



Sustainable threads: Crafting a greener future



02 Overview

→ About the report

- Year in review
- Theme introduction
- CEO's message
- Message from Group Sustainability Head

08 Company Profile

17 Sustainability at WLL

29 Economic Performance

40 Environment

65 Social

85 Governance

94 Annexures

ABOUT THE REPORT

Our approach

This Sustainability Report seeks to communicate Welspun's commitment to sustainable value creation to its stakeholders. It offers precise and comparable data regarding the progress achieved in the past fiscal year, encompassing both financial and non-financial aspects. We have presented this information in conjunction with our strategy, sustainability roadmap, and comprehensive efforts to promote sustainability in our operations.

Reporting cycle

This report is prepared annually and covers the timeframe from April 01, 2022, to March 31, 2023.

Scope and boundary

The scope of this report includes Welspun Living's home textile activities in Anjar and Vapi (Gujarat, India) as well as the flooring business operations in Chandanvelly (Telangana, India) and its head office in Mumbai (Maharashtra, India). The ESG numbers presented in the report are total for the performance at all the three manufacturing sites and the HO. Unless explicitly indicated otherwise, this report does not incorporate data or information related to entities external to our organisation, such as suppliers.

Our sustainability reporting is comprehensive, focusing on environmental indicators like carbon emissions, energy consumption,

water usage, waste management, and biodiversity conservation. Equally important are our social responsibilities, encompassing employee well-being, diversity, community engagement, and ethical supply chain considerations.

Materiality

An issue is considered to be material if it has the potential to considerably impact on our commercial viability, our social relevance and the quality of relationships with our stakeholders. Our material issues are informed by the economic, social and environmental context in which we operate.

Read more about our materiality issues on [Page 28](#)

Responsibility statement

The sustainability team of Welspun Living Limited (WLL), which tracks and monitors the Company's sustainability performance regularly, has taken due care in presenting the facts and statements which are fair, transparent, and unbiased. The Company has obtained limited assurance on select/identified sustainability indicators for the fiscal year 2022-23 through an independent agency. This is to demonstrate the accuracy of its disclosures assured.

Assurance

Price Waterhouse Chartered Accountants LLP (PWCALLP) has issued a limited assurance report on select/identified sustainability indicators, as detailed in their report. The Independent Assurance Statement can be located on

[Page 101](#)

Frameworks, guidelines and standards

This Sustainability Report has been prepared in alignment with the GRI Standards 2021. Additionally, it includes the following references:

Business Responsibility and Sustainability Reporting (BRSR) as per the National Guidelines for Responsible Business Conduct (NGRBC)

Provisions of the Companies Act, 2013



United Nations Global Compact



SASB STANDARDS



Feedback

Your valuable input plays a crucial role in enhancing our reporting process. Please direct your comments and feedback to sustainability@welspun.com.

YEAR IN REVIEW

02 Overview

About the report

→ **Year in review**

Theme introduction

CEO's message

Message from Group Sustainability Head

08 Company Profile

17 Sustainability at WLL

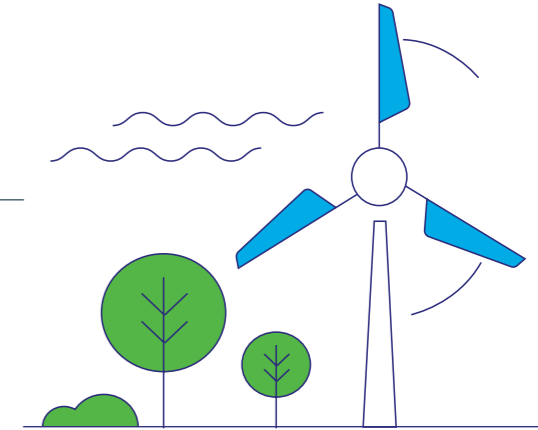
29 Economic Performance

40 Environment

65 Social

85 Governance

94 Annexures



11.3

Sustainalytics score for WLL positioned us in the low-risk category

9th

Among 202 companies in Sustainalytics ESG risk ratings

Among the top
#100

Sustainable Companies in India by ET-Futurescape

Among the top

5%

Of textile companies globally as per S&P DJSI for 2022, with a score of 59 in the CSA this year (up 23% from last year)

75%

Cotton used from sustainable sources

24%

Women employees

36

Patents in home textile, the highest in the industry

16,545

Farmers across 390+ villages benefitted from Wel-Krishi initiative

5,07,848

Lives benefitted through various CSR initiatives

4,73,497 GJ

Electricity saved through conservation initiatives



02 Overview

About the report

Year in review

→ **Theme introduction**

CEO's message

Message from
Group Sustainability Head

08 Company Profile

17 Sustainability at WLL

29 Economic Performance

40 Environment

65 Social

85 Governance

94 Annexures

THEME INTRODUCTION

At Welspun Living Limited (WLL), we focus on the interconnectedness between our actions and the impact on the environment, society, and our shared future. Adopting sustainability is a duty, and it enables us to transform our business, the textile industry and create a resilient and vibrant world.

Sustainable threads: Crafting a greener future



Going one step further for the environment

Explore our journey towards becoming carbon-positive by harnessing the transformative power of decarbonisation. Discover the remarkable steps we have taken to reduce our carbon footprint and the innovative solutions propelling us to a greener horizon.

Read more on

[Page 40](#)



Water conservation: Creating a wave of impact

Dive into our commitment to safeguard one of Earth's most precious resources. Discover how our water conservation initiatives lead to lasting change, from responsible water usage in our operations to community engagement in promoting water stewardship. Through stories from individuals and communities, know more about the positive impact we create.

Read more on

[Page 49](#)



CSV: Bridging lives, illuminating futures

Learn about our commitment to Creating Shared Value (CSV), where our actions transcend profit to uplift communities and empower individuals. Through meaningful partnerships, education initiatives, and community outreach, we touch lives and pave the way for a more equitable and prosperous future.

Read more on

[Page 74](#)



Sustainable farming and afforestation: Rooted in green

Know more about how we sow the seeds for a better future through sustainable farming and afforestation. To nurture biodiversity, support communities, and restore ecosystems responsibly, we highlight the symbiotic relationship between sustainable farming and afforestation and their profound impact on environmental restoration.

Read more on

[Page 60](#)



Waste management: Rethinking resources

We believe in 'Waste is not waste until we waste it'. Read about our circular economy approach through which we transform waste into valuable resources. Uncover the innovative solutions implemented to enhance our waste reduction, recycling, and repurposing efforts as we reimagine waste as a catalyst for sustainable change.

Read more on

[Page 54](#)

02 Overview

About the report

Year in review

Theme introduction

→ CEO's message

Message from
Group Sustainability Head

08 Company Profile

17 Sustainability at WLL

29 Economic Performance

40 Environment

65 Social

85 Governance

94 Annexures

Winning at sustainability



“ We remain committed to pursuing further reductions and exploring opportunities to achieve carbon neutrality in the near future to achieve our long-term **2030 target** of becoming **100% renewable energy-powered company.**”



Dear Stakeholders,

I am pleased to present our annual Sustainability Report for 2022-23 in which we outline our ongoing commitment to sustainable practices and advancement we have made towards our Environmental, Social, and Governance (ESG) goals. At Welspun Living Limited, we are dedicated to the belief that businesses must not only strive for financial success but also have a positive impact on the world around them.

Over the past year, we have continued to integrate sustainability into the core of our business operations, driven by the recognition that our actions today shape future generations.

Our sustainability strategy focuses on **three key pillars:** Environmental stewardship, social responsibility, and ethical governance. I am proud to share our accomplishments and advancements in each area. In terms of **environmental stewardship**, through a combination of energy efficiency initiatives, renewable energy sourcing, and innovative technologies, we have successfully reduced our greenhouse gas emissions by 19% compared to the previous year. Additionally, we are setting up a **30 MW Renewable Energy** generation hybrid unit at our Anjar plant. We remain committed to pursuing further reductions and exploring opportunities to achieve

Our sustainability strategy focuses on three key pillars

	Environmental stewardship Page 40
	Social responsibility Page 65
	Ethical governance Page 85

carbon neutrality in the near future to achieve our long-term **2030 target** of becoming **100% renewable energy-powered company.**

We have made significant strides in the area of water management as our Anjar manufacturing plant uses 100% recycled water for its process use and our flooring plant at Telangana is a zero-liquid discharge facility (ZLD). Close to half of the water we use across our operations are from a recycled source thus avoiding the use of precious fresh water resources.

Our vision is fuelled by a redefined sustainability roadmap for the next decade. Looking ahead, we intend to

02 Overview

About the report

Year in review

Theme introduction

→ CEO's message

Message from
Group Sustainability Head

08 Company Profile

17 Sustainability at WLL

29 Economic Performance

40 Environment

65 Social

85 Governance

94 Annexures

CEO'S MESSAGE

24%

Women in the workforce

59

2022-23 score in the CSA results
by S&P Down Jones Indices

make a complete shift to renewable energy sources, achieve zero waste to landfill and source 100% sustainable cotton by 2030. It brings me great satisfaction to announce that we are surpassing our target roadmap, having already secured 75% sustainable cotton sourcing in 2022-23.

Our dedication to **social responsibility** is constant and continued. We recognise the importance of fostering a diverse and inclusive workplace that offers opportunities to individuals from all backgrounds to thrive and contribute their unique perspectives. To that end,

we have undertaken initiatives to foster diversity, with women constituting 24% of our workforce, promoting equality and inclusion at every level of our organisation. We have also continued our efforts to support our communities through partnerships with local organisations and impactful philanthropic initiatives. Through our CSR programmes we have reached over **half a million** community members this year and supported them in improving their quality of lives. This we have achieved two years prior to our short- term **goal of 2025**.

Investing in people and communities can drive positive change and create a more equitable world. Our community development and well-being initiatives have touched and transformed the lives of vulnerable groups. Our flagship programmes, Wel-Netrutva and Wel-Shiksha, have empowered women and children, providing them with educational and medical support. Furthermore, we are actively investing in skill development initiatives for both our employees and neighbouring communities, empowering them to shape a brighter future.

Ethical governance is a fundamental pillar of our corporate culture. We adhere to the highest standards of integrity,

transparency, and accountability in all our business practices. Our governance framework ensures that ethical considerations are part of our decision-making processes at every level. We believe collaboration is essential for sustainable progress, and we encourage open lines of communication with our stakeholders as we seek their input and feedback.

Guided by our vision of **Har Ghar Se Har Dil Tak Welspun**, our strategic focus on the domestic market opens a world of promising opportunities presented by India's thriving economy. We are exploring market potentials and untapped possibilities. This, of course, presents challenges that are complex and evolving. Addressing conditions such as climate change, social inequality, and resource scarcity calls for collective action and innovative solutions. As a responsible corporate citizen, our efforts are directed towards setting new benchmarks in sustainability and are committed to presenting the right solutions the challenges demand.

In 2022-23, our sustainability efforts received recognition and accolades from the global ESG rating agencies. We achieved a score of 59 in the CSA (Corporate Sustainability Assessment) made by S&P Dow Jones Indices and

were rated "Low Risk" by Sustainalytics, securing the impressive 9th rank among 202 listed companies.

I extend my heartfelt gratitude to our dedicated employees, valued customers, and supportive shareholders for their commitment in our sustainability journey. Together, we have made significant progress in creating a more sustainable future, but our work is far from complete. We will continue to engage with our stakeholders, collaborate with partners, and leverage our expertise to push the boundaries of sustainable progress and drive transformation across our value chain.

I thank you for your ongoing support and for joining us on this sustainability journey. Together, we can build a better world for the present and future generations.

Regards,

Ms. Dipali Goenka

MD & CEO

02 Overview

About the report

Year in review

Theme introduction

CEO's message

→ Message from Group Sustainability Head

08 Company Profile

17 Sustainability at WLL

29 Economic Performance

40 Environment

65 Social

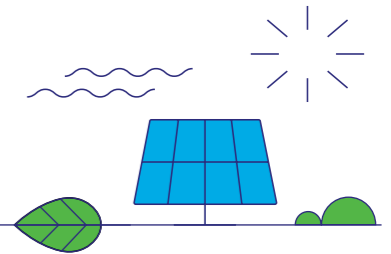
85 Governance

94 Annexures

Amplifying our impact



“ This report outlines the progress we have made in the three areas of Environment, Social, and Governance (ESG) over the past year. As a significant stride, in this financial year, we have obtained assurance for our ESG data concerning select/identified sustainability indicators. This assurance aims to establish trust through transparency and accountability in the reported numbers.”



Dear friends,

Welspun's sustainability journey over the past few years has been truly inspirational and path-breaking. One of the key differentiator for us has been the fast pace at which we have implemented our sustainability initiatives across the organisation giving us the edge in the crowded marketplace. Through a planned and clearly defined roadmap we have embarked on this journey towards a better tomorrow – a tomorrow that is not only sustainable but also leaves a profound and positive impact on the world around us.

This report outlines the progress we have made in the three areas of Environment, Social, and Governance (ESG) over the past year. As a significant stride, in this financial year, we have obtained assurance for our ESG data concerning select/

identified sustainability indicators. This assurance aims to establish trust through transparency and accountability in the reported numbers. In line with our RE strategy to utilise 100% RE by 2030, we are establishing a 30 MW solar plant in Anjar and have secured a long-term power purchase agreement for green power in Vapi. These initiatives will bear fruit in the coming financial year. Initiatives like utilising waste heat and energy conservation at the operating plants are also playing their role in reducing the energy demand. In water conservation, we continue strong practices, using 100% recycled water in Anjar, implementing Zero Liquid Discharge (ZLD) in Telangana, and focusing on operational water efficiency in our manufacturing processes. Through our focus on waste recycling we are able to achieve over 90% of waste recycling.

With a continuous focus on using sustainable raw materials, the use of sustainable cotton reached 75%.

Our sustainable cotton farming programme is connected to over 16,000 farmers in three states – Maharashtra, Gujarat, and Telangana. In an effort to enhance transparency and establish credibility in our data reporting, we have secured third-party ESG data assurance this year through PWCALLP for select/identified sustainability indicators.

Our governance system ensures transparency, from the Board of Directors to ESG and CSR committees of the Board. Engaging with our supply chain and stakeholders, we aim to raise awareness and also make sustainability practices a key to our purchase decisions.

We achieved a score of 59 in the CSA from S&P Dow Jones Indices this year which was an increase of 23% over the last year and were rated as “Low Risk” by Sustainalytics.

Internally, we are proud of the road covered so far, but sustainability is a collective and an ever-evolving journey. As we continue, I invite our valued stakeholders to join us in this transformative change. Together, we can redefine what's possible and create a brighter, more sustainable future for all.

With boundless optimism and firm resolve, we aspire to bring positive change on a global scale.

Regards,

Mr. Alok Mishra

Group Sustainability Head

Company profile



Welspun Living Limited (WLL) is one of the largest home textile manufacturers in the world. We offer a wide spectrum of home and technical textile products and flooring solutions.

Who we are

Page 09

Our journey

Page 15

Global presence

Page 11

Business model

Page 16

Business portfolio

Page 12



WHO WE ARE

Doing right, doing good

Welspun Living Limited (WLL) is a part of the Welspun Group. We are one of the largest home textile manufacturers in the world, supported by our robust global team of over 26,000 individuals. Along with standard textile products, we have also taken several initiatives in developing sustainable products, which have a lower environmental footprint and a higher health and wellness quotient.

In India, our business offers a range of home textile brands and a product portfolio divided into three categories- Bed, Bath and Flooring. From designing and manufacturing products for coveted events like the Wimbledon Championship, to partnering with well-known names like Christy, Martha Stewart and Scott Living, our commitment to quality and innovation has earned us recognition the world over.

Few of our key partnerships



Furthermore, we have solidified our digital presence through our proprietary brand website, SPACES, and effectively engage with customers via various online retail partners.



Our new logo symbolises the 'Fearlessly Forward' philosophy we have adopted across the Group and our ventures. The letter 'W' is inspired by two ticks – a representation of our principle of 'Doing things right' and 'Doing the right thing'. It captures the essence of Welspun's growth, innovation, and adaptability in a rapidly changing business landscape.

Primary business segments

Home textiles



Read more on

Page 12

Advanced textiles



Flooring



- Global presence
- Business portfolio
- Our journey
- Business model

WHO WE ARE



→ About Welspun Group

Welspun Group is one of India's fastest-growing global conglomerates with businesses in home textiles, flooring solutions, advanced textiles, DI pipes, pig iron, TMT bars, stainless steel, alloy, line pipes, infrastructure and warehousing. With a strong emphasis on customer centricity, innovation, and technology, we strive to make every house a home, nurturing relationships and leaving a lasting impression on every individual we serve.

Vision → Home textiles

"Delight our customers through innovation and technology, achieve inclusive and sustainable growth to remain eminent in all our businesses."

→ Welspun flooring

"Winning over the world, one room at a time."

ESG vision statement

Our aim is to always be kinder and gentler to the planet tomorrow than we are today, to improve the lives of the people we serve as well as those we work among, and to do it all with a sense of integrity that is second to none.



Guiding principles



We place the needs and preferences of our customers at the heart of all our endeavours.



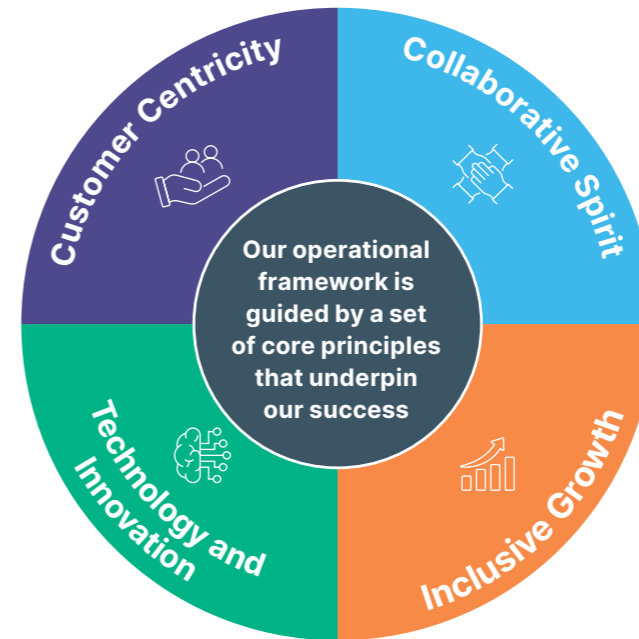
Collaboration forms the cornerstone of our operations, fostering synergy and shared success.



Our commitment to technological advancement and innovative thinking drives our progress.



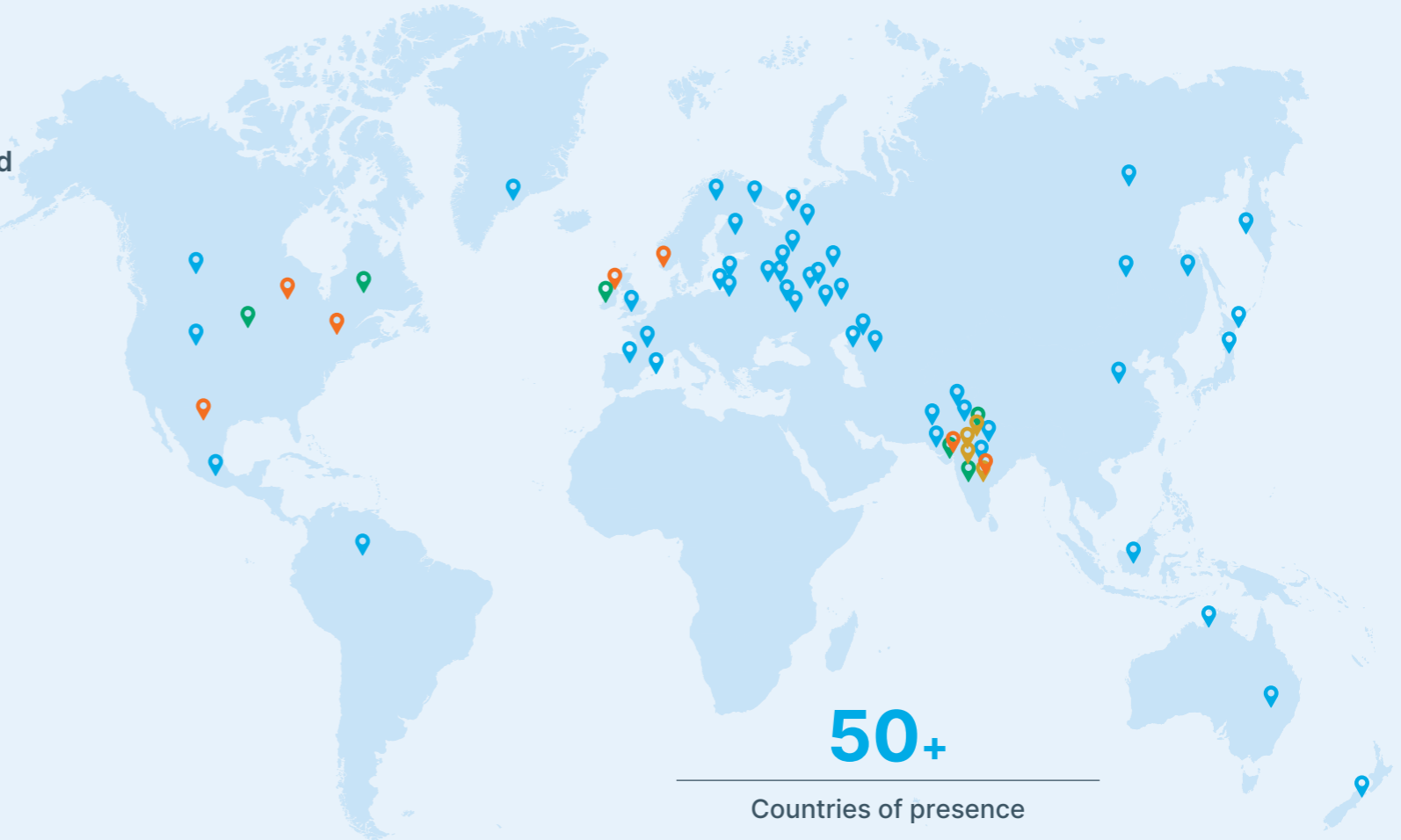
We are dedicated to fostering growth that includes all stakeholders, leaving no one behind.



GLOBAL PRESENCE

Serving beyond borders

Our extensive global footprint spanning 50+ countries include a variety of warehouses, manufacturing centres, corporate headquarters, and marketing offices. In India, WLL operates two cutting-edge textile manufacturing complexes situated in Anjar and Vapi, both in Gujarat. Our flooring solutions manufacturing hub is in Chandanvelly, Telangana, while our corporate headquarters is located in Mumbai, Maharashtra.



📍 Warehouses
 📍 Facility
 📍 Corp HQ/Marketing Offices
 📍 Country Served

Map not to scale and for representation purpose only.

For more details on our locations, please visit our website at <https://www.welspunliving.com/about-us>

BUSINESS PORTFOLIO

Quality by design

With a focus on consumer well-being, we offer intelligent, sustainable solutions driven by our integrated facilities and 360° capabilities. We bring ideas to life, delivering exceptional quality products that meet international benchmarks.



Home textiles

WLL is the largest home textile manufacturer in the world, offering utility bedding, bed sheets, and fashion bedding products to over 50 countries.

We maintain a robust business-to-business (B2B) presence, supplying textile products to renowned global retailers such as Walmart, Ikea, Target, Costco, Tesco, and more. Expanding our scope, we are now actively pursuing business-to-consumer (B2C) engagement both in India and across the world through proprietary brands like 'Welspun', SPACES, and Christy, among others.

We aim to establish a fast-moving consumer goods (FMCG) equivalent in the textile sector by leveraging a robust brand presence and a concerted effort to expand distributor and retail networks.

In our B2C interactions, we are constantly innovating, with the aim of maintaining our leading edge. Our endeavours extend to a broader base, incorporating direct-to-customer (DTC) channels and intensifying our dedication to the Indian domestic market.

90,000 MT

Bath linen

108 Mn m

Bed linen

12 Mn m²

Rugs and carpets



Advanced textiles

India's #1 Spunlace fabric manufacturer, providing different ranges of products through the spun lace, needle punch and wet wipes product categories.

27,729 MT

Spun lace

100 Mn packs

Wet wipes

3,026 MT

Needle punch



Flooring

A leading provider of advanced floor tiles and flooring solutions, our wide range includes broadloom carpets, greens, click-n-lock tiles, carpet tiles, and more.

18 Mn m²

Effective

27 Mn m²

Installed

Through our expansion into associated ventures, such as advanced textiles and flooring, we not only diversify our operations but also strengthen our risk mitigation process and drive consistent business expansion.

All numbers denote production capacity.



Product profile

We have embarked on numerous endeavours to create sustainable products that exhibit reduced environmental impact and elevated health and wellness benefits. These initiatives span various categories, encompassing towels, sheets, rugs, carpets, textile other basic (TOB), and utility bedding.



→ Some of the best examples of our achievements in developing and introducing sustainable products include

1

Engaged in the creation of a diverse range of towels, we have incorporated a blend of **recycled polyester** sourced from post-consumer **PET bottles**. This approach serves a dual purpose: preventing the accumulation of PET bottles in landfills and reducing the environmental burden through decreased energy consumption during drying. We craft these products utilising sources certified by the Global Recycled Standard (GRS).

2

We have also made strides in our environmental commitment by substituting synthetic latex with thermoplastic rubber (**TPR**) for anti-skid properties. TPR offers a more environmentally friendly alternative, minimising ecological impact.

3

Furthermore, our entry into the Indian market featured the introduction of **SPACES** organic bed sheets. We manufacture these sheets

using processes certified by the **Global Organic Textile Standard (GOTS)**, coupled with biodegradable packaging, aligning with our dedication to sustainability.

4

We introduced patented **Nanocore® anti-allergen** bedding items that boast a distinctive fabric structure devoid of chemical coatings. These products are certified by the **AAFA** (Asthma and Allergy Foundation of America), serving as a tailored solution for individuals with asthma and allergies.

5

We have also innovated with the Goodrest collection, featuring organic sheeting products equipped with **wrinkle-resistant** attributes.

6

In the domain of bath accessories, we have produced bath rugs exclusively from 100% **recycled polyester**, showcasing our commitment to sustainability.

We demonstrate our dedication to responsible sourcing by incorporating sustainable manmade cellulosic fibres, namely Tencel and Lyocell, within our product range.

BUSINESS PORTFOLIO

Product innovation

Open innovation

Open innovation is a strategic approach that embraces external collaboration and idea-sharing to drive innovation, increase creativity, and enhance competitiveness. It is a recognition that great ideas can come from anywhere, and by working together, organisations can achieve more than they could in isolation.

Our innovative approach



Raw materials

We have implemented a blend of raw materials to reduce costs and improve overall efficiency.



Chemical composition

Our approach involves reducing the use of chemicals compared to the previous year, resulting in higher product quality and a reduction in chemical waste discharge.



Technology integration

We have embraced AI-based technology throughout our value chain to enhance accessibility to human capital.



Quality

Our state-of-the-art manufacturing facilities are fully equipped to deliver products of exceptional quality, adhering to international benchmarks. Our dedication to quality begins with meticulous sourcing, where we carefully choose materials known for their durability, sustainability, and performance.

Throughout the process, we employ precision and attention to detail, utilising cutting-edge technology and time-tested techniques. Rigorous quality control measures are embedded at every stage to identify and address any potential deviations from our high standards.

OUR JOURNEY

Weaving a remarkable story

1985

Our journey commenced with Welspun Winilon Mills, a modest texturing unit situated in the Palghar district, back in 1985.



1991



In 1991, Welspun Polyester India Limited took its initial steps into the public sphere with an IPO, subsequently evolving into Welspun Living Limited, renowned globally, with an expansive distribution network and esteemed clientele.

Today



The latest addition under the Welspun Living Limited umbrella is Welspun Flooring. Spanning a 300-acre state-of-the-art production complex, we are bringing groundbreaking flooring solutions unique to India.

Remarkable expansion

Our journey started humbly, but our growth has been exceptionally impressive. At WLL, our story of progress echoes not only in our business trajectory but also in the empowerment of our workforce and the communities we serve.

Impactful rehabilitation

In 2001, a significant moment unfolded when a devastating earthquake hit the Anjar district, a key location for our manufacturing. This event sparked our commitment to rehabilitation and positive transformation.

Unveiling 'Welspun City'

In 2004, our relentless efforts bore fruit as we introduced 'Welspun City' in Anjar, Kutch. This sprawling 2,500-acre locale now hosts the largest home textile factory in Asia and one of the world's most prominent diameter SAW pipe mills. The once-barren terrain has undergone a remarkable metamorphosis. Today, 'Welspun City' stands as a vibrant township, embodying our journey of growth, resilience, and positive change.

As we transition to the Welspun 2.0 era, we will be guided by six fundamental growth catalysts:

- 1 Local retail expansion
- 2 Worldwide brand presence
- 3 Nurturing emerging ventures
- 4 Fostering innovation
- 5 Advancing digitalisation
- 6 Integrating sustainability across the Board

08 Company Profile

- Who we are
- Global presence
- Business portfolio
- Our journey

→ Business model

17 Sustainability at WLL

29 Economic Performance

40 Environment

65 Social

85 Governance

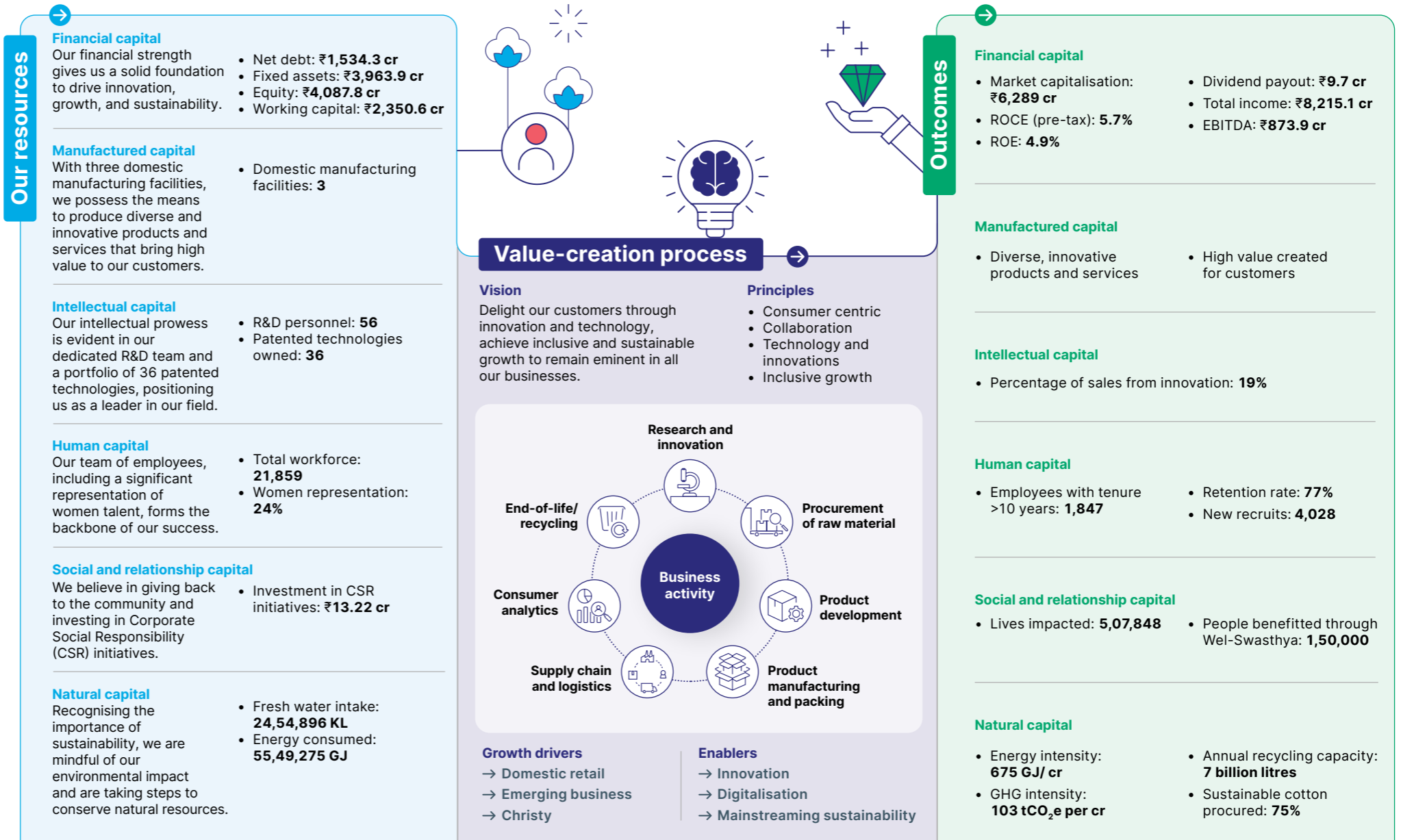
94 Annexures

WELSPUN LIVING LIMITED

Sustainability Report 2022-23

BUSINESS MODEL

Strategy for success



Sustainability at WLL



We have embraced an innovative and all encompassing ESG approach, which we proudly refer to as 'WELOCITY' – a transformative approach to ESG that emphasises economic growth, environmental conservation, and social empowerment with a focus on acceleration.

Context

Page 18

Sustainability roadmap and goals

Page 21

Building a sustainable business

Page 22

Global collaborations

Page 24

Stakeholder engagement

Page 25

Materiality

Page 27



CONTEXT

Greenvolution: Scaling up sustainability

At WLL, we adopt a strategy that allows us to demonstrate resilience and counter the current environmental challenges.



While bringing our motto of 'Har ghar Welspun' ('Every home Welspun'), we are cognisant of the adverse impact of climate change occurring worldwide.

To this end, we have actively collaborated and engaged with numerous national and international agencies, aligning ourselves with guidelines such as the **Paris Agreement**, which aims to limit global temperature rise to **below 2°C and pursuing efforts to limit it to 1.5°C** above pre-industrial levels, and the United Nations Sustainable Development Goals (**UN SDGs**) for 2030. Furthermore, we adhere to the National Action Plan on Climate Change (**NAPCC**) and have integrated its guidelines into our overarching climate change mitigation strategy.

One of our primary focus areas is to increase the share of green energy in our overall consumption mix. We are establishing a **30 MW** solar power plant at our Anjar facility, and we are also investing in an offsite wind energy plant at our Vapi manufacturing facility.

Water stewardship

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.

Circularity

Moreover, our pursuit of circularity (**SPUN**) has birthed ground breaking solutions that transform waste materials into invaluable products. Resource efficiency and waste reduction have become our guiding principles, driving us to **zero waste to landfill** while fostering **sustainable innovation**. These bold initiatives exemplify our commitment to reimagining manufacturing norms and breathing new life into a more environmentally conscious future.

CONTEXT

Investing in people

On the social front, we have launched various initiatives under our Corporate Social Values (CSV) programme. We act as agents of change to improve the health and prosperity of our community, particularly children, women, and senior citizens.

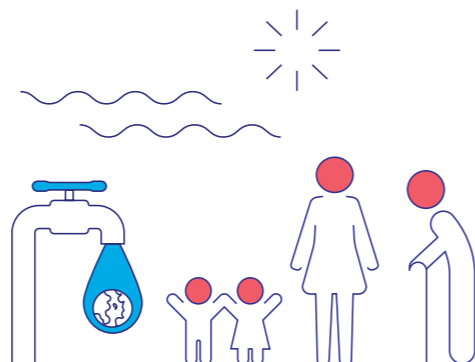
A foundation of trust

Our governance structure provides a strong framework to support our organisational policies, decisions, and their implementation. With a dedicated Board of Directors and Board committees, and an ESG and CSR committee, we ensure the effective delegation and design of sustainability-related measures.

Our ESG and CSR policies

At WLL, our commitment is to enhance consumer well-being and create a more intelligent and sustainable world. To fulfil this, we embrace the triple bottom line approach—comprising economic growth, environmental preservation, and social empowerment. We aim to establish WLL as a pioneer in sustainable textiles. Guided by our ESG-centric approach and in alignment with the UN SDGs, WLL strives to implement optimal business practices across operations, mitigate risks while identifying potential opportunities, and safeguard stakeholder interests effectively.

WLL upholds the highest standards of business practices, striking an equilibrium among environmental preservation, social welfare, and economic performance. This policy encompasses all WLL project sites and operational locations, inclusive of its corporate office(s). The cross-functional ESG and CSR committee holds the responsibility for ensuring the enforcement of this policy.

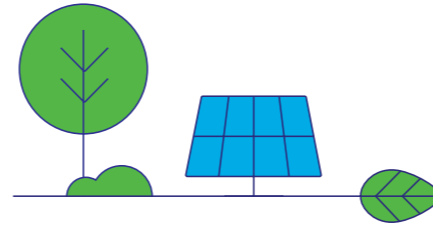


CONTEXT

Sustainability journey

During 2014-15, we published our first sustainability report, signalling the beginning of a transformative journey. Since then, our commitment to sustainability has permeated every aspect of our organisation, making a lasting impact and positioning us as pioneers in the realm of sustainable textile manufacturing.

We embarked on this journey by conducting a thorough materiality assessment, allowing us to identify critical areas where sustainability needed to be integrated. For instance, we adhered to the guidelines set forth by the Task Force on Climate-



related Financial Disclosures (TCFD), aligned our goals and targets with the Science Based Targets Initiative (SBTi) prioritised the generation and consumption of renewable energy, adopted sustainable cotton sourcing practices, and diligently complied with regulatory requirements.

Sustainability has become an integral part of our organisational DNA. We have charted a path that goes beyond mere wealth generation, placing a strong emphasis on the holistic betterment of society.

Climate-related oversight and management

We are dedicated to addressing climate-related issues with vigilance and commitment. Ensuring effective oversight and management at both the board and executive levels is central to our responsibility.

Board oversight

To achieve this, we have established board-level governance for climate issues, demonstrated through:

Board-level committee

Our ESG & CSR committee comprises board members proficient in sustainability and climate-related topics.

Inclusion in agenda

Climate matters are regularly featured on our Board's agenda, ensuring comprehensive discussion and attention.

Management responsibility

Furthering our commitment, we have a designated management role or committee for climate concerns:

Management position or committee

This entity is responsible for implementing climate initiatives and accountable for strategy development and execution.

Emissions targets

We have set comprehensive emissions targets covering Scope 1, Scope 2 emissions:

Absolute and intensity targets

Both absolute and intensity targets are integral to our climate strategy.

Scope coverage

Scope 1 and Scope 2 emissions are encompassed in our targets.

Target timeframe

We have established a clear timeframe to achieve our emissions reduction targets, demonstrating our commitment to timely action.

Baseline year and reduction target

Our targets are built on a well-defined baseline year FY2020, reflecting a specific percentage reduction in base year emissions.






Validation by Science Based Targets initiative

We are in the process of submitting our emission targets for validation from the Science Based Targets initiative (SBTi), reinforcing our alignment with globally recognised sustainability standards.

17 Sustainability at WLL

- Context
- **Sustainability roadmap and goals**
- Building a sustainable business
- Global collaborations
- Stakeholder engagement
- Materiality

Walking the talk: Our green goals

Indicator	FY 2022-23 performance	Goal 2025	Goal 2030
 Carbon neutral (measured as a % of RE) →	In progress: Setting up a 30 MW solar power plant	20% RE	100% RE
 Fresh water consumption (in production operations) →	13.50 KL/MT	5 KL/MT	0 KL/MT
 Zero hazardous waste to landfill (ETP chemical sludge) →	50.28 MT	0 MT	0 MT
 Impacting 1 million lives through CSV →	5,07,848	5,00,000	10,00,000
 Farmers in Welspun sustainable farming project →	16,545	20,000	50,000

BUILDING A SUSTAINABLE BUSINESS

Pioneering sustainable practices



Sustainable manufacturing entails the production of goods using economically viable methods that minimise adverse environmental effects and promote the conservation of energy and natural resources.

- To minimise the impact of our operations, we have embraced the principles of **green manufacturing**. By implementing sustainable practices,

we not only safeguard the environment but also prioritise the well-being of our products, workers, communities, and clients.

- One of our key strategies is conducting life cycle analysis (**LCA**) for our products, enabling us to identify opportunities to minimise environmental impact across the entire value chain. Furthermore, we

have made significant strides in using sustainable raw materials such as organic, BCI (Better Cotton Initiative), and recycled cotton, ensuring the responsible sourcing of inputs. To conserve water resources, we have adopted the practice of utilising recycled sewage water for our manufacturing processes.

- Our commitment to ethical production is exemplified by our adherence to internationally recognised standards. Textile goods bearing the **GOTS** (Global Organic Textile Standard) and OEKO-TEX® Standard 100 certifications guarantee that they have been produced ethically. We continuously strive to improve our processes and treatment systems to meet the stringent requirements of the Zero Discharge of Hazardous Chemicals (**ZDHC**) standard, ensuring the responsible management of chemicals.
- To ensure the well-being of our workers and uphold human rights, our operations are certified under the **SA 8000 standard**, which encompasses comprehensive policies regarding labour practices and health and safety. Additionally, our sites undergo rigorous audits based on the Sedex Members Ethical Trade Audit (**SMETA**)

By implementing sustainable practices, we not only safeguard the environment but also prioritise the well-being of our products, workers, communities, and clients.

framework, covering labour practices, health and safety, environmental impact, and business ethics.

- At our **LEED-certified plant**, we take pride in being the sole company that produces both hard and soft flooring solutions in a single location. With our comprehensive product range, we offer hassle-free installations that can be completed in less than a day. Situated in Telangana, our state-of-the-art greenfield facility is fully integrated and boasts an impressive annual production capacity of 27 million square metres.
- We have identified key focus areas that enable us to expedite our journey towards sustainability and achieve more circular outcomes. By aligning our efforts with these focal points, we aim to reduce our environmental impact swiftly and make meaningful contributions to a more sustainable future.

02 Overview
08 Company Profile

17 Sustainability at WLL
Context
Sustainability roadmap and goals
→ **Building a sustainable business**
Global collaborations
Stakeholder engagement
Materiality

29 Economic Performance
40 Environment
65 Social
85 Governance
94 Annexures

Awards and accolades

Won Golden Supplier Standards Rank A+ Award from Sheridan

Received the Platinum award in the 'Sustainability' category at the Apex Green Leaf Awards 2022

Registered a HIGG FEM score of 95.5% after SGS conducted a verification audit on April 17, 2023

Bagged the prestigious Platinum award in the 'Environmental Protection' category at Fame National Awards 2022

Received India's most prestigious and prominent awards from NASSCOM in the 'Innovator' category in August 2022



Certifications and framework

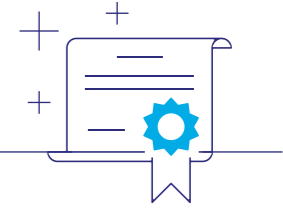
Our green product and facility certifications

Product certifications

- Green Pro
- Third-party verified LCA and EPD for our products
- CE
- GREENGUARD GOLD
- CRI GLP
- Global Recycled Standard
- SCS Indoor Advantage Gold
- SGBP
- NSF/ANSI 140 Gold rating
- FloorScore
- OEKO-TEX®

Facility certifications

- STeP - Sustainable Textile Product
- IGBC Platinum
- Zero Waste Standard
- Integrated Management System (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018)
- LEED BD and CV4



Other certifications



GLOBAL COLLABORATIONS

Embracing global synergy

Welspun’s ‘Leading Tomorrow Together’ philosophy encompasses harmonious partnerships that drive inclusive and sustainable growth. We deliver enduring value through affiliations with universities, technology allies, and industry associations globally.

Management approach

Embracing a comprehensive perspective on well-being and sustainability, we have propelled our thought leadership through diverse international collaborations with technology partners and universities.



Fashion for Good

This platform is a worldwide hub for innovation, made achievable through collaboration and community engagement. We took part as an inaugural partner in the South Asia Innovation Platform, helping in their regional initiatives. This platform champions innovations that have transitioned beyond proof-of-concept, addressing sustainability hurdles for companies such as us.



Textile Exchange

We hold membership in the Textile Exchange, a worldwide non-profit organisation with affiliations comprising prominent brands, retailers, and suppliers. Collectively, as a facet of our climate strategy, we are actively influencing climate outcomes by expediting the adoption of preferred materials throughout the global textile sector.



Wadhvani AI

The Wadhvani Institute for Artificial Intelligence, an autonomous non-profit research institute is dedicated to creating applications based on artificial intelligence (AI). Through our collaboration with them, we employ AI for crop protection, supporting cotton farmers boost crop yield by detecting pests early and optimising pesticide usage. This tool operates on basic smartphones, utilising images to classify and quantify pests while offering pertinent guidance.



MIT Media Lab

In partnership with the MIT Media Lab, we embarked on a venture focused on cultivating speciality cotton (ranging from long to extra-long staple) in an environmentally sustainable manner within the semi-arid expanse of the Kutch district.

We collaborated with the MIT Media Lab to support the farmers of this region and to establish a reliable supply of sustainable raw materials. The objective was to develop appropriate cotton production techniques that account for the prevailing challenges associated with climate change.

Leadership and development

We undertook leadership and development initiatives for the associates working in the cut and sew division of the terry towel and rugs plant. We conducted a comprehensive skill gap analysis with Werner International, a management consulting practice specialising in the textile industry. Subsequently, we set in motion training plans based on the insights gleaned from this partnership.



STAKEHOLDER ENGAGEMENT

Collaborating for a better future



At WLL, engaging stakeholders is not just a strategy, it is a way of working. We understand that our journey towards a more sustainable future is a collaborative endeavour that thrives on open dialogue, shared goals, and collective action.

Management approach

Our stakeholders comprise employees, customers, investors, local communities, regulators, and advocacy groups. Each voice contributes to our sustainability strategy. We actively seek their insights, feedback, and expectations through surveys, workshops, and forums. Through continuous assessment, we adapt our approaches, address emerging concerns, and seize new opportunities.



Investors

Mode of engagement and activities

- Stock exchange disclosures
- Quarterly investor calls
- Press releases and e-mails
- Investor relations
- Investor feedback form on website

Frequency

Ongoing

Responsibility

Investor relations

Key aspects/Areas of interest for stakeholders

- Economic value/ Sustainable wealth creation
- Strategy and risk management
- Capital allocation | Financial performance
- Business outlook | Minority shareholder interest
- Transparency and disclosure



Customers

Mode of engagement and activities

- Customer satisfaction surveys
- Visits and meetings

Frequency

Project-based

Responsibility

Marketing

Key aspects/Areas of interest for stakeholders

- Product quality | Timely delivery
- Service level | Innovation



Suppliers*

Mode of engagement and activities

- Direct interactions
- Supplier meets

Frequency

Need-based/Ongoing

Responsibility

Supply chain

Key aspects/Areas of interest for stakeholders

- New business opportunities
- Business partners
- Business transparency

* Business partners and contractors.

STAKEHOLDER ENGAGEMENT



Government & Regulations

Mode of engagement and activities

- Need-based participation in industry-level consultation groups
- Participation in forums
- Policy advocacy

Frequency

As needed

Responsibility

As needed

Key aspects/Areas of interest for stakeholders

- Compliance and good governance
- Sustainable practices
- Inclusive growth



Employees

Mode of engagement and activities

- Surveys | Town halls | Workshops
- Capacity building | Appraisals
- Newsletters and rewards

Frequency

Ongoing

Responsibility

HR

Key aspects/Areas of interest for stakeholders

- Professional growth | Work-life balance
- Diversity and equal opportunity
- Learning and development
- Organisational culture/ workplace



Contractual workers

Mode of engagement and activities

- Health and safety committee meetings
- Direct interactions

Frequency

Continuous process

Responsibility

HR

Key aspects/Areas of interest for stakeholders

- Minimum wages | Working conditions
- Health and safety



Society, Communities and NGOs

Mode of engagement and activities

- Direct engagement
- Visits and camps
- Community needs assessments
- CSR projects and engagement

Frequency

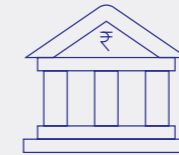
Ongoing

Responsibility

CSR

Key aspects/Areas of interest for stakeholders

- Infrastructure development
- Education and healthcare
- Environmental protection
- Employment opportunities



Bankers and lenders

Mode of engagement and activities

- Meetings and conferences

Frequency

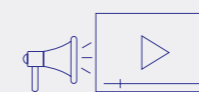
As needed

Responsibility

Investor relations

Key aspects/Areas of interest for stakeholders

- Economic value
- Compliance and covenants



Media

Mode of engagement and activities

- Press releases
- Media events/Interviews

Frequency

As needed

Responsibility

Corporate communication

Key aspects/Areas of interest for stakeholders

- Financial news
- Information on business developments

17 Sustainability at WLL

- Context
- Sustainability roadmap and goals
- Building a sustainable business
- Global collaborations
- Stakeholder engagement

→ **Materiality**

- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance
- 94 Annexures

MATERIALITY

Towards mutual benefit

With a strong understanding of our operating environment, we actively assess the factors that affect our performance and value creation.

As a responsible and sustainable business, we diligently evaluate the material issues that shape stakeholder perceptions and decisions. These issues define our thought processes, reporting practices, governance, and strategy development, enabling us to

meet stakeholder expectations effectively. A materiality assessment is a crucial process that helps organisations identify and prioritise ESG factors most significant to their business and stakeholders.



Our materiality assessment approach

1

Materiality assessment frequency

We conduct materiality assessments once every three years. We completed the most recent assessment in FY 2020-21 and have scheduled the upcoming assessment for FY 2023-24.

2

Peer review

Exploring crucial concerns by drawing insights from industry peers and their approaches for resolving key material issues.

3

Stakeholder engagement

Engaging with internal and external stakeholders, including employees, customers, investors, suppliers, and local communities to understand their expectations, concerns, and suggestions for sustainability issues.

4

Collecting material topics

Identifying a list of significant material issues which impact the business or get impacted by the business.

5

Prioritisation

Assessing the significance and the potential impact of each identified issue by evaluating criteria such as financial impact, stakeholder expectations, regulatory requirements, and industry norms. This step involved both quantitative and qualitative analysis.

6

Validation

Validating the findings and prioritisation through consultations with relevant internal departments and subject matter experts to ensure accuracy and alignment with business objectives.

7

Identification of risks and opportunities

Identifying and mapping a wide range of potential ESG issues that could impact Welspun Living's business in terms of risks and opportunities. This approach involved considering industry-specific factors, global sustainability trends, and regulatory frameworks.

8

Final mapping

Developing the materiality matrix.

17 Sustainability at WLL

- Context
- Sustainability roadmap and goals
- Building a sustainable business
- Global collaborations
- Stakeholder engagement

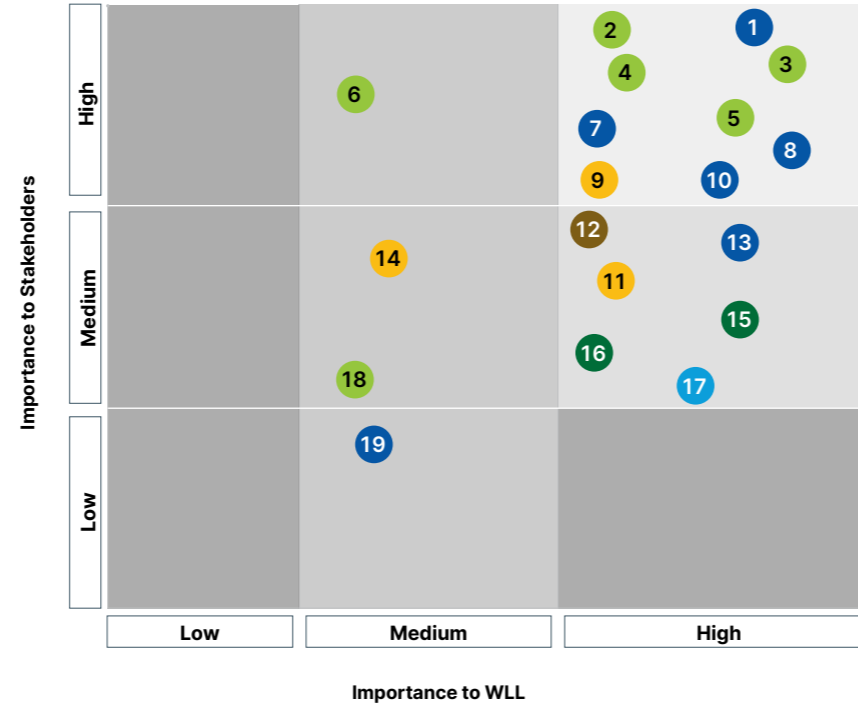
→ **Materiality**

- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance
- 94 Annexures

MATERIALITY

Based on the materiality assessment, the following key ESG factors were identified as significant for WLL.

Materiality map



Journey toward double materiality

Our commitment to double materiality 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

Assessment of positive and negative impacts on external stakeholders

We conduct assessments to understand the positive and negative impacts of our business operations, products, services, and supply chain on external stakeholders. This insight helps us refine our practices and mitigate potential harm.

Quantitative metrics for valuing external impact

Our commitment extends to quantifying the external impact on society and the environment. We employ quantitative metrics to assess and measure the impact, clarifying the magnitude of our influence.

Through these practices, WLL strives to be a responsible corporate citizen, ensuring that our sustainability efforts are transparent, accountable, and aligned with our stakeholders' expectations.

Key material issues

- Low priority for action
- Medium priority for action
- High priority for action
- Very high priority for action

Natural capital

- 2 Water and wastewater management
- 3 Climate change
- 4 Circular economy
- 5 Energy and carbon
- 6 Waste management
- 18 Biodiversity

Social capital

- 1 Product stewardship
- 7 Corporate social value
- 8 Governance
- 10 Supply chain management
- 13 Customer-centricity
- 19 Industry collaboration

Human capital

- 9 Human rights
- 11 Occupational health and safety
- 14 Employees and workers well-being

Financial capital

- 15 Market leadership
- 16 Risk, opportunity, and crisis management

Intellectual capital

- 12 Innovation

Manufactured capital

- 17 Product quality and safety

Economic performance



Our long-term financial resilience depends on the continuous support of the investor community. We aim to communicate transparently with all investors so they understand and remain aligned with our strategy.

Economic sustainability measures

Page 30

Financial performance

Page 31

Emerging risks

Page 32

Task Force on Climate-related Financial Disclosures (TCFD)

Page 33

Science Based Target Initiatives (SBTi)

Page 39



29 Economic Performance

→ **Economic sustainability measures**

- Financial performance
- Emerging risks
- Task Force on Climate-related Financial Disclosures (TCFD)
- Science Based Target Initiatives (SBTi)

ECONOMIC SUSTAINABILITY MEASURES

Committed to a long-term goal



Despite challenges such as industry volatility or economic hardships, we focus on delivering sustainable value to our customers and the broader fraternity of stakeholders. By taking a larger view of the business, we design a roadmap that strengthens our core fundamentals.

Cost management and efficiency

We focus on effective cost management and operational efficiency to enhance economic sustainability. Our Company regularly assesses its production processes, supply chain, and overhead expenses to identify areas for improvement. By implementing lean manufacturing principles, optimising inventory levels, and adopting energy-efficient practices, we reduce costs and enhance overall operational efficiency.

Supply chain management

We have established strong relationships with reliable suppliers to ensure a steady flow of raw materials at competitive prices. We also actively monitor and manage the supply chain to mitigate risks, enhance transparency, and maintain quality standards. This approach enables us to respond quickly to market demands and minimise disruptions. We have also taken initiatives like implementing the sustainable supply chain and procurement policy, a supplier code of conduct and a supplier's ESG assessment.

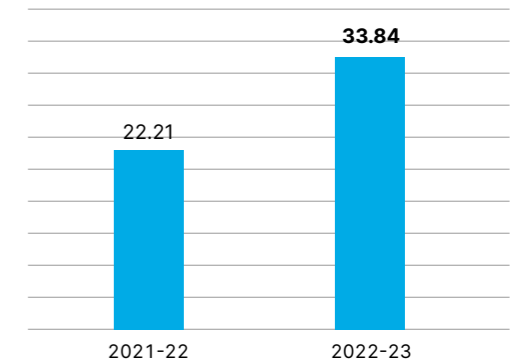
Market diversification

Economic sustainability relies on reducing dependence on a single market or customer segment. We diversify product offerings and customer bases to mitigate risks associated with the market fluctuations. By expanding into new geographic regions and targeting diverse customer segments, we are tapping new growth opportunities and reducing vulnerability to economic downturns.

Innovation and technology adoption

Innovation and technology play a crucial role in achieving economic sustainability in the textile industry. WLL invests in research and development to develop new and innovative products that meet customer preferences and market trends. We also embrace technological advancements such as automation, data analytics, and digitalisation to improve efficiency, reduce costs, and enhance competitiveness.

R&D Investment (in ₹ crore)



Financial assistance received from the government (in ₹ crore)

	2022-23	2021-22	2020-21	2019-20	2018-19
Financial incentives	85.37	8,65.62	6,73.13	6,65.98	5,77.72
Other financial benefits	92.10	98.88	86.94	1,46.32	1,60.24

29 Economic Performance

Economic sustainability measures

→ **Financial performance**

Emerging risks

Task Force on Climate-related Financial Disclosures (TCFD)

Science Based Target Initiatives (SBTi)

40 Environment

65 Social

85 Governance

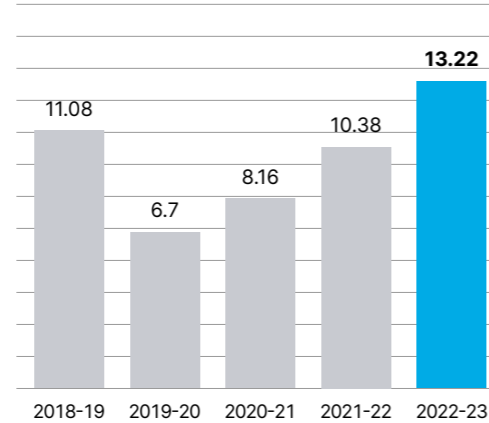
94 Annexures

FINANCIAL PERFORMANCE

Reaping the rewards

In 2022-23, our exceptional and distinctive value proposition fueled a robust performance. A key highlight was the remarkable success of our domestic consumer business, which saw record-breaking revenues, experiencing a YoY growth rate of 34%. Throughout the year, we strengthened our leadership position and expanded our presence.

CSR investment (in ₹ crore)



Revenue growth and profitability

We have demonstrated consistent revenue growth over the past years, driven by strong customer relationships, market diversification efforts, and product innovation. Our focus on high-quality products and superior customer service has resulted in a loyal customer base, contributing to sustained profitability.

Working capital management

Efficient working capital management is crucial for economic sustainability. We adopt effective cash flow management practices, optimising inventory levels and streamlining accounts receivable and payable processes. By closely monitoring working capital, we reduce the risk of liquidity issues and improve overall financial stability.

₹2,350.63 cr

Working capital

Economic value retained (in ₹ crore)

Financial year	2022-23	2021-22	2020-21	2019-20	2018-19
Economic value generated (A)					
Revenues	8,215.10	9,377.31	7,407.95	6,836.18	6,608.44
Economic value distributed (B)					
Operating costs	6,973.14	7,492.81	5,607.67	5,219.78	5,171.78
Employee wages and benefits	794.35	866.70	822.77	778.14	711.43
Payment to providers of capital	129.88	131.25	197.51	177.70	159.28
Payment to government	67.96	222.98	202.62	1,61.91	89.66
Community investments	15.87	13.71	11.37	9.59	4.31
Economic value retained (A-B)	233.90	649.86	566.03	489.066	461.98

Debt management

Prudent debt management is vital for economic sustainability. We maintain a balanced capital structure and regularly evaluate debt levels and interest costs. We ensure our debt obligations are manageable, minimising financial risks and maintaining a healthy credit profile.

₹1,534.33 cr

Net Debt

Investment and capital expenditure

Strategic investment and capital expenditure decisions are critical for long-term economic sustainability. We carefully evaluate investment opportunities that align with our growth strategy, technological advancements, and market demands. We prioritise projects that deliver a positive return on investment, enhance operational efficiency, and strengthen our competitive position.

29 Economic Performance

Economic sustainability measures
 Financial performance

→ **Emerging risks**

Task Force on Climate-related Financial Disclosures (TCFD)
 Science Based Target Initiatives (SBTi)

EMERGING RISKS

Driven by foresight

We maintain a vigilant stance by regularly monitoring the external environment for emerging threats. To navigate these risks, Welspun Living focuses on strategic innovation, supply chain resilience, and staying attuned to evolving market dynamics for sustained growth.

Global economic factors



The textile industry is subject to global economic factors such as inflation, currency fluctuations, and trade policies. We monitor these factors and implement appropriate risk mitigation strategies to manage economic uncertainties effectively.

Environmental and social considerations



We recognise the significance of environmental and social considerations and strive to minimise environmental footprint while ensuring fair human rights and labour practices throughout the supply chain. By addressing these concerns proactively, we enhance our reputation, reduce risks and meet evolving customer expectations. Among the environmental challenges, the climate impact is one of the critical risks faced by us.

Regulatory and compliance risks



The textile industry is subject to various regulations and compliance requirements related to labour, safety, and environmental standards. We maintain rigorous compliance programmes and ensure the operations adhere to all applicable laws and regulations. By maintaining high compliance standards, we mitigate legal and reputational risks.

During 2022-23, we did not incur any penalties from stock exchanges, SEBI, or any statutory or regulatory authority. Furthermore, we were not substantially fined or flagged for non-compliance related to environmental, labour, health and safety aspects of products and services, marketing communications, and the disclosure and labelling of product information.

02 Overview

08 Company Profile

17 Sustainability at WLL

29 Economic Performance

Economic sustainability measures

Financial performance

Emerging risks

→ **Task Force on Climate-related Financial Disclosures (TCFD)**

Science Based Target Initiatives (SBTi)

40 Environment

65 Social

85 Governance

94 Annexures

Making responsible choices



We recognise the inherent risks associated with climate change and its potential financial consequences. Our operations, including cotton production, are particularly susceptible to the impacts unpredictable weather patterns. Proactively aligning with TCFD recommendations, we have evaluated and addressed climate risks in our operations, aiming to mitigate potential long-term impacts on our business.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We have implemented a robust governance framework to address climate-related risks and opportunities. We have established clear metrics and targets to guide our climate mitigation efforts, ensuring a systematic approach to managing relevant risks and capitalising on opportunities. Furthermore, we have developed a long-term strategy to proactively mitigate climate risks and integrate climate considerations in our business operations.

To manage risks effectively, we have implemented scenario analysis utilising the IEA World Energy Outlook 2021 and the net zero emission scenario as part of our risk management strategy. Among the various risks our Company encounters, the physical risk is particularly significant.

Scenario analysis for climate risk assessment

The physical risks were studied in three different scenarios - SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5.

Comprehensive scenario analysis for climate risk assessment

In an era marked by the increasing urgency of climate change, understanding and managing climate-related risks are paramount for our long-term sustainability. The findings of our scenario analysis for climate risks focuses on assessing physical risks associated with different climate scenarios. To provide a thorough evaluation, we have explored three distinct scenarios: SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5.

These scenarios represent varying trajectories of future greenhouse gas emissions and their corresponding global warming effects. Through rigorous analysis, we have identified a spectrum of risks and opportunities that impact all our manufacturing sites.

Scenario 1: SSP 1-2.6 (Sustainability pathway)

This scenario embodies a future where the world takes immediate and decisive action to reduce greenhouse gas emissions. It anticipates a global temperature increase of not more than 2°C above pre-industrial levels, aligning with the goals of the Paris Agreement.

Scenario 2: SSP 2-4.5 (Stabilisation pathway)

In this scenario, moderate mitigation measures are implemented, resulting in a more moderate increase in global temperatures, within the range of 2.6°C to 4.8°C by the end of the century.

Scenario 3: SSP 5-8.5 (High-emissions pathway)

SSP 5-8.5 presents a future characterised by high greenhouse gas emissions, limited sustainability efforts, and low global cooperation. It significantly increases global temperatures, potentially exceeding 4.8°C above pre-industrial levels by 2100.

Scenario analysis methodology

Our scenario analysis followed a rigorous methodology to evaluate the physical risks associated with each scenario:

Climate modelling

We employed advanced climate models to simulate temperature changes, precipitation patterns, and extreme weather events under each scenario.

Sector-specific impact assessment

We assessed the potential impacts of climate change on various sectors, including agriculture, water resources, infrastructure, and coastal regions. This assessment involved evaluating vulnerability, exposure, and sensitivity to climate-related risks.

Quantification of risks

We quantified the magnitude and probability of physical risks such as floods, droughts, heat waves, sea-level rise, and extreme weather events in each scenario.

Economic sustainability measures

Financial performance

Emerging risks

Science Based Target Initiatives (SBTi)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Key findings

Our scenario analysis has revealed critical findings across all manufacturing sites:

Common risks

Irrespective of the scenario, certain risks consistently emerged, including increased frequency of extreme weather events, potential disruptions in the supply chain due to weather-related incidents, and infrastructure vulnerabilities.

Scenario-specific risks

While common risks persist, each scenario presents its own unique set of challenges. For example, under SSP 1-2.6, the emphasis on sustainability may lead to opportunities for renewable energy adoption and resource efficiency. Conversely, SSP 5-8.5 poses a more severe risk of resource scarcity and regulatory pressures.

Adaptive opportunities

The scenario analysis also identified adaptive opportunities such as resilient infrastructure investments, supply chain diversification, and the adoption of sustainable practices.

Implications and recommendations

Based on our findings, the following implications and recommendations are evident:

Comprehensive risk management

Organisations must incorporate scenario-based risk assessments into their strategic planning to prepare for various potential climate futures.

Mitigation and adaptation

Mitigating greenhouse gas emissions and implementing adaptive strategies are critical to minimising the severity of climate risks.

Resilience planning

Resilience planning should be integrated into organisational strategies to address common and scenario-specific risks.



This comprehensive scenario analysis underscores the multifaceted nature of climate risks and opportunities. We have gained insights into the potential impacts on all our manufacturing sites by examining three distinct climate scenarios (SSP 1-2.6, SSP 2-4.5, and SSP 5-8.5). The results emphasise the importance of proactive risk management, mitigation efforts, and resilience planning to navigate the complex challenges presented by a changing climate.

We have the governance and oversight structure to monitor climate change and effectively respond to its requirements. We have identified climate risk as a significant business risk within our enterprise risk management framework, and it is reported to top management, including the Board of Directors.

29 Economic Performance

Economic sustainability measures
Financial performance
Emerging risks

→ **Task Force on Climate-related Financial Disclosures (TCFD)**

Science Based Target Initiatives (SBTi)

40 Environment

65 Social

85 Governance

94 Annexures

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Impact assessment of climate risks and opportunities based on TCFD recommendations

Climate-related-physical risk

Risk/opportunity description	Impact description	Financial implications	Methods to manage	Costs of actions taken
Extreme weather events	Climate change is causing an increase in the frequency and intensity of extreme weather events such as hurricanes, cyclones, heat waves, droughts, and heavy rainfall. These events can damage property, loss of life, and disruption to critical infrastructure and services.	<ul style="list-style-type: none"> Reduced revenues from decreased production capacity and decreased consumer demand. Supply chain disruptions Increased operational cost 	We are developing climate resilient infrastructure.	The cost of constructing climate change resilient infrastructure is certainly higher than the conventional construction cost.
Rising sea levels	Glaciers and ice caps melt as global temperatures rise, leading to rising sea levels. These events significantly risk coastal areas, low-lying islands, and delta regions. This event can impact the transportation of goods.	<p>The financial impact of sea level rise on a business near a coastal region can be significant and multifaceted.</p> <ul style="list-style-type: none"> Property and infrastructure damage Supply chain disruption Increased insurance costs Increased operating costs Increased regulatory and compliance costs Affect market perception and investor confidence 	To mitigate the impact of sea level rise, we are implementing various strategies, including diversifying our supply chain, investing in climate-resilient infrastructure, exploring insurance options, and engaging in sustainable practices to minimise their carbon footprint.	The cost of such actions can vary widely based on the complexity of the different projects and other factors. Costs can range from thousands to millions of dollars.
Heatwaves	Climate change can have adverse effects on human health. Heat waves can cause heat exhaustion and heatstroke, while increased air pollution from wildfires and altered disease patterns can exacerbate respiratory conditions. Changes in precipitation patterns can also impact water quality and increase the risk of waterborne diseases.	<p>Heat waves can have several financial implications for our businesses. Below mentioned are some key concerns.</p> <ul style="list-style-type: none"> Increased energy cost Equipment failure Supply chain disruption Reduced productivity Insurance and liability cost 	To mitigate the implications of heatwaves, we are taking proactive measures such as implementing energy-efficient systems, investing in preventive maintenance, diversifying suppliers, reviewing insurance coverage, and adopting employee heat management strategies.	By taking measures to address the challenges posed by heat waves, we can minimise potential disruptions, protect our assets, and ensure the well-being of our workforce.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance**
 - Economic sustainability measures
 - Financial performance
 - Emerging risks
 - **Task Force on Climate-related Financial Disclosures (TCFD)**
 - Science Based Target Initiatives (SBTi)
- 40 Environment
- 65 Social
- 85 Governance
- 94 Annexures

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Impact assessment of climate risks and opportunities based on TCFD recommendations

Climate-related transition risk

Risk/opportunity description	Impact description	Financial implications	Methods to manage	Costs of actions taken
Higher investment costs in new carbon capture technologies	Due to climate change mitigation efforts, manufacturing infrastructure heavily reliant on high-carbon technologies becomes economically unviable or obsolete.	Stricter carbon regulations or a shift towards renewable energy may render coal-fired power plants or oil reserves economically stranded, resulting in financial losses for investors and companies.	Minimising the financial implications of stranded assets risk through careful planning and proactive measures.	Textile manufacturing machinery is costlier when replaced with new state-of-the-art facilities with green energy consumption technology.
PAT (perform achieve trade) mechanism and other legal and regulatory obligations	Changes in policies, regulations, and laws related to climate change can create transition risks.	Governments or international organisations may impose carbon pricing mechanisms, implement stricter emission standards, or introduce renewable energy incentives, all of which can impact the profitability and viability of businesses. Failure to anticipate and adapt to such policy changes can lead to financial losses and increased compliance costs.	We are proactively anticipating and rapidly adapting and adhering to such policy changes.	Cost incurred through adaptation mechanism.
Adoption of emerging technologies in the production process	Rapid technological advancements in clean energy, energy storage, and other sustainable technologies can disrupt existing industries.	<ul style="list-style-type: none"> • Reduced demand for products and services. • Companies that rely on outdated or high-carbon technologies may face challenges in remaining competitive or may need to invest heavily to transition their operations, potentially impacting their financial performance. 	We are continuously investing in new carbon-efficient technologies. We are establishing a renewable energy generation plant at our Anjar facility.	<ul style="list-style-type: none"> • Early retirement of existing assets • Research and development expenditures in new and alternative technologies • Capital investments in technology development • Costs to adopt new practices and processes

29 Economic Performance

Economic sustainability measures
Financial performance
Emerging risks

→ **Task Force on Climate-related Financial Disclosures (TCFD)**

Science Based Target Initiatives (SBTi)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Impact assessment of climate risks and opportunities based on TCFD recommendations

Climate-related opportunity

Risk/opportunity description	Impact description	Financial implications	Methods to manage	Costs of actions taken
Resource efficiency	Climate change has led to a growing demand for sustainable and eco-friendly materials.	We can capitalise on this by developing and using renewable fibres, like organic cotton, hemp, bamboo, and recycled polyester.	These materials have a lower environmental footprint than traditional ones and can appeal to environmentally-conscious consumers.	<ul style="list-style-type: none"> • Cost of cultivation of new organic and sustainable cotton • Cost of training to farmers on sustainable farming • Cost of purchasing other sustainable raw materials
Resilience	The textile industry can embrace circular economy principles, where products promote longevity, reuse, and recycling.	Successful implementation of circular economy principles requires a comprehensive assessment of the existing business model, collaboration with stakeholders, and careful planning to balance environmental, social, and financial considerations.	<p>We are implementing take-back programmes, developing innovative recycling technologies, and creating new business models that prioritising product life extension and material recovery.</p> <p>SPUN and waste heat recovery – are the two major initiatives we have taken to bring circularity in our processes.</p>	<ul style="list-style-type: none"> • Implementing circular economy principles can help us reduce costs in the long run • By shifting from the traditional linear model (take-make-dispose) to a circular model (reduce-reuse-recycle) • We can optimise our resource use, minimise waste generation, and lower production costs

Climate change transition risk and opportunity

Risk/opportunity description	Impact description	Financial implications	Methods to manage	Costs of actions taken
Water stress and conservation	Climate change exacerbates water scarcity, making water conservation crucial in textile production.	<p>Financial implications of water conservation strategy include:</p> <ul style="list-style-type: none"> • Reduced cost of freshwater consumption • Reduced cost of energy use in fetching water for process • Reduced cost of compliances and regulations 	<ul style="list-style-type: none"> • We have set up STP and ETP plants for water processing • We are conserving water through rainwater harvesting • We have optimised our processes to make them more water-efficient 	<ul style="list-style-type: none"> • Capital investment: Setting up STPs and ETPs requires a significant upfront capital investment • Operational costs • Compliance and regulatory costs

29 Economic Performance

- Economic sustainability measures
- Financial performance
- Emerging risks
- Task Force on Climate-related Financial Disclosures (TCFD)

→ **Science Based Target Initiatives (SBTi)**

SCIENCE BASED TARGET INITIATIVE (SBTi)

Climate-forward action



We are committed to achieving 100% Renewable Energy by 2030, aligning ourselves with SBTi Net Zero goals and implementing decarbonisation plans. We firmly believe that by adopting sustainable energy practices and responsible water and waste management, we contribute to our business growth, enhance our environmental performance, and address pressing climate change issues. It envisions a future where business growth and ecological preservation harmoniously co-exist, illuminating the path to a greener, more sustainable tomorrow.

Outlook

- Our prospects are promising, considering our commitment to economic sustainability and proactive approach to market dynamics. To further enhance economic sustainability, we are implementing the following recommendations: investing in research and development to drive product innovation and meet evolving customer demands
- Exploring opportunities for market diversification by entering new geographic regions and expanding customer segments
- Embracing digitalisation and emerging technologies to improve operational efficiency and stay ahead of industry trends

- Strengthening collaboration with suppliers to enhance supply chain resilience and reduce risks
- Monitoring and adapting to changing regulatory requirements and consumer preferences to ensure compliance and maintain customer trust

Our economic sustainability is vital for its long-term success and growth in the textile industry. By adopting effective cost management strategies, diversifying markets, embracing innovation and technology, and ensuring strong financial performance, we are well-positioned to thrive in a dynamic and competitive market. By proactively addressing potential risks and opportunities and implementing the recommended strategies, we can further enhance our economic sustainability and secure a prosperous future.

Recalibrating and redefining the business

As we embark on our ambitious journey, **'Har ghar Welspun (In every home Welspun),'** our strategic focus on the domestic market depends on a wealth of promising opportunities. Guided by a resolute vision, we are drawn by the allure of a vast and thriving economy, navigating unexplored market potentials, and unveiling untapped possibilities. The fabric of our triumph is interwoven with



the fabric of favourable demographics, embracing a dynamic consumer base that fuels our aspirations.

In tandem with government initiatives and reforms like **Make in India**, we set sail on a course of growth propelled by a cutting-edge digital infrastructure that propels us towards technological excellence. Our vessel sails with efficiency, navigating cost-effective pathways that lead us to sustainable prosperity. Our crew of innovators and dreamers navigate the waves, drawing inspiration from a pool of talent that flows through every aspect of our organisation, igniting creativity and envisioning possibilities beyond convention.

Our motto guides us as we move forward with determination, recognising that each new destination brings a new home for Welspun. We strive to provide comfort and quality with every product we offer. Our goals are clear, and we are committed to achieving them as we sail towards the future. Together, we will lead the way towards a brighter and sustainable tomorrow.

Environment



The escalating global climate crisis calls for urgent and collective efforts from countries, businesses and individuals to safeguard our planet.

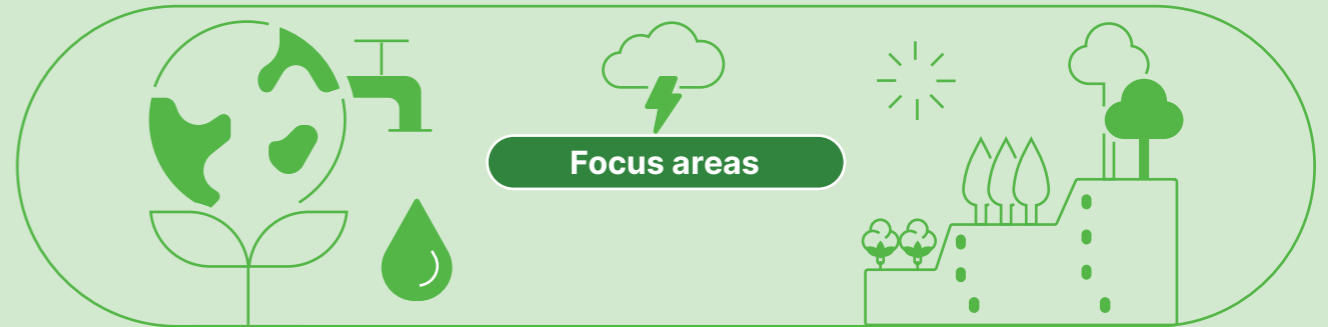
As part of our commitment to restoring ecological balance, we are diligently working towards revitalising the interconnected realms of air, water, and land. We pursue this vital objective through a range of environmental initiatives under the overarching goal of restoring ecosystems.

Climate change and energy

Page 43

Water conservation

Page 49



Waste management

Page 54

Sustainable farming

Page 60

Biodiversity

Page 64

Material issues

- Water and wastewater management
- Climate change
- Circular economy
- Energy and carbon
- Biodiversity

SDGs impacted



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - **2022-23 highlights**
 - Introduction
 - Climate change and energy
 - Water conservation
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

2022-23 HIGHLIGHTS

19%

Reduction in overall GHG emissions compared to 2021-22

30.5 GJ/MT

Energy intensity

274 MT

Plastic waste recycled

1,01,000+

Beneficiaries impacted through Wel-Krishi initiative

31 KL/MT

Water intensity

76%

Sustainable packaging



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - **Introduction**
 - Climate change and energy
 - Water conservation
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

INTRODUCTION

Our approach prioritises inclusive growth, aligning with the core philosophy of the Welspun Group while recognising the criticality of environmental protection.

Despite the progress we have made in our sustainability endeavours, we have a long way to go. Hence, we remain committed to seamlessly integrating our responsible environmental practices with operational excellence and customer centricity. We acknowledge the interconnectedness of these aspects and WLL continue to push boundaries, consistently striving for more involved environmental stewardship.

SUSTAINALYTICS

Sustainalytics rating

- Our score improved from 14.4 to 11.3
- WLL was ranked ninth among 202 companies in the textile and apparel sector



DJSI rating

DJSI ESG rating of 59, among the top-five percentile in the textile sector in the third year of assessment.

Management approach

As pioneers in the global home textiles industry, our sustainability journey began long ago. However, we identify the need to constantly reinvent and innovate. To strengthen our efforts, we developed our sustainability strategy 'Welocity' with a focus on speed and agility.

We are committed to charting a new course for ourselves and setting a precedent for the entire industry. By adopting green manufacturing practices,

we reduce emissions, minimise material consumption, ensure effective chemical management, and enhance waste management processes. Concurrently, we are committed to providing consumers with high-quality, environment-friendly products.

By combining innovation, sustainability, and consumer-centricity, we aim to catalyse positive change, inspiring other organisations to follow suit and embrace sustainable practices.



We have developed a comprehensive blueprint centred on a sustainable future. Our strategic roadmap prioritises various critical aspects, including the adoption of renewable energy, the reduction of carbon emissions, the elimination of hazardous waste in landfills, the utilisation of responsible materials, the implementation of safer chemicals, the phase-out of single-use plastics, the establishment of traceability for raw materials, and the reduction of water consumption throughout the value chain. By constructing robust circular systems, we aim to accomplish our sustainability goals. By fostering these interconnected loops, we create a foundation enabling us to achieve our sustainable future vision.

Ms. Dipali Goenka
MD & CEO

40 Environment

2022-23 highlights

Introduction

→ **Climate change and energy**

Water conservation

Waste management

Sustainable farming

Biodiversity

65 Social

85 Governance

94 Annexures

CLIMATE CHANGE AND ENERGY

A better reality

We are dedicated to reducing our ecological footprint and promoting sustainability across our business. Through ongoing improvements, we aim to contribute to environmental preservation positively and align our activities with the planet's well-being.

To achieve our climate-positive objective, we must reevaluate our energy consumption, water usage, chemical practices, and raw material sourcing. By reducing our environmental footprint and adopting sustainable practices, we are actively working towards minimising the adverse impacts of climate change and securing a more sustainable future for our industry.

The GHG calculation takes into account the presence and impact of three specific gases: carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

Roadmap to achieving carbon neutrality (as a % of RE)

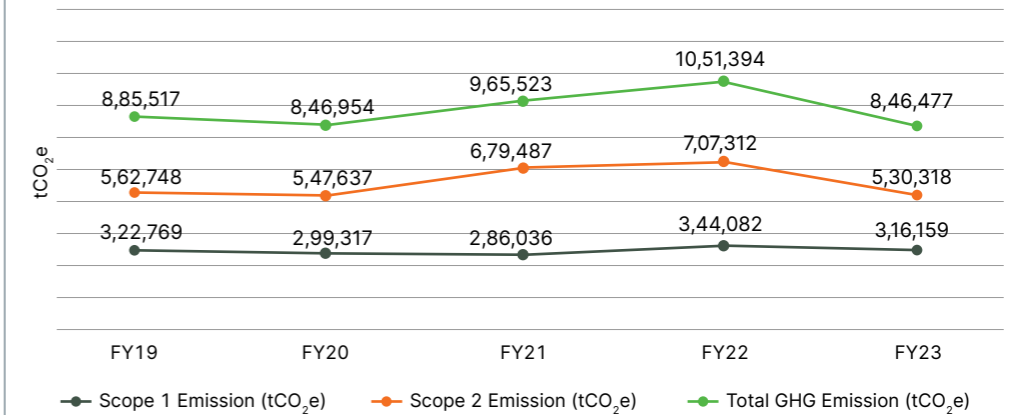


*Setting up a 30 MW solar power plant.

Note: All calculations are as per GHG protocol and emission factors are from IPCC, CEA and supplier specific emission factors for Anjar Electricity consumption. Also, all data collection process follows operational control approach.

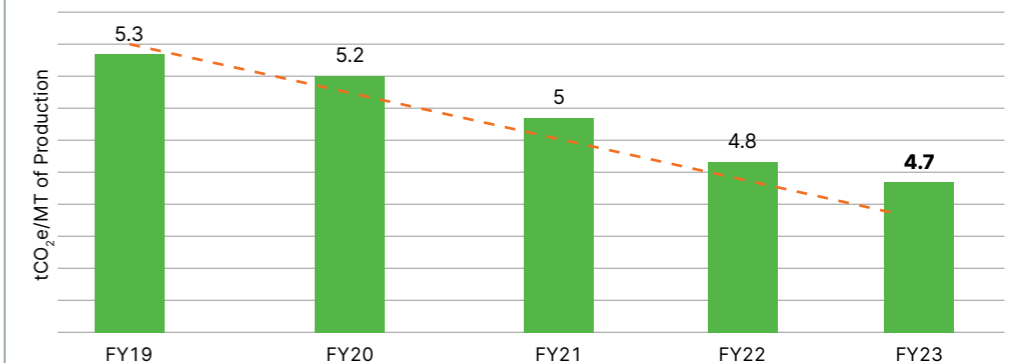
Performance dashboard

GHG emission#



#Assured by PWCALLP for FY 2022-23

GHG intensity



CLIMATE CHANGE AND ENERGY



Steady decline in GHG emissions

A positive trend is the ongoing decrease in our GHG emission intensity metric, which has consistently improved from 5.3 to 4.7 tCO₂e per metric tonne of production. Moreover, this year, we achieved a 19% reduction in overall GHG Emission (CO₂, N₂O, and CH₄) compared to the previous year. These results demonstrate our organisation’s capacity to maintain efficient emissions levels relative to our production, showcasing our effective resource utilisation.

Recognising the urgency for transformative change, our approach is rooted in integrated production and operation practices, guided by the latest scientific knowledge and data. As highlighted by the Intergovernmental Panel on Climate Change (IPCC) 2023 report, global surface temperature has already increased by 1.1°C compared to

preindustrial levels. It is likely to reach or exceed 1.5°C between 2030 and 2052 if emissions continue at the current rate. We have embraced a comprehensive mindset rather than incremental goals.

To demonstrate our commitment, WLL is developing greenhouse gas (GHG) reduction targets based on the Science Based Targets initiative (SBTi). Setting absolute, science-based targets (SBTs) ensures a focused and measurable approach to reducing our environmental impact and advancing sustainable practices.

8,677 tCO₂e

Biogenic emission[#]

[#]Assured by PWCALLP for FY 2022-23.

Scope 3 emissions

Embracing a conscious and innovative approach, we have deployed a technology-enabled tool to initiate the monitoring of our Scope 3 emissions across various categories. This forward-thinking initiative encompasses meticulous tracking of crucial aspects, including upstream and downstream transport, purchased goods and services, utilisation of sold products, and end-of-life cycle emissions.

Committed to continuously enhancing its emissions database, the Company remains steadfast, diligently working to fortify its tracking capabilities in the years ahead. We have presented the Scope 3 emission for the major categories below. We are working on the calculations of other categories.

Categories

S. no.	Category	2022-23 (tCO ₂ e)	Percentage-wise break-up
1	Purchased goods and services	3,40,817	47.7%
2	Use of sold product	93,084	13%
3	End-of-life cycle emissions	55,857	7.8%

Our climate strategy is closely aligned with the most current scientific research and data, ensuring that our efforts to decrease greenhouse gas (GHG) emissions have a meaningful and tangible effect. We follow the methodology described by WRI’s GHG protocol for calculating our Scope 1, 2 and 3 emissions.

7,14,312 tCO₂e

Total Scope 3 emissions

CLIMATE CHANGE AND ENERGY

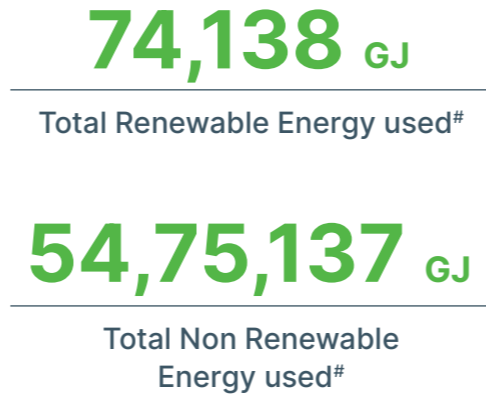
Renewable energy

We are advancing towards attaining 100% of our total consumption from renewable sources by 2030. In 2021-22, we forged strategic partnerships with two reputable renewable energy developers, propelling us closer to our clean energy goals, and ensuring a steady supply of green power to our operations in Anjar and Vapi.

Within our premises in Anjar, we are establishing a 30 MW solar power plant. This initiative will allow us to harness the sun's abundant energy, enabling us to power our operations with clean, sustainable electricity.

Simultaneously, for our Vapi operations, we have entered into a long-term power purchase agreement with a RE developer to supply renewable power to us. The RE developer will construct an offsite facility dedicated to generating renewable

power. Through this offsite arrangement, we will receive a consistent supply of green energy, solidifying our commitment to a sustainable future.

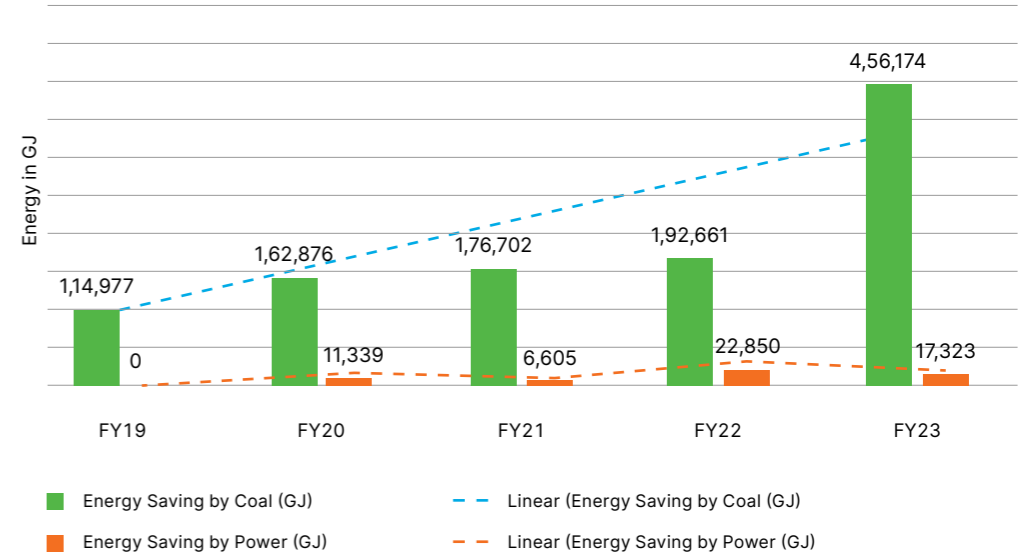


[#]Assured by PWCALLP for FY 2022-23.

Note: For Renewable Energy (RE) used rice husk and for Non RE used coal, sludge, furnace oil, natural gas and diesel.



Reducing GHG emissions through energy conservation measures



Our commitment to responsible energy consumption is a cornerstone of our efforts as we embark on our journey towards a greener and more sustainable future. Through strategic energy initiatives, we are reducing our environmental footprint and demonstrating the potential for positive change through innovation and collaboration.

CLIMATE CHANGE AND ENERGY

Measures to reduce energy consumption

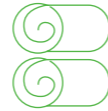


Reduction in demand: Process optimisation and equipment innovation

We significantly reduce energy demand by continually optimising our processes and upgrading equipment. From implementing advanced control systems that regulate energy usage to adopting energy-efficient technologies, we are minimising waste and maximising efficiency. These measures lower operational costs and contribute to a healthier planet.

Key initiatives

- Installation of energy-efficient lighting and heating, ventilation and air conditioning (HVAC) systems
- Implementing real-time monitoring and control systems to adjust energy consumption based on demand
- Upgrading machinery to more energy-efficient models



Use of agri briquettes: A renewable fuel source

Our commitment to sustainability extends to sourcing renewable energy alternatives. Agri briquettes, derived from agricultural waste, serve as an eco-friendly replacement for traditional fossil fuels, and help reduce carbon emissions and promote responsible land management practices.

204 MT

Biomass used



Transforming waste into energy: STP/ETP sludge and Luwa waste

We are harnessing the energy potential of sludge from sewage treatment plants (STP), effluent treatment plants (ETP) and Luwa waste. Through advanced processes, we extract energy from these waste streams, reducing waste and decreasing our reliance on non-renewable energy sources.

861 MT

Waste used to produce energy

Energy saved through biomass

Key indicators	Total
Biomass used	5,652 MT
Coal saved	24,040 MT
GHG avoided	35,300 tCO ₂ e

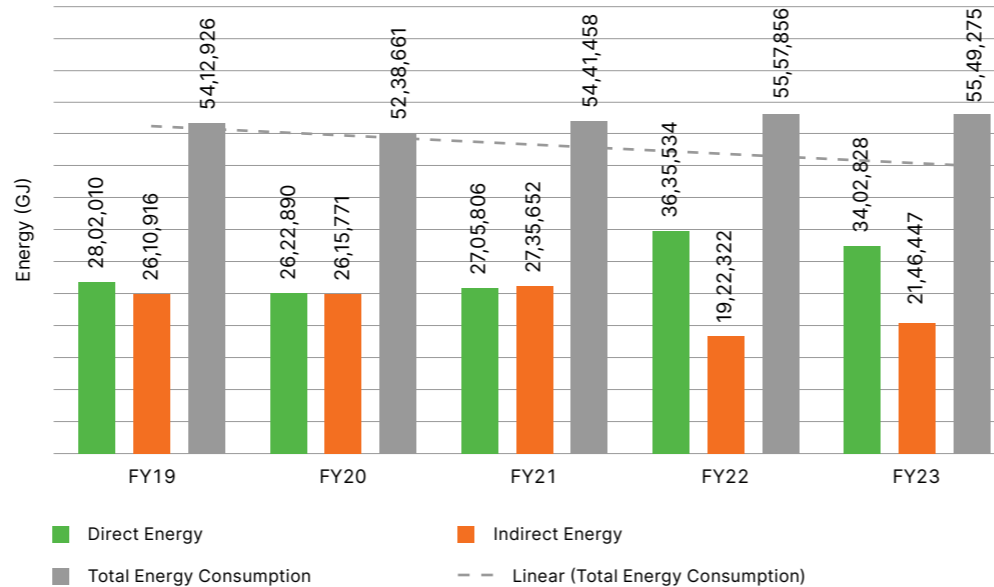


Waste heat utilisation: A collaborative approach

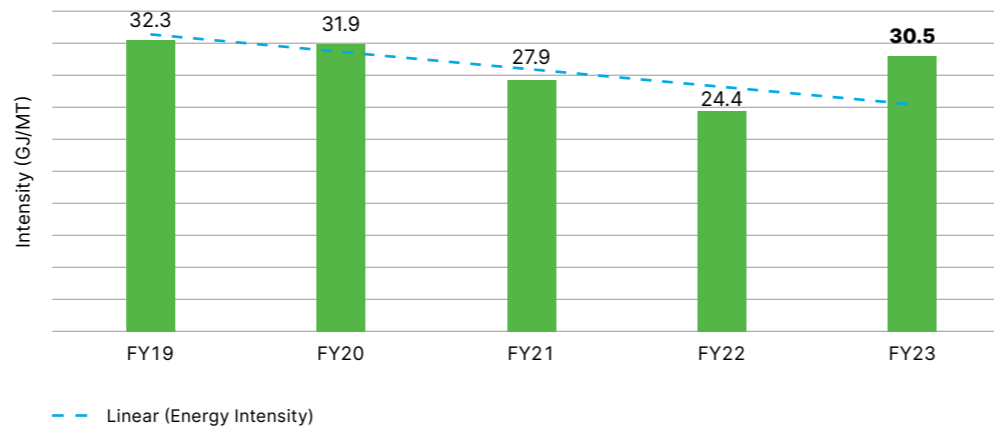
Collaboration with our sister organisations has enabled us to tap into waste heat generated by their processes. Utilising this waste heat for steam and power generation maximises resource utilisation. This approach enhances efficiency and showcases the power of partnerships in driving sustainable solutions.

CLIMATE CHANGE AND ENERGY

Energy performance#



Energy intensity



Note: All energy conversion factors are as per IPCC. Methodology used is GHG Protocol.

Our prudent energy consumption, intensity, and efficiency measures resulted in a 0.35% reduction in total energy consumption in 2022-23. These metrics reflect the organisation's dedication to sustainability and responsible energy management practices. Continued efforts in this direction will contribute to a more environmentally friendly and cost-effective operation.

The textile industry is known for its substantial energy consumption and environmental impact. Therefore, we focus on understanding our energy requirements, the challenges we face, and the measures we take to promote sustainability and reduce energy consumption.

Energy Management#

Energy Type	Energy Source	Quantity (GJ)
Indirect Energy	Electricity	10,67,153
	Steam	10,79,294
Direct Energy	Coal	32,26,157
	Sludge (Recycled)	12,088
	Bio-Mass	78,220
	Furnace Oil	4,362
	Natural Gas	81,087
	Diesel	914

Note: Our biomass consumption include luwa pallets, wooden chips and rice husk.

#Assured by PWCALLP for FY 2022-23.

The manufacturing facility comprises diverse production processes, including spinning, weaving, dyeing, printing, and finishing. Energy gets consumed at various stages, such as fibre production, yarn manufacturing, fabric formation, and home solutions production. The primary energy sources utilised in the industry include electricity, natural gas, diesel, and coal.

Challenges and environmental impact

The energy-intensive nature of the textile industry presents several challenges and environmental implications:

- High energy consumption produces substantial greenhouse gas emissions, contributing to climate change.
- Energy-intensive processes often require significant water usage for washing, dyeing, and finishing textiles.
- Reliance on non-renewable energy sources, such as coal and oil.
- Textile production processes generate substantial waste, including chemicals, sludge, and non-recyclable materials.

CLIMATE CHANGE AND ENERGY

Promoting energy efficiency

To mitigate the environmental impact and enhance sustainability, we are actively pursuing various measures

1

Energy management systems

Implementing energy management systems enables monitoring and optimising energy consumption throughout the production processes. This approach includes adopting energy-efficient equipment, optimising production schedules, and improving maintenance practices. We empower employees to be catalysts of energy conservation through awareness campaigns and educational programmes.

2

Waste to energy

Food and horticulture waste are converted into biogas, serving as a sustainable fuel source for our kitchens. A solar dryer at our Anjar facility reduces the moisture content of ETP/STP sludge before firing in boilers, enhancing efficiency and minimising environmental impact.

3

Sustainable material choices

Exploring eco-friendly fibres, such as organic cotton, hemp, and bamboo, reduces the environmental footprint of textile production. These materials require less energy and water during cultivation and processing.

4

Renewable energy integration

We are increasingly adopting renewable energy sources like solar, wind, and biomass to reduce reliance on fossil fuels.

5

Process optimisation

Optimisation techniques, such as heat recovery systems, energy-efficient lighting, and advanced control systems, help minimise energy waste and improve overall operational efficiency.



Aligning with the TCFD recommendations

We have embarked on a transformative journey towards a more climate-resilient business model. Our dedication to transparency is exemplified by aligning our climate-related disclosures with the TCFD recommendations. To fortify this commitment, we have initiated a comprehensive climate risk assessment, spanning all four vital pillars: governance, strategy, risk management, and metrics and targets. This exercise aims to understand the potential repercussions of climate change, equipping us to make well-informed decisions regarding our present and future decarbonisation strategies.

Read more on
Page 33

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - **Water conservation**
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WATER CONSERVATION

A water-wise strategy



Water plays a vital role in textile production, hence its management is a crucial need. In this regard, we are increasingly focusing on water stewardship, sustainable sourcing of materials, and collaboration with supply chains to drive responsible water management.

By implementing innovative technologies and best practices, we strive to reduce our water footprint and protect this precious resource. Recognising the significance of water as a valuable resource for ourselves and the wider community, we are committed to minimising our freshwater consumption. We are implementing circular systems that promote sustainable water management practices to achieve this.

Roadmap



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - **Water conservation**
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WATER CONSERVATION

Performance in 2022-23

Reduced water intensity led to an intake decline of 7% compared to the previous year, reflecting the organisation's commitment to water efficiency and sustainability in our operations. The efforts to reduce water intensity are commendable, as they contribute to environmental conservation and potential cost savings.

The total water intake for FY 2022-23 was 56.8 lakh kilolitres which includes 32.3 lakh kilolitres recycled water taken from our STP and ETP plants.

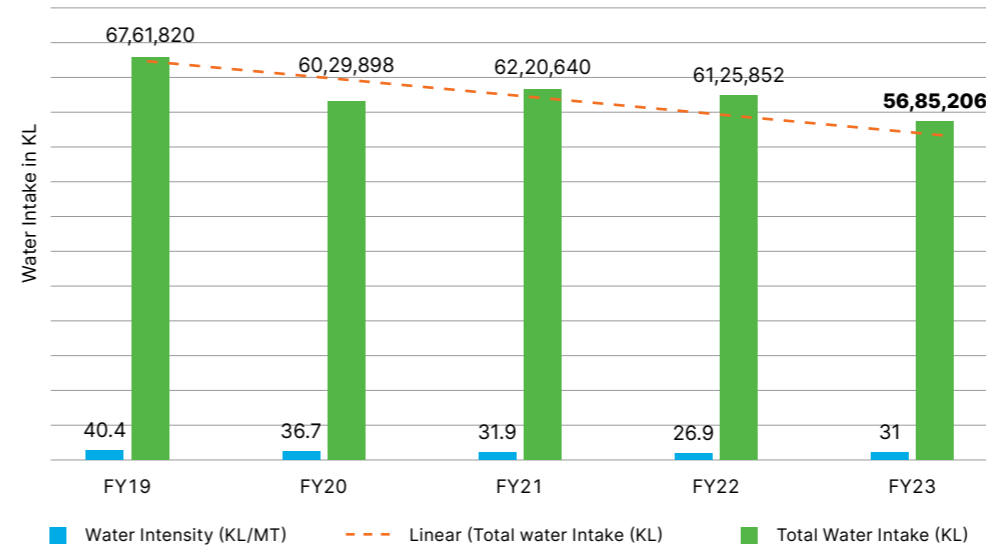


Water Indicators#

Parameter	Quantity in megalitres
Third party water	2,235
Others (STP Recycled)	2,352
Total volume of water withdrawal	4,587
Total volume of water consumption	1,920
Water discharge Value	2,667
Sea	1,900
Surface	767

#Assured by PWCALLP for FY 2022-23.

Water intensity and intake



Initiatives and impacts

We firmly believe in adopting circular economy principles as a critical strategy to address the global water crisis and safeguard our water resources. By implementing innovative practices, we aim to manage water in loops, maximising its value and minimising waste.

Central to our approach is establishing wastewater treatment plants that enable us to recycle and reuse water, significantly reducing our freshwater consumption. We go above and beyond local regulatory requirements and adhere to the stringent guidelines set by the Zero Discharge of Hazardous Chemicals (ZDHC) initiative, ensuring responsible effluent discharges into the sea and surface.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - **Water conservation**
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WATER CONSERVATION

Commitment to Zero Discharge of Hazardous Chemicals (ZDHC)

Recognising 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.



Key tenets of our commitment

Transparency and accountability

We embrace transparency in our operations, disclosing information about the chemicals used in our processes. Regular audits and assessments ensure accountability, with a commitment to continuous improvement.

Progress

Our internal laboratory performs daily assessments on the inlet water, outlet water, and sludge of the effluent treatment plant (ETP). Furthermore, a government-approved agency conducts monthly testing, and globally renowned laboratories such as SGS and Hohenstein conduct annual tests per the ZDHC MRSL parameters.

Chemical management

Rigorous chemical management practices ensure the responsible use, handling, and disposal of chemicals in our manufacturing processes. We invest in research and innovation to explore and adopt safer alternatives to hazardous chemicals.

Collaboration with stakeholders

We collaborate with suppliers, industry partners, and stakeholders to foster a shared commitment to ZDHC. We collectively work towards creating a sustainable and hazard-free textile ecosystem through open dialogues and partnerships.

By embracing the ZDHC initiative, we affirm our dedication to minimising the environmental impact of our operations, ensuring the safety of our employees, and contributing to a cleaner, healthier planet.

At our Vapi factory and flooring operations in Telangana, we collaborate with the local municipal body to access fresh water. By working closely with our partners, we ensure the responsible utilisation of water resources, promoting efficiency and conservation throughout our processes.

Our commitment to circular water management minimises the environmental impact of our operations and strengthens our resilience in the face of water scarcity. We strive to secure our water needs through these initiatives, contribute to global water sustainability, and inspire positive change within the textile industry.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - **Water conservation**
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WATER CONSERVATION

Case Study

**Anjar water project
Pioneering
water
conservation
to boost
community
impact**

At our Anjar Plant, we have taken decisive steps towards achieving zero freshwater dependency, thereby contributing to the availability of water resources for the communities around us. A significant milestone in this endeavour is establishing a state-of-the-art sewage treatment plant (STP) with a capacity of 30 million litres per day (MLD).

This innovative facility is crucial in treating and recycling sewage wastewater from neighbouring areas such as Adipur, Gandhidham, and Anjar. Remarkably, we have achieved an impressive recovery rate of 80-90% from the input sewage water.



Case Study

**ZLD project at the
flooring facility in
Telangana
Redefining
water
management**

Our flooring facility in Telangana has embraced a visionary approach to water management by establishing a zero-liquid discharge (ZLD) facility. Through this innovative system, we successfully recycle 100% of the wastewater generated at the site.

The recycled and treated water is vital in fulfilling secondary processes such as gardening and cleaning within the facility, ensuring optimal water resource utilisation. During 2022-23, we successfully reused 17,96,754 KL of wastewater, demonstrating our commitment to sustainability and responsible water management.

These pioneering projects, the Anjar water project and the ZLD initiative at the flooring facility in Telangana, exemplify our unwavering dedication to water conservation, circular economy principles, and community well-being. By championing such initiatives, we strive to inspire positive change within our industry and create a sustainable future where we responsibly and efficiently manage water resources.



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - **Water conservation**
 - Waste management
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WATER CONSERVATION



Rainwater harvesting

Rainwater harvesting involves collecting, storing, and using rainwater for various purposes, reducing reliance on traditional water sources. We have explored the benefits and steps in implementing rainwater harvesting, highlighting its potential to contribute to sustainability and cost savings.

With a profound understanding of rainwater's substantial capacity as a sustainable water source, we have taken proactive measures.

We have contributed to this transformative endeavour by constructing 15 ponds to date. These ponds serve as reservoirs, ready to capture and store rainwater in large quantities, ensuring its availability for various purposes. Our concerted efforts have deepened the existing ponds, enhancing their capacity to hold even larger volumes of water.

- By actively participating in initiatives like the **Sujalam Sufalam Abhiyan**, we harness the power of rainwater,

fostering a more resilient and water-secure future for our communities and the environment.

- In our Anjar facility, we have implemented rainwater harvesting lagoons, serving the dual purpose of replenishing local groundwater, and serving as a potential emergency water supply for the facility. In addition to their environmental benefits, these rainwater-harvesting lagoons also serve as an asset in times of need. During emergencies, such as water supply disruptions or unforeseen events, we can rely on these stored rainwater reserves to meet our facility's water requirements. This approach ensures that our operations continue functioning despite unexpected challenges, minimising potential disruptions.

Together, we can create a sustainable legacy where the abundance of rainwater becomes the cornerstone of our water management practices and paves the way for a flourishing future.

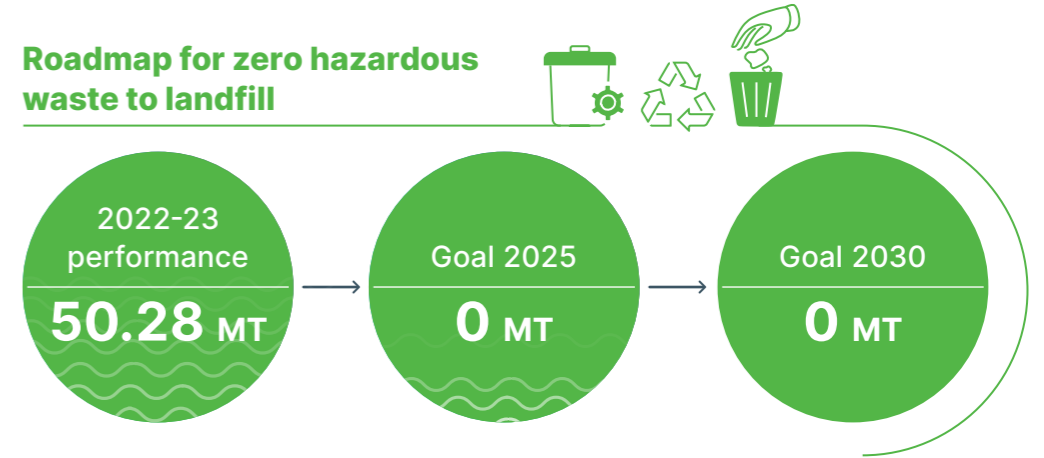
WASTE MANAGEMENT

Circular by design



Efficient waste management is vital for sustainable development and environmental preservation. By adopting innovative strategies prioritising waste reduction, recycling, and collaboration, we can minimise our ecological footprint and contribute to a circular economy.

Roadmap for zero hazardous waste to landfill



Waste generation

The textile industry generates waste at various stages of production, including raw material extraction, fibre processing, spinning, weaving, dyeing, printing, finishing, and garment manufacturing. This waste has three broad categories: pre-consumer, post-consumer, and production.

Sustainable waste management strategies

To address these challenges, we are adopting innovative waste management strategies that prioritise sustainability and circular economy principles:



Waste reduction and prevention



Meticulous management of hazardous and non-hazardous waste



Recycling and upcycling



Collaboration and industry partnerships

40 Environment

- 2022-23 highlights
- Introduction
- Climate change and energy
- Water conservation
- **Waste management**
- Sustainable farming
- Biodiversity

- 65 Social
- 85 Governance
- 94 Annexures

WASTE MANAGEMENT

Handling hazardous waste at our facilities

Hazardous waste encompasses materials that possess characteristics potentially harmful to human health and the environment. This includes chemicals, solvents, heavy metals, and medical and biological wastes. Effective management of hazardous waste is vital to prevent pollution and mitigate risks.

Key practices include

Identification and clarification

We accurately identify, classify, and label hazardous waste generated from the manufacturing process, which is crucial for safe handling and disposal.

Storage

Secure containers and designated areas are employed to store hazardous waste, preventing leaks, spills, and contamination. Storage facilities must meet specific requirements to minimise risks.

Transportation

Strict regulations govern the transportation of hazardous waste to ensure safety and prevent accidents. Proper handling and secure transportation are vital.

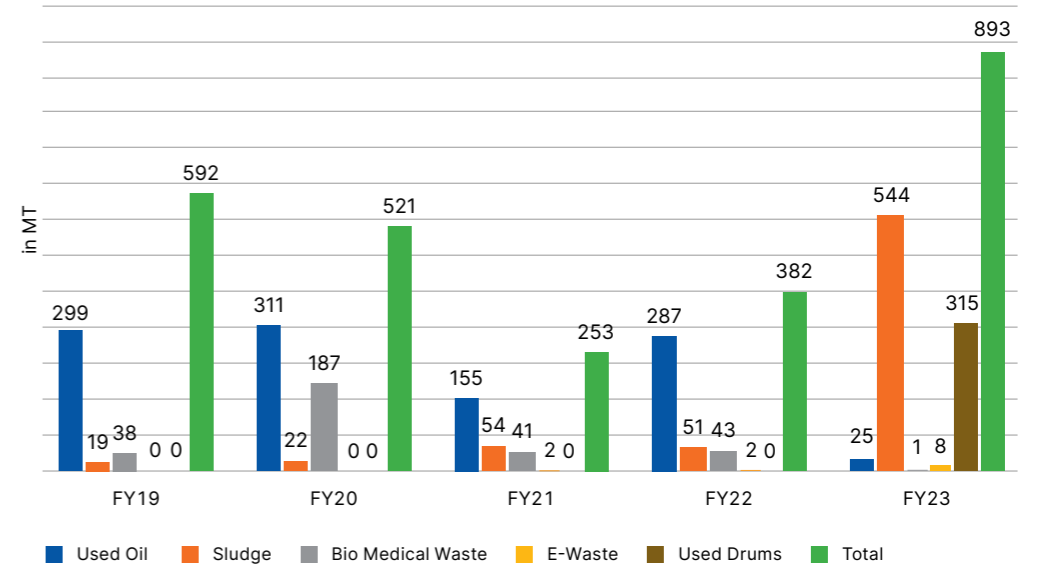
Treatment and disposal

Hazardous waste often necessitates specialised treatment to neutralise or reduce its harmful nature. Disposal methods encompass incineration, landfilling, deep well injection, and recycling, determined by waste type and regulatory compliance.

Monitoring and reporting

Thorough monitoring, documentation, and reporting are essential to comply with regulations. We track the handling process and document the disposal of hazardous waste.

Hazardous waste generated (MT)#



#Assured by PWCALLP for FY 2022-23.

The data in the graph above reflects a general pattern of decreasing hazardous waste generation and a steadfast commitment to proficient waste management procedures. However, it is worth noting that in 2022-23, the hazardous waste increased compared to 2021-22, primarily due to heightened production and other contributing factors.

These ongoing endeavours are crucial in promoting environmental sustainability, ensuring regulatory compliance, and fostering a safer work environment, underscoring the organisation's commitment to responsible corporate stewardship.

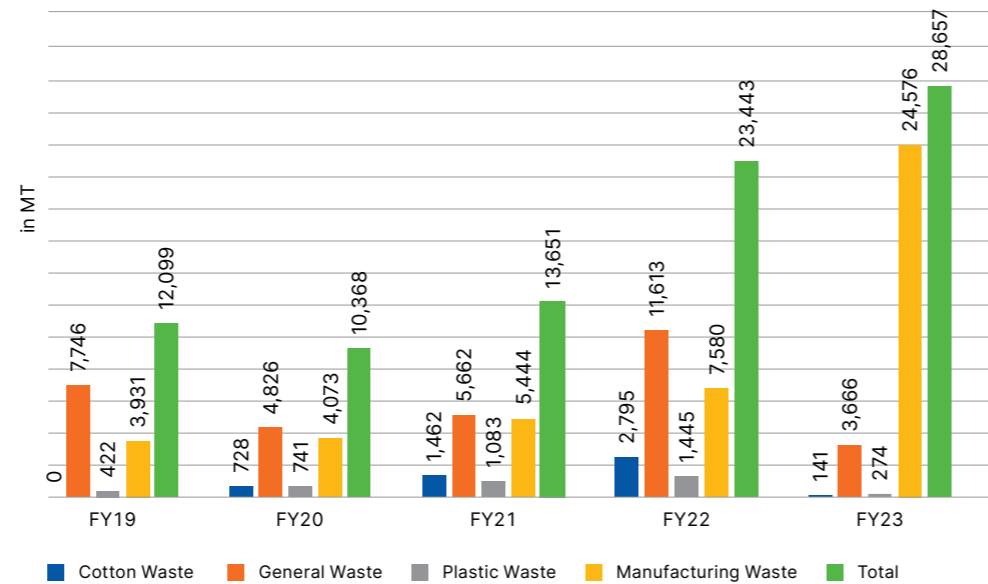
WASTE MANAGEMENT

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - **Waste management**
 - Sustainable farming
 - Biodiversity

- 65 Social
- 85 Governance
- 94 Annexures



Non-hazardous waste generated (MT)#



#Assured by PWCALLP for FY 2022-23.

Handling of non-hazardous at our facilities

Non-hazardous waste refers to waste materials that do not pose significant risks to human health or the environment. This category includes domestic waste, organic waste, and many other types of non-toxic waste.

Recycling of non-hazardous waste

We have improved our overall waste capturing strategy which has translated into increased quantity of non hazardous waste generation and recycling in 2022-23.

We prioritise the application of **circular economy principles** to our waste management practices. By adopting a circular approach, we aim to keep

materials in loops, ensuring they retain their highest value throughout their lifecycle and never become waste.

This is done through a range of initiatives, including

- **Segregation, packaging, and waste labelling:** We diligently undertake these measures to align with our long-term objective of integrating waste into the circular economy.

General waste categories: Paper scrap, electric scrap, miscellaneous, bags, garbage, STP sludge.

Manufacturing waste: Process, wooden, metal, LDPE, HDPE, uncut sweeping chips, recycled cotton, yarn waste, production bailing waste, lumps, gallon (IGBC), fly ash, carpet tiles, rolls, tufted waste.

- **Sustainable packaging:** We have embraced FSC-certified paper packaging and introduced LDPE packaging containing 30-50% recycled LDPE content derived from in-house plastic packaging scrap.
- **Recycling packaging waste:** Our waste is sent to nominated recycling companies, effectively reintegrating it into the system. We successfully recycled ~342 MT of plastic waste in the past year.
- **Metal and paper waste management:** Metal waste from the factory goes to a group company, and paper waste is sent for recycling.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - **Waste management**
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WASTE MANAGEMENT

Pre-consumer and post-consumer waste recycling: Closing the loop

Textile waste, in particular, poses a considerable challenge, with tonnes 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

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.

Key aspects of pre-consumer and post-consumer textile recycling



Resource efficiency

By reusing and repurposing materials that people otherwise discard, pre-consumer recycling optimises the resources invested in production, reducing the need for virgin materials.



Circular economy

Post-consumer recycling aligns with the principles of the circular economy by diverting discarded textiles from landfills and incineration and converting them into new products.



Reduced landfill burden

By diverting manufacturing waste from landfills, pre-consumer recycling helps mitigate the environmental impact of textiles and minimises the strain on waste management systems.



Energy and resource conservation

Recycling textiles requires less energy and fewer resources than producing new textiles from scratch, reducing the industry's overall carbon footprint.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - **Waste management**
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WASTE MANAGEMENT

Challenges and opportunities

Consumer awareness

It is vital to raise awareness among consumers about the importance of recycling textiles and making it convenient for them to recycle their old garments.

Collaborations

A successful textile recycling ecosystem requires collaboration among designers, manufacturers, consumers, and recycling facilities. We are working on a take-back programme and talking with our major customers.

Pre-consumer and post-consumer textile recycling are complementary strategies that play a significant role in reducing the environmental impact of the fashion industry. These approaches contribute to a more sustainable and circular fashion ecosystem by minimising waste at both the production and consumption stages. As technology and awareness grow, the potential for developing innovative recycling processes and creating a more responsible and efficient fashion industry becomes increasingly achievable.

ETP sludge utilisation

The ETP sludge from our Anjar factory is now utilised as a fuel source, replacing the need for fossil fuels, and achieving zero hazardous waste sent to landfills.

In addition, we actively manage a social project called **SPUN**, which promotes women’s empowerment and contributes to upcycling efforts. Through **SPUN**, we recycle ~5-6 MT of factory waste monthly, skilfully transformed by talented women from local villages into handmade goods. This initiative provides a sustainable source of income for these women while diverting textile waste from landfills.

We focus on pre-consumer and post-consumer textile waste to transition from linear to circular systems. Our hazardous waste includes used drums, oil, sludge, and biomedical waste, while non-hazardous waste mainly comprises process and packaging material waste. A significant portion of non-hazardous waste is either recycled and reintroduced to our factory or recycled externally. Operational waste is diligently sent to recyclers to prevent disposal in landfills. We successfully recycled and reused 22,680 MT of non-hazardous waste in the last financial year.



→ Through our comprehensive waste management strategies and circular economy initiatives, we strive to minimise waste generation, maximise resource utilisation and create a sustainable and responsible future.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - **Waste management**
 - Sustainable farming
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

WASTE MANAGEMENT



Circular commitments

Effective waste management plays a crucial role in sustainable development and the preservation of the environment. By adopting innovative strategies that prioritise waste reduction, recycling, and collaboration, we can significantly reduce our ecological footprint and actively contribute to the principles of a circular economy.

WLL has made waste minimisation a top priority in its processes, collaborating closely with vendor partners and recyclers to achieve the ambitious goal of zero waste to landfill by 2025. The Company has embraced the principles of a circular economy, emphasising reducing, reusing, recycling, and recovering waste materials generated across its operations and value chain.

Sustainable packaging

We have formulated a comprehensive ESG policy and set specific targets for our sustainable packaging objectives. Originally committed to utilising 100% recycled paper in secondary packaging, such as corrugated boxes, by 2025, we have already met this goal in the financial year 2023.

In our sustainable packaging initiatives, we incorporate FSC-certified paper and have introduced LDPE packaging with 30-50% r-LDPE content sourced from plastic packaging scrap generated within our operations. Consequently, we obtain every carton used in our packaging from recycled paper.

WLL is registered with the Central Pollution Control Board (CPCB) and follows a plastic waste collection plan following the Extended Producer Responsibility (EPR) requirement. 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 utilisation in secondary packaging.

2022-23 highlights

76%

Sustainable packaging

70%

Of total packaging use is from recycled material

100%

Of the cartons used for packaging is made from recycled paper

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - Waste management
 - **Sustainable farming**
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

SUSTAINABLE FARMING

Growing tomorrow's cotton



Cotton, prized for comfort and texture, is the textile industry's key raw material. As a biodegradable natural fibre, it holds promise for sustainability, though conventional methods pose problems like soil degradation, water pollution, and human rights issues. At WLL, we embrace change by leveraging the Better Cotton Initiative (BCI) and organic cotton.

These models promote responsible practices, preserve biodiversity, and aid farmers, achieving 75% sustainable cotton sourcing in 2022-23. Our commitment to sustainability drives innovation and industry collaboration, ensuring a thriving textile sector that safeguards our planet and communities.

Future path

Sustainable source vision



Cultivating a farmer force



*Cotton used from sustainable sources.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - Waste management
 - **Sustainable farming**
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

SUSTAINABLE FARMING

Recalibrating eco-conscious farming

BCI farming

In 2017, the Welspun Foundation for Health & Knowledge (WFHK) embarked on a transformative journey as BCI's partner in progress across India. Our canvas of impact stretched across Wardha's rural taluka, lent brushstrokes of change in Nakhatrana and Kutch and coloured the landscapes of Chevella mandal by 2019. By aiding 16,500+ farmers across 390+ villages, we painted a sprawling mural of progress. Guided by BCI's wisdom, our innovative measures strove to lighten the earth's burden: from the cotton fields to the waterways, from the soil to the skies.

Organic farming

Since 2017, we have been sowing the seeds of sustainability, nurturing organic blooms in Arvi, Deoli, Samudrapur, Seloo, and Wardha talukas.

This put us on a growth trajectory across various vital parameters. This upward journey continues to include increased farmer engagement, a substantial increase of 448% in cultivated land, impressive cotton production growth, and continuous savings. These achievements underline our dedication to sustainable agricultural practices and forward-thinking practices.



Primary approach

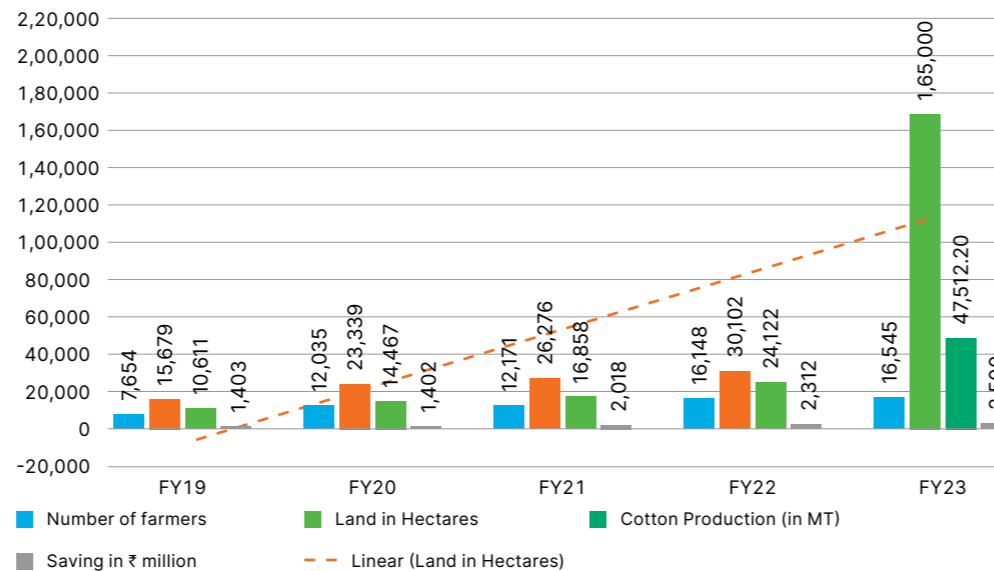
We take a distinct proactive stance in sustainable farming, marked by unique partnerships with global entities like GIZ and Solidaridad. As a global leader in home textiles, this approach offers dual benefits: seamless integration of sustainability throughout our value chain and setting industry benchmarks.

Exploring agriculture-led carbon credits further supports BCI and organic cotton farming, benefitting farmers and encouraging participation. Expanding our Sustainable Cotton project, our Agronomy Team aids farmers in adopting responsible soya practices via Round Table Responsible Soya (RTRS) cultivation, ensuring sustainable income. WFHK, our Public Charitable Trust and CSR team, leads these farming and community development endeavours at WLL.

The objectives of this initiative are as follows:

- Enhancing the economic viability of farming operations for farmers and farm workers.
- Utilising available technology, knowledge, and skills to align with local conditions and capacities.
- Providing farmers with adequate financial incentives to sustain their production and contribute to the community's overall well-being.
- Ensuring the health and safety of farmers, farm workers, local communities, and society.
- Producing an ample supply of high-quality, safe food and fibre.
- Improving soil conditions by implementing regenerative farming practices, promoting soil longevity and fertility.
- Reducing farmers' reliance on chemical-based farming practices such as inorganic fertilisers and pesticides.

Sustainable farming



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - Waste management
 - **Sustainable farming**
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

SUSTAINABLE FARMING

Case Study

Wel-Krishi
Empowering farmers for sustainable agriculture

1,01,000+
Beneficiaries

Wel-Krishi supports sustainable agriculture practices through a collaborative approach with farming communities. We provide guidance, access to government schemes, and support from experienced professionals. The programme enhances agricultural productivity and sustainability. Through modern practices, access to resources, and expert consultations, farmers achieve improved livelihoods and environmental preservation. Wel-Krishi advocates for sustainable practices like organic farming and efficient water usage, ensuring the long-term viability of farming communities.



Addressing environmental concerns

We have undertaken strategic measures to establish a sustainable value chain in the cotton farming sector. One such step is the execution of a comprehensive life cycle assessment (LCA) study that compared the environmental repercussions of organic and BCI cotton against conventional cotton. The study's findings strongly indicated that organic and BCI cotton varieties exhibit superior environmental performance compared to conventional cotton. To mitigate the adverse environmental consequences of conventional cotton cultivation, we have introduced diverse initiatives designed to address these challenges comprehensively.

Effective interventions and their impact

Agronomic innovations

Achievements encompass precise soil sampling, enhancing organic carbon, pH, texture, and microbial activity. Empowering farmers with moisture retention techniques and non-GMO seeds yielded amplified crop yields and enriched soil fertility.

Integrated pest management

- Conducted targeted training sessions to educate farmers about identifying beneficial insects and pests in cotton fields.
- Organised practical field demonstrations and diagnostic visits for experiential learning.
- Offered field scouting training to manage pink bollworm infestations through natural pest control methods proficiently. This approach yielded not only reduced cultivation expenses but also reduced reliance on conventional pesticides.

Water and moisture conservation

We trained farmers in the judicious utilisation of water and critical irrigation stages. Key actions included:

- Encouraged the adoption of micro-irrigation and alternate furrow irrigation techniques to reduce cultivation costs.
- Implemented moisture-conserving methods such as mulching, renowned for its soil moisture retention properties, leading to reduced water requirements and the prevention of crop burning and associated CO₂ emissions.
- Demonstrated a steadfast commitment to water stewardship.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - Waste management
 - **Sustainable farming**
 - Biodiversity
- 65 Social
- 85 Governance
- 94 Annexures

SUSTAINABLE FARMING

Enhancing biodiversity

The strategic actions in this area encompassed:

- Elevated biodiversity awareness within villages by establishing biodiversity committees and distributing training materials to identify beneficial insects.
- Advocated tree plantation activities to bolster overall green coverage and support biodiversity preservation.
- Introduced timely pest management practices via organic methodologies, including intercropping, border cropping, and trap crops for effective pest control.

The outcome has translated into enriched farm biodiversity, fostering a more balanced and sustainable ecosystem.

Collaborative engagement with farmers has played a pivotal role in the success of sustainable farming practices. The Welspun team actively partnered with farmers to enhance their capabilities through targeted training, recognising the importance of concurrently addressing environmental concerns and farmers' welfare. This collective approach aimed to overcome challenges linked to environmental impact while advancing farmers' livelihoods and well-being.

Key initiatives and their impact

Through a series of targeted initiatives, we realised the following outcomes:

- Empowered farmers through comprehensive training, information, and support, enabling informed decisions and improved agricultural practices.
- Implemented interventions to ensure decent working conditions, fostering improved health and well-being among farmers and reducing the use of harmful chemicals.
- Eliminated intermediaries, ensuring equitable payments to farmers, addressing human rights concerns, and ultimately enhancing income for the farming community.

Continuous innovation

Welspun remains steadfast in its commitment to adopting and promoting cutting-edge technologies and innovations to enhance operational efficiency and cost reduction.

We introduced technology-driven solutions for efficient landmarking and performance monitoring. By harnessing technology, WLL enhances transparency and accountability in sourcing sustainable cotton, ensuring traceability and alignment with sustainability objectives.

Utilising AI for pest management with live data collection

We utilise Source Trace, a data management tool for real-time data collection. It achieves traceability, transparency, monitoring, and supply chain tracking while streamlining payments and providing comprehensive profit and loss statements for efficient farmer communication. An AI-driven model was pioneered for pink bollworm control, offering identification, counting, and advisory guidance.



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment**
 - 2022-23 highlights
 - Introduction
 - Climate change and energy
 - Water conservation
 - Waste management
 - Sustainable farming
 - **Biodiversity**
- 65 Social
- 85 Governance
- 94 Annexures

BIODIVERSITY

Ecosystem harmony

Welspun Living Limited has implemented an ESG policy that underscores our dedication to preserving biodiversity. This policy articulates WLL's commitment to preventing deforestation throughout its operations.

Additionally, it actively promotes the safeguarding and conserving of biodiversity in and around its project sites. Plant teams regularly undertake tree plantation and soil conservation initiatives as part of their sustainability initiatives.

Study report: Biodiversity conservation collaboration with the Gujarat Institute of Desert Ecology (GUIDE)

Abstract

Our collaborative research venture with the Gujarat Institute of Desert Ecology (GUIDE) focused on biodiversity conservation in arid ecosystems. The project's comprehensive scope includes investigating various facets such as sustainable land use practices, climate change impacts, water resource management, and ecosystem services. We have completed the pre-monsoon research phase, laying the groundwork for the forthcoming post-monsoon study.



Introduction

Biodiversity conservation in desert ecosystems is imperative, given the unique challenges these regions face due to environmental stressors and anthropogenic activities. Our collaboration with GUIDE aims to deepen the understanding of biodiversity dynamics in arid environments and develop effective improvement strategies.

Objectives

The primary goals of the collaboration are as follows

Assess the existing biodiversity within desert ecosystems.

Assess the impact of green initiatives on the improvement of local biodiversity.

Investigate sustainable land use practices that promote biodiversity conservation.

Examine water resource management strategies that support biodiversity.

Methodology

The research employs a combination of field studies, data analysis, and modelling approaches. Both quantitative and qualitative methods are used to capture the complexity of biodiversity patterns and relationships. A collaborative approach ensures the integration of expertise of GUIDE and WLL's expertise, enhancing the study's comprehensiveness.

Biodiversity assessment

Field surveys and taxonomic studies catalogue the diverse flora and fauna within environments. We analysed

species' distribution, abundance, and ecological interactions in Welspun City, Anjar.

Water resource management

The presence of two rainwater harvesting lagoons at Anjar has significant positive benefits to the local biodiversity. However, water scarcity is a pressing concern in arid regions. GUIDE would assess water sources, availability, and management practices to understand their influence on biodiversity conservation.

Pre-monsoon study

The pre-monsoon study phase has concluded, involving intensive fieldwork, data collection, and preliminary analysis. GUIDE collaborated to amass valuable data that provide insights into the status of biodiversity and its interactions with the environment. These findings lay the groundwork for more in-depth investigations during the post-monsoon study phase.

Future directions

As the pre-monsoon phase concludes, the research collaboration eagerly anticipates the post-monsoon research activities. In this phase, we delve deeper into the effects of increased water availability on biodiversity and ecosystems. Further analysis will refine our strategies for conserving biodiversity in arid regions and adapting to changing environmental conditions.

Social



Our people are the cornerstone of our operations. We prioritise cultivating a positive work atmosphere that encourages professional development, and employee well-being. Additionally, we actively participate in CSR initiatives that align with our brand commitment and values, ensuring that we have a positive impact on communities. Our partnerships with suppliers and vendors contribute to the integration of sustainability into our practices.

Employees

Page 67

Community development

Page 74



Supply Chain

Page 78

Material issues

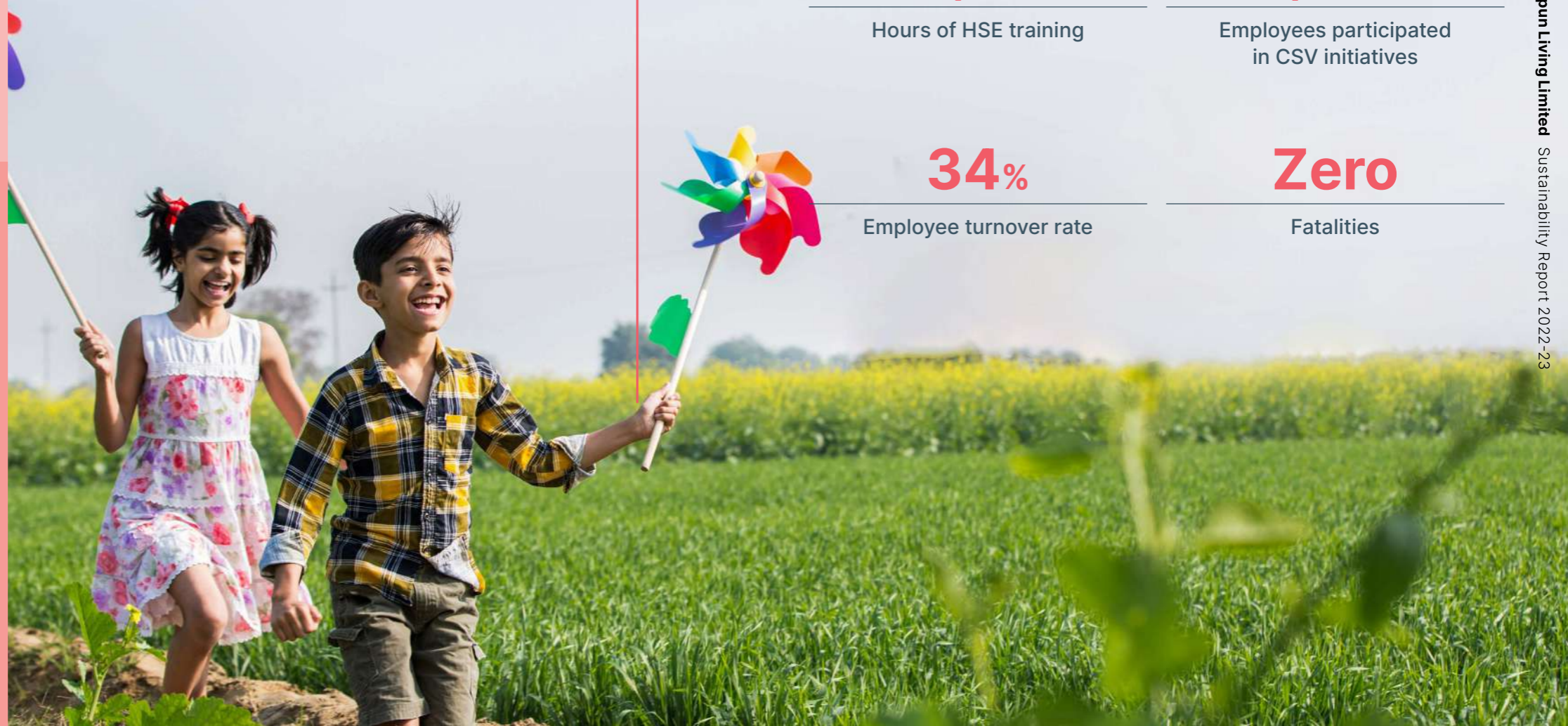
- Employees and workers well-being
- Occupational health and safety
- Human rights
- Corporate social value (CSV)
- Supply chain management
- Customer centricity

SDGs impacted



2022-23 HIGHLIGHTS

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - Supply chain
- 85 Governance
- 94 Annexures



24%

Women in the workforce

136

Total tier-1 suppliers

52,367

Hours of HSE training

4,499

Employees participated in CSV initiatives

34%

Employee turnover rate

Zero

Fatalities

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - **Employees**
 - Community development
 - Supply chain
- 85 Governance
- 94 Annexures

EMPLOYEES

Empowering our people



Management approach

We view our employees as more than just the growth drivers of our Company; they are the architects of our success story. By nurturing their well-being, we are not only offering jobs but also igniting empowerment. Through this commitment, we are weaving inclusivity and growth into our very fabric and painting our workspaces with vibrant hues of positivity, motivation, and productivity.

16,331	3,639	5,528
Total permanent employees	Total women employees	Contractual employees
149	4,028	5,583
Specially-abled employees	Employees hired	Employee turnover
21,000+	24%	29%
Total workforce	Percentage of women workforce	Percentage of women Directors on the Board

EMPLOYEES



Employee engagement

Our objective is to boost engagement across all demographic groups within the Company. This is a crucial step in igniting employee enthusiasm and contributes to the Company's success.

Employee communications

We believe in transparent two-way communications with our employees using multiple channels throughout the year.

Leader connects

Quarterly connects with leaders and APEX across BU of WLL to cater to ongoing agendas/developments/concerns, if any.

Festivities and celebrations

Bringing fun and togetherness with festivities and celebrations.

Culture feed

Upholding the cultural pillars of LITE (Learning, Innovation, Transparency, Endurance) and Har Ghar Har Dil Welspun through various communications, workshops, and connections.

Global townhall

Showcasing financial performance of the last quarter and insights on various agendas/frameworks. Conversations with business leaders of WLL enlighten the employees about strategic projects and new trends in the industry.

Employee survey and feedback

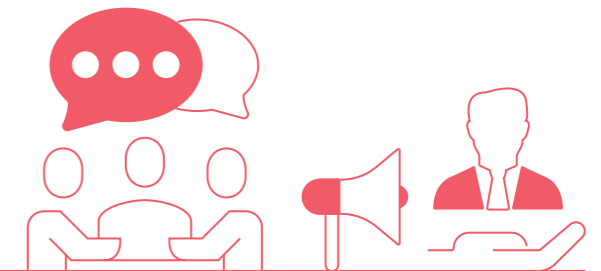
We value the input and feedback of our employees, as their perspectives play a crucial role in shaping our sustainability efforts. To gauge employee satisfaction and engagement, we actively collect feedback through various channels, including:

- Conducting regular employee surveys to assess overall job satisfaction and identify areas for improvement.
- Organising 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 **WeLissen** surveys regularly to get employee feedback and improve our culture. Ensuring the well-being and satisfaction of our employees is integral to our organisational 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 5, 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 fulfilment.

3.34/4

Employee Net Promoter Score



EMPLOYEES



Inclusivity and equality

We are committed to being a responsible organisation. We promote living wages for all and have assessed wages in our plants. We employ a rigorous performance evaluation methodology to ensure fair compensation. Focused on inclusivity and equality, our anti-harassment policy is part of the employee code of conduct, which also advocates zero tolerance for discrimination. Freedom of association is an essential part of our workplace. We support trade

unions for employee engagement and fair practices. This commitment is integral to our corporate culture, promoting an inclusive workplace.

4,300+

Associates trained through DigiSmart

Making the workplace inclusive

- Our facility in Anjar is led by a team of women. Our commitment to empowering women extends beyond on-site roles through initiatives like SPUN and other corporate social responsibility (CSR) efforts. We have broadened opportunities for women in the region, enabling them to achieve financial independence from the convenience of their homes. Unveiling **Women of Welspun (WoW)** – a grand stage where the threads of our female workforce interlace in sharing and inspiration. Our seasoned leaders weave the fabric of mentorship, nurturing budding women leaders destined to adorn and lead tomorrow’s world.
- In our Anjar and Vapi facilities, we welcome a **specialty-abled workforce** into our spinning department. Guided by inclusivity, we organise safety measures through quarterly training in sign language, choreographed on digital display boards that gracefully announce, instruct and celebrate the vibrant life of both facilities.

Key initiatives

KnowledgeHub Coursera

We have empanelled Coursera as an e-learning platform providing industry-wide courses across levels with global certification and accreditations.

DigiSmart

This initiative is our associate development programme to upskill employees in technology, automation, and industry 4.0.

Manthan

Through this initiative, we encourage employees and associates to contribute ideas that impact the business and get rewarded once implemented. 39 ideas have been implemented and saved ₹25 crore.

We-Aspire

We believe in nurturing high-potential employees to build our leadership and succession pipeline through effective career planning and coaching.

WCAP (Welspun Career Acceleration Programme)

Focuses on grooming talent at the entry level hired through top-ranking engineering and business schools.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - **Employees**
 - Community development
 - Supply chain
- 85 Governance
- 94 Annexures



Employee remuneration

Our approach to employee remuneration is a holistic and dynamic strategy that attracts and retains top talent and nurtures a motivated, engaged, and high-performing workforce. It reflects our acknowledgement that our employees are the driving force behind our success, and their well-being and satisfaction are paramount to our organisational culture.

Human capital development

At WLL, nurturing continuous workforce growth and development is fundamental to our corporate culture. We acknowledge that investing in employees enhances their skills and contributes to our overall success. We demonstrate our commitment to this by reporting training and development metrics and the costs related to employees, such as salaries, benefits, and training expenses. This approach underscores our dedication to cultivating a continuous learning and growth culture that benefits both our employees and our organisation.

Workplace benefits

Employee benefits	Percentage of employees covered
Life insurance	100%
Health cover	100%
Disability/Accident coverage	100%

Performance evaluation

Type of performance appraisal	% of all employees
Management by objectives: Agreed measurable targets	10%
Multidimensional performance appraisal (360-degree feedback)	NA
Formal comparative ranking of employees within one employee's category	10%



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - **Employees**
 - Community development
 - Supply chain
- 85 Governance
- 94 Annexures

EMPLOYEES

Training and capacity building

Our people commitment deals with nurturing individuals within an environment that fosters learning and development, empowering us to build a future-ready organisation. We focus on advancing innovation, delivering business value, and driving thought leadership.

We prioritise employee development through continuous learning initiatives such as regular programmes, workshops, and mentorship opportunities. Our Group Leadership Programme (GLP), Future Leaders Programme (FLP), and Emerging Leaders Programme (ELP) facilitate professional growth. To provide focused learning opportunities to build capabilities, we have launched our annual learning campaign, **WeLearn**.

₹3.8 crore

Employee training expense

18,000

Employees underwent training

Talent attraction and retention

At WLL, transparency and accountability in human resources practices take precedence as we aim to cultivate an inclusive and well-informed workplace. We report vital information on employee hires, training costs, performance evaluations, incentive programmes, specially-abled employees, turnover rates, and employee engagement trends.

4,028

New hires

77%

Employee retention rate

34%

Employee turnover rate



Employee turnover

Age group	Gender	Nos.	Employee turnover rate
<30	Male	2,571	52.89%
	Female	675	43.30%
	Total	3,246	53.36%
30-50	Male	1,782	24.35%
	Female	456	22.35%
	Total	2,238	23.91%
>50	Male	93	18.16%
	Female	6	15.00%
	Total	99	17.93%

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - **Employees**
 - Community development
 - Supply chain
- 85 Governance
- 94 Annexures

EMPLOYEES



Human rights

In an ever-evolving global landscape, WLL recognises the importance of ethical responsibility. Our human rights policy’s commitment to human rights is visible, covering critical issues such as human trafficking, forced labour, child labour, freedom of association, collective bargaining, equal remuneration, and non-discrimination. We proactively identify human rights risks by assessing our operating plants and the contract workers and mitigate risks when identified. This comprehensive approach underscores our dedication to fostering a culture of respect and dignity for all. Our operating plants at Anjar/Vapi are SA8000 (Social Accountability Standard) certified.

Occupational Health and Safety (OHS)

We prioritise employee health and safety through regular risk assessments, mandatory safety training, emergency response plans, and proactive incident reporting.

Our ISO 45001:2018 certified sites, which have received third-party certification, undergo internal evaluations for adherence to ISO 45001:2008. Additionally, we conform to the OEKO-TEX Standard 100 and comply with REACH regulations. These certified sites, accommodating 21,668 employees (99% of our workforce), embody our commitment to occupational health and safety (OHS)#, guided by a comprehensive policy and management system aligned with international standards, emphasising worker involvement and continuous improvement.

Our OHS training covers risk assessments, hazard evaluations, emergency preparedness, inspections, investigations, and extensive training. OHS requirements are integrated into procurement and contracts, and we transparently report Lost Time Injury Frequency Rates (LTIFRs) for employees and contractors, reinforcing our dedication to a safe workplace.#

We provide Health, Safety, and Environment (HSE) training to both new and existing employees and workers on

62,043

Total employees trained on HSE

52,367

Total HSE training man hours

a monthly basis. Our trainers hold ISO 45001 certification, ensuring compliance with relevant regulations.

Through daily operations, we employ on-the-ground safety strategies, identify hazards, and take necessary steps for elimination. i.e., slip and trip, fall hazard, falling object, work at height and ensured training on the same. We also eliminate such hazards and high consequences injuries by implementing rigorous HSE practices.

To enhance training effectiveness, we have integrated training modules in local languages.

2022-23 safety dashboard#

Aspect	Employees	Workers
LTIFR	0	0.19
Fatal	0	0
LTI*	0	8
Manhours	37,43,031	4,26,10,454
Total recordable injury	0	8
High consequence work-related injury	0	0

Note: LTIFR has been calculated using 1,000,000 hours worked as the basis.

*Assured by PWCALLP for FY 2022-23.

*Type of lost time injuries includes right hand fatigue, left hand injury, left leg injury and cuts.

A total of 28 first aid cases were reported for employees and 248 cases for workers. Additionally, there were 31 near misses recorded for employees and 444 near misses for workers.

Work-life balance

We recognise the importance of work-life balance in fostering employee satisfaction and well-being. We promote work-life balance through the following initiatives:

- Offering flexible work arrangements, including remote work options.
- Providing paid time off and vacation policies encourages employees to recharge and maintain personal commitments.
- Encouraging managers to support and accommodate employees’ personal and family needs.
- Monitoring workloads and encouraging realistic goal-setting to prevent burnout.
- Implementation of on-site childcare facilities or financial contributions for employees with childcare needs.
- Provision of dedicated lactation rooms or areas to accommodate breastfeeding needs.
- Comprehensive maternity leave policies that provide adequate time off for mothers during and after pregnancy.
- Inclusive paternity leave policies that recognise the importance of fathers’ involvement in family life.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - **Employees**
 - Community development
 - Supply chain
- 85 Governance
- 94 Annexures

EMPLOYEES

These initiatives collectively contribute to creating a supportive and family-friendly work environment, promoting the well-being of employees as they navigate the challenges and joys of parenthood.

Parental leave

	Employees entitled to parental leaves	Employees who took parental leave	Employees who returned after availing parental leave in the current reporting period
Permanent	5,117	154	120
Contractual	1,430	0	0
Total	6,547	154	120

We have established an Employee Wellness Corner to support employees. As part of this endeavour, we offer 24/7 assistance to employees along with chat support. Additionally, we extend support to employees for self-assessment regarding concerns such as anger,

anxiety, stress, sleep quality, PCOS, and digestive system issues. Our approach incorporates artificial intelligence-based cognitive behavioural therapy (CBT) techniques for facilitating behavioural changes alongside guided meditation tools and deskercise.



Rewards and recognitions

Recognising and rewarding employees for their contributions and achievements is integral to our sustainability approach. We have implemented the following practices to acknowledge and motivate our employees:

- Implementing performance-based recognition programmes to highlight outstanding individual and team achievements.
- Providing opportunities for career advancement and growth.
- Celebrating milestones and anniversaries to show appreciation for long-term commitment.
- Offering competitive compensation and benefits packages that align with industry standards.
- By prioritising employees' engagement, training, well-being, and development, we are committed to building a sustainable work environment that fosters their growth and contributes to the overall success of our organisation. We continuously monitor and evaluate our initiatives to ensure their effectiveness.

WeVolunteer

In this initiative, we encourage and support our employees to work for the betterment of vulnerable communities through volunteering programmes contributing to society.

Key activities

- Painting boundary walls of schools
- Telling stories to children in different languages
- Cleaning beaches
- Distributing handcrafted bags made from used clothes

4,499

Employees volunteered

5,700+

Volunteering hours

COMMUNITY DEVELOPMENT

Positive change for sustained growth



Management approach

At WLL, we recognise our influential role as a catalyst for positive change. We empower millions, and we are grateful for our stakeholder’s contributions. Our robust CSR policy, supervised by the esteemed ESG and CSR committee, aligns with the Companies Act, 2013.

Guided by our compass of care, our social endeavours run along two significant threads: weaving vibrant connections within communities and crafting a sustainable support system for our employees.

Our goal

- Enriching the lives of one million individuals by 2030 through CSV

Our Corporate Social Values (CSVs)

At WLL, our multi-faceted approach encompasses education, environment and healthcare, and community empowerment. Our ongoing social impact assessment is a comprehensive review of our CSV initiatives. By scrutinising initiative-wise and site-wise coverage, we gain valuable insights that will shape the enhancement and expansion of our CSV endeavours. This approach ensures that they persist in making a meaningful and positive impact on the diverse communities we serve. We are currently gauging the positive influence of our six key initiatives—Wel-Netrutva, Wel-Shiksha, Wel-Swasthya, Welspun Super Sports Women (WSSW), Wel-Prakruti, and Wel-Krishi—on the individuals we reach across the regions of Gujarat, Maharashtra, Telangana, and WLL sites.

Welspun Foundation for Health & Knowledge is a non-profit registered public charitable trust under the Bombay Public Trust Act, 1950, which drives our impactful initiatives, focusing on three dimensions:

Education and skill development

Empowering individuals through quality education and vocational training, opening doors to prosperous futures.

Environment and healthcare

Ensuring access to quality healthcare and championing environmental conservation with innovative technologies and sustainable practices.

Community empowerment

Engaging with local communities, understanding their needs, and supporting their aspirations for lasting positive change.

₹13.22 crore

CSR investment

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - **Community development**
 - Supply chain
- 85 Governance
- 94 Annexures



Community engagement

We understand the urgent global need for sustainable practices and fostering deep connections with our communities. Committed to education, environment, and health, we actively collaborate with neighbouring villages to uplift and improve their quality of life. In all our endeavours, we prioritise finding a harmonious balance between the needs of today and the well-being of future generations.

Women empowerment

At WLL, women empowerment is a sustainability commitment. We have showcased our efforts in gender equality, women's representation, education, health, safety, and leadership positions. We ensure fair pay, prohibit discrimination, and promote women's representation through diverse hiring and leadership development programmes. We prioritise women's health and safety and support their advancement into leadership roles through mentorship and development initiatives. These initiatives show our dedication to creating an inclusive and equitable work environment.

Wel-Netrutva



Opportunities for women in rural areas

Wel-Netrutva empowers women in rural areas through sustainable livelihood opportunities. These initiatives have positively impacted 41,000+ beneficiaries, honing skills, supplying resources, and supporting sustainable futures. It has encouraged confident leadership, economic independence, and social agency. By providing training, financial access, and market linkages, we go beyond offering subsistence to creating lasting change. We remain committed to expanding Wel-Netrutva's impact, empowering every woman to shape her destiny and build a thriving, inclusive society.

41,000+

Women benefitted through Wel-Netrutva



Empowering women creates a positive ripple effect within the community. Just as each musical note contributes to a harmonious melody, providing equal opportunities and nurturing women's empowerment weaves a fabric of great potential. This effort opens doors and ushers in meaningful transformations across society, politics, economy, and health. Every empowered woman becomes a significant force, contributing to a brighter future for the nation.

Ms. Dipali Goenka
MD & CEO

COMMUNITY DEVELOPMENT

Wel-Swasthya



Enhancing health and well-being

Wel-Swasthya is a transformative programme benefitting 150,000+ people with improved healthcare access and health education. Strategic partnerships enable vital medical support for vulnerable populations, enhancing overall well-being. The initiative empowers adolescent girls and women with comprehensive healthcare education, promoting informed decision-making and preventive care. Extensive awareness campaigns promote health and hygiene practices, empowering communities to lead healthier lives and create a positive impact.

1,50,000+

People benefitted through Wel-Swasthya

Welspun Super Sport Women



Unlocking potential

Our initiative, Welspun Super Sport Women, empowers sportswomen from underserved communities by providing support and opportunities. We identify talent through collaborations with sports associations and communities. Through specialised training, mentorship, and exposure to competitions, we create pathways for ground breaking career opportunities. With 32 athletes, 166 medals, and 21 sports impacted, we drive national excellence, harnessing India's potential to produce world-class athletes.

32 athletes

Benefitted gaining 166 medals, across 21 sports

Wel-Shiksha



Enhancing education through technology

Wel-Shiksha digitalises government primary school classrooms, positively impacting 100,000+ students. We foster community-driven initiatives and advocate for the importance of education. Additionally, we include para-teachers, offer career counselling, and provide learning level enhancement for younger students. We aim to digitalise government schools and impact the lives of >100,000 children through our interventions.

Our goal

We aim to digitalise government schools and impact the lives of >100,000 children through our interventions.

1,00,000+

Students reached through 500+ classroom installations

Gayatri Devi Public School

Gayatri Devi Public School in Varsamedi, Anjar, established in 2017, provides quality education with qualified teachers for grades 1 to 10. Committed to academic excellence, the school empowers students in the region for their educational journey.



Ved Vidyalaya

Ved Vidyalaya upholds the gurukul system and imparts Vedic teachings, blending ancient wisdom with modern subjects like English, Mathematics, and Computer Science. Our commitment to preserving this cultural legacy empowers the next generation with a thorough understanding of these academic disciplines.

COMMUNITY DEVELOPMENT

Wel-Prakruti



Caring for nature

Wel-Prakruti is our green initiative programme, dedicated to nature conservation and environmental stewardship. We preserve ecosystems, restore biodiversity, and mitigate climate change through afforestation initiatives. We strive to build a sustainable future for all by nurturing and protecting the natural world.

5,50,000+

Trees planted to enhance local biodiversity till date

Case Study

SPUN

A seamless blend of tradition, art, community upliftment, and sustainability

SPUN is a transformative initiative that combines social, environmental, and economic objectives. We create exquisite, handcrafted products using age-old weaving techniques by repurposing textile waste from our bedding manufacturing plant.

Empowering women and artisans

Through skill development and economic opportunities, SPUN has a multi-pronged impact on women's empowerment, environmental conservation, and handicraft preservation.

Narratives of tradition and art

SPUN adopts age-old weaving techniques, paying homage to the rich heritage of craftsmanship. Each SPUN product embodies Indian artisanal traditions, conveying tales of cultural significance to buyers.

Contributions to community welfare

SPUN extends its impact on the community by employing women from surrounding villages, promoting economic stability and self-sufficiency. It nurtures community well-being while preserving cultural heritage.

Promoting sustainability and circularity

SPUN embraces sustainable practices by utilising textile waste, reducing waste generation, and promoting a circular economy. Each SPUN creation is an eco-friendly product, encouraging conscious consumption.

Building a global brand

SPUN aims to develop a global brand identity that combines traditional techniques with contemporary designs. It symbolises authenticity, craftsmanship, and sustainability, supporting ethical production and cultural preservation.

Impact

The presence of vocational centres near our manufacturing plant has brought about significant positive changes in

the lives of individuals by offering employment opportunities. The impact of this initiative is twofold, both in terms of economic empowerment and environmental sustainability.

Economic empowerment

Participation in the vocational centres has led to a remarkable threefold increase in women's incomes in the programme. By equipping them with valuable skills and facilitating job placements, we have enabled these individuals to enhance their financial well-being and achieve greater economic independence.

Environmental sustainability

~4-5 metric tonnes of factory waste are recycled monthly, transforming into exquisite, handcrafted products. By repurposing and upcycling this waste, we have minimised the environmental footprint of our manufacturing operations and promoted a more sustainable approach to waste management.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - **Supply chain**
- 85 Governance
- 94 Annexures

SUPPLY CHAIN

Partnering for development



Management approach

Advancing sustainability requires transparent processes. We extend our commitment to sustainability across our entire value chain. We have introduced a supplier evaluation process focused on ESG performance. This step aims to promote sustainability principles throughout our value chain. Our dedicated compliance team audits our tier-1 suppliers' social and environmental aspects, ensuring their alignment with established systems for smooth integration into the global value chain.

We believe that sustainability thrives through collaborative value chain integration. Our supplier and vendor partnerships ignite synergies, yielding diverse benefits. We strive for partnership strength in this interdependent web, crafting a vibrant, compassionate, and prosperous future.

Supplier sustainability: Procurement and sourcing Sustainable procurement and responsible sourcing

At WLL, our commitment to sustainability extends beyond our operations and products. We recognise the profound impact of our supplier network on the environment, society, and the overall value chain. To foster a harmonious and responsible approach to procurement, we have established a comprehensive framework that encompasses supplier sustainability, ethical practices, and accountability.

Sustainable procurement and responsible sourcing policy

We actively encourage our suppliers to reduce their environmental and social footprint significantly. This dedication aligns with the core principles of our sustainable procurement and responsible sourcing policy. We invite dealers to share initiatives towards mitigating environmental and societal impact.

This proactive disclosure ensures alignment with our policy's tenets, reinforcing our shared commitment to sustainable practices.

In the rare instance of non-compliance, we expect suppliers to promptly document and communicate the progress made in addressing any deficiencies. This constructive approach allows us to establish a corrective action plan to be executed within the stipulated timeline.

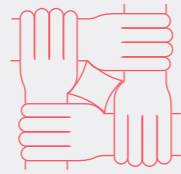
WLL's supplier code of conduct

Our supplier code of conduct is a testament to our aspiration for a sustainable supply chain. This comprehensive code is universally applicable, extending its influence across our suppliers, contractors, sub-contractors (via principal contractors), logistics partners, service providers, business collaborators, and any entity delivering goods and services to us, regardless of geographical location.

Adhering to international standards, this code of conduct aligns with regulatory requirements, the principles of the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Human Rights, and the relevant conventions of the International Labour Organization (ILO). This collective alignment assures that our suppliers and partners share our commitment to social and environmental responsibility.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - **Supply chain**
- 85 Governance
- 94 Annexures

Our supplier code of conduct addresses the following key areas



Human rights and labour

- **Forced labour**
- **Child labour**
- **Working conditions (including working hours, physical/mental demands, wages, and benefits)**
- **Occupational health and safety**
- **Discrimination and harassment**
- **Freedom of association and collective bargaining**



Environment

- **Greenhouse gas emissions and energy consumption**
- **Pollution prevention and waste management**
- **Resource efficiency**
- **Biodiversity conservation, no deforestation, or land conservation**



Business ethics

- **Anti-corruption and conflict of interest**
- **Anti-competitiveness**

We hold our suppliers accountable for upholding these standards, and our commitment to these principles is publicly available for all stakeholders.

Measures related to supplier ESG programmes

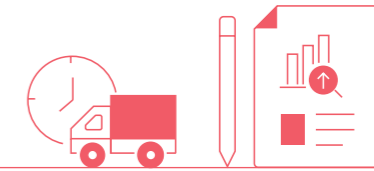
We are committed to overseeing the implementation of supplier ESG programmes effectively. The highest accountable decision-making body for oversight is our executive management who ensures that our suppliers align with our supplier code of conduct and ESG requirements. Suppliers who cannot meet our minimum ESG requirements within a specified timeframe may be excluded from contracting.

Additionally, we prefer suppliers with better ESG performance by applying a minimum weight to ESG criteria in supplier selection and contract awarding. We also train our Company’s buyers and internal stakeholders on their roles in the supplier ESG programme.

Supplier screening

Our supplier screening process considers environmental, social, governance, and business relevance aspects. We evaluate country-specific, sector-specific, and commodity-specific risks during our screening process.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - **Supply chain**
- 85 Governance
- 94 Annexures



Supplier assessment and development process

Our publicly available supplier assessment and development process includes

1

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.

2

Supplier assessment using the Welspun supplier manual

We completed assessments for 86 of our 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

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 relationship.

3

Supplier development

- Supplier information and training on our Company's supplier ESG programme, 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 programmes to build capacity and improve ESG performance in our suppliers

SUPPLY CHAIN



4

Monitoring and reporting of supplier assessment and development programme

We publicly disclose the following supplier information

136

Total tier-1 suppliers

86

Total number of critical suppliers in tier-1

80%

% of total spend on critical suppliers in tier-1

136

Total number of suppliers (tier-1 and non-tier 1)

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 programmes, including the total number of suppliers in such programmes and the percentage of significant suppliers participating.

Our goal

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

Progress

Completed assessment of 100% of total tier-1 suppliers.

Fostering sustainable cotton procurement and facilitating responsible consumption

Cotton is a primary raw material within our operations. In tandem with our efforts to advocate for sustainable practices among customers by promoting selections such as BCI and organic cotton, a strategic insight has emerged - rectifying challenges intrinsic to cotton farming is foundational for establishing a resilient, sustainable supply chain.

This realisation underpins our dedication to sustainable agriculture through a series of strategic initiatives.

As part of this approach, we engage in the cultivation of BCI Cotton, aligning with the guidelines set forth by the Better Cotton Initiative, and organic cotton, free from genetically modified organisms (non-GMO). Both cotton variants are cornerstones within our sustainable supply chain framework, bolstering its environmental and social resilience.

A specialised unit within Welspun has collaborated closely with farmers to impart knowledge, enhance their capabilities, and empower them to make informed decisions in their agricultural practices.



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - **Supply chain**
- 85 Governance
- 94 Annexures

SUPPLY CHAIN

Across Gujarat, Maharashtra, and Telangana, our agronomy team engages in educational outreach to foster a shift among cotton farmers towards adopting natural fertilisers and pesticides. This transition pursues the twin objectives of bolstering soil fertility and augmenting crop productivity. In pursuing enhanced

sustainability, an ancillary outcome comes to the fore – the elevation of organic carbon content within the soil. By embracing this holistic approach, the ecosystem’s overall health is poised for an upswing, resulting in a more resilient and vibrant agricultural landscape.

Our cumulative initiatives have yielded training sessions with an impressive count of 16,000+ farmers. These training sessions serve as a knowledge exchange platform, endowing farmers with sound agricultural techniques that pave the way for a harmonious coexistence between productivity and ecological stewardship.



Quality management system for product distribution networks

We have a quality management 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 programmes 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.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - **Supply chain**
- 85 Governance
- 94 Annexures

SUPPLY CHAIN

Case Study

Wel-Trak 2.0
Tracing cotton using next-gen blockchain innovation

The textile industry plays a significant role in the global economy but often faces challenges related to transparency, traceability, and ethical sourcing of raw materials. One critical raw material in the textile industry is cotton, which goes through a complex supply chain involving various stakeholders. Blockchain technology offers a transformative solution by enabling the tracing of cotton from its origin to the final textile product, enhancing transparency, accountability, and sustainability.

Benefits of blockchain in cotton tracing

Transparency

Blockchain distributed ledger technology like Wel-Trak 2.0 provides real-time visibility into every stage of the cotton supply chain. Consumers, retailers, and manufacturers can access accurate and tamper-proof information about the cotton's journey.

Traceability

Each cotton batch receives a unique digital identity on the blockchain, allowing stakeholders to trace its origin, processing steps, and quality. This approach helps in verifying authenticity and preventing counterfeiting.

Ethical sourcing

By recording labour practices, environmental impact, and adherence to fair trade principles, blockchain ensures that cotton gets sourced responsibly, fostering ethical business practices.

Quality assurance

Smart contracts on the blockchain can automate quality checks and certifications, ensuring that only cotton meeting predefined standards proceeds through the supply chain.

Efficiency

Automating documentation and verification processes reduces paperwork and administrative delays, streamlining the supply chain and improving overall efficiency.

Collaboration

Blockchain enhances collaboration by offering a shared data platform, improving communication, issue resolution speed, and decision-making.

Challenges and considerations:

Data accuracy

Ensuring accurate and reliable data input at each stage is crucial to maintaining the integrity of the blockchain-based system.

Interoperability

Ensuring compatibility between systems and stakeholders' technologies is vital for seamless data sharing.

Privacy

While transparency is a crucial feature of blockchain, sensitive business information must be protected. Proper access controls and data encryption are essential.

Adoption

We are convincing all participants in the supply chain to adopt blockchain technology through awareness, investment, and a demonstration of the benefits.

Blockchain can transform textile manufacturing by ensuring transparency, traceability, and ethical practices in the cotton supply chain. This approach boosts product quality, builds consumer trust, and drives positive change in the industry toward sustainability and transparency.

We ensure traceability through compliance audits and our proprietary Wel-Trak 2.0 technology. Certified vendors aid responsible sourcing with ongoing assessments for sustainable practices. Wel-Trak, launched in 2017, tracks cotton from farm to product, fortified by Oritain Global Ltd.'s chemical fingerprinting. In 2019, Wel-Trak 2.0 integrated blockchain for indisputable guarantees, responsible sourcing, and digital validation. Our global cotton integrity process authenticates fibre at all production stages.

Highlights

Wel-Trak 2.0, powered by blockchain, sets the benchmark for absolute transparency in tracking every product and order, seamlessly following their journey from initial sourcing to ultimate delivery.



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social**
 - 2022-23 highlights
 - Employees
 - Community development
 - **Supply chain**
- 85 Governance
- 94 Annexures

SUPPLY CHAIN

Case Study

Streamlining ethical supply chains
Onboarding supply chain partners on Sedex

Ethical and sustainable business practices have taken centre stage in today's interconnected global marketplace. Companies are increasingly recognising the importance of responsible sourcing and supply chain transparency. One platform that facilitates this is Sedex (Supplier Ethical Data Exchange), a non-profit organisation dedicated to driving improvements in ethical business practices across supply chains.

Onboarding supply chain partners on Sedex promotes transparency and fosters collaboration and accountability among all stakeholders. Moreover, our facilities and supply chain partners are subject to thorough evaluations following the Sedex Members Ethical Trade Audit (SMETA) guidelines, encompassing aspects such as labour protocols, health and safety measures, environmental implications, and ethical business conduct.

Understanding Sedex

Sedex is an online platform designed to help businesses monitor and improve the ethical performance of their supply chain. It allows companies to share and access information about labour standards, health and safety, the environment, and business ethics. By providing a platform for organisations to report on their responsible business practices, Sedex enables greater visibility into supply chain operations.

Benefits of onboarding supply chain partners on Sedex

Transparency

Sedex promotes openness by allowing companies to share information about their practices, audits, and assessments. This transparency fosters trust between buyers and suppliers.

Risk management

With Sedex, companies can identify and address potential risks within their supply chains, including labour violations, environmental concerns, and unethical practices. This proactive approach minimises the likelihood of reputational damage and legal issues.

Efficiency

Sedex streamlines the process of sharing and accessing information. Suppliers can provide data once and share it with multiple customers, reducing duplication of effort and administrative burden.

Collaboration

The platform encourages collaboration and knowledge sharing among supply chain partners. This approach fosters a collective effort to improve ethical and sustainable practices throughout the industry.

Onboarding supply chain partners on Sedex aligns with the growing emphasis on ethical sourcing and supply chain transparency. By leveraging this platform, we are strengthening our relationships with suppliers, minimising risks, and collectively working toward a more sustainable and responsible global supply chain. Sedex benefits individual companies and contributes to a broader movement aimed at transforming the business landscape into one that is socially, ethically, and environmentally conscious.



Governance



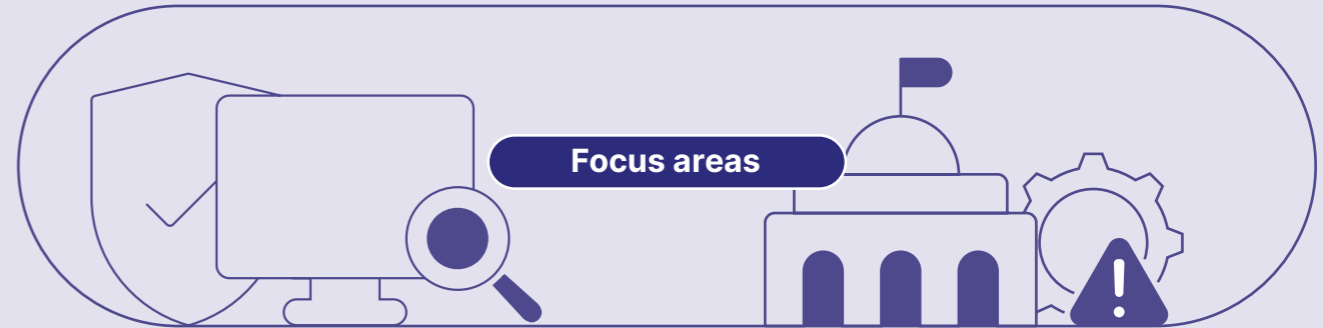
Our robust corporate governance ensures business success and longevity, holding us and our partners to the highest standards of accountability. Guided by our values, we prioritise ethical practices, transparent communication, and meaningful connections with all our stakeholders.

Governance structure

Page 86

Risk management

Page 88



Ethics and integrity

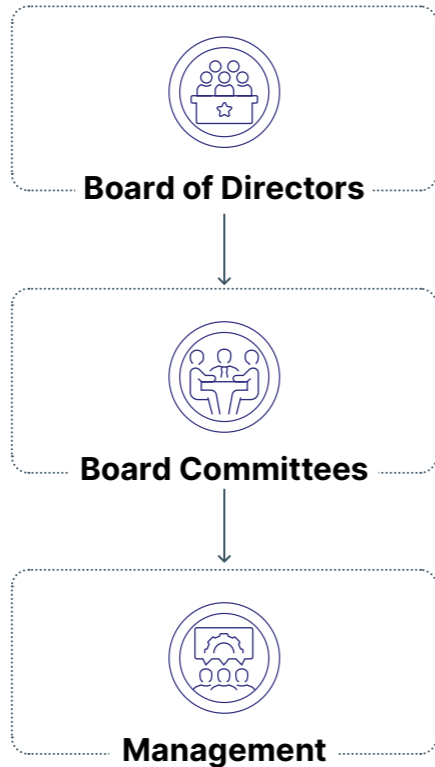
Page 90

Strengthening IT and cybersecurity governance

Page 92

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance**
 - **Governance structure**
 - Risk management
 - Ethics and integrity
 - Strengthening IT and cybersecurity governance
- 94 Annexures

Upholding best practices



Board of Directors

The Board of Directors is committed to sound corporate governance principles, pivotal in ensuring overall accountability for business performance across economic, environmental, and social dimensions. Acting as a trustee, the Board diligently safeguards the rights of the Company, its members, and stakeholders. The Board provides guidance, oversight, and strategic direction to the management to achieve strategic objectives guided by our culture, ethics, and values.

As of March 31, 2023, the board comprised seven members with extensive experience and expertise in finance, accounts, legal matters, general management, ESG integration, and business strategy, contributing to effective decision-making and strategic guidance.

We also lay a strong emphasis on governance and diversity within our Board. We recognise that transparency, independence, and diversity are integral to our long-term success. Comprising seven members (as of March 31, 2023)

and four are Independent Directors, we ensure that over 50% of our Board members are independent, reinforcing the Board's independence. We have established independence targets and prioritise impartial governance in our corporate reporting. Our Non-executive chairperson distinguishes between governance and management, further enhancing Board independence.

Diversity within the organisation

Employee level	Male (%)	Female (%)	Total (nos.)
Board of Directors	71%	29%	7
Senior management	93%	7%	89
Employees (group company)	78%	22%	16,242

29%

Board diversity achieved in 2022-23

Board evaluation

We have implemented an objective performance evaluation system for all employees, including the CEO. The CEO's compensation aligns with long-term performance, with clearly identified and agreed key responsibility areas (KRAs) monitored through a centralised performance management system. ESG performance is an important component of the performance evaluation system within the organisation, with the critical ESG key performance indicators (KPIs) integrated into the performance evaluation process of the CEO and the other department heads and senior team members. Since climate action is a key focus area for our Company, progress on related initiatives like the implementation of renewable energy projects is included in the KRAs of the relevant senior team members, including the CEO. We maintain transparency regarding CEO and executive salaries, actively promote shareholding among our executives, and disclose major shareholders, all of which underscore our dedication to transparency, independence, diversity, and long-term performance.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance**
 - **Governance structure**
 - Risk management
 - Ethics and integrity
 - Strengthening IT and cybersecurity governance
- 94 Annexures

GOVERNANCE STRUCTURE

Board committees

The Board has established a range of committees to ensure accountability and effective monitoring. These committees have been entrusted with specific functions as assigned by the Board. Meeting regularly throughout the year, these committees oversee and review performance while also providing necessary recommendations to the Board on various matters.

1. Audit committee
2. Nomination and remuneration committee
3. Stakeholders' relationship, share transfer, and investor grievance committee
4. Risk management committee
5. ESG & CSR committee

Each committee plays a vital role in addressing critical areas of corporate governance, such as financial oversight, executive appointments and compensation, stakeholder relations, risk management, and Environmental, Social, and Governance (ESG) considerations, including Corporate

Social Responsibility (CSR). By functioning as distinct entities, these committees enhance transparency, strengthen governance practices, and contribute to the organisation's overall effectiveness.

Management team

The Company has appointed senior members who are leaders in their own rights and who lead the different functions in the organisation. The function heads manage the day-to-day activities of their respective functions in alignment with the goals and targets of the Company.

Compliance

We prioritise ethical, social, and environmental responsibility across all operations, strictly complying with laws and regulations. In 2022-23, we had no instances of unfair practices, corruption, or discrimination. We adhere to health, safety, marketing, and labelling regulations, avoiding fines and promptly addressing shareholder complaints. Our commitment to compliance ensures transparency, integrity, and contribution to societal well-being and environmental preservation.

Our policies

Our policies provide direction, promote responsibility, and bring transparency to various critical aspects within our organisation. Moreover, they guarantee the efficiency of our operations, compliance with essential regulations, and the ultimate achievement of our goals.

- 1 **ESG policy**
- 2 **Sustainable procurement and responsible sourcing policy**
- 3 **Policy on investor's grievance redressal mechanism**
- 4 **Whistle blower policy and vigil mechanism**
- 5 **Policy on transaction with related parties**
- 6 **Policy on governance of material and other subsidiaries**
- 7 **Nomination and remuneration policy**
- 8 **Foreign exchange risk management policy**
- 9 **CSR policy**
- 10 **Risk management policy**
- 11 **Legal compliance policy**
- 12 **PoSH policy**
- 13 **Dividend distribution policy**
- 14 **Insider trading policy**
- 15 **Ethics policy**
- 16 **Code of conduct for Board of Directors and senior management**

Read more on <https://www.welspunliving.com/esg-governance>

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance**
 - Governance structure
 - **Risk management**
 - Ethics and integrity
 - Strengthening IT and cybersecurity governance
- 94 Annexures

Unlocking stability and security



Our proactive risk management approach reflects our commitment to responsible and forward-thinking practices, safeguarding stakeholder interests and promoting sustainable growth. We prioritise robust risk management, led by our Risk Management Committee, which includes our Board of Directors. Our Enterprise Risk Management (ERM) framework proactively identifies and mitigates a wide range of risks, from financial to environmental and strategic. Following a climate risk and opportunities assessment, we have integrated environmental concerns into our ERM, identifying ESG risks as significant. We have taken decisive action to address these ESG risks.

The Chief Financial Officer (CFO) also plays the role of the Chief Risk Officer with the responsibility of tracking and managing existing and emerging risks for our Company. We employ well-established processes, define risk appetite and tolerance levels, and prioritise risks. We conduct an annual review of our risk exposure, carry out audits, and identify emerging risks. The internal audit team is responsible for conducting audits and presenting its findings to the audit committee

for review. The audit team evaluates the risk identification and mitigation process and reports its findings to the Board's risk management committee. The Board's risk management committee oversees and assesses the risk management framework and updates the risk management mechanism of our Company in line with the audit findings. The committee reports its findings and recommendations to the Board.

We have integrated risk criteria into incentives, training, and HR evaluations. Our proactive approach empowers employees to report risks and fosters a risk-aware culture. We have also integrated risk criteria into product development, and we continuously measure and innovate our risk culture. Audit of the risk management process upholds transparency, accountability, and risk awareness in line with our commitment to responsible and sustainable business practices.



- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance**
 - Governance structure
 - **Risk management**
 - Ethics and integrity
 - Strengthening IT and cybersecurity governance
- 94 Annexures

RISK MANAGEMENT

Navigating emerging risks in the modern business landscape

<p>Data security</p> <p>In the age of digitisation, data security is paramount. We are dealing with an increasing amount of sensitive information, including customer data, financial records, and intellectual property. The rise of cyber-attacks, data breaches, and ransomware threats highlights the need for robust cybersecurity measures.</p>	<p>Challenges and opportunities</p> <p>In the cybersecurity landscape, organisations face evolving challenges and opportunities. Cybercriminals adapt tactics, demanding constant vigilance to anticipate and prevent attacks. Strict regulations require data protection adherence to avoid legal and financial repercussions. Insider</p>	<p>threats necessitate monitoring employee access to sensitive data. Despite these challenges, opportunities exist. Investing in advanced security technology and training enhances cyber resilience. Collaboration with experts and threat intelligence sharing improves defence</p>	<p>strategies. Continuous improvement, including protocol updates and threat awareness, maintains a strong defence.</p>
<p>Market disruption</p> <p>Market disruption, driven by technological advancements and changing consumer preferences, challenges traditional business models. We must remain agile and responsive to shifts impacting our competitive advantage and market share.</p>	<p>Challenges and opportunities</p> <p>Embracing digital transformation is a critical challenge, with the risk of obsolescence for those failing to adapt to rapid technological changes. The presence of agile startups and innovative competitors is another challenge, capable of swiftly disrupting established</p>	<p>markets and reshaping industries. Amidst these challenges, organisations have growth opportunities. Cultivating innovation and investing in research and development can yield products that meet evolving customer needs. Prioritising customer-centricity, driven</p>	<p>by feedback and data insights, fosters loyalty through tailored offerings. Additionally, embracing agility and the ability to pivot strategies enables swift responses to market shifts, ensuring adaptability and resilience.</p>
<p>Supply chain challenges: Ensuring resilience and efficiency</p> <p>Globalisation has brought immense benefits to supply chains but has also introduced complexities and vulnerabilities. Supply chain disruptions, such as natural disasters, geopolitical tensions, and logistical challenges, can halt operations and impact revenue.</p>	<p>Challenges and opportunities</p> <p>Navigating the intricacies of supply chain management presents businesses with a dual spectrum of challenges and opportunities. Over-reliance on just-in-time inventory practices can render companies susceptible to supply chain disruptions. Moreover, geopolitical risks stemming from political instability, trade conflicts,</p>	<p>and regulatory changes pose threats to the smooth flow of goods. Environmental factors such as climate-related events and resource scarcity further add to supply chain complexities. Diversifying supplier networks and establishing alternative sourcing options can fortify supply chains against disruptions.</p>	<p>Crafting comprehensive resilience plans and risk mitigation strategies equips businesses to respond adeptly to unforeseen events. Integrating advanced technologies like blockchain and real-time tracking fosters transparency and traceability, optimising supply chain performance and adaptability.</p>

Conclusion

Embracing emerging risks as opportunities for growth and improvement is central to our business strategy. We proactively address data security, market disruption, and supply chain challenges, positioning ourselves to thrive in an ever-changing landscape. By investing in the right technologies, fostering innovation, and fostering adaptability, we can navigate these risks and transform ourselves into catalysts for success.

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance**
 - Governance structure
 - Risk management
 - **Ethics and integrity**
 - Strengthening IT and cybersecurity governance
- 94 Annexures

ETHICS AND INTEGRITY

Upholding values, inspiring trust



We recognise the profound importance of embracing business ethics, and our commitment shines through our efforts to become a member of the United Nations Global Compact (UNGC).

We have appointed a **Chief Ethics Officer** responsible for driving the ethical practices within the organisation. We maintain a strong commitment to the highest standards of ethical, moral, and legal business conduct.

UNGC membership

We are poised to take a transformative step by joining the UNGC. This step underscores our deep commitment to UNGC's principles, covering human rights, labour standards, environmental sustainability, and anti-corruption efforts. Our decision to join reflects our dedication to global ethical standards and responsible business practices.

Ethical marketing and advertising practices commitment

We emphasise ethical marketing and advertising practices as a cornerstone for preserving trust and integrity with our customers and stakeholders. To assess the impact of our ethical marketing and advertising efforts, we actively monitor our brand perception on sustainability topics and its influence on business performance.

Transparency

Transparency and accountability are core values that we uphold in our operations. We demonstrate commitment to transparency by maintaining clear and open lines of communication with stakeholders, including customers, employees, investors, and the public. We provide accurate and timely information about our products, processes, and practices, ensuring that stakeholders have access to relevant and reliable data.

Accountability

We have also established robust mechanisms to ensure accountability at every level of the organisation. We adhere to stringent governance practices, incorporating ethical standards and compliance with regulatory requirements. We have implemented a comprehensive system of checks

and balances, including internal audits and regular assessments, to monitor operations and ensure adherence to industry best practices.

Code of Conduct

Through strict adherence to these codes, we guarantee the infusion of ethics into every aspect of our operations, creating a culture built on trust, integrity, and accountability.

Corruption and bribery– Zero tolerance policy

We have implemented stringent measures to combat unethical practices within the organisation. We demonstrate our commitment to fostering a corporate culture where bribery and corruption have no place. Our Company's anti-bribery and anti-corruption policy lays down the principles of our action against such practices.

Whistleblower policy

We prioritise transparency, open communication, and accountability, reinforcing these values through a trusted third-party partnership to execute our whistleblower policy. This initiative offers a systematic and confidential channel for stakeholders to report protected disclosures, encouraging individuals to raise concerns about malpractices, including unethical

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance**
 - Governance structure
 - Risk management
 - **Ethics and integrity**
 - Strengthening IT and cybersecurity governance
- 94 Annexures

ETHICS AND INTEGRITY

behaviour, actual or suspected fraud, or violations of our code of conduct or policies. Stakeholders can confidently submit their disclosures to the chairman of the audit committee via an easily accessible and secure email channel. We are committed to our promise to safeguard the anonymity and confidentiality of those who use this policy, implementing robust safeguards to prevent victimisation or retaliation against employees.

Reporting on breaches

In the realm of business ethics, transparency is paramount. Our commitment to transparently reporting on breaches sets a benchmark for accountability. We have received zero complaints on customer privacy breaches. This dedication demonstrates our willingness to confront ethical violations head-on, address them promptly, and communicate openly about our actions. Such transparency builds trust and bolsters our reputation as an organisation that takes its ethical responsibilities seriously.

Grievance redressal

We are pleased to report that all complaints and requests received during 2022-23 were addressed and resolved within the designated timeframe, ensuring the satisfaction of our stakeholders. Furthermore, we did not

receive any complaints from any Director or employee of our Company through our vigil or whistleblower mechanism.

When external stakeholders, such as suppliers and contractors, have raised concerns, our dedicated business teams handle these case-by-case. By directly engaging with the respective teams, we ensure that we address all complaints and queries promptly and effectively. Our marketing team has strategically assigned personnel based on geographical sales areas to streamline our customer support efforts. This approach enables us to handle customer complaints and queries locally and efficiently, ensuring we treat our valued customers' needs and concerns with utmost care and attention.

Human rights due diligence

We uphold and secure the fundamental rights and dignity of individuals within our workforce and the supply chain. In compliance with international human rights instruments, ILO conventions and the Universal Declaration of Human Rights principles, we ensure equitable and safe working conditions. We prohibit child and forced labour, advocate for gender equality, and foster diversity in the workforce. We strongly emphasise respecting the rights of local communities and stakeholders engaging in meaningful dialogue and consultation processes. As part of our human

rights due diligence efforts, we have certified our manufacturing sites with SA8000, Business Social Compliance Initiative (BSCI) and SMETA (Sedex Members Ethical Trade Audit), aligning our operations with ethical standards outlined in the Ethical Trading Initiative (ETI) base code as well as various other internationally recognised standards.

- **BSCI score – A**
- **Scored 95% on the Higg Index (2.5 points higher compared to the previous year)**

Prevention of Sexual Harassment (PoSH) policy

We are committed to fostering a safe and inclusive work environment for all individuals. As part of this commitment, we have implemented a robust Prevention of Sexual Harassment (PoSH) policy in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition,

and Redressal) Act, 2013. The primary objective of our PoSH policy is to prevent incidents of sexual harassment and ensure the protection of women in the workplace. We firmly believe that every employee has the right to work in an environment free from harassment or discrimination.

Public policy and advocacy

Our policies reflect our core values and guide our daily operations. We engage with stakeholders to ensure policy relevance and alignment. These policies and our code of conduct create a transparent and responsible work environment. We actively participate in policy development, working with national and international influencers to shape effective regulations. We are members of industry associations and advocate for transparent governance, economic reforms, sustainable practices, and societal challenges to promote sustainable growth and innovation.

Our associations

Name of the industry association/institution	Type of association
Federation of Indian Chambers of Commerce & Industry (FICCI)	National
Indian Merchants' Chamber	National
TEXPROCIL (The Cotton Textiles Export Promotion Council)	National
SRTEPC (Synthetic & Rayon Textile Export Promotion Council)	National
Well Living Lab	International
Cotton Egypt Association (CEA)	International

STRENGTHENING IT AND CYBERSECURITY GOVERNANCE

Securing the digital frontier

In the digital era, where information is invaluable and technology is the bedrock of operations, ensuring robust IT security and cybersecurity governance is essential and a testament to our commitment to sustainability. We recognise that safeguarding information, coupled with the uninterrupted availability of systems, is pivotal for both our organisation and the stakeholders we serve.

Cybersecurity governance framework

Our commitment to IT security and cybersecurity governance is a foundational cornerstone of our sustainability journey. We have set up a centralised IT governance structure for the Welspun Group, which includes every business entity, including Welspun Living. The framework unifies individuals, processes, and technology in a seamless synergy. This framework remains dynamic, constantly evolving and adapting to the ever-changing landscape of threats.

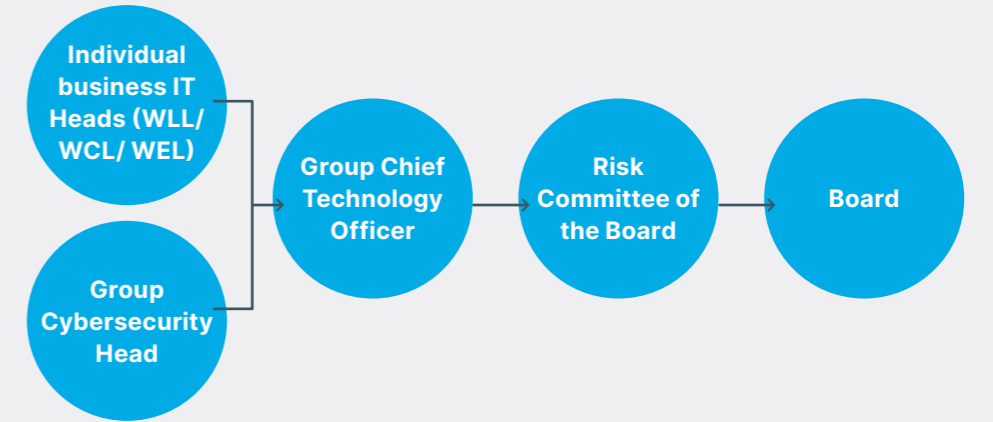
Cybersecurity oversight framework

Individual business IT leaders and the cybersecurity head jointly oversee cybersecurity operations across the Group. These leaders provide insights and results to the Chief Technical Officer, who, in turn, presents the observations to the risk committee of the Board for the individual businesses. The Board then makes decisions regarding the necessary action plans of the Directors.

Cybersecurity performance monitoring

- Monthly and quarterly review meetings are held with the cybersecurity head and the chief technology officer (CTO).
- Periodic **internal and statutory audits** are carried out to assess cybersecurity risks and the robustness of implementing mitigating mechanisms, including comprehensive cybersecurity assessments.
- Presentation of risk assessments to a committee consisting of the

Cybersecurity governance structure



Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Data Protection Officer (DPO).

- Thorough reporting of exceptions and instances of non-compliance at all levels, including the audit committee.

Measures implemented

A transparent and accountable oversight mechanism underpins our IT security and cybersecurity governance. The IT team, which includes cybersecurity experts, is responsible for securing IT assets across the different business entities of the group. They are responsible for ensuring adherence to the highest standards of security protocols. This approach

ensures alignment with global best practices, industry standards, and regulatory requirements.

Our actions include:

- Evaluation of group-level **cybersecurity** measures by a third-party
- Development of a group-level IT security **roadmap** based on the assessment findings
- Establishment of **IT security policies**, standards, processes, and frameworks
- Implementation of single sign-on and **ADFS** for enhanced access controls

STRENGTHENING IT AND CYBERSECURITY GOVERNANCE

- Establishment and operation of Central security operation centre (**SOC**) managed by Deloitte
- Cybersecurity awareness to all the users conducted periodically, which includes:
 - Mandatory training sessions for all users
 - Phishing simulation e-mails
 - Information security (InfoSec) mailers
 - Information security awareness events
- Enhancement of endpoint browsing security via the **Zscaler** tool
- Comprehensive security coverage encompassing endpoints, e-mails, servers, and networks using **TrendMicro's** complete suite
- Implementation of **firewalls** at all levels to fortify network and web security

Risk assessment and mitigation

Our governance strategy places a strong emphasis on proactive risk assessment and mitigation. We conduct regular assessments to identify vulnerabilities and potential threats. These assessments are the foundation for crafting robust mitigation strategies that we promptly execute to prevent potential security breaches.

- Ongoing maintenance and circulation of the risk register
- Regular vulnerability assessment and penetration testing (**VAPT**) for both infrastructure and application landscape
- Implementation of a comprehensive data leak prevention (**DLP**) system for a specific user group, utilising tools like **Forcepoint, Klassify, and Seclore**

Cybersecurity breaches

Effective governance thrives on collaboration. Hence, our IT security and cybersecurity governance initiatives bridge organisational silos, fostering collaboration between IT professionals, business units, legal teams, and external stakeholders. This holistic approach fortifies our defences and empowers every individual within our ecosystem to be a custodian of security.

- We have a central security operation centre (SOC) managed by Deloitte

Transparency and reporting

Transparency is the cornerstone of our governance framework. We commit to timely reporting on our IT security and cybersecurity measures, breaches, and remediation efforts. This open dialogue ensures that our stakeholders are informed, empowered, and confident in our approach to managing potential risks.

- Thorough reporting of exceptions and instances of non-compliance at all levels, including the audit committee

Cybersecurity process and infrastructure

In an era where digital landscapes are as vital as physical infrastructures, our IT security and cybersecurity governance is a shield that not only fortifies our operations but ensures the sustainability of our organisation and the trust of those we serve. Through our vigilant governance, we embark on a sustainable journey that secures today and safeguards tomorrow.

- End-to-end patch management encompassing endpoint, server, and network tiers - Ensuring the integration of the latest security patches across all systems
- Deployment of backup and encryption systems
- Implementation of **ISO 27001** and **ISO 27701** guidelines for IT security
- Full cybersecurity operations are overseen by Microland (our infrastructure management partner)

Effective implementation of Data Privacy Policy

Ensuring the privacy and data protection of our customers is a fundamental commitment of our Company, supported by a comprehensive set of mechanisms

for effective policy implementation. Our data privacy policy is easily accessible on our corporate website, detailing our practices regarding personal data collection, use, retention, and processing. This privacy policy is an electronic record created as an electronic contract in compliance with the Government of India's Information Technology Act, 2000 and its accompanying regulations. No disciplinary actions were needed in 2022-23 since we had received zero cases reported on customer privacy breaches. A dedicated privacy compliance team oversees policy implementation, and all employees receive regular privacy training, with evidence of these programmes available publicly. We conduct data protection impact assessments (DPIAs) and maintain a publicly accessible incident response plan for privacy breaches. We are working on the Digital Personal Data Protection Act, 2023. We inform customers extensively on various privacy protection issues, including the nature and use of captured information, customer control, data access, retention, protection, third-party disclosure policies, and monitoring of secondary use, demonstrating our commitment to transparency and accountability in data handling.

94 Annexures

→ **GRI content index**

Sustainable Development Goals (SDGs) mapping

Sustainability Accounting Standards Board Index (SASB) mapping

Assurance statement

GRI CONTENT INDEX

		Page No	Response
GRI 2: General Disclosures 2021			
1. The organisation and its reporting practices			
Disclosure 2-1	Organisational details	9	Company Profile
Disclosure 2-2	Entities included in the organisation's sustainability reporting	2	About the report
Disclosure 2-3	Reporting period, frequency and contact point	2	About the report
Disclosure 2-5	External assurance	2	About the report
2. Activities and workers			
Disclosure 2-6	Activities, value chain and other business relationships	9, 10, 11, 12	Company Profile
Disclosure 2-7	Employees	67	Social
Disclosure 2-8	Workers who are not employees	67	Social
3. Governance			
Disclosure 2-9	Governance structure and composition	86	Governance
Disclosure 2-10	Nomination and selection of the highest governance body	87	Governance
Disclosure 2-11	Chair of the highest governance body	86	Governance
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	86	Governance
Disclosure 2-13	Delegation of responsibility for managing impacts	86	Governance
Disclosure 2-14	Role of the highest governance body in sustainability reporting	19	Sustainability & Us
Disclosure 2-15	Conflicts of interest	78, 79	Supply Chain
Disclosure 2-16	Communication of critical concerns	91	Grievance Redressal
Disclosure 2-17	Collective knowledge of the highest governance body	87	Governance
Disclosure 2-18	Evaluation of the performance of the highest governance body	86	Governance
Disclosure 2-19	Remuneration policies	87	Governance
Disclosure 2-20	Process to determine remuneration	70	Social
4. Strategy, policies and practices			
Disclosure 2-22	Statement on sustainable development strategy	5-6	MD & CEO Message
Disclosure 2-23	Policy commitments	91	Ethics & Integrity
Disclosure 2-24	Embedding policy commitments	86	Board Evaluation
Disclosure 2-25	Processes to remediate negative impacts	82, 89	Governance
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	90	Whistleblower Policy
Disclosure 2-27	Compliance with laws and regulations	33, 89	Accountability, Risk & Challenges
Disclosure 2-28	Membership associations	90, 91	Our Associations
5. Stakeholder engagement			
Disclosure 2-29	Approach to stakeholder engagement	25	Stakeholders Engagement
Disclosure 2-30	Collective bargaining agreements	72	Human Rights

GRI CONTENT INDEX

Disclosures on material topics		Page No	Response
GRI 3: Material Topics 2021			
Disclosure 3-1	Process to determine material topics	27	Materiality
Disclosure 3-2	List of material topics	28	Materiality
Disclosure 3-3	Management of material topics	27, 28	Materiality
Topic management disclosures		Page No	Response
GRI 201: Economic Performance 2016			
Disclosure 201-1	Direct economic value generated and distributed	31	Economic Performance
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	36-38	TCFD
Disclosure 201-4	Financial assistance received from government	30	Economic Performance
GRI 203: Indirect Economic Impacts 2016			
Disclosure 203-2	Significant indirect economic impacts	74	Community Development
GRI 204: Procurement Practices 2016			
Disclosure 204-1	Proportion of spending on local suppliers	59, 78	Sustainable Sourcing, Supplier Sustainability
GRI 205: Anti-corruption 2016			
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	90	Ethics & Integrity
GRI 206: Anti-competitive Behaviour 2016			
Disclosure 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	81	Supply Chain
GRI 301: Materials 2016			
Disclosure 301-1	Materials used by weight or volume	12	Company Profile
Disclosure 301-2	Recycled input materials used	59	Sustainable Packaging
Disclosure 301-3	Reclaimed products and their packaging materials	59	Sustainable Packaging
GRI 302: Energy 2016			
Disclosure 302-1	Energy consumption within the organisation	45, 47	Environment
Disclosure 302-2	Energy consumption outside of the organisation	44	Environment
Disclosure 302-3	Energy intensity	47	Environment
Disclosure 302-4	Reduction of energy consumption	46	Environment
Disclosure 302-5	Reductions in energy requirements of products and services	45	Environment
GRI 303: Water and Effluents 2018			
Disclosure 303-3	Water withdrawal	50	Environment
Disclosure 303-4	Water discharge	50	Environment
Disclosure 303-5	Water consumption	50	Environment

GRI CONTENT INDEX

Topic management disclosures		Page No	Response
GRI 304: Biodiversity 2016			
Disclosure 304-2	Significant impacts of activities, products and services on biodiversity	61	Sustainable Farming
Disclosure 304-3	Habitats protected or restored	64	Biodiversity
GRI 305: Emissions 2016			
Disclosure 305-1	Direct (Scope 1) GHG emissions	43, 44	Environment
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	43	Environment
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	44	Environment
Disclosure 305-4	GHG emissions intensity	43	Environment
Disclosure 305-5	Reduction of GHG emissions	44, 45	Environment
GRI 306: Effluents and Waste 2016			
Disclosure 306-1	Water discharge by quality and destination	50	Environment
Disclosure 306-2	Waste by type and disposal method	55-56	Environment
Disclosure 306-5	Water bodies affected by water discharges and/or runoff	52	Environment
GRI 306: Waste 2020			
Disclosure 306-1	Waste generation and significant waste-related impacts	54, 55, 56	Environment
Disclosure 306-2	Management of significant waste-related impacts	55	Environment
Disclosure 306-3	Waste generated	55,56	Environment
Disclosure 306-4	Waste diverted from disposal	57, 58	Environment
GRI 308: Supplier Environmental Assessment 2016			
Disclosure 308-1	New suppliers that were screened using environmental criteria	79	Supply Chain
GRI 401: Employment 2016			
Disclosure 401-1	New employee hires and employee turnover	67	Social
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70	Social
Disclosure 401-3	Parental leave	73	Social
GRI 403: Occupational Health and Safety 2018			
Disclosure 403-1	Occupational health and safety management system	72	Social
Disclosure 403-2	Hazard identification, risk assessment, and incident investigation	72	Social
Disclosure 403-5	Worker training on occupational health and safety	72	Social
Disclosure 403-6	Promotion of worker health	71	Social
Disclosure 403-8	Workers covered by an occupational health and safety management system	72	Social
Disclosure 403-9	Work-related injuries	72	Social

94 Annexures

→ **GRI content index**

Sustainable Development Goals (SDGs) mapping

Sustainability Accounting Standards Board Index (SASB) mapping

Assurance statement

GRI CONTENT INDEX

Topic management disclosures		Page No	Response
GRI 404: Training and Education 2016			
Disclosure 404-1	Average hours of training per year per employee	71	Social
Disclosure 404-2	Programmes for upgrading employee skills and transition assistance programmes	71	Social
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	70	Social
GRI 405: Diversity and Equal Opportunity 2016			
Disclosure 405-1	Diversity of governance bodies and employees	86	Governance
GRI 406: Non-discrimination 2016			
Disclosure 406-1	Incidents of discrimination and corrective actions taken	69	Social
GRI 407: Freedom of Association and Collective Bargaining 2016			
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	91	Ethics & Integrity
GRI 408: Child Labour 2016			
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	71,78	Social
GRI 409: Forced or Compulsory Labour 2016			
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	89	Social
GRI 413: Local Communities 2016			
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programmes	75	Social
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	75-78	Social
GRI 414: Supplier Social Assessment 2016			
Disclosure 414-1	New suppliers that were screened using social criteria	81	Social
Disclosure 414-2	Negative social impacts in the supply chain and actions taken	81	Social
GRI 415: Public Policy 2016			
Disclosure 415-1	Political contributions	31	Economic
GRI 416: Customer Health and Safety 2016			
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	22	Integrated & Sustainable Manufacturing
GRI 418: Customer Privacy			
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	91	Ethics & Integrity

94 Annexures

GRI content index

→ **Sustainable Development Goals (SDGs) mapping**

Sustainability Accounting Standards Board Index (SASB) mapping

Assurance statement

SUSTAINABLE DEVELOPMENT GOALS (SDGs) MAPPING

SDGs	Goals and Targets	Initiatives and its impact	Reference
1	No Poverty	The Wel-Netrutva programme empowers women, facilitating income generation.	Social
		The Wel-Krishi initiative promotes sustainable cotton cultivation, offering training and support to farmers for increased income.	
		The company's SPUN initiative enables women in villages to earn livelihoods by creating hand-crafted textile products from textile wastes.	
2	Zero Hunger	Beyond fostering economic empowerment, the Wel-Netrutva programme extends health benefits to women and children, offering malnutrition tests.	Social
		The Wel-Krishi programme educates farmers on sustainable farming methods, enhancing agricultural productivity and soil fertility. These efforts aim to increase crop production across various crops.	
3	Good Health and Well-being	The Wel-Netrutva initiative aims to improve curative and preventive medical treatments in rural India through community-wide health clinics and a mobile medical unit.	Social
		At Welspun, we proactively ensure a safe work environment for employees, fostering their productivity and well-being.	
4	Quality Education	The Wel-Shiksha programme endeavours to leverage technology to enhance teaching and learning outcomes for both educators and students, aiming to catalyse an educational revolution from the grassroots.	Social
5	Gender Equality	By implementing various programmes and adhering to laws that enables women's empowerment, WLL actively fosters gender diversity.	Social
		The Wel-Super Sport Women initiative supports the growth journey of women athletes.	
6	Clean Water and Sanitation	Embracing the principles of the circular economy, we advocate for water management. Each of our operating plants is equipped with Effluent Treatment Plants (ETPs) to treat effluents and reuse treated water whenever feasible.	Environment & Social
		Our 30 MLD Sewage Treatment Plant (STP) fosters community sanitation by collecting sewage from three municipal areas and treating it for process water use.	
7	Affordable and Clean Energy	Striving for complete reliance on renewable energy in our operations.	Environmental
		We are setting up a 30 MW Renewable Energy generation hybrid unit at our Anjar plant.	
		Utilising alternative fuels, such as biomass (rice husk), recycled waste (Luwa waste), and wood briquettes for power and steam generation.	
8	Decent Work and Economic Growth	In addition to providing health and safety training, skill development, technological innovation and upgrades, equal pay for equal work, and implementing strict policies against forced labour, child labour, and human rights violations, we have embraced a "Zero Harm Policy."	Social
9	Industry, Innovation and Infrastructure	Resilient infrastructure has been implemented in three locations: Anjar, Vapi, and Telangana.	Company Profile
		We consistently invest in upgrading technologies and fostering innovations for the development of new products and processes.	

94 Annexures

GRI content index

→ **Sustainable Development Goals (SDGs) mapping**

Sustainability Accounting Standards Board Index (SASB) mapping

Assurance statement

SUSTAINABLE DEVELOPMENT GOALS (SDGs) MAPPING

SDGs	Goals and Targets	Initiatives and its impact	Reference
10	Reduced Inequality	Through continual income growth, our aim is to attain social, economic, and political inclusion for all individuals, irrespective of age, gender, disability, race, ethnicity, place of birth, religion, or economic status. Advocacy for gender diversity within our operations.	Social
12	Responsible Consumption and Production	We are integrating circularity into all facets of our operations, encompassing everything from production to consumption. This includes procuring sustainable raw materials, transitioning from conventional to non-conventional energy sources, and implementing upcycling and recycling practices for waste.	Environmental
13	Climate Action	Our energy objectives align with global (UNFCCC-COP 21) and national (NDCs) targets to address climate change. We have adopted TCFD for assessing financial risks associated with climate change and SBTis for reducing greenhouse gas emissions.	Environmental
15	Life On Land	Our initiatives to support biodiversity focus on tree planting in and around our facilities, coupled with educating local communities about their importance. We have planted over 5,50,000+ trees to enhance local biodiversity.	Environmental
17	Partnerships for the Goals	Collaborating globally with universities, technology firms, and industry associations, we aim to create lasting value through cutting-edge technologies. Our partnerships include affiliations with Fashion for Good, Wadhvani AI, Textile Exchange, and MIT	Sustainability & WLL

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance
- 94 Annexures**
 - GRI content index
 - Sustainable Development Goals (SDGs) mapping
 - **Sustainability Accounting Standards Board Index (SASB) mapping**
 - Assurance statement

SUSTAINABILITY ACCOUNTING STANDARDS BOARD INDEX (SASB) MAPPING

Disclosure	Page Number
Greenhouse Gas Emissions	
Gross Scope 1 emissions, percentage covered under emissions-limiting regulations	43
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	43-44
Energy Management	
Total Energy Consumed	47
Percentage Grid Electricity	47
Water Management	
Total Fresh Water Consumed	50
Percentage Recycled	05
Waste Management	
Amount of waste generated, percentage hazardous waste, percentage of recycled waste	07
Workforce Health & Safety	
Total Recordable Incident Rate (TRIT)	72
Fatality Rate	72

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance
- 94 Annexures**
 - GRI content index
 - Sustainable Development Goals (SDGs) mapping
 - Sustainability Accounting Standards Board Index (SASB) mapping
 - **Assurance statement**

ASSURANCE STATEMENT

Independent practitioner’s limited assurance report on Identified Sustainability Indicators in Welspun Living Limited’s (formerly known as Welspun India Limited) Sustainability Report

To the Board of Directors of Welspun Living Limited (formerly known as Welspun India Limited)

We have undertaken to perform a limited assurance engagement for Welspun Living Limited (formerly known as Welspun India Limited) (the ‘Company’) vide our Engagement Letter dated June 1, 2023, and subsequent changes dated December 7, 2023 in respect of the agreed indicators/parameters listed below (the “Identified Sustainability Indicators”). These parameters are as included in the “GRI content index” in Sustainability Report of the Company for the year ended March 31, 2023. The reporting boundary for Sustainability Report is as disclosed in ‘About the Report’ section of the Sustainability Report under ‘Scope and boundary’.

Identified Sustainability Indicators

The Identified Sustainability Indicators for the year ended March 31, 2023 are summarised in Appendix 1 to this report.

Our limited assurance engagement was with respect to the year ended March 31, 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by Welspun Living Limited are:

Global Reporting Initiatives Standards (“GRI Standards”) 2021 as set out under Appendix 1 to this report, to prepare Identified Sustainability Indicators for inclusion in the Sustainability Report.

Management’s Responsibility

The Company’s Management is responsible for identification of key aspects of Sustainability Report, engagement with stakeholders, content and presentation of the Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Sustainability Report and measurement of Identified Sustainability Indicators, which are free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse

gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” and International Standard on Quality Management 2 “Engagement Quality Reviews” and accordingly maintains a comprehensive system of quality

management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and International Standard on Assurance Engagements 3410 ‘Assurance Engagements on Greenhouse Gas Statements’, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance

94 Annexures

- GRI content index
- Sustainable Development Goals (SDGs) mapping
- Sustainability Accounting Standards Board Index (SASB) mapping

→ **Assurance statement**

the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Obtained an understanding of the Identified Sustainability Indicators and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /

or measurements of the Identified Sustainability Indicators.

- Made enquiries of Company's Management, including those responsible for Sustainability, Environment Social Governance (ESG), Corporate Social Responsibility (CSR), etc., and those with responsibility for managing the Company's Sustainability Report.
- Obtained an understanding and performed an evaluation of the design of the key structures, systems, processes and controls for managing, recording and reporting on the Identified Sustainability Indicators including at the sites/ offices covered.
- Based on above understanding and the risks that the Identified Sustainability Indicators may be materially misstated, determined the nature, timing and extent of further procedures.
- Checked the consolidation for various sites and corporate office under the reporting boundary (as mentioned in the Sustainability Report) for ensuring the completeness of data being reported.
- Performed limited substantive testing on a sample basis of the Identified Sustainability Indicators at the corporate office and in relation of the samples of the sites visited (Anjar and Telangana), to verify that data had been appropriately measured

with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data.

- Assessed the level of adherence to GRI Standards followed by the Company in preparing the Sustainability Report.
- Assessed the Sustainability Report for detecting, on a test basis, any major anomalies between the information reported in the Sustainability Report on performance with respect to agreed parameters/ indicators and relevant source data/information.
- Obtained representations from Company's Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Testing the operating effectiveness of management systems and controls;
- Performing any procedures over other information/operations of the company/aspects of the report and data (qualitative or quantitative) included in the Sustainability Report not agreed under our engagement letter/ Scope of Assurance
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/or data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Welspun Living Limited's Identified Sustainability Indicators included in the Sustainability Report for the year ended March 31, 2023 are not prepared, in all material respects, in accordance with the criteria.

ASSURANCE STATEMENT

- 02 Overview
- 08 Company Profile
- 17 Sustainability at WLL
- 29 Economic Performance
- 40 Environment
- 65 Social
- 85 Governance

94 Annexures

- GRI content index
- Sustainable Development Goals (SDGs) mapping
- Sustainability Accounting Standards Board Index (SASB) mapping

→ **Assurance statement**

Restriction on Use

Our limited assurance report including the conclusion has been prepared and addressed to the Board of Directors of the Welspun Living Limited at the request of the Company solely to assist the Company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to

anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 23108391BGTCAM9002

Place: Pune
Date: December 8, 2023

Appendix 1

Identified Sustainability Indicators

S. No	GRI Indicator Reference	Description of the indicator
1	302-1	Energy consumption within the organization
2	303-3-a	Water withdrawal
3	303-4-a	Water discharge
4	303-5-a	Water consumption
5	305-1	Direct (Scope 1) GHG emissions
6	305-2	Energy indirect (Scope 2) GHG emissions
7	306-3	Waste generated
8	403-5	Worker training on occupational health and safety
9	403-8	Workers covered by an occupational health and safety management system
10	403-9	Work-related injuries

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Welspun Living Limited

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