



Supplier Synergies

Businesses often find their supply chain operations influence their impact or externalities. The management of the environmental and social impact of the supply chain is tied to long-term economic results. Effective management is crucial as it can aid businesses in navigating disruptions, adapting to evolving customer and business partner needs, promoting innovation, and safeguarding the Company's reputation and brand value. Furthermore, it helps businesses achieve their objectives of efficiency, cost-effectiveness, and resilience in the supply chain.

At Wipro, we recognize that our sustainable journey is intertwined with that of our suppliers and they plan an active role in us achieving our Net Zero goals. Therefore, we collaborate closely with our supply chain partners to advance our shared goals of sustainability.

Due to the complex nature of the supply chain, managing and regulating the intricacies of its impacts can be challenging. Our supply chain management program is shaped by our comprehension of these numerous factors and the challenges.

Management Approach

The responsibility of our managing procurement-related activities rests with multiple functions within our Company, with Procurement, Facilities, and Delivery, being some of them. The goal of the Procurement team is to provide high-quality products and services on a timely basis, consistent with organizational objectives and policies, and maintain the highest ethical standards. The responsibility is divided among multiple buyer groups who handle different procurement categories. The Enterprise Risk Management (ERM) team works closely with the Procurement team to identify and proactively manage risks in the supply chain.

Policy and Guiding Principles

We have a Global Procurement Policy that details the principles that the Global Procurement Group is expected to adhere to and also covers other aspects of procurement like supplier selection, and supplier diversity. Our supply chain governance program is informed by four guiding principles.



Understanding the Socio-Economic Context

While ambitious policies and Codes of Conduct are essential, it is also important to consider the complex socio-economic realities in which they are operationalized. We have built systems and processes to ensure adherence to leading procurement practices, including the assurance of human rights, corruption-free business practices, and transparent processes while prioritising environmentally sustainable business operations. Before onboarding suppliers, we conduct a thorough examination of their regulatory and financial information. We utilize a third-party screening tool (Refinitiv) to check for adverse media reports, Office of Foreign Assets Control (OFAC) sanctions, Foreign Corrupt Practices Act (FCPA) violations and Politically Exposed Personnel. Vendors registering online are expected to provide declarations on Wipro's Anti-bribery and Anti-corruption Policy, Supplier Code of Conduct, and Modern Slavery Policy. For vendors providing services in identified sensitive sectors and geographies, we conduct an intensive due diligence process, while those with adverse media reports undergo a stringent internal review before determining the potential engagement.

Ability to Monitor, Influence, and Control

The 'secondary supply chain' extends across multiple tiers, and due to the complexities, claiming compliance across all tiers is impractical. Visibility is often limited to the first one or two tiers. For non-critical supply chain entities, where suppliers are not a core part of our business or where our spending has minimal impact on their revenue or market share, we have a limited ability to drive positive change. In this case, industry bodies and large government procurement programs play a larger role in influencing change.

Regulatory Compliance

We follow a Vendor Risk Assessment policy, managed by the Vendor Risk Assessment (VRA) team, to align information security assessments of critical suppliers/vendors with applicable policies, procedures, standards, and baselines. A security questionnaire, based on industry frameworks like ISO 27001 and NIST 800-53, is used to evaluate vendor security controls. Assessment reports, approved by relevant stakeholders, highlight non-conformances and observations. These observations are tracked and addressed to achieve effective closure. Comprehensive audits are conducted to assess labor practices such as working hours, child labor, and workplace safety.

Integrating Best Practices in Supply Chain Engagement

Managing supply chain externalities is crucial due to the complexities in the supply chain and the resultant risks. Customers and investors consider compliance levels and ethics as key differentiators in their decision-making process. Industry forums like the Electronic Industry Citizenship Coalition, and EcoVadis, constantly strive to implement change in ethical and responsible business practices across global supply chains. Industry ratings such as S&P Global CSA (formally known as DJSI), EcoVadis and CDP are increasingly focusing on the supply chain performance of organizations. We aim to adopt and integrate best practices from all these sources to drive sustainability in our supply chain.

Wipro is the first India-based company to join the CDP supply chain program. Through this platform, we engaged with 200+ of our top carbon intensive suppliers and encouraged the measurement and disclosure of their environmental data.

Pillars of our Supplier Sustainability Program

Based on our understanding of risks in our supply chain, our supply-chain approach is based on the 3E principle: Ethical procurement practices, Equitable and open to diversity, and Ecological sustainability.

Ethical

We expect our partners to adhere to ethical procurement practices in accordance with Wipro's core values, the Code of Business Conduct (CoBC), Spirit of Wipro Values, and Supplier Code of Conduct (SCoC). We use system-enabled database checks for vendors across geographies, third-party tools for monthly labor compliance tracking in certain regions, and category-specific credit scoring of suppliers. Annual sessions on anti-bribery and anti-corruption are conducted to identify high-risk geographies and social compliance programs for manpower services providers.



Equitable

As an Equal Opportunity Employer, Wipro is committed to procuring products and services that are developed based on universal design principles and accessibility standards such as Harmonized Guidelines (HG), 2016 Government of India for physical infrastructure and the WCAG (Web Content Access Guidelines) 2.1 AA meant for ICT products. This is paramount to us as it enables us to create equitable opportunity for all our users, especially for persons with disability. At present, we have a voluntary declaration provision for suppliers to illustrate how their products or services are accessible to all users with different abilities.

In FY24, our supplier diversity initiatives enabled us to register 14.06% of our global spend with certified diverse suppliers and 5.67% of our global spend with MSME suppliers. Our target is to achieve global diverse spend of over 15% by 2025.

Ecological

We expect suppliers to establish an ecological sustainability program in their operations, and supply products and services that exceed environmental standards. At Wipro, we are committed to promoting environment-friendly practices across all aspects of our operations, including the procurement of materials and services for cleaning, cooling, landscaping, and safety practices.

Case Study

For seven years, Wipro has been consistently recognized with the EPEAT (Electronic Product Environmental Assessment Tool) Purchaser Award that celebrates leaders in sustainable electronics procurement. We have also been awarded a 5-STAR EPEAT rating since 2022, by the Global Electronics Council (GEC), the non-profit organization that manages the EPEAT ecolabel. EPEAT allows our Company to efficiently address the lifecycle impacts of the electronics we purchase. The categories covered in the 5-STAR rating are Computers and Displays, Imaging Equipment, Television, Mobile Phones, and Servers (Television has been added as a new category).

The procurement of EPEAT-certified products in 2022 was estimated to lead to a GHG reduction of 9,372 tons CO₂ equivalent, 36,142 MWh of energy savings and 53.4 million liters of water over the lifetime of products. We will receive the assessment report for 2023 in July 2024.

Program Highlights

Social Audit Program

Vendor compliance audit is carried out monthly to monitor their compliance with labor practices. The audit process plays a crucial role in identifying gaps and assessing the readiness of compliance requirements, as per State-specific regulatory requirements. Third-party audit tools are used for the monthly compliance check.

Through a strategic partnership with DASRA, a philanthropic foundation, and the Social Compact platform, we aim to enhance the social and wellbeing practices within our supplier network. The Social Compact platform focuses on six areas of informal labor procedures: wages, health, access to entitlements, safety for all genders, and the future of work. Tier 1 and Tier 2 vendors who provide on-site services such as security and housekeeping were assessed based on these critical topics. The assessment results are reviewed by our Board, with the goal of creating a favorable workplace that exceeds compliance standards for all employees and contract workers.

Diversity Program

Aligned with the certified norms of diversity, Wipro has instituted two flagship programs for new as well as existing suppliers, the 'Wipro Inclusion & Diversity Opportunity for Vendors (WINDOV)' series of virtual conclaves that enable direct access for small suppliers to present their capabilities to the global procurement team and the 'Wipro Inclusive Supplier Development and Mentorship (WISDOM)' program to strengthen these businesses by providing management and technical support to the participating suppliers. WINDOV Conclaves have enabled us to source goods from remotely located Indian tribal women and American businesses located in Historically Underutilized Businesses (HUB) zones. WISDOM interactions have helped us identify the addressable barriers to increase our spend with existing Wipro diverse suppliers.



CDP Supply Chain Program

Through the platform, we engaged with our top carbon-intensive suppliers and encouraged measurement and disclosure of their environmental data on the CDP platform. Based on the disclosed emission allocations to Wipro, we carried out one-on-one discussions with a few suppliers to understand their methodology and approach towards reporting emissions data on the platform. This year we aim to reach out to over 200 suppliers and engage with them to ensure greater participation.

Supply Chain Transparency

We rely on complex global supply chains, which can be challenging to monitor and ensure responsible sourcing practices. The extraction of raw materials for electronics, such as rare earth metals, can have significant environmental impacts, including habitat destruction and water pollution.

Packaging Waste

The packaging used for shipping IT equipment and components can generate substantial amounts of waste. Excessive packaging materials, such as plastic and foam, contribute to pollution and waste management challenges.

Carbon Footprint

Transportation of goods and services within the supply chain expands the carbon footprint of IT services companies. This includes the transportation of raw materials, components, and finished products. Long-distance shipping and air freight can have particularly high carbon emissions.

Navigating Challenges

The key challenges we face with vendors include a lack of awareness regarding labor compliance, the need to reassign tasks frequently due to changes in the vendor's Single Point of Contacts (SPOCs), and the delayed resolution of non-compliance issues. These issues can be addressed by streamlining communication and enhancing awareness among vendors to expedite the resolution of non-compliance issues.

The Path Ahead

Wipro Initiative for Supplier Engagement (WISE)

We launched a pilot program to collaborate with suppliers to make progress in our Net Zero journey. This engagement involves regular capacity-building sessions on topics like Net Zero and greenhouse gas accounting, tailored to specific categories. Data collection will be facilitated through circulated questionnaires and instructions. The program will begin and end with an assessment of sustainability maturity, and the path to higher maturity levels will be outlined based on the required capacity building. For the current year's engagement, we have refined our selection and shortlisted around 50 of our strategic suppliers to work with on a sustained engagement program to measure, attribute and manage emissions.

Sustainable Procurement

Our Green Building program follows an integrated approach across design, engineering services, materials and equipment procurement that meets stringent environmental criteria, at the construction and the operational stages. In addition, we continue to procure Renewable Energy (RE) through Power Purchase Agreements (PPAs) from RE generators across three states in India. In the previous reporting year, we completed an assessment of RE generators in two states based on the principles of the 'Responsible Energy Initiative' set up by Forum for the Future. This assessment covers the various social and environmental aspects of the setup and the maintenance of power plants as well as its impact on local communities. We also annually assess our electronic waste recyclers to ensure they adhere to the recycling standards.

FY25 is specially marked for Women-owned enterprise inclusion with specific program drives.

We are the first major Indian business to join EV100, a global initiative by the Climate Group, in our commitment to transition our global fleet to Electric Vehicles (EVs) by 2030.

RE purchase contributed to approximately 148 million kWh or 76% of our total India energy consumption.