



# SASB REPORT 2023

### About

At Raymond, we have always believed in driving business with purpose. Through reporting, we would like to communicate to our stakeholders, our progress on Environmental, Social and Governance performance. We value transparency as it serves as a cornerstone for both our organization and our stakeholders, fostering accountability and building trust, and we view this SASB report as a significant stride in that direction. We believe Sustainability is a journey, and while we believe there is more work to be done, we are also poised to take up challenges and improvements through transforming our ways of doing business.

### Scope

The Disclosures under this SASB report are for the period April 1, 2022, to March 31, 2023, unless specified otherwise.

### SASB Alignment

The SASB reporting Standards identify the sustainability-related issues most relevant to investor decision-making spanning across 77 industries. Each SASB Standard defines a minimum set of ESG-related topics that SASB considers reasonably likely to affect a company's long-term performance based on the industry it operates within. For Raymond Limited, the most relevant industry group is the Apparel, Accessories & Footwear (CG-AA) industry as also identified by SASB through its Sustainable Industry Classification System (SICS).

SASB CODE	ACCOUNTING METRIC	RESPONSE
<b>Management of Chemicals in Products</b>		
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	<p>As part of our Chemical management processes, while testing, we examine the entire finished fabric for physical parameters before delivering it to garment vendors. Restricted Substances List (RSL) parameters are checked by third parties as per brand requirements.</p> <p>We conduct comprehensive testing that encompasses all physical parameters and specific chemical aspects such as pH, formaldehyde, and colour fastness within our in-house laboratory facilities. Simultaneously, all RSL testing is outsourced to third-party entities as approved by the respective brands.</p> <p>Shrinkage and skew are closely monitored every 2000 meters or according to batch size during bulk production. Other factors like pH, formaldehyde, and colour strength are checked every 50,000 meters. RSL testing, is carried out by brand-approved third parties, either seasonally or at least every 50,000 meters for a specific style.</p> <p>Sampling is conducted at various production stages, and products are tested against specific parameters. Compliance with regulations and brand approved RSL is ensured through a comprehensive Chemical Management System, strictly adhering to ZDHC MRSL requirements.</p> <p>Throughout all stages of production, we have implemented multiple checkpoints to ensure quality. Our sampling process, tailored to the specific requirements of different styles and test parameters, is rigorous. Products are deemed acceptable only when they meet the predetermined quality standards.</p> <p>Our RSL is aligned with AFIRM RSL, REACH SVHC (OEKO-TEX STD 100), and ZDHC MRSL. While generally following AFIRM RSL, compliance is also checked according to customer requirements. We follow industry-wide RSLs, including ZDHC MRSL and OEKO-TEX STeP MRSL, and set specific requirements for chemical suppliers based on these standards.</p> <p>Compliance with the strictest regulations of our RSL is mandatory, guided by both internal standards and brand requirements. Suppliers demonstrate compliance through self-declaration based on third-party testing of the respective RSL/MRSL. Continuous follow-up ensures that non-ZDHC Gateway</p>

		<p>chemicals meet level 3 requirements, with random checks conducted on commodity chemicals annually. The adoption of Screened Chemistry further ensures hazard-based assessments.</p> <p>For supplier compliance verification, ZDHC registration at Level 3 necessitates adherence to guidelines for raw material selection, encompassing both Tier 1 and Non-Tier-1 suppliers. We have established guidelines for scrutinizing chemicals and employing material traceability at each production stage. In case of any non-compliance, investigating the reasons allows us to take appropriate corrective actions.</p>
<p>CG-AA-250a.2</p>	<p>Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products</p>	<p>In our approach to assessing and managing risks associated with chemicals, our production processes strictly avoid prohibited dyes and chemicals. Hazardous chemicals are thoroughly removed through rigorous washing and drying processes, adhering to strict testing protocols. This precaution occurs well before our products reach the end consumer, considering that all our products have direct skin contact.</p> <p>Our chemical management strategy is consistent across business units, product categories, and regions, emphasizing the delivery of RSL-free fabric to meet customer specifications. Our strategy integrates hazard-based methodology.</p> <p>Throughout the product lifecycle, we strictly adhere to ZDHC MRSL guidelines, ensuring traceability and compliance at every stage. In monitoring and improving ingredient safety, our scrutiny involves GHS approved MSDS information, CAS numbers, RSL declaration, ZDHC MRSL levels, allowing only those meeting RSL requirements to enter our facility, ensuring ongoing safety and enhancement of product materials.</p> <p>In the financial year 2022-23, we sourced over 5.07% non-mulesed wool and used 35.99% Nonylphenol Ethoxylate (NPEO)-Free dyes. Incorporating organic yarn, spun yarn, Econyl, and transitioning to dope-dyed wool reflects our dedication to responsible and sustainable sourcing. Achieving the OEKO-TEX Standard 100 Certification for Product class 2 affirms our commitment to quality.</p> <p>Close collaboration with chemical suppliers remains integral. When new RSL/MRSL guidelines emerge, suppliers are informed to submit self-declarations, followed by third-party certifications. Our chemical</p>

		<p>selection prioritizes those in the ZDHC gateway, emphasizing our commitment to up-to-date standards and a sustainable supply chain.</p> <p>Aligning with RSL/MRSL guidelines, we actively target chemicals for reduction and prioritise its phase out plan. A recent trial involves phasing out Ammonia due to health hazards, with a safer alternative identified through supplier collaboration. The phased plan ensures a smooth transition, reflecting our commitment to sustainability and safety.</p>
<b>Environmental Impacts in the Supply Chain</b>		
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	We do not currently audit our suppliers for compliance with wastewater discharge permits and/or contractual agreements. However, all of Raymond's suppliers are expected to comply with the laws and regulations in the regions where they operate. We require our suppliers to promptly create and implement plans and programs to correct any environmental practices that do not meet these legal standards. Our supplier facilities are subject to laws governing wastewater discharge, and if a supplier fails to adhere to these regulatory requirements, it is flagged as an issue.
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Raymond has not currently initiated Higg FEM assessments with any of its suppliers, but we are exploring the implementation of these assessments in the future.
<b>Labour Conditions in the Supply Chain</b>		
CG-AA-430b.1 CG-AA-430b.2	<ul style="list-style-type: none"> <li>▶ Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total</li> </ul>	We do not currently audit our suppliers for compliance with labour code of conduct. However, all of Raymond's suppliers are expected to comply with our <a href="#">Supplier code of conduct</a> . The Company is in the process of carrying out audits in the upcoming years to evaluate its suppliers for compliance with the Supplier Code of Conduct.

	<p>audits conducted by a third-party auditor</p> <ul style="list-style-type: none"> <li>► Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits</li> </ul>	
<p>CG-AA-430b.3</p>	<p>Description of the greatest (1) labour and (2) environmental, health, and safety risks in the supply chain</p>	<p>While a formal audit of the suppliers has not been conducted, the Company has conducted its own on-site assessments and engaged in general discussions with the suppliers. From these evaluations, we have identified potential risks.</p> <p>Labour risks:</p> <ul style="list-style-type: none"> <li>(1) Health and Safety</li> <li>(2) Compensation</li> <li>(3) Harassment and Discrimination</li> </ul> <p>Environmental, Health and Safety risks:</p> <ul style="list-style-type: none"> <li>(1) Air Emissions</li> <li>(2) Wastewater management</li> </ul>
<p><b>Raw Materials Sourcing</b></p>		
<p>CG-AA-440a.3 CG-AA-440a.4</p>	<ul style="list-style-type: none"> <li>► List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities</li> </ul>	<p><b>Priority Raw Material:</b> Cotton Yarn</p> <p><b>Amount purchased (in metric tons):</b> 4,373</p> <p><b>Amount Certified (in metric tons) &amp; Certifications:</b> 211 (Better Cotton Initiative – BCI), 33 (Global Organic Textile Standard – GOTS), 160 (Supima)</p> <p><b>Environmental or Social Factors:</b> Cotton can be a water-intensive crop. In our supplier screening, we identified 19 tier-1 suppliers, all of whom source their cotton, either fully or partially, from water-stressed regions. This assessment showed that about 69.64% of our total cotton comes from areas of water stress.</p> <p><b>Risks and/or Opportunities:</b> Relying heavily on quality cotton, particularly from water-stressed regions, exposes our supply chain to significant risks. This over-reliance not only poses threats of</p>

	<p>► (1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard</p>	<p>supply chain disruption, reputational damage, and heightened costs but also raises concerns about the availability and quality of our primary fibre.</p> <p><b>Management Strategy:</b> The Company sources its cotton yarn exclusively through established spinning factories, which, in turn, acquire the raw material from ginning facilities that source from farmers. Consequently, the Company's procurement process remains resilient, as it benefits from a diversified network of spinning factories, thereby mitigating any potential impact on the supply chain occurring due to significant impact of the water stress.</p> <p><b>Priority Raw Material:</b> Wool</p> <p><b>Amount purchased (in metric tons):</b> 2,413</p> <p><b>Amount Certified (in metric tons):</b> 2,413</p> <p><b>Certifications:</b> Responsible Wool Standard</p> <p><b>Environmental or Social Factors:</b> The Company sources wool from Australia, South Africa, USA and Uruguay from where Climate change and extreme weather events, Forest fires, land degradation, regulatory changes, global economic fluctuations, disease outbreaks, supply chain disruptions are the key challenges. For example, in 2010-11, the Foot-and-mouth disease (FMD) in South Africa posed a notable risk to wool procurement, disrupting sheep farming operations and impacting wool quantity and quality also leading to movement restrictions and trade limitations, affecting the global supply chain.</p> <p><b>Risks and/or Opportunities:</b> These factors pose significant risks to the wool industry, including reduced wool quality and quantity due to heat stress on sheep, declining pasture quality, negative public perception, fluctuations in demand and pricing, and disruptions to wool production and trade.</p> <p><b>Management Strategy:</b> The Company mitigates these risks by diversifying its wool sources, reducing dependency on a single supplier, and conducts thorough market analysis to navigate fluctuations in demand and pricing, enabling informed decision-making and enhancing overall resilience.</p>
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<b>Activity Metrics</b>		
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	During Financial Year 2022-23, Raymond Ltd. has identified a total of <b>52</b> Tier-1 suppliers and <b>12</b> suppliers beyond Tier-1, out of this we have also identified significant suppliers based on their relevance, value addition and critical contribution to our business. We have identified 19 significant Tier-1 suppliers and no significant suppliers beyond Tier-1.