

Business Responsibility Report

Welspun India strongly believes in its requisite of conducting business operations sustainably, and now with Welspun 2.0 on the roll, maximum emphasis on sustainable business practice and inclusive growth has been laid. WIL, along with its treasured stakeholders, is collaborating and exchanging ideas across the value chain to create sustainable solutions that will have a positive long-term impact.

Our vision and mission is to leverage our scale to create better products, strengthen communities and protect the environment. We believe our determination and focus will create shared value for all.

Our long-term track-record has shown every effort made to embrace sustainability and integrate principles in to our business operations and strategy. We fiercely are committed to working in-line with India's initiatives also incorporating principles treasured in the Business Responsibility Framework.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identification Number (CIN) of the Company	L17110GJ1985PLCO33271
Name of the Company	Welspun India Limited (WIL)
Registered Address	Welspun City, Village Versamedi, Taluka Anjar, District, Kutch, Gujarat 370 110, India
Website	http://www.welspunindia.com/
E-mail ID	Companysecretary_WIL@welspun.com.
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of other textiles (NIC code: 139)
List three key products/ services that the Company manufactures/ provides (as in balance sheet)	<ol style="list-style-type: none"> 1. Bedsheets 2. Towels 3. Rugs
Total number of locations where business activity is undertaken by the Company	
Number of International Locations (Provide details of major 5)	<ol style="list-style-type: none"> 1. United States 2. Canada 3. United Kingdom 4. Europe 5. Japan
Number of National Locations	3 locations - Mumbai, Anjar and Vapi
Markets served by the Company - Local/ State/ National/ International	We serve both the national and international market

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) In million	1,004.73
2. Total Turnover (INR) in million	57,215.82
3. Total profit after taxes (INR) in million	3,065.51
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	2.59%

List of activities on which CSR expenditure has been incurred:

S. No.	Theme	Project or activity details
1.	Promoting education	<ul style="list-style-type: none"> • Development of primary school in Versamedi village • Para Teacher Program • Adult literacy and scholarship programs • Construction of Vedshala and promoting study of Vedas
2.	Healthcare and sanitation	<ul style="list-style-type: none"> • Construction of toilets under govt approved CSR scheme • Conducting medial camps and preventive healthcare programs in villages
3.	Community empowerment	<ul style="list-style-type: none"> • Construction of bus stand and providing street lighting • Setting up RO water plants in villages • Establishing a skill centre
4.	Environmental sustainability	<ul style="list-style-type: none"> • Tree plantation and environmental awareness program • Setting up a waste water reuse plant • Setting up a bio-gas plant
5.	Women empowerment	<ul style="list-style-type: none"> • Promoting girls for national level swimming • Donation to girls hostel and allied CSR activities

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, we have 20 subsidiaries.

These include:

1. Anjar Integrated Textile Park Developers Private Limited
2. Besa Developers and Infrastructure Private Limited
3. Christy 2004 Limited (UK)
4. Christy Home Textiles Limited (UK)
5. Christy Lifestyle LLC (USA)
6. Christy UK Limited (UK)
7. Christy Welspun GmbH (Germany)
8. CHT Holdings Limited (UK)
9. E. R. Kingsley (Textiles) Limited (UK)
10. Novelty Home Textiles S.A. de C.V. (Mexico)
11. Welspun Anjar SEZ Limited
12. Welspun Captive Power Generation Limited
13. Welspun Flooring Limited
14. Welspun Global Brands Limited
15. Welspun Holdings Private Limited (Cyprus)
16. Welspun Home Textiles UK Limited (UK)
17. Welspun Mauritius Enterprises Limited (Mauritius)
18. Welspun UK Limited (UK)
19. Welspun USA, Inc. (USA)
20. Welspun Zucchi Textiles Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent

company? If yes, then indicate the number of such subsidiary company(s)

The subsidiaries actively manage and carry out their own BR initiatives, which are in line with the policies of the Welspun Group and Welspun India Limited.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Currently, the suppliers/vendors and distributors undergo assessments on their social performance (SA 8000) and quality checks. We have shared our relevant policies with all our suppliers and business partners and they are expected to ensure compliance.

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR?

Details of the Director/ Directors and BR head responsible for implementation of the BR policy /policies and details of BR Head

1. DIN Number	00007179
2. Name	Mr. Rajesh Mandawewala
3. Designation	Managing Director
4. Telephone Number	022 - 66136000
5. Email Id	Companysecretary_WIL@welspun.com.

The National Voluntary Guidelines on Social, Environment and Economic Responsibilities of Business (NVGs), released by the Ministry of Corporate Affairs, is composed of nine principles of Business Responsibility.

<p>Principle 1</p> <p>Businesses should conduct and govern themselves with ethics, transparency and accountability</p>	<p>Principle 2</p> <p>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</p>	<p>Principle 3</p> <p>Businesses should promote the well-being of all employees</p>
<p>Principle 4</p> <p>Businesses should respect the interests of, and be responsive towards all stakeholders</p>	<p>Principle 5</p> <p>Businesses should respect and promote human rights</p>	<p>Principle 6</p> <p>Businesses should respect, protect and make efforts to restore the environment</p>
<p>Principle 7</p> <p>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</p>	<p>Principle 8</p> <p>Businesses should support inclusive growth and equitable development</p>	<p>Principle 9</p> <p>Businesses should engage with and provide value to their customers and consumers in a responsible manner</p>

2. Principle-wise (as per NVGs) BR Policy/policies

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for#...	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy confirm to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	N	Y	N	N	N	NA	Y	N
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	N	N	N	N	N	NA	Y	N
6.	Indicate the link for the policy to be viewed online?'	All policies are shared directly with respective stakeholders. Some of our policies are available at http://www.welspunindia.com/about-us.php#We_at_Welspun								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	NA	N	N

Notes: #WIL has the following policies covering the 9 principles: Criteria for making payments to non-executive directors, Modern Slavery Act Transparency Statement (WBBL), Dividend Distribution Policy, Code of Conduct Insider Trading Policy, Code of Fair Disclosure, Policy on Related Party Transactions, WIL Whistleblower Policy and Vigil Mechanism, Policy on Material Subsidiary, Code of Conduct and Ethics, Familiarization Program, CSR Policy, Records and Archival Management Policy, List and threshold of dissemination of information to the stock exchanges, Environmental Management Policy (Vapi & Anjar) and Human Resources Policy, Nomination & Remuneration Policy, Forex Policy, Board Diversity Policy, Ethics and Compliance Policy, Investment Policy, Risk Management Policy, Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace.

If answer to S. No. 1 against any principle, is 'No', please explain why:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task					NA				
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to Business Responsibility

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Board of Directors meet every quarter to discuss applicable BR issues and assess the BR performance of the Company.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is WIL's first Business Responsibility Report. WIL publishes a sustainability report based on the Global Reporting Initiative (GRI) framework and guidelines.

WIL's Sustainability Report for FY 2015-16:
[http://www.welspunindia.com/environment_management/Welspun%20Sustainability%20Report_2015-16%20\(1\).pdf](http://www.welspunindia.com/environment_management/Welspun%20Sustainability%20Report_2015-16%20(1).pdf)

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Businesses should conduct and govern themselves with ethics, transparency and accountability

We build trust with our stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure highest levels of adherence to these principles. Our governance structure has facilitated a high level of integration and cohesion across the systems and processes, enhancing our ability to seize opportunities and responding to emerging challenges.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

Ethics and transparency are fundamental tenets of how we operate every day. As a responsible corporate citizen, we carry out all our business activities with utmost integrity. We have several policies in place which underline commitment towards ethical conduct in everything we do.

Our employees are required to comply with the Code of Conduct and Ethics Policy. It forms a part of the HR manual and covers corporate responsibilities to employees and associates; basic ethics and code of conduct for employees and associates; responsibilities and obligations to all stakeholders; fair compensation; fair transactions; safety of employees and responsibility towards society.

WIL's Code of Conduct is applicable to our business partners, vendors and contractors, and we ensure that they are aware of, understand and adhere to its standards. Furthermore, we have a clause incorporated in supplier agreements which informs them of our policy of zero tolerance towards any unethical practices

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Nature of Complaint	No. of stakeholder complaints received	No. of stakeholder complaints resolved	No. of stakeholder complaints pending as on end of the financial year
Non-receipt of dividend warrants	60	60	0
SEBI Complaints	11	11	0
Stock exchange complaints	1	1	0
Violation of Code of Business Conduct and Ethics	1	1	0
Complaint filed with the National Green Tribunal (NGT)	1	0	1

Complaints from external stakeholders like suppliers and contractors are raised directly to business teams and are addressed by them on a case by case basis. Also, there was no complaint reported by any Director or employee of the Company under our vigil/whistle blower mechanism.

Principle 2:
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Welspun is committed to the cause of sustainable growth in textiles sector along with community development, as reflected in our corporate social value creation vision and sustainability initiatives. We will strengthen our partnerships across value chain to further the cause of ensuring cotton from sustainable sources. We have steadily imbibed sustainability into our operations to ensure effectiveness of our activities, enable resource optimisation and conserve natural resources.

We have initiated an Life Cycle Assessment (LCA) to help us identify improvement opportunities and align product design and innovation towards reducing environmental impacts from cradle to grave. The output of this assessment will helps us

design products that are more sustainable and a lesser impact on the environment. We engage with our supply chain to promote best practices and minimise impacts right from sourcing raw materials to delivering our products to customers.

We have also aligned the manufacturing of certain amount of products to be as per Global Organic Textile Standard (GOTS) which ensure textile products are manufactured in an organic way, right from the harvesting of raw materials to manufacturing processes. In addition, our facilities in Anjar and Vapi are OEKO-TEX® Standard 100 certified and follow the REACH regulations that restrict the use of harmful substances in our manufacturing processes. Initiatives to reduce the impact of our operations are incorporated from the early stages of production. We also reuse cotton waste to lower its consumption.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Value Addition	Product Category	Sustainability Aspects
Organic / Fair Trade	Towels, Sheets, Rugs	Sustainable farming practices
Better Cotton Initiative	Towels, Sheets, Rugs	Cotton from sustainable sources
Natural	Towels, Sheets, Rugs	Chemical free
Recycled Polyester	Bath and Area Rugs	Environment friendly-recycled
Cotton / Recycled Poly Blend	Sheets	Environment friendly-recycled
100% Recycled Micro Fibre	Bath Rugs	100% recyclable synthetic product
Spun	Rugs, Deck Pillows, Cushions, Quilts	Women empowerment and livelihoods, conservation of traditional crafts, waste to wealth

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

WIL has undertaken several initiatives for managing the amount of energy and water used across our operations. Details of these initiatives have been provided under Principle 6.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Cotton is an important raw material and we are aware of the environmental impacts with regards to high amounts of water as well pesticides consumed. We also are aware of the impacts such as climate change that affect the production of cotton. Keeping this in mind, we have initiated procurement of cotton from Better Cotton Initiative (BCI) vendors to ensure that the cotton we use in our production comes from responsible sources that enables reduction of environmental impact from cotton production as well as improves livelihoods and socio-economic status in cotton producing areas. We work with BCI supply chain partners in India as well as in countries like US, Australia and Africa. Predominantly it is in India where we source our BCI cotton from certified projects in states of Gujarat, Odisha, Maharashtra, Madhya Pradesh, Telangana and Andhra Pradesh.

We also use organic cotton which is a sustainable agriculture produce mainly from India (Odisha, Gujarat and Maharashtra). Our emphasis is on organic projects which demonstrate the traceability of the cotton up to the farmer level.

Some of our other initiatives to promote sustainable sourcing include:

- Our vendor evaluations and supplier audits consist of social and environmental aspects
- For some of our customers, we have incorporated stringent standards and assessments to evaluate suppliers on environmental, social, governance and safety aspects.
- All locations are SA 8000 certified and we make our suppliers aware of this performance criteria which includes - child labour, forced labour, freedom of association and collective bargaining, health and safety, discrimination, disciplinary practices, working hours and remuneration.
- Annual supplier meets are organised, where we emphasise our environmental and social expectations

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As much as 74% of our goods and services are sourced locally. We acknowledge and promote local procurement for economic development of the region. We also work with local businesses and generate productive local employment by hiring talent from near our locations to meet requirements for services like waste handling, housekeeping, logistics and machine operations.

SPUN is an initiative by WIL to change the lives of women of the Great Rann of Kutch by co-opting them into the revival of the dying arts and crafts of the region. Products are fashioned at our local village centers and are

marketed with the aim of creating a global brand identity with a contemporary edge, rooted in handcrafted traditions and home-grown aesthetics. By reviving traditional arts and indigenous techniques such as block printing, kantha embroidery, mirror work and applique techniques, this project seeks to connect rural women artisans and craftsman with urban markets.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)

While we have systems in place to recycle water, we are expanding our recycling capabilities. We have entered into a concession agreement with Anjar Nagar Palika (ANP) and Gandhidham- Adipur Nagar Palika (GNP) and are in the process of setting up a 30 MLD sewage treatment plant with the necessary allied works, in order to recycle and reuse the waste water generated in these cities. This would enable recycling and reusing of sewage water which will be used for our operations thus decreasing the intake of freshwater for our manufacturing processes. By the end of 2025, we aim to meet our total fresh water entirely by treated RO processed water from this sewage treatment plant.

We also focus on intelligent recycling of waste and we adhere to the 3R and D system i.e. Reduce, Reuse, Recycle and Disposal. We reuse the waste as an alternate source of material, which can be consumed in other operations of our business. At Anjar, we reuse coal ash, which is a waste generated from our operations. Instead of landfill disposal, bricks are now made from fly ash which are utilised in building worker colonies near our operations in Anjar.

We have installed a biogas plant at Anjar that converts bio degradable waste to energy. The kitchen waste as well as horticulture waste is sent to the biogas plant that generates energy for cooking meals in our canteen at Anjar.

Some of our other initiatives include recycling of PET bottles that are sent to Stree Mukti Sanghatana, a local women's Self-Help Group for recycling, and we have been using recycled notepads in training centres made from paper waste generated from our corporate office.

Principle 3:

Businesses should promote the well-being of all employees

We strongly believe that the ability to meet our organisational goals is directly linked to the effort put forth by our people and their well-being. We are committed to nurturing a diverse and an engaged workforce, continuously investing in their training, development and well-being, providing opportunities for career growth and ensuring a safe and congenial workplace environment. Human capital development has always been a strategic priority for WIL.

The Human Resources (HR) team at WIL focuses on building a stable but a dynamic organisation by adopting the core values embedded in our people, processes and practices. We have transformed our employee value proposition by augmenting key HR processes, namely – talent resourcing, employee engagement, competency development,

performance management and recognition.

As an organisation, we respect the rights of our people and have implemented robust policies to ensure that these are upheld across all of our operations. We celebrate our differences and capitalise on the intrinsic values of a diverse workforce, including gender, race, colour, religion, age, nationality or any other factor. We also employ employees with disabilities (we employ employees with impaired hearing in our factories and give them a chance to earn their livelihood). We have committed to ensuring that 20% of our workforce by 2020 are women.

As an equal opportunity employer, we believe in meritocracy. To this end we have instituted a fair and an objective system to evaluate our people's performance, ensuring that it is aligned with our broader strategic objectives and operational goals.

1.	Total number of employees	29091
2.	Total number of employees hired on temporary/contractual/casual basis	6478
3.	Number of permanent women employees	3722
4.	Number of permanent employees with disabilities	175
5.	Do you have an employee association that is recognised by management?	All employees at our facilities in Vapi are members of an employee association.
6.	Percentage of your permanent employees is members of this recognised employee association?	50.5%
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	

No.	Category	Complaints filed during the financial year	Complaints pending as on end of the financial year
(i)	Child labour/ forced labour/ involuntary labour	0	0
(ii)	Sexual Harassment	0	0
(iii)	Discriminatory employment	0	0

8. Percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

WIL pursues the highest standards of employee engagement by imparting their workforce with requisite skills training and providing resources essential to perform their job functions, thus reinforcing an environment of excellence through learning and development. Around 77% of employees were given training in FY 2016-17.

Our approach to people management continually cultivates leadership qualities and encourages employees to learn and explore at all stages, to enable them to be the leaders of tomorrow. Learning is a vital part of our culture, and we believe that it is best achieved through observation, experimentation and reflection. At WIL, our training and development programme is aligned with the development needs of our people and our business goals.

To understand the training requirement of individual, psychometric tests are conducted. To meet the specific needs of each individual, training needs were identified and Individual Development Plan were prepared for each team member. Customised programmes were launched with new training techniques like Simulation, Role Plays, Outbound trainings etc. Team wise skill directory was also framed based on competency framework to set standard skillset requirement for the business.

At the plant level, programmes for supervisory staff were launched and executed and at the Head Office, a series of learning interventions were initiated through 'Corporate Studio'. Varied range of programmes like Impactful Communication, Personal Brand Management, Negotiation Skills, Presentation skills, Time Management, Interpersonal Skills, Business Etiquettes etc. were covered. Behavioural training workshops were also initiated at the worker level.

At WIL, constant efforts are made to align employee expectations with business requirements. To ensure the same, the Company started the Internal HR survey initiative. Based on feedback received, the HR team moved their focus from employee communication to the next level-Employee Development. A need for various training and development initiatives was felt across business and therefore, HR team took up the initiative of bringing up customised employee development approach.

Our key learning and development initiatives include:

- **Manav Vikas Kendra Centre for Skill Training:** As a part of our skill development efforts, we provide our employees with technical training that enables them to perform high precision technical jobs efficiently. We design and provide behavioral, functional and technical training to our workforce and executives, to impart the necessary skills to perform their jobs, inculcate the industrial culture, develop interpersonal relations and encourage self-development

- **SWASTI Foundation:** This is a specially designed training programme for the workforce to build awareness around common health problems, enhance communication skills, build knowledge about personal finance, create awareness about gender roles and develop leadership skills.
- **Leadership Development:** We are committed to nurturing talent from within our organisation and develop a strong succession planning for the employees who have the potential to ascend to top management roles. Under the LDP programme, we run a Leadership Academy that comprises modules like strategic thinking, execution excellence, emotional intelligence, better engagement and customer centricity, influencing skills, relation management and drive change management.
- **Saksham:** The aim of this project is to enable employees to become trainers, who are then capable enough to train other employees and to provide a platform to move towards the next step of multi skilling.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Understanding the stakeholders' concerns and expectations is an essential part of WIL's sustainability approach. Through regular formal and informal engagements, we develop mutually beneficial relationships with our stakeholders.

We firmly believe in an inclusive participatory approach that values the voices of our stakeholders. Engaging with our stakeholders helps us establish and maintain an inclusive relationship with them. While the inputs from our stakeholders help us understand their needs and expectations, addressing their concerns help us to establish lasting partnerships based on trust.

1. Has the Company mapped its internal and external stakeholders? Yes/No

We have initiated a comprehensive exercise for identifying all our stakeholders, understanding their needs and mapping the nature of respective engagements. This was part of our materiality assessment exercise. Currently, we consider customers, community, regulators and government entities, supply chain partners and the workforce as our key stakeholders

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, we have identified disadvantaged, vulnerable & marginalised stakeholders which include, rural communities, individuals with disabilities and special needs, women and the youth.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

- **Employing people with special needs:** We have 175 employees with hearing, speaking impairments and other disabilities in our Vapi and Anjar locations. We aim to further increase the disabled employee count by 5% in the next few years as per our effort to integrate them into the mainstream. In addition to providing special training for hearing and speech impaired employees, they are given a special pouch with a whistle and a notepad to enable them to communicate with other employees. All staff members are trained in sign language and sensitised toward the needs of these employees.
- **Promoting gender diversity:** A significant section of our employees at our Anjar and Vapi plants are women and it is fairly common for them to leave their jobs after getting married. To encourage them to continue working we provide married couples accommodation on priority. In addition, we have trained and employed over 700 women at our eight CSV (Corporate Social Value) centres at our plant. We also provide trained women with flexible “work from home” employment

options. Further to that, we aim to increase the women employees at our locations to 30% in the coming few years. A special girls’ hostel has been set up in Anjar and Vapi.

- **Community outreach:** Our social impact programmes are implemented through the Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence. Details of our CSR initiatives are provided under Principle 8.

Principle 5: Businesses should respect and promote human rights

Human rights issues relevant to our operations are covered under our Code of Conduct and Ethics Policy, Prevention of Sexual Harassment (POSH) Policy, Whistle-blower Policy and Human Resource related policies and practices. These policies ensure that human rights are not violated and there is zero tolerance for human rights violations at WIL.

We are committed to respecting the rights of individuals, and treat our people with trust, respect and dignity. With a view to promote the rights of our people and enable a decent and ethical work place, our locations are SA8000 certified.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Our code of conduct promotes respect for human rights and we provide a free, fair and a discrimination free environment to our employees. We encourage our employees to raise any concern they may have and we have laid down procedures for addressing such concerns. Under our whistle blower policy, a fair and a transparent mechanism has been provided to report any violation to our code of conduct.

We do not deal with any supplier/contractor if it is in violation of local laws pertaining to human rights and we do not employ any person below the age of 18. Use of forced or compulsory labour is prohibited at any of our units and we discourage the same with our suppliers and contractors.

The above policies apply to WIL and are extended to subsidiaries and business partners. Relevant policies are shared with our suppliers and contractors and they are expected to uphold human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no complaints related to human rights issues like child labour, forced or involuntary labour or discriminatory employment or sexual harassment in FY2016-17.

**Principle 6:
Businesses should respect, protect, and make efforts to restore the environment**

WIL is committed to environmental leadership in all of our business activities. Our global environmental management system ensures our company is vigilant in protecting the environment in all its operations.

Protecting and conserving our environment is integral to our business philosophy. All our facilities have a robust environment management systems in place that ensures environment friendly operations and we regularly engage with our local communities for developing conservation initiatives.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others

WIL strives at all levels to conserve natural resources and energy. Optimisation of consumption and well planned wastage control & recycling measures are implemented at all facilities. Going beyond just compliance with applicable Health, Safety and Environment (HSE) legislations, we strive to ensure that all managerial decisions including selection/ procurement of materials, machinery equipment, placement of personnel and setting up of projects are integrated with the broader goals of our CSR policy

Our approach to environmental management extends to our subsidiaries and covers our suppliers or contractors.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

We are aware of the fast depleting natural resources and are making efforts to judiciously and efficiently use the available resources in our operations. In order to make our business sustainable in the long run, we are continuously putting in efforts to minimise our energy consumption and improving the green cover around our operation.

At WIL, we believe that effective management follows effective measurement. We are committed to both, managing and minimising our environmental footprint. We will be exploring a host of initiatives to reduce energy consumption across our operations, including investment in renewable energy, energy efficiency projects and employee initiatives.

WIL has undertaken several initiatives in the areas of energy efficiency, emissions management and water management across locations to minimise its environmental impact.

Some of these initiatives include:

Energy and climate change: We believe that there are multiple strategic advantages that can be realised by exploring several of energy conservation measures through periodic energy audits and proactive maintenance of equipment. We have saved significant energy through various energy efficiency measure like installing VFDs, digital temperature controllers, LED fixtures, etc. We are committed to exploring renewable energy applications at our facilities. We also work on various energy saving initiatives in our processes that range from waste heat recovery, installation of energy efficient machines, process modifications etc. We saved a total of 2.99 GWh of energy during FY 2016-17, which is equivalent to 2392 MTCO₂ (carbon emissions).

Water and effluent management: Welspun has taken several steps towards water recycling as water is an important element of our operation. To reduce our dependency on the Narmada river or fresh water consumption, we have tied-up with Anjar, Gandhidham – Adipur

Nagar Palika and have set a 30 MDL sewage treatment plant with necessary linked works, in order to recycle and reuse the waste water generated in these cities and surrounding areas increasing sustainability. Our “Waste Water Recovery” plant which has multi-level treatment stages which manages effluents thus helping in recovery. This STP installed facility has a capacity to process 30 million litres of water per day and around 85% of water is recovered from STP (Sewage Treatment Plant) and used at another facility nearby. This ensures efficient waste water recycling facility for regions that do not have one therefore reducing water pollution and health risks associated with it.

We also focus on intelligent recycling of waste and we adhere to the 3R and D system i.e. Reduce, Reuse, Recycle and Disposal. We reuse the waste as an alternate source of material, which can be consumed in other operations of our business. At Anjar, we reuse coal ash, which is a waste generated from our operations. Instead of landfill disposal, bricks are now made from fly ash which are utilised in building worker colonies near our operations in Anjar.

We have installed a biogas plant at Anjar that converts bio degradable waste to energy. The kitchen waste as well as horticulture waste is sent to the biogas plant that generates energy for cooking meals in our canteen at Anjar.

Some of our other initiatives include recycling of PET bottles that are sent to Stree Mukti Sanghatana, a local women’s Self-Help Group for recycling, and we have been using recycled notepads in training centres made from paper waste generated from our corporate office.

Waste management: Our objective is not limited to waste reduction across our operational stages; however, we also focus on intelligent recycling of waste. We reuse the waste as an alternate source of material, which can be consumed in other operations of our business. Across all our facilities, we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse. Waste disposal is carried out through appropriate methods and directed to authorised channels of disposal as per the by-laws of respective State Pollution Boards.

In our endeavour to reduce our waste to landfill we have initiatives like recycling of waste paper and PET bottles in our corporate office. In our factory at Anjar, food as well as horticulture waste is converted to biogas which is used in our kitchens as fuel for cooking purposes. At our Vapi factory, food waste from canteens is converted to manure for plants. We also encourage employees to dispose of their e waste in the office to ensure e waste does not end up in landfills.

We have also made rugs from waste rags.

Chemical management: We go beyond our local compliance when it comes to sustainability and we use the chemicals as per the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulations. In our bed sheets processes, we make use of Bioscouring, which replaces chemicals with enzymes in the process of de-sizing and pre-treatment of cotton fabric. We are actively working on reducing the consumption of soda ash which is used in our processes for fixing of reactive dyes. This will not only help reduce our chemical consumption but also the efforts required for treat wastewater.

Further we also follow the Restricted Chemicals List to ensure no hazardous chemicals are used in our processes as well the MRSL (Manufacturing Restricted Substance List) which goes a step ahead than RSL and restricts hazardous substances potentially used and discharged into the environment during manufacturing, not just those substances that could be present in finished products.00

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, Environmental risk related to climate change, energy, waste & water management has been identified & necessary steps have been taken to mitigate them. These are included in our Sustainability Report available at <http://www.welspunindia.com/environment-management.php>

4. Does the Company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?

No, we do not have any Clean Development Mechanism (CDM) projects.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, we have taken several initiatives across our operations in areas related to energy efficiency, emissions management and water management. Details are provided in response to Q2.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions and waste generated were within permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

We have received 1 notice from the National Green Tribunal during FY2016-17, which is pending resolution as of end of FY 2016-17.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

We believe that driving change and taking efforts towards effective policy development fosters industrial growth. WIL prefers to be a part of the policy development process and hence, actively participates in all forms, but has not been lobbying on any specific issue.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

We are a part of a number of associations that enable value addition to the textile and apparel industry:

Name of Association/Industry Body	Broad areas of engagement
Federation of Indian Chambers of Commerce and Industry (FICCI)	Governance and administration; economic reforms; inclusive development policies, energy security; water; food security; sustainable business principles, others
<ul style="list-style-type: none"> ● FICCI Ladies Organization (YFLO) ● FICCI FLO ● FICCI Apparel, FICCI YFLO 	
YPO-Young President's Organization	
The Associated Chambers of Commerce of India (ASSOCHAM)	
Indian Merchants Chamber	
TEXPROCIL (The Cotton Textiles Export Promotion Council)	
SRTEPC (The Synthetic & Rayon Textile Export Promotion Council)	
Bombay Chamber of Commerce & Industries	

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Through our representation in the above mentioned bodies, we participate in relevant forums that are of interest to our industry and our stakeholders. All such engagements are done in line with our code of conduct.

Principle 8:

Businesses should support inclusive growth and equitable development

Welspun impacts lives by working with our communities through a diverse range of social interventions that aimed at securing stable and sustainable futures. Our corporate social responsibility (CSR) approach transcends the core pillars of sustainable development and is rooted in strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment

We have a corporate social responsibility (CSR) policy which is overseen by the CSR committee of the Board. In line with our CSR policy, we undertake activities that are aligned to schedule VII of Companies Act, 2013.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Our CSR activities are carried out through Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence. WFHK works across a diverse spectrum spanning sustainable livelihood, hygiene and sanitation, health, education and gender.

Key focus areas:

- **Smart and sustainable villages:** We aim to promote a modern vision for villages in India, where they are technology enabled and sustainable. A 'Smart and Sustainable Village' would provide communities with employment, while creating ancillary livelihood opportunities leveraging 'smart' technologies and green growth opportunities. By 2020, we commit to working together with 20 villages to implement replicable smart solutions, that not only empower a better way of life, but also secure a healthier environment for residents by promoting greener living.
- **Women empowerment:** Our focus has been on enabling women to create alternative livelihoods and improve their earning capacities. Economic independence amongst women improves

gender equality, advances their social status and increases civic participation. Vocational training and skills enhancement centers have been established to provide opportunities for women to learn and develop new skill sets such as garment making and sewing. Each training center is structured as a social enterprise and managed like a professional business with targets, quality standards and efficiency metrics.

- **Promoting education:** Many of the schools around our operations do not have modern amenities, are poorly equipped and lack infrastructure. This leads to poor teaching quality, increasing drop-out rates and sub-standard learning. Over the course of the next five years, by 2020, we plan to extend the reach of our education projects to 1,100 schools in Anjar.
- **Improving access to healthcare:** We are committed to promoting and protecting community health through a range of initiatives from delivering preventive healthcare services, improving community hygiene and sanitation, providing clean drinking water, awareness and blood donation drives, and improving the quality of healthcare infrastructure.
- **Environmental conservation:** Recognising concerns over climate change, we strive to reduce our environmental footprint and mitigate our emissions through tree plantation. Our tree plantation activities are designed for multiple benefits to the natural environment and our rural communities. We launched a campaign to provide villages with vegetable and fruit saplings. Residents are also encouraged to nurture saplings and plant them near their homes.

S. No.	Theme	Project or activity details
1.	Promoting education	<ul style="list-style-type: none"> ● Development of primary school in Versamedi village ● Para Teacher Programme ● Adult literacy and scholarship Programme ● Construction of Vedshala and promoting study of Vedas
2.	Healthcare and sanitation	<ul style="list-style-type: none"> ● Construction of toilets under govt approved CSR scheme ● Conducting medial camps and preventive healthcare Programme in villages
3.	Community empowerment	<ul style="list-style-type: none"> ● Construction of bus stand and providing street lighting ● Setting up RO water plants in villages ● Establishing a skill centre
4.	Environmental sustainability	<ul style="list-style-type: none"> ● Tree plantation and environmental awareness Programme ● Setting up a waste water reuse plant ● Setting up a bio-gas plant
5.	Women empowerment	<ul style="list-style-type: none"> ● Promoting girls for national level swimming ● Donation to girls hostel and allied CSR activities

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?

Our social programmes are implemented through the Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence. WFHK engages with local stakeholders, through a consultative and collaborative approach to identify community needs and design programmes that engage, empower and inspire visionary futures. Our corporate social responsibility (CSR) approach transcends the core pillars of sustainable development and is rooted in strengthening educational foundation, improving access to healthcare services, empowering people and conserving the environment.

3. Have you done any impact assessment of your initiative?

Welspun Foundation for Health and Knowledge (WFHK) has engaged an external consultant to carry out impact assessments of our corporate social responsibility projects.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

CSR expenditure in FY 2016-17 was ₹ 7,93,16,000. Details of projects undertaken are provided in Q1.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All our initiatives, whether implemented directly by Welspun Foundation for Health and Knowledge (WFHK) or in partnership with another agency, are meant to address the direct needs of the intended beneficiaries. Since the projects are linked to the needs of the communities they are meant to serve, community buy-in is ensured in this manner.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

We are a customer centric organisation and aim to consistently deliver on our promise of excellence. Welspun India Limited is one of the world's leading home textile manufacturers and one of the largest home textiles exporter to the US. We have a global footprint, with markets in the US, Canada, UK, Europe and Japan. We are the supplier of choice for top retail stores across 50 countries, which reflects our determination to deliver quality at our best.

We continuously undertake product improvement projects for enhancing overall customer engagement experience and ensuring consistency between all service interfaces. We are also committed to increasing public awareness regarding WIL's services and products and its role in society.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

No cases or complaints were filed or are pending as on end of FY 2016-17.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Yes, certain requirements on the usage of product and specifications of the product are clearly mentioned depending on the customer base to which the product caters to. Also, customers are kept informed specifically on wash care requirements and environmental credentials (e.g. OEKO-TEX® Standard 100, GOTS, Organic Content Standard) as applicable specifically for products in our environmental portfolio.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

No cases or complaints were filed or are pending as on end of FY 2016-17.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

WIL's journey from being a process oriented to a customer-centric organisation is aided by a host of service improvement, awareness generation, engagement enhancement and satisfaction measurement projects undertaken by our dedicated customer services department.

We endeavour to raise customer satisfaction levels, provide consistent product delivery experience and provide timely redressal to customer complaints and concerns. Individual departments seek feedback depending on the specific products, the feedback we obtain is used to ensure that we deliver the best to our customers.