

# Performance Management

At Arvind, we have built our performance management approach around a set of fundamental Performance Principles that guide our pursuit of excellence. These principles are not just words on paper; they are the essence of how we operate and thrive as an organization. Our approach to performance management is Agile and Responsive to the dynamic nature of today's marketplace.

## Performance Management Process:

We understand that "What" we achieve and "How" we achieve it are both crucial. Our performance management is an ongoing process and not restricted to an annual or bi-annual discussion. Frequent measurement, continuous feedback and incremental improvement are at the core of our process.

## Primary Parameters for Assessment:

Our performance assessment encompasses not only the successful attainment of goals but also the demonstration of values and competencies that drive our organization forward. These are defined as:

1. **Quality of Work:** We emphasize the importance of consistently meeting targets and continually raising the bar for performance.
2. **Teamwork:** Collaboration and support within teams are key components of our success.
3. **Openness to Change:** In our dynamic environment, an openness to new opportunities and a commitment to learning are essential.
4. **Risk Management:** Effective risk management is achieved by adhering to policies, practices, codes of conduct, and applicable laws and regulations.
5. **Stakeholder Management:** We recognize the significance of building and maintaining strong relationships with all stakeholders.
6. **Unwavering Commitment to Ethics and Values:** At the core of our organization is an unwavering commitment to doing the right thing. We do not compromise our ethics and values as we work towards our ambitious goals, and we expect our employees to uphold this same commitment in their daily work.

## Assessment of Potential

Evaluating an employee's readiness for the next role is a key part of our performance management process. We aim to nurture and develop talent from within. We drive innovation and high performance by ensuring that our rewards not only reflect past achievements but also an individual's potential and commitment to our shared vision.

We encourage continuous communication to maintain meaningful relationships and proactively address any challenges that may arise.

Our salary increase for the year is based on a combination of an employee's performance and their potential. Our quarterly bonus structures are tied directly to an individual's performance, reinforcing our commitment to recognizing and rewarding outstanding contributions.

**In summary, our performance management framework is based on an Agile Conversations approach which is designed to foster a culture of excellence, collaboration, and adaptability. It's not just a process; it's a reflection of our values and aspirations as an organization.**