

# Living Wage Policy

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## 1. Introduction

Rakheja Enterprises LLP is committed to ensuring the financial well-being of our workforce. We recognize that fair compensation is essential for our employees' quality of life and our company's long-term success. This Living Wage Policy reflects our dedication to ethical business practices and employee welfare, in line with Indian labor regulations and global best practices.

## 2. Planned objectives

- To establish a fair wage structure that enables a decent living standard for all employees
- To align our compensation practices with the economic realities of our operational locations
- To promote financial stability within our workforce and surrounding communities
- To lead by example in our industry regarding equitable pay practices.

## 3. Commitment

Rakheja Enterprises LLP is dedicated to ensuring that our compensation practices align with the highest standards of fairness and equity. To uphold this commitment, we will continuously analyze both local and international labor laws and living wage calculations (IDH methodology). We will continuously provide our employees with a wage that meets or exceeds the living wage standards specific to each of our operational locations. This ongoing evaluation ensures that our compensation remains competitive and fair, supporting the financial stability and overall well-being of our workforce. By consistently meeting these standards, we aim to set a benchmark in our industry for equitable pay practices and contribute positively to the financial health of our employees and their communities.

## 4. Scope

This policy applies to all our manufacturing facilities and encompasses all employees (at all level), stakeholders, partners, customers, and any other individuals or entities acting on behalf of Rakheja Enterprises LLP.

## 5. Determining the Living Wage

Our living wage is calculated through:

- Biannual cost-of-living surveys in our operational areas
- Consultation with local economic experts
- Analysis of regional economic indicators
- Consideration of industry benchmarks
- Regular dialogue with employee representatives

## 6. Rakheja's Living Wage key strategies and targets

- By FY 2029-30, we aim to complete a comprehensive living wage benchmark analysis for all employees, ensuring that 100% of our workforce is assessed from the baseline 2022-23.
- Equitable Benefits: We are committed to enhancing employee benefits to ensure they are comparable across all roles and departments, aiming for a 12% increase in benefits equity by FY 2029-30 compared to the FY 2022-23 baseline.
- Living Wage Initiative: We will implement a "Living Wage Initiative" to guarantee that all employees earn a living wage that is 8% higher than the local cost of living by FY 2029-30, improving from the FY 2022-23 baseline.
- Bonus Distribution Equity: Our goal is to ensure that bonus distributions are more equitable by reducing disparities between top earners and average employees by 20% by FY 2029-30, using FY 2022-23 as the reference point.
- Minimum Wage Compliance: We are focused on achieving full compliance with minimum wage standards across all locations, targeting a 100% compliance rate by FY 2029-30, up from our current baseline as of FY 2022-23.

## 7. Responsibility

### 1. Senior Management

- **Strategic Oversight:** Ensure the effective implementation of the Living Wage Policy in alignment with the company's values and commitment to fair compensation.
- **Resource Allocation:** Allocate necessary financial and operational resources to support fair wage practices and related initiatives.
- **Policy Support:** Provide leadership support to promote fair wage standards and responsible compensation practices across the organization.
- **Risk Management:** Oversee risks related to wage practices and ensure appropriate measures are implemented to maintain compliance with applicable laws.

### 2. Human Resources Manager

- **Policy Implementation:** Oversee the implementation and communication of the Living Wage Policy across the organization.
- **Benefits and Wage Review:** Periodically review wages and employee benefits to ensure alignment with statutory requirements and living wage considerations.
- **Data Collection:** Coordinate cost-of-living assessments and relevant wage data analysis to support fair wage evaluations.
- **Compliance Monitoring:** Monitor compliance with wage regulations and internal compensation standards.

### 3. Financial Controller

- **Budget Allocation:** Ensure appropriate financial planning and budget allocation to support wage adjustments and employee benefits.

- **Financial Analysis:** Conduct financial assessments related to wage practices to ensure sustainability and financial stability.
- **Reporting:** Prepare financial reports related to wage structures and policy implementation for management review.

#### 4. Operations Manager

- **Operational Compliance:** Ensure operational units comply with wage regulations and policy requirements.
- **Local Data Coordination:** Support the collection of cost-of-living and market wage data for informed wage decision-making.
- **Employee Feedback:** Facilitate communication between employees and management regarding wage-related concerns.

#### 5. Employees

- **Policy Awareness:** Understand and follow the principles of the Living Wage Policy.
- **Participation:** Participate in surveys or feedback initiatives related to wage assessments.
- **Reporting Concerns:** Report any wage-related concerns or discrepancies through the appropriate internal channels.

## 8. Reporting

### 1. Regular Wage Compliance Reports

We conduct annual evaluations of our wage practices, focusing on key metrics outlined in our Living Wage Policy. These reports provide a thorough assessment of compliance with wage standards, employee satisfaction, and progress towards fair wage objectives. They include:

- **Compliance Evaluation:** Review of adherence to living wage standards, including verification of wage payments against policy requirements and applicable legal standards.

- **Employee Satisfaction:** Measurement of employee feedback regarding wage fairness, adequacy, and overall satisfaction with compensation.

## 2. Internal Audits

Internal audits are carried out to evaluate compliance with the Living Wage Policy and the effectiveness of our wage management systems. These audits:

- **Assess Policy Adherence:** Evaluate the extent to which wage practices align with established policies and standards, including accuracy of wage calculations and timely payments.
- **Identify Improvement Areas:** Highlight areas needing corrective actions and opportunities to enhance wage practices, ensuring all employees receive a living wage.

## 3. Stakeholder Engagement

We actively engage with stakeholders, including employees, payroll administrators, and industry experts, to:

- **Solicit Feedback:** Gather input on wage practices, policy effectiveness, and areas for improvement from those directly affected by or knowledgeable about wage issues.
- **Address Concerns:** Respond to inquiries and concerns raised by stakeholders, ensuring their perspectives influence wage policy adjustments and implementations.
- **Communicate Performance:** Share updates on wage compliance, policy changes, and achievements related to ensuring living wages for all employees.

## 9. Continuous Improvement

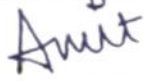
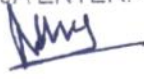
To ensure our Living Wage Policy remains effective and responsive to evolving needs, we are committed to ongoing improvements. We regularly review and analyze performance data from our Wage Compliance Reports and Internal Audits to identify trends, challenges, and areas for enhancement. Insights gained from stakeholder feedback are instrumental in refining our practices and addressing any gaps. We also benchmark our policy against industry best practices and emerging standards to stay ahead of regulatory changes and expectations. Our approach includes setting

measurable goals for wage equity and periodically updating our policy to incorporate innovative solutions and address any identified issues. By fostering a culture of continuous learning and adaptation, we aim to enhance our wage practices, ensure compliance with living wage standards, and uphold our commitment to fair and equitable compensation for all employees.

## 10. Review Cycle

Biennially, the HR Manager will conduct a comprehensive review of our Living Wage Policy to ensure its continued relevance and effectiveness. The HR Manager, as the responsible person for this policy, will oversee a thorough assessment of compliance with wage standards, evaluate policy implementation, and analyze any emerging issues or trends affecting wage practices. This review will involve examining performance data from Wage Compliance Reports, insights from Internal Audits, and feedback from stakeholder engagements. The HR Manager will also benchmark our policy against industry standards and legal requirements. Based on these findings, the HR Manager will recommend necessary updates or improvements to the policy. Any changes will be communicated to all stakeholders, ensuring transparency and alignment with our commitment to fair and equitable compensation.

Revision No.	Date	Description of Change
0.0	02/01/2023	Initial release of Living Wage Policy
1.0	01/01/2024	Introduction of qualitative and quantitative environmental targets
2.0	01/01/2025	Review and update of Living Wage targets and strengthening of the review mechanism
3.0 (Planned)	01/01/2027	Scheduled policy review in line with the defined review cycle

Rakheja	Designation	Last Review Date	Signature
Prepared by:	General Manager	01-01-2025	For RAKHEJA ENTERPRISES LLP  Authorised Signatory
Approved by:	CEO	01-01-2025	For RAKHEJA ENTERPRISES LLP  Authorised Signatory

## 11. Acknowledgement by Employee

I acknowledge that I have received, read, and understood the Living Wage Policy of Rakheja Enterprises LLP. I am aware that this policy outlines the company's commitment to fair compensation and equitable benefits, and I understand the criteria used to determine the living wage. I agree to comply with all related requirements and participate in necessary surveys and feedback processes. I understand that the policy applies to all employees and that I am responsible for staying informed about any changes. I am also aware that my feedback is vital for continuous improvement, and any concerns regarding wages or benefits should be reported to my manager or HR department. I understand the importance of this policy in promoting financial stability and equitable pay.

Employee Name	Umang Kumar
Acknowledgement Date	02-01-2025
Signature	