



# ESG Data Factsheet

## FY 2024-25



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## About the report:

The disclosures cover all activities and operations included in our financial reports, representing over 90% of the revenue reflected in our non-financial reporting.

## Environmental Data

### **1. Circular Programs**

Textile waste, in particular, poses a considerable challenge, with tons of fabrics ending up in landfills every year. To address this issue, pre-consumer and post-consumer textile recycling have emerged as crucial strategies for achieving circularity in the textile manufacturing ecosystem.

**Pre-consumer textile waste reduction** Pre-consumer recycling aims to curtail waste generated during the manufacturing processes of home textiles. It involves salvaging and repurposing materials discarded before consumer accessibility. This discarded material encompasses excess fabric, off-cuts, and imperfect items produced during home textile manufacturing, including those that fail to meet quality standards. We have established partnerships with prominent waste recycling entities to facilitate this endeavour. They are pivotal in collecting and transforming textile waste into durable, soft, reusable material. This reclaimed material is combined with fresh fabric, resulting in a blend we employ to create novel textile products.

**Post-consumer textile recycling** focuses on extending the lifespan of textiles used and discarded by consumers. It involves collecting used textile products and processing them into new materials or products. This approach reduces the environmental impact of textile waste, conserving resources, and energy. This program aligns with the principles of the circular economy by diverting discarded textiles from landfills and incineration and converting them into new products.

#### **1.1 Circular Fashion Commitment**

- As part of our commitment towards circular fashion we create products that can be easily repaired, re-used, or recycled into new items at the end of their life. Also we are finding new innovative ideas to increase the cyclability of product.
- To increase the collection of used items we are encouraging consumers to return their old worn-out clothes for recycling, and fostering a culture of mindful consumption.
- As part of our commitment we resell the used cloths/garments by repurposing the used items and providing a new life to old used items, this will reduce the overall wastage and improve the circularity.
- This involves the increases the proportion of recycled yarn in manufacturing of products. This approach promotes sustainability by minimizing the environmental impact associated with the textile production.

#### **1.2. Circular Fashion Programs**

- At Welspun a Circularity Program is used to reduce, recycle or reuse unsold goods. The goal of circularity program is to create a closed-loop system where unsold goods are repurposed or redirected, avoiding their destruction and fostering a circular economy that prioritizes sustainability and responsible consumption. This program involves comprehensive

assessments of unsold goods, identifying opportunities to reduce production, and exploring avenues such as donation programs, discounted sales, and recycling initiatives.

- At Welspun a Bio-polishing treatment is used to remove protruding fiber on the surface of towel or bed sheet. It is a sustainable and innovative process used in textile manufacturing to enhance the quality and feel of fabrics, particularly towels or bed sheets. This treatment involves the use of enzymes in controlled to remove protruding fibers and fuzz from the surface of the textile. The enzymes break down and remove the short fibers, resulting in a smoother and softer texture.
- At Welspun by circularity program we encourage consumers to repair their purchased products. By this program consumers are empowered to extend the lifespan of their belongings, thus reduce overall waste and promoting a circular economy through initiatives such as repair workshops, easy access to spare parts and educational resources consumers are encouraged to mend rather than discard items. This program not only reduces the environmental impact of discarded goods but also instill a sense of responsibility among the consumers towards the product they own.
- At Welspun the Customer Sustainability Education Program a proactive initiative designed to enlighten customers on the eco-friendly and responsible use of their purchased products, ultimately aiming to extend their lifespan. Through accessible resources such as workshops, guides, and informational materials, customers are provided with valuable insights into sustainable practices, maintenance tips, and efficient utilization of their items. This initiative not only benefits the environment by reducing waste but also encourages a mind-set shift towards sustainable consumer behaviour.
- At Welspun research and development resources are allocated for circular fashion and cross industry collaboration to develop environmentally friendly materials, innovative production methods, and circular supply chain models. This approach aims for creating fashion systems that prioritize longevity, recycling, and reduced environmental impact. Simultaneously, cross-industry collaborations encourage the exchange of knowledge and expertise, fostering a holistic approach to sustainability.

### 1.3. Circular Fashion Indicators

We implemented a pilot program for collecting back textile item from consumers post their use phase and tried to convert waste into useful products. We measured the weight of items collected or reintegrated within the value chain and/or the weight of items produced and sold during our implementation.

| Parameters                                                                              | FY24-25 |
|-----------------------------------------------------------------------------------------|---------|
| Total weight of items collected through take-back programs (tonnes)                     | 17      |
| Total weight of items collected which were repaired and/or resold in-house (tonnes)     | -       |
| Total weight of recycled post-consumer textile fibers included in new products (tonnes) | 15      |
| Total weight of items produced (tonnes)- (mixed with new fibers)                        | 24      |
| Total weight of items sold (tonnes)- (mixed with new fibers)                            | 24      |

### 1.4. Packaging Commitment

Welspun Living Limited is committed to minimizing the environmental footprint of our packaging and aligning with global best practices on circularity and resource efficiency. Our group-wide packaging sustainability roadmap includes the following measurable, time-bound commitments:

- We commit to reduce the overall weight and volume of packaging material by 25% by 2030 than FY2023 through design optimization, material efficiency, and elimination of unnecessary layers.
- We commit to introduce reusable packaging models across our B2B shipments and pilot customer-facing reusable solutions in selected product categories.
- We are using 100% of our cardboards packaging with recycled or FSC certified Papers.
- By 2030, 100% of our packaging will be recyclable, compostable, or reusable in line with international standards.
- By 2030, we commit 100% of our packaging material from sustainable sources or recycled, thereby reducing virgin resource dependency.
- We ensure packaging waste is going to authorized recycling companies for recycling of packaging waste as we recognize the importance of completing recycling loop also we are expanding the utilization of recycled materials in our packaging solutions
- As part of our research and development (R&D) initiative, we are actively working on the innovation of compostable plastic for primary packaging and recycled paper-based packaging material for utilization in secondary packaging.

### 1.5. Packaging Materials

We have used paper in cardboard and other paper and wood packaging. Its coverage (% of COGS) is 100% as we cover all three sites for packaging materials details:

| FY 24-25             | Paper -Cardboard boxes (in MT) | Paper/wood (other than cardboard) (in MT) | Total (MT) |
|----------------------|--------------------------------|-------------------------------------------|------------|
| Paper/wood Packaging | 13,795                         | 11,613                                    | 25,408     |
| Recycled content     | 13,795                         | 9,522                                     | 23,317     |
| Recycled/Certified % | 100%                           | 82%                                       | 91.8%      |

### 1.6. Plastic Packaging Materials

| S. No. | Parameter                                                                                                          | Value- FY24-25 |
|--------|--------------------------------------------------------------------------------------------------------------------|----------------|
| A.     | Total weight (tonnes) of all plastic packaging                                                                     | 2,313 MT       |
| B.     | Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)                   | 100%           |
| C      | Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)                  | 0              |
| D      | Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging) | 20%            |
| E      | Coverage (as a % of cost of goods sold)                                                                            | 100%           |

|                            |           |                    |
|----------------------------|-----------|--------------------|
| Total packaging (KG)       | 30,991 MT | % Recycled content |
| Sustainable packaging (KG) | 25,413 MT | 82%                |

### 1.7. Sustainable Packaging Initiatives

| Recycling Initiatives                                                          | Current Status | Target        |
|--------------------------------------------------------------------------------|----------------|---------------|
| Multi colored paper printed items are made up from FSC                         | 85%            | 100 % by 2030 |
| We are under progress to increase the % of recyclable plastic in our packaging | 100%           | -             |
| We are using the FSC certified paper in our Secondary packaging (PDQ's)        | 76%            | 100% by 2030  |

| Single use plastic phase out initiative                                                   | Current Status                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increase in use of self-made fabric bags for primary packaging instead of using PVC bags. | In our ongoing effort to reduce single-use plastics, we've significantly increased the use of our own fabric bags for primary packaging, replacing the traditional PVC bags. This shift not only helps us cut down on plastic waste but also supports our broader sustainability goals. |

### 1.8. Hazardous substances Commitment

At Welspun Living Limited, we are committed to ensuring our products are safe for people and the planet. We have set clear targets to substitute hazardous substances by 2026 and completely phase them out by 2030 across our product portfolio in line with global best practices. We also continuously strive to improve our processes and treatment systems to meet the stringent requirements of the Zero Discharge of ZDHC standard.

To achieve this, we are committed to:

- Collaborating with industry associations, certification bodies, and research institutions to identify safer substitutes.
- Specific R&D resources and budget to accelerate the development and deployment of innovative non-hazardous materials
- Increasing transparency by publicly reporting our progress each year.

#### Scope of commitment:

This commitment covers all hazardous substances in our portfolio, including those identified under international regulatory frameworks such as REACH and BIS.

#### Progress:

- We calculate the percentage of revenue associated with products containing hazardous substances. In FY24-25 2% of revenue came from products associated with hazardous substance. Our manufacturing facilities are STeP (Sustainable Textile Products) certified by OEKO-TEX. The chemicals /dyes used in our textile products are in conformance with the requirement of the STeP by OEKO-Tex standards.
- We are also in compliance with the REACH regulations. The chemical, dyes and auxiliaries used in the manufacturing of our textile products are in full compliance with REACH requirements. Our products do not contain any substances of very high concern (SVHC). Restricted substances under annex XVII of REACH are not present in our products.

### 1.9. Biodiversity

Our organization has proactively conducted a biodiversity risk assessment across our own operations, adjacent areas, and upstream activities, integrating it into our comprehensive, multi-disciplinary risk management processes. By employing a location-specific approach and referencing globally recognized Methodology- **WWF Biodiversity Risk Filter**. We have evaluated both dependency-related and impact-related biodiversity risks. Our transparent assessment process, disclosing the biodiversity risks with varying levels of likelihood and severity. We have implemented targeted mitigation measures, including ecosystem restoration, replantation, development of green belts, and compliance with pollution control standards, to manage these risks effectively. This thorough analysis has enabled

us to conclude that there are no significant biodiversity risks within our operations, demonstrating our commitment to environmental conservation and sustainable practices. We have used a line transect methods to do assessment for birds and quadrat methods for plant population and vegetation characteristic.

A location-specific approach to biodiversity refers to the customized and targeted management or conservation strategies designed for a particular geographic location or ecosystem.

| Biodiversity Assessment - sites with significant biodiversity impacts |                 |
|-----------------------------------------------------------------------|-----------------|
|                                                                       | Number of sites |
| Total number of sites                                                 | 4               |
| Sites assessed                                                        | 4               |
| Sites that have significant biodiversity impact                       | 0               |

#### 1.10. Plant & Animal-Derived Textile Materials

- WLL is committed to maintaining a fully cruelty-free production process, ensuring that **no animal-derived materials** are used at any stage of manufacturing, from raw material sourcing to the final product.
- Plant –Derived textile Materials (For FY24-25):**

| Textile Material | Total Quantity consumed (MT) | Standard Name | % of material certified | % of Recycled material used |
|------------------|------------------------------|---------------|-------------------------|-----------------------------|
| Cotton           | 51,790                       | BCI and GOTS  | 76%                     | 12%                         |

#### 1.11. Plastic Raw Materials (For FY24-25):

Plastic raw material used only at Welspun flooring division.

| Plastic Material Used | Total Quantity consumed (MT) | Recycled material (MT) | % of Recycled material used |
|-----------------------|------------------------------|------------------------|-----------------------------|
| Polyester             | 15,382                       | 6,762                  | 44%                         |
| Nylon                 | 1,520                        | 7                      | 0.5%                        |
| <b>Total Plastic</b>  | <b>16,902</b>                | <b>6,769</b>           | <b>40%</b>                  |

#### 1.12. Exposure of Suppliers to Water Risks

Cotton is agricultural commodity procured by WLL during FY24-25. WLL have completed water risk assessment for supplier, 2 supplier rated as very high risk and 45 suppliers have rated as high risk suppliers. During FY24-25, **62.52%** of total cotton procured are sourced from water-stressed areas. For more information Please refer detailed report on Water risk assessment for suppliers.

### 1.13. Environmental Violation

The company has not paid any significant fines (> USD \$10,000) related to environmental or ecological issues in the past four fiscal years.

### 1.14. Climate Risk assessment

Climate risk assessment conducted in line with the TCFD framework. WLL published its first TCFD Report in FY 2022, identifying short-, medium-, and long-term climate-related risks and opportunities. The company is committed to updating and revising the report by FY 2026, incorporating progress on mitigation measures, evolving climate scenarios, and current business realities to ensure continued alignment with TCFD recommendations and best practices. WLL also conduct annual progress reviews as part of its sustainability disclosures. Details of the assessment can be found here: [Task force on climate-related financial disclosures](#)

### 1.15. Raw Materials Programs:

At Welspun Living Limited, we have instituted a comprehensive Sustainable Raw Materials policy and Program to ensure traceability, responsible sourcing, and continuous reduction of environmental and social impacts across our value chain.

- **Assessment & Prioritization:** We conduct periodic assessments of all major raw materials (such as cotton, polyester, and packaging inputs), prioritizing them based on sustainability risks and scale of usage.
- **Traceability & Responsible Sourcing:** Our program ensures traceability of key raw materials to their origin through robust supplier engagement, certifications, and digital tracking mechanisms. We have Wel Track 2.0 for we have developed Wel-Trak 2.0, an advanced traceability system that tracks raw materials like cotton at every stage of the supply chain. By combining cutting-edge block chain technology with chemical fingerprinting, this system assigns a unique digital identity to each batch of cotton, enabling tracking from the farm all the way to the finished textile product. This offers consumers, retailers, and stakeholders real-time, tamper-proof information about the origin, processing, and quality of the materials used in Welspun's products.
- **Environmental & Social Impact Reduction:** We implement on-ground initiatives to minimize environmental footprints—such as minimizing water and chemical consumption through our sustainable cotton farming initiative (Wel-Krishi), promotion of recycled polyester, and responsible chemical management—while simultaneously addressing social aspects through supplier codes of conduct, fair labor practices, and community development initiatives.
- **Targets & Reporting:** We have set targets to increase the share of third-party verified sustainable raw materials (e.g., Better Cotton, GOTS, OEKO-TEX, GRS-certified recycled fibers) and recycled content in our portfolio. Progress against these targets is transparently reported in our annual sustainability disclosures. We have 100% sustainable cotton use goal by 2030, against which we already have sourced 76% of cotton through sustainable sources (Organic or BCI cotton) in FY24-25.
- **Capacity Building & Training:** Dedicated training programs equip our procurement, operations, and sustainability teams with knowledge of responsible sourcing practices, certification standards, and day-to-day responsibilities in managing raw materials sustainably.

### 1.16. Revenue from Sustainable products:

Welspun Living's sustainable products are designed with a holistic approach—covering responsible sourcing, ethical manufacturing, circular design, consumer safety, and transparency. By substituting virgin raw materials with certified sustainable or recycled alternatives, phasing out hazardous substances, adopting renewable energy, and enabling traceability, we significantly reduce the environmental and social impacts of our products. Furthermore, our investments in circularity and digital transparency go beyond compliance to create long-term value for

stakeholders. Double-sided bed sheets and quick-dry towels extend product life, reduce replacements, and lower overall resource use. Their design saves water, energy, and laundry efforts, enhancing everyday efficiency. CVC bedsheets and bath rugs add durability, retaining quality after multiple washes with minimal resource consumption. Collectively, these products deliver strong resource efficiency and sustainability benefits. We have introduced various initiatives to make our product more sustainable:

- **Sustainable Fibers:** We source cotton through the Better Cotton Initiative (BCI) and GOTS-certified organic cotton, ensuring lower water use, reduced pesticides, and better farmer livelihoods.
- **Recycled Materials:** Our products increasingly use Global Recycled Standard (GRS)-certified polyester derived from PET bottles and pre-consumer textile waste. By substituting virgin polyester, we prevent plastic waste, reduce energy use, and cut emissions.
- **Safe & Responsible Products:** Every Welspun product is aligned with strict chemical management standards such as OEKO-TEX® Standard 100, Made in Green, and REACH, ensuring consumer safety and eliminating hazardous substances from our value chain.
- **Sustainable Manufacturing:** Our Anjar facilities adopt zero fresh water use in operation, advanced water-efficient dyeing, and renewable energy sources such as solar, biomass, and waste heat recovery. These measures lower the carbon and water intensity of our products.
- **Packaging:** We are phasing out single-use plastics and adopting 100% recyclable, biodegradable, or recycled-content packaging, reducing waste across our supply chain.
- **Traceability & Transparency:** With Wel-Trak 2.0, our blockchain-based traceability solution, consumers and retailers can verify product journeys from farm to shelf. This builds trust and ensures authenticity in sustainable sourcing.
- **Third-Party Assurance:** Our products are backed by certifications such as GOTS, GRS, BCI, Fair Trade, USDA Organic, and FSC, providing external validation of our sustainability claims.

| Amount In INR Cr                          | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 |
|-------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Sustainable revenues</b>               | 2,592.78  | 4,219.79  | 6,161.32  | 7,958.30  | 8,129.87  |
| <b>Total revenues</b>                     | 7,407.95  | 9,377.31  | 8,215.10  | 9,825.07  | 10,697.2  |
| <b>Percentage of sustainable revenues</b> | 35%       | 45%       | 75%       | 81%       | 76%       |

### 1.17. Waste Management Programs

In our pursuit of environmental stewardship, we have carried out thorough waste assessments to identify opportunities for enhancing our waste management performance. By investing in innovative solutions, we aim to significantly reduce waste produced during the manufacturing of home textiles. Additionally, we have implemented comprehensive training programs for our employees, encompassing our environmental policy with a focus on waste reduction, water conservation, and emission control. These initiatives reflect our commitment to sustainability and our responsibility to minimize our ecological footprint.

### 1.18. Internal Carbon Pricing:

Welspun Living Limited applies an internal shadow price of carbon to strengthen climate-related decision making. The objective is to conduct cost-benefit analysis, drive energy efficiency, enable low-carbon investments, and integrate climate risks into strategy and financial planning. The carbon price is used in evaluating new projects, procurement decisions, and energy transition investments, helping to identify low-carbon opportunities, stress test investments, and align with our 2030 decarbonization roadmap.

- Type of carbon price: Shadow price
- GHG Scopes covered: Scope 1 & 2
- Price applied: INR 1600 /tCO<sub>2</sub>e
- Application: Applied in capex evaluations, renewable energy procurement, and scenario planning for regulatory compliance and long-term business resilience.

This approach ensures that climate considerations are embedded into investment decisions, supports progress toward our science-based targets, and enhances readiness for future carbon regulations.

### 1.19. Science Based GHG reduction targets: “SBTi Approved Targets”

WLL has set GHG emissions reduction targets in alignment with the SBTi. GHG reduction targets has been approved by SBTi in 2025, aiming to achieve Science based Net-Zero targets by 2040. The company intends to neutralize residual emissions and/or further mitigate emissions beyond its value chain by offsetting, e.g. Purchase of carbon credits.



**Overall Net-Zero Target:** Welspun Living Limited commits to reach net-zero greenhouse gas emissions across the value chain by FY2040.

**Near-Term Targets:** Welspun Living Limited commits to reduce absolute scope 1 and 2 GHG emissions 58.8% by FY2034 from a FY2024 base year. Welspun Living Limited also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, use of sold products, end-of-life treatment of sold products, investments 58.8% within the same timeframe.

Welspun Living Limited commits to increase active annual sourcing of renewable electricity to 100% by FY2030

**Long-Term Targets:** Welspun Living Limited commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by FY2040 from a FY2024 base year.

### 1.20. Climate Related Management Incentives

Our company actively integrates climate change management into our business strategy, offering incentives tied to achieving sustainability targets and reducing environmental impact at all levels from CEO to Junior Management. We are committed to meeting and exceeding these targets to foster long-term environmental stewardship.

### 1.21. Physical Risk Adaptation

| Physical Climate Risk | Time Horizon     | Mitigation Measures                                                                                                                                               |
|-----------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tropical cyclone      | Medium-Long Term | The typical hazards associated with tropical cyclone includes storm surge, strong wind, and floods. Anjar is prone to risk due to strong winds. However, building |

|                                      |                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      |                             | construction is strong and resilient to strong winds. Vapi has good drainage system to mitigate the impact of floods and storm surge. Moreover, WLL team regularly monitors the weather information to mitigate the risk of supply chain disruptions.                                                                                                                                                                                                                                                                                             |
| Water stress                         | Short-Medium Term           | WLL has set up a sewage treatment plant (STP) of 30 million liters per day capacity in the year 2016 in Anjar. The STP treats sewage generated from 3 municipalities (Gandhidham, Adipur and Anjar), Recycling and reusing the water has enabled zero use of freshwater for the factory processes. WIL has also undertaken water conservation projects like deepening ponds in villages near the factory sites.                                                                                                                                   |
| Drought                              | Medium-Long Term            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Riverine flood                       | Medium-Long Term            | Efficient water drainage system is provided in Vapi to mitigate the risk. The weather conditions are constantly monitored to mitigate the risk of supply chain disruptions                                                                                                                                                                                                                                                                                                                                                                        |
| Extreme rainfall                     | Short-Medium Term           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Heat Wave                            | Short, Medium and Long Term | WLL has taken various measures like frequent breaks, availability of potable water, rest rooms etc. to eliminate negative impacts on workers. Plant building is constructed with insulated puff panels to reduce effects of heatwave. Centralized cooling system is provided with focus to integrate renewable energy like solar to decrease the cooling costs. There are guidelines / SOP on heat-stress and awareness creation and training is carried out periodically. Ergonomic assessment and training are also organized on a yearly basis |
| Coastal floods due to sea level rise | Long Term                   | WLL has identified critical suppliers and alternate shipment methods (like railways or supply through other ports etc.) to be resilient even amid high impact of coastal floods.                                                                                                                                                                                                                                                                                                                                                                  |

## 1.22. Water Efficiency Management Programs:

Welspun Living Limited conducts regular water use assessments/audits to identify and implement opportunities for water efficiency improvements. IoT-enabled monitoring systems are used to track real-time consumption, detect leakages, and optimize usage. The company continues to invest in innovative technologies such as condensate recovery, advanced wastewater recycling, and zero-liquid discharge (ZLD) systems to reduce freshwater intake. These initiatives enhance operational water efficiency, promote circular water use, and strengthen the company's long-term commitment to sustainable and responsible manufacturing.

## 1.23. Energy Management Programs:

Welspun Living Limited is committed to optimizing energy use across all operations. Regular energy audits are conducted to identify efficiency opportunities and prioritize areas for improvement. Insights from these assessments guide investments in innovative technologies and R&D, including process optimization, automation, and renewable energy integration, to reduce overall energy consumption. These initiatives enhance operational efficiency, lower greenhouse gas emissions, and support the company's broader sustainability and decarbonization goals.

## 2. Biodiversity Risk Assessment and Control Measures

| S.No. | Activities                     | Risk                                                                                                     | Risk Likelihood | Risk Severity | Risk Score | Risk Level  | Mitigation Measures                                                                        |
|-------|--------------------------------|----------------------------------------------------------------------------------------------------------|-----------------|---------------|------------|-------------|--------------------------------------------------------------------------------------------|
| 1     | Change in Land use             | 1. Loss of habitats / Habitat fragmentation<br>2. Loss of Flora & fauna<br>3. Migration of Local species | 3 Likely        | 3 Major       | 9          | High risk   | 1. Restoration of the affected areas/ecosystem                                             |
| 2     | Vegetation removal             | 1. Loss of Flora/Fauna                                                                                   | 1 Unlikely      | 2 Medium      | 2          | Low risk    | 1. Transplant or relocate tree<br>2. Replantation                                          |
| 3     | Value chain/<br>Transportation | 1. Loss of habitats/ vegetation<br>2. Loss of animal lives                                               | 1 Unlikely      | 2 Medium      | 2          | Low risk    | 1. Development of green belt on sides of roads<br>2. Proper fencing and crossing structure |
| 4     | Illumination / Noise           | 1. Affect the habitat<br>2. Affect the lifestyle of local species                                        | 2<br>Moderate   | 2 Medium      | 4          | Medium risk | 1. Development of green belt along the alignment of company Premises                       |
| 5     | Air pollution                  | 1. Affect air quality of the habitat                                                                     | 1 Unlikely      | 2 Medium      | 2          | Low risk    | 1. Air pollution control equipment's<br>2. Complying Air emission standards                |
| 6     | Effluent Disposal              | 1. Affect marine life<br>2. Water Pollution                                                              | 3 Likely        | 3 Major       | 9          | High risk   | 1. Treated effluent disposal as per standards                                              |

|            |            |          |          |         |
|------------|------------|----------|----------|---------|
| LIKELIHOOD | 3 Likely   | 3        | 6        | 9       |
|            | 2 Moderate | 2        | 4        | 6       |
|            | 1 Unlikely | 1        | 2        | 3       |
|            |            | 1 Minor  | 2 Medium | 3 Major |
|            |            | Severity |          |         |

|        |               |
|--------|---------------|
| 1 to 3 | Low Risk      |
| 4 to 6 | Moderate Risk |
| 7 to 9 | High Risk     |

## Social Data

### 1.1 Employee turnover by Management level-WLL

| Particulars         | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 |
|---------------------|-------|-------|-------|-------|-------|
| Senior Management   | 20    | 21    | 12    | 13    | 23    |
| Middle Management   | 88    | 88    | 99    | 128   | 85    |
| Junior Management   | 318   | 288   | 228   | 290   | 199   |
| Associate (Workers) | 8,948 | 8,086 | 5,244 | 8,608 | 9,675 |

### 1.2 Employee (Including Workers) turnover by Age (FY 25)

| Age Group | Gender | Employee Turnover Value | Turnover rate |
|-----------|--------|-------------------------|---------------|
| <30       | Male   | 4,334                   | 49%           |
|           | Female | 1,616                   | 37%           |
|           | Total  | 5,950                   | 45%           |
| 30-50     | Male   | 3,085                   | 24%           |
|           | Female | 789                     | 17%           |
|           | Total  | 3,874                   | 22%           |
| >50       | Male   | 145                     | 10%           |
|           | Female | 13                      | 10%           |
|           | Total  | 158                     | 10%           |
| Total     | Male   | 7,564                   | 33%           |
|           | Female | 2,418                   | 26%           |
|           | Total  | 9,982                   | 31%           |

### 2.1 Employee hiring (Including workers) by Management level

| Particulars         | FY 21         | FY 22        | FY 23        | FY 24        | FY 25       |
|---------------------|---------------|--------------|--------------|--------------|-------------|
| Senior Management   | 22            | 12           | 10           | 31           | 16          |
| Middle Management   | 97            | 72           | 66           | 115          | 72          |
| Junior Management   | 267           | 254          | 189          | 268          | 194         |
| Associate (Workers) | 10,311        | 5,757        | 3,763        | 9,298        | 9,066       |
| <b>Total</b>        | <b>10,697</b> | <b>6,095</b> | <b>4,028</b> | <b>9,712</b> | <b>9348</b> |

### 2.2 Employee (Including workers) hiring by Age

| Particulars       | <30   | 30-50 | > 50 | Total |
|-------------------|-------|-------|------|-------|
| FY 25             | 5,739 | 3,515 | 94   | 9,348 |
| FY 25- (% Hiring) | 61.4% | 37.6% | 1%   | -     |

### 2.3. Employee hiring (Including workers) by Gender

|                   | Male  | Female | Total |
|-------------------|-------|--------|-------|
| FY25              | 6,786 | 2,562  | 9,348 |
| FY 25- (% Hiring) | 72.6% | 27.4%  | -     |

### 3. Employee by Nationality/Race:

- Only one Employee has other than Indian nationality during FY 24-25. All other employees are with Indian nationality.

### 4. Labor Practices Commitment and Programs

Welspun Living Limited is committed to upholding fair, safe, and equitable labor practices across its operations and value chain, in line with ILO Core Conventions, UN Global Compact Principles, and national labor laws.

Welspun's Labor Practices and commitment ensures:

- **Living Wage:** Welspun is committed that all employees and contract workers are paid at or above legal wage standards and is actively working towards achieving full alignment with living wage benchmarks defined by the Global Living Wage Coalition.
- **Working Hours:** Overtime and excessive working hours are minimized; working hours comply with statutory limits.
- **Equal Remuneration:** We are committed to ensuring equal remuneration for all employees regardless of gender, race, ethnicity, or other protected characteristics. We also ensure equal remuneration men and women through periodic gender pay assessments.
- **Paid Leave:** Employees are entitled to paid annual, sick, and parental leave.
- **Consultation Before Termination:** Adequate consultation and notice periods are provided before any mass termination or restructuring.

#### Scope of Commitment:

- **Own Operations:** Covers all employees at manufacturing sites, offices, and warehouses.
- **Contractors:** All contractors must comply with Welspun's Labor Practices and Human Rights Policy; monitored through regular audits.
- **Partners and Supply Chain:** Suppliers must follow the Supplier Code of Conduct on fair wages, working conditions, and equal opportunity.

#### Labor Practices Programs:

- **Adequate Wages:** Wages are benchmarked against local cost-of-living estimates to ensure fair compensation.
- **Working Hour Monitoring:** Systems in place to track and manage overtime, ensuring employees are fully compensated for extra hours.
- **Worker Engagement:** Regular dialogue with employee representatives to review and improve working conditions.
- **Gender Pay Gap Monitoring:** Routine reviews conducted to ensure pay equity and eliminate disparities.
- **Enhanced Social Protection:** Additional benefits such as health insurance, retirement schemes, and wellness programs provided beyond statutory norms.
- **Paid Leave Utilization:** HR teams monitor and encourage employees to avail their annual leave for well-being and work-life balance.
- **Upskilling and Transition Training:** Training and upskilling programs provided to help employees adapt to industrial changes and climate transition initiatives.

#### Implementation and Oversight:

The **CHRO** leads implementation with support from HR, compliance team and Sustainability teams. Compliance is ensured through periodic audits, training, and grievance redressal systems. Progress is reviewed quarterly by the Sustainability and CSR Committee of the Board.

## 5. Discrimination & Harassment

- To foster a deep comprehension and elevated consciousness of discrimination and harassment issues at the workplace, we continually carry out thorough training sessions for our entire workforce.
- Notably, over the past year, no complaints related to sexual or non-sexual harassment or any form of discrimination were recorded. We are adamantly against and will not accept discrimination, sexual harassment, or non-sexual harassment. If any such incidents occur, strict disciplinary measures will be implemented.

## 6. Human Rights Mitigation & Remediation:

Welspun Living Limited has implemented structured processes to mitigate and remediate human rights risks across its operations and supply chain. We conduct periodic human rights due diligence aligned with UN Guiding Principles and national labor standards, covering risks such as child labor, forced labor, fair wages, health & safety, and freedom of association etc.

### Mitigation Processes:

- Supplier Code of Conduct with mandatory compliance audits.
- Worker grievance redressal mechanisms at all facilities.
- Regular social compliance audits and training on workplace rights.
- Integration of human rights criteria into supplier selection and renewal processes.

**Sites with Mitigation Plans:** All manufacturing sites (Anjar, Vapi, Hyderabad), every business locations including business location of suppliers have site-level mitigation plans, supported by monitoring and periodic internal and third-party audits.

### Remediation Actions:

- Corrective Action Plans (CAPs) for non-compliances identified in audits
- Worker consultation, Human rights training, and grievance redressal
- In cases of supplier violations, either remediation is ensured within a defined timeline or the supplier is disengaged
- Continuous improvement programs (health & safety initiatives, fair labor practices, gender equity measures)

## 7. Human Rights Due Diligence Process

Welspun Living Limited follows welspun group code of conduct which upholds the UN Guiding Principles on Business and Human Rights and ILO Core Conventions across all operations and business relationships. This year, we assessed 100% of our operation and supply chain on social and environment parameters and found no negative impact

We identify and assess human rights risks through:

- **Own Operations:** Regular audits, employee feedback, and workplace assessments to detect risks such as discrimination, forced labour, or harassment.
- **Value Chain:** Supplier Code of Conduct reviews and third-party ESG audits to identify risks of forced labour, child labour, and unsafe conditions.
- **New Business Relations:** Pre-engagement due diligence in mergers, acquisitions, and joint ventures to ensure partners meet Welspun's human rights standards.
- A systematic periodic review is conducted to update the human rights risk map and address emerging issues.

Key risks covered include forced labour, trafficking, child labour, discrimination at workplace, sexual harassment, freedom of association, collective bargaining, and fair wages etc

Priority groups include employees, women, migrant and third-party workers, children, indigenous people, and local communities.

The Sustainability and CSR Committee oversees implementation, supported by grievance mechanisms ensuring confidentiality and non-retaliation.

## 8. Performance Appraisal

WLL conducts individual and team-based performance management appraisals. We follow a Management by Objectives (MBO) framework, supported by multidimensional 360-degree feedback for leadership roles and team-based appraisals to strengthen collaboration. In addition, agile conversations are encouraged throughout the year to provide continuous feedback and development.

Performance appraisal are conducted annually once, with mid-year reviews and ongoing feedback conversations across levels, aiming to enhance employee development, organizational growth and promoting a culture of continuous improvement.

| Performance evaluation                                                             |                              |
|------------------------------------------------------------------------------------|------------------------------|
| Type of Performance appraisal                                                      | % of all employees & Workers |
| Management by objectives: Agreed measurable targets                                | 8%                           |
| Multidimensional performance appraisal (360-degree feedback)- for Leadership roles | 4%                           |
| Formal comparative ranking of employees within one employee's category             | 8%                           |

| 9. Proportion of Women                                                                                        |       |       |       |
|---------------------------------------------------------------------------------------------------------------|-------|-------|-------|
| Particulars                                                                                                   | FY 23 | FY 24 | FY 25 |
| Share of women in all management positions, including junior, middle and top management                       | 25%   | 18%   | 17%   |
| Share of women in junior management positions, i.e. first level of management                                 | 9%    | 23%   | 16%   |
| Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions | 17%   | 17%   | 15%   |
| Share of women in STEM-related positions                                                                      | 4%    | 4%    | 9%    |
| Share of women in revenue-generating positions                                                                | 26%   | 15%   | 16%   |

| 10.1 Training of FTEs                                          |       |       |       |
|----------------------------------------------------------------|-------|-------|-------|
| Particulars                                                    | FY 23 | FY 24 | FY 25 |
| Average training hours per Full-Time Equivalent                | 13.5  | 13.27 | 13.73 |
| Average amount spent per FTE on training and development (INR) | -     | 1608  | 1705  |

| 10.2 Training hours by Age |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|
| Particulars                | FY 21    | FY 22    | FY 23    | FY 24    | FY 25    |
| <30                        | 77,320   | 75,000   | 50,378   | 1,19,336 | 1,21,016 |
| 30-40                      | 72,649   | 76,142   | 46,769   | 89,066   | 90,177   |
| 40-50                      | 47,575   | 48,609   | 35,736   | 61,123   | 59,093   |
| >50                        | 2,725    | 12,209   | 5,513    | 21,539   | 19,176   |
| Total                      | 2,00,269 | 2,11,960 | 1,38,396 | 2,91,064 | 2,89,462 |

| 10.3 Training hours by Gender |          |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|----------|
| Particulars                   | FY 21    | FY 22    | FY 23    | FY 24    | FY 25    |
| Male                          | 1,44,428 | 1,54,407 | 1,00,473 | 2,24,070 | 2,09,893 |
| Female                        | 55,841   | 57,553   | 37,923   | 66,994   | 79,569   |
| Total                         | 2,00,269 | 2,11,960 | 1,38,396 | 2,91,064 | 2,89,462 |

| 10.4 Type of training (Training Hours)      |          |          |          |          |          |
|---------------------------------------------|----------|----------|----------|----------|----------|
| Particulars                                 | FY 21    | FY 22    | FY 23    | FY 24    | FY25     |
| HSE training                                | 19,018   | 19,225   | 6,140    | 37,956   | 34,942   |
| Human Rights                                | 8,076    | 10,822   | 2,017    | 35,032   | 36,223   |
| Code of Conduct/Ethics                      | 33,129   | 37,175   | 36,945   | 96,264   | 95,772   |
| Technical/ Functional/<br>Skill Development | 82,372   | 78,612   | 61,730   | 83,100   | 82,961   |
| Behavioral Training                         | 54,017   | 62,327   | 26,863   | 34,531   | 36,731   |
| Leadership Training                         | 2,211    | 2,001    | 2,373    | 1,791    | 1,367    |
| Any Other - Specify                         | 1,446    | 1,798    | 2,328    | 2,390    | 1,466    |
| Total                                       | 2,00,269 | 2,11,960 | 1,38,396 | 2,91,064 | 2,89,462 |

| 10.5 Training hours by Management Level |          |         |          |          |          |
|-----------------------------------------|----------|---------|----------|----------|----------|
| Particulars                             | FY 21    | FY 22   | FY 23    | FY 24    | FY 25    |
| Senior Management                       | 19,776   | 22,515  | 12,375   | 47,735   | 46,312   |
| Middle Management                       | 68,838   | 76,783  | 23,234   | 98,088   | 98,317   |
| Junior Management                       | 1,11,655 | 112,662 | 1,02,787 | 1,45,241 | 1,44,833 |

| 11. Hiring                                                                  |          |          |          |
|-----------------------------------------------------------------------------|----------|----------|----------|
| Particulars                                                                 | FY 23    | FY 24    | FY 25    |
| Percentage of open positions filled by internal candidates (internal hires) | 0.81%    | 0.37%    | 4%       |
| Average Hiring cost in INR (Annual)                                         | 1,87,596 | 1,94,400 | 2,42,313 |

## 12. Employee Development Programs:

At Welspun Living Limited, continuous learning and employee development are integral to building a future-ready workforce. The company offers diverse internal and external learning opportunities to nurture leadership, innovation, and digital capability across all levels—including full-time, contractual and part-time employees.

### Learning Methods:

- **Coaching and Mentorship:** Through initiatives like [We-Aspire](#), high-potential employees receive structured mentorship, coaching, and career planning to strengthen the leadership pipeline. Program like [FLP- Future Leadership Program](#) is key initiatives of Welspun.
- **Teams and Networks:** Cross-functional forums and Employee Resource Groups (ERGs) promote collaboration, peer learning, and knowledge exchange across business units. Recently we launched a program "[Bodhi-Vriksh- Learning session on ESG](#)" to build ESG awareness across teams and business units.

**Programs Offered:**

- **Leadership Development:** Programs such as [WCAP \(Welspun Career Acceleration Program\)](#) and partnerships with leading institutes prepare young professionals and emerging leaders for future roles.
- **Cultural Education:** Welspun promotes a culture of inclusion and respect through structured cultural education programs that enhance employees' awareness and appreciation of diverse backgrounds, practices, and perspectives. These initiatives strengthen collaboration across Welspun's multicultural workforce, fostering empathy, effective communication, and a unified organizational identity. Training sessions, workshops, and team engagements help employees embrace diversity as a driver of innovation and collective success.
- **Transition Programs:** Counselling and skill-building support are provided for employees nearing retirement or during organizational transitions. Support for terminated employees, including career counselling, phased exit planning, and job placement assistance.
- **Digital Transition:** The [DigiSmart](#) program focuses on Industry 4.0, automation, and emerging technologies, while [KnowledgeHub – Coursera](#) Partnership enables access to global online certifications and specialized training content. In FY24-25 Programs like DigiSmart increased operational efficiency of trained FTEs by 20%.
- **Innovation Engagement:** [Manthan](#) encourages employees to propose and implement ideas that enhance efficiency and business value. In FY 2024-25, 25 ideas were implemented, resulting in cost savings of ₹10.25 crore.

| 13. LTIFR for Employees and workers |       |       |       |       |      |
|-------------------------------------|-------|-------|-------|-------|------|
| Particulars                         | FY 21 | FY 22 | FY 23 | FY 24 | FY25 |
| Employee                            | 0.33  | 0     | 0     | 0     | 0    |
| Workers                             | 0.24  | 0.15  | 0.20  | 0.058 | 0    |

| 14. Employees Turnover rate      |       |       |       |       |       |
|----------------------------------|-------|-------|-------|-------|-------|
| Particulars                      | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 |
| Employee turnover rate           | 46%   | 22%   | 19%   | 16%   | 19%   |
| Voluntary employee turnover rate | 46%   | 22%   | 19%   | 16%   | 19%   |

**15. Employee Survey & Feedback:**

We value the input and feedback of our employees, as their perspectives play a crucial role in shaping our sustainability efforts. To gauge employee satisfaction and engagement, we actively collect feedback through various channels, including:

- Conducting regular employee surveys to assess overall job satisfaction and identify areas for improvement.
- Organizing focus groups and forums to encourage open dialogue and collaboration.
- Encouraging anonymous feedback mechanisms to promote honest input.
- Using feedback to drive continuous improvement and implement necessary changes

We have conducted We-Lissen surveys regularly to get employee feedback and improve our culture. Ensuring the well-being and satisfaction of our employees is integral to our organizational ethos. Our Employee Satisfaction Report employs a comprehensive methodology, assessing job satisfaction, purpose, happiness, and stress levels. Each component is scored on a scale of 0 to 10, contributing to an overall satisfaction index. Insights from this report guide strategic initiatives to foster a positive work environment, address stressors, and enhance job satisfaction and happiness. Regular assessments and adjustments reaffirm our commitment to nurturing a workplace aligned with our valued team members' well-being and professional fulfillment.

| Out of 10                   | FY22-23 | FY23-24 | FY24-25 |
|-----------------------------|---------|---------|---------|
| Employee Net Promoter Score | 6.70    | 7.20    | 7.58    |

**16. Employee Leaves:**

- **Maternity Leave:** Applicable to female Welspunites who have completed 80 days of continuous service on the date of leave application. Mothers with less than 2 children will be entitled to **26 weeks** of leave up to 2 children only. Pre-delivery and post-delivery distribution of leave will be 8 weeks and 18 weeks, irrespective of the delivery date.
- **Paternity leave:** These leaves are only for newbie fathers at Welspun. Fathers can avail of paternity leave for up to 2 children at the time of childbirth and adoption up to the age of 5 years. Leave quantum will be 7 days (1 Week) per child.

**17. Customer Satisfaction:**

We have a quality management's system data manual for ensuring the quality of product distribution networks which is a vital aspect of our commitment to customer satisfaction. Customer engagement surveys are pivotal in gauging customer satisfaction, with a score of >90%, indicating the effectiveness of our quality management and distribution network – product quality compliance endeavours.

Our robust quality management system (QMS), aligned with ISO 9001 standards, plays a central role in maintaining consistency and reliability in customer service across distribution channels. We evaluate our distribution network's exposure and employ documentation, workshops, and formal training programs to educate distributors on our quality standards. We regularly conduct internal and external audits to ensure compliance, tracking the annual participation of distributors. Our dedication to quality is at the core of our mission, guaranteeing exceptional consistency and customer satisfaction. Data covered more than 90% of our customers.

**Customer satisfaction**  
**Target for FY 24-25- >90%**  
**FY 24-25- Customer satisfaction is 95%**  
**Target for FY25-26- > 95%**

**18. Online Consumer Engagement:**

| Particulars                                                                   | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 |
|-------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| % of total customers using your online services solutions/sales platform      | 7%    | 5.8%  | 5.1%  | 6%    | 6.2%  |
| % of revenues generated online (e.g. through direct sales, advertising, etc.) | 6%    | 5%    | 6%    | 7%    | 7.6%  |

**19. Ethical marketing Commitment:**

We believe that all marketing efforts must provide genuine value to the consumers /customers in order to earn their attention and their trust. We ensure that our marketing strategies are based on a foundational belief, and must be legal, decent, honest and truthful. We always abstain from misinforming customers on competitors' work. We also ensure that the vulnerable market segments are protected. Our marketing strategies are developed with a sense of responsibility to consumers and society, and consistent with the social, economic and environmental principles of sustainable development. Also we reject exaggerated claims about the social and environmental impacts of our work to view our ethical marketing policy.

Click Here: [welspunliving.com/uploads/esgreports/esgreports\\_22.pdf](https://welspunliving.com/uploads/esgreports/esgreports_22.pdf)

**20. Privacy Data utilization:**

31% of customers whose data is used for secondary purposes with their consent.

**21. Long term incentives for Employees:**

WLL has Long-term incentives for employees designed to align their goals with the company's success. These incentives encourage retention and motivation by rewarding sustained contributions over time. WLL often provide long-service awards, gifts, performance-based bonuses, and additional benefits to recognize their loyalty and contributions who reach significant milestones, such as completing 10 years, 15 year, 25 years or more years of service. The company is also considering financial incentives for its employees for long term performance and same shall be implemented in future. The company's long-term incentive plans are also linked to performance metrics that include sustainability and ESG targets, aligning employee rewards with the achievement/contribution to long-term sustainability goals.

## Governance

### 1. Board Independence

#### • Target Share for Independent directors:

Chairperson is a Non-executive Director.

The board of directors shall comprise of at least 50% of independent directors and we are complying with the requirements.

Total Directors were 8 out of which 4 were Independent Directors

### 2. Board Effectiveness

#### • Board Meeting Attendance (Minimum Attendance Required):

Average Board Meeting Attendance is **91.18%**. The members of board are required to have minimum 90% attendance in board meetings in a financial year.

#### • Board Accountability:

✓ The Company has established a structured succession planning framework to ensure business continuity and leadership stability. The process focuses on the orderly transition of the CEO, Board members, and senior management positions. The Nomination and Remuneration Committee (NRC) oversees and implements this mechanism in consultation with the Board, emphasizing the identification and development of internal talent for future leadership roles. This approach not only secures continuity in strategic direction but also fosters motivation and career growth within the organization.

✓ Any amendment to the company's bylaws requires prior shareholder approval and must be approved through a special resolution at a general meeting, in accordance with the Companies Act, 2013 and SEBI regulations. This process ensures transparency and alignment with the interests of stakeholders.

✓ The company's framework also includes provisions on directors' personal liability, as permitted under applicable state laws. These provisions safeguard directors when they act in good faith, within their fiduciary and statutory duties, and in the best interests of the company.

#### • Mandate on maximum directorships that can be held by a Director:

✓ Mandates on directorships & Board Election Process: In adherence to Regulation 17(1A) of the SEBI LODR Regulations, it is mandated for our directors to not hold directorships in more than seven listed entities. This practice reflecting our commitment to transparency and compliance with regulatory standards, while ensuring that our directors can effectively contribute to the sustainable success of the organizations they serve.

✓ Additionally, in accordance with the SEBI LODR Regulations, our directors are elected individually by a majority of the votes cast by the shareholders at the General Meeting/Postal Ballot as per their terms of appointment annually.

✓ Independent assessment of board performance is happening once in a year by third party.

✓ WLL does not have formalized stock ownership requirements for the CEO or members of the executive committee. However, the company encourages its executives to align their interests with shareholders to promote long-term value creation for the company and its stakeholders. The company continuously evaluates its governance practices to ensure alignment with industry standards and best practices.

### 3. CEO compensation- Success Metrics:

Performance Linked Criteria: As per the Company's Variable Pay Policy, all GM and above employees are eligible for variable pay which ranges from 15% to 25% of their CTC as per their respective Grades. Target Variable Pay also depends on two components - Individual performance, Organisation/SBU performance and min and max pay out scale. Organisation's performance will be assessed based on three parameters - Total sales turnover, EBIDTA and Inventory in days. Ms. Goenka is eligible for earning variable pay only if overall score for organisational performance is equal or more than 85% (weighted average of the above three parameters). Commission at the rate of 1% of the consolidated profit as computed in the manner given in Section 198 of the Companies Act, 2013, based on consolidated financial statement for that financial year.

#### 4. CEO compensation- Long term performance alignment:

Vesting: Options to vest over a period of four years from the date of their grants as under

- 20% of the Options granted to vest at each of the 1st and 2nd anniversaries of the date of grant.
- 30% of the Options granted to vest at each of the 3rd and 4th anniversaries of the date of grant.

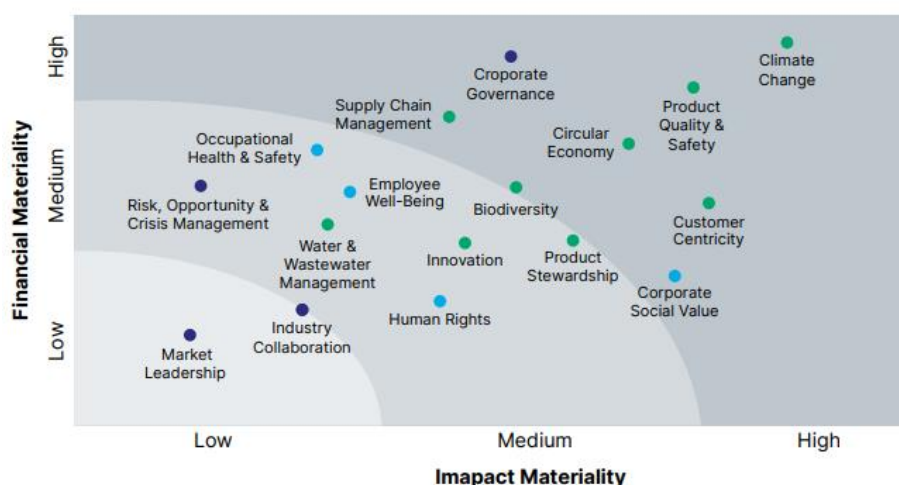
#### 5. Business Ethics: We have no breaches w.r.t Corruption or Bribery, Customer Privacy Data, cyber security breaches, conflicts of Interest and Insider trading.

**Code of conduct systems and procedures:** Our organization prioritizes the integration of Code of Conduct adherence into our employee compensation structure to promote a culture rooted in integrity and ethical behavior. We have designed our performance evaluation system to mirror our dedication to compliance and ethical norms, with compulsory training and strict adherence to the code of conduct being essential elements of our employee assessments. Our performance appraisal metrics rigorously screen for any violations of the code of conduct, including corruption, discrimination, and other breaches, highlighting our emphasis on weaving ethical considerations into the evaluation of employee performance. This focus is reflective of our wider commitment to sustainability and conscientious business operations. We are pleased to announce that during the current reporting period, we don't have any cases/incidents on corruption, bribery, discrimination, harassment, customer privacy violations, conflicts of interest, and insider trading incidents. Also our compliance model is reviewed regularly by third-party organization relating to the breaches of code of conduct.

#### 6. Tax Transparency report: We use specialized software for effective tax compliance. It provides IT-enabled legal support services relating to tax and regulatory compliances. This enables the management to get a comprehensive view of the organization's compliances and control mechanisms through detailed dashboards. It results in an effective functioning at an operating level by creating a comprehensive matrix of laws and provides necessary information to comply with them. Our tax policy & report is reviewed and approved by the Board of Directors, reinforcing governance oversight and alignment with corporate values. We observe and adhere to the tax law, the underlying tax policy intent, and the disclosures and reporting requirements in each jurisdiction. All tax returns are prepared and filed in the specified forms within the stipulated timelines, as required by the applicable law. Also we commit not to use secrecy jurisdictions for tax avoidance.

#### 7. Double Materiality Analysis

- Double Materiality analysis conducted which is endorsed by Board of Directors, and integrated into our ERM.



| Impact        | Environment                                                                                                                                                                                                          | Social                                                                                                                                | Governance                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>High</b>   | <ul style="list-style-type: none"> <li>Climate Change</li> <li>Product quality &amp; safety</li> <li>Circular Economy</li> <li>Supply Chain Management</li> <li>Customer Centricity</li> <li>Biodiversity</li> </ul> | <ul style="list-style-type: none"> <li>Corporate Social value</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Corporate Governance</li> </ul>                                                      |
| <b>Medium</b> | <ul style="list-style-type: none"> <li>Product Stewardship</li> <li>Innovation</li> <li>Water &amp; Wastewater management</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>Occupational Health &amp; safety</li> <li>Employee Well-being</li> <li>Human rights</li> </ul> | <ul style="list-style-type: none"> <li>Risk, Opportunity &amp; Crisis management</li> <li>Industry Collaboration</li> </ul> |
| <b>Low</b>    | -                                                                                                                                                                                                                    | -                                                                                                                                     | <ul style="list-style-type: none"> <li>Market Leadership</li> </ul>                                                         |

## 8. Material Issues and metrics for Enterprise Value Creation

At WLL we consider material issues and metrics play a crucial role in assessing and enhancing enterprise value creation. Material issues refer to aspects of a business that have a significant impact on its long-term success, encompassing environmental, social, and governance (ESG) factors. Identifying and addressing these issues is vital for sustainable and responsible business practices. Metrics related to material issues help quantify and track progress in areas such as carbon footprint reduction, employee satisfaction, diversity and inclusion, and ethical governance. By integrating these metrics into key performance indicators (KPIs), we are aligning their strategies with societal and environmental goals, mitigating risks and capitalizing on opportunities. This holistic approach not only fosters corporate responsibility but also contributes to long-term financial performance and enhances the overall value proposition for stakeholders, including investors, customers, and employees.

### 6 Capitals

| Capital                       | Inputs (FY 2024-25)                                                                                                                                                                                                                                                                                                                  | Outputs/Outcomes (FY 2024-25)                                                                                                                                                                                                                                                                                                                            | Linked SDGs          | Value Creation                                                                                                                                                    |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial Capital             | <ul style="list-style-type: none"> <li>Our financial strength gives us a solid foundation to drive innovation, growth, and sustainability</li> <li>Net debt: ₹1,602.5 Cr</li> <li>Equity   ₹4,920.66 Cr</li> <li>Fixed assets net block   ₹4,402.53 Cr</li> <li>Working capital   ₹3,111.64 Cr</li> </ul>                            | <ul style="list-style-type: none"> <li>Financial Capital</li> <li>Market capitalisation   ₹12,959 Cr</li> <li>ROCE (Pre-tax)   12.9%</li> <li>ROE   13.7%</li> <li>Dividend payout recommended for FY25   ₹163.05 Cr</li> <li>Total income   ₹10,697.24 Cr</li> <li>EBITDA   ₹1,450.6 Cr</li> <li>EBITDA margin   13.60%</li> <li>EPS   ₹6.70</li> </ul> | SDG 8                | Drives financial resilience, funds innovation and ESG initiatives                                                                                                 |
| Manufactured Capital          | <ul style="list-style-type: none"> <li>With Four domestic manufacturing facilities, we possess the means to produce diverse and innovative products and services that bring high value to our customers</li> <li>Domestic manufacturing facilities: 4</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>Diverse, innovative products and services</li> <li>High value created for customers</li> </ul>                                                                                                                                                                                                                    | SDG 9                | Improves productivity, reduces environmental footprint, supports circularity                                                                                      |
| Human Capital                 | <ul style="list-style-type: none"> <li>Our team of employees, including a significant representation of women talent, forms the backbone of our success</li> <li>Total workforce: 27,719 Including Permanent and contractual workers,</li> <li>Permanent Employee &amp; workers: 21084</li> <li>Women representation: 27%</li> </ul> | <ul style="list-style-type: none"> <li>Employees with tenure &gt;10 years: 2,276</li> <li>Retention rate: 100%</li> <li>New recruits: 9,348</li> </ul>                                                                                                                                                                                                   | SDG 5, SDG 8         | Builds a future-ready workforce and inclusive culture                                                                                                             |
| Intellectual Capital          | <ul style="list-style-type: none"> <li>Our intellectual prowess is evident in our dedicated R&amp;D team and a portfolio of 47 patented technologies, positioning us as a leader in our field</li> <li>R&amp;D and PD team strength: 80</li> <li>Patented technologies owned by WLL: 47</li> </ul>                                   | <ul style="list-style-type: none"> <li>Percentage of sales in FY25 from innovation: 24%</li> </ul>                                                                                                                                                                                                                                                       | SDG 9, SDG 12        | Strengthens market leadership and supports sustainable consumer demand                                                                                            |
| Natural Capital               | <ul style="list-style-type: none"> <li>We remain conscious of our environmental footprint and are proactively implementing measures to conserve natural resources</li> <li>Water Withdrawal: 50,36,970 KL</li> <li>Energy Consumption: 63, 61,345 GJ</li> </ul>                                                                      | <ul style="list-style-type: none"> <li>Energy Intensity: 738 GJ per ₹ Cr</li> <li>GHG Intensity: 63.75 tCO<sub>2</sub>e per ₹ Cr (GHG Intensity Reduced by 16.3%)</li> <li>Annual sewage water recycled: 3.74 billion liters</li> <li>Recycled cotton consumed   6,231 MT</li> <li>Sustainable cotton procured   76%</li> </ul>                          | SDG 6, SDG 13        | Reduces resource intensity, lowers emissions, and enhances circularity, creating long-term ecological resilience while supporting cost efficiency and compliance. |
| Social & Relationship Capital | <ul style="list-style-type: none"> <li>We believe in giving back to the community and investing in Corporate Social Responsibility (CSR) initiatives</li> <li>Investment on CSR initiatives in FY25: ₹12.33 Cr</li> <li>Stakeholder engagement</li> </ul>                                                                            | <ul style="list-style-type: none"> <li>Lives impacted: 11,16,232 (cumulative), WLL- 4,47,747</li> <li>People benefitted through Wel-Swasthya: WLL- 1,00,000 Cumulative- 3,18,697</li> </ul>                                                                                                                                                              | SDG 3, SDG 4, SDG 17 | Builds social goodwill, strengthens supply chain resilience, enhances brand equity                                                                                |

## 9. Material Issues and metrics for External Stakeholders

Our commitment to material issues and matrices for external stakeholders is not just about reporting; it defines how we do business. To achieve this, we have:

- Engaged extensively with external stakeholders, including NGOs, communities, and environmental groups to better understand their concerns and priorities
- Integrated ESG considerations into our decision-making processes, from product development to supply chain management

- Participated in regulatory initiatives and industry standards promoting sustainability reporting transparency and accountability.

| Parameter                         | Material Issue- 1                                                                                                                                                 | Material Issue- 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Material Issue- 3                                                                                                                                                                                                                            |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material issue                    | Energy                                                                                                                                                            | Water Conservation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Supply Chain Management                                                                                                                                                                                                                      |
| <b>Business Case</b>              | Managing energy use and emissions is crucial for WLL, as they directly influence operational costs and environmental impact.                                      | Water plays a vital role in textile production; hence its management is a crucial need. By implementing innovative technologies and best practices, we strive to reduce our water footprint and protect this precious resource.                                                                                                                                                                                                                                                                                        | Supply chain management is essential to ensure the availability and quality of raw materials, avoid reputation risks, and support Sustainable sourcing practices.                                                                            |
| <b>Strategy</b>                   | WLL has set a target to increase its renewable energy consumption to 20% by 2025 and 100% by 2030. The company has implemented various energy saving initiatives. | We strive to conserve every drop of freshwater to make it accessible to communities struggling with water scarcity. At our Anjar site, we have implemented a sewage treatment plant (STP) that not only eliminates the need for freshwater intake in our manufacturing operations, but also collects sewage from nearby municipalities for responsible treatment, reuse, and discharge. This initiative serves multiple purposes within our climate strategy. WLL has set target to minimizing freshwater consumption. | Based on ESG parameters WLL has implemented its Supplier Code of Conduct for its suppliers to adhere and follow. Also regularly evaluates its vendors on required quality standards to ensure the highest standards in material procurement. |
| <b>Long term target with year</b> | Increase the share of Renewable energy consumption to 20% by 2025 and 100% by 2030                                                                                | Minimizing the share of freshwater consumed to 5KL/Tonne of product produced by 2025 and 0KL/Tonne by 2030                                                                                                                                                                                                                                                                                                                                                                                                             | 100% Critical Suppliers to be assessed by 2025 and our aspiration will encompass all suppliers by 2030,                                                                                                                                      |

|                               |                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                  |                                                                                                                                    |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>Progress</b>               | In FY24-25 WLL achieved 30.4% RE. We had established a 30 MW solar at Anjar, 4.6MW & 8 MW rooftop solar at Hyderabad. We have entered into a long-term PPA with a RE developer to supply renewable Power to us. WLL is generating low carbon steam through waste heat recovery system. | Increased % of Water recycling from STP and ETP, Currently at Anjar 100% water is used from recycled sources for operation, in FY24-25, fresh water consumption was 11.24KL/tones or product. Total Fresh water consumption intake is 48% of total water intake. | 100% Tier 1suppliers assessed in FY24-25                                                                                           |
| <b>Executive Compensation</b> | 10% of the annual Incentives are tied to achieving a achievement of renewable energy targets                                                                                                                                                                                           | Reduction in water consumption per unit of production included in ESG performance criteria for variable pay.                                                                                                                                                     | Variable pay is linked with target for supplier audit for ESG compliance <b>or</b> procurement from certified sustainable sources. |

| Parameter                                | Material issue 1                                                                                                                                                                                                                                                            | Material issue 2                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Material Issue for External Stakeholders | Customer Relationship Management                                                                                                                                                                                                                                            | Product Stewardship                                                                                                                                                                                                                                                                                                                                                                                 |
| Cause of Impact                          | Effective CRM in textile manufacturing streamlines operations with real-time insights, drives product innovation by capturing customer preferences, and optimizes the supply chain to match demand, enhancing efficiency and customer satisfaction in a competitive market. | The external impact of product stewardship is primarily driven by our operations, products, and supply chain. Our evaluation covers all aspects of business activities, ensuring that every phase from sourcing raw materials and manufacturing to product distribution, use, and eventual disposal, is handled with a strong commitment to environmental sustainability and social responsibility. |

|                                                        |                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Evaluated Impact areas on external stakeholders</b> | Often focus on environmental impact and consumer safety. Key stakeholders typically include local communities, regulatory bodies, customers, and environmental organizations. | Involve evaluating the environmental impact of sourcing and disposal of our textile products. Key stakeholders include regulatory bodies concerned with environmental protection, customers who prioritize sustainability and product safety, and local communities affected by manufacturing practices.                                                                             |
| <b>Topic relevance for external stakeholders</b>       | Address the growing consumer preference for sustainable products by developing and offering goods that have a reduced environmental impact.                                   | Directly relates to environmental sustainability and ethical sourcing, which are critical concerns for consumers, investors, and regulatory bodies. The impact assessed is material to external societal stakeholders and the environment due to the potential ecological footprint of textile production, including resource depletion and GHG emission throughout their lifecycle. |
| <b>Output Metric</b>                                   | Customer satisfaction score: 95%                                                                                                                                              | Zero voluntary and forced recalls on the safety issues.                                                                                                                                                                                                                                                                                                                              |
| <b>Impact Evaluation</b>                               | We established structured process to conduct customer satisfaction survey.                                                                                                    | We conducted Life Cycle Assessment (LCA) in-house for our flagship products for Anjar & Vapi Plant.                                                                                                                                                                                                                                                                                  |
| <b>Impact Metric</b>                                   | WLL has conducted various campaigns to raise awareness about the sustainable product and take back program.                                                                   | 76% of sustainable cotton and 12% recycled cotton used as input to the production                                                                                                                                                                                                                                                                                                    |

**10. Trade Association and contribution in FY24-25**

| Association Name                                                  | Amount contributed in INR | Nature of Contribution                                                                                                                          |
|-------------------------------------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Federation of Indian Chambers of Commerce & Industry (FICCI)      | 2,70,000                  | Membership Fees                                                                                                                                 |
| The Cotton Textiles Export Promotion Council (TEXPROCIL)          | 40,33,332                 | Voluntary contribution to the initiative of branding, traceability & certification of Indian cotton - "Kasturi". Government of India Programme. |
| Confederation Of Indian Industry (CII)                            | 15,42,000                 | Membership Fees                                                                                                                                 |
| World Economic Forum LLC                                          | 1,88,80,255               | Associate Partnership                                                                                                                           |
| Ahmedabad Textile Industry Research                               | 4,00,000                  | Membership Fees                                                                                                                                 |
| Federation Of Kutch Industries                                    | 8,25,000                  | Membership Fees                                                                                                                                 |
| Cotton Egypt Association (CEA)                                    | 3,11,688                  | Membership Fees                                                                                                                                 |
| Gujarat Chamber Of Commerce And Industry                          | 5,00,000                  | Textile Leadership Conclave                                                                                                                     |
| Manmade and Technical Textiles Export Promotion Council (MATEXIL) | 10,96,750                 | Sponsorship For Export Award Function                                                                                                           |
| National Institute Of Fashion Technology, Gandhinagar             | 5,50,000                  | Sponsorship For Award Function                                                                                                                  |
| The Utkal Chamber Of Commerce & Industry Limited                  | 10,00,000                 | Lead Sponsor For Resurgent Odisha 2024                                                                                                          |

- Apart from above contributions, WLL did not make any other contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.

**11. Risk Governance and Business Ethics**

Risk Management Committee Chaired by Independent Director (Mr. Murali Sivaraman); hence our risk management function is structurally independent of the business lines. Regular risk management education for non- executive directors is ensured through the Management Risk Committee meetings held every quarter. The chairman of the Risk Management Committee provides important risk updates and educates the Board of Directors at each meeting. Front line responsibilities for risk identification, monitoring, and mitigation are assigned to business unit heads, with second line oversight by the Risk Management Committee and Board Audit Committee the effectiveness of risk management and compliance processes.

**12. Risk Management Process:**

Welspun Living Limited has established a comprehensive Enterprise Risk Management (ERM) framework that defines risk appetite, governance, and ownership at Board, senior management, and operational levels. The risk appetite statement outlines the level of risk the company is prepared to accept across strategic, operational, financial, compliance, and ESG-related risks. Front line responsibilities for risk identification, monitoring, and mitigation are assigned to business unit heads, with oversight by the Risk Management Committee and the Board Audit Committee.

**Process/Framework to determine Risk Appetite**

Welspun Living Limited follows a structured Enterprise Risk Management (ERM) framework to define and monitor its risk appetite in alignment with strategic and sustainability objectives.

✓ **Risk Identification & Assessment:**

Key business and ESG risks are identified through periodic reviews and evaluated based on impact and likelihood across financial, operational, environmental, and reputational dimensions.

✓ **Defining Risk Appetite:**

The Board of Directors approves the overall risk appetite, while the Risk Management Committee (RMC) sets specific tolerance levels for critical risk categories. The Chief Risk Officer (CRO) translates these into measurable parameters for monitoring and control, Functional heads operate within approved limits and report exceptions.

✓ **Review & Monitoring:**

Risk appetite statements are reviewed at least twice annually and integrated into decision-making across functions. Any deviations or breaches are escalated to the RMC and Board for corrective action.

✓ **Integration with Strategy:**

The defined appetite guides decisions on market expansion, technology adoption, and sustainability initiatives, ensuring risks are managed within acceptable boundaries.

### **Risk Exposure**

The company conducts a structured review of risk exposure at least twice a year through the Risk Management Committee, supplemented by ongoing risk identification processes across functions. Emerging risks, including climate, supply chain, and regulatory risks, are assessed in line with global frameworks.

### **Risk Management Process Audit**

The risk management process undergoes regular internal audit and an external audit to ensure alignment with best practices and regulatory requirements. WLL has conducted audit in last two years.

### **Risk Culture**

To embed a strong risk culture, the company has adopted the following strategies:

- Regular risk management education for non-executive directors to enhance governance oversight.
- Focused training across the organization on risk identification, assessment, and mitigation.
- Integration of risk criteria in product development and investment decisions to ensure resilience.
- Performance-linked financial incentives that incorporate risk management metrics for senior management.

This framework ensures a proactive approach to risk, aligning risk appetite with strategy and building resilience against emerging business and ESG challenges.

## **13. Business Risks Identified:**

| <b>Risk</b>                | <b>Raw Material Risk</b>                                                                                                                                                               | <b>Market Competition Risk</b>                                                                                                                                                                                  |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>         | Volatility in the prices and availability of raw materials, such as cotton and synthetic fibers, could disrupt production and increase costs.                                          | Intense competition from both domestic and international textile manufacturers could pressure margins and market share.                                                                                         |
| <b>Magnitude</b>           | 4                                                                                                                                                                                      | 4                                                                                                                                                                                                               |
| <b>Likelihood</b>          | 3                                                                                                                                                                                      | 4                                                                                                                                                                                                               |
| <b>Mitigation Measures</b> | To mitigate this risk, we maintain long-term supplier contracts, diversify our supplier base, and explore sustainable material sources to reduce dependency on volatile raw materials. | We focus on product innovation, quality differentiation, and expanding into emerging markets. Strategic partnerships and digital marketing initiatives also help enhance brand visibility and customer loyalty. |

## 14. Emerging Risks

| Name of the Risk   | <b>Risk 1- Geo-political Risk</b><br>1. Trade Policy & Non trade Barriers<br>2. Market concentration risk<br>3. Cost Competitiveness Challenges                                                                                                                                                                                                                                                                                                                         | <b>Risk 2- Technology- Artificial Intelligence</b><br>1. Integration of AI in Textile R&D, AI-Powered Competition, and Skill Shortage due to AI Advancements<br>2. Job Displacement<br>3. Security Concerns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description        | 1. The US government imposes higher tariffs on textile imports to protect domestic manufacturers or as part of geopolitical trade measures.<br>2. With ~60% of our exports concentrated in the US, increased tariffs directly impact sales volume, profitability, and long-term customer relationships.<br>3. Tariff hikes could make our products less competitive compared to suppliers from tariff-exempt or FTA countries.                                          | 1. As our industry embraces AI in Research and Development (R&D) processes, competitors rapidly adopt AI-driven strategies, intensifying market competition. Simultaneously, the industry faces a potential shortage of skilled human resources due to the evolving nature of AI, creating a significant gap in required expertise.<br>2. Automation driven by AI may lead to job displacement in certain sectors, impacting employment opportunities.<br>3. AI systems may be vulnerable to attacks, and the malicious use of AI can pose security risks.                                                                                                                                                                                                |
| Impact             | <b>1. Revenue &amp; Profitability Decline:</b> Increased tariffs would reduce demand due to higher landed cost of our products in the US.<br><b>2. Market Share Risk:</b> Buyers may shift to alternative sourcing markets with lower tariffs, eroding our share in the world's largest textile market.<br><b>3. Strategic Dependency:</b> Overdependence on the US market increases the risk of sudden trade changes and stricter rules that could affect our business | <b>1.</b> The convergence of AI in R&D and competitive strategies amplifies the pace of innovation, rendering traditional R&D methodologies obsolete. This could lead to a decline in market share and revenue if the company fails to keep up.<br><b>Long-term Risk:</b> The continuous reliance on AI in R&D and competition establishes a long-term threat, with potential disruptions to the company's innovation pipeline and market positioning.<br><b>2. Operational Efficiency:</b> AI can enhance operational efficiency by automating routine tasks, reducing errors, and optimizing processes.<br><b>3. Operational Efficiency:</b> AI can enhance operational efficiency by automating routine tasks reducing errors, and optimizing process. |
| Mitigation Actions | <b>1. Market Diversification:</b> Expand presence in Europe, Middle East, Japan, and emerging markets to reduce reliance on the US.<br><b>2. Policy Advocacy:</b> Engage with trade associations and policymakers to represent industry interests against tariff escalation.<br><b>3. Cost Optimization:</b> Invest in operational efficiencies and automation to offset tariff-related cost pressures.                                                                 | <b>1. Investment in AI Skill Development:</b> Implement comprehensive training programs to upskill existing employees and attract new talent proficient in AI technologies. This ensures a competent workforce capable of leveraging AI in R&D.<br><b>Collaborative R&amp;D Partnerships:</b> Form strategic alliances with tech firms or research institutions specializing in AI to gain access to cutting-edge technology and expertise. This facilitates staying ahead in innovative R&D endeavours.                                                                                                                                                                                                                                                  |

|  |                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>4. Strategic Partnerships:</b> Explore joint ventures or local assembly/distribution in the US to mitigate tariff exposure.</p> | <p><b>Continuous Monitoring and Evaluation:</b> Implement a robust monitoring system to assess the impact of AI integration continuously. This allows for swift adjustments and recalibration of strategies as needed.</p> <p><b>2. Data Privacy and Security:</b> Implement robust measures to protect sensitive data, comply with privacy regulations, and ensure the security of AI systems.</p> <p><b>3. Human-AI Collaboration:</b> Foster collaboration between AI systems and human workers, emphasizing the augmentation of human capabilities rather than replacement.</p> <p><b>4. Human-AI Collaboration:</b> Foster collaboration between AI systems and human workers, emphasizing the augmentation of human capabilities rather than replacement.</p> |
|--|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### 15. Anti- Competitiveness in Supply Chain:

Suppliers are expected to conduct their business in full compliance with applicable competition and antitrust laws. Any form of anti-competitive behavior—such as collusion, cartel formation, price-fixing, bid-rigging, or market sharing—is strictly prohibited.

Suppliers must not engage in discussions or agreements with competitors that could limit fair competition or manipulate market conditions. They are required to operate independently and make commercial decisions based solely on merit, quality, and fair market principles.

Welspun Living Limited maintains a zero-tolerance approach toward anti-competitive practices and expects suppliers to uphold the same standards throughout their operations and supply chains. Any breach of this principle may result in review, suspension, or termination of business relationships.

#### 16. Supplier Screening:

Our supplier screening process comprehensively evaluates environmental, social, governance, and business relevance factors. We assess risks that are specific to the country, sector, and commodity, including potential human rights violations, environmental impacts, and regulatory compliance challenges. By integrating these considerations into our screening process, we aim to mitigate risks and build a resilient, responsible supply chain that aligns with our commitment to sustainability.

#### 17. KPI's for Supplier Assessment

Key Performance Indicators (KPIs) of suppliers are essential tools for evaluating and managing supplier performance within a supply chain. These metrics provide us insights into critical aspects such as delivery reliability, product quality, cost efficiency, and responsiveness. On-time delivery performance, for instance, measures a supplier's ability to meet deadlines and maintain a consistent supply flow. Quality metrics assess the conformity of delivered goods to specified standards, ensuring that products meet the required specifications. Cost-related KPIs, such as total cost of ownership or cost per unit, help evaluate the economic efficiency of a supplier. Responsiveness indicators, such as lead times, reflect a supplier's agility in adapting to changing demand. By establishing and monitoring these KPIs, businesses can identify areas for improvement, enhance collaboration with suppliers, and ultimately optimize the overall efficiency and effectiveness of their supply chain. Supplier assessment is carried out using SMETA.

### 18. Supplier Meet FY24-25:

Supplier Meet in FY24-25 has been conducted in month of October 2024. 120 supplier has been participated in supplier meet with agenda on sustainability enhancement in value chain. Key topics included reducing environmental impacts, ensuring ethical sourcing, and improving resource efficiency across all stages of production. Suppliers were encouraged to adopt sustainable practices and collaborate on innovative solutions to enhance overall supply chain sustainability.



### 19. Supplier Training (FY 24-25):

| Sr. No. | Topic                                 | No of Suppliers |
|---------|---------------------------------------|-----------------|
| 1       | Responsible sourcing & Sustainability | 50              |
| 2       | Human Rights                          | 29              |
| 3       | Ethics, Privacy and compliance        | 38              |
| 4       | ESG & GHG Training                    | 65              |
| 5       | WLL General Code of Conduct           | 44              |
| 6       | Anti-Bullying & Anti-Harassment       | 38              |
| 7       | Anti-Bribery and Anti-Corruption      | 38              |

### 20. Supplier manual: Elevating performance through accountability

Focusing on operational standards, our supplier manual mandates that each supplier undergo third-party audits or inspections. These assessments serve to uphold the operational benchmarks outlined by regulatory authorities and our supplier code of conduct. Moreover, the supplier manual facilitates the perpetual enhancement of supplier performance, ensuring the continuous alignment of practices with our sustainability goals and overarching principles.

### 21. Supplier assessment using the Welspun supplier manual

We completed assessments for 588 of our significant Tier-1 and non-tier 1 suppliers. These assessments included supplier desk assessments with systematic verification of evidence, on-site assessments conducted by our procurement team and external consultants (2nd-party assessments), and independent audits performed by accredited auditing bodies (3rd-party assessments). The comprehensive audits covered social, occupational health and safety, environmental performance,

chemical management, and environmental management aspects. Periodic assessments were carried out for all critical suppliers, with corrective action plans developed and follow-up assessments conducted to ensure continuous improvement. We also completed annual training on the supplier business code of conduct. Additionally, our suppliers were asked to develop improvement action plans, which we verified during the annual assessment.

We prepared the supplier's performance dashboard, and our business continuity was based solely on the ESG performance. These audits provided valuable insights into our suppliers' ESG practices and helped them understand our ESG expectations. Our trajectory includes scaling these audits to encompass all critical suppliers. Our collaborative Supplier assessment using the Welspun supplier manual engagement with suppliers will be pivotal in developing our Scope 3 emissions database and charting the path towards achieving our Net Zero objectives.

A well-structured supplier manual serves as a valuable tool in this process. It outlines the expectations, standards, and criteria that suppliers must adhere to, allowing for a consistent and transparent evaluation process. By detailing factors such as product specifications, delivery timelines, quality control procedures, and sustainable and ethical considerations, the supplier manual provides a comprehensive framework for assessing the capabilities of potential and existing suppliers. This approach assists in making informed decisions during supplier selection and facilitates ongoing monitoring and improvement, fostering a strong and mutually beneficial supplier client relation.

### Supplier Development:

Supplier information and training on our Company's supplier ESG programs, process, and requirements

- Supplier access to ESG benchmarks against peers
- Supplier support, both remote and on-site, for the implementation of corrective/improvement actions
- In-depth technical support programs to build capacity and improve ESG performance in our suppliers

### Monitoring and reporting of supplier assessment and development programs:

We track the total number of suppliers supported in corrective action plan implementation and the percentage of suppliers assessed with substantial impacts supported in corrective action plan implementation. We monitor the coverage and progress of suppliers in capacity-building programs, including the total number of suppliers in such programs and the percentage of significant suppliers participating.

| Parameter                                                     | No. of Suppliers |
|---------------------------------------------------------------|------------------|
| Total number of Tier-1 suppliers                              | 140              |
| Total number of significant suppliers in Tier-1               | 67               |
| % of total spend on significant suppliers in Tier-1           | 80%              |
| Total number of significant suppliers in non-Tier-1           | 521              |
| Total number of significant suppliers (Tier-1 and non-Tier-1) | 588              |



| Supplier Assessment                                                                                      | FY 2024-25 |
|----------------------------------------------------------------------------------------------------------|------------|
| 1.1 Total number of significant tier-1 and non-tier-1 suppliers assessed via desk or on-site assessments | 588        |
| 1.2 % of unique significant suppliers assessed                                                           | 100%       |
| 1.3 Number of suppliers assessed with substantial actual/potential negative impacts                      | 16         |

|                                                                                                                                                                                                               |      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan                                                                                          | 100% |
| 1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated                                                                                                               | 2    |
| 2.1 Total number of suppliers supported in corrective action plan implementation out of the number of suppliers assessed with substantial actual/potential negative impact                                    | 16   |
| 2.2. % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation                                                                            | 100% |
| 3.1 Total number of suppliers in capacity building programs                                                                                                                                                   | 588  |
| 3.2 % of unique significant suppliers in capacity building programs                                                                                                                                           | 100% |
| <b>Total number of significant suppliers assessment target via desk assessments/on-site assessments for FY 25-26 is all significant suppliers of tier-1 and non-tier 1 suppliers- Target is 588 Suppliers</b> |      |

## 22. Information Security Management Program:

WLL has a comprehensive Information Security Management Program (ISMP) designed to safeguard data integrity, confidentiality, and availability across all operations. The program is aligned with international standards and best practices to ensure business continuity and resilience. IT infrastructure and information security management systems have been audited by external auditors. Regular vulnerability assessment and penetration testing including simulated hacker attacks (VAPT) for both infrastructure and application landscape. Also we test our incident response procedure annually. **Mr. Subramanyam Gupta G.V. is Chief Information officer (CIO)** who has executive level responsibility for overseeing information security issues

### Key Elements of the Program:

- ✓ **Information Security–Related Business Continuity Plans:**  
Business continuity and recovery plans are in place to ensure the uninterrupted functioning of critical IT systems. These plans are periodically reviewed and tested to validate system recovery and data protection measures.
- ✓ **Vulnerability Analysis:**  
Regular information security vulnerability assessments are conducted to identify and mitigate potential threats to IT infrastructure and digital assets. Identified vulnerabilities are prioritized and addressed through structured remediation plans.
- ✓ **Internal Audits & Independent External Audits:**  
Periodic internal audits and independent external assessments (aligned with ISO 27001) are conducted to ensure robust controls, policy compliance, and adherence to global cybersecurity standards.
- ✓ **Incident Reporting and Escalation:**  
A formal escalation process is established for employees to report any information security incidents, vulnerabilities, or suspicious activities. All reported cases are logged, investigated, and resolved through defined corrective action mechanisms.
- ✓ **Information Security Awareness Training:**  
Regular awareness and training programs are conducted for employees across functions to reinforce best practices in cybersecurity, data privacy, and responsible digital behavior.

Through this integrated approach, WLL ensures information security risks are proactively managed, systems are continuously improved, and resilience is maintained against evolving cyber threats.

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