

BUILDING SUSTAINABLE SUPPLY CHAINS

How the PIA Textile Park protects the Earth and uplifts its communities.





A MESSAGE FROM THE PRESIDENT

The Togolese Government, along with ARISE IIP, is committed to developing a Textile Industry that strongly considers environmental and social sustainability. We envision our transition towards an industrialised economy to be coupled with best practice standards that ensure the safety and vitality of our rich natural resources, unique environment and peoples.

The PIA Textile Park's commitment to upholding sustainability ideals across the textile supply-chain is a reflection of Togo's greater vision and will be a model for future industrial ventures in the country.

Faure Gnassingbé
President





A MESSAGE FROM THE MANAGEMENT



ARISE Integrated Industrial Platforms (IIP) aims to foster sustainable industrialization across Africa. Therefore, Environmental, Social and Governance (ESG) issues are essential to our corporate strategy and operations. The PIA Textile Park will be powered by green infrastructure, will engage with all relevant stakeholders and will ensure fair revenues for local communities as a part of its sustainability initiatives. These initiatives are a compelling illustration of our commitment to achieve positive environmental and social impacts and is apparent from the way we will source and trace our cotton supply, to the chemical-control measures taken to process our garments. ESG will remain a constant and priority consideration for the PIA Textile Park as it looks to become a benchmark for sustainable industrial development in the West African Region.

Gagan Gupta
Founder and CEO

Environmental and Social conscientiousness has rightly become a key indication of any company's commitment to good practice standards. It is no longer an issue that sits on the periphery of corporate strategy, but instead commands an organisation's full attention and ensures that the value of our living environment is appropriately accounted for in all commercial processes. The PIA Textile Park's sustainability commitments across the value-chain shows how traditional business strategy can and should be underpinned by actions used to enfranchise local communities and manage ecological resources sustainably. By committing to renewable energy, the circular economy and capacity building efforts; the PIA Textile Park will be a realisation of ARISE IIP's wider ESG vision.

Bhavin Vyas
Chief ESG Officer





A MESSAGE FROM PIA

The Plateforme Industrielle Adetikopé (PIA) is committed to driving change to the Textile Industry at large. We recognise that the industry's reputation in terms of labour mismanagement, fervent chemical use and lack of accountability surrounding carbon emissions is unsustainable. This document outlines the various measures the PIA Textile Park will take to mitigate the impacts of practices that have unfortunately become synonymous with the industry.

A high percentage of our textile value chain will be covered by globally recognized standards ensuring we align with IFC Performance Standards and the UN SDGs in a meaningful way. Our commitments to internationally recognised Certification Schemes, Renewable Energy and drive for a Circular Economy shows consistent, sustainable practice in the way we will source, process and eventually sell our garments. PIA's approach to supply-chain management will be innovative to West Africa and guarantee that we work collaboratively and transparently to create, at the least, a climate neutral value chain that provides fair jobs to thousands of people.

Jesse Dampsky
PCH



OVERVIEW

Three fourths of Africa's cotton is produced in the west of the continent, and nearly all of it is exported to South and East Asian countries for processing and manufacturing before reaching consumer markets in other geographies. This business model has limited benefits to the producing countries as well as a global textile industry faced with increasing costs and impacts associated with the transportation of raw materials away from source.

The Textile Park (TP) developed by Arise IIP, in partnership with the Togolese Government as part of the Plateforme Industrielle Adetikopé (PIA), is set to transform this value chain model and increase the export of cotton textiles and finished garments. The target is to convert 56,000 MT of cotton fibres worth USD 73 Million into apparels worth USD 1.5 Billion.

PIA will facilitate state-of-the-art manufacturing facilities and integrated, common infrastructure to develop textile production into a complete and operational value chain for the industry.

This will include: sourcing raw material, ginning cotton and ultimately processing and manufacturing to export as final products.



Integrated value chain (verticality, speed to market)



Raw material availability

Abundance of agri-commodities.



World class infrastructure

Roads, electricity, water, ICT, security



Connectivity

Connected to port, airport, and landlocked countries via highway N1



OUR VISION AND COMMITMENTS

Arise IIP has taken decisive steps to integrate standards of best practice into its core business strategy. Therefore, value chain operation at the PIA Textile Park will draw from IFC Performance Standards and Good International Industry Practice (GIIP) Guidelines; allowing the TP to meet applicable Sustainable Development Goals (SDGs) and ensuring ownership, transparency, and accountability. The TP sustainability strategy is uniform in approach across design and operational phases. It is underpinned by action plans, certification schemes, and key performance indicators integrated into the park's performance objectives.

Our aim for the Textile Park is for it to eventually become a benchmark sustainability leader in the West African textile industry. The PIA Textile Park will generate an estimated 20,000 direct and 80,000 indirect jobs making a sizable contribution to the national and regional economy while committing to a safe and fair working environment. It will also provide for ethical supply chain support in the drive for quality, durable products.

The PIA Textile Park has the scale, reach, and technical expertise required to alleviate adverse environmental and social impacts within the textile industry; especially the interconnected regional and local supply chains. PIA Textile Park will be an all-inclusive platform for participating businesses and suppliers to operate, in an environmentally and socially responsible way. The shared sustainability strategy will enable PIA to meet SDG's common to various stages of the textile industry. They include: gender equality; climate action; resource efficiency, sustainable livelihoods, equitable employment, human rights, and labour rights.



Figure: **United Nations Sustainable Development Goals** the PIA Textile Park aims to contribute to.



OUR COMMITMENTS AND HIGHLIGHTS

Up to 21%
contribution to
national GDP



Job creation
20,000 direct and
80,000 indirect jobs
created



**Shared Sustainability
Targets and Code of
Conduct** across the
PIA Textile Park



Innovation

Identifying and
scaling new solutions
to complex social
and environmental
challenges.



**AtSource
traceability software**
providing transparency
across value chain



Environmental and social
awareness **training and
auditing**



**Piloting
HIGGs Index**
by 2022



**100% Sustainably
sourced cotton** under
Cotton Made in Africa (CMiA)



**100 % Renewable
electricity**
generated to offset
energy used in textile
park operations



**60 MW Solar
Energy generated
per day**
to meet TP energy
requirements



Electric and gas
operated vehicle fleet



90-95% Water reused
using Zero Liquid
Discharge Technology.



Fostering
**human and
labour rights and
empowering
women**



**Vocational
Training Centre** to
upskill workers



**Controlled use
of chemicals**
under OEKO- TEX
certification



**Reuse of effluent
sludge waste** to limit
landfill disposal. Reused
and recycled by cement
factories.



VALUE CHAIN MANAGEMENT

The social, environmental, and economic impact of the textile and apparel industry value chain is significant and far-reaching. In the context of the PIA Textile Park this covers the complete supply-chain from farmers all the way to retailers.



TRACEABILITY

Traceability will be an increasingly important aspect of supply-chain management—especially as our textile operations grow. PIA will rely on AtSource software to ensure our supply chains are traceable and transparent demonstrating how at each stage best practice measures are implemented.

AtSource enables us to facilitate communication between agents operating at different stages of the supply chain, mapping our cotton's life-cycle. Traceability is a prerequisite to sustainable practice and it will be a fundamental approach for PIA to actively mitigate the environmental and social impacts of the textile industry.

Standards, Codes and Policies

Code of Ethics (for business partners)
Sets the expectation of mutual trust and transparency in all our relationships with suppliers and other business partners.

Sustainability Commitment
Outlines our basic requirements and expectations for suppliers and business partners. Signing our Sustainability Commitment is mandatory for any supplier or business partner entering a business relationship with ARISE Group.

SOURCING SUSTAINABLE COTTON

Our first step has been focused on diligently selecting preferred cotton¹ suppliers that provide the most sustainably, harvested raw materials.

PIA Textile Park will partner with the Nouvelle Societe Cottonniere Du Togo (NSCT) which is a part-governmental organisation that Olam has recently acquired a majority stake in. Olam is a leading agribusiness company and with its existing resources, the Togolese cotton industry will benefit from common infrastructure that will give farmers and ginners the ability to meet expected best practice standards.

NSCT will be compliant with Cotton Made in Africa (CMiA) and this will ensure that cotton farmed and ginned is done in compliance with expected CMiA standards prior to being processed at our park. This cotton initiative will support sustainable agriculture and improve farmer livelihoods, while promoting the responsible use and reuse of raw materials, selected herbicides and pesticides.

¹ 'Preferred Cotton' (referred to as pCotton by the Textile Exchange).
This is cotton designated as meeting sustainable agriculture and environmental targets.

This will help to:



Reduce water & energy consumption and thus GHG emissions



Encourage environmentally conscientious waste management



Improve capacity-building efforts for smallholder farmers



Uphold ILO conventions and allowing for collective price negotiation

Continuous improvement in the fields of regenerative farming practice and value-chain management will help to maintain better biodiversity and ecosystem functions in Togo's farming sector.



TEXTILE PROCESSING AND MANUFACTURING

The processing and manufacturing stage of the supply-chain is key. It is the sole segment in which PIA has complete control to drive its own sustainability agenda from both an environmental and social standpoint. Therefore, at the processing and manufacturing stage PIA has accounted for sustainable practice in all facets. This includes:

RENEWABLE ENERGY

A commitment to clean energy is foundational to PIA Textile Park's green vision. PIA will be constructing a solar farm dedicated to generating up to 60MW of solar energy per day for the textile park. The renewable energy generated will meet 100% of all energy requirements at the TP and offset up to 20 tons of carbon dioxide emissions per day. Furthermore, much of the internal logistics and transportation will deploy electric and gas operated vehicles (zero diesel consumption) with a vision of working towards carbon neutrality.

Our decarbonisation strategy will also include green spaces within the TP boundaries to enhance carbon sequestration and air quality.

RESOURCE MANAGEMENT

The World Bank estimates that up to 20 percent of global industrial water pollution comes from dyeing and finishing fabrics. Given that this segment of the value chain is the largest user of commercial dyes and pigments, suppliers are increasingly required to disclose chemical management activities. The PIA TP aims to be compliant with OEKO-TEX certification schemes, namely STANDARD 100.

Complying with an independent, internationally recognised certification will enable the PIA Textile Park to signal its safe chemical practices for raw, semi-finished, and finished textile products. It will codify our responsible use of chemicals, clean processes (controlling air and water emissions), safe conditions for workers and ultimately safe products for consumers. The STANDARD 100 label will show consumers that finished products have gone through the necessary testing for a wide-range of harmful substances; allowing them to make informed decisions when buying. Our chemical management roadmap ultimately aims to comply with the Zero Discharge of Hazardous Chemical (ZDHC) marking best practice standards in our chemical use.



VOCATIONAL TRAINING

To run the textile industry sustainably and efficiently, the work force should have the required skills for various manufacturing operations. PIA Textile Park plans to establish a vocational training institute, named the "Centre of Excellence", with the purpose of developing a world-class skilled labour force for all segments of textile manufacturing and other complementary industries- filling the existing skill gap between Togo's labour force competencies and desire for industrial development.

The initial commitment is to provide free training to approximately 1800 students enabling them to be technically competent in handling operations and facilities. Training will involve pedagogy, practical and group session activities.



PROMOTING THE CIRCULAR ECONOMY

The Textile industry is resource intensive and we recognise our shared responsibility in mitigating environmental impacts throughout our processing and manufacturing operations. This includes post operational activities to reduce the amount of waste generated

CIRCULAR ECONOMY

The targets under SDG 12 present an opportunity for the PIA Textile Park to contribute to the circular economy by establishing a resource efficient business model. PIA Textile Park will retain commercial value from waste-management practices that maintain value in residual streams as inputs for various other biological and technical economic cycles.

We plan to reuse/recycle water and waste streams through technological solutions and smart management approaches- including sludge reuse for cement factories. Zero Liquid Discharge will apply across the TP operational functions where all effluents will be treated and returned to the process or reused elsewhere- namely recycling up to 95% of all water.

The water treatment facility will ensure that any wastewater that happens to reach rivers, lakes, creeks or another natural water bodies pose no risk of contamination or impact to ecosystems in any way. Moreover, a Waste Management Hierarchy (prevention-reduction-reuse-recovery-recycling-disposal) will be adopted by all participating businesses. This will mean adopting efficient waste segregation measures and working with bespoke recycling facilities wherever possible.

PIA Textile Park will ensure effective waste management across all aspects of the processing and garmenting process as shown below.



Garmenting

Garment Cutting Waste:
4 tons to be used for re-spinning into various products like socks, floor sweep, mops etc.



Raw cotton
56,000 tons of rain-fed cotton



Processing

Processed Fabric Waste:
0.8 tons. To be used for re-spinning as yarn for floor mats or for socks

Effluent:

- To be treated under Zero Liquid Discharge method and reuse 90%
- Sludge and chemical waste from ETP can be dried and the bricks can be used in construction



Spinning

Yarn Waste:

- Dust : Bagged and to be used as cattle feed
- Dark Waste : Organic fertilizer
- Hard Waste : Torn down or can be used as floor sweep



Weaving

Fabric Hard Waste:

1 ton to be opened as fibre for reuse or can be used in floor sweep

We will continue to identify the areas for positive improvement by adopting actions focused on recycling and reusing waste matter, keeping materials in use, and thus mitigating impacts to natural capital and eventually moving towards circularity.



SAFEGUARDING HUMAN & LABOUR RIGHTS

Globalization and price competitiveness have contributed to textiles and apparel manufacturing moving to less-developed countries where the workforce often faces long working hours, low wages, and insufficient occupational safety. The risks associated with this operating environment have increased the importance of human and labour rights considerations. This is particularly true for PIA where improving the lives of workers and communities is at the core of our “growing with our community” sustainability pillar.

The Textile Park will accommodate approximately 30,000 employees and we want all these jobs to adhere to an expected duty of care- ensuring workers are compensated fairly and work in a safe and equitable working environment. Having operated in Africa and worldwide for many years, human and labour rights requirements are intrinsic to our business practices and are in line with the International Labour Organization (ILO) principles. Our supplier code will ensure the PIA Textile Park does not engage in employing child or forced labour.

Our standard processes and controls include internal codes of conduct that are reinforced by our Environmental and Social Management System. It allows us to take a proactive approach to risk identification and mitigation through periodic audits, stakeholder engagement, and grievance mechanisms (maintaining ILO compliance).

GENDER, DIVERSITY AND INCLUSION

Socially sustainable practice in the textile industry needs to raise living standards of people. Considering it is often women who are disproportionately underpaid and underrepresented; PIA understands the importance of enfranchising women through policy and practice to work towards gender equality.

PIA intends to fiscally empower women through sustainable livelihoods in the textile industry. Equitable employment opportunities will be realised through policies aimed at:



Identifying and addressing the unique needs and issues facing women employees. This includes helping women to balance any culturally expected familial commitments and identifying any existing skills mismatch.

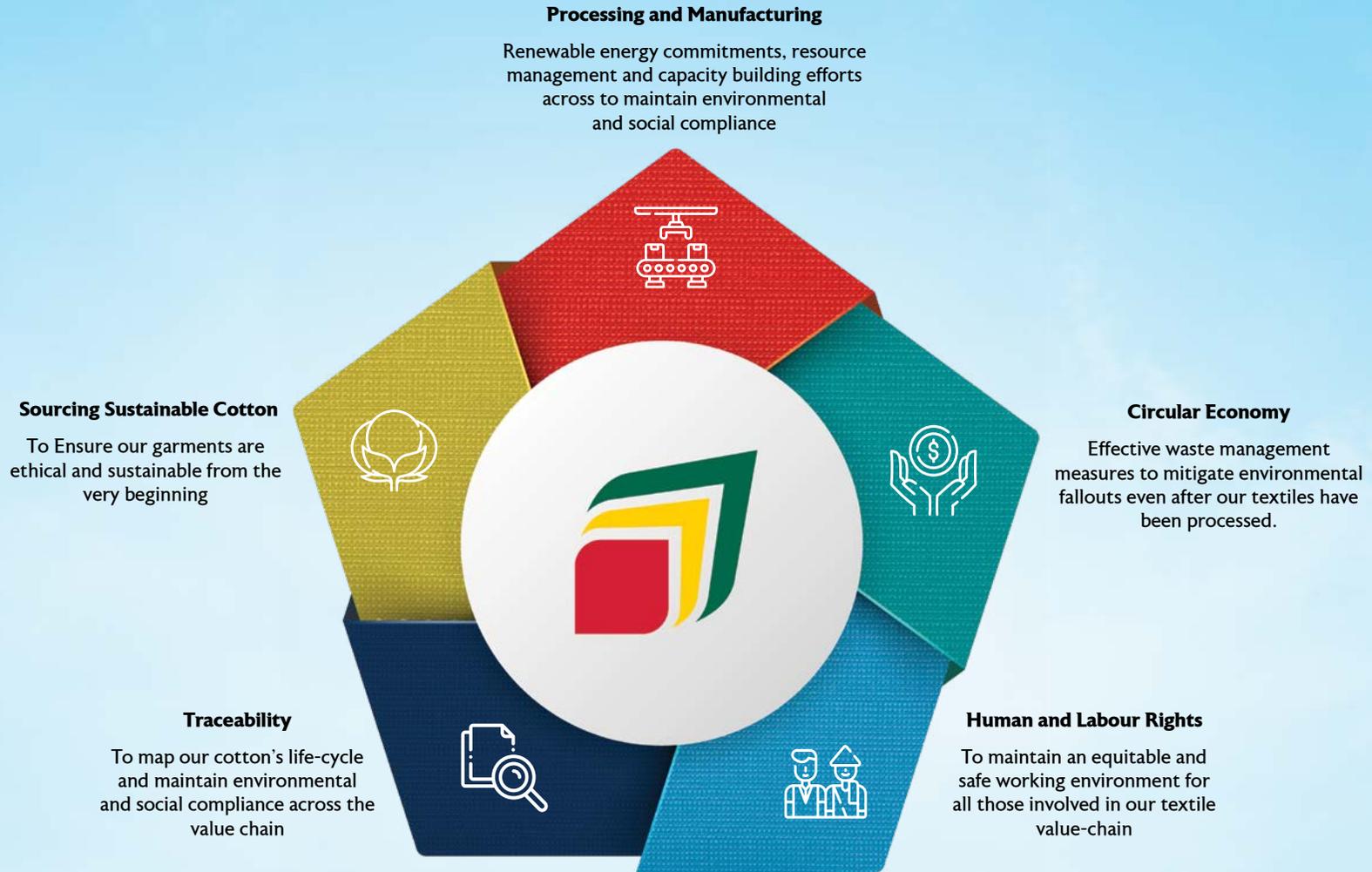


Developing confidential mechanisms that allow workers in the supply chain to report unfair treatment based on gender.



Increasing the representation of women in management roles.





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