

Business Responsibility Report

Business responsibility at WCL

Welspun Corp Limited manufactures line pipes for global oil & gas giants using the steel sourced from world class manufacturers. In addition to being the leading manufacturers of large diameter line pipes, we offer a one stop piping solutions to our esteemed customers worldwide. This unique position as a connecting link in the value chain, combined with the market volatilities in steel, ocean freight and currency create a highly vulnerable operating environment for us. It is therefore imperative for us to focus on sustainability as a strategic solution for ensuring business continuity.

For us, business responsibility is the coming together of several granular aspects that subsequently create a tremendous and long lasting positive impact on our stakeholders and operations. Over the last year, we focused on customer centricity, constructive collaboration, health, safety and environment, product quality, innovation and technology and inclusive growth.

Our vision

Delight our customers through innovation and technology, achieve inclusive and sustainable growth to remain eminent in all our businesses.

Our Mission

- We endeavour to achieve a leadership position in each Segment/Sector of our Products/Services.
- We are committed to satisfying our customers by providing quality Products and Services, which give the highest value for money.
- We believe that employees are our most important asset through which we can reach the top in each category of our products and services.
- Therefore, we emphasise on their all-round development through organised training and workshops. We commit ourselves to continuous growth so as to fulfill the aspirations of our Customers, Employees and Shareholders.
- We endeavor to reach the leadership position in each segment/sector of Steel Pipes, Casing, Tubing and Hot Pulled Induction bends with or without Anti - Corrosion Coating

What business responsibility means to us?



Working responsibly

Across the organization, we strive to ensure highest levels of adherence to the principles trust, transparency, accountability and responsibility.



Inspiring a committed workforce

Our robust human resource policies are aligned with our strategic goals to ensure that our people learn more, grow, develop and ultimately feel empowered within the organization.



Delivering value to our customers

Product quality and innovation has always been crucial to our success and we endeavour to learn from customer experiences while designing new products and improving existing ones.



Protecting the planet

We are committed to conducting our business activities in an environmentally responsible manner and we focus on reducing our environmental footprint across the value chain.



Creating healthy communities

Our community impact interventions are carried out through Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence.



Collaborating with stakeholders

Through regular formal and informal engagements, we develop mutually beneficial relationships with our stakeholders.

Awards



WCL Anjar won the 'Platinum Award' in the D.L. Shah Quality Award category from QCI for the project - 'Case study on weld-ability testing'



WCL Anjar won the '5th Best Quality Systems Excellence Award' in the large category for the manufacturing sector at the FICCI Quality Systems Excellence Awards for 2017.



WCL Mandya was awarded the Sir M. Visvesvaraya Manufacturing Excellence Award - 2017 by the Government of Karnataka



Welspun Foundation for Health and Knowledge was awarded for 'Overall Excellence in CSR' at the National Award for Excellence in CSR & Sustainability in September 2017

Working responsibly

Across the organization, we strive to ensure highest levels of adherence to the principles trust, transparency, accountability and responsibility.

We build trust with our stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our approach to business responsibility is based on the principles of transparency and accountability.

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.

Being transparent and accountable

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 our commitment to ethical conduct in everything we do.

Our employees are required to comply with the Ethics and Compliance Policy and Procedure and the Code of Conduct for the Board of Directors and Senior Management. 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; and responsibility towards the society, as well as the country.

WCL's Ethics and Compliance Policy and Procedure is applicable to its business partners, vendors and contractors.

Risk management

WCL recognizes that risk management is of concern to all levels of the businesses; with this objective the Company had formulated structured Risk Management Policy to effectively address risks namely, strategic, business, regulatory and operational risks.

We continuously identify and assess environmental risk and opportunities, which are also integrated into WCL's Enterprise Risk Management (ERM) framework. All our facilities are ISO 14001 and OSHAS 18000 certified and

have a robust environment management systems in place that ensures environment friendly operations.

We also get involve with our local communities on regular basis to develop conservation initiatives in order to mitigate risk.

Upholding human rights

Human rights aspects 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 WCL.

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 WCL 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.

Occupational health and safety

At Welspun, we imbibe a culture of safety that protects our employees as well as our contractors. Our company is accredited with OHSAS 18001 that manages risk associated to safety. Being a responsible corporate, we are committed to enable an environment that minimizes operational health and safety risks, and further improves our safety performance.

Our safety management systems enable us to minimize operational health and safety risks, and further improve our safety performance. We inculcate a culture of safety through trainings, tool boxes, talks and tasks. Employees, as well as contractors are made a part of the training and awareness sessions.

We provide the necessary Personal Protective Equipment (PPE) to employees and contract workers, and ensure regular checks are carried out to confirm adherence to safety standards. The medical centres at our factories ensure necessary care and treatment of all those onsite.

Safety performance	Employees	Contractual workforce
Near misses	116	50
Reportable injuries	0	2
Lost days	6000	6006
Fatalities	1	1
Minor injuries	1	8
First aid cases	22	35
Total Manhours	4168568	3068052

Supply chain assessments

Our value chain is mainly focused on midstream segment of transportation for oil & gas industry & water transmission value chain. We have SAP Enterprise, a web-enabled version to deploy web-related functionalities related to advance planning and optimization (APO), customer relationship management (CRM) and supply chain management (SCM) modules. With the use of SAP we are able to fine-tune our warehouse management by way of implementing warehouse management module in SAP, and eliminate data redundancy and inconsistency. Further, production planning will be further strengthened through the implementation of APO.

Delivering value to our customers

Product quality and innovation has always been crucial to our success and we endeavour to learn from customer experiences while designing new products or services and improving existing ones.

Our strength is in the ability to customize our products and services to detailed product requirements and specifications based on the customer needs.

Building trust amongst our customers, through transparency and reliability, is crucial toward developing lasting collaborative relationships. We work closely with our customers to understand their needs, developing products that are aligned to their unique requirements, applications and specifications. Our facilities have the capacity and flexibility to meet the diverse needs of our global customer base.

Engineering excellence

At WCL, quality is inbred and infused through design, to deliver results beyond mere product specifications. Our pledge towards continuous improvement and engineering excellence drives us to work toward exceeding minimum standards. It ensures consistency, increases productivity, reduces costs and enhances efficiency. Our commitment to quality is unparalleled and our facilities are accredited with international certifications including - APIQR, SPECQ1, ISO-9001, ISO/TS- 29001, AD 2000 MARKBLATT, HPOIEN / ISO 3834-3, ISO-14001, OHSAS-18001 and BIS, amongst others.

Customer focus and satisfaction

We believe that customer value is driven by means of customer satisfaction and confidence. Our success is defined by the way we ensure customer satisfaction, reliability and transparency in economic performance.

Through early interactions to discuss detailed product requirements, we ensure a close connect with our valued customers right from the beginning. Our engagement with customers commences from initial design and engineering stages, extending well beyond the execution and post-commissioning. We proactively obtain feedback from customers after a project is completed. This helps us understand areas where we excelled and consequently allows us to identify aspects where we can improve our performance.

The feedback received is analysed for assessment and quantified through a Customer Satisfaction Index. We also carry out audits by external agencies at our manufacturing facilities and review our Standard Operating Procedures (SOP's) to ensure we are always on track to meet customer requirements.

Innovation and technology

At WCL, we believe in redefining our capabilities and staying ahead in customers' value proposition by investing in technology.

We have successfully implemented an Automatic Pipe Dimension Measurement System (APDMS) at Anjar-LSAW plant. This will allow automated measurement of pipe dimensions without human intervention.

We have also developed a facility to do End-Inside-Machining of heavy wall pipes for a prestigious global project which is a major technological achievement. Furthermore, we upgraded Anjar-LSAW and Saudi Mill to directly integrate quality data from various machines into the SAP system. We developed and implemented a unique system called COVASIS, which is a digital interface between testing processes.

We have further strengthened our value proposition by focusing on our Pipe Bending Technology and adding Concrete Weight Coating (CWC) to our product portfolio. Through a JV with Wasco Coatings Ltd., we have successfully setup offshore concrete weight coating facility near our pipe manufacturing plant at Anjar with a capability of concrete thickness up to 150 mm and 18 m long pipe. This will enable us to strengthen our customer offerings by optimizing costs and logistics to provide enhanced solutions at one location.

We are working towards the factory of the future with end-to-end plant automation where process and product data integration will be able to generate more artificial intelligence, predictability and traceability to increase precision and quality.

Quality as a key differentiator

WCL has an established quality management system. Our Research and Development technical team is focused on identifying opportunities to embed quality into the design of our processes and products. Our facilities are accredited with APIQR, SPECQ1, ISO-9001,

ISO/TS-29001, AD 2000- Markblatt, HPOIEN / ISO 3834-3, ISO-14001, OHSAS-18001 and BIS among other international certifications.

The foundation of any quality improvement is to develop a “quality culture” or mindset within the organization and integrate it throughout the company. At Welspun, quality control refers to the continuous monitoring at each and every stage of the production cycle to ultimately get a premium product.

To adhere to high quality standards- Total Quality Management (TQM) is practiced at each level of the manufacturing process, including administrative process supported by SAP. Right from selection of input materials to the final finished product, exact processes and techniques are followed to create perfect

well-tested products. Highly skilled professionals with strong in-house training and world-class best practices primarily adopted from Germany, ensure the highest quality standards.

WCL material procurement goes through trusted vendors on required quality standards and in line with applicable laws and regulations. We conduct periodic reviews & engage with the vendors through meetings, phone calls and emails to resolve queries and seek feedback. We proactively collaborate with competent vendors on new product developments by providing them technical assistance.

Furthermore, each of our manufacturing facilities is audited by The American Petroleum Institute (API).

Inspiring a committed workforce

Our robust human resource policies are aligned with our strategic goals to ensure that our people learn more, grow, develop and ultimately feel empowered within the organization.

As an equal opportunity employer, we respect the rights of our people, celebrate our differences and 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.

We are focused on building an effective organization that aims to deliver both strategic and operational excellence.

The Human Resources team at WCL 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.

Empowering our people

Our HR operating model is continuously evolving to institutionalize people policies and practices with the aim of being an employer of choice to attract and retain the best talent.

During FY 2017-18, we further tried to strengthen our Human Resources Management System (HRMS) implementation with digitization of almost all HR processes in a structured and systematic manner, which includes processes such as: Succession Planning, Career Development, Learning, Analytics & Compensation

At WCL, we have leveraged the best technology solutions available to streamline our HR process. We have successfully implemented Success Factors (SF), a premier cloud based Human Resource Information System, across the entire spectrum of human resource management.

The HR transformation team is responsible for benchmarking the maturity of our HR practices as well as identifying the future roadmap to ensure we keep attracting, engaging and retaining the best talent by enhancing the employee friendliness of our HR policies.

A major highlight in the year was rolling out a new grading structure across all locations in India. The exercise, based on Hay Group's Job Evaluation methodology, has helped Welspun Corp flatten the organizational structure from 21 levels to just 12 levels. The intent behind the exercise is to bring in more accountability into various levels through clearly defined work profiles and de-layering of decision making.

Recruitment and retention

While our focus on recruitment and on-boarding remains strong, the reach of our comprehensive on-boarding program has been increased to include blue collar employees as well. With an intent to bring in inclusiveness within the organisation, the workers are put through a three-day induction program consisting of Group values, mission & vision, policies and practices.

To ensure strong talent pipeline and enhanced career growth, this year we have started grooming our High Potential employees through a combined approach of job enrichment, functional and behavioural capability development. The approach includes a perfect blend of job rotations, leadership development programs and focused technical programs. On the other end of the spectrum, we are boosting our capability by strengthening our talent in-take at the bottom most levels. This will help us in self-sustaining talent pipeline in the future.

Valuing our people

We value the contribution of all our employees and acknowledge that the success of our business is directly linked to their efforts and performance.

We have transparent processes to evaluate the existing talent pool at WCL in a defined and scientific manner, through interventions such as the 360 feedback mechanisms and Leadership Potential Assessments. We have conducted an Employers Survey which has helped gather insights which are used to develop a roadmap towards continuous improvement. We have a rewards program with market-linked increments designed to recognize employees that make distinguished contributions.

On employee compensation and benefits, we continued our approach with market linked increments with provisions for special increments for critical talent and promotions.

Training and developing

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 WCL, our training and development programme is aligned with the development needs of our people and our business goals

Some programme includes:

Performance through People:

A programme designed to cater to the managerial needs of the first time managers. A perfect blend of Self-improvement & team-building skills, the program was widely accepted across locations.

Amongst others, this year we primarily focused on core technical training at the locations. We also undertook an entry-level skilling exercise for all the new joiners, which covered around 200 entry level employees.

Building on last years' competency mapping and assessment, the training programs were designed and delivered across all the units during the second half of the year. The programs were formulated basis the competency gaps and training needs identified by the managers/ HoDs. Also as a measure to enhance effectiveness of the training programs, the same has been part of the goal setting process for the upcoming year.

Employee engagement and wellbeing

We understand the need for our employees to feel like they are part of something bigger and to be engaged and inspired every day when they get to work.

At WCL, we focus on maintaining a healthy work-life balance to promote employee wellbeing and include sociocultural activities like get-togethers, birthday celebrations, picnics, yoga, meditation, sports competitions, festival celebrations and community programmes.

This year we increased focus on employee connect by the senior management. There were programs such as Town Halls by the MD, Employee Connect (one on one) meetings with HR, "Chai pe Charcha" with BU Heads, Grievance Redressal meetings with the unit Heads etc. The programs drew a lot of attention from employees across levels, and the necessary corrective and preventive actions were initiated to tackle grievances and employee concerns.

Diversity and inclusion

We value diversity & aim to improve gender balance at all levels. At WCL, differences are valued and we believe that there is a lot to be gained from having a diverse workforce. As an employer, we provide equal employment opportunities for all staff regardless of race, colour, religion, gender, age, national origin or disability. The diverse knowledge, perspectives, experiences and working styles of our global workforce strengthens our business and helps us meet the needs of our consumers.

Protecting the planet

Protecting and conserving our environment is integral to our business philosophy and we are committed to conducting our business activities in ways that minimize our environmental footprint.

All our facilities have a robust environment management systems in place that ensures environment friendly production and we regularly engage with our local communities for developing conservation initiatives.

We believe that multiple strategic advantages can be realised by exploring initiatives to improve operational efficiency through several energy conservation and resource rationalization measures. We also conduct periodic audits and proactive maintenance of equipment to ensure that our operations maximize efficiency and minimize waste. Our environmental management protocols extend to our subsidiaries and cover our suppliers and contractors. This approach promotes continuous improvement towards sustainable production.

Furthermore, in line with the Government's 'Swachh Bharat Mission', we initiated the 'Swachh Welspun Abhiyan' on 2nd October, 2014. The drive is our goal towards promoting better hygiene standards, waste management, environment management and sanitation systems across Welspun facilities.

Environment Management Systems

We identify and assess environmental risk and opportunities, which are also integrated into WCL's Enterprise Risk Management (ERM) framework.

We care about the environment and to ensure that we operate efficiently, all our facilities are ISO 14001 (Environment Management System) certified. By implementing robust management systems to track our environmental performance, we are able to identify areas for improvement across aspects such as material consumption, carbon emissions, air quality, waste use, waste and effluent discharges.

Energy management and optimization

At WCL, we are committed to playing a role in the transition by developing more sustainable production processes, using energy more efficiently and reducing our carbon footprint.

Energy	Unit	Total
Direct Energy	GJ	2008170
Indirect Energy	GJ	425316

GHG emissions	Unit	Total
Direct GHG emissions	Tons of CO ₂ e	153040
Indirect GHG emissions	Tons of CO ₂ e	113495

We have implemented extensive interventions to improve energy efficiency at Anjar and Dahej in FY 2017-18 cumulatively savings 3.947 GWh/year and avoided operational costs by INR 29.19 million/year.

The proactive maintenance of equipment and periodic energy audits has helped us identify and implement several energy conservation measures like installing VFDs, digital temperature controllers, retrofitting LED lights, replacing the use of furnace oil and LPG with natural gas, switching to efficient pumps, improvements in the HVAC etc.

Air emissions	Unit	Total
Suspended Particulate Matter	Metric tonnes	61.18
Oxides of Sulphur	Metric tonnes	20.08
Oxidizers of Nitrogen	Metric tonnes	16.75

Material management, waste reduction and recycling

Through we do not use any raw materials in the form of natural resources and most of our products are made from externally procured plates and coils, our bottom line is impacted by the dynamics of the steel market, energy prices and transportation costs. Therefore reducing waste across the value chain is crucial towards securing sustainability in the long run.

Optimization of materials and well planned wastage control & recycling measures are implemented at all facilities. There is virtually no or limited packaging used, given the nature of our products.

Across our operations we adhere to the 3R approach (i.e. Reduce, Reuse, Recycle) and we regularly monitor the waste generated from our operations and identify areas for waste reduction, recycling and reuse. It is our constant endeavour to reduce waste generation in our operations and thereby reduce the load on landfill.

The hazardous waste generated at our Anjar unit has high calorific value and is therefore utilized for co-processing at nearby cement plant. This helps in reducing environmental risks related to waste disposal and conservation of natural resources.

At our corporate office, we have been promoting the recycling of PET bottles, which are collected and sent to Stree Mukti Sanghatana, a local women’s Self-Help Group for recycling. Additionally, we have been using recycled notepads in training centres which are made from paper waste generated from our corporate office. These initiatives are not only pro-environment but also have a social welfare approach ingrained into it.

Through targeted awareness campaigns we involve and encourage employees to reduce plastic consumption, water consumption and energy consumption through awareness.

Conserving water

We do not have processes that are water intensive hence; our water withdrawal does not significantly impact any local water body. The water that we use in our operations is supplied from local municipalities and we regularly monitor our consumption patterns.

The offices use municipal supply water for daily consumption purposes like drinking, cleaning, flushing,

etc. The major industrial usage of water is for coating applications on line pipes. The waste water generated by our operations is reused to enable lesser consumption of fresh water.

Conserving Water	Unit	Total
Freshwater consumption	KL	810996
Waste water generated	KL	144454

While we acknowledge that our operations do not entail significant environmental impact, our investment in these initiatives reinforce our commitment to efficient utilization of natural resources wherever possible.

Environment protection and enhancement

We constantly review the environmental performance at our facilities using quality control equipment to ensure that they are well within regulatory limits. Regular monitoring reports are submitted to relevant regulatory authorities to communicate the performance of the company over set indicators.

As per the EIA studies conducted prior to the establishment of our facilities, none of the rare/ endangered / threatened flora and fauna species listed in the IUCN red list or National Conservation List were recorded around the vicinity of our plants.. Moreover there are no ecologically sensitive areas around any of our operations.

In keeping with our commitment to preserving and protecting the environment, we held plantation drives across our facilities. These drives were conducted with active participation of local community and stakeholders.

Creating healthy communities

We strive to improve the quality of life of the communities in which we operate and our community impact interventions are carried out through Welspun Foundation for Health and Knowledge (WFHK).

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.

Welspun impacts lives by working with our communities through a diverse range of social interventions that aimed at securing stable and sustainable futures. Our CSR activities are carried out through Welspun Foundation for Health and Knowledge (WFHK), which works across a diverse spectrum spanning sustainable livelihood, hygiene and sanitation, health, education and gender.

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.

Social impact strategy

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.

Local stakeholder engagement is extremely important and in most of our project centres we have successfully managed to integrate with and develop mutually beneficial relationships with them through our social impact projects.

We take utmost care to integrate community investment considerations into decision-making and business practices and assist in local capacity building to develop mutually beneficial relationships with communities. Prior to the commencement of projects, we carry out a baseline study to assess the needs of the communities. Quantified targets are set for all projects and are monitored every quarter. Wherever necessary, midcourse corrections are carried out.

Focus areas and interventions

Our focus areas include:

- **Model villages:**

We aim to promote a modern vision for villages in India, where they are sustainable rural community that is able to generate and maintain the resources necessary to improve its level of wellbeing and happiness without depleting economic, social & environmental values. A 'Model and Sustainable Village' would provide communities with employment, while creating ancillary livelihood opportunities leveraging 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.

Our project on sponsoring sportswomen across the country is one of the key focus areas under empowerment. The foundation financially supports 10 potential girls from various disciplines of sports, coming from challenging backgrounds and lends a hand in making their dreams come true making our nation proud.

Another special project under empowerment is on women hygiene and sanitary pads. In order to empower village women by providing them with an opportunity to earn livelihood and ensuring

100% usage of sanitary pads in rural communities of Gujarat, a sanitary pad making unit making 100% biodegradable napkins was set up in Vatar village near Vapi in May 2016. The unit is run by women Self-Help Group formed by Welspun named SETU. Our current reach is 4000 women in rural settings.

- **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 digital education through project Gyankunj to 500 government primary schools of Gujarat. An MOU for the same is signed between Welspun Foundation and Government of Gujarat.

- **Improving access to healthcare and sanitation:**

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.

In order to curb malnutrition and anemia in 0-5 years children and reproductive age women, project Navchetna is initiated in total 15 villages of Anjar and Vapi. Through regular household visits, focused group discussions and monitoring height-weight, there has been a significant shift of the children from red belt (severely malnourished) to green belt. 130 children out of 152 (who were malnourished) are brought to green belt.

Over 5000 sanitation blocks have been constructed in Vapi and Anjar impacting more than 50 villages. A stark change in the openness towards the use of these facilities has been observed.

- **Environmental conservation:**

Recognizing 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.

Project monitoring mechanisms

Quarterly review meetings with the management includes updates on CSR initiatives, activities' impact and strategies to achieve the target. Two Corporate Social Responsibility (CSR) Committee meetings are held in a Financial Year. A half yearly meeting of the committee is scheduled to review project progress across focus areas. A second CSR Committee meeting is called to consider the Auditor's report of WFHK giving details of the project wise or program wise CSR eligible expenditure incurred by WFHK to ensure that the contribution being incurred is in alignment with the CSR activities as specified under Schedule VII to the Companies Act, 2013.

WFHK engages a third-party external consultant to carry out impact assessments of our corporate social responsibility projects

Collaborating with stakeholders

Understanding the stakeholders' concerns and expectations is an essential part of WCL'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.

Depending on the purpose of the engagement, we adopt appropriate practices to interact with them. Post the engagement, we endeavor to close the loop as we believe that this is the key to maintaining symbiotic relationships with our stakeholders.

Refer to the next page for a detailed table listing of our key stakeholder groups, modes of engagement, their key concerns and our responses.

Responsible policy advocacy

We believe that driving change and taking efforts towards effective policy development fosters industrial growth. WCL 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.

We are a part of a number of associations that enable value addition to the pipe industry:

- Bombay Chamber of Commerce and Industry (BCCI)
- The Associated Chambers of Commerce and Industry
- Engineering Export Promotion Council
- Indian Merchants Chamber (IMC)
- All India Management
- Federation of Kutch Industries Associations (FOKIA).

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.

As part of our stakeholder engagement process, we identified the following key stakeholder groups:

Stakeholder Group	Mode of Engagement & Activities	Key Concerns	Our Responses
Investors	Quarterly investor meetings	Economic value of the company	Collaborating with investors through various business forums
	Presentations	Sustainable wealth creation	
	Investor relation calls	Risk management	
		Compliance and disclosures	

Government and regulators	Engagement on a need basis	Compliance	Active collaboration and participation with regulatory agencies
	Participation in industry level consultation groups	Sustainable practices	
	Participation in forums	Inclusive growth	

Stakeholder Group	Mode of Engagement & Activities	Key Concerns	Our Responses
Employees	Employee surveys	Professional growth	HR initiatives to counsel, motivate and reward employees. Committed to achieving the goal of 20% women in the workforce by 2020
	Team building workshops	Diversity at the workplace	
	Capacity building and training	Leadership connect sessions	
	Annual appraisals	Workplace safety	
	Employee newsletters	Equal opportunities	
	Rewards and recognitions	Work-life balance	
	Volunteering opportunities	Wages and benefits	
Business partners / suppliers and contractors	Contract agreements	Payment processing cycles	Technology enabled payment processing and cloud based services
	Direct interactions	Business ethics	
	Supplier meets	Transparency	
	Membership in industry associations	Compliance	
Communities & NGO's	Direct engagement	Infrastructure development	Actively engaged by WFHK across areas such as education, healthcare, sanitation, environment conservation and livelihoods
	Dedicated CSR team	Education & healthcare	
	CSR projects and initiatives	Environmental protection	
	Visits and camps	Employment opportunities	
	Community needs assessments	Human rights	

BRR index

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identification Number (CIN) of the Company	L27100GJ1995PLC025609	
Name of the Company	Welspun Corp Limited (WCL)	
Registered Address	Welspun City, Village Versamedi, Taluka Anjar, District, Kutch, Gujarat 370 110, India	
Website	http://www.welspuncorp.com/	
E-mail Id	companysecretary_wcl@welspun.com	
Financial Year reported	2017-18	
Sector(s) that the Company is engaged in	*Group	Description
	24311	Manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron/cast-steel
List three key products/services that the Company manufactures/ provides	<ol style="list-style-type: none"> 1. Welded Pipes 2. Induction Bends 3. Pipe Coating Systems 	
Total number of locations where business activity is undertaken by the Company		
Number of International Locations (Provide details of major 5)	We have a presence across 5 locations internationally: <ol style="list-style-type: none"> 1. Houston, USA 2. Little Rock, USA 3. Dammam, Saudi Arabia 4. Dubai, UAE 5. Mauritius 	
Number of National Locations	Our corporate office is located in Mumbai, Liaison Office is in Delhi and we have 3 plants in India at Anjar, Dahej and Mandya	
Markets served by the Company - Local/ State/National/ International	National and International	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	1,326 million
2.	Total Turnover (INR)	53,901 million
3.	Total profit after taxes (INR)	1,258 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits (%)	During FY 2017-18, the Company was required under the Companies Act, 2013 to spend Rs. 3.89 million on CSR.

SECTION C: OTHER DETAILS

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

Yes, we have 9 subsidiaries. These include:

1. Welspun Pipes Inc.
2. Welspun Tubular LCC
3. Welspun Global Trade LCC
4. Welspun Mauritius Holdings Limited
5. Welspun Middle East Pipes LLC
6. Welspun Middle East Pipes Coating LLC
7. Welspun Wasco Coatings Private Limited
8. Welspun Tradings Limited
9. Welspun Middle East DMCC

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.

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 do not participate in our BR initiatives. However,

we have shared our relevant policies with all our business partners and they are expected to adhere to them

SECTION D: BR INFORMATION

1) **Details of Director/ Directors responsible for BR?**

a) **Details of the Director/ Directors responsible for implementation of the BR policy/policies**

1.	DIN Number	0007990476
2.	Name	Vipul Mathur
3.	Designation	Managing Director and CEO

b) **Details of the BR head**

1.	DIN Number	0007990476
2.	Name	Vipul Mathur
3.	Designation	Managing Director and CEO
4.	Telephone Number	+91 22 6613 6000
5.	Email Id	vipul_mathur@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 <i>Businesses should conduct and govern themselves with ethics, transparency and accountability</i></p>	<p>Principle 2 <i>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</i></p>	<p>Principle 3 <i>Businesses should promote the wellbeing of all employees</i></p>
<p>Principle 4 <i>Businesses should respect the interests of, and be responsive towards all stakeholders</i></p>	<p>Principle 5 <i>Businesses should respect and promote human rights</i></p>	<p>Principle 6 <i>Businesses should respect, protect, and make efforts to restore the environment</i></p>
<p>Principle 7 <i>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</i></p>	<p>Principle 8 <i>Businesses should support inclusive growth and equitable development</i></p>	<p>Principle 9 <i>Businesses should engage with and provide value to their customers and consumers in a responsible manner</i></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	N	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.welspuncorp.com/about#policies								
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: #WCL has the following policies covering the 9 principles: Code of Conduct and Ethics, Code of conduct for Board of Directors and Senior Management, Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insider, Corporate Social Responsibility Policy, Human Resources Policy, Policy for Prevention, Prohibition and Redressal of Sexual Harassment to women at workplace, Whistle-blower Policy And Vigil Mechanism, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

*Our policies comply with all applicable local laws. They are also aligned with the principles of the National Voluntary Guidelines.

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	NA								
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									
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

1. 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 meets every quarter to discuss applicable BR issues and assess the BR performance of the Company.

2. **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 our second Business Responsibility Report and we are committed to reporting on our BR activities annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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?**

WCL's Ethics and Compliance Policy and Procedure is applicable to its business partners, vendors and contractors.

Refer to chapter - 'Working responsibly'

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

In FY2017-18, seven complaints were received from shareholders/ investors and all of these were replied/ resolved to their satisfaction.

Also, there was no complaint reported by any Director or employee of the company under our vigil/whistle blower mechanism.

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.

Category	Complaints filed during the financial year	Complaints resolved during the financial year	Complaints pending as on end of the financial year
Shareholders and investors	7	7	Nil
Whistle-blower mechanism	Nil	Nil	Nil

Principle 2

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

We do not use any raw materials in the form of natural resources and most of our products are made from externally procured plates and coils. Due to the type of product specifications and utilisation, we are bound by our customer's guidelines on product development and therefore, it gives us limited scope for an alternative approach. However, the sustainability concerns at WCL are not just limited to being a responsible corporate, but is also considered as a business imperative. We believe that there are multiple strategic advantages that can be realised by exploring initiatives to improve operational efficiency through several energy conservation measures. We also conduct periodic audits and proactive maintenance of equipment to ensure that our operations maximize efficiency and minimize waste.

Refer to chapter - 'Protecting the planet'

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

WCL has undertaken several initiatives for managing the amount of energy and water used across our operations.

Refer to chapter - 'Protecting the planet'

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.**

WCL procures all of its materials from trusted vendors as per required quality and commercial standards in line with applicable laws and regulations. We conduct periodic reviews and audits of our vendor operations to ensure and enable the right quality standards in the materials purchased. Quality, health, safety and environment are the most significant aspects checked by us during vendor approval.

We also engage with the vendors through meetings,

Yes. Refer to chapter - 'Collaborating with stakeholders'

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. Refer to chapter - 'Collaborating with stakeholders' and 'Creating healthy communities'

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

Yes. Refer to chapter- 'Creating healthy communities'

Principle 5

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

Yes. Refer to chapter - 'Working responsibly'

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 WCL 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 regarding human rights in FY 2017-18.

Principle 6

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

Yes. Refer chapter - 'Protecting the planet'

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

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Yes. Refer chapter - 'Protecting the planet'

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.

Refer chapter - 'Protecting the planet'

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 projects related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.

Yes. We have taken several initiatives across our operations in areas related to energy efficiency, emissions management and water management.

Refer chapter - 'Protecting the planet'

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.

Our factory in Anjar received two Show-Cause-Notices during the year and stand closed as on 31 March 2018

Principle 7

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.**

Yes. Refer to chapter - 'Collaborating with stakeholders'

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

Yes. Refer to chapter - 'Collaborating with stakeholders'

Through our representation in various 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

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

Yes. Refer to chapter- 'Creating healthy communities'

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

Our social programmes are implemented through the Welspun Foundation for Health and Knowledge (WFHK), which is active wherever we have a business presence.

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

Yes. WFHK 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?**

During FY 2017-18, WCL was required under the Companies Act, 2013 to spend Rs. 3.89 million on CSR.

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.**

Refer to chapter- 'Creating healthy communities'

Principle 9

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

There were no complaints received by the customers for FY 2017-18.

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)**

Our industry is not governed by any regulations with respect to product labelling. Any relevant information with respect to our products and services is conveyed to the respective stakeholder.

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?**

There have been no cases filed against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

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

Refer to 'Delivering value to our customers'

Our engagement with customers begins from front end engineering stages and extends well beyond the execution and post-commissioning stages. We also religiously seek feedback from customers post completion of the project and carry out analysis for assessment of Customer Satisfaction Index.