

Arvind Limited Biodiversity Policy

Statement:

Biodiversity & the associated array of ecosystem services are crucial to the functioning and resilience of Arvind's operations. While we have recognized our dependence on natural capital & biodiversity in particular, we also understood the potential impacts our operations & supply chain exert on them.

To mitigate the biodiversity related risks & leverage the opportunities, we seek to extend our biodiversity related engagements beyond precautionary approach to creating regenerative opportunities for a thriving a future, which supports a creation of net positive impact across the value chain.

Interlinkage of Biodiversity and Arvind's Material Issues:

We have identified six key material issues – Fibre, Water, Energy, Chemicals, People and Money. For all the material issues, natural capital is impacted either directly or indirectly. Thus, it is essential for us to recognise the pivotal role played by natural capital in our day to day operations.

Cotton being the key fiber to our manufacturing activities, makes us inextricably dependent upon array of natural system services like climate regulation, pest control, pollination of crop, improving soil quality & water purification. Apart from fibers, we are also highly dependent upon other realms of natural flows like water which is required for processing, atmosphere & land for ensuring sustainable long term business growth. Hence healthy functioning of these natural stocks & associated biodiversity are of crucial importance to us.

Intent:

This policy document portrays our conscious effort towards integration of biodiversity related risks & opportunities in our strategic business decision making. The group wide policy seeks to inculcate nature positive discipline & follow the mitigation hierarchy steps (avoid, minimize, remediate & offset) in our sourcing and operational activities, while creating long term value for our businesses and stakeholders.

The focus area of this document primarily encompasses but not limited to dependency & impact on the natural capital & biodiversity in the context of:

- Sourcing operations.
- Manufacturing operations - Water consumption & waste water treatment, chemicals consumption etc.

Our Guiding Principles for Biodiversity:

For driving effective governance mechanism, monitoring nature-related risks & opportunities, and integrating biodiversity in Arvind's businesses strategy we have established the following guiding principles:

Identification of business-biodiversity nexus for Arvind

Since our biodiversity & nature related impacts are location & activity specific, we seek to identify:

- Activities in our operations & value chain that are directly linked to biodiversity & natural flows.
- Integrity & richness of the natural systems we are interacting with.
- Vulnerability from and to the natural systems & biodiversity due to our operations.

Understanding the impact & dependencies

Understanding Arvind's dependencies and impacts on natural capital & biodiversity would cover not only our own operations, but also in upstream and downstream activities across value chains. We should seek to understand:

- The processes & activities dependent on natural systems & biodiversity for its functioning.
- Scale & size of these dependencies as well the impacts over short, medium & long terms on the business.

Assessing the risks & opportunities

Assessing risks & opportunities in the context of biodiversity seeks to explain the implications of significant biodiversity-related risks and opportunities on business and should focus on, but not limited to:

- Examining the potential risk & opportunity for the business in the context of biodiversity & natural capital across the geography & time horizon they will materialize.
- Developing scientific & holistic approach for identifying such risk & opportunities across value chain
- Integrating it with the existing Enterprise Risk Management (ERM) framework of Arvind.

Responding to the risk & opportunities

To mitigate the identified biodiversity related risks & leverage the potential opportunity, we will:

- Put forward nature positive/biodiversity oriented strategies in business decision making.
- Capability building of employees and relevant stakeholders across supply chain on biodiversity related concerns.
- Set measurable and focused targets for the biodiversity & natural capital.

This policy document entails Arvind's engagement in the biodiversity & natural capital domain which is a part of Arvind's overarching sustainability & ESG initiatives. ESG committee is the apex driving body, which have the complete oversight over the implementation of biodiversity policy across the group.

Biodiversity & natural capital related progress & activities are included in material discussion of ESG committee. The content and implementation of this policy will be reviewed periodically as per the ESG committee's recommendation.