



June 20, 2026

To,

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Scrip code: 540203

The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051
NSE Symbol: SFL

Subject: Business Responsibility & Sustainability Report for the financial year 2025-26

Dear Sir/Madam,

Pursuant to the Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find the enclosed Business Responsibility and Sustainability Report (BRSR) of the Company for the Financial Year 2025-26.

Please take the above on your records.

Thanking you.
Yours faithfully,

For Sheela Foam Limited

(Md. Iquebal Ahmad)
Company Secretary and Compliance Officer

SHEELA FOAM LTD.

#14, Sleepwell Tower, Sector 135, Noida- 201301

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CIN- L74899MH1971PLC427835

Annexure-I

Business Responsibility & Sustainability Report

SECTION A:

GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Company	L74899MH1971PLC427835
2	Name of the Company	Sheela Foam Limited
3	Year of incorporation	1971
4	Registered office address	1002 To 1006 The Avenue, International Airport Road, Opp Hotel Leela Sahar, Marol Naka, Mumbai, Maharashtra, India, 400059
5	Corporate office address	14, Sector 135, Noida, U.P-201301
6	E-mail ID	investorrelation@sheelafoam.com
7	Telephone	+91-120-4868400
8	Website	http://www.sheelafoam.com/
9	Financial year for which reporting is being done	1 st April 2025 to 31 st March 2026
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)
11	Paid-up Capital	INR 54,59,94,620
12	Name and contact details of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report (BRSR)	
	Name of the Person	Md. Iquebal Ahmad (Company Secretary)
	Telephone	+91-120-4868400
	Email address	iquebal.ahmad@sheelafoam.com
	Reporting Boundary	
13	Type of Reporting (Standalone / Consolidated)	Disclosures made in this report are on a standalone basis
14	Name of assurance provider	Not Applicable
15	Type of assurances maintained	Not Applicable

II. Product/Services:

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Manufacturer of polyurethane foam and bedding products.	Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products, Furniture	100 %

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products	31005	100 %

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	12	2	14
International	-	-	-

19. Markets served by the entity:

Market served by the entity	Locations	Numbers
a. No. of Locations	National (No. of States)	28 States (Pan-India)
	International (No. of Countries)	11 (Australia, Bhutan, Brazil, Nepal, Saudi Africa, Spain, Sri Lanka, UAE, USA, Fiji, Kazakhstan)
b. What is the contribution of exports as a percentage of the total turnover of the entity?	0.68 %	
c. A brief on type of Customers	Sheela Foam Limited serves a diverse range of customers across various sectors. The customer base includes but is not limited to: Wholesalers, Traders, End Consumers, Institutions, Government Departments, B2B Customers, Online Market Place etc.	

IV. Employees
20. Details as at the end of financial year 2025-26:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees (including differently abled)						
		Employees				
1	Permanent (A)	1479	1381	93%	98	7%
2	Other than Permanent (B)	251	230	91%	21	9%
3	Total (A+B)	1730	1611	93%	119	7%
b. Workers (including differently abled):						
		Workers				
1	Permanent (E)	1821	1730	95%	91	5%
2	Other than Permanent (F)	2303	2087	91%	216	9%
3	Total (E+F)	4124	3817	93%	307	7%
c. Differently abled Employees						
		Employees				
1	Permanent	1	1	100%	0	0%
2	Other than Permanent	0	0	0%	0	0%
3	Total	1	1	100%	0	0%
d. Differently abled Workers:						
		Workers				
1	Permanent	2	2	100%	0	0%
2	Other than Permanent	0	0	0	0	0%
3	Total	2	2	100%	0	0%

21. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	2	25%
2	Key Management Personnel	6	1	17%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13%	10%	12%	16%	9%	15%	16%	9%	15%
Permanent Workers	6%	2%	4%	5%	3%	5%	5%	3%	5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. Names of holding / subsidiary / associate companies / joint ventures**

S. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether it is a Holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Sleepwell Enterprises Private Limited, India	Wholly owned Subsidiary	100%	No
2.	Staquo Software Private Limited, India	Wholly owned Subsidiary	100%	No
3.	Joyce Foam Pty, Australia	Wholly owned Subsidiary	100%	No
4.	International Foam Technologies SL, Spain	Wholly owned Subsidiary	100%	No
5.	House of Kieraya Limited, India*	Joint Venture	-	No
6.	Sheela Foam Trading LLC, Dubai	Wholly owned Subsidiary	100%	No
7.	Interplasp, SL, Spain	Subsidiary	93.66%	No
8.	Joyce WC NSW PTY Ltd., Australia	Subsidiary	100%	No
9.	Staquo Incorporated, USA	Subsidiary	100%	No
10.	Staquo Technologies, LLC, Dubai	Subsidiary	100%	No

*As per Accounting Standard Jointly Controlled Entity

VI. CSR Details:

24.	Whether CSR is applicable as per the provision of Section 135 of Companies Act, 2013:	Yes
	Turnover (in INR crore)	2,587.51
	Net worth (in INR crore)	2,793.73

VII. Transparency and Disclosures Compliances**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If yes, then provide web-link for grievance redress policy	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, there is a dedicated email id for the communities to communicate their grievances. grievances@sleepwellfoundation.com	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes, the Investors can write about their grievances to the Compliance Officer of the Company at investorrelations@sheelafoam.com and there is webpage for investor contacts. https://sheelafoam.com/investor-contacts.html	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Yes, the shareholders can raise their grievances to the Compliance Officer of the Company at investorrelations@sheelafoam.com . Shareholders can also reach out to us at https://sheelafoam.com/investor-contacts.html . Additionally, grievances can be raised through the 'SEBI Scores' portal through BSE/NSE websites.	Nil	Nil	NA	Nil	Nil	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If yes, then provide web-link for grievance redress policy	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes, an employee grievance redressal mechanism is in place. Grievances are resolved on a monthly basis through an HR Help Desk (i.connect) at https://portal.thepresence360.com/ through individual user ID and password	Nil	Nil	NA	Nil	Nil	NA
Consumers*	Yes, consumer complaints are handled at a centralized customer care center and resolved promptly. Once a complaint is raised, its authenticity is verified, and it is addressed—either through product replacement or upgrade—according to the customer's request, within 15 days. Toll-free number: 18001036664 (Sleepwell), 8150000103 (Kurlon) E-mail id: care@mysleepwell.com ; customercare@kurlon.com	34459	246	Response / action awaited from customer	19130	439	NA
Value Chain Partners	Yes. Our value chain partners can contact the procurement team, Quality & Assurance team or Product development team in case of any issue/ grievances through the official E-mail ID: contactus@sheelafoam.com	Nil	Nil	NA	Nil	Nil	NA

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

We have integrated the ESG risk management into multi-disciplinary company-wide risk management processes i.e., the centralized Enterprise Risk Management (ERM) program. This helps us derive at the quantitative estimates of the inherent financial risks and impacts for which the controls to be kept in place to mitigate the impacts.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk	The operations and business of our company can be directly affected by climate change. Climate change could lead to reduced availability of energy and water, disruption of supply chains, and sourcing challenges. Additionally, transition to a low-carbon economy mitigate effects of climate change would result in associated Government policies and regulations and	The company has a twofold approach - to mitigate the risk through measures to reduce its carbon footprint and to adapt to the change by developing more environment friendly products that our stakeholders/ consumers may demand in future. Major initiatives taken by the company are as under:- 1. SFLhasadoptedVariablePressure Foaming (VPF) technology, which is the most sustainable foam processing technique.	Negative. R&D Initiatives and Capital investment to adapt to or mitigate the climate change risks would result in additional costs in the short to medium term. However, these costs can be partially offset by long-term efficiency improvements and reduction of waste. Moreover, these initiatives will make the business future-ready, enhance business resilience and safeguard long-term value.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			changing consumer preferences, leading to increased product costs, and compliance needs.	By producing foam in an airtight vacuum chamber, the air pressure is precisely controlled to create foams of varied density and hardness. Closed environment of foaming results in reduced emission into the atmosphere and foams are free of hazardous blowing agents. Any trace volatile organics are also extracted by the activated charcoal that is part of the closed loop equipment. The second VPF Machine became fully operational in 2024-25 at the Jabalpur Plant. 2. SFL is resorting to bulk shipment and storage of chemicals - Polyol, Polymer polyol, and Isocyanate, that are required for foam manufacturing to minimize transportation and packaging. 3. For interunit transfers, compression of foam sheets/ blocks is carried out. Bed in a Box (BIAB) is adopted where feasible. These steps optimize space utilization and decrease the carbon footprint. 4. Product innovation: The Company has set its eyes on launching products that use natural or recycled chemicals and other raw materials in the near future. Trials and research on sustainable products and packaging is an ongoing endeavour. 5. Kaizens were undertaken in the plants during this year to reduce waste and conservation of energy and water. 6. ESG sensitisation for employees as well as value Chain partners was carried out to drive home the importance of action to meet the challenges posed by Climate change.	

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Energy Management	Opportunity	Energy management presents a strategic opportunity for our company to reduce costs, increase operational efficiency, enhance competitiveness, comply with regulations, improve reputation, and foster collaborations in the pursuit of sustainable operations .	Not Applicable, being an Opportunity	Positive. Implementing effective energy management practices can help reduce energy consumption, lower operational costs and optimize equipment performance. This also helps us to be better prepared for compliance to future environmental regulations.
3	Human Rights	Risk	There is a greater awareness amongst all sections of the society and all stakeholders about Human rights. Any violation of Human rights may invite legal cases against the company and statutory fines. It may lead to loss of reputation and adverse effect on the morale of the employees/workers leading to reduced efficiency at work.	1. SFL has a dedicated human rights policy in line with the UN Guiding Principles, which has been implemented on shopfloor and corporate office (both permanent and contractual employees and workers) and also applies to our value chain partners. 2. The company is committed to cultivate a culture of zero tolerance towards human rights violations. Various aspects of Human Rights are covered in Code of Business Conduct, Human Rights Policy, Whistle Blower Policy, Policy of SFL towards Society, POSH policy and Diversity Equity and Inclusion Policy. These policies have been communicated to the employees through Internal ERP System and to other stakeholders through the Company website. 3. Training programs are regularly conducted to educate employees and workers on human rights . 4. Human rights assessment for identifying potential human rights issues and a due diligence process verifying the occurrence and impact of these issues is underway. 5. Robust grievance redressal mechanisms are in place to prevent workforce discrimination, sexual harassment, and ensure a free and fair working environment for employees	Negative. Human rights violations may lead to regulatory non-compliance and consequent penalties and legal cases. There could also be a negative financial fallout of loss of reputation.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Waste Management	Opportunity	In reducing, reusing or recycling waste, we have an opportunity to reduce inventory costs, comply with regulations, drive innovation for new products and contribute to a more circular economy. This not only benefits the company's bottom line but also strengthens its reputation and position in the market.	Not Applicable, being an Opportunity	Both Positive and Negative. There are increased costs associated with developing sustainable packaging alternatives. The reduction in packaging material or recycling and reusing will save expenditure. Additionally, these measures will be beneficial for reputation of the organization.
5	Human Capital Development	Opportunity	The success of the Company's operations relies upon the professional knowledge, technical skills, and managerial expertise of its corporate and divisional executive teams, as well as the employees. In the highly competitive market for skilled professionals as prevailing today, retention of trained employees or recruitment and training of suitable replacements will require significant investment of time and money.	Not Applicable, being an Opportunity	Positive. Human Capital Development can improve the skills and knowledge of employees. This can lead to increased productivity, improved product quality, and operational efficiency within the company.
6	Occupational Health & Safety	Risk	Poor occupational health and safety (OHS) performance has a direct negative impact on labor costs through lower productivity. Moreover, it can also affect SFL's reputation, impact staff morale or increase operating costs through fines and other contingent liabilities.	1. The company has implemented a clear policy on Occupational Health and Safety (OHS). It is accessible to all employees and workers on line. 2a. Training sessions for employees and workers are regularly conducted on safety procedures, compliance of regulations, and safe work practices to reduce accidents and foster a secure work environment, reduces accidents, and ensures adherence to regulatory requirements. 2b. As per the requirement of system safety training conducted by involving external faculty. 3. All employees at the manufacturing plants are equipped with Personal Protective Equipment in designated high risk areas and tasks.	Negative. Non-adherence to the health and safety protocols exposes the employees and workers to poor health and accidents that can cause loss of working hours, work efficiency or company property resulting in financial loss. Reputational loss and Compensation for accidents can further aggravate the financial loss.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				4a. Stringent safety audits are regularly conducted physically and reinforced through an extensive CCTV camera network across all units to ensure adherence to the health and safety precautions. 4b. Company also involves internal auditors to seek out the gaps in OHS management system and the compliance of the same is also ensured. 4c. External safety audits are also conducted so as to minimise the gaps if any and compliance of the same is also ensured by the units. 4d. The company has a KPI based modules for capturing and subsequent closures of the unsafe observations under this targets are given to each unit and follow ups weekly are ensured. 5. The Company has established an On-site Emergency Control Plan, incorporating government authorities and neighboring industries, which is rehearsed through bi-annual mock drills. 5a. In accordance with the reqmt and advisory of the districe adm, off site emergency mock drills are also conducted by involving the DA & NDRF.	
7	Product Quality & Safety	Risk	Product Quality and Safety risk can lead to product recalls, legal repercussions, and affect Company's reputation. It is crucial for us to not only maintain our own adherence to high standards but also ensure that our suppliers and partners uphold similar quality and safety practices.	1. SFL ensures that all produced foams meet the required quality standards and regulations e.g. Restriction of Hazardous Substances (RoHS) and REACH as per requirement. Stringent quality checks are carried out by the QED department for adherence to desired specifications. 2. The company has incorporated NeemFresche technology, sourced from sustainable coconut plantations. This innovative solution physically eliminates pathogens and by forming durable bonds with cellular structures of foams,	Positive. Enhancement of product quality leads to increase of brand value and building of good reputation. On the other hand, product rejections due to poor quality or lack of safety will have an adverse impact on the company and cause direct financial loss due to product recall/replacement and indirect financial loss due to loss of reputation.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				ensures continued protection even with prolonged use and frequent washes. Being a natural product, NeemFresche has no adverse environmental impact, making it safe for use without any leaching into the air, soil, or water. 3. Special Foams are produced to meet all additional safety requirements like, fire retardance and Noise absorption, as desired by the clients	
8	Water Management	Opportunity	Manufacturing Foam is not a Water intensive process, water is used only for the chemical mixing in production line and also used for domestic purposes.	Not Applicable, being an opportunity	Positive. Use of recycled water and low flow water fixtures results into lesser freshwater withdrawal through ground and third-party tankers, hence benefiting financially to the company.
9	Corporate Governance & Ethics	Risk	Adverse Financial and Reputational risks may arise due to unethical Business conduct and non-compliance to regulatory requirements.	1. SFL has a strong governance mechanism to cater to all the regulatory requirements from local and national government. 2. We have a dedicated business code of conduct policy which is applicable to all employees for ethical business conduct.	Positive. Ethical business practices and compliance to regulatory requirements will prevent non-compliances and potential regulatory fines from the government.
10	Innovation and R&D	Opportunity	Innovation and R&D is an integral part of our business. It creates an opportunity for SFL to expand its business in different markets and product areas. Innovation and R&D contributes to development of new products, as also new tools, techniques, processes and technologies that are more efficient in foam production.	Not Applicable, being an opportunity.	Positive in the long run though initially it will require investment of money for research facility and material. Innovation and R&D will lead to financial benefits to the company by optimizing the existing manufacturing process and exploring new products lines in foam market to increase the overall revenue of the company.
11	Transparency & Reporting	Risk	Failure in correct, complete and timely regulatory reporting and disclosures will lead to loss of trust among company's investors and consumers. lack of transparency to the internal as well as external stakeholders will shake their confidence in the Company and harm its reputation.	SFL ensures timely regulatory reporting and disclosure of all the necessary details to its internal and external stakeholders through company website and annual reports.	Timely reporting and transparency will build the trust of investors, consumers, and government authorities in the company, leading to a positive financial impact and creating brand value. Financial loss due to potential regulatory fines will be avoided.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Consumer Relationship management	Risk	Managing good relationship with consumers is vital for SFL's business. Feedback from consumers can help the company improve the product quality and delivery. Improper consumer feedback management may lead to decline in SFL's business and can affect the reputation of the company	SFL has a dedicated mechanism/customer help line channel to address consumer grievances and collect consumer feedbacks. The company analyses these inputs to improve company's products and services.	A good relationship management system will increase consumer's trust in the company's products and services and build positive reputation leading to business growth with financial gain to the company.
13	Product Stewardship	Opportunity	Product design and manufacturing in a manner that minimize the product's environmental impact throughout its life cycle is important to meet the growing demand for sustainable products. Environmentally conscientious investors and consumers will factor in such considerations in their decisions in future.	Not Applicable, being an opportunity.	Positive in the long run. Sustainable product stewardship will help the company become more environmentally responsible, improving its reputation and generating long-term revenue.
14	Corporate Social Responsibility	Opportunity	Corporate Social Responsibility provides a competitive advantage to the company against small foam manufacturing companies that have mushroomed in the country. Engagement of community through various development projects, emotional wellness workshops and skill development programmes, while enabling us to fulfil a social obligation, help improve visibility and brand image.	Not Applicable, being an opportunity.	Positive. These initiatives will help SFL stand out from its competition and it also improves the brand image of the company which in turn will increase the revenue of the company.
15	Responsible Supply Chain Management.	Opportunity	Through a responsible supply chain management, with focus on a sustainable supply chain, SFL can reduce their Scope 3 emissions. The company will also be able to cut down transportation costs through transport using cheaper fuels, reduce waste by engaging bulk containers and gain in reputation.	Not Applicable, being an opportunity.	Positive. Initiatives on responsible supply chain management provides a competitive edge to the company by earning the trust of its investors and consumers, hence increasing the revenue of the company.

Sr. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16	Diversity & Inclusion	Opportunity	Diversity provides a healthier work place environment and enables benefiting from the strengths inherent in each of the diverse groups. Varied experiences and expertise in the employees and the Board helps the management take more reasoned decisions. Inclusivity helps fulfil a social obligation, tap full potential of employees and workers. Diversity and Inclusion are important contributors to the image of the company among the Government, Investors and the consumers	Not Applicable, being an opportunity.	Positive. Increase in diversity and inclusion will help increase the trust of internal and external stakeholders in the company which will benefit the business and provides financial stability.
17	Sustainable raw materials	Opportunity	Global consumer-facing brands are aggressively pivoting toward sustainable sourcing to meet net-zero commitments. SFL is uniquely positioned to capture this growing market share by leveraging our advanced R&D capabilities to develop high-performance, eco-friendly alternatives that meet stringent brand specifications.	Not Applicable, being an opportunity	Positive. Scaling our sustainable material portfolio is expected to drive top-line growth, secure long-term business opportunities with premium global brands, and enhance margin resilience through value-added, sustainable product offerings.

SECTION B:**MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Code of Conduct ; Anti Corruption and Anti Bribery Policy; ESG Policy	Sustainable Procurement Policy; Supplier's Code of Conduct	OHS Policy; Human Resource Policies; Leave Policy; ESG Policy; DEI Policy, POSH Policy; Vigil Mechanism and Whistleblower Policy	CSR Policy;	Human Rights Policy; Anti Discrimination Policy; DEI Policy, Vigil Mechanism and Whistleblower Policy; POSH Policy	ESG Policy	Policy of Sheela Foam Ltd towards society	CSR Policy; DEI Policy	Cyber Security & data Privacy Policy (IT Policy);
b. Has the policy been approved by the Board? (Yes/No)	All Policies have been approved by the Board / functional heads, depending on the nature of the policy.								
c. Web Link of the Policies, if available	All policies relevant only to the employees are available on Company's Intranet. All policies of relevance to external stakeholders are available at our website at https://www.sheelafoam.com/corporate-governance#policies								
2 Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company procedures have been set up in line with the respective policies. These include- recruitment, performance appraisal, promotion, training, Workplace Safety drills and procedures, functioning of Internal Core Committee for grievance redressal, customer care organisation, frequent interaction with the channel partners, market surveys, Research and development into sustainable products, periodic risk assessment, Healthcare and wellbeing of employees, digital compliance monitoring, integrated ESG structure in the organisation etc. There has been a sustained drive to reduce all types of waste, conserve water and electricity and to work towards carbon offset through tree plantation and increasing use of renewable energy.								
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the relevant aspects from the company policies covering the NGRBC principles have been incorporated in the Suppliers Code of Conduct of the Company and these aspects are considered during the selection of Suppliers.								
4 Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949, LEED Platinum Certificate for corporate office, SEDEX, BIS Product Certification License IS 7953: 1975, SO 27001:2013- Information Security Management System, Scope Provision of Information security for IT Software Development, System Integration and maintenance Services ; ISO 9001:2015:QMS, Scope-IT Software Development, System Integration and maintenance Services; ISO 20000-1: 2018 - IT Service Management, Scope- IT Software Development, System Integration and maintenance Services								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	Commitments and goals. The targets set by SFL are as follows: - Solar energy generation by setup 1.5MW solar capacity by 2030. - The Company will reduce waste generation specially plastic waste through concerted efforts to reduce, reuse and recycle plastic packaging. Reduce process waste to 13% by 2030. - Reduce water intensity by 2% in FY27 and reach 10% reduction by 2030. - Plant 500 trees for next year and set up rain water harvesting where feasible - Obtain ISO 45001 for OHS by 2030. - Increase Female workforce Participation from 6% (FY25)to 10%(FY30) - We will increase water recycling through addition and augmentation of Sewage Treatment Plants								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Targets of 2025-26. Following was achieved (a) A 500 kWh Solar Power Project has been completed and working properly. (b) Approx 1500 saplings were planted during this year. We achieved reduction of 2% water intensity from 0.85KL/MT. New STP is operationalise of 30KLD in NGM unit. Ground water recharge was done through new rain water harvesting system at GNA. Note: Merger of Kurlon with Sheelafoam was expected to be completed in 2024-25. The targets were set with the same in mind. However the merger could not be completed in 2024-25. The reorganisation of units during the merger process and additional infrastructure works at many plants took place.								

Governance, Leadership and Oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Mr. Tushaar Gautam (Vice Chairman & Joint Managing Director):

Sheela Foam's commitment to responsible business conduct and sustainability continues to be rooted in the Company's vision and core values. Over more than five decades, we have focused on developing products that provide comfort and support to our customers while steadily improving their durability, safety and environmental performance through greener raw materials, cleaner technologies and better manufacturing processes. In the year under review, our sustainability journey progressed further as we deepened integration of ESG considerations into operations, supply chains and product development.

During the year, we strengthened our environmental performance on multiple fronts. We scaled up production on our Variable Pressure Foaming technology, increasing the share of this cleaner and more efficient process in our overall output. Our greening efforts were reinforced through plantation of more than sixteen hundred (1600) saplings across our locations, and the successful completion and operation of a five hundred (500) kilowatt peak solar power project at our Jabalpur plant has added to the share of renewable energy in our power mix.

Our focus on circularity and resource efficiency continued to deepen. We increased the use of sustainable materials such as recycled coir, bio-based polyols, recycled foam and natural latex in our products, while reducing process and plastic waste. Through our Extended Producer Responsibility initiatives, around 1,006 metric tonnes of plastic waste was collected and recycled during the year. Water conservation also remained a priority, supported by optimisation of sewage treatment facilities and commissioning of an additional plant at Nandigram to improve treated water reuse.

On the social front, we strengthened people processes and robust future leadership pipeline. Manual processes were increasingly transitioned to digital platforms, especially in talent identification, while succession planning was reinforced through cadre-building programmes and focused recruitment from leading management colleges. Following the implementation of the New Labour Code, the Company also remained proactive in adopting the required changes in a timely manner. Female representation in our workforce increased materially compared to the previous year.

Through the Sleepwell Foundation, our community development initiatives continued to be impactful. During the year, 19,239 participants, including a higher share of women, benefited from Wellness Workshops and Professional Skill programmes. Wellness awareness programmes through social media also expanded, with 23 video reels reaching 31.6 million viewers. In addition, the Foundation trained 847 men and women through courses such as Armed Forces Training, coding and web designing, IT skills, fashion designing and paramedical programmes, and 423 trainees secured placements or employment.

We also continued to strengthen stakeholder engagement by encouraging vendors and distributors to advance their ESG journeys alongside us. At the same time, customer service levels improved further, with complaint resolution timelines reducing significantly.

Our Board is committed to high level of governance and compliance. To continue our ESG journey in the coming years, our Company is well aligned with the global Sustainable Development Goals and the National Guidelines on Responsible Business Conduct. Enhancement of renewable energy, further reduction of waste and water intensity, development of sustainable products, deeper community engagement through the Sleepwell Foundation, and stronger collaboration with our value chain partners.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Tushaar Gautam, Vice Chairman & Joint Managing Director
9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The 'Risk Management and ESG committee' at the Board level is responsible for decision making on sustainability related issues. It comprises of four members:- Chairperson : Lt Gen (Dr) Vijay Kumar Ahluwalia*, Independent Director Chairperson: Mr. Som Mittal#, Independent Director Member : Mr. Rakesh Chahar, Deputy Managing Director (Whole-Time Director) Member : Mr. Tushaar Gautam, Vice-Chairman & Joint Managing Director Mr. Santosh Madhusudhan Khatelsal is the ESG controller

*Ceased to serve as a Director upon completion of tenure on 4 March 2026.

#Current Chairperson of the ESG Committee

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All Policies have been approved by the Board / functional heads, depending on the nature of the policy. Policies are reviewed as and when required to accommodate relevant feedback from our stakeholders and any new laws and regulations promulgated by the Government. During the year, Whistleblower Policy and the Leave policy were reviewed by the Management.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all relevant statutory laws and regulations and compliance monitoring is done regularly through a third party along with review by the Audit Committee on a quarterly basis.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency	No, however, the Managing Director, in conjunction with the Board, oversees the implementation of policies. These policies undergo regular review, either in accordance with statutory mandates or as deemed necessary based on organizational needs. However policies or documents which needed vetting in line with new Labor codes were evaluated by an external Agency (Willis Tower Watson) to ensure compliance.								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Not applicable since the policies and procedures of the Company cover all principles of NGRBC.

SECTION C:**PRINCIPLE WISE PERFORMANCE DISCLOSURE****PRINCIPLE 1:**

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	2	*Code of Conduct; POSH ;	100%
Key Management Personnel	3	- Driving the Culture of High Performance - Gen AI Training - TOC	100%
Employees other than BODs and KMPs	77	Demystifying Performance Management; Culture Sensitization and Team Building; SFL Values Workshop for Kurlon Team; MYR Workshop for Managers; Learning Journey for the COCO Store Executives; Operational Excellence (5S, TQM, Safety, Kaizen); Emotional Wellbeing; RISE: “Mid Career” Women Development Program; Unleashing Growth Potential - B2B Business; Managerial Orientation Program; Customer Experience Mastery; HR Skill Enhancement; Gen AI Training; Intermediate & Advance WPS Training	100%
Workers	90	Code of Conduct; POSH ; 5S- Adherence Awareness & Ssqc (8); Awareness on waste and Identification (6); Communication skill (1); Continual Improvement (2); Effect of Defect(3); Effective use of PPE and Unsafe condition(6); Security Code of Conduct (1); Chemical handling(1); Fire Safety Training (4); Awareness of Quality Policy (2); Behavioural Based safety training (1)	100%

* Code of conduct and POSH awareness modules accessible to all employees on the ERP

2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding fee			Nil		

b. non-Monetary				
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment			Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the company has anti-corruption(including anti bribery)policies which is accessible to all the stakeholders on the company website. Weblink is <https://www.sheelafoam.com/corporate-governance#policies>. An internal Complaints Committee has been constituted and safeguards for protection of the complainant from any adverse consequences and measures to ensure confidentiality in respect of the complainant and the accused person are laid out in the Whistleblower policy.

This policy is also align with Code of Conduct signed by all employees and permanent workers annually. The company has zero tolerance towards bribery and corruptions.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Topic	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables {(Accounts payable*365) / Cost of goods/services procured}

	Current Financial Year	Previous Financial Year
Number of days of accounts payable	71	57

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties in the format provided

Parameter	Metrics	Current Financial Year	Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	6.4%	10%
	b. Number of trading houses where purchases are made from	6	9
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales	a. Sales to dealers/ distributors as a % of total sales	83%	75%
	b. Number of dealers/ distributors to whom sales are made	108	110
	c. Sales to top 10 dealers/ distributors as a % of total sales to dealers/ distributors	29%	28%
Share of RPT's in	a. Purchases (Purchases with related parties/ Total purchases)	0.00%	0.01%
	b. Sales (Sales with related parties/ Total Sales)	0.83%	0.82%
	c. Loans & Advances (Loans & Advances given to related parties/ Total loans & advances)	95.89%	96.52%
	d. Investments (Investments in related parties/ Total Investments made)	83.68%	57.08%

LEADERSHIP INDICATORS**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
2 Awareness Programmes (through email)	Topics: Significance of ESG for business, Major aspects under each of the three pillars of ESG, Data on Salient Energy and Water conservation measures Impact: A sense of willingness amongst value chain partners to work together towards sustainability	Upstream: 18.1 % of suppliers Downstream: 100% of Distributors,

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. It states that “ The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved. The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company. The Executive Director(s), Key Managerial Personnel and the Senior Management Personnel shall not take up any outside Employment.”

The Code of Conduct can be accessed at: <https://www.sheelafam.com/corporate-governance#policies>

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of Improvement in Social and Environmental aspects
Research & Development (R&D)	~₹ 14 Lacs	~₹ 17 Lacs	- Bio based Foam development for shoe Industry - Recycle polyol based development for shoes Industry - Recycle content based development for shoe industry - Machine trial for GRS Audit 20% Recycle content grade - External Testing lab Expenses Aviation, Acoustics, Lamination, Railway - External Test expense for Australia Plant Chemical development
Capital Expenditure (CAPEX)	~ ₹ 0.12 Lacs	~ ₹ 10 Lacs	- Instrument purchase for Glow Tech project - Hand mixer for viscous liquid or mixture for lab.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the organization has a sustainable sourcing policy. We carefully select and onboard vendors with robust infrastructure and good manufacturing practices through a supplier assessment checklist and an annual assessment of registered vendors. We strive to enhance sustainable vendor infrastructure and processes by undertaking steps like solvent less lamination in packaging, using compliant granules and inks, maintaining machines and Effluent Treatment Plants effectively, minimizing color dyeing in fabrics, and sourcing foaming inputs from reputable industry leaders. In the current year, we have further strengthened sustainable sourcing by reducing water usage in coir processing through sprinkling systems, utilizing coir dust in compressed briquettes for brick kilns, shifting to low-ammonia latex (0.2%) and insisting on ETP compliance at latex plants, promoting EPE made with recycled LDPE, preferring fabrics with less colour and non-printed designs to avoid dyeing and printing, encouraging vendors located closer to our plants, supporting conversion of fossil fuel-based processes to LPG/PNG, and asking suppliers to use recycled master batch plastic in place of virgin plastic for woven bags

b. If yes, what percentage of inputs were sourced sustainably?

90 % of raw and packaging materials were sourced sustainably. A 5% increase from last year was achieved by making purchases directly from leading manufacturers instead of traders.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging): As a brand owner, we ensure that the plastic waste produced during our manufacturing process (including packaging) is recycled through a government-registered vendor, centrally under EPR.

(b) E-waste: Not Applicable in case of our products.

(c) Hazardous waste: We have been procuring TDI largely in bulk quantity through tanker and some quantity in drums. Since empty drums contain stains of TDI therefore we take utmost care and sell them to government authorized agencies only, who further recycle the same after cleaning.

(d) Other waste: (i) The wastepaper generated in the production process and from the units are being sold to authorized vendors, who further use it for making of molded paper products like plates & bowl etc. (ii) The waste foam- (offcuts/trims) generated from the production process is sold out to recycling vendor(s) who further uses them in the production of rebonded foam mattresses. (iii) Units segregate all waste and store it separately for further disposal as per their nature. (iv) All non-hazardous waste is being sold out to local scrap dealers only.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the company and a EPR plan is available in place for waste collection. SFL in collaboration with Indian Pollution Control Association has collected and recycled approx 1006 MT of plastic waste to ensure EPR compliance this year. As a leading manufacturer in the foam industry, it is important that we ensure the safe disposal of pre-consumer and post-consumer packaging.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Environmental and Social impacts of our products have not been assessed through LCA. There is however, no social impact. Environmental impacts are internally assessed and addressed by taking various environmentally friendly initiatives.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Recycled Fiber Pillows	100%	100%
Re-bonded Foam	91%	91%
Rubberised Coir Sheet	98%	98%
Reinforced Bonded Sheet	98%	98%
Extended Polyethylene Sheet	99%	98%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	The Company disposes its packaging waste through authorized vendors and recyclers, ensuring no landfills of the waste disposed.					
E-waste	Not Applicable					
Hazardous waste	The company is collaborating with the industry to find a practical solution for reclaiming products at end of life, which poses challenges of collection from dispersed individual customers, non-availability of vendors for segregation of components and non-availability of environment friendly disposal facilities. However majority of products due to their nature (mattresses, pillows and cushions etc.), have long in-use life and reusable multiple number of times.					
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	Health & Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent									
Male	1381	1381	100%	NA	NA	Nil	Nil	Nil	Nil
Female	98	98	100%	98	100%	NA	NA	Nil	Nil
Total	1479	1479	100%	98	100%	Nil	Nil	Nil	Nil
Other than Permanent (Contractual)									
Male	230	230	100%	NA	NA	Nil	Nil	Nil	Nil
Female	21	21	100%	21	100%	NA	NA	Nil	Nil
Total	251	21	100%	21	100%	Nil	Nil	Nil	Nil

***Note** – The Company is in compliance with the Maternity Benefit (Amendment) Act, 2017. Paternity leave has been introduced from 2025.

b. Details of measures for the well-being of workers:

Category	Total (A)	Health & Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		Number (B)	%(B / A)	Number (C)	%(C / A)	Number	%	Number (B)	%(B / A)
Permanent									
Male	1730	1730	100%	NA	NA	Nil	Nil	Nil	Nil
Female	91	91	100%	91	100%	NA	NA	Nil	Nil
Total	1821	1821	100%	91	100%	Nil	Nil	Nil	Nil
Other than Permanent (Contractual)									
Male	2087	2087	100%	NA	NA	Nil	Nil	Nil	Nil
Female	216	216	100%	216	100%	NA	NA	Nil	Nil
Total	2303	2303	100%	216	100%	Nil	Nil	Nil	Nil

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	10.9 %	10.5 %

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Sr. No.	Benefits	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Y	100%	100%	Y
2	Gratuity	100%	100%	NA	100%	100%	NA
3	ESI	100%	100%	Y	100%	100%	Y
4	Others - please specify	-	-	-	-	-	-

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

SFL understands the special needs of differently abled employees. The premises/facilities have been made accessible as per the needs and the roles for the differently abled persons employed by the company. We are committed to the Rights of Persons with Disabilities Act, 2016 and to provide for and fulfil the requirements of all differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an Anti Discrimination Policy and a DEI policy which cover the relevant aspects of the Act. These policies stress on Sheela Foam being an “equal opportunity employer”. The Anti Discrimination policy states that Sheela Foam is an “equal opportunity employer.” Sheela Foam will not discriminate and will take “affirmative action” measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of race, creed, color, national origin, or gender. Internal policies are accessible on the intranet to all employees. Relevant policies are also available on the company website for information of all stakeholders.

<https://www.sheelafoam.com/corporate-governance#policies>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The company has an Employees Grievance Redressal Policy in place internally available to all employees and workers. An employee may face any problem or has concern about his/her work, working environment, or working relationships that he/she wish to raise with someone in the organization. The Company encourages free communication between the employee and the Supervisor / Manager / Head of Function to ensure such problems and concerns can be resolved in the quickest and fairest possible way and at the lowest possible level within the organization. The mechanism has 3 stages of escalation and grievance raised is treated in the strictest of confidence.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	Nil			Nil		
Female						
Others						
Total						
Permanent Workers						
Male	1730	284	16%	1734	197	11%
Female	91	31	34%	85	29	34%
Others	-	-	-	-	-	-
Total	1821	315	17 %	1819	226	12%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current FY)					FY 2024-25 (Previous FY)				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (D)	On Health & Safety measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	%(C/A)		No. (E)	% (B / A)	No.(F)	%(F/D)
Employees										
Male	1381	1381	100%	1381	100%	1309	1309	100%	1309	100%
Female	98	98	100%	98	100%	91	91	100%	91	100%
Total	1479	1479	100%	1479	100%	1400	1400	100%	1400	100%
Workers										
Male	1730	1730	100%	1730	100%	1734	1734	100%	1734	100%
Female	91	91	100%	91	100%	85	85	100%	85	100%
Total	1821	1821	100%	1821	100%	1819	1819	100%	1819	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Employees						
Male	1381	1381	100%	1309	1309	100%
Female	98	98	100%	91	91	100%
Total	1479	1479	100%	1400	1400	100%
Workers						
Male	1730	1730	100%	1734	1734	100%
Female	91	91	100%	85	85	100%
Total	1821	1821	100%	1819	1819	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes
a. 1What is the coverage of such system?	All employees and workers including contractual workers.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Work-related hazards are identified through internal safety audits, ERP-based hazard reporting and closure, surveillance-based monitoring, checklists, SOPs, work permit systems, regular safety committee meetings, and suggestion boxes. The Company also conducts physical internal safety audits, external safety audits, and KPI-based tracking of unsafe observations and closures.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Workers can report work-related hazards through safety committees, ERP-based systems, and suggestion boxes, and worker participation is ensured through the safety committees.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. Non-occupational medical and healthcare services exist for all category of employees including company and contractual workforce.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Man Power	1.06	0.38
Total recordable work-related injuries	Employees	6	1
	Workers	97	67
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NA	NA
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company maintains a robust safety management framework across all manufacturing units. Daily toolbox talks, fortnightly on-the-job trainings, and a structured monthly safety training calendar are conducted to build awareness on workplace hazards and preventive measures. Behavioural safety programs further reinforce a safety-first culture.

All facilities are equipped with adequate fire protection systems and operate under a documented On-site Emergency Control Plan, supported by periodic mock drills to assess preparedness.

Mandatory use of Personal Protective Equipment (PPE) is enforced, and clear demarcation of pathways ensures safe movement within plant premises. A centralized surveillance system with CCTV monitoring enables continuous oversight of compliance with safety, fire, and security protocols, supplemented by regular audits.

Safety protocols extend to contractors, value chain partners, and visitors within Company premises.

The Company remains committed to fostering a proactive and sustainable culture of safety and well-being across its operations.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	NA	-	0	NA	-
Health & Safety	0	NA	-	0	NA	-

Note:- The employees and workers can submit any complaints/suggestions through Suggestion Boxes kept in the plants, HR Helpdesk on ERP and online through I-Connect web based Application

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Note: All plants are regularly assessed by internal OH&S Teams. In addition, Factory Inspector from the Government and External Audit teams employed by the Company assesses the plants for compliance to the Factories Act from time to time

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Near misses are reported. To prevent the recurrence, corrective actions are carried out. A number of actions taken have been reported in previous years' reports. Following actions were taken this year:-

1. UPS based electric power was given to the reticulation chamber so as to prevent the unintentional/ unwanted blasts happening over there. Issue resolved permanently.
2. Provision of the placement of chequered plate on the platform of transport vehicle was implemented as the tyre of the forklift was stuck in the platform.
3. Uncured small blocks were placed on the top of other uncured blocks. To prevent the recurrence, procedure was changed.
4. Long block fell on other long blocks. To prevent the recurrence, procedure changed.

LEADERSHIP INDICATORS**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employees - Yes , for all permanent employees; (B) Workers- Yes, for all permanent workers

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company is compliant with deduction of statutory dues of employees towards income tax, provident fund, ESIC etc. as applicable from time to time. Value chain partners (vendors, distributors) are also encouraged to comply as per the business agreements with the Company.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)	FY 2025-26 (Current FY)	FY 2024-25 (Previous FY)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

The Company currently does not have a formal transition assistance program in place to facilitate continued employability or career transition post-retirement or termination, unless the contract is extended for a certain tenure. However, employees are supported through standard HR processes, including notice period management and relevant documentation, to ensure a smooth separation.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	75%
Working Conditions	Vendor visits are done and assessed the compliance related to health and safety practices

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Based on assessments of health and safety practices and working conditions of key value chain partners, the Company has advised and is facilitating corrective actions such as installation and upgradation of fire-fighting systems, improvement of shop-floor working conditions (ventilation, lighting, housekeeping and welfare facilities), pursuing relevant ISO standards and closing statutory compliance gaps, shifting operations to compliant premises where required, adoption of energy-efficient and safety sensors in plants, and strengthening pollution-control systems at fabric manufacturers to meet applicable environmental norms.

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS**1. Describe the processes for identifying key stakeholder groups of the entity:**

SFL has mapped its internal and external stakeholders and based on the valuation provided in the value chain and relevance for the organization, the major/ key categories include:

- Investors
- Shareholders
- Employees
- Customers
- Community organizations/ NGOs
- Vendors / Suppliers / Contractors of goods and services
- Distributors & dealers
- Government & Regulatory Authority

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	Website, Shareholder Meetings, Email, Central Telephone Number, Notice, Newspaper	Quarterly	1. Awareness (Q&A) session on performance and results of the company 2. Annual General Meeting
Investor	No	Email, Website, SMS, Newspaper, Notice, Virtual and Physical Meetings, Stock Exchange	Regularly	1. Financial Results 2. Business Outlook 3. Annual General Meeting 4. Key Risks 5. Resolve queries received from investors.
Employees and workers	No	ERP, Email, SMS, Telephone, Virtual calls, In-person meetings, internal events, Townhall Meetings and Notice Board.	Ongoing Basis	1. Relevant business communications 2. Career, learning and growth 3. HR Policies & Practices, health and safety, skill upgradation 4. Grievances and remunerations
Customers	No	Stores, Experience, Advertising, Newspaper, pamphlets, Hoarding/banner, SMS, website, phone	As and when required	1. Brand Awareness 2. Offers 3. New Product Developments 4. Addressing Customer Queries and Grievances 5. Feedback on Products and services
Community organizations / NGOs	Yes	Need assessments for CSR projects through surveys and focused group discussions	As and when required	1. Assessment of community needs 2. Selection of new projects based on needs 3. Monitoring and evaluation of on-going projects

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors / Suppliers / Contractors of goods and services	No	Physical meetings, Emails, Telephone	Frequent and as may be required	1. New business opportunities 2. Query Resolution & Grievance Redressal. 3. Supplier performance assessment. 4. Addressing non-compliance issues 5. Signing / breach of contract.
Distributors and dealers	No	Physical meetings, Emails, Telephone, conferences	Frequent and as may be required	1. Query Resolution & Grievance Redressal. 2. Distributor's performance assessment. 3. Addressing non-compliance issues.
Business Partners (Suppliers, Dealers/ Distributors/ etc.)	No	Emails, Dealer Meets, Telephone, Physical Meetings, Conferences	As and when required	1. Sales and Marketing Plans 2. Distributors performance assessment 3. Addressing noncompliance issue 4. Supply Chain 5. Quality
Government and regulatory authorities	No	Written communications, Presentations, Industry associations, websites, advertisements	Frequent and as may be required	1. Compliance with National and Local regulations 2. Permissions/ Approvals on various regulatory requirements 3. Seeking clarifications and relaxations 4. Communicating Challenges

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Company has in place a Stakeholders Relationship Committee ("SRC") of the Board constituted for speedy redressal of grievances/ complaints relating to stakeholders / investors.
- The Board & the CSR Committee engages with stakeholders through structured reporting from the ESG (Environmental, Social, and Governance) Committee and regular stakeholder forums. When consultation is delegated to management, feedback is synthesized into quarterly briefing reports or dedicated board agenda items to ensure direct oversight of material issues.

Corporate Social Responsibility Committee of the Board identifies CSR activities to be undertaken by the Company, affecting communities in areas or subjects as specified in Schedule VII of the Act and Rules made thereunder. Further, a dedicated email id is also available for community/ NGOs to register their grievances.

- The Company has also constituted a Risk Management Committee to identify elements of risk in different areas of operations including the ESG risks. The committee evaluates significant risk exposures of the company through regular meetings with the Department heads in the Company and assesses management's actions to mitigate the exposures in a timely manner. This also includes the ESG Risks. The observations of each of these Committees are duly intimated to the Board at its respective meeting.
- Value Chain Partners may register their complaints / grievances / concerns directly with the head of the concerned department of the Company.
- All employees of the Company have direct access to the Chairman of the Audit Committee under the Vigil Mechanism implemented by the Company through which Directors, Senior Management & Employees may report breach of Code of Conduct including Code of Conduct for Insider Trading, unethical business practices, illegality, fraud, corruption, leak of unpublished price sensitive information pertaining to the Company etc. at workplace without fear of reprisal.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The ESG champions and the environment committee set up could be included. Any regular meetings, public forums, surveys and other forms of communication with distributors and suppliers may be added.

Materiality assessment through consultation with vendors. May include regular consultation amongst environment committee and Kaizens in consultation to reduce waste. Compliances in consultation with the PCBs.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

EMOTIONAL WELLNESS PROGRAMMES:

(A) Workshops - Online & Offline Workshops on PAN India Basis

Sleepwell Foundation has been driving change through its initiatives in the field of Emotional Wellness and Skill Development. Emotional distress is rising at an alarming rate, driven by societal and self-imposed pressures, along with the grind culture, leading to issues like anxiety, stress, depression, and other serious ailments. To equip participants with practical strategies and tools for managing emotions, recognizing issues early, and addressing them proactively to prevent long-term ailments Sleepwell Foundation has been conducting Emotional Wellness Workshops on a number of topics which are relevant to the present time.

We have designed unique modules to cover almost all age group and segments of the society like children, youth, students, teachers, workers, professionals and house-wives etc. Topics include Gender Sensitization, Prevention of Bullying, Stress Management, Menstrual Health, Understanding Addiction, Coping with Depression, Prevention of Suicide, Relationship Issues, Domestic Violence and Act Clean.

Conducted 272 workshops, directly benefiting 17,501 people.

(B) Awareness Programme through Social Media Video reels

Further, we have been reaching out to a much wider audience through our Social Media films “Baatein Dil Ki”, 23 episodes in 2025-26 on relevant topics. “Baatein Dil Ki” addressing the urgent need for emotional and mental health support when we were unable to conduct offline workshops.

Through our social media reels “Zindagi with Richa” we have been sharing the inspiring stories of everyday heroes who have faced tough challenges but still made a real difference in their life and in life of communities. These stories celebrate resilience, emotional strength and transformation, encouraging viewers to recognize their own power to create change. In the financial year 13 episodes have been released.

Reach during the year 2025-26 : 31.6+ Millions

SKILL DEVELOPMENT CENTRE IN KHURJA :

Established in Village Mirpur, on the outskirts of Khurja (UP), the Centre serves as a vital hub for vocational empowerment. By aligning its curriculum with the National Skill Development Corporation (NSDC) and Vocation Degree Programmes of UGC recognised Universities like Mangalayatan and Bir Tikendrajit Universities, the Skill Development Centre programmes directly address regional skill gaps and advances the ‘Skilled India’ vision.

Courses Run: Paramedical, Beautician, Fashion Designing, Software Development, Basic Computer, Tally, Physical Training & Theory classes for Competitive Examinations in Armed Forces, State Police and other uniformed Services.

In 2025-26, we successfully trained 956 rural youth with over 423 securing gainful employment / self-employment.

EDUCATION :

Adopted Smt Sheela Gautam Intercollege in Aligarh with a long term vision to develop it into a model school over a few years. The initiative focuses on strengthening teachers capabilities, upgrading infrastructure, integrating digital learning and enhancing academic outcomes. The school has 520 boys & girls in 1st to 12th class.

CSR Activities near Sheela Foam Plants We have been conducting CSR activities in schools near our manufacturing plants. We have been consistently implementing Corporate Social Responsibility (CSR) initiatives in schools located near our manufacturing facilities. We aim to create long-term impact through sustained interventions over a period of 3-5 years, ultimately transforming these institutions into model schools.

During the financial year 2025-26, the following key initiatives were undertaken:

- Donated 30 dual desks to Saraswati Sishu Vidya Mandir, Bhubaneswar, Odisha, to improve classroom infrastructure.
- Constructed a multi purpose hall at Panchayat Union Primary School, Ingur, Tamil Nadu, enhancing the mid-day meal & other activities for students.
- Upgraded infrastructure at Jhanjupara Primary School, Jalpaiguri, West Bengal, by installing an RO water cooler and ceiling fans and electrical repair.
- Repaired the mid-day meal kitchen at Government Girls Senior Secondary School, Nahan, Himachal Pradesh, ensuring a safer and more hygienic cooking environment.
- Celebrated Children's Day across multiple schools near Sheela Foam plants, fostering joy and engagement among students.

PRINCIPLE 5:

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1479	1479	100%	1400	1400	100%
Other than permanent	251	251	100%	90	90	100%
Total Employees	1730	1730	100%	1490	1490	100%
Workers						
Permanent	1821	1821	100%	1819	1819	100%
Other than permanent	2303	2303	100%	2746	2746	100%
Total Workers	4124	4124	100%	4565	4565	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total Count in Current FY	Number of Employees Paid Minimum wage	% age of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% age of Employees Paid more than Minimum wage	Total Count in Previous FY	Number of Employees Paid Minimum wage	% age of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% age of Employees Paid more than Minimum wage
Employees										
Permanent										
Male	1381	-	-	1381	100%	1757	-	-	1757	100%
Female	98	-	-	98	100%	91	-	-	91	100%
Other than permanent										
Male	230	-	-	230	100%	82	-	-	82	100%
Female	21	-	-	21	100%	08	-	-	08	100%
Workers										
Permanent										
Male	1730	-	-	1730	100%	1734	-	-	1734	100%
Female	91	-	-	91	100%	85	-	-	85	100%
Other than Permanent										
Male	2087	-	-	2087	100%	2619	-	-	2619	100%
Female	216	-	-	216	100%	127	-	-	127	100%

3. a. Details of remuneration/salary/wages, in the following:

	Male		Female	
	No.	Median remuneration/ salary/ wages of respective category (INR)	No.	Median remuneration/ salary/ wages of respective category (INR)
Board of Directors	6	1,39,38,678	2	92,21,058
Key Managerial Personnel (1)	5	1,48,90,081	1	1,52,94,878
Employees other than BoD and KMP	1376	6,83,880	97	8,61,012
Workers	1730	3,08,628	91	3,21,312

Note: *BODs include Executive Directors and Independent directors

*KMPs definition as per Companies Act, 2013

Note: The remuneration of Directors does not include the remuneration of Vijay Kumar Ahluwalia, as he ceased to be a Director with effect from 04 March 2026.

b. Gross wages paid to females as % of total wages paid by the entity:

Particulars	Current FY2025-26	Previous FY2024-25
Gross wages paid to females as % of total wages.	7.75 %	8.88 %

Note: A proportionately larger number of male employees have joined in higher pay grade

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company Chief Human Resource Officer (CHRO) is the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business. The Risk management and ESG Committee oversees the assessment and implementation of any measures to mitigate the impact.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Internal mechanisms to redress grievances related to human rights issues

The Company has established a structured and transparent grievance redressal mechanism to address concerns related to human rights, including discrimination, harassment, unfair treatment, and workplace conduct. These mechanisms are anchored in the Company's Code of Conduct (CoC), Whistleblower Policy, Anti-Discrimination Policy, and POSH framework.

Employees and stakeholders can raise concerns through multiple channels, including reporting to their immediate manager, HR Business Partner, designated ethics/whistleblower channels (including email/portal), or directly to the Internal Complaints Committee (ICC) in cases of sexual harassment.

The grievance redressal process follows a defined four-level escalation framework:

Level 1 - Immediate Supervisor/Manager:

Concerns are first encouraged to be raised with the reporting manager for prompt resolution at the local level.

Level 2 - HR Business Partner/Functional HR:

If unresolved or where escalation is required, the matter can be taken up with HR, who facilitates impartial review and resolution.

Level 3 - Ethics/Whistleblower Committee or ICC (as applicable):

Sensitive matters, including human rights violations, discrimination, or harassment, can be escalated through formal whistleblower channels or to the ICC (for POSH-related complaints). These are handled with confidentiality, independence, and due process.

Level 4 - Senior Management/Board-level Oversight:

Cases of significant impact or unresolved matters are escalated to senior leadership or the designated Board-level committee for final review and direction.

All complaints are handled in a time-bound manner, ensuring confidentiality and protection against retaliation. Appropriate corrective and disciplinary actions are taken based on the findings, in line with Company policies and applicable laws.

Through this multi-channel and multi-level framework, the Company ensures accessible, fair, and effective redressal of human rights-related grievances.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Parameters	Current FY	Previous FY
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).	1	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has in place an Anti-Sexual Harassment Policy aligned with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act), reinforcing its commitment to a safe and respectful workplace.

An Internal Complaints Committee (ICC) has been constituted to address complaints in a fair, timely, and confidential manner. The Company maintains a zero-tolerance approach towards retaliation; any adverse action against individuals reporting concerns or participating in investigations in good faith will invite strict disciplinary action.

Confidentiality is upheld at all stages. Identities of the complainant, respondent, and witnesses, as well as case details, are shared strictly on a need-to-know basis, including during implementation of actions.

To drive awareness and compliance, mandatory POSH and Code of Conduct (CoC) modules are deployed through the LMS platform for all employees. The CoC also integrates the Whistleblower and Anti-Discrimination policies, providing a comprehensive framework for ethical conduct.

The policy outlines disciplinary action against proven misconduct and also provides for action in cases of false or malicious complaints, following due process. Both parties have the right to appeal against the ICC decision as per applicable provisions.

The Company remains committed to fostering a culture of dignity, respect, and accountability.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. This aspect is taken care when SFL on-boards vendors. Our vendors have operations in notified industrial areas where aspects like child labour, forced labour etc. are continuously monitored by assigned Government authorities. The establishments of these suppliers, being located in notified industrial areas, are subject to fire and safety compliances and pollution-control compliances, ensuring safety and well-being of employees and workers. We insist that vendors comply with all applicable laws of the land, implement appropriate human-rights measures (fair wages, working hours, non-discrimination, no harassment) and provide basic welfare facilities such as canteens for workers, and these expectations are reflected in our business agreements and contracts.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Discrimination at workplace	100%
Wages	100%
Others - please specify	NA

Note: All Plants and offices are regularly assessed by the Company's internal audit teams. All are also assessed from time to time by the designated Government authorities for compliance to the Shops and Establishment Acts for offices and the Factories Act for plants.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable, as the Company has not received any grievance/complaint

2. Details of the scope and coverage of any Human rights due diligence conducted.

Human Rights Due diligence is conducted at the time of registering new vendors and the subsequent conduct of business is governed by the Suppliers Code of Conduct promulgated by the Company which has clearly enunciated our expectations from the Suppliers relating to correct labour practices, fair wages, safe working conditions and non discrimination etc. SFL on board vendors who have operations in notified industrial areas wherein aspects like child labour, forced labour etc. are continuously monitored by assigned authorities. Also, these suppliers established in notified industrial area are subjected to fire & safety compliances , pollution compliances etc.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the plants and offices are accessible to differently abled visitors. This includes provision of ramps where needed, suitable car parking, availability of Wheel Chairs and provision of toilets catering to the needs of the differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	No Child labour or involuntary labour.
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	Nearly 80% of the suppliers (by business value) were covered through desktop reviews and/or vendor-specific audits during the year. These suppliers are largely of global reput e or operate in designated industrial areas where aspects such as child labour, forced labour and minimum wage compliance are monitored by the concerned Government authorities. SFL encourages suppliers to provide an inclusive and supportive working environment, exercise diversity in employment and comply with all applicable labour laws. The Company conducts vendor-specific audits to ensure compliance towards Sexual Harassment, Child Labour, Forced Labour and Wages.
Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risk or concern was found in our assessment. In a few cases, wage increases and alignment with applicable minimum-wage notifications were discussed with suppliers and have been approved/implemented as part of continuous improvement.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	12832 GJ	13371 GJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources [C]	Nil	Nil
Total energy consumption (A+B+C)	12832 GJ	13371 GJ
From non-renewable sources		
Total electricity consumption (D)	52309.62 GJ	40511.91 GJ
Total fuel consumption (E)	9284.45 GJ	9210 GJ
Energy consumption through other sources [F]	NIL	Nil
Total energy consumption (D+E+F)	61594 GJ	49721 GJ
Total energy consumption (A+B+C+D+E+F)	74426 GJ	63091 GJ
Energy intensity per crore of turnover (Total energy consumption/ turnover in rupees) *Revenue in crores	25 GJ/Cr	23.5 GJ/Cr
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP in crores)	519 GJ/\$Cr	486 GJ/\$Cr
Energy intensity in terms of physical output (GJ/MT of foam production)	0.90 GJ/MT	0.939 GJ/MT
Energy intensity in terms of physical output (GJ/ mattress)	0.030	0.031

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yeas, name of the external agency - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, none of the sites/facilities of the company are identified as designated consumers (DCs) under the Perform, Achieve and Trade (PAT) scheme of the Govt of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	57729.09 KL	10796 KL
(ii) Groundwater	130751.4 KL	105900.81 KL
(iii) Third party water	2628.5 KL	50309.08 KL
(iv) Seawater / desalinated water	0 KL	0 KL
(v) Others	14606 KL	18668 KL
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	205714.99 KL	185674 KL
Total volume of water consumption (In kilolitres)	181577 KL	142639 KL
Water intensity per rupee of turnover (Water consumed in kilolitres / turnover in crores)	69.4 KL/Cr	69.4 KL/Cr
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP in crores)	1434 KL/\$Cr	1434 KL/\$Cr
Water intensity in terms of physical output (KL/Person)	-	-
Water Intensity (optional) - In terms of man power	44.72	44.3
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	No	No

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	650	21642
- With treatment - please specify level of treatment	931	362
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(iv) Sent to third parties	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	973	1095
- With treatment - please specify level of treatment (Secondary Treatment at STPs)	21485	19936
	KL STP treatment	KL STP treatment
Total water discharged (in kiloliters)	24038.075 KL	43035 KL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

There is no water waste generated in the manufacturing processes of the company. For the waste water like sewage and sullage, generated from human activities, STPs have been installed in each of the plants owned by SFL and the Corporate Office. The treated water from the STP is being utilised for gardening purposes in all the plants and for flushing and gardening at the corporate office. Our goal to reach ZLD by 2030.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	unit	value	unit	value
NOx	kg	282.5	kg	225.2
SOx	kg	81.2	kg	73.8
Particulate matter (PM)	kg	133.2	kg	100.4
Persistent organic pollutants (POP)	-	Not available	-	Not available
Volatile organic compounds (VOC)	-	Not available	-	Not available
Hazardous air pollutants (HAP)	-	Not available	-	Not available
Others - please specify (CO)	-	Not available	-	Not available

Note: SFL monitors its air emissions from DG Sets through NABL accredited Labs and Pollution Control Board approved agencies.

The Company is compliant with the industrial air quality norms recommended by State Pollution Control Boards at all locations.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external - No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	619	614
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10564	8181
Total Scope 1 and Scope 2 emissions intensity- (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent / crore of turnover	3.78	3.29
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	78	67.92
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent / MT of Foam Production	0.136	0.131
Total Scope 1 and Scope 2 emission intensity	Metric tonnes of CO ₂ equivalent /mattress production	0.0045	0.0043

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not applicable

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

1. Installation of Solar Power Project is identified at other Plant. The Company is planning to install additional 1 MW SPP in year 2026-27
2. Compression Machines are being used to compress the Sheet rolls for transportation.
3. Production of foam using VPF technology increased after commissioning of horizontal VPF machine in Jabalpur in the current year. In this process, no hazardous emissions are released into the atmosphere.
4. Solar Energy , when not utilised by the plants is being exported to the Grid
5. The company will replace the Diesel run forklifts with battery operated forklifts as and when they become due for replacement
6. Installation of approx 850 kWp in TLD and NGM units
7. Installation of scrubber in all DG exhaust
8. VFD installed on compressors.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	539.2672 MT	206.256 MT
E-waste (B)	0.10 MT	0.72 MT
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	0.09	0.02
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G) (Plastic Drums & Cans for chemicals, tin drums and iron drums, chemical waste , waste oil)	74. 432 MT	73.5MT
Other Non-hazardous waste generated. Please specify, if any. (H) (Tin scrap, iron scrap, waste quilting strip, wood, cardboard and general waste) (Break-up by composition i.e., by materials relevant to the sector)	1768. 1216 MT	1737.36 MT
Total (A + B + C + D + E + F + G + H)	2382.01 MT	2017.86 MT
Waste intensity per rupee of turnover (Total waste generated MT / Revenue from operations in crores)	0.78	0.75
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP in crores)	16.11	16.11

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Waste intensity in terms of physical output (MT/MT of foam production)	0.03	0.03
Waste intensity (optional) -the relevant metric may be. selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	2381.93 MT (Authorised/ Licensed Vendors)	2017.86 MT (Authorised vendor)
Total	2381.93 MT	2017.86 MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste management practices in our establishment are based on the principal of 'reduce, reuse and recycle'.

1. Compliance to subject regulations is ensured.
2. Units segregate all waste and store it separately for further disposal.
3. The non-hazardous waste is being sold out to local scrap dealers only for further reuse/recycling.
4. Waste paper is sold to authorised vendors who recycle the paper to make moulded paper products.
5. Reuse of input HDPE packaging a number of times.
6. Reducing / eliminating superfluous packaging wherever possible, specially for inter unit transportation
7. The energy and water waste is minimised (with zero as target) through conservation measures.

Strategy to Reduce Usage of Hazardous and Toxic Chemicals in products and managing such waste

1. VPF technology is being used to manufacture foam which reduces requirement of constituent chemicals, eliminates use of toxic chemicals and produces no toxic waste.
2. We have obtained the required license from the Government Department as a brand owner for the plastic waste being produced in the manufacturing process. Plastic packaging waste is being disposed off under EPR.
3. E-waste is sold out to authorised vendors only.
4. Hazardous Chemicals (TDI) used to manufacture foam are largely transported in bulk containers/trucks and stored in bulk storage facilities. Drums where used are disposed off to Pollution Control Board Certified Vendors for safe disposal
5. Coir waste along with foam is recycled as RFB. Which is used for making mattresses.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

No Environment Impact Assessment was conducted in the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes, the Company is generally compliant with the applicable environmental laws / regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
	Nil			

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters). For each facility / plant located in areas of water stress, provide the following information for current and previous FY:

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area - Jalpaiguri, Greater Noida, Jabalpur, Hyderabad, Bangalore.
- Nature of operations - Manufacturing of Foam
- Water withdrawal, consumption, and discharge in the following format:

Parameter	Current FY	Previous FY
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	53764. 4 KL	21944.61 KL
(iii) Third party water	236.5 KL	21050 KL
(iv) Seawater / desalinated water	0	Nil
(v) Others	14606	Nil
Total volume of water withdrawal (in kilolitres)	68606.9 KL	42. 994.61 KL
Total volume of water consumption (in kilolitres)	56747	34746.49
Water intensity per crore of turnover (Water consumed / turnover)	19.16	13
Water intensity (optional) - the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
No treatment	288	Nil
With treatment - please specify level of treatment	748	Nil
(iii) To Seawater	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(iv) Sent to Third parties	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
No treatment	218	973
With treatment - please specify level of treatment	10606 KL	8248 KL
	STP Treatment	STP Treatment
Total water discharged (in kilolitres)	11860 KL	8248.12 KL
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - Not applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	Not Measured	Not Measured
Total Scope 3 emissions per rupee of turnover	tCO ₂ e / INR	Not Measured	Not Measured
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	Not Measured	Not Measured

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Through its extensively tree plantation the company is making a positive impact to preserve biodiversity in all its unit areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Switching to renewable source of energy	A new 500 kWh Solar Power Project has completed & continue use the generated energy at Jabalpur Plant.	Lower GHG emissions.
2	Saving Energy	Continue Installation of Variable Frequency Drives in place of Star Delta Starter in Compressors at our plant.	Lower Energy consumption. Extend equipment Life.
3	Waste Reduction	HM polythene removed for HDPE-HM double packing of inter-unit supplies.	Reduction in plastic waste. Lower GHG emissions.
4	Water Conservation	A new 30KLD STP Plant was setup at Nandigram Plant	Treated Water used for Gardening & other purpose. Avoiding water waste.
5	Environment Restoration	Approx 3000 saplings were planted across Sheela Foam Units during the year amounting to 40% of the number of existing trees in plant locations. The local communities were also engaged at some locations.	Increasing green cover and support biodiversity. Raising environment protection awareness.
6	Reducing Scope 3 emissions	Compression Machines were installed at Jabalpur plant to compress Foam sheet rolls for transportation. This lead to more number of rolls in one truck and saving in the packing material of the rolls.	Reduction in emissions and plastic waste.
7	Emissions Reduction	Production of foam using VPF technology was increased with the operationalisation of Jabalpur plant by 2.5 times compared to last year.	Reduced fumes and GHG emissions
8	Energy Conservation	Additional Occupancy sensors and LED lights installed in offices and plants	Saving electricity
9	Water Conservation	Additional Sensor operated/Push type water taps with auto switch off installed in Plants.	Saving Water
10	Reducing GHG Emissions	Solar energy exported to the Grid through net metered connections when not utilised for own operations.	Achieving Carbon offset. Reduction in GHG emissions.
11	Reducing plastic waste	A sustained drive undertaken in plants to reduce plastic packaging and reusing incoming packaging a number of times.	Plastic waste reduced
12	Sustainable Packaging	Packaging and branding material used for packing pillows and mattress are environmentally friendly in nature as either it is recycled or reused.	Circularity
		Transition towards environmentally friendly packaging material (LDEP Grade 7) which is recyclable and reusable	

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
14	Promotion of CNG vehicles in primary transportation	Promoting conversion of primary transport to CNG; currently about 7% of total volumes are transported in CNG vehicles in the North region and fleet mix is being shifted so that 40% of total freight is moved on CNG at group level.	Reduced diesel consumption, lower GHG emissions from primary transportation.
15	Deployment of Electric Vehicles (EVs) in logistics	Introduction of EV small commercial vehicles (SCVs) in primary and secondary transportation; 9 EV SCVs are already operating and 5 additional EV SCVs are planned, with further expansion in last mile delivery	Zero tail pipe emissions on EV routes, lower GHG emissions and promotion of greener supply chain.
16	Milk runs and multi loading for route optimization	Implementation of milk runs and multi loading on feasible lanes across India to improve vehicle utilization and consolidate deliveries.	Reduced number of trips, lower fuel consumption per unit shipped, lower freight cost and associated emissions.
17	Fleet upsizing to 32 ft trucks	Ongoing project to upsize logistics fleet from 19/22/24 ft trucks to 32 ft trucks; 32 ft share has increased to about 33% with a target of 35% in the overall fleet mix.	Fewer trips for the same volume, improved load efficiency, reduced freight percentage and lower GHG emissions per unit transported.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Sheela foam has a Business Continuity and Disaster Management Plan in place. This plan ensures that critical operations can continue during and after a disruption or disaster. It includes strategies for data backup, communication, and emergency response. The plan is regularly reviewed and updated to address potential risks, ensuring the entity's resilience and ability to recover swiftly from unexpected events.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impacts have been reported from any value chain partners. Suppliers are expected to provide a safe and healthy working environment and, if applicable, safe and healthy company living quarters, and to operate in an environmentally responsible and efficient manner.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

45 vendors comprising 18.5 % by value of business, were approached for assessment of environment impact. 15 of these comprising 7.20% by value of business responded to the environment data questionnaire by 31 Mar 2026 and are being assessed.

PRINCIPLE 7:

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company is affiliated with 6 trade and industry chambers/ associations

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Polyurethane Association	National
2	Industrial Associations located at respective units	State
3	Indian Sleep Product Federation	National
4	Associated Chambers of Commerce and Industry of India (ASSOCHEM)	International
5	Confederation of Indian Industry (CII)	National
6	ANZ-INDIA Business Chamber	International

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of the authority	Brief of the case	Corrective action taken
NA	NA	NA

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

As the leading producer of foam and mattresses, our company remains committed to maintaining active involvement in various associations, such as the Indian Polyurethane Association, CII, ASSOCHAM, and others, to address policy matters concerning our industry.

In all advocacy efforts, we prioritize the principle of “Commitment to Society,” emphasizing its utmost importance. Web link:

<https://www.sheelafoam.com/corporate-governance#policies>

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if
1	NA	NA	NA	NA	NA

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

SFL did not carry out SIA in the current year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community

We have a dedicated email ID for handling community grievances. The e-mail id is grievances@sleepwellfoundation.com and it is available on our website also.

No grievances has been received till date.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

Parameter	FY2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	26%	23%
Sourced directly from within India	74%	68%

5. Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost.

Location	FY2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	-	-
Semi-urban	17.24 %	15%
Urban	27.16 %	33%
Metropolitan	55.60 %	52%

LEADERSHIP INDICATORS**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable. No Social Impact Assessment done in the current year.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

No CSR activities have been conducted in specific Aspirational Districts, but we have conducted ONLINE Emotional Wellness Awareness Workshops on PAN India basis. Further, our Awareness Programmes on Social Media, are benefiting people in every nook and corner of the country.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) -

SFL follows no discrimination while selecting its vendors and marginalized/vulnerable groups are equally welcome as long as they meet the requirements laid down in the Sustainable Procurement Policy of the Company. The company procures inputs for manufacturing Foam from reputed global chemical industry players, while for other inputs such as fabrics, packaging ,rebonded foam, etc they have mostly local MSME vendors.

The emphasis is laid on developing a trusted relationship with local vendors and working with them to develop quality products that meet company's and as industry's needs, thereby enabling local vendors to grow their business.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Nil

6. Details of beneficiaries of CSR Projects.

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Skill Development Training Programmes at Skill Development Centre in Khurja	Male - 615 Female - 341	100%
2	Employment generation	Male - 250 Female - 225 Number of trainees placed in Armed/ Police Forces or Self employed Male - 136 Female - 48	100%

PRINCIPLE 9:**Businesses should engage with and provide value to their consumers in responsible manner**

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer complaints are handled through a centralized customer care center and resolved promptly. Customers can register complaints via toll-free number, email, website, dealer, or sales team across both brands.

Once logged, complaints are verified by the field inspection team through physical or digital inspection. Based on the findings, the claims and warranty team processes genuine cases through replacement or upgrade.

The end-to-end resolution, including delivery to the customer, is completed within approximately 15 days.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

CSR Project	As a percentage to total turnover
Environment and Social parameters relevant to product	Nil
Safe and responsible usage	21.88% (Mattress)
Recycling and/or safe disposal	Nil

3. Number of consumer complaints:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	34459	246	Data is inclusive Sleepwell and Kurlon	19130	439	-

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has framed its cyber security & data privacy policy under its IT policies which is applicable to all the Employees (Full Time, Part Time, Contractual, Consultants, Auditors, etc.) and stakeholders (in some cases Customers & Vendors) of SFL. It considers customer information safety as a critical aspect. This policy is available on the intranet portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Mattress movement process has been changed to reduce resolution time for consumer complaints related to products, which are now resolved in 13-15days as against 15-17 days in 24-25

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches - **Nil**
- b. Percentage of data breaches involving personally identifiable information of customers - **Not Applicable**
- c. Impact, if any, of the data breaches - **Not Applicable**

LEADERSHIP INDICATORS**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Corporate Website at <https://www.sheelafaam.com/home-comfort-porducts.html> and <https://mysleepwell.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The company ensures that all the information required as per rules and regulations is displayed on the product labels.

Information about ingredients and features of the products are available on public platforms.

Product brochures containing instructions on safe and responsible usage and environment friendly/hygiene features of products are available on line and provided along with the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As a B2B provider, our output is characterized by derived demand and does not fall under the category of essential services. However, to ensure supply chain resilience, we maintain robust communication protocols that provide direct customers with proactive notifications regarding potential disruptions. This transparent approach allows our partners to mitigate operational risks and adjust their downstream requirements effectively.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

- (a) Yes, the Company provides information on the constituent materials of their products, certifications as available and steps for responsible usage to ensure safety for the consumers and longer life of the products.
- (b) Yes, Surveys are carried out to study satisfaction levels regarding the major products and customer handling at Dealers' end. Customer care Department analyses the feedbacks from the customers and shares the inputs with respective departments to take necessary steps to improve customer satisfaction.

For **Sheela Foam Limited**

(Rahul Gautam)

Chairman & Managing Director

Date:

Place: