

WELSPUN



WELSPUN INDIA LIMITED

Sustainable Procurement and Responsible Sourcing Policy

ABSTRACT

WIL lays emphasis on both sustainable procurement as well as sustainability practices at supply chain partners' level.

Sustainable Procurement and Responsible Sourcing Policy

Our Approach

Welspun India Limited (WIL) is committed to use best efforts to adopt an inclusive approach towards sustainability that encompasses the activities of its supply chain partners (“Supplier”) such as vendors, contractors, sub-contractors, service providers, etc., as well as the materials and services that we procure. We believe that to attain sustainability across our value chain, it is imperative to use sustainable and ethically sourced raw materials, as well as collaborate with responsible value chain partners.

WIL strives to reduce external environmental, economic, and social risks by encouraging Suppliers to adopt sustainable practices; gain competitive advantage and create value by adopting ecoefficiency throughout the product lifecycle and promote sustainable behaviour to drive change.

Our approach is driven by the intent to transform what we source, how we source and whom we source from - embedding sustainability across the entire value chain.

As a result, this Policy takes a two-pronged approach, emphasising WIL's commitment to responsible procurement across all our goods and services, as well as outlining our expectations from our value chain partners.

WIL shall endeavour to :

- Procure products and services that are socially and environmentally responsible
- Promote use of certified, sustainable and recycled alternatives to raw materials such as cotton, yarn, fabric, packaging material, dyes and chemicals, across its operations
- Promote sustainable agricultural practices, payment of fair wages and enhancement of farmer livelihood in its cotton value chain
- Promote low carbon logistics solutions through engagement with our logistics partners
- Choose raw materials with enhanced environmental performance including improved energy and water efficiency and those accredited with recognized environmental standards
- Institutionalise sustainability considerations in all sourcing or procurement decisions
- Increase procurement from local suppliers to reduce environmental impact and contribute to local economy
- Collaborate with its value chain partners in the WIL vision on water and carbon neutrality
- Promote and develop long term relationship with its value chain partners through shared ESG values and support for continual improvement
- Ensure greater transparency and improved ESG practices across its value chain.
- Facilitate training and capacity building programmes that propagate awareness of sustainability across its value chain
- Assess and engage with supply chain partners who are compliant with environmental and social regulatory requirements
- Encourage supply chain partners to adopt ESG management systems highlighted in the subsequent sections of this Policy and the WIL Supplier Code of Conduct

Guiding principles for Sustainable Procurement and Responsible Sourcing

1. Business Integrity

Honesty, integrity, and fairness

The Supplier shall recognise the importance of honesty, integrity and fairness in conducting its business.

Compliance with laws and regulations

The Supplier must comply with the applicable laws and regulations of the countries in which it operates.

Anti-bribery

The Supplier must not offer, give, request or accept payments, payments in kind, bribes, 'kick-backs', secret commissions, gifts or favours of any kind regardless of their value.

Privacy and Information

The Supplier must respect the privacy of individuals and laws relating thereto, with respect to the collection, processing and management of personal data.

2. Labour Standards

Non-discrimination

The supplier shall not discriminate in hiring and employment practices on the grounds of criteria such as age, disability race, creed, disability, gender, sexual orientation, marital or maternity status, religion and any other similar characteristic.

Forced Labour

The Supplier must under no circumstances use or in any other way benefit from forced labour and shall not utilize factories or production facilities that force work to be performed by unpaid or indentured labourers.

Child Labour

The use of child labour is strictly prohibited. The Supplier acknowledges the right of every child to be protected from economic exploitation and will respect the laws of each country in which it operates regarding minimum hiring age.

Working Hours

The Supplier must ensure that its employees work in compliance with the applicable laws and mandatory industry standards pertaining to the number of hours and days worked.

Compensation

The Suppliers' employees must receive compensation and benefits that comply with applicable laws and, where relevant, with binding collective agreements, including those pertaining to overtime work.

Human Rights

The Supplier shall promote equal opportunities and fundamental human rights for its workforce.

3. Health & Safety

The Supplier shall provide a safe and healthy work environment for its employees, contractors and visitors and ensure that this is supported by adequate safety programs in accordance with applicable laws and regulations.

4. Environment

The Supplier must manage its operations in an environmentally responsible manner and ensure compliance to the laws and regulations applicable in the country where products or services are manufactured or delivered. The Supplier shall further undertake initiatives for reducing emissions, water consumption, use of

hazardous substances, waste generation, and encourage circularity along with responsible consumption of raw materials.

5. Social Responsibility

Suppliers are encouraged to support local communities with their overall well-being and work toward minimising or preventing any negative impact of their operations.

Coverage

This Policy is applicable to WIL's procurement practices and its suppliers, vendors, contractors, sub-contractors (through the relevant contractors), logistics partners and service providers along the value chain.

Assessments

WIL has the right to assess suppliers' alignment to the guiding principles mentioned in the policy and their performance with respect to these principles. Audits may be carried out directly by WIL or through an independent third party, at WIL's sole discretion at any time to ensure continuous improvement in suppliers' sustainability initiatives.

Corrective actions

WIL expects its suppliers to engage and improve their sustainability performance to achieve the larger goal of creating a sustainable value-chain. Suppliers shall develop and implement corrective action plans; facilitate follow up audits in case of non-compliance with any of the guiding principles in line with this Policy.

Governance and oversight

Sustainable Procurement and Responsible Sourcing at WIL is the responsibility of the Sourcing and Sustainability teams. The results of the supply chain audits are analysed, aggregated and reported to senior management and Board of Directors.

Reporting

Suppliers are encouraged to report the initiatives that they have undertaken for reducing their environmental and social impact to ensure adherence with WIL's Sustainable Procurement and Responsible Sourcing Policy. In the event of breaches in compliance to the Principles of this Policy, suppliers are expected to document and report progress regarding the recommendations of the corrective action plan according to the agreed timeline.

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