

1 Corporate Governance

1.1 Our Values & Principles:

Corporate Governance at Arvind Limited is all about attaining the highest levels of transparency, accountability, and integrity. Being one of the largest textile manufacturers in the world, Arvind deploys a large amount of financial, environmental, and societal resources. Our corporate governance processes ensure that these resources are utilized as per the aspirations of the stakeholders and the expectations of society. The Board, which comprises independent directors, effectively monitors managerial conduct.

Our corporate governance philosophy is based on the following principles:

- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

1.2 Codes of Business Conduct:

The Code of Conduct serves two significant purposes at Arvind. Internally, it acts as a central guide for our employees to make day-to-day decisions, and externally, it promotes our statement of values and commitments.

1.2.1 Equal Opportunity Employer

Arvind is committed to the principle of equal employment opportunity for all employees and to providing employees with a work environment free of discrimination and harassment.

1.2.2 Anti-Bribery and Anti-Corruption

Any offer of payment or anything of value to influence a business decision or government action is considered completely illegal. An employee under any circumstance should never offer, request, accept, or indicate a willingness to accept such a payment.

1.2.3 Freedom of Association

We recognize that employees may be interested in joining associations or involving themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our company. However, the employees must notify the Group HR Head and seek prior approval for any such activity as per the 'Conflicts of Interest' clause of this code and in accordance with applicable company policies and laws.

1.2.4 Conflicts of Interest

Our employees and executive directors shall always act in the interest of our company and ensure that any business or personal association, including close personal relationships, which they may have, does not create a conflict of interest with their roles and duties in our company or its operations. Further, our employees and executive directors shall not engage in any business, relationship or activity, which might conflict with the interest of our company or group of companies.

1.2.5 Insider Trading

Our employees must not indulge in any form of insider trading nor assist others, including immediate family, friends or business associates, to derive any benefit from access to and possession of price sensitive information that is not in the public domain. Such information would also include information about our group companies, our clients and our suppliers. Every employee, having access to price sensitive

information, who wishes to trade in the securities of the company needs to take specific approval from the Secretarial Department.

1.3 Risk & Crisis Management:

We have a proactive approach for risk management, where forward-looking, enterprise-wide risks are managed by assessing, reporting, and mitigating them at an early stage. We have a robust Enterprise Risk Management (ERM) framework that enables us to mitigate risk and achieve better growth.

At Arvind, we see in every challenge a new opportunity to innovate, and drive growth and value. As per recommendations of TCFD, we have integrated our Climate-related Risk management into our existing ERM framework. As per the Risk Management Governance Framework, the Board has delegated the responsibility of providing structured and systematic oversight of the Risk Management Process to the Risk Management Committee. Since traditional and ESG risks are interconnected, the Board has delegated the responsibility of managing ESG related risks and opportunities to this Committee. This committee works in tandem with the Risk Management Committee. The Management Assurance function with Sustainability function leads a joint assessment with the CEO's / Business Head / Function to review the risk identified and also to assess the interconnectedness of traditional risks with climate risks. The broad category of risks that will be included are risks from current regulation/emerging regulations, technology, legal, market, reputational, acute/chronic, and physical risks. The identified issues will be then assessed for their materiality based on their impact on business and their importance to stakeholders. The assessment will also focus on the appraisal of the existing sustainability initiatives to learn from them and devise scale-up strategies. The result of this assessment shall be shared with the ESG Committee to enable them to make decisions to mitigate, transfer, accept, or control the identified risks and capitalize on the opportunities in business operation, upstream or downstream stages of the value chain.

1.4 Transparency & Accountability to Stakeholders

Arvind Limited is committed to conducting its business fairly and transparently by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour and by developing a culture where it is safe for all its stakeholders to report concerns about any unethical/improper practices and events of misconduct.

[Arvind's Whistle-blower Policy](#) provides a secure avenue for directors, employees, business associates, and all other allies of the Company to raise their concerns against unethical practices if any. The whistle-blower policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern.

2 Environmental Stewardship

2.1 Overview:

We, at Arvind, affirm our commitment to continuous improvement in environmental management. We strive to go above and beyond the requirements of the applicable environmental laws and other regulations.

2.2 Commitment towards the environment:

We have committed to forward-looking goals on the environment forefront which will complement our everyday business operations, as well as supply chain. We will continue to improve our environmental performance and recognize environmental stewardship by implementing the following measures:

2.2.1 Going beyond our boundaries:

With the emerging risks and opportunities due to growing environmental concerns we have extended our boundaries to not only cover own operation but also include other key partners like suppliers, service providers, contractors, Transporters, Joint venture partners, etc. We are working rigorously to optimize

usage across all six of our key material inputs (cotton, people, money, energy, water, and chemicals) and inculcate the same across the value chain.

2.2.2 Commitment towards climate action:

We at Arvind are fully committed towards implementing preventive strategies and setting targets to reduce effluent, waste, air, and greenhouse gas emissions for pursuing efforts to limit temperature rise below 2 degrees Celsius. For fulfilling this ambitious goal we have integrated environmental and climate change aspects into the risk management framework, as mentioned in the risk and crisis management section.

2.2.3 Creating a resilient and sustainable supply chain:

With our commitment to offer sustainable products to our customers with the underlying responsibility of taking care of the environment and the people involved in the entire product lifecycle, we will mainly focus on the following initiatives:

- Maintaining a sustainable supply while taking steps to have minimal environmental footprint of the raw materials.
- Maximizing the recycling of inevitable waste on own facilities and promoting the same for the suppliers.
- Transitioning to cleaner and low-emission logistic options for our operations.
- Encouraging and guiding our suppliers, as well as buyers to become more environmentally responsible.
- Capacity building of our employees and supply chain on environmental issues and involving them in environmental stewardship activities.

2.3 Commitment to set targets and objectives to reduce environmental impacts

We are committed to reducing environmental impacts and setting targets for our key material issues. We are committed to transparency and will regularly report on our progress against our targets and objectives, and we will seek feedback from our stakeholders on how we can improve.

3 Social Responsibility

3.1 Overview:

At Arvind, we pride ourselves in our long-standing commitments to our employees and the community at large. We and our employees have a long-standing commitment to being good citizens and neighbours in all the places where we do business around the world. We believe we have a responsibility to society to use its resources – money, people, and energy – wisely. Furthermore, we are committed to good corporate citizenship, and actively assist in the improvement of the quality of life of our employees, and the people in the communities in which we operate.

3.2 Human Rights:

We recognize our responsibility to respect human rights in all aspects of doing business. We uphold the human rights of our employees, communities and supply chains.

We engage in fair labour practices. This includes prohibition of employment of child & forced labour, freedom of association and right to collective bargaining, grievances redressal mechanism, working hours, remuneration, health & safety, discrimination, engagement & welfare initiatives, disciplinary proceedings, etc.

As part of the engagement we will also employ national and international policies for better and safe work practices that include the Whistle Blower Policy, SA 8000, WRAP (Worldwide Responsible Apparel Production), and the Prevention of Sexual Harassment (POSH) Act etc.

3.3 Gender-based Employment Practices:

Arvind Ltd. encourages talent and strives to build a work environment supportive to all genders.

Therefore, we are fostering an organisational culture where women can comfortably work together with men. Arvind has implemented The Sexual Harassment of Women at Workplace Policy from 2016 and started sensitising these issues by conducting training programmes for the same. We have a zero tolerance for sexual harassment at the workplace and have adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

3.4 Corporate Citizenship & Philanthropy:

The long tradition of contributing to the growth of our society has been translated into our CSR vision - to impact positively, the quality of life of people, through initiatives of social, economic, educational, infrastructural, environmental, health, and cultural advancement. The Company shall undertake initiatives for social advancement through SHARDA Trust, NLRDF and Arvind Foundation.

3.5 Occupational Health & Safety:

Safety has been our focus area and various measures were put in place to tackle unsafe conditions, behaviour, and practices for workers and employees. For ensuring a safe and healthy work environment we have introduced SOPs like permit systems, use of industry-grade Personal Protection Equipment, etc. All employees are bound by our Safety policy and would comply with the procedures set out at every facility. We expect full commitment from all our employees and business partners in ensuring safety in everything we do.

3.5.1 Compliance to OHS international standards and regulation

Our commitment to OHS compliance is essential to our ESG policy. By providing a safe and healthy work environment, we are able to attract and retain top talent, improve employee morale, and boost productivity. We will provide a safe and healthy work environment by being compliant with OHS international standards and regulations like SLCP, WRAP, SA8000, SEDEX, etc.

We are committed to continuous improvement in our OHS performance. We will regularly review our OHS management system and procedures to identify areas for improvement and work with our workforce to identify and address any OHS hazards or risks. For addressing any OHS hazards or risks, action plan will be established at facility level with targets for improving OHS performance metrics like LTIFR, SR, etc.

4 Roles and Responsibility

4.1 Board and ESG Committee's

The Board of Directors has setup an Environment, Social, and Governance Committee to assist the Company in fulfilling the ambition committed in the ESG vision of the company. This includes endorsing the ESG vision and goals set out on an ongoing basis, monitoring the progress against the stated vision and goals, reviewing any statutory performance obligations on Sustainability/ESG, and reporting the progress of various initiatives and making appropriate disclosures on a periodic basis.

4.1.1 Management

The role and responsibility of management in ESG is to ensure that the company is taking the appropriate measures to undertake and implement actions to further its ESG vision and ambitions. This includes considering ESG when making strategic decisions, cascading the ESG policies to all level of the organisation, developing new products and services, and managing operations. Management should also put a plan in place for implementing the ESG policy and regularly monitor the company's progress against its ESG goals, making adjustments to the plan as needed to ensure that the company is on track to achieve its ESG commitments.

4.1.2 Workforce

Workforce play a vital role in ESG policy. They are the ones who carry out the ESG initiatives and are responsible for implementing ESG best practices in their daily work. They should help to raise awareness of ESG issues and promote a culture of sustainability and responsibility within the company. By playing a role in implementation of ESG policy, employees can help to create a more sustainable and responsible future for themselves, their company, and the planet.

We believe that everyone has a role to play in reducing their environmental impact. We encourage our employees, customers, and suppliers to join us in our commitment to sustainability.

Sanjay Lalbhai
Managing Director

Place: Ahmedabad