Welspun Living Limited

Environmental, Social and Governance (ESG) Policy

01.04.2025

1. Motivation

At Welspun Living Limited (WLL), consumers' wellbeing and making their lives better is the essence of our business and we are dedicated to creating a smarter, sustainable world. We believe that by embedding sustainability in everything we do and adopting the triple bottom line approach of economic growth, environmental conservation, and social empowerment, we can attain our vision of becoming a leading sustainable textile brand.

With a focus on ESG, WLL endeavors to:

- Adopt best practices across business operations
- Mitigate risk and assess potential opportunities
- Protect the interest of stakeholders

2. Approach towards Sustainable Development

WLL is committed to fulfilling its economic, environmental, and social responsibilities in its business operations and value chain; in alignment with the United Nations Sustainable Development Goals (UN SDGs). WLL strives to enhance its performance on ESG parameters by promoting highest standards of business practices and striking a balance between environment protection, social wellbeing and economic performance.

3. Coverage

This Policy covers the WLL project sites and locations of operations including its corporate office(s).

4. Governance & Oversight

The cross-functional 'ESG and CSR Committee' of the board will be responsible for enforcing this Policy.

5. Environment

Compliance: WLL shall comply with applicable legal requirements including environmental clearances, consents, permits, licenses and operational regulatory requirements

Management Systems: WLL shall Implement and maintain environment management systems across our operations along with monitoring, reporting and continually improving our environmental performance

Energy Management and Climate Change Mitigation: WLL shall monitor its energy use and take necessary steps to improve energy efficiency. Contribute to and take action in the fight against climate change through a climate risk assessment, and adoption of suitable mitigation steps such as

use of renewable and clean sources of energy, utilizing alternative raw materials, increased local sourcing, raise the recycled content. WLL shall also monitor and disclose its carbon footprint on a periodic basis.

Water Management: WLL shall promote sustainable water management practices across its operations and the value chain, including optimization of water consumption, rainwater harvesting, recycling, and wastewater treatment, to minimize freshwater withdrawal.

Waste Management: WLL shall focus on waste minimization in processes and collaborate with vendor partners and recyclers to achieve zero waste to landfill. In addition, embrace the principles of circular economy by reducing, reusing, recycling and recovering waste materials generated in operations and value chain.

Product Stewardship: WLL shall conduct analysis to manage the environmental impacts of our products and operations across the value chain, through life cycle assessments and other tools. Explore sustainable alternatives and increased use of certified raw materials such as yarn, cotton, dyes and chemicals, and fabric to enhance product sustainability. In addition, explore sustainable technologies that consume less energy and water during manufacturing, which will lead to reduced product energy and water intensity. Adopt sustainable packaging initiatives that include elimination, reduction, substitution and management of packaging waste, where applicable.

6. Biodiversity & No-Deforestation Policy

Biodiversity Protection: Welspun Living Limited is committed to achieving zero deforestation across our operations and supply chain as well a net positive impact on biodiversity by 2040. This policy is endorsed by a member of our Board of Directors or Executive Management to ensure the highest level of oversight and accountability.

Scope of Commitment: Our commitment extends to all suppliers and partners, who are required to ensure that no deforestation occurs in the supply chain and that sourcing practices support sustainable land management. All suppliers and partners are required to adhere to our biodiversity policy and contribute to our goal of a net positive impact. WLL will regularly assess and monitor the practices of our suppliers and partners to ensure alignment with our biodiversity commitments.

Our approach includes:

- **Biodiversity risk Assessments:** Conduct thorough assessments before project initiation to understand potential risks and its impacts on local ecosystems.
- **Restoration Projects:** Invest in and support projects aimed at restoring and enhancing local biodiversity affected by our operations.
- **Avoidance of Critical Biodiversity Areas:** We will
    - **Operational Exclusion:** Avoid conducting operational activities near sites that contain globally or nationally important biodiversity, as identified through comprehensive environmental impact assessments.
    - **Collaborate with Experts:** Work with biodiversity experts to ensure our activities do not negatively impact critical habitats.
- **Mitigation Hierarchy:** Our approach follows a mitigation hierarchy to manage biodiversity impacts:

- **Avoidance:** Prevent impacts by selecting alternative locations or practices.
- **Minimization:** Reduce impacts through the implementation of best practices and technologies.
- **Restoration:** Restore affected areas to their natural state as much as possible.
- **Offsetting:** Compensate for residual impacts through biodiversity conservation efforts.

Implementation and Monitoring: WIL will engage with suppliers to implement and adhere to no deforestation practices and conduct periodic audits to verify compliance and address any issues promptly.

Roles and Responsibilities: WLL is committed to maintaining a high standard of environmental management across all aspects of our operations. The following roles and responsibilities are defined to ensure effective implementation of our environmental management policy:

- **Board of Directors:** Oversee the overall environmental strategy and ensure integration into corporate governance.
- **Executive Management**: Develop and execute environmental objectives, allocate resources, and oversee policy implementation.
- **ESG Team & compliance team:** Implement the environmental management system, monitor compliance, and report on performance.
- **Department Heads:** Ensure departmental adherence to environmental policies, implement best practices, and foster a culture of environmental responsibility.
- **Employees:** Adhere to environmental policies, participate in training, and contribute to minimizing environmental impacts in their daily tasks.

Targets and Objectives: WLL is dedicated to ensure that there is no deforestation happening as part of our operations or expansions. We also target to ensure no deforestation across our supply chain by 2030. We also strive to ensure that WLL's Net impact on biodiversity to be positive by 2040.

Stakeholder Awareness: We are committed to raising awareness among internal and external stakeholders regarding our environmental management policy, objectives, targets and the impacts of our operations.

- **Internal Communication:** Regular training, workshops, and updates to employees on environmental policies, practices, and performance.
- **External Communication:** Publish an annual sustainability report, engage with stakeholders through meetings and consultations, and maintain transparency through our website and other communication channels.

7. Social

Compliance: WLL shall comply with applicable legal requirements and related labour laws, in the country of its operation.

Human Capital Management: WLL shall nurture human capital through engagement, training and development, motivation and provision of an inclusive and diverse environment for them to excel.

Respect for Human Rights and Fair Labor Practices: WLL shall promote equal opportunities, fundamental human rights for all employees, fair compensation, freedom of association and the right to bargain collectively in a lawful and peaceful manner.

Diversity and Equal Opportunity: WLL shall provide equal treatment and opportunity to everyone without regard to race, colour, religion, gender, sexual orientation, national origin, age, disability, veteran, marital or domestic partner status, citizenship, family relationship or any other similar characteristic.

Health & Safety: WLL shall adopt and comply with the applicable health & safety regulations, standards and guidelines; provide necessary resources, training and education and measure performance to enhance physical and mental wellness as well as to ensure zero harm to employees, visitors and contractors.

Local Community Engagement: WLL shall engage with local communities around its projects for social interventions or community development projects.

Sustainable Procurement: WLL shall integrate sustainability in its value chain through supplier engagement, disclosure and adherence with the Supplier Code of Conduct, Sustainable Procurement and Responsible Sourcing Policy.

Customer Centricity: WLL shall engage with customers on sustainability issues through sustainability programs and continual dialogues on the same.

8. Governance

Regulatory Compliance: WLL shall ensure compliance with applicable legislations for corporate governance, in its country of operation

Corporate Governance: WLL shall ensure a robust corporate governance mechanism to create a healthy, transparent and professional working atmosphere – with high priority on ethical business practices, along with enhanced environmental and social performance.

Ethical business practices: WLL shall comply with all the relevant anti-bribery and anti-corruption laws including but not limited to the Indian Prevention of Corruption Act, 1988 (IPC), the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act (UKBA), and other applicable laws governing corruption and bribery, whether public, commercial or both.

Stakeholder Engagement: WLL shall engage with diverse stakeholder groups on sustainability issues through transparent communication and strategic collaborations, on a periodic basis.

External Reporting: WLL shall disclose publicly its sustainability performance in line with leading national and global reporting frameworks.

Approved by:

Dipali Goenka

Managing Director & CEO