Welspun Living Limited

ESG Data Factsheet

FY2026

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About the Report

The disclosures in ESG Data Factsheet FY2026 cover all activities and operations included in Welspun Living Limited's (WLL's) financial reports, representing over 90% of the revenue reflected in the non-financial reporting.

Governance

Corporate Governance

- Welspun Living Limited's Chairperson is a Non-executive Director.
- In accordance with the SEBI LODR Regulations, Welspun Living Limited's Directors are elected individually by a majority of votes cast by the shareholders at General Meeting/Postal Ballot as per their terms of appointment.
- In adherence with the SEBI LODR Regulation 17(1A), Welspun Living Limited (WLL) mandates Directors to not hold directorships in more than seven listed entities. This practice reflects 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.
- Independent assessment of board performance happens once 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.
- The Board of Directors is maintained with more than 50% independent directors.
- In FY2026, WLL had 50% Independent Directors (4 out of total 8 Directors)
- All regulatory requirements relating to the composition of the Board of Directors are duly complied with.
- The members of board are required to have minimum 90% attendance in board meetings in a financial year.
- Average Board Meeting Attendance in FY2026 is 90%.

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.

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). Commssion 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.

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.

Sustainability & Business Resilience

Welspun Living Limited has established a comprehensive Climate Transition Plan that aligns with global net-zero ambitions and the objectives of the Paris Agreement to limit global warming to 1.5°C. As part of this commitment, the Company has defined milestone targets for 2030, 2034, and 2040, supported by near-term, long-term, and net-zero greenhouse gas (GHG) emission reduction goals validated by the Science Based Targets initiative (SBTi).

The transition roadmap enables a structured and phased approach to investment, resource allocation, and implementation of decarbonization initiatives across the business. Progress against these targets is monitored regularly and disclosed annually through the Company's Annual Report and Sustainability Report, prepared in accordance with applicable SEBI BRSR requirements and GRI Standards. The roadmap encompasses Scope 1, Scope 2, and Scope 3 GHG emissions, alongside broader sustainability initiatives across the Company's operations and value chain.

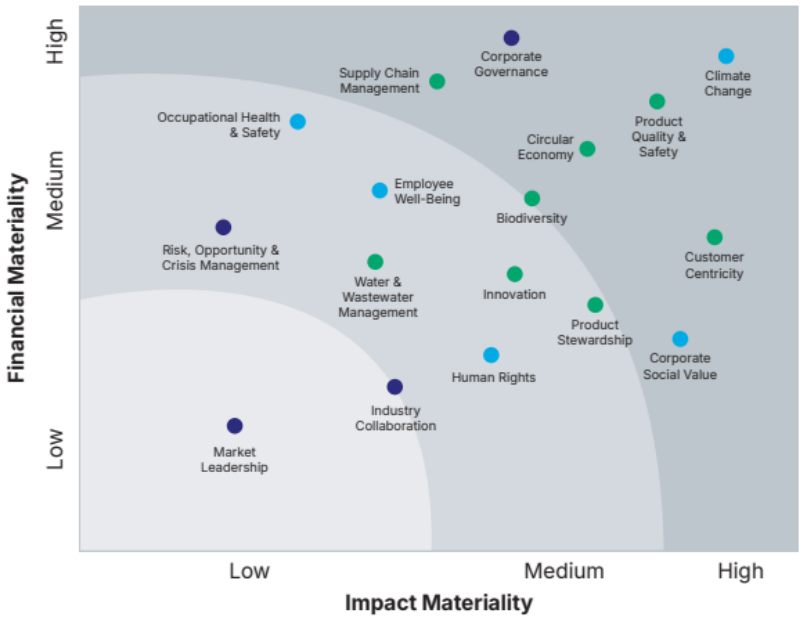
Stakeholder engagement remains integral to the successful execution of the transition plan. The Company actively engages with a diverse range of stakeholders, including employees, customers, suppliers, value chain partners, government and regulatory bodies, industry associations, civil society representatives, investors, and local communities. Insights gathered through these engagements inform the annual materiality assessment process and help strengthen the effectiveness and relevance of the Company's climate transition strategy.

Recognizing that the transition to a low-carbon economy has broader societal implications, Welspun Living annually evaluates the social impacts associated with its transition pathway and related

actions. The Company continually reviews and enhances its approach to align with evolving sustainability expectations, emerging best practices, and stakeholder priorities, ensuring a just, inclusive, and resilient transition.

Double Materiality Analysis

Double Materiality analysis conducted which is endorsed by BOD, and integrated into our ERM. Our materiality assessment is conducted every three years and is subject to a comprehensive review and approval by the Board of Directors.



Material Topics

Impact	Environment	Social	Governance
High	• Climate Change • Product quality & safety • Circular Economy • Supply Chain Management • Customer Centricity • Biodiversity	• Corporate Social value	• Corporate Governance
Medium	• Product Stewardship • Innovation • Water & Wastewater management	• Occupational Health & safety • Employee Well-being • Human rights	• Risk, Opportunity & Crisis management • Industry Collaboration
Low	-	-	• Market Leadership

Material Topics 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.

Material Topics for Enterprise Value Creation		
Material Issue	**Business Case**	**Strategy & Progress**
1. Energy	Energy and emission metrics directly influence operational costs and environmental impact.	• GHG Emission reduction by adoption of Green Fuels. In accordance with the Green Fuel strategy, 60MW+ Solar and Wind Power are installed at all our factories via solar farms, floating panels, rooftop installations, PPAs, etc. WLL also generates low carbon steam through waste heat recovery system. • Energy saving schemes and technological up-gradations are implemented to reduce energy consumption. • WLL targets to increase RE% in the energy portfolio to 100% by 2030 • Executive Compensation: 10% of the annual Incentives are tied to achieving renewable energy targets
2. Water Conservation	At Welspun, water is an indispensable resource for our manufacturing operations. Without adequate water availability, production processes cannot function and operations would be disrupted. Recognizing this dependency, we are committed to responsible water stewardship through innovative technologies and best practices that reduce our water footprint and protect this precious resource.	• At our Anjar site, a 30 MLD sewage treatment plant (STP) is implemented eliminating the need of any freshwater, by recycling sewage from nearby municipalities. Anjar facility sources 100% of its water intake from this recycled municipal sewage. • WLL targets to minimize the share of freshwater consumption to 0KL/Tonne of product by 2030. In FY2025-26, fresh water consumption was 14.5KL/tones or product. Total Fresh water consumption intake is 41% of total water intake. • Reduction in water consumption per unit of production is included in ESG performance criteria for variable pay.
3. Supply Chain Management	Supply chain management is essential to ensure the availability and quality of raw materials, avoid reputation risks, and support Sustainable sourcing practices.	• 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. • WLL targets 100% Suppliers to be assessed by 2030. 100% of Tier 1 suppliers were assessed in FY2025-26. • Executive Compensation: Variable pay is linked with target for supplier audit for ESG compliance or procurement from certified sustainable sources.

Material Topics 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.

Material Topics for External Stakeholders				
Material Issue	**Cause of Impact**	**Evaluated Impact areas on external stakeholders**	**Topic relevance for external stakeholders**	**Output Metric, Impact Evaluation, Impact Metric**
1. Customer Relationship Management	Effective CRM 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.	Often focus on environmental impact and consumer safety. Key stakeholders typically include local communities, regulatory bodies, customers, and environmental organizations.	Address the growing consumer preference for sustainable products by developing and offering goods that have a reduced environmental impact.	Customer satisfaction score: 95% We established structured process to conduct customer satisfaction survey. WLL has conducted various campaigns to raise awareness about the sustainable product and take back program.
2. Product Stewardship	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, and is handled with a strong commitment to environmental sustainability and social responsibility.	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.	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.	Zero voluntary and forced recalls on the safety issues. We conducted Life Cycle Assessment (LCA) in-house for our flagship products for Anjar & Vapi Plant. 76% of sustainable cotton and 12% recycled cotton used as input to the production. During FY25-26, 62.52% of total cotton procured are sourced from water-stressed areas.

Risk Governance

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.

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. 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:

During the reporting period, the risk management process and associated controls have undergone regular internal audits and an external audit to ensure alignment with best practices and regulatory requirements.

Risk Culture

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

- • Regular capacity-building sessions are conducted for non-executive directors to strengthen governance oversight of risk management.
- • Targeted training programs are provided across the organization to enhance capabilities in 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.

Business Risks Identified

Risk	Raw Material Risk	Market Competition Risk
Description	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.
Magnitude	4	4
Likelihood	3	4
Mitigation Measures	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.

Emerging Risks

1. **Emerging Risk 1: Geo-political Risk - US Tariff Increase on Textile Imports**
   - Name of the Risk: Trade Policy & Tariff Barriers creating Cost Competitiveness Challenges on WLL's crucial export market in USA.
   - Description: The US government imposes higher tariffs on textile imports to protect domestic manufacturers or as part of geopolitical trade measures. With ~60% of our exports concentrated in the US, increased tariffs directly impact sales volume, profitability, and long-term customer relationships. Tariff hikes could make our products less competitive compared to suppliers from tariff-exempt or FTA countries.
   - Potential Impacts:
     i. Revenue & Profitability Decline: Increased tariffs would reduce demand due to higher landed cost of our products in the US.
     ii. Market Share Risk: Buyers may shift to alternative sourcing markets with lower tariffs, eroding our share in the world's largest textile market.
     iii. Strategic Dependency: Overdependence on the US market increases the risk of sudden trade changes and stricter rules that could affect WLL business
   - Mitigation Measures:
     i. Market Diversification: Expand presence in Europe, Middle East, Japan, and emerging markets to reduce reliance on the US.
     ii. Policy Advocacy: Engage with trade associations and policymakers to represent industry interests against tariff escalation.
     iii. Cost Optimization: Invest in operational efficiencies and automation to offset tariff-related cost pressures.
     iv. Strategic Partnerships: Explore joint ventures or local assembly/distribution in the US to mitigate tariff exposure.

2. **Emerging Risk 2: Technology- Artificial Intelligence**
   - Name of the Risk: Integration of AI in Textile R&D, AI-Powered Competition, and Skill Shortage due to AI Advancements, Job Displacement, Security Concerns

- Description: 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. Automation driven by AI may lead to job displacement in certain sectors, impacting employment opportunities. AI systems may be vulnerable to attacks, and the malicious use of AI can pose security risks.
- Potential Impacts:
  i. 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.
  ii. Long-term Risk: 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.
  iii. Operational Efficiency: AI can enhance operational efficiency by automating routine tasks, reducing errors, and optimizing processes.
- Mitigation measures:
  i. Investment in AI Skill Development: 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.
  ii. Collaborative R&D Partnerships: 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.
  iii. Continuous Monitoring and Evaluation: Implement a robust monitoring system to assess the impact of AI integration continuously. This allows for swift adjustments and recalibration of strategies as needed.
  iv. Data Privacy and Security: Implement robust measures to protect sensitive data, comply with privacy regulations, and ensure the security of AI systems.
  v. Human-AI Collaboration: Foster collaboration between AI systems and human workers, emphasizing the augmentation of human capabilities rather than replacement.

Scope and Boundary of Risk Assessments

Welspun Living Limited (WLL), formerly known as Welspun India Limited, is a leading Indian company in the home textiles and flooring industry. Established in 1985, the company has grown into a global player with operations and distribution across more than 50 countries. Its major product categories include bed linen, bath linen, rugs and carpets, flooring solutions, and advanced textiles. Its well-known brands include Welspun, Spaces, and Christy. The company serves retail customers as well as hospitality, healthcare, and institutional sectors. Welspun Living emphasizes innovation, sustainability, technology, and consumer well-being. It has vertically integrated manufacturing facilities and focuses on water recycling, sustainable materials, and responsible production. The company is also a major exporter of home textiles from India and a leading supplier to the U.S. market.

Welspun Living Limited operates manufacturing facilities in Gujarat and Hyderabad. The Gujarat facilities manufacture a range of products, including towels, rugs, bed linen, and carpets, while the Hyderabad facility specializes in flooring products. In line with its sustainability objectives, the

company is also focused on taking proactive measures to generate positive outcomes for biodiversity and water ecosystems within and in the vicinity of its operational boundaries.

This assessment screens water-related risk exposure and biodiversity risk at three Welspun Living Limited (WLL) manufacturing sites using the WWF Water Risk Filter and Biodiversity Filter— Anjar and Vapi in Gujarat, and Hyderabad in Telangana. The objective is to identify basin-level physical, regulatory, and reputational water risk, alongside site-level operational risk drawn from facility questionnaire responses.



	Anjar	Vapi	Hyderabad
Bio geographic zone	Thar Dessert	Western Ghats	Deccan Plateau
State / Union Territory	Gujarat	Gujarat	Telangana
Environmental Characteristics of the area	Ecosystem consists of thorn forests, shrubs, and sparse vegetation. Rainfall is low and evaporation is high.	Area supports rich forests and abundant wildlife. Humidity is relatively high.	Area is covered by forests, rivers and lakes which supports diverse flora and fauna. Rainfall is relatively high.

Prominent Flora	1. Salvadora persica (Toothbrush Tree/Miswak) 2. Acacia nilotica (Babul Tree) 3. Tecomella undulata (Rohida) 4. Ziziphus nummularia (Jujube/Desert Ber)	1.Mangroves (Various Species) 2.Teak (Tectona grandis) 3.Sal (Shorea robusta) 4.Bamboo (Bambusoideae family)	1.Banyan (Ficus benghalensis) 2.Palash (Butea monosperma) 3.Indian Jujube (Ziziphus mauritiana) 4.Amla (Phyllanthus emblica)
Prominent Fauna:	1. Indian Roller (Coracias benghalensis) 2.Bl+D10ack Drongo (Dicrurus macrocercus) 3.Eurasian Collared Dove (Streptopelia decaocto) 4.Grey Francolin (Francolinus pondicerianus)	1.Leopard (Panthera pardus) 2.Indian Grey Mongoose (Herpestes edwardsii) 3.Sloth Bear (Melursus ursinus) 4.Indian Wild Boar (Sus scrofa cristatus)	1. Indian Roller (Coracias benghalensis) 2.Black Drongo (Dicrurus macrocercus) 3.Eurasian Collared Dove (Streptopelia decaocto) 4.Grey Francolin (Francolinus pondicerianus)

Water Risk Assessment

Methodology

Water Risk Filter by the World Wildlife Fund has been used to carry out this assessment. Facility locations and qualitative data have been utilized to reach conclusions.

The WWF Water Risk Filter combines two assessment layers:

- **Basin Risk** draws on global hydrological, regulatory, and socio-environmental datasets mapped to each site's hydrobasin catchment, independent of company input.
- **Operational Risk** reflects site-level responses to a standardized questionnaire covering water use, treatment, compliance history, and stakeholder exposure. The operational risk is calculated based on Water use, Water quality, Water scarcity, Withdrawal and discharges, Energy source, Water Treatment, Reputation and/or disputes, Legal action or penalty, Water stewardship maturity.

Both layers are scored on a 1 (Low) to 5 (Very High) scale across three risk types Physical, Regulatory, and reputational, each built from underlying risk categories and indicators.

Physical risk is driven by the ways in which a business depends on nature and can be affected by both natural and human-induced conditions of landscapes, freshwater and seascapes.

Regulatory risk is linked to how nature, biodiversity and freshwater are governed in a jurisdiction.

Reputational risk can result from a company's actual or perceived impacts on nature and people. Reputational risk represents stakeholders' and local communities' perceptions on whether companies conduct business sustainably or responsibly with respect to nature, and can ultimately affect brand value and market share, among other factors.

To assess the different aspects of water-related physical, regulatory deficiency and reputational risk, the WWF WRF follows a four-level risk hierarchy. It breaks down the three risk types into 66 different indicators, covering aspects of water that may be (or may become) material risks from a financial, environmental, or social perspective:

Score range	Risk Band
1.0 – 1.8	Low
1.8 – 2.6	Low-Medium
2.6 – 3.4	Medium
3.4 – 4.2	High
4.2 – 5.0	Very High

- **Level 1-** Risk types, combine the risk categories into the broader risk types (Physical, Regulatory Deficiency and Reputational Risks).
- **Level 2-** Risk categories, group the indicators into higher-level risk clusters with more direct relevance to companies and financial institutions. The 66 indicators have been grouped into 17 different risk categories (6 Physical Risk, 8 Regulatory Deficiency Risk, and 3 Reputational Risk.

- **Level 3-** Indicators, group together metrics to provide the lowest level risk information available for users. Indicators are aggregated to standard assessment units and translated to a risk value ranging from 1 to 5.
- **Level 4-** Metrics, comprises the raw global datasets that measure aspects of water and freshwater ecosystems that may lead to water-related risks for companies and financial institutions.

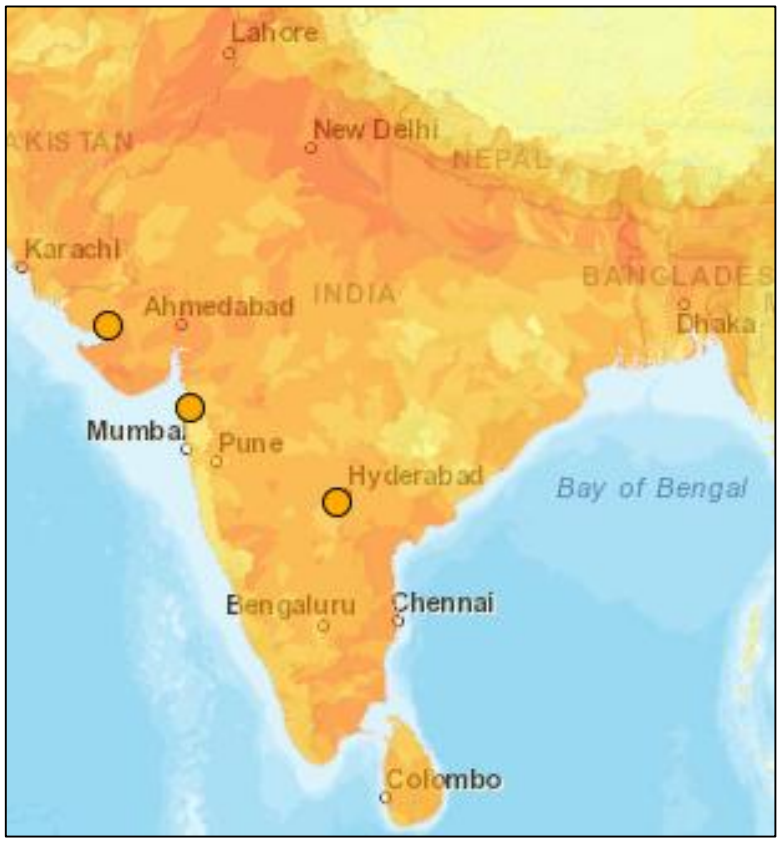
Assumptions

Basin risk scores are derived from global datasets (Global_2024) at HydroBasin resolution and are not a substitute for site-level hydrogeological studies; local ground-truthing remains necessary where scores inform material disclosure claims

Detailed operational questions covering annual withdrawal and discharge volumes (m3/year), chemical discharge loading, and site headcount were not populated in this assessment cycle and are recorded as “NA” in the underlying export.

Results

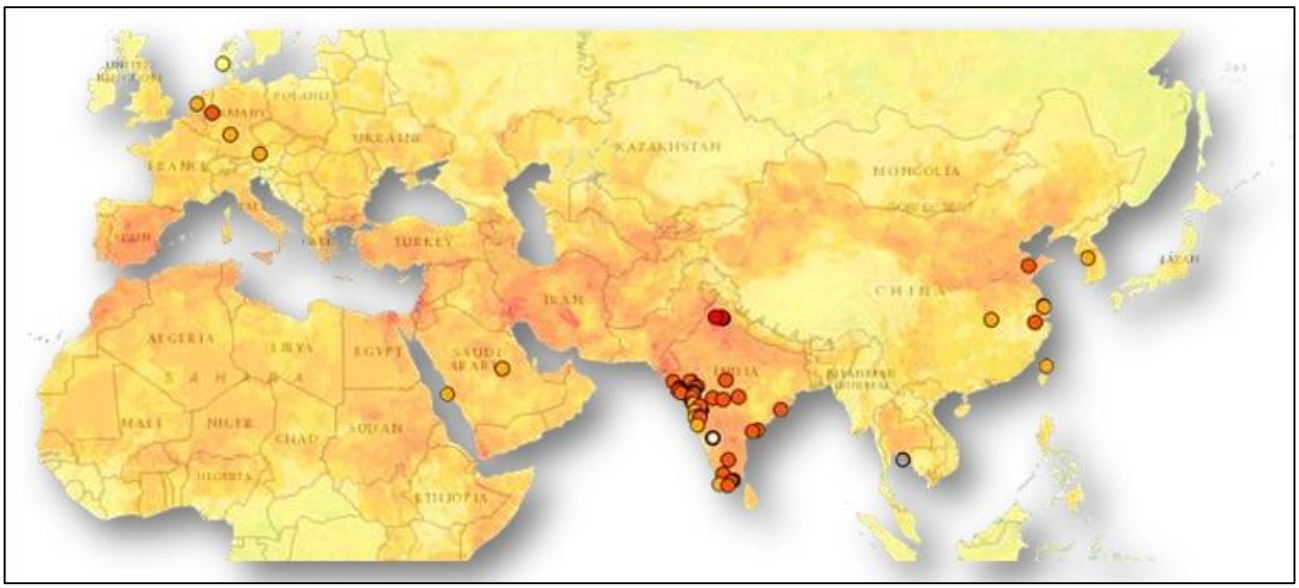
Basin Risk	Anjar	Vapi	Hyderabad
Physical Risk	3.33	2.73	3.11
Regulatory Deficiency Risk	3.50	3.50	3.50
Reputational Risk	3.29	3.42	3.54
Operational Risk	Anjar	Vapi	Hyderabad
Physical Risk	2.71	3.31	2.42
Water Scarcity	3.40	3.70	2.35
Water Quality	2.25	2.35	2.60
Regulatory Risk	1.15	1.00	1.00
Enabling Environment	1.30	1.00	1.00
Institutions & Governance	1.00	1.00	1.00
Reputational Risk	2.56	2.56	2.37
Media Scrutiny	1.00	1.00	1.00
Conflict	3.40	3.40	3.10



Water Assessment for Supply Chain

Cotton is the primary raw material that is used in our manufacturing processes, so the volume of cotton that we procure compared to other raw materials is significantly higher. Owing to this WLL conducted a water risk assessment for all the critical suppliers through WWF water risk assessment.

Number of Supplier	Risk Level
Very low risk	1
Low risk	2
Medium risk	13
High risk	45
Very high risk	2
Total	63



Conclusions & Mitigation Steps

This assessment confirms that water risk is material but unevenly distributed across WLL's sites, with Anjar, Vapi, and Hyderabad each facing Medium-to-High combined basin risk (3.22–3.38) driven by different factors flooding and availability at Anjar, socioeconomic pressure at Vapi, and freshwater exploitation pressure at Hyderabad. These findings corroborate WLL's existing groundwater work at Anjar and reinforce a basin-specific, evidence-led approach to water disclosure. Anjar and Hyderabad, both rated "High" site importance, should anchor near-term water stewardship priorities.

To address water scarcity at Anjar, Welspun has established a 30 MLD Sewage Treatment Plant that treats domestic wastewater from three nearby cities for use in manufacturing, while the Hyderabad facility is certified Zero Liquid Discharge and the Vapi facility maintains high-level water recycling capabilities, together strengthening water security and quality across sites. Beyond the facilities, rainwater conservation projects have been implemented across 70+ sites in Kutch district to address regional water scarcity. All sites remain compliant with State Pollution Control Board regulatory requirements and are renewed within their stipulated periods, with no instances of penalties or fines for regulatory non-compliance recorded. Welspun Living regards water as a shared resource that must be used responsibly, and extends this commitment beyond its operations by providing clean drinking water access to surrounding communities. Welspun Living is actively working to assist suppliers in implementing effective risk mitigation measures, such as adopting water-efficient technologies, diversifying water sources, and complying with regulatory requirements.

Biodiversity Risk Assessment

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 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 line transect methods to do assessment for birds and quadrat methods for plant population and vegetation

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

We are dedicated to achieving a Net Positive Impact (NPI) on biodiversity, ensuring that our operations contribute to the flourishing of local ecosystems. We will define and pursue specific biodiversity-related targets, particularly in areas identified as priorities, to ensure that our activities result in no net loss of biodiversity. Our approach includes active engagement with stakeholders to align on biodiversity goals and foster a shared commitment to preserving natural habitats. Furthermore, we require our value chain partners to avoid any operational activities that could adversely affect sites of global or national 1 biodiversity significance, adhering to a stringent mitigation hierarchy to minimize, restore, and offset environmental impacts wherever necessary.

Methodology

Biodiversity-related risks are unique for every asset in a company's portfolio and supply chain. Every asset will have specific dependencies and impacts on nature depending on the type of activity carried out. The biodiversity-related risk for an asset is the combination of both factors.

The current version of the WWF BRF covers Physical, Regulatory Deficiency, and Reputational risks relevant to biodiversity:

- **Physical Risk**: the potential for adverse consequences to a private sector actor and its operations, value chain, and investments caused by its dependence on ecosystem services to operate or thrive.
- **Regulatory Deficiency Risk**: the potential for adverse consequences to a private sector actor and its operations, value chain, and investments caused by the inadequacy of the regulatory system in the jurisdictions in which it operates. This risk type has been entirely developed by WWF & Legal Atlas11 and comprises the risk categories: 1) Application, 2) Scoping, 3) Rights, Access and Entitlements, 4) Institutions and Governance, 5) Management Instruments, 6) Subnational Biodiversity Law, 7) Offenses and Penalties, and 8) Implementation.
- **Reputational Risk**: the potential for adverse consequences to a private sector actor and its operations, value chain, and investments caused by a negative perception of its impacts on nature and people. It comprises the risk categories: 1) Pressures on Biodiversity, 2) Environmental Factors, and 3) Socioeconomic Factors.

Risk Hierarchy

In general, the WWF BRF follows a four-level hierarchy: 1) metric, 2) indicator, 3) risk category, 4) risk type.

- **Level 1**, Risk types, combine the risk categories into the broader risk types (Physical, Regulatory Deficiency and Reputational Risks).
- **Level 2**, Risk categories, group the indicators into higher-level risk clusters with more direct relevance to companies and financial institutions. The 58 indicators have been grouped into 15 different risk categories (4 Physical Risk, 8 Regulatory Deficiency Risk, and 3 Reputational Risk).
- **Level 3**, Indicators, group together metrics to provide the lowest level risk information available for users. Indicators are aggregated to standard assessment units and translated to a risk value ranging from 1 to 5. The metrics currently integrated in the WWF BRF have been grouped into 58 indicators (17 Physical Risk, 27 Regulatory Deficiency Risk, and 14 Reputational Risk).
- **Level 4**, Metrics, comprises the raw global datasets that measure aspects of biodiversity and ecosystems that may lead to biodiversity-related risks for companies and financial institutions. The datasets powering the WWF BRF are predominantly based on freely available external, peer-reviewed datasets.

Scape risk is a value between 1 and 5 that reflects the activity relevant risk for a site at a specific location. When no state of nature data is available at a location, scape risk is not calculated and reported as 'Missing data'. If a site activity is not dependent on or does not impact a specific biodiversity indicator, scape risk is not calculated and reported as 'No impact/dependency'.

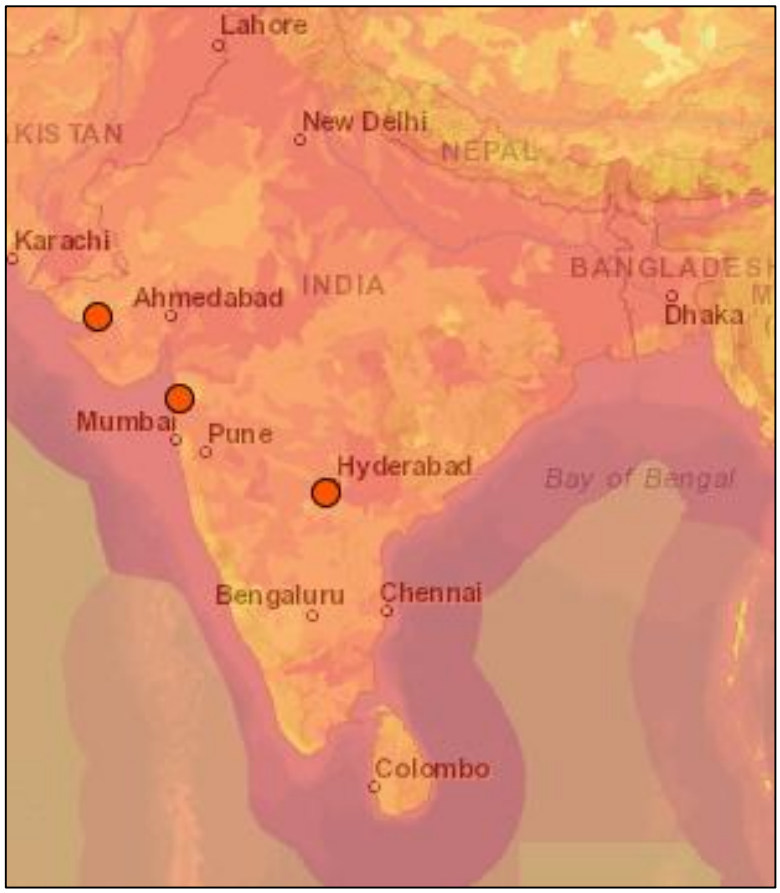
Regulatory Deficiency Risk is calculated using a different method than Physical Risk and Reputational Risk in the WWF BRF. In its current version, Regulatory Deficiency Risk is assumed to be equally relevant for all site activities. Therefore, all Regulatory Deficiency Risk values represent the regulatory status in the country where a site is located without applying site specific impacts and dependencies.

Score range	Risk Band
1.0 – 1.8	Low
1.8 – 2.6	Low-Medium
2.6 – 3.4	Medium
3.4 – 4.2	High
4.2 – 5.0	Very High

Results

Overall Risks	Anjar	Vapi	Hyderabad
Scape Physical Risk	3.88	3.64	3.83
Scape Regulatory Risk	2.75	2.75	2.75
Scape Reputational Risk	3.48	3.33	3.68
Sublevel Risks: Metric	Anjar	Vapi	Hyderabad
Scape Physical Risk	3.88	3.64	3.83
1. Provisioning Services	4.26	3.84	4.15
1.1 Water Availability	4.35	3.95	4.2
1.2 Forest Productivity and Distance to Markets	4.0	3.5	4.0
2. Regulating & Supporting Services - Enabling	2.96	3.22	3.44
2.2 Water Quality	2.83	2.39	2.89
2.3 Air Quality	3.0	3.5	3.62
3. Regulating Services - Mitigating	3.5	3.44	3.5
3.1 Landslides	2.0	2.0	2.0
3.2 Wildfires	3.0	3.0	3.0
3.3 Disease	3.5	3.5	4.0
3.5 Extreme Heat	4.0	4.0	3.5
3.6 Tropical Cyclones	2.0	2.5	Missing data
3.7 Flooding	3.5	3.25	3.12
Regulatory Deficiency Risk: Metric	Anjar	Vapi	Hyderabad
Scape Regulatory Deficiency Risk	2.75	2.75	2.75
5. Application	3.0	3.0	3.0
5.1 Status of NBSAP	3.0	3.0	3.0
5.2 Biodiversity Conservation Policy Statement in Law	3.0	3.0	3.0
6. Scoping	3.0	3.0	3.0
6.1 Definition of Biodiversity	1.0	1.0	1.0
6.2 Definition of Wild Fauna	3.0	3.0	3.0
6.3 Definition of Wild Flora	5.0	5.0	5.0
6.4 Definition of Protected Areas	1.0	1.0	1.0
6.5 Definition of Ecological Corridors and Networks	5.0	5.0	5.0
6.6 Definition of Invasive Alien Species	1.0	1.0	1.0
6.7 Definition of a Threatened Species	5.0	5.0	5.0
7. Rights, Access and Entitlements	1.0	1.0	1.0
7.1 State's Duty to Protect and Conserve Biodiversity	1.0	1.0	1.0

8. Institutions and Governance	1.0	1.0	1.0
8.1 Biodiversity Management Authority	1.0	1.0	1.0
8.2 Coordination among National Government Authorities	1.0	1.0	1.0
8.3 Public Participation	1.0	1.0	1.0
9. Management Instruments	3.0	3.0	3.0
9.1 Monitoring of Biodiversity	2.0	2.0	2.0
9.2 Data Compilation and Sharing - National Level	3.0	3.0	3.0
9.3 EIA and SEA	2.0	2.0	2.0
9.4 Offset Requirements	5.0	5.0	5.0
9.5 Protected Areas	1.0	1.0	1.0
9.6 Protected Species Management	2.0	2.0	2.0
10. Subnational Water Law	1.0	1.0	1.0
10.1 Requirement to Meet National Standards	1.0	1.0	1.0
10.2 Coordination Among Local and National Authorities	1.0	1.0	1.0
11. Offenses and Penalties	1.0	1.0	1.0
11.1 Pollution Crimes	1.0	1.0	1.0
11.2 Habitat Destruction	1.0	1.0	1.0
11.3 Violation of invasive species prohibitions	2.0	2.0	2.0
11.4 Violation of EIA requirements	1.0	1.0	1.0
12. Implementation Risk	3.0	3.0	3.0
12.1 Effective Policy Formulation	3.0	3.0	3.0
12.2 Respect of Institutions	3.0	3.0	3.0
Metric	**Anjar**	**Vapi**	**Hyderabad**
13. Pressures on Biodiversity	3.46	3.17	3.79
13.1 Land, Freshwater and Sea Use Change	2.5	1.75	3.0
13.2 Forest Canopy Loss	1.0	1.0	1.0
13.3 Invasives	NA	NA	NA
13.4 Pollution	4.42	4.58	4.58
14. Environmental Factors	2.38	2.0	1.5
14.1 Protected/Conserved Areas	2.0	2.0	2.0
14.2 Key Biodiversity Areas	2.5	1.5	1.5
14.3 Wetlands of International Importance	1.5	1.5	1.5
14.4 Other Important Delineated Areas	2.5	2.5	1.5
14.5 Ecosystem Condition (intact)	2.0	2.0	1.5
14.6 Range Rarity	1.5	1.5	1.5
15. Socioeconomic Factors	3.5	3.5	3.56
15.1 Indigenous Peoples & Local Communities	NA	NA	NA
15.2 Resource Scarcity	2.85	3.0	3.12
15.3 Labor/Human Rights	4.0	4.0	4.0
15.4 Financial Inequality	3.0	3.0	3.0



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

Biodiversity Risk Assessment

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

S.No.	Activities	Risk	Risk Likelihood	Risk Severity	Risk Score & Level	Mitigation Measures
1	Change in Land use	1. Loss of habitats / Habitat fragmentation 2. Loss of Flora & fauna 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 2. Replantation
3	Value chain/ Transportation	1. Loss of habitats/ vegetation 2. Loss of animal lives	1 Unlikely	2 Medium	2 (Low risk)	1. Development of green belt on sides of roads 2. Proper fencing and crossing structure
4	Illumination / Noise	1. Affect the habitat 2. Affect the lifestyle of local species	2 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 equipments 2. Complying Air emission standards
6	Effluent Disposal	1. Affect marine life 2. Water Pollution	3 Likely	3 Major	9 (High Risk)	1. Treated effluent disposal as per standards

Conclusion & Mitigation Steps

All three Welspun Living sites show broadly similar risk profiles, reflecting shared regulatory exposure at the national (India) level and comparable operating contexts. Physical risk is consistently high across sites (3.64-3.88), driven mainly by water availability pressures in the provisioning services category. Regulatory deficiency risk is identical across all three sites (2.75), since it stems from national-level biodiversity governance rather than site-specific factors, with particularly weak scores in institutions/governance and offenses/penalties. Reputational risk shows the most differentiation, with Hyderabad scoring highest (3.68) due to greater pressures from land-use change and pollution, while Vapi scores lowest (3.33).

Welspun has been proactive in mitigating these risks through onsite and offsite measures focused on increasing biodiversity concentration via plantation drives and land-use awareness programs among farmers, promoting sustainable farming practices and reducing reliance on chemical fertilizers to ensure the long-term health of soil and its ecosystem. A green park focused on encouraging the growth of native flora and fauna has been constructed at the Anjar facility, further promoting biodiversity. Nature walks, landscaped zones, and Miyawaki plots have also been created across facilities to enhance natural diversity. All facilities remain compliant with necessary regulatory frameworks and certifications, including ISO 14001 for Environmental Management Systems.

Climate Risk Assessment

Climate risk assessment conducted in line with the TCFD framework. Details of the assessment can be found here: Task force on climate-related financial disclosures

Climate Risk: Physical Risk Adaptation Measures

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

Drought	Medium-Long Term	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.
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.

Business Ethics

We have no breaches w.r.t Corruption or Bribery, Customer Privacy Data, Discrimination or harassment, Cyber Security breaches, Conflicts of Interest and Insider trading in FY2026.

The Company conducts periodic training and awareness programmes for employees on its whistleblowing mechanism, including the available reporting channels, procedures for raising concerns, confidentiality safeguards, non-retaliation provisions, and the process for investigation and resolution of reported misconduct.

Whistleblowing Mechanism

Welspun Living Limited's Whistleblower Mechanism provides employees and stakeholders with a secure, confidential, and accessible platform to report actual or suspected violations of laws, regulations, the Company's Code of Conduct, fraud, unethical conduct, and other improper practices without fear of retaliation. The mechanism is supported by multiple reporting channels, including a 24/7 independent third-party ethics helpline, email, postal communication, and a dedicated web portal, ensuring transparency, accountability, and protection for whistleblowers. In support of the Provision of Training on the Use of Reporting Channels, Welspun conducts awareness and training initiatives to educate employees and stakeholders on the available reporting avenues, the types of concerns that can be reported, and the safeguards available to whistleblowers. These initiatives strengthen confidence in the reporting process, encourage the timely reporting of concerns, and reinforce a culture of ethics, transparency, and accountability.

To view our Whistleblower Policy, please click here: Whistleblower Policy. Whistle Blowing Policy.pdf [Whistle Bl...Policy.pdf | PDF]

Information Security / Cybersecurity

The Company is committed to maintaining and continually improving its Information Security Management System (ISMS) to address evolving cyber and information security risks. Through periodic risk assessments, monitoring, reviews, audits and employee awareness initiatives, the Company regularly enhances its security controls, processes and technologies to protect the confidentiality, integrity and availability of information assets and support compliance with applicable requirements.

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.

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 the 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.

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

Responsible AI Governance Programs

Welspun has established responsible AI governance programs to ensure the ethical, secure, transparent, and sustainable use of artificial intelligence across its operations. These programs include restrictions on sensitive AI capabilities, prohibiting the development, procurement, deployment, or use of AI systems that enable unethical, manipulative, harmful, or unauthorized biometric surveillance, tracking, or identification. To promote transparency, AI-assisted decisions are required to be explainable to the extent reasonably practicable, supporting clear communication and understanding of AI-generated outcomes and decisions.

Our AI governance framework incorporates measures to identify, assess, mitigate, and monitor bias within AI systems and includes ongoing monitoring and periodic review of AI systems to identify potential performance degradation, emerging risks, unintended outcomes, and the need for corrective actions. Human oversight is embedded within AI deployment practices, with authorized personnel empowered to review, override, modify, or reject AI-generated recommendations where appropriate, ensuring accountability and providing a mechanism to challenge AI-driven outcomes.

To reduce the environmental impact of AI, Welspun considers energy consumption, carbon emissions, and resource efficiency when deploying AI solutions and gives preference to AI providers and data centers that demonstrate energy-efficient operations and responsible environmental practices. Where feasible, cloud and AI service providers are evaluated based on their sustainability commitments and emissions reduction goals, and sustainability-related impacts associated with AI infrastructure are monitored as part of responsible AI deployment.

In addition, Welspun promotes awareness and training programs on the ethical, secure, and responsible use of AI, strengthening employee understanding of AI risks, governance requirements, cybersecurity considerations, and responsible business practices. Through these initiatives, Welspun seeks to foster accountability, transparency, fairness, and trust in the use of AI technologies.

Supplier ESG Oversight and Responsible Sourcing

Executive management is the highest accountable decision-making body overseeing the implementation of our ESG Supply Chain Management System. We review our purchasing practices to ensure alignment with our Supplier Code of Conduct and broader ESG requirements, thereby minimizing potential conflicts between procurement objectives and responsible sourcing expectations. All suppliers are expected to comply with our Supplier Code of Conduct and defined ESG standards. Suppliers that do not meet minimum ESG requirements are provided with a defined timeframe to implement corrective actions; failure to demonstrate adequate improvement may result in exclusion from future contracting opportunities. ESG performance is also integrated into supplier selection and contract award decisions, with preference given to suppliers demonstrating strong sustainability practices, labor standards, and ethical governance. To support effective implementation of supplier ESG programs, we provide training and awareness initiatives for buyers and relevant internal stakeholders, enabling them to understand their responsibilities, promote responsible sourcing practices, and strengthen sustainable supplier partnerships throughout the value chain.

Anti-Competitive Conduct in Supply Chain

The Company is committed to conducting business fairly, ethically and in compliance with applicable competition and antitrust laws. The Company prohibits any form of anti-competitive conduct, including cartel behaviour, price fixing, bid rigging, market allocation, abuse of market position, exchange of competitively sensitive information and any agreement or practice that may unlawfully restrict competition. Employees are required to avoid actions that could limit the effects of fair market competition and are expected to uphold the principles of integrity, transparency and fair dealing in all business interactions. Any suspected violations of competition laws or anti-competitive practices must be reported through the Company's established reporting channels and are subject to appropriate investigation and corrective action.

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.

Supplier Assessment and Development

We maintain a structured supplier assessment and development process to evaluate and enhance suppliers' ESG performance. Suppliers undergo regular desk-based assessments with systematic verification of supporting evidence, as well as on-site assessments conducted by our procurement teams and qualified external consultants. In addition, independent third-party audits are carried out by accredited auditing bodies to provide objective assurance of supplier compliance and performance. These assessments cover key ESG areas, including labor and human rights practices, occupational health and safety, environmental performance, chemical management, and governance.Supplier assessments are conducted using defined assessment frameworks, audit protocols, and requirements outlined in the Welspun Supplier Manual, Supplier Code of Conduct, and applicable ESG,

labor, health and safety, environmental, and governance standards, ensuring a consistent and systematic evaluation methodology across the supply chain. Findings from assessments are used to develop corrective action plans, track improvements, and support ongoing supplier development. Suppliers are also required to participate in periodic training and awareness initiatives, including training on the Supplier Code of Conduct and ESG expectations, and to implement improvement action plans that are subsequently reviewed and verified. Through continuous engagement, performance monitoring, and capacity-building efforts, we work collaboratively with suppliers to strengthen ESG practices, promote responsible business conduct, and support long-term value creation across our supply chain.

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.

Supplier Assessment and Development KPIs

We monitor and report the coverage and effectiveness of our supplier assessment and development programs through a structured ESG supplier management process. Significant suppliers are supported through development initiatives and undergo desk-based and on-site assessments covering environmental, social, health and safety, and governance aspects. Assessment outcomes are used to drive supplier engagement, continuous improvement, and capacity-building efforts aligned with our responsible sourcing expectations.

KPI	FY2025
Total number of unique suppliers	582
Number of unique significant suppliers	99
Significant suppliers supported through development measures	67 (67.7%)
Significant suppliers assessed through desk and/or on-site assessments	67 (67.7%)
Significant suppliers identified with substantial actual or potential negative impacts	0
Significant suppliers with agreed corrective action/improvement plans	0
Significant suppliers terminated due to substantial actual or potential negative impacts	0

Policy Influence

Apart from the below 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.

Association Name	Amount contributed in INR	Nature of Contribution
The Cotton Textiles Export Promotion Council (TEXPROCIL)	10,00,000	Title Sponsorship on the occasion of TEXPROCIL Exp
Confederation Of Indian Industry (CII)	3,89,400	Membership & Subscription Charges
Confederation Of Indian Industry (CII)	3,00,000	Sponsorship For CII
Federation of Kutch Industries Association (FOKIA)	7,50,000	Annual Membership Fe
Federation of Indian Chambers of Commerce & Industry (FICCI)	1,50,000	Membership & Subscription Charges
Gujarat Chamber of Commerce & Industry (GCCI)	5,00,000	Membership & Subscription Charges
International Textile Manufacturers Federation (ITMF)	4,13,674	Membership & Subscription Charges

Climate-Related Public Policy Engagement, Lobbying and Trade Association Alignment

The Company supports public policies that facilitate the transition to a low-carbon economy and are aligned with the goals of the Paris Agreement. These include policies promoting renewable energy adoption, energy efficiency improvements, industrial decarbonization, responsible carbon markets, greenhouse gas emissions reduction, climate resilience and other measures that contribute to the achievement of national and global climate objectives.

The Company has established a process to oversee climate-related public policy engagement, lobbying activities and trade association memberships. Responsibility for oversight rests with senior management, supported by relevant functions including Sustainability, Legal, Corporate Affairs and Public Policy. Significant climate-related policy matters are reviewed and approved through appropriate governance mechanisms.

Prior to undertaking climate-related lobbying or policy advocacy activities, the Company reviews proposed positions to assess alignment with its climate commitments, publicly disclosed climate strategy and the goals of the Paris Agreement. Climate-related lobbying activities are monitored periodically to ensure continued consistency with the Company's climate objectives and policy positions.

The Company also periodically reviews the climate-related public policy positions, advocacy activities and lobbying efforts of significant trade associations and industry bodies of which it is a member. This review assesses whether such activities remain aligned with the Company's climate commitments and support the objectives of the Paris Agreement.

Where a misalignment is identified between the Company's climate position and that of a trade association, the Company engages with the relevant organization to communicate its concerns and advocate for alignment. The Company may establish corrective action timelines, publicly communicate its position where appropriate, escalate concerns through relevant governance channels and reassess or terminate membership where material misalignment persists.

During the reporting period, the Company participated in climate-related policy consultations, industry dialogues and stakeholder engagements concerning renewable energy, energy efficiency,

decarbonization pathways, climate-related regulations, low-carbon technologies and other topics supporting the transition to a low-carbon economy. The Company advocates for policy outcomes that are consistent with its climate commitments and supportive of the goals of the Paris Agreement.

The Company maintains memberships in industry and business associations that engage on matters including climate policy, renewable energy, energy efficiency, industrial decarbonization and sustainability-related regulations. The Company periodically assesses the climate policy positions and advocacy activities of these associations and works with them, where appropriate, to encourage alignment with the goals of the Paris Agreement and the Company's own climate commitments.

The Company publicly reports on its climate-related public policy engagement activities, climate-related lobbying positions, significant trade association memberships and the processes used to assess and address potential misalignments between trade association activities and the Company's climate commitments.

Tax Strategy & Transparency

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. 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. In line with our commitment to responsible tax practices, the Board of Directors oversees our tax governance framework. We are committed to complying with both the spirit and the letter of applicable tax laws and regulations, not transferring value created to low-tax jurisdictions, not using tax structures without commercial substance, and undertaking transfer pricing in accordance with the arm's length principle. We further commit not to use secrecy jurisdictions or so-called tax havens for tax avoidance and to conduct our tax affairs transparently and in accordance with applicable laws and regulations across the jurisdictions in which we operate.

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_2e
- 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.

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.

Revenue from Sustainable Products

Amount In INR Cr	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Sustainable revenues	6,161.32	7,958.30	8,129.87	8,994.51
Total revenues	8,215.10	9,825.07	10,697.2	9,467.91
Percentage of sustainable revenues	75%	81%	76%	95%

Revenue from Hazardous substances

We calculate the percentage of revenue associated with products containing hazardous substances. In FY25-26, 2% of revenue came from products associated with hazardous substance.

Environment

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 95% of cotton through sustainable sources (Organic or BCI cotton) in FY25-26 (see table in the section below).
- **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.

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.

Employees are provided with awareness and training programs on water conservation, efficient water-use practices, leakage prevention, wastewater management, and responsible resource utilization to support the company's water efficiency management initiatives across operations.

Energy Management Programs

Welspun Living Limited integrates energy management into all operations by adopting advanced technologies, promoting renewable energy use, ensuring energy-efficient purchases, and fostering employee participation through training and awareness. WLL 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.

Additional Raw Material commitments

WLL commits to maintain 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 products.

Note:

- Cotton (BCI and GOTS) is our only plant-derived textile material (consumption details given in the section below)
- Plastic raw materials are used only at Welspun Flooring Division, in Hyderabad (consumption details given in the section below)

Raw Materials, Packaging & Circularity

Raw Material: Cotton	FY2024-25	FY2025-26
Total Cotton consumed (MT)	51,790	53,734
Standard Name	BCI and GOTS	BCI and GOTS
% of material certified	76%	95%
% of Recycled material used	12%	10%

Raw Material: Plastic	FY2024-25	FY2025-26
Polyester: Total (MT)	15,382	12,745
Polyester: Recycled (MT)	6,762	6,036
Polyester: Recycled (%)	44%	47%
Nylon: Total (MT)	1,520	1,350
Nylon: Recycled (MT)	7	52
Nylon: Recycled (%)	0.50%	4%
Plastic Raw Material: Total (MT)	**16902**	**14,094**
Plastic Raw Material: Total Recycled (MT)	**6769**	**6,088**
Plastic Raw Material: Total Recycled (%)	**40%**	**43%**

Circularity	FY2024-25	FY2025-26
Total weight of items collected through take-back programs (tonnes)	17	24
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	19
Total weight of items produced (tonnes)- (mixed with new fibers)	24	36
Total weight of items sold (tonnes)- (mixed with new fibers)	24	36

Packaging	FY2024-25	FY2025-26
Total packaging (KG) (in MT)	30,991	28,457
Sustainable packaging (KG) (in MT)	25,413	23,620
% Recycled content	82%	83%
Packaging: Plastic	**FY2024-25**	**FY2025-26**
Total weight (tons) of all plastic packaging (in MT)	2,313	3,173
Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	100%	100%
Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging	0	0
Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	8%	5%
Coverage (as a % of cost of goods sold)	100%	100%
Packaging: Paper/Wood	**FY2024-25**	**FY2025-26**
Total Paper/Wood Packaging Material	**25,408**	**25,285**
Total Paper Cardboard boxes (in MT)	13,795	13,576
Recycled Paper Cardboard boxes (in MT)	**13,795**	**13,576**
% Recycled/Certified Paper Cardboard boxes	100%	100%
Total Paper/wood (other than cardboard) (in MT)	11,613	11,709
Recycled Paper/wood (other than cardboard) (in MT)	**9,522**	**9,750**
% Recycled/Certified Paper/wood (other than cardboard)	82%	83%
% Recycled/Certified Paper/Wood in Packaging	**92%**	**92%**

Circular Packaging Initiatives

- We have used paper in cardboard and other paper and wood packaging. Its coverage (% of COGS) is 100% as we cover all the four sites for packaging materials
- We have already achieved the target to increase the % of recyclable plastic in our packaging to 100% by 2027
- WLL's Single use plastic phase out initiative has significantly increased the use of self-made fabric bags for primary packaging replacing the traditional PVC bags.

Progress of other circular packaging Initiatives	FY24-25	FY25-26
% Multi-color paper-print-items with FSC certification (Target: 100% by 2027)	72%	74%
Sustainable paper in Secondary packaging (PDQs) (Target: 100% by 2027)	71%	76%

Product Stewardship & Sustainable by Design

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 introduces 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.

Welspun Living Limited follows globally recognized frameworks and classification methodologies to identify and evaluate sustainable products and services, ensuring that sustainability claims are supported by specific, measurable, and verifiable environmental benefits. Depending on the product category, assessments are aligned with relevant taxonomies and standards, supported by robust methodologies such as Life Cycle Assessment (LCA), Product Carbon Footprint, Product Water Footprint, and other environmental impact assessment tools developed in accordance with internationally accepted ISO standards. To further enhance transparency and stakeholder confidence, the Company increasingly seeks independent external assurance of its sustainable product claims in line with evolving market and customer expectations.

Sustainable products and services form a key pillar of Welspun Living's Net-Zero transition strategy. The Company has established time-bound and measurable objectives to increase revenues derived from sustainable products and solutions, thereby strengthening the contribution of environmentally and socially responsible offerings to overall business growth. Performance against these objectives, including revenue generated from sustainable products, is disclosed in the "Revenue from Sustainable Products" section of this report.

To accelerate innovation and product development, the Company continues to invest in research and development capabilities, technological advancements, and infrastructure enhancements that support the design and commercialization of sustainable products and services. Employees across relevant functions are trained on sustainable design principles and responsible product development practices to embed sustainability considerations throughout the product lifecycle. In parallel, the Company's marketing and commercial teams actively promote sustainable product offerings,

supported by performance incentives that encourage the expansion of sustainable revenues and reinforce Welspun Living's commitment to creating long-term environmental and business value.

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

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.

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.

Social

Employee Turnover & Hiring

Employees Turnover & Hiring Rate				
Particulars	**FY23**	**FY24**	**FY25**	**FY26**
Employee turnover rate	19%	16%	19%	25%
Voluntary employee turnover rate	19%	16%	19%	25%
Percentage of open positions filled by internal candidates (internal hires)	0.81%	0.37%	4%	6.2%
Average Hiring cost in INR (Annual)	1,87,596	1,94,400	2,42,313	2,32,300

Employee turnover and Hiring (including workers) by Management level								
Particulars	**FY 23**		**FY 24**		**FY 25**		**FY 26**	
	Turnover	**Hiring**	**Turnover**	**Hiring**	**Turnover**	**Hiring**	**Turnover**	**Hiring**
Senior Management	12	10	13	31	23	16	25	12
Middle Management	99	66	128	115	85	72	123	53
Junior Management	228	189	290	268	199	194	235	167
Associate (Workers)	5,244	3,763	8,608	9,298	9,675	9,066	9,783	6,878
Total turnover & hiring	5,583	4,028	9,039	9,712	9,982	9,348	10,166	7,110

Employee turnover & Hiring (including Workers) by Age & Gender (FY26)						
Age Group	**Gender**	**Total Number of Employees during FY26 (Average)**	**Employee Turnover**	**Turnover rate**	**Hiring**	**% of the employee group among total Hiring**
<30	Male	3801	2039	54%	1681	23.64%
	Female	1978	849	43%	805	11.32%
30-50	Male	8714	5458	63%	3320	46.69%
	Female	3510	1748	50%	1273	17.90%
>50	Male	536	69	13%	30	0.42%
	Female	49	3	6%	1	0.01%
Total	**Male**	**13051**	**7566**	58%	**5031**	**70.76%**
	Female	**5537**	**2600**	47%	**2079**	**29.24%**
	Total	**18588**	**10166**	55%	**7110**	**100%**

Employee Training & Development

Training of FTEs	FY 23	FY 24	FY 25	FY 26
Average training hours per Full-Time Equivalent	13.5	13.27	13.73	12
Average amount spent per FTE on training and development (INR)	-	1608	1705	987
Training hours by Age	**FY 23**	**FY 24**	**FY 25**	**FY 26**
<30	50,378	1,19,336	1,21,016	109,625
30-40	46,769	89,066	90,177	87,708
40-50	35,736	61,123	59,093	7,988
>50	5,513	21,539	19,176	5,505
Total	138,396	171,728	168,446	210,826
Training hours by Gender	**FY 23**	**FY 24**	**FY 25**	**FY 26**
Male	2,11,368	2,24,070	2,09,893	163,934
Female	37,923	66,994	79,569	46,892
Total	37,923	66,994	79,569	210,826
Types of training (Training Hours)	**FY 23**	**FY 24**	**FY25**	**FY 26**
HSE training	6,140	37,956	34,942	32,764
Human Rights	17	35,032	36,223	30,868
Code of Conduct/Ethics	13,945	96,264	95,772	66,237
Technical/ Functional/ Skill Development	61,730	83,100	82,961	67,066
Behavioral Training	14,364	34,531	36,731	12,865
Leadership Training	373	1,791	1,367	134
Any Other - Specify	328	2,390	1,466	892
Total	**96,898**	**2,91,064**	**2,89,462**	**2,10,826**
Training hours by Management Level	**FY 23**	**FY 24**	**FY 25**	**FY 26**
Senior Management	12,375	47,735	46,312	9,647
Middle Management	23,234	98,088	98,317	64,722
Junior Management	35,003	1,45,241	1,44,833	136,457
Total	**70,612**	**145,823**	**144,629**	**210,826**

Employee Development Program			
Particulars, Name of program	**Description of program objective/ business benefits**	**Quantitative impact of business benefits**	**FTEs participating in the program**
Program 1: **Jagruti**	Jagruti is a flagship career development initiative focused on creating structured pathways for women associates to progress into supervisory roles. The programme combines assessment and targeted capability building to prepare participants for increased responsibilities and future career progression.	· 450 women associates identified, assessed and progressed into semi-supervisory positions in FY26 · Initiative recognised and published by UNFPA, demonstrating its wider social impact Initiative recognised and published by UNFPA, reflecting its broader social impact · Created a larger and more visible pipeline of women for supervisory roles	450 Associates
Program 2: **WeAspire**	WeAspire is a structured talent development programme designed to identify and accelerate high-potential employees through focused development interventions, enabling them to prepare for larger roles and future business requirements.	· 74 high-potential employees participated in the programme · Strengthened readiness of identified talent for future critical roles · Enabled structured development aligned to individual career aspirations and business needs	74
Program 3: **Women Leaders Program**	The Women Leaders Program is designed to accelerate the development of women employees into leadership roles by building capabilities in leadership, executive presence, business acumen, influence and career ownership.	· 48 women employees participated in the programme · Increased preparedness of participants for future leadership opportunities · Strengthened the pool of women talent for leadership and critical roles	48

Employee Safety

Contractors, service providers, and other business partners are expected to comply with Occupational Health and Safety (OHS) requirements integrated into procurement and contractual agreements, while identified risks are prioritized and addressed through action plans with quantified targets to drive continual improvement and strengthen risk management outcomes.

LTIFR for Employees and workers				
Particulars	**FY 23**	**FY 24**	**FY25**	**FY 26**
Employee	0	0	0	0

Workers	0.20	0.058	0	0.02

Employee Diversity

Employee by Nationality/Race

Only one employee has other than Indian nationality during FY 25-26. All other employees are with Indian nationality.

Proportion of Women

Particulars	FY 23	FY 24	FY 25	FY 26
Share of women in all management positions, including junior, middle and top management	25%	18%	17%	10%
Share of women in junior management positions, i.e. first level of management	9%	23%	16%	14%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions	17%	17%	15%	9%
Share of women in STEM-related positions	4%	4%	9%	8%
Share of women in revenue-generating positions	26%	15%	16%	16%

Employee Rights

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 is committed to:

- **Living Wage:** Ensuring that all employees and contract workers are paid at or above legal wage standards and actively working towards achieving full alignment with living wage benchmarks defined by the Global Living Wage Coalition.
- Working Hours: Minimizing overtime and excessive working hours while ensuring that working hours comply with statutory limits.
- **Equal Remuneration:** Ensuring equal remuneration for all employees regardless of gender, race, ethnicity, or other protected characteristics, and ensuring equal remuneration for men and women through periodic gender pay assessments.
- **Paid Leave:** Ensuring that employees are entitled to paid annual, sick, and parental leave.
- **Consultation Before Termination:** Ensuring that 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.

Living wage commitment

We are committed to regularly ensuring that, within our operations and supply chain, fair living wages in compliance with government standards are being paid.

Discrimination & Harassment Control

- 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.

Human Rights Risk 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.

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)

Human rights assessment

This year, we assessed 100% of our operation and supply chain on social and environment parameters and found no negative impact

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**.**

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 or 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 FY25-26 Programs like DigiSmart increased operational efficiency of trained FTEs by 25%.
- **Innovation Engagement**: Manthan encourages employees to propose and implement ideas that enhance efficiency and business value. In FY 2025-26, 32 ideas were implemented, resulting in cost savings of ₹13.15 crore**.**

Employee Benefits

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	100%
Multidimensional performance appraisal (360-degree feedback)- for Leadership roles	100%
Formal comparative ranking of employees within one employee's category	20%

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.				
FY 2025-26	**Junior Management**	**Middle Management**	**Senior Management**	**Grand Total**

Female	138	33	8	179
Male	845	651	73	1569
Grand Total	983	684	81	1748

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.

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-Listen 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**	**FY25-26**
Employee Net Promoter Score	6.70	7.20	7.58	7.55

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. Following their return to work, Welspun is committed to supporting nursing mothers through appropriate breast-feeding and lactation facilities and benefits in accordance with applicable regulations and employee well-being needs.

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.

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.

Customer Engagement & 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 endeavors.

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	FY2024-25	FY2025-26	FY2026-27
Target	90%	92%	95%
Achieved	95%	95%	

Online Consumer Engagement	FY23	FY24	FY25	FY26
% of total customers using your online services solutions/sales platform	5.1%	6%	6.2%	6.5%
% of revenues generated online (e.g. through direct sales, advertising, etc.)	6%	7%	7.6%	8%

Ethical Marketing Commitment

Welspun is committed to ensuring that all marketing efforts provide genuine value to consumers and customers in order to earn their attention and trust. We are committed to ensuring that our marketing strategies are legal, decent, honest, and truthful, while abstaining from misinforming customers about competitors' work. We are also committed to protecting vulnerable market segments and developing marketing strategies with a sense of responsibility towards consumers and society, consistent with the social, economic, and environmental principles of sustainable development. Furthermore, we are committed to rejecting exaggerated claims regarding the social and environmental impacts of our work, in line with our Ethical Marketing Policy.

Click Here: welspunliving.com/uploads/esgreports/esgreports_22.pdf

Privacy Data utilization: 31% of customers whose data is used for secondary purposes with their consent.