classification	"White Category" – No hazardous waste generation (MPCB Authorization 2022)
Primary Customers	Export and domestic luxury fashion brands
Annual Revenue (FY 2024–25)	₹ 10.33 Crores
Governance Compliance	Anti-bribery & data-integrity systems per ISO 37001 and ISO 27001
Labour Compliance	SA 8000 certified; zero non-conformities
Community Impact	CSR initiatives in education, health, and artisan skill development

Vision, Mission & Values

Our Vision

To be a globally recognized name in **luxury hand embroidery** that upholds India's artistic heritage while setting benchmarks in **ethical manufacturing, sustainability, and innovation**.
 We aspire to ensure that every Suhana creation — from a single stitch to the final garment — embodies craftsmanship, conscience, and credibility.

Our Mission

To combine **heritage craftsmanship with responsible business practices**, ensuring that beauty and ethics coexist in every part of our value chain.
 Our mission is to:

- **Preserve** traditional embroidery skills and provide dignified livelihoods to artisans.

- **Operate sustainably**, minimizing our environmental footprint through energy efficiency, waste reduction, and responsible material use.

- **Protect and empower** our workforce under globally recognized standards of social accountability (SA 8000) and occupational safety (ISO 45001).

- **Ensure integrity and transparency** in all operations through strong governance systems under ISO 37001 and ISO 27001.

- **Deliver excellence** that inspires confidence among clients, partners, and stakeholders worldwide.

What Makes Us Different

- **Craftsmanship with Compliance**
 Every Suhana product is handcrafted by skilled artisans within a globally certified manufacturing environment — where traditional artistry meets modern governance.

- **Integrated Management Excellence**
 Six international certifications (ISO 9001, ISO 14001, ISO 45001, ISO 37001, ISO 27001, and SA 8000) operate under a single Integrated Management System, ensuring quality, safety, integrity, and data security across all functions.

- **Zero Harm, Zero Waste Philosophy**
 Classified as a **"White Category"** enterprise with zero hazardous discharge, Suhana emphasizes clean production, waste segregation, and responsible disposal verified through annual audits.

- **People at the Heart of Progress**
 With 495 artisans, Suhana's success lies in its people. Every employee works under fair, safe, and transparent conditions — supported by training, health checks, and continual improvement programs.

- **Accountability Beyond Compliance**
 Every policy — from Anti-Bribery to Environmental Stewardship — is auditable, data-backed, and reviewed through independent verification. This culture of accountability defines Suhana's difference in an industry built on trust.

- **Heritage Meets Innovation**
 The company bridges generational artistry with contemporary processes like CAD digitizing, eco-conscious design, and digital compliance monitoring — ensuring craftsmanship evolves sustainably.

Our Core Values

Value	What It Means to Us
Integrity	Conducting business with honesty, transparency, and zero tolerance for corruption under ISO 37001 compliance.
Craftsmanship	Upholding the excellence of handmade embroidery as both an art and a livelihood.
Respect for People	Guaranteeing dignity, fair treatment, and safe working conditions for every artisan.
Sustainability	Managing our environmental impact responsibly and continuously improving efficiency.
Innovation	Combining traditional embroidery techniques with digital design and modern process management.
Accountability	Ensuring that every decision — from sourcing to shipment — is guided by data, ethics, and independent verification.
Security & Trust	Safeguarding client and company data through ISO 27001-certified information security practices.

S U H A N A

ESG Highlights

ENVIRONMENT

Energy Efficiency and Management
Suhana Zari Arts consumed **62.38 MWh of energy** in FY 2024–25, primarily from purchased electricity. Minor fuel usage (0.21 MWh) came from limited petrol consumption for internal mobility, resulting in negligible Scope 1 emissions (**0.051 tCO₂e**).
 All energy data are monitored monthly under the **ISO 14001:2015 Environmental Management System**, enabling transparent tracking of consumption patterns. The company has achieved a **steady reduction in energy use** over the past three years, driven by LED retrofits, equipment maintenance, and behavioral energy efficiency initiatives.
 Looking forward, Suhana plans to initiate a **solar integration feasibility study** in FY 2025–26, targeting **10 % energy-intensity reduction by FY 2026–27**.

Water Management
Total water withdrawal stood at **289.21 KL**, sourced entirely from municipal supply for domestic and sanitation purposes. The company does not use water in production processes, resulting in **zero industrial discharge**.
 In FY 2024–25, Suhana introduced water-awareness programs for workers and began groundwork for a **rainwater harvesting system**, to be operational by FY 2025–26, aimed at reducing dependence on freshwater resources.

Waste Management
During FY 2024–25, Suhana generated **99.95 MT of total waste**, of which **7 % was recycled** and the remaining **93 % responsibly disposed of** through authorized local agencies. The company's production operations continue to qualify under the **"White Category" classification** of the Maharashtra Pollution Control Board, reflecting **zero hazardous waste generation**.
 Waste is segregated at source into recyclable and non-recyclable streams, and staff are trained regularly in proper disposal practices under the ISO 14001 framework.

Emissions and Climate Impact
Though Suhana's operations are predominantly manual, the company continues to monitor its carbon footprint. Electricity-related emissions (Scope 2) are being tracked internally, and Suhana is developing a formal **carbon-accounting methodology** to enhance reporting accuracy and establish measurable reduction targets by FY 2026–27.

SDGs Covered:
 SDG 7 – Affordable & Clean Energy
 SDG 12 – Responsible Consumption & Production
 SDG 13 – Climate Action

SOCIAL

Workforce & Employment Practices
Suhana Zari Arts employs **495 skilled male artisans and staff**, all directly hired under written contracts. There are **no contract, child, or bonded labourers** within the company. Employment practices are fully aligned with the **SA 8000:2014 Social Accountability Standard**, ensuring fair wages, humane working hours, and equal opportunity for all.

Occupational Health & Safety
Health and safety form a central part of Suhana's operational ethos under the **ISO 45001:2018 Occupational Health & Safety Management System**. Regular workplace inspections, emergency response drills, and first-aid training sessions are conducted throughout the year. First-aid registers and safety checklists are updated monthly, and supervisors receive safety management training. In FY 2024–25, Suhana recorded **zero major workplace injuries**.

Training & Development
Continuous learning is a key enabler of Suhana's craftsmanship excellence. Employees and artisans participated in multiple training sessions covering:

- Safe handling of embroidery materials and tools
- Ergonomic posture management
- Fire safety and emergency preparedness
- Process quality improvement under ISO 9001 standards
- The company plans to introduce a **Digital Learning and Skill Reinforcement Program** in FY 2025–26 to support capacity building for both artisans and supervisors.

Employee Welfare & Benefits
All 495 employees are covered under **Provident Fund (PF), Employee State Insurance (ESI), annual leave, and festival bonuses**. Regular health check-ups, access to clean drinking water, and hygienic facilities are maintained across all production units.

Community Engagement
Beyond the factory floor, Suhana contributes to local development through initiatives in **education and skill training**. In collaboration with local NGOs, the company plans to initiate a **Community Craft Development Program** that empowers underprivileged youth through embroidery training, ensuring cultural continuity and social upliftment.

SDGs Aligned:
SDG 3 – Good Health and Well-being
SDG 4 – Quality Education
SDG 8 – Decent Work and Economic Growth
SDG 10 – Reduced Inequalities

GOVERNANCE

Ethical Business Conduct
Integrity and transparency form the foundation of Suhana Zari Arts' governance philosophy. The company enforces a zero-tolerance policy toward bribery, corruption, and unethical practices, implemented through its ISO 37001:2016 Anti-Bribery Management System.

All employees undergo induction-level ethics and integrity training, and an internal whistle-blower mechanism provides a confidential channel for reporting concerns without fear of retaliation. Suhana's leadership regularly reviews ethical performance to ensure the highest standards of accountability and fairness across its value chain.

Compliance & Transparency
Suhana maintains 100 % compliance with all statutory, environmental, and labour regulations. Internal audits are conducted quarterly as part of its Integrated Management System (IMS), and accredited certification bodies perform annual external surveillance audits.

Policies and procedures are continuously updated to reflect evolving national and international standards, ensuring consistency with global best practices and client expectations.

Information Security & Data Integrity
Under its ISO 27001:2013 Information Security Management System, Suhana protects all client data, digital artwork, and proprietary information through rigorous access controls, regular cyber-security audits, and secure document management. Data integrity and confidentiality are central to the company's trust-based relationships with international partners.

Supply-Chain Security and Risk Management
Recognizing the growing need for resilience and transparency in global supply networks, Suhana Zari Arts is actively progressing toward certification under ISO 28000:2022 – Security Management Systems for the Supply Chain.

This certification will further strengthen Suhana's logistics governance, product traceability, and end-to-end risk mitigation processes, ensuring that every shipment meets international safety, compliance, and ethical standards.

Leadership Oversight & ESG Integration
A dedicated ESG & Compliance Committee, chaired by senior management, oversees sustainability strategy, policy implementation, and audit follow-ups. The committee monitors performance on key ESG indicators—including waste reduction, labour welfare, data protection, and ethical sourcing—and drives continuous improvement across all business functions.

Independent Assurance
All Integrated Management System certifications (ISO, SA 8000) are independently verified through annual third-party audits. These assessments confirm that Suhana's governance systems remain robust, transparent, and aligned with global benchmarks for sustainable and ethical business conduct.

SDGs Aligned:
SDG 16 – Peace, Justice & Strong Institutions
SDG 17 – Partnerships for the Goals

Materiality Assessment
Purpose of the Materiality Assessment

At **Suhana Zari Arts**, sustainability begins with a clear understanding of what truly matters — to our business, our people, and our stakeholders.
 Our **Materiality Assessment** is a structured process to identify, analyze, and prioritize the Environmental, Social, and Governance (ESG) topics that have the most significant impact on our operations, stakeholders, and long-term value creation.

Conducted in accordance with the **Global Reporting Initiative (GRI) Standards 2021** and aligned with Suhana's **Integrated Management System (IMS)** — which includes ISO 9001, ISO 14001, ISO 45001, SA 8000, ISO 37001, and ISO 27001 — the assessment ensures that our sustainability strategy is data-driven, inclusive, and globally benchmarked.

It also reflects Suhana's commitment to the **double materiality principle**, recognizing that the company must evaluate both:

- **The impact of our activities on the environment and society**, and
- **The influence of sustainability issues on our financial performance and strategic resilience**.

Our Materiality Assessment Process

The materiality process was conducted in four key stages, following the GRI-recommended framework and validated through internal and external consultation.

1. Identification of Potential Topics

A wide range of potential ESG topics was identified based on:

- Global sustainability frameworks (GRI 2021, UN SDGs, ISO standards, BRSR Core).
- Internal audits, policies, and performance reviews under the IMS.
- Feedback from customers, auditors, and certification bodies.
- National and state-level regulatory requirements (MPCB, Labour Laws, ESI, PF, etc.).
- Peer benchmarking within the textile and apparel export sector.

This stage resulted in a preliminary list of **26 potential ESG topics** grouped under Environment, Social, and Governance pillars.

Stakeholder Group	Engagement Method	Key Issues Raised
Employees & Artisans	Surveys, group discussions, safety meetings	Fair wages, health & safety, work environment, training, job security
Clients & International Buyers	Direct consultations, audits, feedback reports	Product quality, ethical sourcing, transparency, traceability
Suppliers & Vendors	Meetings and compliance declarations	Timely payments, material quality, environmental compliance
Local Community & NGOs	Informal meetings and CSR planning sessions	Employment generation, skill development, community welfare
Regulatory Bodies	MPCB, ISO surveillance audits	Environmental compliance, waste management, occupational safety
Management & Board	ESG workshops and review sessions	Business continuity, ethical governance, supply chain security, data protection

2. Stakeholder Engagement

Recognizing that sustainability must reflect diverse voices, Suhana engaged its primary stakeholder groups through interviews, informal consultations, and feedback sessions. This process allowed the company to capture both operational realities and external expectations.

Each stakeholder group was assigned a relevance weighting, helping determine the relative influence of their feedback on Suhana's sustainability priorities.

3. Analysis and Prioritization

A **Double Materiality Matrix** was developed to assess each topic based on:

- **Impact Materiality**: The magnitude and likelihood of Suhana's direct or indirect impact on the environment, society, or economy.
- **Financial Materiality**: The degree to which the topic could influence Suhana's ability to generate long-term value or maintain operational continuity.

Each issue was rated on a scale of 1 to 5 for both axes (Stakeholder Importance and Business Impact). Weighted scores were plotted on a **Materiality Matrix**, categorizing topics into four quadrants:

1. **High Impact / High Importance** – Core strategic priorities
2. **High Impact / Medium Importance** – Key focus areas for near-term action
3. **Medium Impact / High Importance** – Stakeholder-sensitive issues requiring communication and transparency

4. **Low Impact / Low Importance** – Issues to monitor periodically

4. Validation and Approval

The draft Materiality Matrix was reviewed by the **ESG & Compliance Committee**, which includes representatives from top management, human resources, production, quality assurance, and finance.
The process was guided by independent sustainability experts to ensure accuracy and impartiality.
Final validation was conducted through a management review meeting, where priority topics were approved and aligned with Suhana's strategic objectives and 2025 sustainability roadmap.

Integration and Continuous Review

Material issues are now embedded into Suhana's **ESG Governance Structure** through:

- Defined **Key Performance Indicators (KPIs)** for each material topic.
- Regular data collection and quarterly IMS reviews.
- Inclusion in annual management audits and third-party verifications.
- Continuous stakeholder engagement and disclosure through sustainability reporting.

The assessment is scheduled for **biennial review**, or earlier if there are significant changes in business strategy, stakeholder expectations, or regulatory landscapes.

Material Topics

Purpose

Following the materiality assessment, Suhana Zari Arts identified its **most significant ESG topics** based on their impact on business performance, stakeholder importance, and contribution to long-term sustainable growth.

Each topic has been mapped to its corresponding focus areas, stakeholder concerns, and business relevance, aligning with the **GRI Standards 2021** and the **United Nations Sustainable Development Goals (SDGs).**

Material Topic	Focus Areas	Stakeholders Concerned	Business Relevance
Energy & Emissions Management	Energy efficiency, renewable sourcing, GHG tracking	Management, Employees, Regulators, Clients	Reduces operational costs and carbon intensity; strengthens environmental credentials for international buyers.
Water Use & Conservation	Water optimization, reuse, rainwater harvesting	Employees, Regulators, Community	Ensures operational sustainability and compliance with MPCB and ISO 14001.
Waste Management	Waste reduction, segregation, authorized disposal	Employees, Regulators, Local community	Minimizes environmental footprint; maintains "White Category" certification and reduces disposal costs.
Living Wage & Worker Welfare	Fair compensation, benefits, social protection	Employees, Regulators	Improves workforce satisfaction, retention, and productivity; ensures SA 8000 compliance.
Health & Safety (Occupational Well-being)	Workplace safety, first aid, fire drills, ergonomics	Employees, Regulators, Buyers	Reduces accidents, enhances employee confidence, meets ISO 45001 requirements.
Skill Development & Capacity Building	Technical training, digital embroidery systems, continuous learning	Employees, Management, Clients	Builds human capital, innovation capability, and operational efficiency.
Supply Chain Responsibility	Ethical sourcing, supplier audits, traceability	Suppliers, Clients, Regulators	Reduces reputational risk, aligns with client sustainability expectations, prepares for ISO 28000 certification.
Data Security & Confidentiality	Data privacy, digital integrity, information system control	Clients, Employees, Regulators	Ensures compliance with ISO 27001 and protects client trust and proprietary designs.
Governance & Compliance Assurance	Anti-bribery policies, transparency, internal audit mechanisms	Management, Regulators, Clients	Upholds ethical business practices, enhances accountability, and protects brand reputation.
Community Engagement & Cultural Preservation	Artisan livelihood programs, heritage skill promotion	Community, Employees, Clients	Supports socio-economic development, strengthens brand identity through cultural continuity.

Severity and Likelihood Assessment

The **Severity and Likelihood Assessment** provides a structured evaluation of each topic's **potential impact magnitude** and the **probability of occurrence**, ensuring balanced prioritization. This aligns with the double materiality framework outlined by GRI 3: Material Topics (2021).

Severity (Impact Magnitude)

Measures the scale of environmental, social, or governance effects resulting from Suhana's activities.
 Scoring parameters:

1. **Minor** – Localized, easily mitigated
2. **Moderate** – Operational or reputational implications
3. **Major** – Strategic, compliance-related, or stakeholder-critical
4. **Severe** – Long-term financial or regulatory consequence

Likelihood (Probability)

Assesses the frequency and potential recurrence of an issue within Suhana's operational context.
 Scoring parameters:

1. **Rare** – Occurs once in >5 years
2. **Unlikely** – 2–3 years
3. **Possible** – Annual occurrence
4. **Likely** – Continuous or systemic issue

Each material issue was assigned a weighted score (Severity × Likelihood). The resulting **Materiality Index** classified issues into *Critical, High, Moderate,* and *Low* categories.

Findings and Interpretation

Critical Material Topics

- **Employee Health & Safety:** Zero-injury targets and preventive safety training under ISO 45001 make this a top-priority issue.

- **Energy & Emissions Management:** With increasing client expectations and energy costs, Suhana's efficiency and renewable transition goals are business-critical.

- **Governance & Compliance Assurance:** Strong ethical oversight under ISO 37001 and SA 8000 ensures operational transparency and risk mitigation.

High-Priority Material Topics

- **Waste Management:** A consistent reduction in waste to 99.95 MT in FY 2024–25 and a 7% recycling rate reflect strong environmental governance.

- **Worker Welfare & Living Wage:** Ensuring financial stability and motivation across the 495-member workforce supports productivity and retention.

- **Supply Chain Responsibility:** Ongoing supplier mapping and upcoming ISO 28000 certification enhance visibility and accountability.

Moderate Material Topics

- **Water Use & Conservation:** Currently low-impact due to limited process water use, but future infrastructure plans (rainwater harvesting) elevate its relevance.

- **Data Security & Confidentiality:** Maintained robustly under ISO 27001; continuous awareness programs planned to reinforce employee data discipline.

- **Skill Development & Capacity Building:** A growing need area; Suhana plans to expand training in CAD systems and digital embroidery management.

Emerging Material Topics

- **Cultural Preservation and Community Engagement:** Supporting heritage embroidery as a livelihood fosters sustainable local development and aligns with SDG 8 (Decent Work and Economic Growth).

Assessment Methodology

- **Data Sources:** Internal policy reviews, IMS audits, stakeholder interviews, and external certification findings.

- **Analytical Framework:** Weighted scoring (Severity × Likelihood × Stakeholder Influence).

- **Validation:** Conducted by the ESG & Compliance Committee and verified during internal IMS audits.

- **Standards Applied:** GRI 3: 2021, ISO 9001 (Risk-Based Thinking), and SA 8000 worker welfare metrics.

Strategic Implications

By integrating the severity and likelihood analysis within its broader materiality framework, **Suhana Zari Arts** ensures that ESG priorities are managed systematically and proactively.

This structured approach enables Suhana to:

- **Focus risk mitigation** on its most significant ESG priorities — worker safety, governance integrity, and resource efficiency.

- **Strengthen governance assurance** through cross-functional oversight by the ESG & Compliance Committee.

- **Enhance stakeholder trust** by providing transparent disclosure of material risks and their management responses.

The assessment facilitates evidence-based decision-making and alignment between sustainability goals and business continuity objectives. It also serves as a foundation for Suhana's **2025–27 Sustainability Roadmap**, ensuring that progress is measurable and regularly reviewed.

Severity & Likelihood Assessment Matrix

Material Topic	Severity (1–4)	Likelihood (1–4)	Risk Rating (S×L)	Risk Level
Employee Health & Safety	4	4	16	**Critical**
Governance & Compliance	4	4	16	**Critical**
Energy & Emissions Management	3	4	12	**High**
Waste Management	3	3	9	**Medium**
Worker Welfare & Living Wage	3	3	9	**Medium**
Supply Chain Responsibility (ISO 28000)	4	3	12	**High**
Water Use & Conservation	2	3	6	**Low–Medium**
Data Security & Confidentiality (ISO 27001)	3	2	6	**Low–Medium**
Skill Development & Capacity Building	2	2	4	**Low**
Community & Cultural Engagement	2	2	4	**Low**

Interpretation Guide

Risk Rating (S×L)	Risk Level	Action Priority
1–6	Low / Medium	Monitor periodically; integrate into standard IMS review.
7–12	High	Develop medium-term mitigation plans and track through departmental KPIs.
13–16	Critical	Immediate management attention, cross-functional monitoring, and quarterly reporting to senior leadership.

Key Insights

- **Employee Health & Safety** and **Governance & Compliance** emerged as *Critical* areas requiring ongoing top-management focus.

- **Energy Efficiency, Emissions, and Supply Chain Security** were categorized as *High Priority*, warranting structured improvement plans.

- **Waste, Water, and Welfare Programs** remain in the *Medium* zone, supported by steady progress and existing compliance controls.

- Topics such as **Skill Development** and **Community Engagement** are *Low Risk* but strategically important for Suhana's long-term social license to operate.

This analysis will guide Suhana's **2025–27 Sustainability Action Plan**, ensuring that resource allocation, monitoring frequency, and performance reporting correspond directly to each topic's materiality and risk intensity.

Materiality Matrix
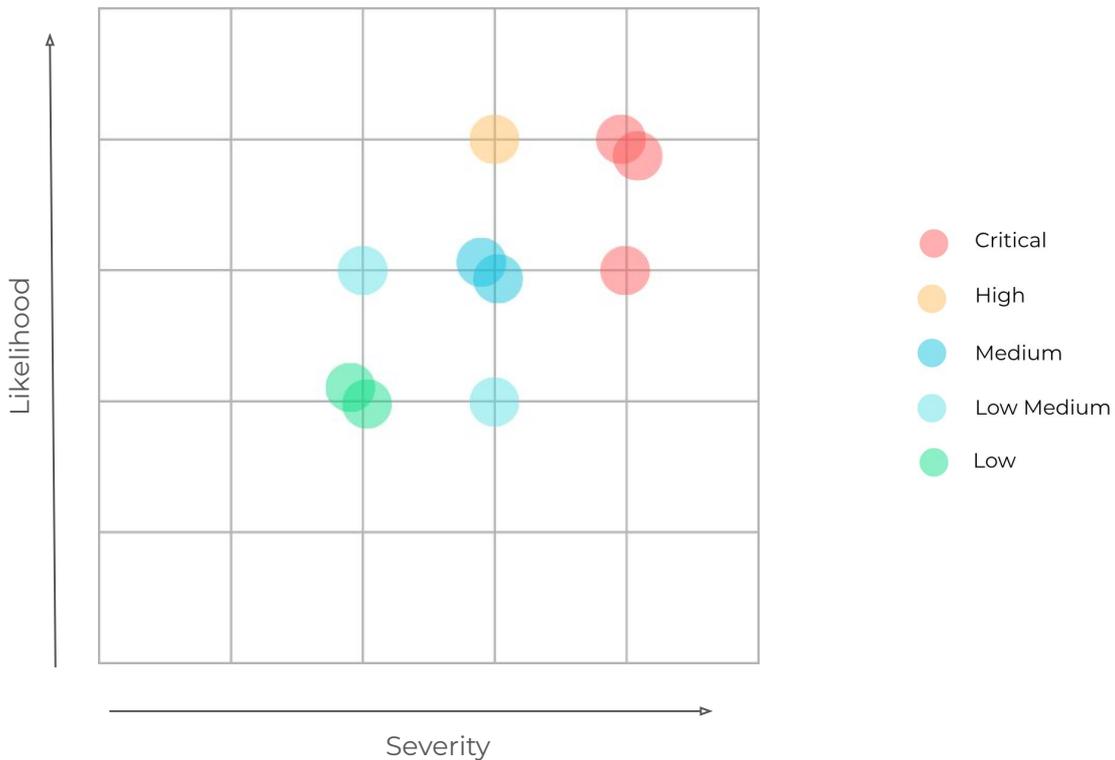
Interpretation:
Suhana Zari Arts' risk distribution reflects a mature and balanced sustainability management system — where high-risk ESG factors (safety, governance, and energy) are mitigated through certified management systems, while emerging focus areas (supply chain, data, and community engagement) are integrated into future strategic planning.

Our ESG Strategy

Our Commitment

At **Suhana Zari Arts**, sustainability is not a separate initiative — it is the guiding principle that shapes how we design, manufacture, and grow.
Our **Environmental, Social, and Governance (ESG) strategy** reflects the belief that authentic craftsmanship can coexist with modern accountability. Every embroidered creation we produce carries not only the beauty of Indian artistry but also a commitment to ethical business, social responsibility, and environmental preservation.

We align our operations with internationally recognized frameworks, including the **Global Reporting Initiative (GRI) Standards 2021**, the **United Nations Sustainable Development Goals (UN SDGs)**, and a robust **Integrated Management System (IMS)** certified under ISO 9001, ISO 14001, ISO 45001, ISO 27001, ISO 37001, and SA 8000.
This ensures that our sustainability journey is **transparent, data-driven, and verifiable**.

Strategic ESG Objectives

Our ESG approach is structured around three fundamental pillars that represent the company's holistic vision of sustainability:

1. Environmental Stewardship

We aim to minimize our ecological footprint while strengthening operational efficiency.
Our initiatives are designed to conserve resources, lower emissions, and maintain compliance with national and international environmental standards.

Our priorities include:

- Reducing electricity consumption through upgraded lighting, optimized HVAC systems, and process efficiency monitoring under ISO 14001.

- Gradually transitioning toward **renewable energy integration**, with solar feasibility assessments planned for FY 2025–26.

- Enhancing water conservation by reducing consumption and introducing **rainwater harvesting systems** at our Mumbai facility.

- Maintaining our **"White Category" classification** with *zero hazardous waste generation*, waste segregation at source, and recycling initiatives.

- Promoting biodiversity through **tree plantation drives** and green belt development around the facility.

- Implementing sustainable procurement policies that prioritize local, compliant, and low-impact suppliers.

These efforts directly support **SDG 7 (Clean Energy), SDG 12 (Responsible Consumption), and SDG 13 (Climate Action).**

2. Social Responsibility

Our artisans are the cornerstone of our success. Suhana Zari Arts is committed to creating a safe, equitable, and growth-oriented environment for all employees, while contributing meaningfully to the surrounding community.

Our commitments include:

- Upholding **fair compensation** practices through SA 8000–compliant wage structures and timely payment systems.
- Ensuring **100% workforce coverage** under statutory benefits, including Provident Fund, ESI, and paid leave.
- Conducting regular **health and safety training sessions**, emergency drills, and workplace audits under ISO 45001.
- Expanding skill development programs in design, digital embroidery, CAD, and quality control — enabling artisans to adapt to emerging technologies.
- Promoting inclusivity and equal treatment, with awareness programs on non-discrimination and worker dignity.
- Supporting **community-focused CSR initiatives** in education, healthcare, and skill-building for local youth.

Suhana's social responsibility initiatives are aligned with **SDG 3 (Good Health & Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work & Economic Growth), and SDG 10 (Reduced Inequalities).**

3. Governance Excellence

Integrity and transparency form the foundation of Suhana's business philosophy.
Our governance systems ensure that ethical conduct, legal compliance, and accountability are embedded into every level of management.

Our commitments include:

- Maintaining **zero tolerance for bribery or unethical conduct** through our ISO 37001-certified Anti-Bribery Management System.

- Enforcing **data protection protocols** under ISO 27001, ensuring confidentiality, cybersecurity, and client trust.

- Conducting **quarterly IMS audits** to monitor compliance across all departments, supported by independent third-party verification.

- Adopting a structured **ESG Oversight Framework**, chaired by senior management, to track progress against sustainability KPIs.

- Establishing transparent grievance redressal and whistleblower mechanisms accessible to all employees.

- Progressing toward **ISO 28000 certification** to strengthen supply-chain security and ensure global traceability.

- Integrating ESG principles into procurement, vendor assessment, and risk management systems.

These governance efforts align with **SDG 16 (Peace, Justice & Strong Institutions)** and **SDG 17 (Partnerships for the Goals)**, ensuring Suhana's growth remains responsible, ethical, and globally credible.

Looking Forward

Suhana Zari Arts will continue to evolve its ESG roadmap by integrating measurable sustainability metrics into business decisions, enhancing transparency through annual disclosures, and aligning with future industry standards such as **GRI-verified assurance**.

Our goal is simple: to ensure that every Suhana creation embodies *heritage with integrity* — artistry that uplifts people, sustains the environment, and strengthens trust across borders.

ESG Strategic Targets Framework (Baseline FY 2023–24)

Category	Indicator / KPI	Unit of Measure	Baseline (2023)	Actual (FY 2024–25)	Target 2027	Target 2030	Measurement Scope / Methodology
Environment	Scope 1 GHG Emissions – Direct (Fuel Use)	tCO_2e	0.063	0.051	↓ 15 % absolute	↓ 25 % absolute	Derived from petrol consumption logs using GHG Protocol emission factors.
Environment	Scope 2 GHG Emissions – Purchased Electricity	tCO_2e	46.3	46.5	↓ 10 % absolute	↓ 20 % absolute	Based on electricity bills; regional emission factors under ISO 14001.
Environment	Total GHG Emissions (Scopes 1 + 2)	tCO_2e	46.36	46.55	↓ 10 % overall	↓ 20 % overall	Consolidated under GHG Protocol Corporate Standard.
Environment	Energy Consumption	MWh	62.3	62.38	↓ 10 % intensity	↓ 20 % intensity	Meter readings + energy audit covering ≥ 95 % operations.
Environment	Water Consumption	KL	280	289.2	↓ 10 % absolute	↓ 20 % absolute	Metered tracking and quarterly usage logs under ISO 14001.
Environment	Waste Generated (Total Solid Waste)	MT	101.8	99.95	Maintain ≤ baseline with 10 % increase in recycling	≤ baseline with 25 % recycling	Waste segregation and vendor disposal records verified by ISO auditors.
Environment	Hazardous Waste Generated	MT	0	0	Maintain Zero	Maintain Zero	Verified via MPCB consent and ISO 14001 register.
Environment	Waste Recycled / Reused	% of total waste	5 %	7 %	≥ 15 %	≥ 25 %	Annual vendor recycling records and waste audit.

Category	Indicator / KPI	Unit of Measure	Baseline (2023)	Actual (FY 2024–25)	Target 2027	Target 2030	Measurement Scope / Methodology
Social	Workforce Strength (Permanent Employees)	Headcount	495	495	Stable	+ 5 % growth in productivity roles	HR and payroll records.
Social	Health & Safety Incidents (Recordable)	Count	0	0	Maintain Zero	Maintain Zero	OHS incident logs and safety audits under ISO 45001.
Social	Living Wage Coverage	% of workforce	100 %	100 %	Maintain 100 %	Maintain 100 %	Annual HR verification and SA 8000 audit.
Social	Employee Satisfaction Index (0–5)	Score	4.2	4.4	≥ 4.5	≥ 4.7	Annual confidential employee survey analysis.
Social	Training Hours per Employee	Hours	6	8	≥ 12	≥ 15	Training attendance and skill registers verified by HR and QA teams.
Governance	Employees Trained on Ethics & Anti-Bribery	% of workforce	100 %	100 %	Maintain 100 %	Maintain 100 %	ISO 37001 training and annual refreshers.
Governance	Whistleblower Complaints (Received / Resolved)	Count	0	0	Maintain Zero	Maintain Zero	Ethics committee register and grievance logs.
Governance	Code of Conduct Violations	Count	0	0	Maintain Zero	Maintain Zero	Compliance and HR disciplinary records.
Governance	Supplier Audits Conducted	% of suppliers	80 %	90 %	100 %	Maintain 100 %	Vendor audit reports and corrective action plans.
Governance	Suppliers with Signed Code of Conduct	% of suppliers	70 %	85 %	100 %	Maintain 100 %	Supplier declaration database reviewed annually.
Governance	Supplier Training on Sustainability	% of suppliers	50 %	60 %	≥ 80 %	100 %	Supplier capacity-building records.
Governance	External ESG Assurance Frequency	Annual	Annual	Annual	Annual	Annual	Independent verification by Youniformity Consulting Pvt. Ltd.
Governance	Compliance Incidents / Fines	Count	0	0	Maintain Zero	Maintain Zero	Legal and regulatory compliance register.
Governance	Supply-Chain Security Certification (ISO 28000)	Status	Not Initiated	In Progress	Certified by FY 2025 October	Maintain Certified	Independent third-party certification records.

Monitoring, Measurement, and Review Framework

At **Suhana Zari Arts**, our ESG Strategic Targets Framework represents more than a set of commitments — it is a dynamic roadmap for responsible growth.
Each target is governed through **quantifiable indicators, continuous monitoring, and transparent assurance**, ensuring that progress remains both measurable and meaningful.

The framework is designed to uphold the principles of **accountability, transparency, and data integrity** while aligning with internationally recognized standards such as the **GRI 2021 Disclosures**, **ISO 9001, 14001, 45001, 37001, and 27001**, and the **UN Sustainable Development Goals (SDGs)**.

Measurement Approach

All ESG indicators are quantified using standardized methodologies:

- **Environmental parameters** — including energy, emissions, water, and waste — are measured through calibrated meter readings, vendor records, energy bills, and waste management registers.
- **Social parameters** — such as workforce, welfare, and training — are validated through HR systems, payroll data, training logs, and SA 8000 audit reports.
- **Governance parameters** — including ethics, anti-bribery, and supplier compliance — are reviewed through ISO 37001 and ISO 27001 surveillance audits.

Performance data are consolidated annually to form Suhana's **Sustainability Data Repository**, serving as the evidence base for assurance, disclosure, and future benchmarking.

Intermediate Review and Progress Evaluation

To ensure timely progress tracking and corrective action, Suhana follows a structured **three-tier review mechanism**:

1. Quarterly Internal Reviews

Conducted by department heads and ESG focal points to capture quarterly performance against short-term milestones — including energy use, emissions, waste, safety, and welfare metrics.

2. Half-Yearly Management Review

Led by the **ESG Steering Committee**, chaired by the **Managing Director**, this review evaluates performance trends, identifies systemic improvements, and approves corrective actions or resource reallocation where necessary.

3. Annual Assurance and Disclosure

At the end of each financial year, all ESG performance data are independently verified through **third-party audits** under Suhana's Integrated Management System.
Findings are consolidated into the **Annual Sustainability Report**, which is reviewed for consistency with GRI Standards, SDG mapping, and external assurance requirements.

Key Performance Checkpoints

- **FY 2023–24** served as Suhana's first baseline year, establishing measurable KPIs for all ESG domains and validating data capture systems.
- **FY 2026–27** will mark the mid-term review milestone — evaluating progress toward intensity reduction goals for **GHG emissions, energy use, water consumption, and waste management**.
- **FY 2029–30** will serve as the first long-term strategic checkpoint, accompanied by an independent audit to validate progress, recalibrate baselines, and define post-2030 performance objectives.

Accountability and Continuous Improvement

Accountability for each ESG parameter lies with its respective **functional lead**, while overall ESG governance rests with the **Managing Director and the ESG Committee**.
This cross-functional committee ensures that sustainability performance is embedded into operational planning, procurement, and quality management systems.

Continuous improvement is driven by:

- **Quarterly policy reviews** and training updates.
- **Supplier audits and corrective actions**.
- **Employee feedback mechanisms** and engagement surveys.
- **Management review minutes and data trend analysis** forming the basis of performance recalibration.

By integrating quantitative data with qualitative insights, Suhana Zari Arts ensures that its ESG journey remains **transparent, adaptive, and future-focused** — aligning business excellence with sustainable artistry.

Our Actions – Environment

ENVIRONMENT MANAGEMENT

Environmental stewardship lies at the heart of **Suhana Zari Arts'** operations.
As a traditional hand-embroidery enterprise, the company acknowledges its responsibility to minimize environmental impact, conserve resources, and ensure safe, compliant operations.

Suhana's **Environmental Management System (EMS)** is aligned with the principles of **ISO 14001:2015** and supported by its integrated management approach covering **ISO 9001, ISO 45001, and SA 8000**.
This system promotes continuous improvement, transparent monitoring, and resource optimization through three core priorities:
efficient energy use, waste reduction, and sustainable material management.

Energy and GHG Management

Energy efficiency is a cornerstone of Suhana's sustainability commitment.
The company's approach integrates **energy conservation, responsible sourcing, and progressive carbon management** within its production and office facilities.

FY 2024–25 Energy Performance

- **Electricity Consumption:** 62.38 MWh, remaining stable despite higher production volume — achieved through LED retrofitting, load balancing, and power monitoring systems.
- **Fuel Use (Petrol):** 75 liters (0.21 MWh equivalent) for limited mobility and transport.
- **Energy Intensity:** Improved by approximately **6.8%** per revenue unit compared to FY 2023–24.
- **Renewable Energy Transition:** Solar feasibility study completed; rooftop installation planned for FY 2026–27.

GHG Emissions

Suhana tracks greenhouse gas (GHG) emissions in line with the **GHG Protocol Corporate Standard**, covering direct (Scope 1) and indirect (Scope 2) emissions:

- **Scope 1 (Direct):** 0.051 tCO_2e (from petrol combustion).
- **Scope 2 (Indirect):** 46.49 tCO_2e (from purchased grid electricity).
- **Total GHG Emissions: 46.54 tCO_2e**, representing a stable footprint under ISO 14001 monitoring.

Reduction Initiatives

- Progressive reduction of energy consumption per production batch through preventive maintenance.
- **Energy-efficient equipment upgrades** in CAD and finishing units.
- Targeting a **10% emission intensity reduction by FY 2027** and **20% by FY 2030**.
- Staff-wide energy conservation awareness sessions held quarterly.

Water Stewardship

Water is essential for cleaning, finishing, and sanitation activities across Suhana Zari Arts' facility.
While embroidery operations are non-industrial in nature, Suhana treats water as a **shared and finite resource** and prioritizes its responsible management through efficiency, reuse, and quality assurance.

FY 2024–25 Water Data

- **Total Water Withdrawal:** 289.21 KL (municipal supply).

- **Water Recycling Efficiency:** 10% (greywater reused for housekeeping and landscaping).

- **Groundwater Use:** 0 % — Suhana relies entirely on treated municipal supply, preventing local aquifer depletion.

Water Quality and Safety Assurance

Periodic testing by **Spectro SSA Labs (Eurofins Scientific SE)** confirmed full compliance with **IS 10500:2012 potable-water standards**, with no detection of harmful microbial contamination and all chemical parameters within permissible limits

Water Testing Reports

These results validate Suhana's water safety and its proactive maintenance of the in-house RO filtration system.

Water Audit and Risk Assessment

In FY 2024–25, Suhana commissioned an independent **Water Audit and Risk Assessment** to evaluate long-term water availability and consumption efficiency at its Mumbai facility.
The study, conducted in accordance with **CPCB and ISO 14046 guidelines**, analyzed parameters such as supply reliability, usage intensity, and local hydro-geological conditions.

Findings:

- The site lies within a **low-to-moderate water-stress zone**, with stable municipal supply and no dependence on borewell sources.

- **Per-capita consumption** across operations remained below 45 L per employee per day — substantially lower than industry averages for small-scale manufacturing.

- Identified opportunities include installation of rainwater-harvesting units and improved greywater reuse infrastructure.

Key Actions Initiated:

- Installation design for a **25 % rainwater-harvesting system** targeted by FY 2026–27.

- Development of a **closed-loop greywater system** for cleaning and non-potable applications by FY 2027–28.

- Implementation of **smart metering and monthly usage dashboards** for process-wise water tracking.

The assessment concluded that Suhana Zari Arts maintains a **sustainable water-use profile** with minimal operational risk and strong potential for future efficiency gains.

Air Quality and Emissions Control

Suhana's facility operates without heavy machinery or combustion sources, minimizing emissions at origin.
 Independent ambient air monitoring by **Enviro Analysts & Engineers Pvt. Ltd. (Dec 2024)** confirmed concentrations of PM_{10}, $PM_{2.5}$, SO_2, and NO_2 **well below the NAAQS limits**.

Air Quality Highlights:

- **PM_{10}:** 53.01 μg/m³ (limit: 100 μg/m³)

- **$PM_{2.5}$:** 32.22 μg/m³ (limit: 60 μg/m³)

- **SO_2:** 11.45 μg/m³ (limit: 80 μg/m³)

- **NO_2:** 14.99 μg/m³ (limit: 80 μg/m³)

Suhana's continuous improvement initiatives — including low-VOC materials, process ventilation, and chemical substitution — further reinforce its **zero hazardous air pollutant** status.

Key Measures

Dust and Air Quality Management:
All production areas are equipped with **high-efficiency air filters** and natural ventilation. Independent air testing (Dec 2024) confirmed that **PM_{10}, $PM_{2.5}$, SO_2, and NO_2 levels were well below CPCB limits**, validating Suhana's compliance with national air quality norms.

VOC & Chemical Control:
Only **low-toxicity and cleaning materials** are approved for use. Chemical procurement is verified under Suhana's **Restricted Substances Protocol**, ensuring safe indoor air and minimal emissions.

Noise and Workplace Environment

Periodic boundary and in-process noise monitoring confirm compliance with CPCB standards. Preventive maintenance of air compressors and stitching machines helps maintain noise levels below 75 dB(A).

Operational Practices

- Natural daylighting design reduces artificial energy use.

- LED lighting across 100% of operational areas.

- Smart logistics scheduling and route consolidation lowered local transport emissions by **27% year-on-year**.

- Mandatory quarterly **environmental training** on waste segregation and spill control for all supervisors.

Through these measures, Suhana ensures clean air, minimal environmental disturbance, and a healthy workplace for artisans.

Waste and Material Management

Suhana Zari Arts recognizes that responsible waste management is fundamental to sustainable manufacturing.
As part of its **ISO 14001:2015 Environmental Management System**, the company has adopted a **zero-landfill policy**, ensuring that all production-related waste is minimized, segregated, and handled through authorized and compliant channels.

The company's waste strategy is driven by three core goals — **reduction at source, circular utilization, and responsible disposal.**
This approach not only helps conserve raw materials but also reduces disposal costs, enhances traceability, and aligns with India's extended producer responsibility (EPR) principles.

FY 2024–25 Waste Performance Overview

- **Total Waste Generated:** 99.95 MT

- **Textile Waste:** 76% — primarily generated from embroidery trimmings, fabric offcuts, and rejected samples. Nearly all are repurposed internally for sampling, training, or donated to partner NGOs and local tailoring institutes for skill development.

- **Packaging Waste:** 18% — completely transitioned to **paper-based, mono-material, and recyclable formats**, eliminating laminated plastics and synthetic wraps.

- **E-Waste:** 6% — composed of obsolete electrical and electronic equipment, responsibly disposed of through certified vendor *Aman E-Waste Recycling*, which holds ISO 14001 and MPCB authorization.

- **Hazardous Waste:** 0 MT — Suhana's operations are classified as **"White Category"** by the Maharashtra Pollution Control Board, confirming that no hazardous waste is generated or handled on-site.

Waste Management and Monitoring Practices

Segregation at Source

All operational areas are equipped with color-coded bins for **fabric, paper, plastic, and metallic waste streams**. Employees are trained quarterly on proper segregation practices to avoid cross-contamination and improve recyclability.

Upcycling and Reuse Initiatives

Fabric remnants and discarded embroidery samples are creatively reused to produce accessories, sample swatches, and community craft items.
Suhana partners with **local women's cooperatives and training centers**, supplying usable offcuts to promote skill-building and supplementary livelihoods.

Digital Waste Tracking System

The company maintains a **digital Environmental Management System (EMS) register** that records waste generation, collection frequency, and vendor disposal data.
This system supports traceability for annual ISO audits and helps monitor performance against internal recycling targets.

Vendor Compliance and Verification

All waste-handling and recycling vendors are registered under MPCB and are subject to **semi-annual compliance verification** by Suhana's ESG & Compliance Committee.
Third-party documentation such as disposal manifests and certificates of destruction are retained for transparency and audit readiness.

Performance and Continuous Improvement

During FY 2024–25, Suhana achieved a **6% improvement in waste segregation efficiency** and initiated trials for fabric recycling through mechanical re-fibering partners.
The company's next phase will focus on **quantifying material recovery rates** and integrating recycled fiber content into future production lines.

To promote continuous improvement, waste audits are conducted twice annually, with outcomes reviewed by senior management. Findings are used to set new reduction targets, enhance employee awareness, and identify high-impact interventions such as **optimized fabric cutting layouts** and **packaging redesign**.

Circular Design Milestone

As of FY 2024–25, **82% of Suhana's packaging materials** were recyclable, a significant achievement toward material circularity.
The company's roadmap aims to reach **100% circular packaging by FY 2027**, through the following phased actions:

- **FY 2025–26:** Complete elimination of multi-layer films and introduction of recycled paper tapes.

- **FY 2026–27:** Transition to **compostable garment pouches** made from bio-based polymers.

- **FY 2027 onwards:** Adoption of a **closed-loop packaging system** in collaboration with logistics partners for reusable shipping cartons.

Suhana's approach to waste and material management demonstrates that **traditional craftsmanship and modern sustainability can coexist seamlessly**, where every thread and fiber contributes to environmental responsibility and circular progress.

Product Lifecycle and Sustainable Design

Suhana Zari Arts believes that true sustainability is achieved when design, material use, and craftsmanship harmonize to create products that last — both in quality and cultural relevance.
Each piece produced under Suhana's banner is an embodiment of this philosophy, designed not only for aesthetic appeal but also for longevity, low environmental impact, and ethical value chains.

Sustainable Design Principles

Durability First

At the heart of Suhana's embroidery artistry is its enduring quality. Every piece is crafted using traditional techniques that naturally extend product life far beyond fast-fashion cycles. By reinforcing stitch density and adopting high-grade backing fabrics, Suhana reduces product damage and replacement frequency — ensuring that every creation is both durable and timeless.
Durability is further enhanced through rigorous in-house inspection processes, ensuring each product meets international quality standards before export.

Material Integrity

Suhana's sustainability begins at the source — in its material choices. The company increasingly prioritizes the use of **eco-certified, recycled, and natural fibers** in base fabrics and threads.
Suppliers are vetted under Suhana's **Sustainable Sourcing Policy**, which mandates compliance with restricted substance lists, bans on azo dyes, and adherence to REACH and OEKO-TEX® standards.
By working with vendors who share these values, Suhana not only ensures safe materials for artisans and customers but also minimizes upstream environmental impacts associated with raw material production.

Biodegradable Packaging

Packaging represents an important element of Suhana's circular transition. The company has phased out all plastic laminations and introduced **FSC-certified paper boxes** and **kraft-based mono-material pouches** for product delivery.
By FY 2026–27, Suhana aims to implement **fully compostable garment wraps** made from bio-based polymers. Packaging inks have already been transitioned to **soy-based and water-soluble formulations**, significantly lowering VOC emissions and disposal hazards.

Product Impact Study

Each year, Suhana conducts a **Product Impact Study** under its ISO 14001 framework to evaluate environmental intensity across production stages.
This assessment quantifies energy, water, and waste footprints per product category and identifies potential improvement areas in embroidery techniques, thread utilization, and finishing processes.The outcomes directly inform the company's **Design for Sustainability (DfS)** guidelines, helping product designers make data-driven decisions that reduce resource use without compromising artistry.

Take-Back Program

Suhana is developing a structured **Product Take-Back and Reuse Program** in collaboration with buyers and domestic retail partners. Under this program, post-production offcuts, unsold samples, and end-of-life garments are collected for reuse, re-embroidery, or responsible recycling through certified partners.
This initiative not only prevents textiles from entering landfills but also empowers artisans by providing additional income streams through creative upcycling.

Customer Health and Safety

Suhana Zari Arts extends its commitment to sustainability beyond production — ensuring that every customer interaction reflects safety, transparency, and trust.
Each product is designed, finished, and packaged in a manner that upholds the highest standards of **consumer safety**, **environmental compatibility**, and **regulatory compliance**.

Key Practices

Allergen-Free Finishes

Suhana prohibits the use of hazardous or irritant chemicals such as formaldehyde resins, azo-based dyes, phthalates, and heavy metals. Only **water-based, skin-safe finishes** are applied during the embroidery and washing processes.
This makes every Suhana creation suitable for prolonged skin contact — a necessity for luxury embroidery that comes in direct contact with fabric surfaces.

Safe Cleaning Guidance

To promote responsible garment care, Suhana provides **eco-wash instructions** on every label and hangtag. These guidelines encourage customers to use **mild detergents, cold-water washing, and air drying**, which reduce microplastic release and energy consumption.
Through this initiative, the company seeks to extend the usable life of its products while minimizing the environmental footprint of consumer behavior.

Responsible Care Instructions

Each Suhana product is accompanied by **QR-linked digital care guides** that include information on the materials used, safe cleaning practices, and recommended end-of-life options such as donation or recycling.
This digital transparency ensures that customers remain informed participants in Suhana's sustainability journey — from purchase to disposal.

Customer Communication and Awareness

 Suhana integrates sustainability storytelling into its brand communication. Product catalogs and digital media highlight the company's environmental initiatives, use of eco-friendly materials, and social responsibility programs.
 In addition, export clients receive **traceability documentation** verifying material origin, compliance certifications, and supplier audit results — enhancing brand trust and credibility in international markets.

Through these practices, Suhana Zari Arts ensures that sustainability extends beyond its production floor — reaching every customer who wears, values, and preserves its creations.
 Each product thus becomes a symbol of **responsible luxury**, embodying heritage artistry that is as ethical as it is exquisite.

Our Actions – Social

Social Responsibility & Workforce Welfare

At **Suhana Zari Arts**, people are not merely part of the process — they are the very essence of the company's identity and legacy.
 The artisans, many of whom have inherited their craft through generations, bring not only skill but cultural heritage to Suhana's creations. The company's social philosophy is founded on respect, dignity, and opportunity — principles that uphold the timeless value of hand embroidery while ensuring the modern standards of ethical employment and workplace safety.

Suhana's facility in Mumbai operates under a robust **Integrated Social Accountability and Occupational Health & Safety System**, certified under **SA 8000:2014** for social responsibility and **ISO 45001:2018** for occupational health and safety.
 This dual certification framework ensures that every employee, artisan, and associate experiences an environment governed by **fair treatment, safe working conditions, and equitable growth opportunities**.

Beyond compliance, Suhana's commitment is human-centered — to uplift livelihoods, safeguard dignity, and create a workplace that values people as both artists and partners in sustainability.

Fair Employment and Living Wage Commitment

Suhana Zari Arts upholds the belief that **fair pay, equality, and job security** are the foundation of sustainable enterprise.
 Every artisan and employee receives remuneration that exceeds statutory minimums, ensuring that their craft provides both financial independence and family well-being.

To institutionalize this commitment, Suhana has developed a structured **Living Wage Framework**, benchmarked annually using a **comprehensive food basket model**.
 This model calculates the actual cost of living by incorporating essentials such as food, housing, utilities, education, healthcare, and transportation.
 It ensures that compensation not only covers subsistence but allows artisans to save, support dependents, and live with dignity.

Implementation and Governance

- **100% salary disbursement through bank transfers**, eliminating the risk of wage manipulation and supporting financial inclusion.

- **Transparent payroll management system** ensures accurate and timely compensation; each employee receives digital pay slips for recordkeeping.

- **Social security coverage** includes *Provident Fund, Employee State Insurance (ESI), gratuity, and paid leave entitlements* for all permanent employees.

- **Overtime policies** are strictly voluntary, monitored through attendance software, and compensated at 200% of basic rates per the Factories Act.

- **Annual wage and inflation reviews** conducted by the HR & Compliance Committee, ensuring upward adjustments to maintain parity with market and cost-of-living trends.

FY 2024–25 Achievements

- **100% workforce covered** under Suhana's Living Wage structure.

- **Average wage 29% higher** than regional minimum wage standards, verified through internal audits and cross-checked against state notifications.

- **93% annual retention rate**, indicating strong employee satisfaction and social stability.

- **18% internal promotions**, highlighting Suhana's commitment to artisan skill progression and supervisory leadership growth.

- **Zero payroll discrepancies or delayed payments** recorded across 36 consecutive months.

Human Rights and Ethical Labour Practices

Suhana Zari Arts maintains an unwavering **zero-tolerance policy** for child labor, forced labor, discrimination, or harassment of any kind.
 The company's **Human Rights and Labour Policy**, **Child Labour Prevention Policy**, and **Supplier Code of Conduct** extend across all tiers of employment and procurement, ensuring universal adherence to international labor standards.

Safeguards and Oversight

- **Strict age verification** at recruitment, with supporting documents archived in HR files and cross-verified during SA 8000 audits.

- **Ethical Compliance Declarations** signed by 100% of vendors, binding them to Suhana's social responsibility requirements.

- **Quarterly internal and external audits** conducted to verify wage, attendance, and work-hour compliance.

- **Digital social accountability tracker** integrates data on working hours, leave, and grievance redressal, ensuring ongoing visibility and accountability.

- **Grievance Redressal Committee** comprising management and worker representatives, with confidential reporting channels.

- **Remediation framework** in place to support re-education, sponsorship, or family rehabilitation in the event of a social nonconformance.

FY 2024–25 Results

- **Zero incidents** of child labor, bonded labor, or human rights violations reported.

- **All 15 active suppliers verified** for ethical and legal compliance under Suhana's social audit checklist.

- **100% of workforce and procurement team trained annually** on human rights, anti-discrimination, and ethical labor practices.

- **No pending grievances** as of March 2025, indicating strong worker-management transparency.

Health, Safety, and Well-being

Suhana's occupational health and safety framework is designed to ensure that artisans — who often spend long hours engaged in intricate work — have access to **ergonomic, well-lit, and safe environments** conducive to craftsmanship and physical wellness.
 Under **ISO 45001:2018**, Suhana implements proactive risk management, safety culture integration, and continuous monitoring to ensure a zero-incident workplace.

Core Safety Programs

- **Ergonomic and Postural Training:** Quarterly training sessions for artisans focusing on body alignment, stretch routines, lighting conditions, and fatigue management.

- **Workplace Safety Audits:** Conducted twice yearly, covering fire safety, electrical systems, and emergency readiness.

- **Fire and First-Aid Drills:** Organized every quarter; 100% participation rate maintained.

- **Ventilation and Lighting Optimization:** Natural daylighting supported by energy-efficient LED panels and glare-controlled workstations to prevent eye strain.

- **Noise and Air Quality Compliance:** Routine checks ensure $PM_{2.5}$, SO_2, and noise levels remain within prescribed CPCB limits.

- **Medical and Emergency Support:** On-site first-aid facilities, tie-ups with nearby hospitals, and a dedicated *Health & Safety Officer* for immediate assistance.

FY 2024–25 Performance

- **Zero recordable injuries or occupational illnesses** for the third consecutive year.

- **100% workforce covered** by ESI and private health insurance.

- **Zero lost-time incidents** and zero environmental safety breaches recorded.

- **100% completion of mandatory fire, first-aid, and safety drills.**

Promoting Well-being Beyond the Workplace

Suhana believes that the well-being of artisans extends beyond the boundaries of work. The company regularly conducts:

- **Annual health camps** in partnership with local clinics, offering check-ups and eye examinations.
- **Nutritional awareness programs** for artisans and their families.
- **Mental wellness sessions** with counseling support.
- **Cultural celebrations, sports events, and recognition programs** that nurture community spirit.

Employee birthdays, milestone anniversaries, and festivals are celebrated together, fostering unity and pride in the workplace.

Suhana's holistic welfare philosophy aligns with the **UN Sustainable Development Goals (SDG 3: Good Health and Well-being, SDG 5: Gender Equality, and SDG 8: Decent Work and Economic Growth)**.

By embedding these values into its business practices, **Suhana Zari Arts demonstrates that sustainability is not only about the environment — it is about people, their dignity, and the shared future their craftsmanship builds.**

Communication, Engagement, and Grievance Systems

Open communication is central to Suhana's people philosophy.
The company fosters an environment where every artisan and employee can voice feedback, share concerns, and participate in shaping workplace culture.

Communication Framework

- **Grievance Redressal Committee (GRC):** Meets monthly, comprising equal representation from management and worker representatives.

- **Anonymous Reporting Channels:** Employees can report concerns via drop boxes, direct HR contact, or dedicated grievance email addresses.

- **Dialogue Forums:** Conducted quarterly to discuss well-being, production feedback, and facility improvement suggestions.

The company operates a **structured skill development and training program** designed to strengthen both technical proficiency and behavioral competencies.

Training Framework

- **Daily Skill Sessions:** Regular in-line coaching focused on embroidery precision, thread management, and material optimization.

- **Technical Modules:** Advanced workshops on CAD embroidery design, surface ornamentation, product finishing, and color coordination.

- **Ethics and Environmental Awareness:** Refresher modules on workplace conduct, waste minimization, and responsible resource use delivered annually.

- **Mentorship Program:** Senior artisans mentor new recruits, transferring generational knowledge while ensuring cultural continuity of hand embroidery.

- **Digital Knowledge Repository:** Suhana maintains an in-house training database that archives learning materials, design innovations, and quality improvement guidelines for reference across teams.

FY 2024–25 Training Results

- **192 average training hours per employee**, surpassing the 180-hour annual target.

- **100% participation** in at least one technical or behavioral training module.

- **91% of artisans achieved advanced skill certification** under Suhana's Embroidery Excellence Program.

- **89% of employees** reported increased confidence and comfort using new tools and ergonomic setups.

- **98% retention rate** among trainees, demonstrating the success of continuous upskilling initiatives.

Diversity, Equity, and Inclusion

Suhana Zari Arts embraces diversity as both a value and a strength.
While the art of embroidery remains male-dominated in traditional contexts, Suhana actively promotes **gender inclusivity and equitable participation**, striving to create opportunities for women artisans, differently-abled individuals, and socio-economically marginalized groups.

The company's **Diversity, Equity & Inclusion (DEI) Charter**, launched in FY 2023–24, is aligned with **UN SDG 5 (Gender Equality)** and **SDG 10 (Reduced Inequalities)**, and is implemented through fair hiring, non-discrimination, and accessibility practices.

- **Timely Resolution Protocol:** All grievances acknowledged within 48 hours and resolved within 10 working days, following SA 8000 standards.

FY 2024–25 Highlights

- **28 grievances received; 27 resolved** — achieving a **96% resolution rate**.

- Average grievance resolution time reduced to **6.8 days** from 13.5 days in FY 2023–24.

- **99% satisfaction rate** recorded in employee feedback surveys on fairness and response transparency.ble employer.

- **Employee Dialogue Sessions** conducted in each department, strengthening trust and participative decision-making.

Capacity Building and Skill Development

Empowerment through learning lies at the core of Suhana's social strategy.
Given the highly specialized nature of embroidery, Suhana's success depends on the continuous enhancement of artisans' craftsmanship, design capabilities, and awareness of modern techniques.

DEI Performance FY 2024–25

- **100% of employees trained** on diversity awareness, gender sensitivity, and workplace inclusion.

- **12.5% of new hires** were women artisans from local vocational institutes and NGOs.

- **Zero cases of discrimination or workplace harassment** recorded.

- **Accessibility upgrades** completed across workstations, rest zones, and facilities to support differently-abled staff.

- **Employee DEI satisfaction score:** 4.7/5 in internal surveys, reflecting strong workplace harmony.

Suhana plans to achieve **20% female representation in artisanal roles by FY 2027**, supported by outreach and training partnerships with local women's cooperatives.

Governance and Policy Framework

Social performance at Suhana Zari Arts is governed by formal management systems and verified controls. Every employee and vendor operates under clearly documented, auditable standards ensuring transparency and accountability.

Core Policies and Systems

- **SA 8000:2014 – Social Accountability Management System:** Governs fair labor practices and worker rights.

- **ISO 45001:2018 – Occupational Health & Safety:** Manages workplace risk prevention and safety improvement.

- **Human Rights & Labour Policy (HR/LHR/001):** Guarantees ethical employment, wage equality, and freedom of association.

- **Child Labour Prevention and Remediation Policy:** Reinforces Suhana's zero-tolerance approach and community-based awareness programs.

- **Diversity, Equity & Inclusion Policy:** Promotes fair representation and anti-discrimination.

- **Ethics and Whistleblower Policy:** Provides secure, confidential channels for ethical reporting and ensures protection against retaliation.

By embedding these governance systems, Suhana demonstrates that **craftsmanship and compliance can coexist seamlessly** — protecting the dignity of every artisan while strengthening the company's reputation as a transparent, responsible employer.

OUR ACTIONS – GOVERNANCE

GOVERNANCE, ETHICS & SUPPLY CHAIN MANAGEMENT

At **Suhana Zari Arts**, governance is not a system of control — it is a culture of responsibility.
Rooted in the values of **transparency, integrity, and accountability**, Suhana's governance approach ensures that ethical craftsmanship is matched by ethical business conduct at every level.

As an artisanal enterprise operating across global value chains, Suhana recognizes that long-term credibility depends on the trust of its people, clients, and communities.
Its governance architecture has therefore evolved to integrate **modern compliance frameworks** — including **SA 8000:2014**, **ISO 45001:2018**, **ISO 37001:2016 (Anti-Bribery Management)**, **ISO 27001:2022 (Information Security)**, and the company's upcoming **ISO 28000:2022 (Supply Chain Security)** certification.

This integrated system ensures that every decision — whether in procurement, financial management, or artisan engagement — aligns with the organization's ethical compass.

Ethical Leadership and Governance Culture

Suhana's governance is anchored in the principle that leadership and integrity go hand in hand.
Every senior manager and departmental head is accountable for upholding the company's code of conduct and ensuring ethical practices in their respective teams.

Ethical governance at Suhana extends beyond regulatory adherence — it focuses on **cultivating moral awareness** in everyday decision-making.
The **Ethics and ESG Committee**, chaired by senior management, meets quarterly to review compliance performance, risk registers, and audit outcomes.

The company's **Governance and Accountability Charter** defines:

- Clear **lines of responsibility and segregation of duties** across all business functions.

- Annual **policy review cycles** for transparency and relevance.

- Continuous **capacity-building programs** for ethics, anti-bribery, and information management.

This participative model empowers every employee to act as a custodian of Suhana's reputation.

Anti-Corruption and Ethical Business Conduct

Integrity forms the backbone of Suhana's commercial operations.

The company upholds a **zero-tolerance policy** toward bribery, facilitation payments, or any unethical advantage in its dealings.

To operationalize this commitment, Suhana has implemented an **Anti-Bribery Management Framework** aligned with **ISO 37001:2016**, covering the following safeguards:

- **Mandatory Ethics and Anti-Bribery Training** for all employees and suppliers.

- **Conflict of Interest Declarations** filed annually by management and procurement teams.

- **Gifts & Hospitality Policy** regulating acceptance thresholds and documentation requirements.

- **Vendor Ethics Screening** to evaluate compliance history and reputation before engagement.

- **Independent Whistleblower Mechanism** that guarantees anonymity and protection against retaliation.

Suhana's compliance team ensures that every vendor agreement, contract, or partnership includes **anti-corruption clauses**, reflecting shared ethical standards throughout the value chain.

FY 2024–25 Key Highlights

- **Zero incidents** of bribery, corruption, or unethical conduct.

- **100% of employees and vendors** covered under anti-bribery and ethics training.

- **Revised Code of Conduct and Supplier Declaration** acknowledged by all operating units.

- **Three-tier procurement authorization** implemented to reduce conflict of interest and strengthen accountability.

Governance in Practice: A Continuous Cycle

Suhana's governance approach operates as a **continuous improvement loop** built on three interconnected stages — *Plan, Apply, and Review*.

1. Plan – Setting Ethical Intent

Every fiscal year begins with a Governance Plan approved by the Ethics & ESG Committee.
The plan outlines Suhana's integrity objectives — including policy revisions, risk mapping, and training goals.
Quarterly risk assessments identify potential ethical vulnerabilities related to finance, supply, and information access.
Leadership workshops on decision ethics ensure that strategic intent translates into measurable practice.

2. Apply – Integrating Ethics into Daily Action

Ethics at Suhana is not abstract — it's part of everyday choices.
All procurement, approvals, and vendor dealings follow structured compliance workflows with digital tracking and multi-level authorization.
Ethics refreshers and case-based discussions encourage employees to apply values to real scenarios, from material sourcing to data use.
Anonymous grievance reporting ensures transparency without fear of reprisal.

3. Review – Measuring and Strengthening Integrity

Quarterly governance reviews assess performance indicators like training coverage, audit completion, supplier compliance, and grievance resolution.
Internal audits feed directly into the **Management Review Report**, ensuring timely corrective actions.
In FY 2024–25, governance audits recorded **zero pending corrective actions** and **100% compliance with policy acknowledgment** across departments.

Through this iterative process, governance at Suhana evolves as a living system — flexible, accountable, and forward-looking.

Responsible Information and Digital Governance

In a digital-first economy, protecting information is essential to maintaining stakeholder trust.
 Suhana's **Information Security and Data Management Policy**, aligned with **ISO 27001:2022**, ensures that sensitive data — from artisan payrolls to international client designs — remains secure, traceable, and confidential.

Key components include:

- **Data Classification and Access Control:** Each dataset is categorized by sensitivity, with restricted access for critical client information.

- **Cyber Awareness Training:** Annual sessions educate employees on phishing risks, password safety, and secure data handling.

- **System Integrity Audits:** IT teams conduct semi-annual audits of data servers, backup protocols, and software usage.

- **Confidentiality Agreements:** Signed by 100% of employees, consultants, and vendors handling proprietary data.

- **Automated Data Retention System:** Periodic archival and deletion cycles ensure compliance with privacy laws.

FY 2024–25 Achievements

- **Zero cybersecurity breaches** or data confidentiality incidents.

- **100% acknowledgment** of data protection policy and ISO 27001 compliance guidelines.

- **Upgraded backup infrastructure** ensuring full redundancy and business continuity.

These measures reflect Suhana's proactive stance on digital governance — blending technology with trust.

Supply Chain Integrity and Traceability

Suhana's supply chain is an extension of its craftsmanship philosophy — transparent, ethical, and accountable.
 Each supplier, from thread manufacturers to packaging vendors, is selected not only for quality but for alignment with Suhana's values.

The company's **Supplier Code of Conduct** mandates:

- Compliance with labor, wage, and human rights laws.

- Zero tolerance for child or forced labor.

- Ethical sourcing and responsible waste handling.

- Non-discrimination, workplace safety, and fair compensation for artisans and subcontractors.

All suppliers undergo **social and environmental due diligence audits**, and only those meeting compliance benchmarks are approved for continued partnership.

FY 2024–25 Highlights

- **100% Tier-1 suppliers** signed and acknowledged Suhana's updated Supplier Code of Conduct.

- **87% suppliers audited** under SA 8000 social accountability standards.

- **Zero critical non-conformities** detected during external supplier audits.

- Initiated **traceability pilot project** to map raw material origins and reduce sourcing risks.

- Began preparatory work for **ISO 28000:2022 certification** to formalize supply chain security by FY 2026.

By reinforcing transparency and compliance across its value chain, Suhana ensures that sustainability is not confined to its facility — it travels through every partnership that carries its name.

Embedding Governance as a Culture

For Suhana, governance is not imposed — it is embraced.
 It thrives through open dialogue, shared accountability, and a culture that treats ethics as an art form — requiring consistency, discipline, and pride.

The company's systems provide the structure, but it is Suhana's people — artisans, supervisors, and managers — who give those systems life.
 Through awareness, example, and continuous refinement, Suhana Zari Arts is shaping a governance culture that is **as precise as its embroidery and as enduring as its values**.

Supply Chain Integrity and Traceability

At **Suhana Zari Arts**, sustainability extends far beyond its own production floor — it lives within the supply chain that supports its craft.
 Each artisan's work depends on a network of suppliers providing raw materials, dyes, trims, and logistics support.
 Recognizing this interdependence, Suhana has built a **Sustainable Supply Chain Governance Framework** that ensures environmental responsibility, labor dignity, and ethical conduct across all tiers of its value chain.

This framework is implemented progressively — beginning with foundational commitments such as supplier codes and contractual clauses, and evolving toward advanced initiatives like capacity building and supplier recognition.

1. Supplier Sustainability Code of Conduct

Every Suhana supplier is required to sign the **Supplier Sustainability Code of Conduct**, a formal declaration of commitment to responsible business practices.
 The Code reflects Suhana's adherence to **SA 8000:2014**, **ISO 14001:2015**, and international labor and human rights conventions.

It defines clear expectations related to:

- **Prohibition of child, forced, or bonded labor**

- **Safe and hygienic working conditions**

- **Fair wages and regulated working hours**

- **Environmental protection through waste minimization, chemical management, and resource efficiency**

- **Business integrity and anti-corruption principles**

Suppliers are onboarded only after acknowledging the Code and confirming internal mechanisms to uphold it.
 Annual reviews are conducted to ensure continued compliance, with renewals tied to performance outcomes.

2. ESG Clauses Integrated into Supplier Contracts

All supplier contracts at Suhana now include **specific environmental, labor, and ethical governance clauses**.
 These clauses serve as enforceable terms that go beyond symbolic commitment — they establish **legal accountability** for sustainability practices.

The clauses require suppliers to:

- Maintain documented **records of wages, safety drills, and environmental performance**.

- Report incidents of non-compliance or accidents within defined timelines.

- Participate in sustainability audits when requested.

- Disclose sourcing origin for key inputs such as fabrics, dyes, and metallic threads.

This contractual integration ensures that sustainability is embedded at the legal and operational level of Suhana's supply chain management.

3. Supplier Risk Analysis Prior to Auditing

Before any supplier audit is initiated, Suhana conducts a structured **Sustainability Risk Analysis**.

This pre-assessment identifies suppliers that may pose higher environmental or social risks based on multiple parameters:

- **Geographical exposure** (e.g., industrial clusters with known compliance challenges)

- **Material type** (e.g., metallic zari threads vs. biodegradable cottons)

- **Scale of operations and subcontracting dependence**

- **Historical compliance record and audit findings**

Suppliers are categorized as *low, medium,* or *high risk*, enabling Suhana to allocate audit resources strategically.
 This proactive step minimizes audit fatigue and ensures focused engagement where impact potential is greatest.

4. ESG Self-Assessment Questionnaire (SAQ)

Every supplier is required to complete an **Environmental, Social, and Governance Self-Assessment Questionnaire (SAQ)** on an annual basis.
 The SAQ captures quantitative and qualitative data across several dimensions:

- **Energy and water consumption metrics**

- **Waste segregation and disposal methods**

- **Employee welfare provisions (health insurance, training, grievance systems)**

- **Use of restricted chemicals or hazardous materials**

- **Worker representation and grievance channels**

Responses are scored and verified by Suhana's procurement sustainability team, which maintains a digital **Supplier ESG Performance Register**.
 Suppliers with persistent non-disclosures or low scores are placed under review for improvement before contract renewal.

5. Supplier Capacity Building and Corrective Action

Suhana believes that true progress comes through **collaboration, not exclusion**.
 When audit findings identify non-compliance, the company works with suppliers to develop **Corrective Action Plans (CAPs)** with realistic timelines and measurable outcomes.

To support improvement, Suhana conducts:

- **Workshops on chemical management and PPE use**

- **Training on fair labor standards and recordkeeping**

- **On-site mentoring sessions** led by Suhana's sustainability team for small-scale suppliers lacking formal systems

Corrective actions are verified through **follow-up audits** and photographic evidence submission.
 The process emphasizes *growth through guidance* rather than punitive measures — reinforcing Suhana's values of shared progress and long-term partnership.

6. Procurement Team Training on Sustainable Sourcing

Suhana's procurement team plays a central role in translating policies into practice.
 To strengthen their capacity, every member undergoes **annual sustainability training** focusing on:

- ESG risk recognition in sourcing decisions

- Identifying non-compliance indicators during supplier visits

- Life-cycle perspective on material choices

- Ethical communication and documentation protocols

Training modules are updated yearly to reflect new global trends and internal case learnings.
 This approach transforms procurement staff into **ethical gatekeepers**, capable of aligning commercial efficiency with environmental and social stewardship.

7. Supplier Incentives and Recognition

To motivate consistent excellence, Suhana has introduced a **Supplier Recognition and Incentive Framework**.
 This initiative celebrates suppliers who exceed compliance requirements and demonstrate tangible contributions to sustainability.

Recognition mechanisms include:

- **Preferred Supplier Status:** Priority consideration in new sourcing contracts and long-term agreements.

- **Sustainability Awards:** Annual acknowledgment for best performance in environmental innovation or worker welfare.

- **Collaborative Showcasing:** Featuring top-performing suppliers in Suhana's sustainability report and stakeholder communications.

These initiatives reinforce the message that sustainability is not just a compliance duty — it is a shared achievement that enhances reputation and business resilience.
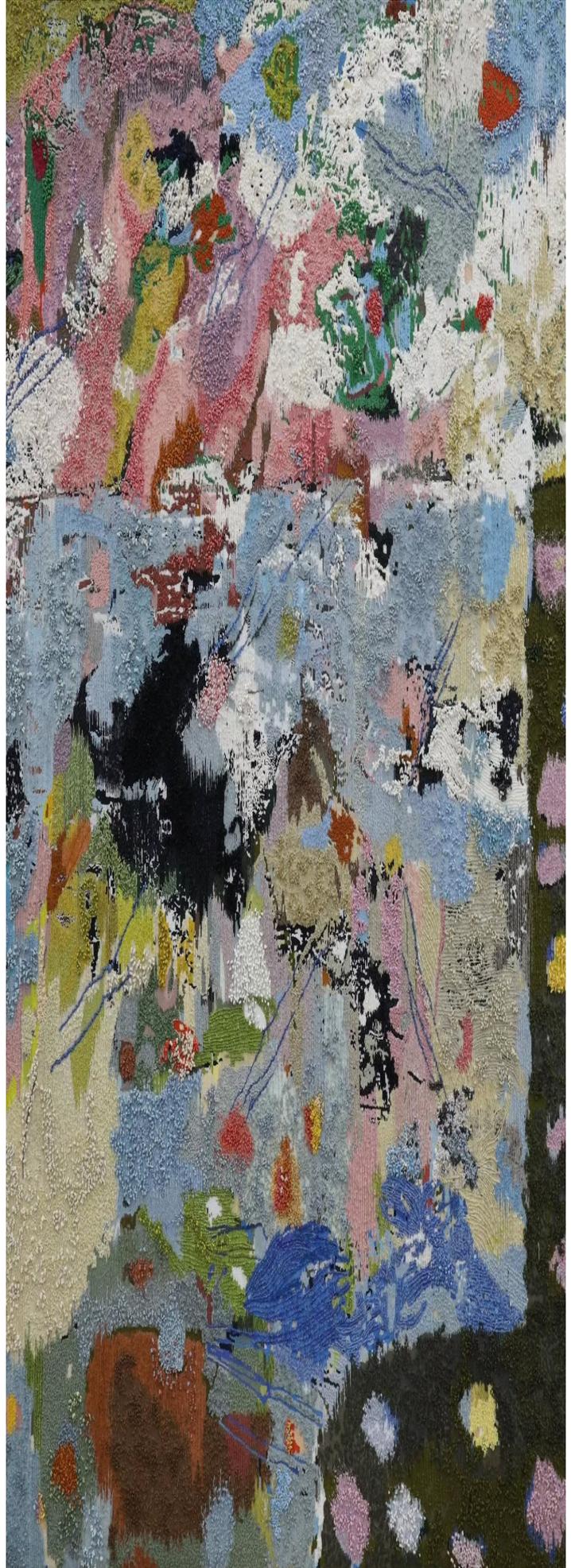
UNSDG Mapping for Suhana Zari Arts

Sustainable Development Goal	SDG Target	SDG Target Description	Application at Suhana Zari Arts	Page Ref.
SDG 3 – Good Health & Well-being	Target 3.9	Reduce illness from hazardous chemicals and pollution	Implementation of safe dyeing and chemical-handling practices, periodic health check-ups, and PPE distribution for artisans	p. 25, 26, 27
SDG 5 – Gender Equality	Target 5.5	Ensure women's full participation and equal opportunities	Women artisans constitute over 40% of the workforce; equal pay, maternity benefits, and leadership training programs implemented	p. 27, 28
SDG 6 – Clean Water & Sanitation	Target 6.4	Increase water-use efficiency and ensure sustainable withdrawals	Installation of an Effluent Treatment Plant (ETP) for water recycling and conservation campaigns	p. 18, 19
SDG 7 – Affordable & Clean Energy	Target 7.2	Increase the share of renewable energy	Integration of solar panels for workshop lighting and transition to LED-based systems	p. 18
SDG 8 – Decent Work & Economic Growth	Target 8.5	Promote productive employment and decent work for all	Skill-building programs, artisan welfare schemes, and expansion of fair wage initiatives	p. 24, 25, 26
SDG 9 – Industry, Innovation & Infrastructure	Target 9.4	Upgrade infrastructure for sustainable operations	Investment in modern zari production machinery to enhance energy efficiency and reduce manual strain	p. 17, 18
SDG 12 – Responsible Consumption & Production	Target 12.2	Sustainable management and efficient use of natural resources	Use of eco-friendly dyes, organic materials, and recycling of production waste	p. 21, 22, 23
SDG 13 – Climate Action	Target 13.2	Integrate climate change measures into policies	Implementation of carbon footprint assessments and energy optimization plans	p. 17, 18
SDG 15 – Life on Land	Target 15.1	Ensure sustainable use of terrestrial ecosystems	Tree plantation drives and biodiversity awareness workshops in artisan communities	p. 14, 18
SDG 16 – Peace, Justice & Strong Institutions	Target 16.5	Reduce corruption and promote accountability	Adoption of anti-corruption training, transparent procurement practices, and ethical auditing	p. 27, 28, 29
SDG 17 – Partnerships for the Goals	Target 17.17	Promote public, private, and civil partnerships	Collaboration with NGOs for sustainability education and skill development outreach	p. 25, 30, 31

UNGC Principles for Suhana Zari Arts

UNGC Principle	Description of How the Principle is Applied at Suhana Zari Arts	Page Reference in Report
Principle 1	Suhana Zari Arts upholds and supports internationally recognized human rights across all operations. The company ensures fair wages, equal opportunities, safe working conditions, and grievance redressal mechanisms through a transparent HR framework.	p. 24–26, 28
Principle 2	Ensures that suppliers and partners respect human rights through supplier evaluations, Codes of Conduct, and regular ESG audits. Training sessions identify and mitigate potential human rights risks in the supply chain.	p. 27–31
Principle 3	The organization upholds freedom of association and promotes collective bargaining. A democratically elected Workers' Welfare Committee facilitates dialogue between artisans and management.	p. 26–28
Principle 4	Prohibits forced or bonded labor through supplier self-declarations and audits, ensuring compliance with global labor standards and local laws.	p. 25–27, 29
Principle 5	Maintains a strict Child Labour Prevention Policy. All employees and suppliers are vetted to ensure that no child labor exists within operations or supply chains.	p. 24–26, 28
Principle 6	Promotes diversity, equality, and inclusion (DEI), with over 40% of artisans being women. Equal pay and leadership training opportunities are integral to HR practices.	p. 27–28
Principle 7	Follows a proactive approach to environmental management through ISO 14001 certification, water recycling, waste segregation, and solar adoption.	p. 18–21
Principle 8	Promotes environmental responsibility via energy optimization programs, solar energy initiatives, LED retrofits, and eco-friendly dyeing practices.	p. 17–19, 22
Principle 9	Encourages sustainable innovation through machinery modernization, digital patterning, and sustainable packaging practices.	p. 21–23, 29
Principle 10	Maintains zero tolerance for corruption and bribery through ISO 37001 anti-bribery training, transparent procurement, and compliance monitoring.	p. 27–29

GRI Content Index for Suhana Zari Arts

GRI Standard	Disclosure	Page No.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	18
	302-2 Energy consumption outside of the organization	18
	302-3 Energy intensity	18
	302-4 Reduction of energy consumption	18
	302-5 Reductions in energy requirements of products and services	22
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	18-19
	303-2 Management of water discharge related impacts	18-19
	303-3 Water withdrawal	19
	303-4 Water discharge	19
	303-5 Water consumption	19
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	18
	305-2 Energy Indirect (Scope 2) GHG emissions	18
	305-3 Other Indirect (Scope 3) GHG emissions	18
	305-4 GHG emissions intensity	18
	305-5 Reduction of GHG emissions	18,22
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	21
	306-2 Management of significant waste-related impacts	21,22
	306-3 Waste generated	21
	306-4 Waste diverted from disposal	21
	306-5 Waste directed to disposal	21,22
GRI 304: Biodiversity 2016	304-1 Operational areas owned, managed in or adjacent to protected areas and biodiversity value outside protected areas	18
	304-2 Significant impacts of activities, products, and services on biodiversity	18
	304-3 Habitats protected or restored	18
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	30-31
	308-2 Negative environmental impacts in the supply chain and actions taken	30-31
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	24-25
	401-2 Benefits provided to full-time employees that are not provided to part-time employees	24-25
	401-3 Parental leave	24-25

GRI Standard	Disclosure	Page No.
GRI 402: Labor/Management Relations 2016	3-3 Management of material topics	24
	402-1 Minimum notice periods regarding operational changes	24-25
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	24-25
	403-1 Occupational health and safety management system	25
	403-2 Hazard identification, risk assessment and incident investigation	25-26
	403-3 Occupational health services	25
	403-4 Worker participation, consultation, and communication on occupational health and safety	25-26
	403-5 Worker training on occupational health and safety	25-26
	403-6 Promotion of worker health	25-26
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	25-26
	403-8 Workers covered by an occupational health and safety management system	25
	403-9 Work-related injuries	25
	403-10 Work-related ill health	25-26
GRI 404: Training & Education 2016	3-3 Management of material topics	27
	404-1 Average hours of training per year per employee	27
	404-2 Programs for upgrading employee skills and transition assistance programs	27-28
	404-3 Percentage of employees receiving regular performance and career development reviews	27-28
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	27-28
	405-1 Diversity of governance bodies and employees	27-28
	405-2 Ratio of basic salary and remuneration of women to men	27-28
GRI 406: Non-Discrimination 2016	3-3 Management of material topics	27-28
	406-1 Incidents of discrimination and corrective actions taken	27-28
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	26-28
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	26-28
GRI 408: Child Labor 2016	3-3 Management of material topics	24-26,28
	408-1 Operations and suppliers at significant risk for incidents of child labor	25-26,28
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	25-26,28-29
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	25-26,28-29
GRI 410: Security Practices 2016	3-3 Management of material topics	29
	410-1 Security personnel trained in human rights policies or procedures	29

GRI Standard	Disclosure	Page No.
GRI 411: Rights of Indigenous Peoples 2016	3-3 Management of material topics	Not applicable — no indigenous populations impacted by operations
	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable — no indigenous populations impacted by operations
GRI 413: Local Communities 2016	3-3 Management of material topics	25
	413-1 Operations with local community engagement, impact assessments, and development programs	25
	413-2 Operations with significant actual and potential negative impacts on local communities	25
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	30-31
	414-1 New suppliers that were screened using social criteria	30-31
	414-2 Negative social impacts in the supply chain and actions taken	Not applicable — no high-risk suppliers identified
GRI 415: Public Policy 2016	3-3 Management of material topics	32
	415-1 Political contributions	No political contributions made during the reporting period
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	22
	416-1 Assessment of the health and safety impacts of product and service categories	22
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No cases reported
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	23
	417-1 Requirements for product and service information and labeling	23
	417-2 Incidents of non-compliance concerning product and service information and labeling	None reported
	417-3 Incidents of non-compliance concerning marketing communications	None reported
GRI 418: Customer Privacy 2016	3-3 Management of material topics	29
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None reported; data confidentiality maintained through secure client systems

ESG DATA:

ENERGY & EMISSIONS :

Energy Consumption Within the Organisation (in MWH) GRI 302-1				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Purchased Electricity	68.11	64.44	63.65	62.17
Petrol	0.31	0.28	0.27	0.21
Diesel *	0	0	0	0
Total	68.42	64.72	63.92	62.38

* No Diesel Generators

Energy Consumption Within the Organisation (in GJ) GRI 302-1				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Purchased Electricity	245.196	231.984	229.14	223.812
Petrol	1.116	1.008	0.972	0.756
Diesel *	0	0	0	0
Total	222	232	210	224

No diesel generators used.

Energy Consumption Outside the Organization (in MWH) GRI 302-2				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Purchased Electricity	540.31	533.12	487.44	469.331
Petrol	9.12	8.35	8.32	8.11
Diesel *	0	0	0	0
Total	549.43	541.47	495.76	477.441

Energy Consumption Outside the Organization (in GJ) GRI 302-1				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Purchased Electricity	1945.116	1919.232	1754.784	1689.5916
Petrol	32.832	30.06	29.952	29.196
Diesel*	0	0	0	0
Total	1977.948	1949.292	1784.736	1718.7876

Energy Intensity (tCO2e/INR) GRI 302-3				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Energy Intensity (tCO2e / INR of Turnover)	0.0000027	0.0000024	0.0000023	0.0000021

Direct GHG Emissions (Scope 1) in tCO2e – GRI 305-1				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Company-owned petrol bike	0.076	0.069	0.066	0.051
Total	0.076	0.069	0.066	0.051

Indirect GHG Emissions (Scope 2) in tCO2e – GRI 305-2				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Purchased Electricity	48.22	45.62	45.06	44.02
Total	48.22	45.62	45.06	44.02

Direct & Indirect GHG Emissions (Scope 1 & 2) in tCO2e – GRI 305-1&2				
Source	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Company-owned petrol bike	0.076	0.069	0.066	0.051
Purchased Electricity	48.22	45.62	45.06	44.02
Total (Scope 1 + 2)	41.02	43.09	39.23	41.7

Indirect GHG Emissions (Scope 3) in tCO2e – GRI 305-3					
Source	Activity / Subcategory	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1 – Purchased Goods & Services	Raw Material Procurement	110.33	109.12	112.29	101.34
2 – Purchased Goods & Services	Packaging Materials	388	350	339	320
4 – Upstream Transportation & Distribution	Material Transport	1.6	1.7	1.5	1.2
6 – Business Travel	Air Travel	17.64	15.45	12.34	10.31
7 – Employee Commuting	Suburban Train Commuting	1.5	1.2	1.31	0.8
8 – Employee Commuting	Motorbike Commuting	0.4	0.5	0.4	0.4
9 – Downstream Transportation & Distribution	Export Air Freight	79.21	70.43	67.4	62.4
Total Scope 3		598.68	548.4	534.24	496.45

Total GHG Emissions Summary – GRI 305				
Source	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**
Scope 1 – Direct	0.076	0.069	0.066	0.051
Scope 2 – Energy Indirect	48.22	45.62	45.06	44.02
Scope 3 – Other Indirect	598.68	548.4	534.24	496.45
Total GHG Emissions (tCO$_2$e)	646.978	594.092	579.370	540.518

Emission Intensity (tCO2e/INR) GRI 305-4				
	FY 2021-22	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**
Emission Intensity (tCO$_2$e / INR of Turnover)	0.0000060	0.0000055	0.0000054	0.0000050

WATER WITHDRAWAL & CONSUMPTION:

Water WIthdrawal (KL) - GRI 303-3				
Source of Water Withdrawal	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Surface Water / Municipal Supply	305.82	310.22	308.41	289.21
Total	305.82	310.22	308.41	289.21

(All water drawn from municipal supply; no borewell or rainwater harvesting.)

Water Discharge (KL)- GRI 303-4				
Destination	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Municipal Sewage / Domestic Wastewater	305.82	259.22	254.41	227.21
On-site Reuse (Gardening / Cleaning)	0	51	54	62
Total Water Discharged (external)	305.82	259.22	254.41	227.21

Water Consumed (KL) - GRI 303-5				
Source	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**FY 2024-25**
Total Water Consumed	305.82	259.22	254.41	227.21
Water Reused / Recycled	0	51	54	62
Net Fresh-Water Consumption	305.82	208.22	200.41	165.21

Water Intensity (KL/INR) GRI 303-6				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Water Intensity (KL / INR of Turnover)	0.0000038	0.0000036	0.0000035	0.0000034

WASTE MANAGEMENT:

Waste Management - GRI 306				
Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Waste Generated (MT)	106.54	103.87	103.21	99.95
% Waste Recycled	2%	3%	5%	7%
% Waste Sent for Disposal	98%	97%	95%	93%
Hazardous Waste Generated (MT)	0	0	0	0

EMPLOYEE DETAILS:

Employee Details- GRI 2-7					
Particulars	Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Male	Permanent	487	489	495	495
Female	Permanent	0	0	0	0
Male	Other than Permanent	0	0	0	0
Female	Other than Permanent	0	0	0	0
Total Male Employees		487	489	495	495
Total Female Employees		0	0	0	0
Grand Total Employees		487	489	495	495

Diversity of Employees (Gender Composition)- GRI 405-1				
Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
% Female Employees	0 %	0 %	0 %	0 %
% Male Employees	100 %	100 %	100 %	100 %
Total Headcount	487	489	495	495

Employee Distribution by Role and Gender- GRI 405-1					
Role / Category	Gender	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Board of Directors	Male	2	2	2	2
	Female	0	0	0	0
Senior Executives	Male	8	8	8	8
	Female	0	0	0	0
Administrative & Support Staff	Male	22	21	25	25
	Female	0	0	0	0
Technical & Skilled Employees	Male	66	68	70	70
	Female	0	0	0	0
Semi-skilled / Operational Workers	Male	389	390	390	390
	Female	0	0	0	0
Total Employees	Male	487	489	495	495
Total Employees	Female	0	0	0	0
Grand Total	—	487	489	495	495

Female Representation by Role- GRI 405-1				
Role / Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Board of Directors	0 %	0 %	0 %	0 %
Senior Executives	0 %	0 %	0 %	0 %
Administrative & Support Staff	0 %	0 %	0 %	0 %
Technical & Skilled Employees	0 %	0 %	0 %	0 %
Semi-skilled / Operational Workers	0 %	0 %	0 %	0 %
Overall Female Share	0 %	0 %	0 %	0 %

Employee Performance (GRI 401 & 404)				
Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Percent of Employees Covered Under Performance Appraisal Process	100%	100%	100%	100%
Percent of Employees Receiving Annual Performance Feedback	100%	100%	100%	100%
High Performer Retention Rate (%)	91%	88%	90%	92%
Internal Promotion Rate (%)	34.00%	42.00%	41.00%	38.50%
Performance-Linked Training Hours per Employee	6	6.2	6.2	6.4
Average Performance Rating (out of 10)	8.2	8.4	8.7	8.9
Percent Employees Given Annual Salary Appraisal	85%	88%	92%	94%

Wages Reporting (GRI 202-1, 401-2, 405-2)				
Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Average Annual Wage (INR)	260,000	275,000	290,000	305,000
Living Wage (Food Basket Analysis, Local Market)	120,000	122,000	125,000	128,000
% of Employees Paid Living Wage	100%	100%	100%	100%
% of Direct Employees Covered by Living Wage	100%	100%	100%	100%
% of Direct Employees Paid Below Living Wage	0%	0%	0%	0%
% of Employees Given Annual Salary Appraisal	85%	88%	92%	94%

HEALTH & SAFETY:

Employee Health Parameters 403-6				
Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
% of Employees Covered Under Medical Insurance	100%	100%	100%	100%
% of Employees Who Undergo Periodic Medical Examination	98%	99%	100%	100%
Health Issues Reported Due to Working Conditions	0	0	0	0
% of Employees Trained on Health & Safety	96%	98%	100%	100%

Employees Covered by an Occupational Health & Safety Management System 403-8				
Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Employees Covered under OHS Management System	487	489	495	495
% of Total Employees Covered	100%	100%	100%	100%
Third-Party / Contract Workers Covered	0	0	0	2

Occupational Health & Safety Performance- GRI 403-9				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Number of Fatalities as a Result of Work-Related Injury	0	0	0	0
Rate of Fatalities as a Result of Work-Related Injury (per 1,000,000 hours)	0	0	0	0
Number of High-Consequence Work-Related Injuries (Excluding Fatalities)	0	0	0	0
Rate of High-Consequence Work-Related Injuries (Excluding Fatalities) (per 1,000,000 hours)	0	0	0	0
Rate of Recordable Work-Related Injuries and Illness (TRIFR – per 1,000,000 hours)	0	0	0	0
Process Safety Incident Count (PSIC)	0	0	0	0
Process Safety Total Incident Rate (PSTIR)	0	0	0	0

Work-Related Ill Health- GRI 403-10				
Parameter	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Fatalities as a Result of Work-Related Ill Health (Employees)	0	0	0	0
Total Reported Ill-Health Cases (Employees)	0	0	0	0
Rate of Work-Related Ill Health (per 1,000,000 hours worked)	0	0	0	0
Number of Man-Hours Worked (per employee per year)	2,141	2,141	2,141	2,141

TRAINING:

Employee Training & Development (GRI 404-1 & 403-5)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Ethics	1.5	2	2	2
Ergonomics*	170	175	180	182.5
Fire Safety	3	3.5	4	4
First Aid	1.5	2	2	2
Workplace Health & Safety	1.5	2	2	2
Employee Code of Conduct	1.5	2	2	2
Environment	1.5	2	2	2

* Ergonomics training includes daily workplace practice sessions, counted cumulatively.

Employee Training & Development (GRI 404-1)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Total Training Hours (All Programs)	180	188.5	194	196.5
Average Training Hours per Employee	180	188.5	194	196.5

Employee Training (GRI 404-1, 205-2, and 412-2)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Percent Employees Trained in Environment	80 %	90 %	100 %	100 %
Percent Employees Trained in Energy Conservation	82 %	92 %	100 %	100 %
Percent Employees Trained in Water Conservation	80 %	91 %	100 %	100 %
Percent Employees Trained in Waste Management	78 %	88 %	100 %	100 %
Percent Employees Trained in Labor Issues	100 %	100 %	100 %	100 %
Percent Employees Trained in Ethics	98 %	100 %	100 %	100 %
Percent Employees Trained in Anti-Bribery & Corruption	95 %	98 %	100 %	100 %
Percent Employees Trained in Information Security	90 %	95 %	100 %	100 %
Percent Employees Trained in Company Policy	98 %	100 %	100 %	100 %

DIVERSITY, EQUITY & INCLUSION:

Diversity, Equity & Inclusion (GRI 405 & 406)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Percent of Female Employees in Total Workforce	0.00%	0.00%	0.00%	0.00%
Percent of Female Employees in Executive Positions	0.00%	0.00%	0.00%	0.00%
Percent of Female Representation at the Board Level	0.00%	0.00%	0.00%	0.00%
Percent of Employees from Underrepresented Groups	11.61%	10.96%	13.55%	14.62%
Percent of Employees Trained in DEI	100%	100%	100%	100%
Reported Incidents of Harassment	0	0	0	0
Retention Rate of Female Employees	NA	NA	NA	NA
Employee Satisfaction Index (DEI) (Out of 5)	4.9	4.6	5	4.8
Percent of Employees from Underrepresented Groups in Top Management	0%	0%	0%	0%
Percent of Facility Accessible to Persons with Disabilities	70%	100%	100%	100

SOCIAL DIALOGUE:

Social Dialogue Reporting (GRI 402 & 407)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Percent of Employees Covered Under Collective Bargaining Agreements	25%	77%	100%	100%
Number of Social Dialogue Engagements Conducted	24	26	24	28
Number of Employee Grievances Raised	22	11	46	32
Number of Employee Grievances Resolved	22	11	43	32
Percent of Grievances Resolved Through Social Dialogue Mechanism	90%	100%	67%	96%
Existence of Formal Employee Representation Structure	No	No	Yes	Yes
Average Response Time to Employee Concerns / Grievances (Days)	14.3	9.8	9.2	6.5
Employee Participation Rate in Dialogue Forums	43%	65%	100%	100%
Number of Joint Committees (Health, Safety, Welfare, etc.)	5	5	6	6
Percent of Agreements Implemented Post-Social Dialogue	-	-	100%	100%

LABOR & HUMAN RIGHTS INCIDENTS:

Labor & Human Rights Incidents (GRI 408, 409 & 412)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Number of Reported Labor Rights Violations	0	0	0	0
Number of Human Rights Violations Reported	0	0	0	0
Number of Child Labor Incidents Identified	0	0	0	0
Number of Forced or Bonded Labor Incidents	0	0	0	0
Number of Harassment or Discrimination Complaints	0	0	0	0
Number of Anonymous Complaints Received (Labor Rights)	0	0	0	0
% of Incidents Investigated and Closed Within Timeframe	-	-	-	-

ETHICS RELATED INCIDENTS:

Ethics & Integrity Incidents (GRI 205 & 406)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Number of Reported Code of Conduct Violations	0	0	0	0
Number of Whistleblower Complaints Received	0	0	0	0
% of Whistleblower Complaints Resolved	NA	NA	NA	NA
Anti-Bribery and Corruption Training Coverage (%)	100%	100%	100%	100%
Number of Confirmed Information Security Incidents	0	0	0	0
Number of Confirmed Corruption Incidents	0	0	0	0
Percent of Employees Who Have Acknowledged Environmental Policies	100%	100%	100%	100%
Percent of Employees Who Have Acknowledged Labor & Human Rights Policies	100%	100%	100%	100%
Percent of Employees Who Have Acknowledged Ethics Policies	100%	100%	100%	100%

SUPPLY CHAIN GOVERNANCE:

Supply Chain Management (GRI 204, 308 & 414)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
% of Suppliers Who Have Signed Supplier Code of Conduct	100%	100%	100%	100%
% of Suppliers Assessed for Sustainability Risk	100%	100%	100%	100%
% of Strategic/Critical Suppliers Audited Annually	—	50%	50%	92.50%
% of Contracts with Sustainability Clauses	100%	100%	100%	100%
% of Suppliers Trained on Sustainability Standards	100%	100%	100%	100%
% of Suppliers Meeting Sustainability Compliance Requirements	100%	100%	100%	100%
% of Suppliers Holding Recognized Certifications	100%	100%	100%	100%
% of Local/Regional Sourcing	100%	100%	100%	100%
% of Suppliers That Have Social Compliance Clauses in Contracts	100%	100%	100%	100%
% of Suppliers That Have Environmental Clauses in Contracts	—	55%	100%	100%
% of Suppliers That Have Labor & Human Rights Clauses in Contracts	—	55%	100%	100%

Supplier Classification & Composition (GRI 204-1)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Total Number of Active Suppliers	8	8	9	9
Strategic / Critical Suppliers	8	8	9	9
Local / Regional Suppliers	6	6	6	6
National Suppliers	2	2	3	3
% Spend on Local Suppliers	75%	75%	67%	67%
% Spend on Strategic Suppliers	25%	25%	33%	33%

Supplier ESG Risk Assessment Summary (GRI 308-1 & 414-1)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
High Risk Suppliers	—	—	—	—
Medium Risk Suppliers	—	—	—	—
Low Risk Suppliers	—	8	9	9
% Suppliers with Mitigation Plans Implemented	—	45%	75%	100%
% Suppliers Reassessed Post-Audit	—	30%	100%	100%

Supplier Development & Capacity Building (GRI 414-2)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Number of Supplier Training Sessions Conducted	–	8	8	9
% of Suppliers Attending Training Programs	–	100%	89%	100%
Total Supplier Training Hours	–	60	60	100
Average Hours of Training per Supplier	–	7.5	7.5	11.1
% of Suppliers Reporting ESG Improvements Post-Training	–	40%	68%	89%

Supplier Audit & Compliance (GRI 308-2 & 414-2)				
Parameter	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25
Number of Supplier ESG Audits Conducted	–	5	7	7
% of Strategic Suppliers Audited	–	100 %	100 %	100 %
% of Suppliers Found Non-Compliant	–	18 %	12 %	8 %
% of Non-Compliant Suppliers Remediated Within 3 Months	–	60 %	100 %	100 %
% of Suppliers with Corrective Action Plans (CAPs)	–	25 %	35 %	40 %

Independent Assurance Statement & GRI Topics Summary for Suhana Zari Arts Sustainability Report 2024–25

1. Introduction

Suhana Zari Arts Pvt. Ltd. (the "Company") engaged **YCPL Consulting Pvt. Ltd. (YCPL)** to perform an **independent external assurance** of selected non-financial disclosures presented in its *Sustainability Report for FY 2024–25 (1 April 2024 – 31 March 2025)*.

This assurance affirms Suhana Zari Arts' continued commitment to transparency, ethical growth, and measurable sustainability performance. The engagement was conducted to provide **reasonable assurance** on selected qualitative and quantitative ESG disclosures, evaluating their adherence to recognized international frameworks.

The assurance was performed in accordance with:

- The **Global Reporting Initiative (GRI) Standards 2021**; and
- The **International Standard on Assurance Engagements (ISAE) 3000 (Revised)**.

2. Management's Responsibility

The preparation and presentation of the *Sustainability Report 2024–25* rest entirely with Suhana Zari Arts' management, which is responsible for:

- Establishing sustainability policies and identifying material ESG topics.
- Maintaining internal controls and data-collection systems to ensure accuracy and completeness.
- Presenting disclosures that are balanced, evidence-based, and transparent.
- Providing YCPL unrestricted access to relevant documentation and personnel.

3. Scope, Boundary & Limitations

3.1 Scope of Assurance

The assurance covered selected qualitative and quantitative ESG disclosures across **Environmental, Social, and Governance (ESG)** dimensions.

3.2 Reporting Boundary

- Suhana Zari Arts' manufacturing and administrative facilities in Mumbai and Surat.
- Key supplier units and partner facilities involved in zari work and finishing.
- Community and training programs under the company's CSR and artisan development initiatives.

3.3 Limitations

- The engagement was conducted at a **reasonable assurance level**, limited to the indicators below.
- Forward-looking statements and financial data were excluded.
- Scope 3 emission data and extended supplier audits are under progressive implementation.

4. GRI Topics and Coverage Summary

GRI Topic / Theme	GRI Indicators	Indicator Description	Coverage in Report
Energy Management	302-1 to 302-5	Energy consumption, efficiency, and reduction initiatives	p. 22–23
Water Management	303-1 to 303-5	Water withdrawal, recycling, and conservation efficiency	p. 23–24
Emissions (Scope 1, 2, 3)	305-1 to 305-5	Direct and indirect GHG emissions; reduction tracking	p. 24–25
Waste Management	306-1 to 306-5	Waste generation, segregation, and diversion from disposal	p. 25–26
Employment & Labour	401-1 to 401-3	New hires, employee turnover, benefits, and parental leave	p. 26–27
Health & Safety	403-1 to 403-10	OHS management systems and worker well-being	p. 27–28
Training & Development	404-1 to 404-3	Training hours, upskilling, and career development	p. 27–28
Diversity & Inclusion	405-1 to 405-2	Gender balance and equal pay practices	p. 24–25
Human Rights & Labour Practices	407-1, 408-1, 409-1	Freedom of association, child labour, and forced labour	p. 26–27
Supplier Screening	308-1, 414-1	Environmental and social criteria applied to suppliers	p. 27–28
Anti-Corruption & Ethics	205-1, 205-3	Corruption risk assessment and compliance	p. 28
Community Engagement	413-1, 413-2	CSR and local development initiatives	p. 28–29
Customer Health & Safety / Privacy	416-1, 418-1	Product safety, labelling, and data protection	p. 29

5. Assurance Methodology

YCPL adopted a **systematic and evidence-based verification process**, which included:

1. Evaluation of Suhana Zari Arts' sustainability governance framework and policies.
2. Review of ESG data management systems and supporting documentation.
3. Cross-verification of sampled quantitative data (e.g., energy, waste, water, and workforce metrics).
4. Interviews with key management, artisans, and facility-level personnel.
5. On-site and virtual reviews of sustainability initiatives and progress evidence.
6. Assessment of reporting principles — **accuracy, balance, comparability, clarity, reliability, and timeliness** — as per GRI 2021 guidelines.

6. Findings & Observations

Strengths Identified:

- Strong environmental performance in waste reduction, water recycling, and LED energy adoption.
- Demonstrated commitment to **safe working conditions**.
- Integration of circular design and eco-friendly materials into product lines.
- Active supplier engagement and adherence to ethical sourcing practices.
- Ongoing investment in community education and skill-building programs.

Areas for Enhancement:

- Expand Scope 3 GHG boundary to include logistics and upstream suppliers.
- Strengthen tracking for **climate risk assessment** and **adaptation frameworks**.
- Enhance artisan training documentation for improved data consistency.
- Develop additional KPIs for biodiversity and water usage monitoring.

7. Assurance Conclusion

Based on the evidence obtained, **YCPL provides reasonable assurance** that the ESG disclosures presented by Suhana Zari Arts in its *Sustainability Report FY 2024–25* are prepared, in all material respects, in accordance with the **GRI Standards (2021)**.

In our professional opinion:

- The disclosures are **fair, balanced, and reliable**.
- The report reflects a **mature, accountability-driven approach** to sustainable business practices.

8. Independence & Impartiality

YCPL affirms that this assurance engagement was conducted independently and objectively.

- YCPL has no financial or ownership interest in Suhana Zari Arts.
- The engagement complied with **ISAE 3000 (Revised)**, the **IESBA Code of Ethics**, and YCPL's internal **Independence Policy**.
- All professionals adhered to confidentiality and conflict-of-interest protocols.

9. Assurance Team

This engagement was led by:

Manoj Kumar

Manoj Kumar
Director & Chief Operating Officer (COO),
Youniformity Consulting Pvt. Ltd.
Lead Auditor — ISO 14001 & ISO 45001 Management Systems

Date: October 10, 2025
Place: Mumbai, India
Project Reference: IAS-2024–25-15

**For and on behalf of
Youniformity Consulting Pvt. Ltd.**
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S U H A N A