

Welspun^WLIVING

ESG Data Factsheet FY 2023-24

Content

Environmental Data	2
• Circular Programs & Environment data	2
• Biodiversity Risk Assessment and Control Measures.....	9
Social Data	10
• Employee turnover by Management level-WLL (HO/Anjar/Vapi)	10
• Employee hiring (Including workers) by Management level, Age and Gender	10
• Employee by Nationality/Race	11
• Human Rights Mitigation & Remediation.....	11
• Performance Appraisal	11
• Proportion of Women	11
• Skill enhancement training by Age, Gender and type of training.....	12
• Hiring	12
• Employee Development Program	13
• LTIFR for Employees and workers.....	13
• Employees Survey & Feedback & Customer satisfaction survey.....	13
• Employee Leaves.....	14
• Customer satisfaction, online strategies and ethical marketing commitment.....	14
Governance.....	16
• Board Independence	16
• Board Effectiveness.....	16
• Business Ethics.....	16
• Tax Transparency Report.....	17
• Double Materiality Analysis	17
• Material Issues and metrics for Enterprise Value Creation.....	18
• Material Issues and metrics for External Stakeholders.....	18
• Trade Association and contribution.....	20
• Risk Governance and Business Ethics and Business risk identified.....	20
• Emerging risks.....	22
• KPI's for Supplier Assessment.....	23

About the report:

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

Environmental Data

1. Circular Programs

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

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

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

1.1 Circular Fashion Commitment

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

1.2. Circular Fashion Programs

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

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

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

1.3. Circular Fashion Indicators

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

Parameters	FY23-24
Total weight of items collected through take-back programs (tonnes)	5
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)	4
Total weight of items produced (tonnes)- (mixed with new fibers)	10
Total weight of items sold (tonnes)- (mixed with new fibers)	10

1.4. Packaging Commitment

- We actively promote initiatives to enhance the adoption of reusable packaging, aiming to reduce the environmental footprint of our products
- We are sending waste to nominated recycling companies for recycling of packaging waste as we recognize the importance of completing recycling loop also we are expanding the

utilization of recycled materials in our packaging solutions

- As part of our research and development (R&D) initiative, we are actively working on the innovation of compostable plastic for primary packaging and recycled paper-based packaging material for utilization in secondary packaging.

1.5. Packaging Materials

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

FY 23-24	Paper -Cardboard boxes (in MT)	Paper/wood (other than cardboard) (in MT)	Total (MT)
Paper/wood Packaging	12,932	9,131	22,063
Recycled content	12,932	7,223	20,155
Recycled/Certified %	100%	79%	91.3%

1.6. Plastic Packaging Materials

S. No.	Parameter	Value
A.	Total weight (tonnes) of all plastic packaging	3996 MT
B.	Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	98.4%
C	Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0
D	Percentage of recycled content within your plastic packaging (as a % of the total weight of all plastic packaging)	8%
E	Coverage (as a % of cost of goods sold)	100%

Total packaging (KG)	26,433 MT	% Recycled content
Sustainable packaging (KG)	20,459 MT	77%

1.7. Sustainable Packaging Initiatives

Recycling Initiatives	Current Status	Target
Multi colored paper printed items are made up from FSC	72%	100 % by 2025
We are under progress to increase the % of recyclable plastic in our packaging	98.4%	100% by 2025
We are using the FSC certified paper in our Secondary packaging (PDQ's)	71%	100% by 2025

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

1.8. Hazardous substances Commitment

Recognizing the critical importance of environmental stewardship in the textile and apparel industry, we proudly pledge our commitment to the Zero Discharge of Hazardous Chemicals (ZDHC) initiative. We continuously strive to improve our processes and treatment systems to meet the stringent requirements of the Zero Discharge of ZDHC standard, ensuring the responsible management of chemicals by 2030. As of March FY23-24, ZDHC Conformance stands at 81.06% reported on Bureau Veritas portal, indicating that 81.06% of products have successfully met the Zero Discharge of Hazardous Chemicals (ZDHC) standards. This reflects significant progress towards achieving sustainable chemical management in the industry.

1.9. Biodiversity

Our organization has proactively conducted a biodiversity risk assessment across our own operations, adjacent areas, and upstream activities, integrating it into our comprehensive, multi-disciplinary risk management processes. By employing a location-specific approach and referencing globally recognized Methodology- **WWF Biodiversity Risk Filter**. We have evaluated both dependency-related and impact-related biodiversity risks. Our transparent assessment process, disclosing the biodiversity risks with varying levels of likelihood and severity. We have implemented targeted mitigation measures, including ecosystem restoration, replantation, development of green belts, and compliance with pollution control standards, to manage these risks effectively. This thorough analysis has enabled us to conclude that there are no significant biodiversity risks within our operations, demonstrating our commitment to environmental conservation and sustainable practices. We have used a line transect methods to do assessment for birds and quadrat methods for plant population and vegetation characteristic..

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

Biodiversity Assessment - sites with significant biodiversity impacts	
	Number of sites
Total number of sites	3
Sites assessed	3
Sites that have significant biodiversity impact	0

1.10. Plant & Animal-Derived Textile Materials

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

Textile Material	Total Quantity consumed (MT)	Standard Name	% of material certified	% of Recycled material used
Cotton	55,922	BCI and GOTS	81%	9%

1.11. Plastic Raw Materials

Plastic raw material used only at Welspun flooring division.

Plastic Material Used	Total Quantity consumed (MT)	Recycled material (MT)	% of Recycled material used
Polyester	12,945	5,116	40%
Nylon	1,629	120	7%
Total Plastic	14,573	5,236	36%

1.12. Resource efficiency benefits of products

Double-sided bed sheets magnify sustainability benefits significantly. They effectively reduce waste and extend the lifespan of the product, thereby minimizing the need for frequent replacements. In addition to decreasing overall textile production, this reduction also lessens the environmental footprint by conserving less water and energy. Furthermore, using both sides of a bedsheet helps save on laundry efforts and associated utilities, cutting back on water and energy consumption. Altogether, double-sided bed sheets are an economical, environmentally-friendly choice that contributes to sustainable living practices. Similarly quick dry towels also minimizes the quantities of towel required at home due to less time of drying. CVC bedsheet and bath rugs are highly resource-efficient due to their durability, requiring less frequent replacements. They also retain their quality after multiple washes consuming less water, reducing the need for new resources. Additionally, these dries quickly, saving energy during laundering.

FY 2023-24	Quick Dry towel	2in 1 bedsheet	CVC Bedsheet	Bath Rugs	Total Product
Quantity (MT)	382	94	2129	13,692	16297
Total WLL Production (MT)	2,17,445	2,17,445	2,17,445	2,17,445	2,17,445
	0.18%	0.04%	0.98%	6.30%	7.49%

1.13. Exposure of Suppliers to Water Risks

Cotton is agricultural commodity procured by WLL during FY23-24. WLL have completed water risk assessment for supplier, 2 supplier rated as very high risk and 45 suppliers have rated as high risk suppliers. During FY23-24, **71.64%** of total cotton procured are sourced from water-stressed areas. For more information Please refer detailed report on Water risk assessment for suppliers.

1.14. Environmental Violation

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

1.15. 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](#)

1.16. Waste Management Programs

In our pursuit of environmental stewardship, we have carried out thorough waste assessments to identify opportunities for enhancing our waste management performance. By investing in innovative solutions, we aim to significantly reduce waste produced during the manufacturing of

home textiles. Additionally, we have implemented comprehensive training programs for our employees, encompassing our environmental policy with a focus on waste reduction, water conservation, and emission control. These initiatives reflect our commitment to sustainability and our responsibility to minimize our ecological footprint.

1.17. Emission Reduction Targets

Our company has set GHG emissions reduction targets in alignment with the SBTi, aiming to achieve net-zero emissions by 2040.

	Base Year	2027	2030	2035	2040
Scope 1	FY23-24	46%	92%	96%	98%
Scope 2	FY23-24	46%	92%	96%	98%
Scope 3	FY23-24	16%	34%	64%	96%
Scope 1+2+3	FY23-24	30%	40%	70%	97%

1.18. Climate Related Management Incentives

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

1.19. Physical Risk Adaptation

Physical Climate Risk	Time Horizon	Mitigation Measures
Tropical cyclone	Medium-Long Term	The typical hazards associated with tropical cyclone includes storm surge, strong wind, and floods. Anjar is prone to risk due to strong winds. However, building construction is strong and resilient to strong winds. Vapi has good drainage system to mitigate the impact of floods and storm surge. Moreover, WLL team regularly monitors the weather information to mitigate the risk of supply chain disruptions.
Water stress	Short-Medium Term	WLL has set up a sewage treatment plant (STP) of 30 million liters per day capacity in the year 2016 in Anjar. The STP treats sewage generated from 3 municipalities (Gandhidham, Adipur and Anjar), Recycling and reusing the water has enabled zero use of freshwater for the factory processes. WIL has also undertaken water conservation projects like deepening ponds in villages near the factory sites.
Drought	Medium-Long Term	
Riverine flood	Medium-Long Term	Efficient water drainage system is provided in Vapi to mitigate the risk. The weather conditions are constantly monitored to mitigate the risk of supply chain disruptions
Extreme rainfall	Short-Medium Term	
Heat Wave	Short, Medium and Long Term	WLL has taken various measures like frequent breaks, availability of potable water, rest rooms etc. to eliminate negative impacts on workers. Plant building is constructed

		with insulated puff panels to reduce effects of heatwave. Centralized cooling system is provided with focus to integrate renewable energy like solar to decrease the cooling costs. There are guidelines / SOP on heat-stress and awareness creation and training is carried out periodically. Ergonomic assessment and training are also organized on a yearly basis
Coastal floods due to sea level rise	Long Term	WLL has identified critical suppliers and alternate shipment methods (like railways or supply through other ports etc.) to be resilient even amid high impact of coastal floods.

2. Biodiversity Risk Assessment and Control Measures

S.No.	Activities	Risk	Risk Likelihood	Risk Severity	Risk Score	Risk Level	Mitigation Measures
1	Change in Land use	1. Loss of habitats / Habitat fragmentation 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 equipment's 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

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

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

Social Data

1.1 Employee turnover by Management level-WLL				
Particulars	FY 21	FY 22	FY 23	FY 24
Senior Management	20	21	12	13
Middle Management	88	88	99	128
Junior Management	318	288	228	290
Associate (Workers)	8,948	8,086	5,244	8608

1.2 Employee (Including Workers) turnover by Age (FY24)			
Age Group	Gender	Employee Turnover Value	Turnover rate
<30	Male	4240	61%
	Female	1391	43%
	Total	5631	55%
30-50	Male	2583	31%
	Female	664	25%
	Total	3247	30%
>50	Male	149	20%
	Female	12	19%
	Total	161	20%
Total	Male	6972	44%
	Female	2067	34%
	Total	9039	41%

2.1 Employee hiring (Including workers) by Management level				
Particulars	FY 21	FY 22	FY 23	FY 24
Senior Management	22	12	10	31
Middle Management	97	72	66	115
Junior Management	267	254	189	268
Associate	10,311	5,757	3,763	9298
Total	10,697	6,095	4,028	9,712

2.2 Employee (Including workers) hiring by Age				
Particulars	<30	30-50	> 50	Total
FY 24	6,458	3,160	94	9,712
FY 24- (% Hiring)	66.5%	32.5%	1%	-

2.3. Employee hiring (Including workers) by Gender			
	Male	Female	Total
FY24	6,487	3,225	9,712
FY 24- (% Hiring)	66.8%	33.2%	-

3. Employee by Nationality/Race:

- Only one Employee has other than Indian nationality during FY 23-24. All other employees are with Indian nationality.

4. Living wage commitment

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

5. Discrimination & Harassment

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

6. Human Rights Mitigation & Remediation:

We have formal procedures for Human Rights Mitigation & Remediation. In line with our SOP, we have assessed various human rights risks and implemented targeted remediation actions for each identified risk. Additionally human rights mitigation processes across **all three manufacturing sites** and at every business locations including business location of supplier is being implemented. Our human rights risk assessments cover multiple criteria, and we have established comprehensive remediation plans which include the mitigation plans like training on human rights, frequent audits, policy implementation etc.

7. Human rights assessment

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

8. Performance Appraisal

Welspun conduct yearly performance evaluations assessing both individual and team performance. These reviews incorporating management goals, agile discussion, and team-based appraisals as essential components.

360-degree feedback was not implemented during the FY23-24 period, but it is introduced and integrated as a key component of performance management in FY24-25, aiming to enhance employee development, organizational growth and promoting a culture of continuous improvement.

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

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

10.2 Training hours by Age				
Particulars	FY 21	FY 22	FY 23	FY 24
<30	77,320	75,000	50,378	1,19,336
30-40	72,649	76,142	46,769	89,066
40-50	47,575	48,609	35,736	61,123
>50	2,725	12,209	5,513	21,539

10.3 Training hours by Gender				
Particulars	FY 21	FY 22	FY 23	FY 24
Male	2,44,261	2,57,948	2,11,368	2,24,070
Female	55,841	57,552	37,923	66,994

10.4 Type of training				
Particulars	FY 21	FY 22	FY 23	FY 24
HSE training	4,018	4,797	6,140	37,956
Human Rights	15	21	17	35,032
Code of Conduct/Ethics	33,129	27,175	13,945	96,264
Technical/ Functional/ Skill Development	82,372	58,612	61,730	83,100
Behavioural Training	30,017	62,327	14,364	34,531
Leadership Training	1,211	2,001	373	1,791
Any Other - Specify	1,446	1,798	328	2,390
Total	1,52,208	1,56,731	96,898	291064

10.5 Training hours by Management Level				
Particulars	FY 21	FY 22	FY 23	FY 24
Senior Management	9,776	12,212	12,375	47,735
Middle Management	20,838	26,783	23,234	98,088
Junior Management	41,261	62,662	35,003	145241

11. Hiring		
Particulars	FY 23	FY 24
Percentage of open positions filled by internal candidates (internal hires)	0.81	0.37
Average Hiring cost in INR	15,633	16,200

12. Employee Development Program		
Particulars	Program 1	Program 2
Name of program	Step-Up Enhancing Supervisory Capability	Power BI
Description of program objective/business benefits	<ul style="list-style-type: none"> - Developing Supervisory capabilities to help them improve current performance and develop sustainable relationships with their teams - Creating a pool of Internal Trainer 	By using Power BI businesses bridge the gap between data and decision making by transforming raw data from a range of different sources into powerful insights. These insights are then displayed in a clear, graphical, actionable way via the dashboard.
Quantitative impact of business benefits	<ul style="list-style-type: none"> - Increase Associate Engagement & Motivation - Reduced Turnover rate by 10% - Increase in productivity of those FTEs by 30% 	<ul style="list-style-type: none"> - Faster decision-making - Reduced reporting errors - Increased operational efficiency of those FTEs by 30% - Enhanced data-driven decisions
% of FTEs participating in the program	28%	21.27%

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

14. Employees Turnover rate				
Particulars	FY 21	FY 22	FY 23	FY 24
Employee	46%	22%	19%	16%

15. Employee Survey & Feedback:

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

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

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

FY23-24- Employee Net Promoter Score: 7.2/10

16. Employee Leaves:

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

17. Customer Satisfaction:

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

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

FY23-24- Customer satisfaction
Target for FY24-25- > 90%
FY 23-24- Customer satisfaction is 91%

18. Online Consumer Engagement:

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

19. Ethical marketing Commitment:

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

development. Also we reject exaggerated claims about the social and environmental impacts of our work to view our ethical marketing policy.

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

20. Privacy Data utilization:

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

21. Long term incentives for Employees:

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

Governance

1. Board Independence

- **Target Share for Independent directors:**

Chairperson is a Non-executive Director.

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

Total Directors were 8 out of which 4 were Independent Directors

2. Board Effectiveness

- **Board Meeting Attendance (Minimum Attendance Required):**

Average Board Meeting Attendance is 90.48%. The members of board are required to have minimum 75% attendance in board meetings in a financial year.

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

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

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

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

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

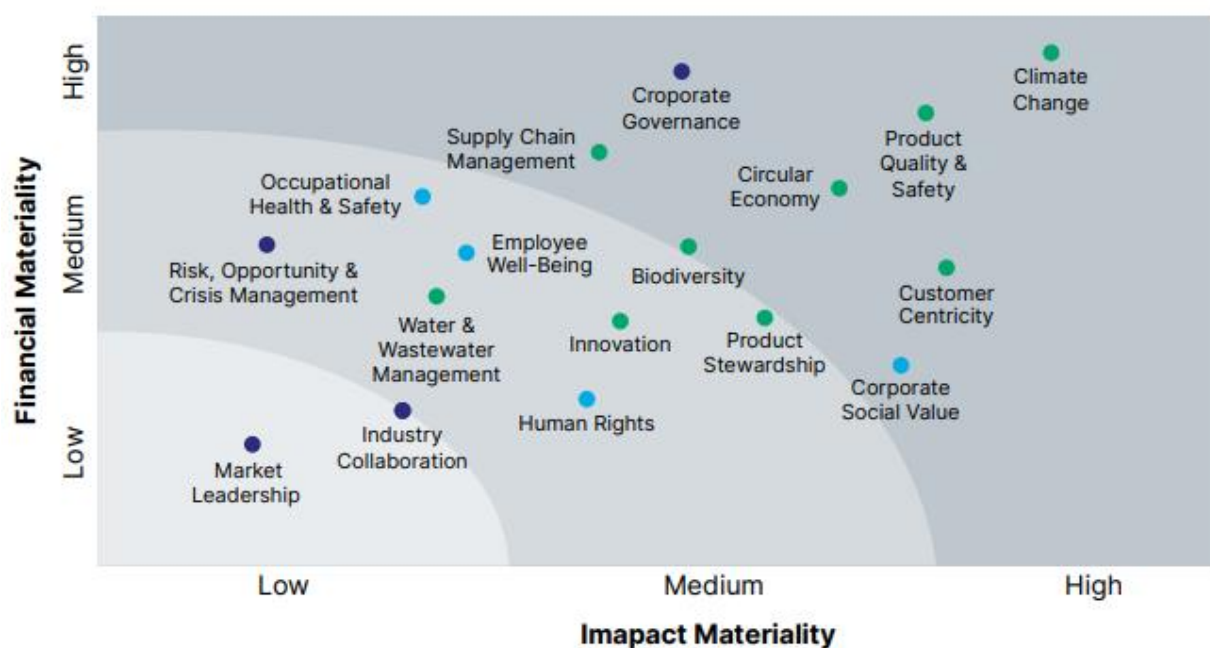
Cybersecurity: IT infrastructure and information security management systems have been audited by external auditors. Regular vulnerability assessment and penetration testing including simulated hacker attacks (VAPT) for both infrastructure and application landscape. Also we test our incident response procedure annually.

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

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

5. **Double Materiality Analysis**

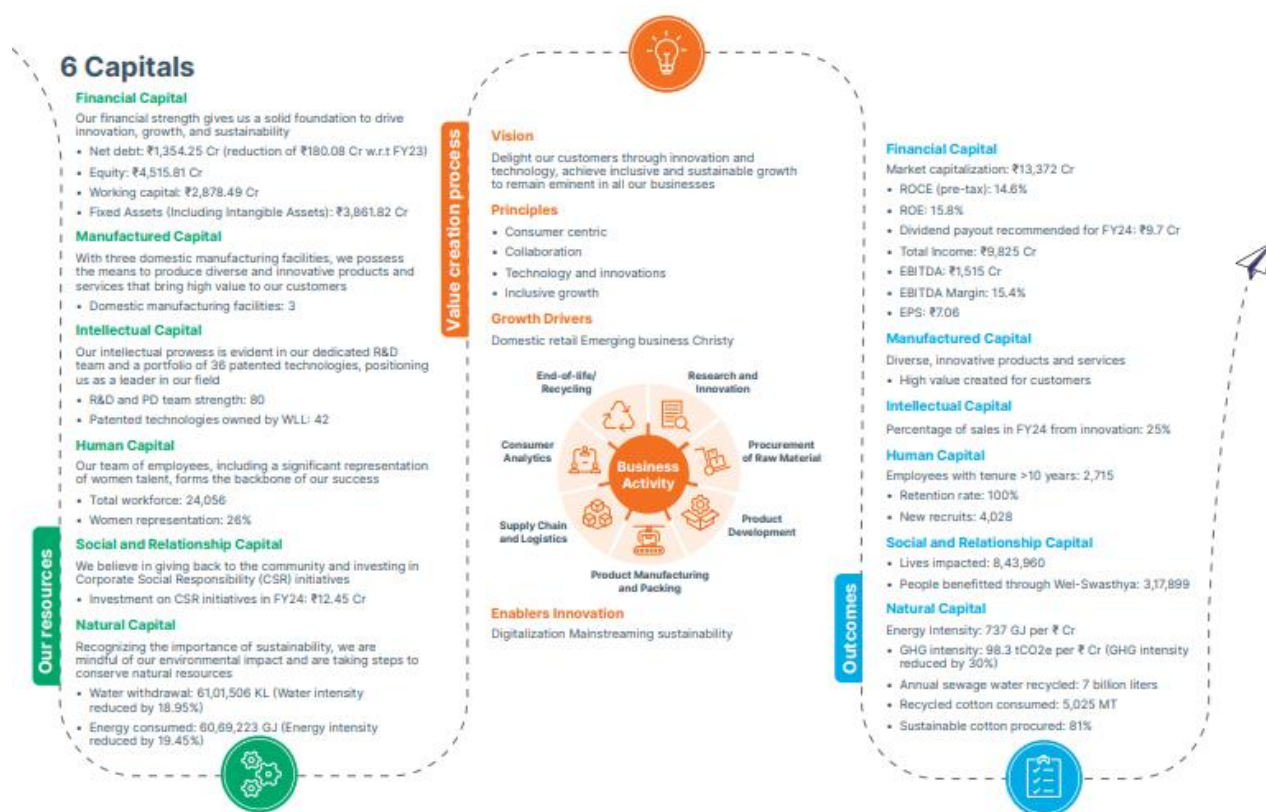
- Double Materiality analysis conducted which is endorsed by BOD, and integrated into our ERM.



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

6. Material Issues and metrics for Enterprise Value Creation

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



7. Material Issues and metrics for External Stakeholders

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

- Engaged extensively with external stakeholders, including NGOs, communities, and environmental groups to better understand their concerns and priorities
- Integrated ESG considerations into our decision-making processes, from product development to supply chain management
- Participated in regulatory initiatives and industry standards promoting sustainability reporting transparency and accountability.

S.No.	Material Issue	Business Case	Strategy	Long term target with year	Progress
1	Energy	Managing energy use and emissions is crucial for WLL, as they directly influence operational costs and environmental impact.	WLL has set a target to increase its renewable energy consumption to 20% by 2025 and 100% by 2030 The company has implemented various energy saving initiatives.	Increase the share of Renewable energy consumption to 20% by 2025 and 100% by 2030	Within our premises in Anjar, we are establishing a 30 MW solar power plant. We have entered into a long-term power purchase agreement with a RE developer to supply renewable power to us. WLL is replacing coal with Biomass for steam generation.
2	Water Conservation	Water plays a vital role in textile production; hence its management is a crucial need. By implementing innovative technologies and best practices, we strive to reduce our water footprint and protect this precious resource.	We strive to conserve every drop of freshwater to make it accessible to communities struggling with water scarcity. At our Anjar site, we have implemented a sewage treatment plant (STP) that not only eliminates the need for freshwater intake in our manufacturing operations, but also collects sewage from nearby municipalities for responsible treatment, reuse, and discharge. This initiative serves multiple purposes within our climate strategy. WLL has set target to minimizing freshwater consumption.	Minimizing the share of freshwater consume to 5KL/Tonne of product produce by 2025 and 0KL/Tonne by 2030	Increased % of Water recycling from STP and ETP, Currently at Anjar 100% water is used from recycled sources for operation, in FY23-24, fresh water consumption was 11.2KL/tones or product
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.	100% Critical Suppliers to be assessed by 2025 and our aspiration will encompass all suppliers by 2030,	98% Tier 1 suppliers assessed in FY23-24

Parameter	Material issue 1	Material issue 2
Material Issue for External Stakeholders	Customer Relationship Management	Product Stewardship
Cause of Impact	Effective CRM in textile manufacturing streamlines operations with real-time insights, drives product innovation by capturing customer preferences, and optimizes the supply chain to match demand, enhancing efficiency and customer satisfaction in a competitive market.	The external impact of product stewardship is primarily driven by our operations, products, and supply chain. Our evaluation covers all aspects of business activities, ensuring that every phase from sourcing raw materials and manufacturing to product distribution, use, and eventual disposal, is handled with a strong commitment to environmental sustainability and social responsibility.
Evaluated Impact areas on external stakeholders	Often focus on environmental impact and consumer safety. Key stakeholders typically include local communities, regulatory bodies, customers, and environmental organizations.	Involve evaluating the environmental impact of sourcing and disposal of our textile products. Key stakeholders include regulatory bodies concerned with environmental protection, customers who prioritize sustainability and product safety, and local communities affected by manufacturing practices.
Topic relevance for external stakeholders	Address the growing consumer preference for sustainable products by developing and offering goods that have a reduced environmental impact.	Directly relates to environmental sustainability and ethical sourcing, which are critical concerns for consumers, investors, and regulatory bodies. The impact assessed is material to external societal stakeholders and the environment due to the potential ecological footprint of textile production, including resource depletion and GHG emission throughout their lifecycle.
Output Metric	Customer satisfaction score: 92%	Zero voluntary and forced recalls on the safety issues.
Impact Evaluation	We established structured process to conduct customer satisfaction survey.	We conducted Life Cycle Assessment (LCA) for our flagship products for Anjar & Vapi Plant
Impact Metric	WLL has conducted various campaigns to raise awareness about the sustainable product.	81% of sustainable cotton and 9% recycled cotton used as input to the production

8. Trade Association and contribution in FY23-24

Association Name	Amount contributed in INR	Nature of Contribution
Federation of Indian Chambers of Commerce & Industry (FICCI)	1,41,600	Membership Fees
TEXPROCIL (The Cotton Textiles Export Promotion Council)	1,33,33,334	Voluntary contribution to the initiative of branding, traceability & certification of Indian cotton - "Kasturi". Government of India Programme.
Confederation Of Indian Industry	8,89,400	Membership Fees

Cotton Association Of India	3,540	Subscription Fees
Northern India Textile Mills' Association	75,000	Membership Fees
World Economic Forum LLC	86,91,109	Associate Partnership
Ahmedabad Textile Industry Research	4,00,000	Membership Fees
Federation Of Kutch Industries	7,50,000	Membership Fees

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

9. Risk Governance and Business Ethics

Risk Management Committee Chaired by Independent Director (Mr. Murli 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.

10. 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.

11. Emerging Risks

	Emerging Risk 1 Supply chain disruptions due to Russia-Ukraine, Israel-Palestine war	Emerging Risk 2 Technology- Artificial Intelligence
Name of the Risk	1. Economic Disruptions 2. Currency Fluctuations 3. Due to this war, our supply chain costs may increase for a significant time which increases cost to the company	1. Integration of AI in Textile R&D, AI-Powered Competition, and Skill Shortage due to AI Advancements 2. Job Displacement 3. Security Concerns
Description	<p>1. The war can disrupt trade, supply chains, and financial markets, affecting businesses that operate in or have connections to the involved regions.</p> <p>2. The conflict may lead to fluctuations in currency values, impacting businesses engaged in international trade.</p>	<p>1. As our industry embraces AI in Research and Development (R&D) processes, competitors rapidly adopt AI-driven strategies, intensifying market competition. Simultaneously, the industry faces a potential shortage of skilled human resources due to the evolving nature of AI, creating a significant gap in required expertise.</p> <p>2. Automation driven by AI may lead to job displacement in certain sectors, impacting employment opportunities.</p> <p>3. AI systems may be vulnerable to attacks, and the malicious use of AI can pose security risks.</p>
Impact	<p>1. Supply Chain Disruptions: The conflict may lead to fluctuations in currency values, impacting businesses engaged in international trade.</p> <p>2. Market Volatility: The conflict may lead to fluctuations in currency values, impacting businesses engaged in international trade.</p>	<p>1. 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.</p> <p>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.</p> <p>2. Operational Efficiency: AI can enhance operational efficiency by automating routine tasks, reducing errors, and optimizing processes.</p> <p>3. Operational Efficiency: AI can enhance operational efficiency by automating routine tasks, reducing errors, and optimizing processes.</p>
Mitigation Actions	<p>1. Risk Assessment and Scenario Planning: Regularly assess geopolitical risks and develop contingency plans based on potential scenarios.</p> <p>2. Monitoring and Adaptation: Stay informed about geopolitical developments and be prepared to adapt strategies as the situation evolves.</p>	<p>1. 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.</p> <p>Collaborative R&D Partnerships: Form strategic alliances with tech firms or research institutions specializing in AI to gain access to cutting-edge</p>

		<p>technology and expertise. This facilitates staying ahead in innovative R&D endeavours.</p> <p>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.</p> <p>2. Data Privacy and Security: Implement robust measures to protect sensitive data, comply with privacy regulations, and ensure the security of AI systems.</p> <p>3. Human-AI Collaboration: Foster collaboration between AI systems and human workers, emphasizing the augmentation of human capabilities rather than replacement.</p> <p>4. Human-AI Collaboration: Foster collaboration between AI systems and human workers, emphasizing the augmentation of human capabilities rather than replacement.</p>
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12. KPI's for Supplier Assessment

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

Supplier Meet FY23-24:

Supplier Meet in FY23-24 has been conducted in month of July 2023. 86 supplier has been participated in supplier meet with agenda on sustainability enhancement in value chain. Key topics included reducing environmental impacts, ensuring ethical sourcing, and improving resource efficiency across all stages of production. Suppliers were encouraged to adopt sustainable practices and collaborate on innovative solutions to enhance overall supply chain sustainability.

Supplier Training:

Sr. No.	Topic	No of Suppliers
1	Responsible sourcing & Sustainability	39
2	Human Rights	29
3	Ethics, Privacy and compliance	28
4	WLL General Code of Conduct	35
5	Anti-Bullying & Anti-Harassment	18
6	Anti-Bribery and Anti-Corruption	18

Supplier manual: Elevating performance through accountability

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

Supplier assessment using the Welspun supplier manual

We completed assessments for 66 of our critical suppliers from tier-1 suppliers. These assessments involved comprehensive audits that covered social occupational health and safety, environmental performance, chemical management, and environmental management. We performed periodic assessments for all critical suppliers. A corrective action plan was developed, and follow-up assessments were conducted. We also completed annual training on the supplier business code of conduct. Additionally, our suppliers were asked to develop improvement action plans, which we verified during the annual assessment.

We prepared the supplier's performance dashboard, and our business continuity was based solely on the ESG performance.

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

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

Supplier Development:

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

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

Monitoring and reporting of supplier assessment and development programs:

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

Parameter	No. of Suppliers
Total tier-1 suppliers	153
Total number of critical suppliers in tier-1	67
% of total spend on critical suppliers in tier-1	80%
Total number of suppliers (tier-1 and non-tier 1)	153

Our goal

By 2025, we aim to include all critical suppliers, and by 2030, our aspiration will encompass all suppliers.

Supplier Assessment	FY 2023-24
1.1 Total number of critical suppliers assessed via desk assessments/on-site assessments	66
1.2 % of significant/critical suppliers assessed	98%
1.3 Number of suppliers assessed with substantial actual/potential negative impacts	0
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated	0
2.1 Total number of critical suppliers supported in corrective action plan implementation	60
2.2. % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0
3.1 Total number of critical suppliers in capacity building programs	67
3.2 % of significant/critical suppliers in capacity building programs	100%
Total number of critical suppliers assessment target via desk assessments/on-site assessments for FY 24-25 is all critical suppliers of tier-1 suppliers- Target is 67 Suppliers	