



**WELSPUN LIVING LIMITED**

**Sustainable Procurement and  
Responsible Sourcing Policy**

**ABSTRACT**

WLL lays emphasis on both sustainable procurement of raw materials as well as sustainability practices at supply chain partners' level.

# Sustainable Procurement and Responsible Sourcing Policy

## Our Approach

Welspun Living Limited (WLL) 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 raw 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.

WLL strives to reduce external environmental, economic, and social risks by encouraging Suppliers to adopt sustainable practices; gain competitive advantage and create value by adopting eco-efficiency throughout the product lifecycle and promote sustainable behavior 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, emphasizing WLL's commitment to responsible procurement across all our goods and services, as well as outlining our expectations from our value chain partners.

WLL shall endeavour to:

- Procure products and services that are socially and environmentally responsible and minimize the sustainability impact of raw material procurement
- Promote use of certified or third party verified, 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
- Institutionalize 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 WLL 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
- Collaborate with external stakeholders on best practices and its implementation on for sustainable raw material.
- Conduct thorough due diligence on suppliers to ensure they do not source from ecologically sensitive or protected regions to avoid raw materials from sites containing globally or nationally important biodiversity sites for promoting biodiversity conservation
- 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 WLL Supplier Code of Conduct
- Policy will be reviewed annually to ensure its effectiveness and relevance, incorporating feedback

from stakeholders and adapting to new developments in sustainability practices.

## **Guiding principles for Sustainable Procurement and Responsible Sourcing**

### **1. Business Integrity**

#### **Honesty, integrity, and fairness**

The Supplier shall recognize 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 others 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 laborers.

#### **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 WLL 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.

#### **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.

### **3. 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.

### **4. Social Responsibility**

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

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## **Coverage**

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

## **Assessments**

WLL 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 WLL or through an independent third party, at WLL's sole discretion at any time to ensure continuous improvement in suppliers' sustainability initiatives.

## **Corrective actions**

WLL 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 WLL is the responsibility of the Sourcing and Sustainability teams. The results of the supply chain audits are analyzed, 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 WLL'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.

03 February, 2022

**Dipali Goenka**

MD & CEO

The policy will be reviewed periodically by ESG & CSR committee of Board.