

CELEBRATING A DECADE OF



ARVIND LIMITED
CIN: L17119GJ1931PLC000093

91st ANNUAL REPORT 2022

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Integrated Annual Report Theme

Businesses revel in predictability, which leads to consistency and a sense of higher reliability. But, life is unpredictable. Key planetary crises, like climate change, biodiversity loss, pollution, and resource depletion are deepening this VUCA (volatility, uncertainty, complexity, and ambiguity) quotient further, reaching another low point with the COVID-19 pandemic.

Safeguarding businesses from future risks is thus paramount and that's why ESG has now gained a greater importance among investors, policymakers, customers and other key stakeholders; to flag off any material risks, as well as highlight potential evolving opportunities.

At Arvind, we have consistently invested in green tech, developed and manufactured sustainable products, and nurtured relationships with stakeholders. Together, these factors reduce the ecological impact, uplift the community and provide good governance, thereby strengthening our resilience towards future risks and Empowering Sustainable Growth.

A decade back, we compiled all our ESG related efforts into a framework and published our first sustainability report in FY 2013-14, formally initiating our ESG journey.

Celebrating a decade of



At Arvind, we have consistently invested in green tech, developed and manufactured sustainable products, and nurtured relationships with stakeholders.

The environmental, social and governance aspects of business are interlinked. Consequently, our philosophy is that sustainability when systematically embedded at source, gets cascaded throughout the value chain. This led us to not just focus on tailpipe management but also adopt input management as our preferred approach to sustainability, and we called it - Fundamentally Right.

Following this approach, we identified six core inputs as material to us and how we can manage, enrich and get these inputs fundamentally right, thereby interweaving ESG practices into our businesses. In order to operationalise this across the organisation, we declared our Fundamentally Right Manifesto - which communicated our principles across these six inputs to employees, suppliers, customers and other stakeholders, ensuring rational implementation of the input management approach.

Our ESG journey was accelerated by allying with our diverse stakeholders who champion divergent interests. This led to collaborating with like-minded forces and combining resources, expertise, networks and assets towards the common purpose - Empowering Sustainable Growth.

From our first sustainability report a decade back to this maiden Integrated Annual Report, we continue to accentuate and celebrate our ESG journey!

Chairman's Message

Dear Shareholders,

VUCA - an acronym that captures Volatility, Uncertainty, Complexity and Ambiguity of general situations was introduced by leadership theorists in the 1980s, and was first used by the US Army War College to describe the complex post cold war world. The IT industry has been using the phrase more frequently to describe the pace of change triggered by rapid development and deployment of technology. Confluence of multiple forces is making this descriptor quite apt for the world in 2022.

The general socio-political-economic environment for leaders of all spheres has never been so dynamic. Pandemic, geopolitical actions and economic turbulence are simultaneously impacting us which is causing an unprecedented volatility in the operating environment and testing the mettle of the most astute and visionary leaders.

For Indian businesses, the financial year 2021-22 started off on a sombre note as the Delta variant led to colossal loss of lives and livelihoods. While the vaccines had started rolling out, the country's civic and healthcare systems struggled to withstand the onslaught of the virulent variant. Many fellow citizens and families lost their loved ones despite heroic efforts by our healthcare workers and civic authorities. Fortunately, as the year progressed, our vaccination programme gained momentum and the deadly strain also subsided. By the time the festive season started, the country's mood and business environment became quite upbeat. Most company results for Q3 and Q4 surprised us positively.

Globally as well, the key markets in developed economies remained buoyant as governments rolled out ever larger economic packages to pre-empt any possible slowdown. Supported by historic dose of quantitative easing, rock-bottom interest rates, explicit employment support and generous dole-outs to citizens, consumer demand stayed strong. Economies posted growth despite the



supply chain challenges that started in 2020 remained so throughout 2021 and beyond.

Economists, policymakers and business leaders increasingly felt that the exuberance was getting irrational, and things could start correcting anytime. As we have seen in recent weeks, the economic policy choices that helped the world sail through in the difficult COVID times has resulted in historically high inflation rates. Central banks are faced with the tricky situation of the need to urgently tame down inflation while not pushing economies into a recession. The war in Ukraine has further worsened the socio-economic situation in Europe. China, which was an engine of global economic growth is stuttering back from a stringent zero COVID policy that kept its citizens locked-in for weeks. Lesser developed and smaller countries have suffered disproportionately as stronger nations cornered vaccines and other resources. Many economies, including those in our neighbourhood, became further stressed as many projects funded by China started to become unviable.

In comparison, the Indian economy has done well. In hindsight, the relatively smaller policy support that the government injected to address the COVID situation, has resulted in a relatively smaller inflation problem to deal with. The Government's investment in setting up Aadhar and mobility infrastructure is proving to be a structural asset for ensuring transfer of benefits, distribution of

vaccines, financial inclusion and overall digitization. The Indian start-up ecosystem is vibrant and compares respectably with that of the US and China.

We, at Arvind, have always been strong believers in our ability to bounce back, innovate and win. While the world ahead still faces difficult and unpredictable circumstances, we remain optimistic about India being uniquely placed to best weather it all. This belief translates into continuing, though calibrated, investments in pursuit of greener technologies, more sustainable and innovative products, and nurturing our prized customer relationships that go back many decades.

In the context shared earlier, your Company also started FY2022 on a weaker note in Q1. Gradually the momentum picked up and Q3 and Q4 were some of the best quarters that we had post the demerger of Arvind Fashions and Anup Engineering. Your Company posted good results despite several headwinds that impacted key businesses. Most prominent being historically high cotton prices that rose unabated week after week to levels that I personally had never imagined. Along with cotton, other dyes and chemicals, and packing materials also became significantly expensive and challenged our textiles businesses like never before. Our key customers supported us with commensurate price increases that greatly helped manage the situation.

FY2022 saw the Advanced Material Division (AMD) crossing the INR 1,000 crore mark. AMD achieved this feat despite severe input cost pressures as prices of key raw materials such as specialty fibres and yarns, glass roving, specialty chemicals and variety of resin systems soared through the roof. Also, the ever-increasing container shipping cost, availability and delays posed severe challenges for this largely export oriented business. AMD is poised to continue delivering robust growth as customers grant larger shares to our products.

As you know, your Company is a pioneer in implementing sustainable practices in textile manufacturing. We have made investments in proprietary Zero Liquid Discharge, rooftop solar and other solutions. The value of these practices got highlighted when the Ahmedabad High Court initiated action against polluting textile units, and our facilities were acknowledged to be compliant to the environmental norms. Your Company already operates the largest rooftop solar installation in the country. We have signed a MoU for a 47-MW hybrid solar-wind project, which will take the share of sustainable energy to over 25% of the Company's total.

Over the last several quarters, we have consistently kept our focus on reducing our long-term debt as one of our top priorities. Through this financial year as well, we maintained tight management of operations, working capital and capital expenditures which enabled your Company to reduce its long-term debt by INR 415 crores.

As FY2023 progresses ahead, we expect the business environment facing your Company to remain challenging and uncertain. As such, we intend to continue the operating discipline and financial conservatism that has successfully guided us in recent times. In tandem, we will also ensure that the Company's growth engines such as Advanced Materials and Garmenting get requisite investments and sponsorship to realise their full potential.

I thank you for your continuing support and assure you that your Company is well positioned to weather the uncertain environment and seize the opportunities that come our way.

With warm regards,



Sanjay Lalbhai

Highlights

Financial

Revenue

- INR 8,034 Crore
- >58% YoY
- Textiles revenue grew by 65%
- Advanced Materials revenue increased by 51%

PAT

- INR 238 Crore

EBITDA

(excluding other income)

- INR 788 Crore
- 9.8% Margin

Working Capital

- INR 1,194 Crore, 17% lower than last year
- Second consecutive year where working capital saw a reduction

Net Debt

- INR 1,682 Crore
- Debt reduction of INR 268 Crore compared to March 2021

CSR Spend

- INR 3.8 Crore

Ratings

(CARE)

- AA-



Formed an ESG (Environmental, Social and Governance) Committee at the Board Level

Non-financial

- 1st Integrated Annual Report (IAR) & 1st Business Responsibility and Sustainability Report (BRSR)
- Collaborated with Textile Genesis to offer Blockchain-based end-to-end traceability in our denims
- Ranked 2nd in India and 11th globally in the S&P* Global ESG Indices CSA (Corporate Sustainability Assessment) 2021 for the Textiles, Apparel & Luxury Goods category
- More than 40% of our cotton comes from sustainable sources
- Our CDP (formerly the Carbon Disclosure Project) ranking has improved to B- for climate change and B for water
- Reduced freshwater consumption through Sewage Treatment Plant (established in partnership with GAP in 2019) which recycled 1.8 billion litres of water in FY 2021-22
- Adopted ZDHC (Zero Discharge of Hazardous Chemicals) at all our sites for safe and sustainable chemical management
- Our Naroda facility became the first denim mill globally to achieve ZDHC (Zero Discharge of Hazardous Chemicals) Level-1
- Our Santej facility won the Best Supplier Award (Platinum) from our customer Kohls as well as TERI Award for Excellence for the usage of effluent water.



**The S&P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. The CSA focusses on sustainability criteria that are both industry-specific and financially material and has been doing so since 1999.*

About the Report

Since inception, we are aligned with a purpose which revolves around adding stakeholder value. We believe that this purpose is achieved by focussing not only on the financial capital but considering all other capitals, such as natural, social & relationship, intellectual, manufactured, and human, together and their performance collectively.

Hence, we decided to bring out an Integrated Annual Report which makes our stakeholders aware of how these six capitals come together at Arvind to create a strong stakeholder value. The key focus areas which are of priority for our stakeholders, and therefore the organisation have been dealt with under each of these capitals. It enumerates our performance, strategy, and endeavours to attain sustainability in a comprehensive manner.

This Integrated Annual Report (IAR) is the maiden report from Arvind Limited.

Scope of the Report

The IAR provides an overview of the operations and activities of Arvind Limited during the period 1st April 2021 to 31st March 2022. We have adopted the International Integrated Reporting Council's Framework for this report to present our value-creation story, incorporating key financial and non-financial aspects.

This report is also aligned with the GRI Standards guidelines, nine principles of Ministry of the Corporate Affairs' NGRBC (National Guidelines on Responsible Business Conduct) on social, environmental and economic responsibilities of business, and framework on BRSR (Business Responsibility & Sustainability Reporting) by the Securities and Exchange Board of India (SEBI).

**BRSR aligned with NGRBC takes the place of BRR (Business Responsibility Report) which was aligned with NVG (National Voluntary Guidelines).*

The Business Responsibility & Sustainability Reporting is the debut BRSR by Arvind Limited.

Report Boundary

The financial reporting in the IAR pertains to Arvind's consolidated operations, where as the non-financial reporting accounts for 95% of the consolidated turnover.

Governance

A decade of fortifying the standards of governance

Governance, in the context of ESG, is about how a company is managed, which includes the rules as well as the intent, letter as well as the spirit, and policies as well as the principles. At Arvind, we are committed to uphold the highest standards of integrity, accountability and transparency.

Our governance framework involves experienced and diversified Board of Directors, financial and accounting transparency, robust risk management and compliance processes, full and honest financial reporting, taking care of all stakeholders especially the minority ones, and best practices developed over the years. Our ESG journey that started a decade back has fortified our framework.

As part of our transparent practices, we participated in the S&P Global ESG Indices CSA disclosures - we ranked 2nd in India and 11th globally in 2021 for the Textiles, Apparel & Luxury Goods category.



Key Tenets of Our Governance Philosophy

Enabling a balance between enhancing shareholder value and various stakeholders' needs is at the core of our governance. The key tenets of our corporate governance philosophy include:

- Satisfy the spirit of the law and not just the letter of the law
- Corporate governance standards should go beyond the law
- Be transparent and maintain a high degree of disclosure levels
- 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

Board of Directors



The Board of Directors is at the helm of our corporate governance framework and steers the ship with diligence and experience. The key responsibilities include watching over the management to serve the long-term interests of all stakeholders, and providing effective leadership in vital areas like business strategy, M&A, risk management, and other such matters.

The Board has 9 Directors, comprising of Chairman and Managing Director, Director and Group Chief Financial Officer, 2 Executive Directors and 5 Non-Executive Directors. The Non-Executive Directors are Independent Directors who are leading experts in varied fields bringing independence and diversity to the table. The Composition of the Board as on 31st March 2022:

Mr. Sanjay S. Lalbhai	Chairman & Managing Director
Mr. Punit S. Lalbhai	Executive Director
Mr. Kulin S. Lalbhai	Executive Director
Mr. Jayesh K. Shah	Whole Time Director & Group Chief Financial Officer
Dr. Bakul Dholakia	Independent Director
Ms. Renuka Ramnath	Independent Director
Mr. Dileep C. Choksi	Independent Director
Mr. Nilesh Shah	Independent Director
Mr. Arpit Patel	Independent Director

In this financial year, we formed an ESG (Environmental, Social and Governance) Committee at the Board Level. —

Committees of the Board



Board committees assist the Board in critical areas. The Board of Directors at Arvind has constituted six Board Committees and determines the terms of reference of these Committees from time to time.

- **Audit Committee**
- **Stakeholders' Relationship Committee**
- **Nomination and Remuneration Committee**
- **Corporate Social Responsibility Committee**
- **Risk Management Committee**
- **ESG Committee**

The lists of people in the various committees include:

Audit Committee

Mr. Arpit Patel	Chairman
Mr. Dileep C. Choksi	Member
Dr. Bakul Dholakia	Member
Mr. Jayesh Shah	Member
Mr. Nilesh Shah	Member

Stakeholders' Relationship Committee

Dr. Bakul Dholakia	Chairman
Mr. Sanjay Lalbhai	Member
Mr. Jayesh Shah	Member

Nomination and Remuneration Committee

Dr. Bakul Dholakia	Chairman
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Ms. Renuka Ramnath	Member
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Mr. Dileep C. Choksi	Member
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Mr. Nilesh Shah	Member
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Corporate Social Responsibility Committee

Dr. Bakul Dholakia	Chairman
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Mr. Sanjay Lalbhai	Member
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Mr. Punit Lalbhai	Member
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Mr. Jayesh Shah	Member
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Risk Management Committee

Mr. Dileep C. Choksi	Member
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Dr. Bakul Dholakia	Member
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Mr. Jayesh Shah	Member
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Mr. Nilesh Shah	Member
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Environmental, Social and Governance Committee

Mr. Punit Lalbhai	Member
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Mr. Jayesh Shah	Member
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Mr. Arpit Patel	Member
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Company Secretary

Mr. R.V. Bhimani

Auditors

Deloitte Haskins & Sells LLP

Chartered Accountants

19th Floor, Shapath V, S. G. Highway

Ahmedabad - 380015

Bankers

State Bank of India

IndusInd Bank Ltd.

Bank of Baroda

IDFC Bank Ltd.

HDFC Bank Ltd.

RBL Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

YES Bank Ltd.

Standard Chartered Bank

Axis Bank Ltd.

Shinhan Bank

HDFC Ltd.

Canara Bank

Kotak Mahindra Bank Ltd.

Registered Office

Naroda Road, Ahmedabad - 380025, Gujarat, India

Website: www.arvind.com

Registrar and Transfer Agents

Link Intime India Private Limited

5th Floor, 506 to 508

Amarnath Business Centre-1 (abc-1)

Beside Gala Business Centre (GBC)

Near St. Xavier's College Corner, Off C.G. Road

Ellisbridge, Ahmedabad - 380006

Phone Nos.: 079-26465179/86/87

Fax No: 079-26465179

E-Mail: ahmedabad@linkintime.co.in

Website: www.linkintime.co.in

Organisational Overview & External Environment

Organisational Overview

Arvind Ltd. is an Indian conglomerate with a vision of enabling people to a better quality of life by providing, enriching and inspiring lifestyle solutions. Headquartered in Ahmedabad, the Company is a prominent player in denim, woven & knits, garmenting, and advanced materials, amongst others.

With an annual manufacturing capacity of more than 100 million metres in denim and 150 million metres in woven fabric, we supply fabrics to many leading brands, both in India and across the world. We are also the garment maker of choice to many leading brands across the globe with a manufacturing capacity of more than 50 million pieces annually.

Arvind ranks amongst the top and preferred suppliers of fabric worldwide.

Strategic Growth Vision

To be the largest integrated textiles and apparel player in India with a leadership position in several global markets.

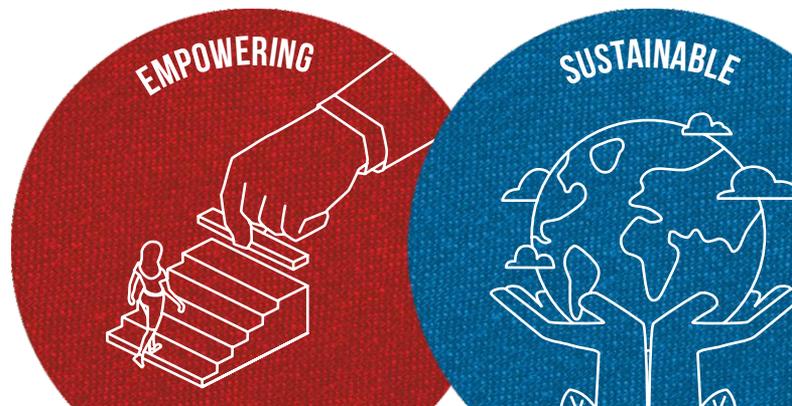
Philosophy

We believe in people and their unlimited potential; in content and in focus on problem solving; in teams for effective performance and in the power of intellect. We endeavour to select, train and coach people to obtain higher responsibilities; to nurture talent and to build leaders for the corporations of tomorrow; to reward, celebrate and activate all intellectual business contributions.

We dream of excellence in all endeavours; of mutual benefit and prosperity; of making the world a better place to live in.

Focus on ESG

Being a leading textile Company, we are not just focussed on financial bottom line, but are determined to impact environmental and social bottom lines, along with upholding highest standards of governance. We consistently take up initiatives that are surely changing people's lives and making a difference to the planet's health.



External Environment

The external environment affects an organisation's ability to create value. Continuous evaluation of the prevailing macro conditions in the context of our vision and philosophy is essential to identify the emerging opportunities and risks. Understanding the external factors helps us to make the optimal decisions regarding our businesses. Some of the key external factors that challenged our performance in FY 2021-22 include:

- COVID-19 (second wave)
- Rising prices of all input raw materials – predominantly cotton
- Increasing freight charges and limited availability of containers

Critical Headwinds in Recent Future

Global

The unprecedented support provided by fiscal and monetary policies around the world enabled us to live through peak pandemic quarters with a lighter than potential economic impact. However, the same along with supply-side challenges is driving inflation to historical levels.

Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh down the global economy.

Indian

India's growth has also been hit by the recent war with rising prices of crucial imports like crude oil, fertiliser, and edible oil. However, the Indian economy has strong fundamentals to be on the ascent. Growth-enhancing policies such as production-linked incentives and government's push toward self-reliance as well as increased infrastructure spending will lead to a stronger multiplier effect on jobs and income, higher productivity, more efficiency, and faster growth.

Textile Industry

Rise in raw material cost, especially cotton prices fuelled by low cotton stock availability coupled with inflation has put extreme pressure on margins.

Indian governments' support moves like increase in rates of incentives for the exports of readymade garments and dress materials from 2% to 4%, the National Technical Textiles Mission, allowing 100% Foreign Direct Investment (FDI) in the textile industry, Production Linked Incentive (PLI) Scheme for Textiles, Scheme for Capacity Building in Textile Sector (SCBTS) launched by the Cabinet Committee, Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA), Rebate of State and Central Levies and Taxes (RoSCTL) Scheme, etc., are going to provide a stimulus to the industry.

In summary, the macro global environment looks challenging, though the markets in India are likely to do better. The support by the government, the favourable geo-political equations coupled with the resilience of Indian entrepreneurs will likely hold the Indian economy and the Textiles and Apparel sector in good stead.



Strategy and Resource Allocation

A vision, without a strategy and resource allocated to achieve it, is an illusion. The strategy and resource allocation plans affect key capitals, help in leveraging opportunities, and risk management.

At Arvind, we stay optimistic about the medium to long term and will resume making calibrated investments in specific parts of our portfolio.

Our strategy is coherently intertwined with our vision. Our vision is to enable people to a better quality of life by providing, enriching and inspiring lifestyle solutions. This requires consistent value creation for all the stakeholders.

The key pillars of our value creation strategy are:

- Continue to scale-up and solidify our core textiles business on four large engines of growth: verticalisation, innovation, branding and advanced materials
- Continue to grow our asset-light business model
- Continue to work on new product lines so they gain market traction and volumes during the year
- Advanced materials will continue to expand product portfolio and generate robust double-digit growth in top-line, while maintaining the margin model

Enabling all this would require us to allocate resources and invest in innovative infrastructure like R&D, digitisation, etc., which can be leveraged to create new products and services, which in turn sharpens our strategic competitiveness.



During FY 2022-23, our key allocation areas include:

- Invest around INR 200 Crore in capacity expansion
- Augment the capacity in AMD and Garmenting businesses
- Optimise cost in Fabrics business
- Invest in off-site solar-wind hybrid power generation
- Increase our renewable power to ~25% of total requirements
- Intend to continue our medium term strategy to reduce the long-term debt
- Expect to reduce additional ~300 Crore long-term debt in this financial year
- Continue to focus on digitisation

SAFE HARBOR STATEMENT: "Certain statements with regard to our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements."

Outlook

Outlook determines outcomes. At Arvind, we are optimistic about fashioning a better tomorrow. While remaining cautious in the prevailing circumstances, we are geared for sustainable growth by creating value for all stakeholders.

External Environment

External factors such as unprecedented inflation, increase in interest rates, current commodity super-cycle, and the Russia-Ukraine war bring uncertainty in the business environment and make it difficult to do the forecast for the year. Some of the key factors include:

Positive Factors

- USD strengthening likely to continue
- Strong domestic demand
- Winding down of loss-making businesses
- Continuing robust growth of AMD
- Further deepening of China+1 play
- Free Trade Agreements with UK, UAE and others



Negative Factors

- High inflation and product prices which are likely to impact demand
- Higher interest cost and expectation of further increase
- Rising cotton and other input costs
- Energy scarcity
- Access to indigo, dyes and chemicals from China
- Increase in logistics cost and constraints in container availability
- Prolonging and worsening of Sri Lankan situation
- Resurgence of future pandemic waves

Short-term Outlook

In the short term, the pressure on input costs is likely to be strong. The EBIDTA and margins will continue to remain impacted as a result of the steep increase in input cost witnessed during Q4 of FY 2021-22 due to lag effect on price increases.

Most optimistic estimates indicate cotton prices softening moderately by November 2022 upon new crop arrival. Resurgence of pandemic waves in China is further aggravating the supply chain and shipping situation.

We are optimistic in the medium to long term and the intention is to continue our medium-term strategy of reducing the long-term debt.

Exports Modest, Domestic Robust

The inflationary pressures as well as the interest rate hikes are more pronounced in other countries as compared to India. Arvind's key exports customers are looking at a relatively modest 2022; while the domestic demand is likely to be more robust.

Exports

The guidelines for 2022 are muted at low single-digit growth, as consumer sentiment seems challenged by steep inflation and tightening monetary policy. The war is leading to the shutdown of Russian and Ukrainian retail operations by western brands. The markets in Europe are also impacted by the war, and secondary COVID-19 waves. In US and UK, the food and energy prices are soaring at a historic pace.

One of the positive developments is that China+1 play has become permanent, so we see 3rd/4th season of buying from India/other places. More garment capacity will be moving to India as Bangladesh and Vietnam are saturated.

Domestic

The demand in India is steadily coming back as retailers re-stock and prepare for forthcoming marriage and festival seasons across different parts of India. Higher prices are certainly dampening the demand, putting pressure on the margins, and driving growth of smaller regional brands with lesser overheads and larger selection of value merchandise.

Price increase is certainly important, but we are actively managing it through product re-engineering and other methods. Volatility at product level is expected and will be managed through innovative supply chain solutions.



Risks and Opportunities

Every adversity contains within it, seeds of advantages. While we remain watchful and prepared for risks, we try to see every challenge as an opportunity to create value. We also consistently scan the business environment to prospect for opportunities and leverage them for growth.

Risk

Our businesses are exposed to numerous risks and consequently, we have a robust Enterprise Risk Management (ERM) framework which enables us to take certain risks to remain competitive and achieve better growth. At the same time, it helps us mitigate other risks to maintain sustainable results.

Risk Management Framework

We have institutionalised robust systems and processes, along with appropriate review mechanisms to actively identify, monitor, manage, and mitigate these risks.

Our Risk Management Policy defines the process for risk identification, its assessment, mitigation measures, monitoring and reporting. While we continuously assess the identified risks through our employees and Executive Management, the Risk Management Committee reviews the identified risks and its mitigation measures annually. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and our day to day activities.

We have identified twelve risks - four strategic and eight operational risks.

Climate-related Risk

One of the key universal risks, climate-related risk refers to the potential negative impacts of climate change on an organisation. It includes the potential for adverse effects on lives, livelihoods, health status, economic, social and cultural assets, services (including environmental), and infrastructure due to climate change.

Climate-related risks can be further clubbed into two categories:

- **Physical Risk:** Which arise from the changes in weather and climate that impact the economy. Climate changes may lead to increase in frequency and severity of natural disasters
- **Transition Risk:** Which arise from the transition to a low-carbon economy. These include changes in policy and new technologies, such as the growth of renewable energy

Note: For more details about our risk management mechanism, please refer to the Directors' Report on page 63 of this Report.

Climate-related risks, water scarcity and the failure to adapt and mitigate climate change can lead to food scarcity, unavailability of raw materials, and many more traditional risks. The table below shows how the traditional risks and climate risks are interconnected:

RISK CATEGORY	RISK	PHYSICAL RISK	TRANSITIONAL RISK
Operational	Volatility in price and availability of input raw materials	Yes	Yes
Strategic	Demand destruction and changing customer preference	Yes	Yes
Strategic	Geo-political issues disrupting supply chain management	Yes	No
Operational	Inability to attract/retain talent in the organisation	No	Yes
Strategic	Absence of business continuity plan negatively impacting the earnings	Not applicable	Not applicable
Operational	Customer concentration risk	No	Yes
Operational	Customer credit risk	Not applicable	Not applicable
Operational	Increased stakeholder concern on ESG issues	No	Yes
Operational	Substitution of existing product and services with lower emission options	No	Yes
Operational	Enhanced regulation and mandates on environmental & social sustainability issues	No	Yes
Strategic	Negative stakeholder feedback	No	Yes
Operational	Fluctuation in the forex rates negatively impacting the earnings	Not applicable	Not applicable

Impact of the climate-related risks can be observed through traditional risk categories as it has the ability to amplify traditional risks or create new risks. At Arvind, the climate-related risk management is integrated into the multi-disciplinary company-wide risk management process. The mitigation plans for climate risk include focussing on implementing green technologies, sustainable product development and building supply chain resilience.

Opportunities

At Arvind, we are always ready and eager to identify opportunities, even in challenging times. For example, COVID-19 pandemic gave us the chance to focus on financial as well as operating discipline, identify opportunities to improve effectiveness, reassess and prune avoidable costs, etc. It also accelerated our shift to digitalisation.

As we keep evolving to be a **more sustainable organisation**, some of our key potential opportunities include:

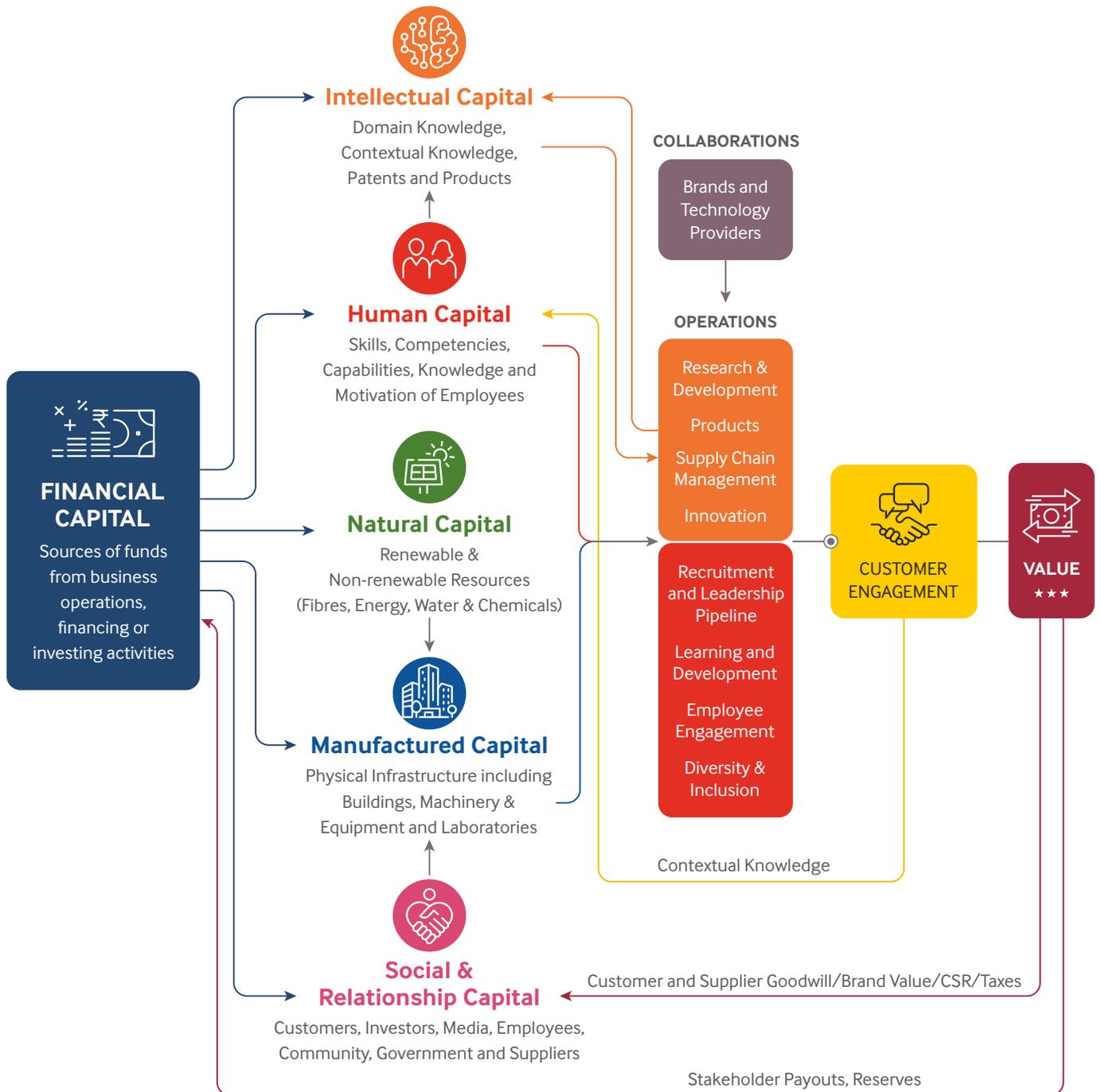
- Use of more efficient production and distribution processes
- Use of recycling
- Reduced water usage and consumption
- Use of lower emission sources of energy. Development and/or expansion of goods and services with lower emission
- Use of new technologies. Development of new products and services through R&D and innovation
- Participation in carbon market
- Shift towards decentralised energy generation. Participation in renewable energy programmes and adoption of energy efficiency measures
- Better competitive position to reflect shifting consumer preferences
- Access to new markets
- Resource substitution/diversification

The **potential financial impacts** of these opportunities include:

- Reduced operating costs (through efficiency gains and cost reductions)
- Reduced exposure to future fossil fuel price increases
- Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon
- Increased capital availability (as more investors are favouring lower emission producers or ESG compliant companies)
- Increased revenue through demand for lower emission products and services
- Better competitive position to reflect shifting consumer preferences resulting in increased revenues through access to new and emerging market
- Increased reliability of supply chain and ability to operate under various conditions



Integrated Business Model



Input	Output	Outcome	
 Financial	Equity share capital - INR	261 Cr.	<ul style="list-style-type: none"> • Robust balance sheet with a AA- CARE Rating • Prudence and consolidation to reduce debt and working capital requirement • Distribution of financial wealth with more and more stakeholders
	Debt position - Net debt	1,682 Cr.	
	Net revenue - INR	8,034 Cr.	
	EBIDTA - INR	788 Cr.	
	PAT - INR	238 Cr.	
 Manufactured	Manufacturing facilities	12	<ul style="list-style-type: none"> • 92 million meters denim, 120 million meters wovens and 36 million pieces garments manufactured • Modifications of energy intensive machines to more energy efficient operational modes
	R&D facilities	5	
	Material cost (INR Cr.)	4,335	
 Intellectual	No. of patents granted	28	<ul style="list-style-type: none"> • Industry 4.0 adoption by integrating IoT and blockchain technologies • Preferred partner by customers for execution of innovations and projects
	No. of patents under review	19	
	Quantum of R&D Spend (Last 5 years)	154 Cr.	
 Human	Skilled human resource (nos.)	22,722	<ul style="list-style-type: none"> • Strong team with diverse set of skills and domain experts in finance, R&D, design, product development, sales & marketing, patents & trademarks, sustainability, waste water and solid waste, technical textiles, CSR and IT • Safe workplace with minimal work related mishaps • Continuing to deliver on our ambition for an organisation safe and prosperous for women
	Employee benefit expense (INR)	809 Cr.	
	Training hours	530,765	
	Complaints on child / Involuntary labour (nos.)	0	
	Complaints on discriminatory employment	0	
	Complaints on sexual harassment at workplace	0	
	LTIFR (% drop from 2020-21 to 2021-22)	-11%	
 Natural	No. of farmers added for organic and regenerative organic cotton	10,844	<ul style="list-style-type: none"> • Strong strides towards environmental stewardship • Increasing adoption of renewable energy sources like bio-mass and solar + wind electricity harvesting • Reduced dependence on virgin materials by using recycled materials • Capacity building services / engagement with farmers to help them have better yields from their farm lands • SBTi Commitment signed during the reporting year
	Contribution of sustainable cotton (%)	>40	
	Total energy consumption	358,721 TJ	
	Total water withdrawal	1,655,050 m³	
	Freshwater withdrawal reduced	1.8 bn. ltr.	
	GHG emissions reduced (kgCO ₂ e/mtr of fabric)*	-9%	
*Reported for fabrics only as fabrics are a major contributor for volumes and revenue			
 Social and Relationship	CSR Investment during reporting period	3.8 Cr.	<ul style="list-style-type: none"> • Increased Transparency and Customer Satisfaction • Long-term relationships and repeat business with customers and suppliers • Strong local community that has deep value for Arvind brand / name • Respectable position in business community and associations • Presence on National and International forums for sustainable business practices
	Total no. of direct beneficiaries	6,750	
	Total no. of indirect beneficiaries	30,000	
	Taxes paid	26 Cr.	
	Premium paid to farmers for organic and regenerative cotton over market price	10%	



Financial Capital

A decade of adding value to what matters

Our businesses are aligned with the purpose of adding stakeholder value - not only for the shareholders, but also for the providers of capital, the government, the nature, the customer, the community, and others.

Our decade-long ESG journey too has had an all-encompassing theme of empowering sustainable growth - where financial bottom line (Profit) is not the only driving factor, but also our ability to impact environmental (Planet) and social (People) bottom lines.

We have been
announcing dividends for
shareholders since 1934.

The success of this theme is reflected in the trust bestowed upon us by various partners and stakeholders through numerous JVs and investments. The financial capital is collectively represented by the equity and debt structure along with the profits generated, a part of which is reinvested into the business for driving growth.

Strategic and Financial Strengths

Integrity, inclusivity and innovation underline our pursuit of profit which is aligned with stakeholders' prosperity.

Based on the business plan, we have the ability and flexibility to deploy financial capital for upgrading equipment, expanding capacities, setting up R&D centres, procuring and hiring locally, nurturing talent, fuelling growth, and thus creating value to distribute it equitably. This approach is empowered by our fiscal prudence.

Other strategic and financial strengths include:

A Strong Balance Sheet with AA- Rating

Arvind has a healthy AA- (CARE) rating and maintains a robust balance sheet with an EBITDA of INR 788 Crore in FY 2021-22.

Professional Management

Our rich experience in the textiles business helps us to identify opportunities early, mitigate challenges faster and leverage resources effectively.

Optimal Capital Structure

We maintain an optimal mix of equity and debt financing that maximises our market value while minimising the cost of capital. We monitor capital using a gearing ratio.

Strong & Valuable Relationships

The way we have nurtured our relationships has helped our suppliers and dealers grow with us. This has resulted in a mature product portfolio that generates ~10% EBITDA with a good degree of predictability.

Prudent Cash Flow Management

We plan to reduce borrowing by keeping tighter financial as well as operating discipline, fixed cost reduction, and limiting the capital expenditure to necessary minimum. We achieved a sharp reduction in our overall borrowing in FY 2021-22.

Working capital stood at INR 1,194 Crore as on 31st March 2022, which was 17% lower than the corresponding figure last year. This was the second consecutive year where working capital saw a reduction.

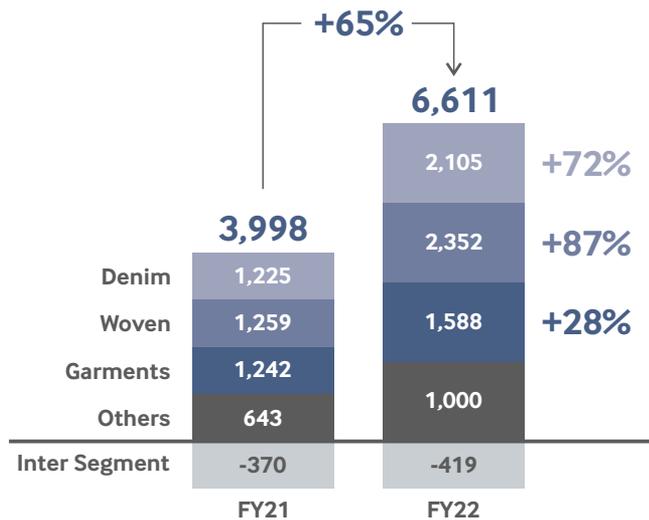
Financial Performance

The financial year began with the second wave that resulted in significant loss of life, severely disrupted economic activity and weakened Q1 numbers. During the year, the Company left COVID-19 behind witnessed the best quarters (Q3 and Q4) since the demerger of Anup Engineering and Arvind Fashions.

We continued to maintain our conservative stance on tight management of operations and capital expenditures. This enabled the Company to continue reducing its long-term debt as planned.

Textile Revenues

(All figures in ₹ Crore)



Denim
92M meters



Woven
120M meters



Garment
36M pieces

Other mainly comprise voiles and fabric retail including suiting

The net debt of the Company was reduced by INR 268 Crore and stood at INR 1,682 Crore as of 31st March 2022, which was INR 1,950 crore in previous financial year.

Textiles

The first quarter was sluggish due to the pandemic related challenges. The domestic market saw recovery due to festival season in Q2 and remained strong for the rest of the financial year. Volumes in the export markets stayed strong too. The key challenge was the continuously increasing raw material cost, most prominently cotton.



Garment Manufacturing

As the facilities remained open post the second wave of pandemic, the capacity utilisation and efficiencies were augmented leading to increased output as the year progressed.

Advanced Materials Division (AMD)

All three businesses including Human Protection, Industrials and Advanced Composites, continued to see strong demand throughout the year. They continued to improve their mix towards differentiated products, and also consolidated their positions in key accounts. On the flip-side, AMD got impacted severely by the increasing freight charges and container availability which made the import and export operations difficult.

Other Businesses

- Our effluent treatment business had a challenging year as impact of COVID-19 created an overhang on new project closures.
- Omuni - our omnichannel retail platform, made good gains as it consolidated its customer accounts and offered significant enhancements in its product offerings.

Despite multiple headwinds, we delivered a strong overall performance during FY 2021-22. Revenue increased by 31% compared to last financial year and stood at INR 8,034 Crore. Textiles revenues grew by 65% and Advanced Materials by 51%.

Economic Value Generated and Distributed

The more we generate, the more we can distribute. A strong financial performance enables us to deliver more to different stakeholders. Since, the economic value generated (income) increased by 58%, we could distribute more value to stakeholder.

(All figures in ₹ Crore)

Economic Value Generated (A)	8,084
Operating Costs	4,334
Other Expenses	2,106
Employee Benefits and Wages	809
Payment to Providers of Capital	176
Payments to Government (India)	26
Community Investments	3.8
Economic Value Distributed (B)	7,455
Economic Value Retained (A-B)	629

Financial Highlights

PAT	INR 238 Crore
Revenue	INR 8,034 Crore
EBITDA	INR 788 Crore (9.8% Margin)

Debt Position		
<small>(All figures in ₹ Crore)</small>		
BORROWINGS	31ST MAR 22	31ST MAR 21
Long-Term Borrowings	758	1,142
Short-Term Borrowings	803	631
Long-Term Liability Maturing in one year	199	230
	1,759	2,002

Ratings (CARE): AA-

Given the challenges presented by COVID-19, we have recovered strongly. Our Consolidated Profit After Tax which was INR (17) Crore in FY 2020-21, rose 1,500% to INR 238 Crore in FY 2021-22.



Manufactured Capital

A decade of building scale
with sustainability

Scaling involves increasing the footprint, while sustainability revolves around reducing it. At Arvind, we endeavour constantly to maintain the balance of reducing our ecological footprint while we grow geographically and financially. This has been our conscious effort since we started, but a major focus was brought about when we started on our ESG journey a decade back for empowering sustainable growth.

Hence, ESG plays a major role in all our manufactured capital related decisions which includes all material goods and infrastructure owned, leased or controlled by the Company that contributes to production or service. Our modern facilities, latest machineries and cutting-edge technologies are all part of our manufactured capital.

A Sewage Treatment Plant (STP) housed at our Naroda facility was instrumental in reducing freshwater consumption of 1.8 billion litres in the reporting year.

Key Manufacturing Strengths

Efficiency is doing things right, effectiveness is doing the right thing. At Arvind, we understand the importance of efficient and effective manufacturing, and achieve it through continual improvement and consistent investment in our manufactured capital.

Building in economies of scale, leveraging technology and automation, ensuring tighter integration of supply chain and improving operational efficiencies are some of the ways that enable us to keep ahead of the competition and meet the ever-changing needs of the market. They also assist in utilising our resources efficiently leading to sustainable growth.

This creates value in terms of overall costs, security of supplies, speed to market, higher quality of products and services, making us a preferred partner of customers. —

Some of our key manufacturing strengths include:

Best-in-class Manufacturing

The important things we do to achieve top-class manufacturing include managing our business and operational processes systematically, and investing in developing the right people culture. Some of the effective process practices and people-centred initiatives followed across our Company are listed below:

Processes

- Efficient vertical integration from yarn to finished goods
- Process implementation of a wide range of patented products
- Flexibility of machines to handle multiple as well as complex products
- Ability to handle complex order mix with shorter production cycle time
- Proactive management of maintaining regulatory compliance for all our processes
- Effective processes in place to keep a check on our key material inputs i.e. Cotton, Water, Energy, Chemicals, People and Money

People

- 5S (lean principles) implementation for maintaining an efficient, safe and clean working environment
- Training workforce on problem solving tools such as Root Cause Analysis to improve their skills
- End-to-end ownership i.e. from design to delivery of products
- Cross-functional team established to drive down costs as well as enhance efficiency
- Established centralised teams for planning, quality assurance & control, and finance, to have a focussed vision and enable quick implementation of decisions
- Trained workforce to handle intricate products while maintaining their performance characteristics



Robust Supply Chain

We have a strong framework of supply chain governance in place which encompasses the entire process from managing suppliers to correct procurement processes. This ensures our commitment towards ESG issues i.e. to create a resilient and sustainable supply chain. The framework includes:

- The Supplier Code of Conduct
- Critical Supplier Identification
- Supply Chain Risk Exposure

- Supplier Risk Management Measures
- ESG Integration in SCM Strategy
- Supply Chain Transparency & Reporting

Barcodes were placed on yarn batches and a portable barcode reader was used in our Santej facility. Barcodes offer automatic product identification and gathering of data. This increases productivity, enhances traceability and reduces supply chain waste.

Leveraging Latest Technology

Industry 4.0 is revolutionising the way we manufacture, improve and distribute our products. We are integrating new technologies, including Internet of Things (IoT), advanced analytics, and Artificial Intelligence + Machine Learning into our business operations. Some of the initiatives implemented at our facilities include:

- **Advanced Analytics** - We have developed dashboards for planning, decision making and business reporting
- **Connectivity, Data, Computation Power** - Blockchain is implemented to drive transparency and traceability
- **Human-Machine Interface (HMI)** - We automated a lot of our processes, some of which includes auto chemical dosing, auto sewing line, auto operation, auto monitoring, and auto control of washing machine and dryer
- **Internet of Things (IoT)** - This has been successfully implemented in textile processing operations like finishing, dyeing, sizing and warping
- **Enterprise Resource Planning** - SAP implementation led to centralised and unified data from different business departments accelerating the flow of information and leading to multiple benefits. For e.g. real-time information regarding material flow and inventory expedites the decision-making process boosting both user efficiency as well as productivity

Internet of things (IoT) was implemented which helped in identifying the exact amount of downtime and the precise reason based on factual data. This enabled us to take corrective measures for improving productivity.

Key Manufacturing Milestones

As we continued on our triple bottom line journey, we witnessed an encouraging financial year coming out of the pandemic.



Highlighted below are some of the key manufacturing milestones in various businesses within Arvind:

Denim

- The manufacturing processes saw reduction in freshwater consumption through recycling of 1.8 MLD of sewage water sourced from Ahmedabad Municipal Corporation
- Started the installation of Zero Liquid Discharge in this reporting year which is expected to be fully operational in Q1 of FY 2022-23

Wovens and Knits

- CRM (Customer Relationship Management) implemented to increase and enhance the customer service. The system keeps track of the customers and their orders while helping us in better demand forecasting, greater supply chain visibility and product quality improvements

Advanced Material Division

- Mass transportation vertical - Received an order from Kanpur Agra Metro to manufacture the nose cone of the metro train
- Human protection vertical - Electric arc flash protection shirt made by Arvind-patented technology
- Industrials vertical - Reached an aggregated volume of 5.4 million sq. m. in filtration products



Other Businesses

- **Envisol** - Turnaround of Chhatral manufacturing facility, to be EBIDTA-positive operations by FY 2022-23
- **Garmenting** - The operations saw some re-structuring in this reporting year wherein lesser utilised units were consolidated to enable a more competitive cost structure

To know more about our manufacturing locations and sites, please refer to page 314 of this report



Intellectual Capital

A decade of mainstreaming innovation

The clothing and textile industry was one of the initiators of the Industrial Revolution and the industry's 350-year journey is marked by innovation milestones. As we move forward to create a sustainable world, the ability to constantly improve and mainstream innovation is more important than ever.

Innovations have been an integral part of our growth journey and we leverage them to create opportunities where none seem to exist. The decade of our ESG journey is interspersed with innovations.

With 28 patents granted and a further 19 filed on innovative products and process improvements, we are fashioning possibilities for a new future.

At Arvind, these innovations can be broadly categorised into two kinds:

Technology-driven

Resulting in blockbuster products like Indigo denim and advanced materials used in various industries other than clothing and process innovations like waterless dyeing and Cationic treatment

Non-technology Driven

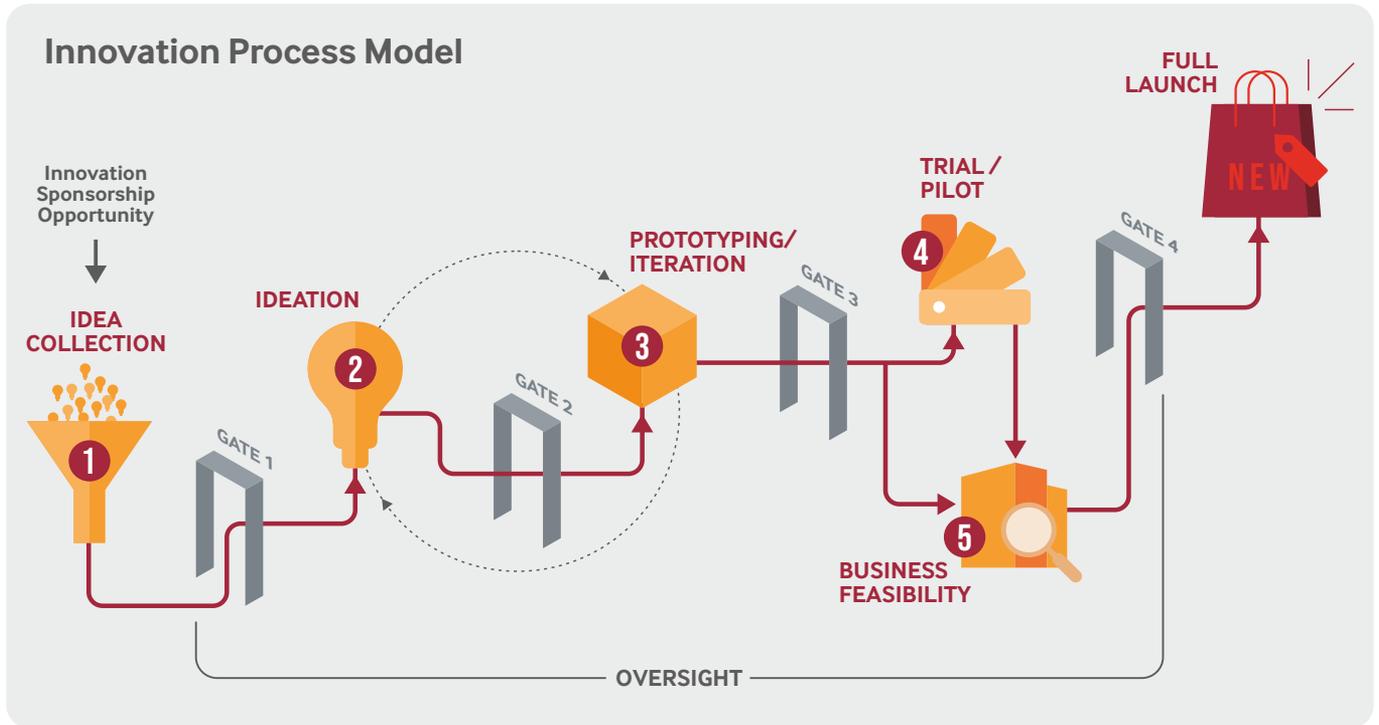
Giving rise to incremental as well as disruptive changes in service delivery, marketing, business model or organisational structure

Innovation is an important part of our evolution and processes. Given this, it is fundamental for us to invest strategically towards strengthening our intellectual capital. We strongly believe that in a fast-transforming world, these investments will provide us with the preparedness to not only adapt to changes, but also trigger and shape them towards long-term value creation.

Our Innovation Process

Innovation is not always a sudden moment of realisation, or a radical thought that completely disrupts conventional practices instantly. More often than not, innovation is an outcome of iteration - a systematic process through which ideas are generated, collated, evaluated, implemented and finally scaled up.





1 Idea Collection Stage

An idea can come from anywhere - from an everyday observation, a news report, an employee, a customer or a brainstorming exercise with the internal and external stakeholders. All ideas are welcomed with an open mind and are provided a platform to take it to the next stage of the innovation process for further evaluation.

2 Ideation Stage

We sift through the ideas and classify them as Incremental, Disruptive, Extension or Radical based on various parameters. We assess the potential for expansion in the existing market or to create a new one. An evaluation is also done to see whether a technological upgradation is required in the existing equipment or entirely a new technology needs to be adopted.

3 Prototyping Stage

A stage where idea takes a workable form through multiple research & development activities. Product prototyping and trials are undertaken to test whether the idea achieves its full potential. Modifications and refinements are carried out based on feedback from the trials.

4 Pilot Stage

Once the prototyping is perfected, the idea goes into production trial to ascertain the production capability and cost calculation. The feedback of relevant parties like customers and suppliers is solicited. If any valuable feedback from this stage comes forward, it is incorporated.

5 Business Feasibility Stage

In this stage, we estimate the tangible and intangible benefits and cost associated with the project.

In addition to the various stages in the innovation process, there is an oversight mechanism that makes the process more effective. It may differ according to different business needs and would generally entail internal reviews and reviews conducted by the leadership team with the respective business teams.

“ We are writing the specs and creating the market for advanced materials in India. This will eventually be a multibillion-dollar industry.

Punit Lalbhai | Executive Director, Arvind Ltd.

Innovation Infrastructure

Our innovation infrastructure is a vibrant mix of intellectual, human and manufactured capital which provides us an edge over the competition, and makes us future-ready. The infrastructure consists of four state-of-the-art R&D facilities, latest technological labs and equipment, robust processes and systems, skilled human resources, and collaborative relationships, some of which are as mentioned below.

- **R&D facilities at Naroda, Santej, Khatraj and Pune - all are duly recognised and approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India**
- **Latest technological infrastructure - Washing Lab of Denim, Micro Spinning Plant for faster development, etc.**
- **Collaborative Relationships - Partnership with GAP to establish a Water Innovation Centre for Apparel (WICA)**
- **Skilled human resources - 22,722 employees**

Key Innovations

Innovation distinguishes the leader from the followers. While keeping this in focus, we improve the manufacturing operations and management processes that lead to product enhancements and customer delight.



Key innovations and technology upgrades in the manufacturing operations for the reporting period include:

- An Emerging Machine by Matchpoint that saves water and chemicals by converting a wet process into a dry process
- Resource Efficiency
 - Energy-efficient washing machine that reduces water and chemical use
 - Substituted old bleaching technology to reduce water usage

- PFC-free water repellent finish
- Natural plant-based softener for dyeing process
- Concealed resin-baths that control VOC (Volatile Organic Compounds) and air emissions
- Finishing processes that retain the hand feel properties of flame retardant fabric
- A Garnetting Machine which uses post-industrial waste sourced from our manufacturing facilities and converts it into fibres for reuse



Improvements and enhancements undertaken in the management process during the reporting period include:

- Recalibrated our focus from being a manufacturer to a solutions-driven organisation
- Consolidated in terms of geographies - became leaner as an organisation
- Migrated from an annual variable pay structure to a quarterly variable pay structure - this incentivises talent retention and enhances morale
- Undertook a succession planning exercise to identify the key roles as well as the personnel who can be groomed and promoted to bigger roles
- Established a Board-level ESG Committee to manage ESG risks & opportunities
- Promoted establishment of Cross-functional Teams to gain better insights, benefit from diversity, spur innovative ideas, and increase employee engagement

INITIATIVE

Improving transparency and traceability through Blockchain Technology



There is a clear and consistent feedback from customers that they are looking for transparency in supply chains. They are wary of buying products made from raw materials that originate from conflict zones.

Bearing these observations in mind, in August 2021, we partnered with Textile Genesis to offer Blockchain-based end-to-end traceability in our denims. The platform of Textile Genesis requires stakeholders at each stage of the supply chain to input production data which establishes control over proceedings. We also incorporated fibre to retail traceability using path-breaking digital Fibrecoins™ technology.

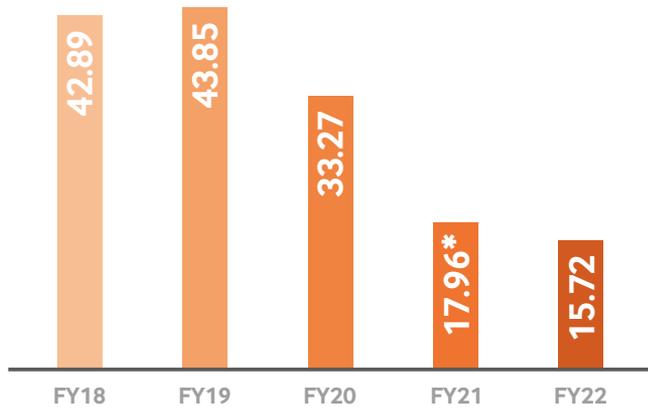
Signature Marketing Assets

There are some assets - unique products or experiences that truly differentiate us and help us distinguish ourselves from the competitors. These include fabric finishes that are extremely difficult to replicate and ensure exclusivity owing to the technology being used; and a product mix comprising patented products that efficiently caters to a wide cross-section of the customers. We also have a brand that dominates a niche market segment like blouse materials and commands high brand equity.

It is our continuing endeavour to add more such assets to strengthen our intellectual capital.

Spend on R&D

In INR Crore



* Note: There is a decline observed for FY 2020-21 and FY 2021-22 due to the prudence exercise as a result of pandemic.

As part of the digital transformation, we have created a digital library for customers and brands to enhance their experience as well as make the process more efficient.





Natural Capital

A decade of conserving ecosystem
for the next generations

If conservation of natural resources goes wrong, nothing else will go right. At Arvind, we recognise this and have always focussed on meeting the needs of the present without compromising the ability of future generations to meet their own needs. No wonder we incorporated this universal truth in our 'Fundamentally Right' philosophy, when a decade back we started our ESG journey of Empowering Sustainable Growth.

This journey of sustainable growth entails investing to conserve the ecosystem services that support our collective future prosperity. All these comprise the natural capital which enables our value creation.

From involving around 9,500 farmers in 2013 for our sustainable agriculture initiatives, we have increased this engagement to over 75,000 farmers in 2022.

Key Features and Focus Areas of Arvind's Approach

At Arvind, instead of just concentrating on tailpipe management, we have adopted input management as our preferred approach to sustainability. The key features of our approach which helps us in building on our natural capital includes 5Ts:

Technology

We have always been at the forefront to conserve natural capital, whether it is an innovation related to using less freshwater, or adopting a newer technology for being energy efficient.

Transparency

Transparency breeds trust, so, our endeavour is to continuously improve on our disclosure standards, linked to the natural capital, across reporting frameworks.

We were ranked 2nd in India and 11th globally in the S&P* Global ESG Indices CSA (Corporate Sustainability Assessment) 2021 for the Textiles, Apparel & Luxury Goods category.

Totality

Our focus is total and holistic, so our endeavour is to source inputs sustainably, constantly monitor and improve processes, recycle waste, and create sustainable products. Even our business goals are intertwined with a sense of environmental responsibility.

Targets

We have committed ourselves to set net-zero targets, including long-term Science-Based Targets* (SBTs) which provide us with a clearly defined pathway to future-proof growth. The duration to set the targets is two years and work is in progress to finalise the targets.

Tenacity

Nothing is achieved without perseverance. Our resolve is to consistently embed sustainability at source and cascade it through operations and the value chain.

*The S&P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. The CSA focusses on sustainability criteria that are both industry-specific and financially material and has been doing so since 1999.

We have identified six core inputs that are truly material to us, out of which four come under the purview of the natural capital. These four focus areas are: **Fibres | Energy | Water | Chemicals**

Fibres

For manufacturing fabrics, the key raw material we use is cotton which accounts for 80% of our products; thus accounting for a major share of our revenue. As a part of our Sustainable Sourcing strategy, we invest in sustainable initiatives as well as source alternate natural fibres and recycled fibres. The technical limitation of each fibre requires continuous innovation to make it suitable for usage.

Our sustainable initiatives include:

- **Regenerative** - Practices that promote soil health and supports in restoring organic carbon in the soil. This year, we graduated from pilot to commercial scale.
- **Organic and In-Conversion Organic** - Organic cotton is farmed using non-GM seeds and zero chemical pesticides as well as fertilisers, resulting in a huge positive impact on the environment. Whereas in-conversion organic is a way to become organic as the land needs time to leech itself of previously used substances.
- **Cotton Recycling** - We added a cotton recycling machine in this reporting year which recycles both post-industrial waste (sourced primarily from our units) as well as post-consumer waste.
- **BCI - The Better Cotton Initiatives (BCI)** - Promotes efficient use of water, approved fertilisers and pesticides.



We have been working with farmers to promote sustainable cotton since over a decade. Deeper engagement with farmers has resulted in a three-fold growth in number of farmers and area in the last three years.

Our responsible supply chain mechanism sources sustainable cotton from the farms to produce fabric. More than 40% of our sourced cotton is sustainable.



Growth Highlights

Type of Cotton	Farmers Engaged (In Nos.)			Area Under Cultivation (Ha)		
	FY20	FY21	FY22	FY20	FY21	FY22
BCI	25,000	72,031	58,803	37,500	111,229	97,925
Organic	2,400	5,196	13,241	2,584	3,085	18,870
Regenerative	41	201	3,000	57	302	12,496
Total	27,441	77,428	75,044	40,142	114,616	129,291

Energy

Energy conservation is the foundation of energy independence. Optimising the energy productivity and adding renewables to the energy mix enables us to reduce our dependence on fossil fuels. Together, these steps make us a more responsible energy user and support us to move on the decarbonisation path.

Some of the energy saving initiatives include:

Retrofitted the existing machines

- Replaced thermic fluid-fired Stenter with direct gas-fired Stenter
- Installed air gun in place of hose pipes for cleaning air application
- Installed high-efficiency pump in shirting pump house

Optimised the run time of energy intensive equipment based on weather conditions

- Stopped the cooling tower water circulation pump (C-90 air compressor) in winters

Deactivated humidification plants in dyeing and sizing machine - 50 rope dyeing and EOU Sucker Muller

Some of the renewables related initiatives include:

- Continued growth in RE sourcing - signed up for 47 MW wind and solar hybrid at group level, it will be operational by FY 2023
- Switch from coal by creating a backward supply chain of biomass briquettes

Benefits of backward supply chain integration of biomass briquettes



Along with saving coal, it ensures a secured and consistent supply of briquettes throughout the year. It is also beneficial for the farmers as it helps them minimise the risk of unwanted prevalence of pink bollworm and avoid health risks due to burning of cotton stalks. This year, we scaled up the backward supply chain of sourcing agro waste (cotton stalks).



Emissions

Enhancing the energy efficiency of our processes as well as investing in low-carbon emission technologies help us reduce our GHG emissions.

Energy Performance

	FY20	FY21	FY22
Direct			
Energy (TJ)	4,345	3,434	4,885
GHG (TCO ₂ e)	372,689	287,658	363,942
Indirect			
Energy (TJ)	344,062	241,185	353,836
GHG (TCO ₂ e)	275,818	193,347	283,654
Fabric			
Electricity (kwh/mtr)	1.14	1.15	1.16
GHG (KgCO ₂ e/mtr)	2.40	2.50	2.28
Garment			
Electricity (kwh/piece)	0.54	0.53	0.54
GHG (KgCO ₂ e/piece)	0.47	0.47	0.48

Note: Our specific electricity consumption went up as a new plant became operational in 2020 and all plants weren't running continuously during COVID.

Our CDP (formerly the Carbon Disclosure Project) ranking has improved to B- for climate change and B for water.



Water

Water is the driving force of all nature. The two key approaches for water conservation include using less water by investing in advanced technologies and increasing process efficiency initiatives for water management through efficient treatment and recycling mechanisms.

Some of our water-related initiatives include:

- Switched to recycled water at our manufacturing facilities, many of which are operating on 100% recycled water
- Partnered with GAP to set up an innovation centre, to drive water stewardship for textile industry
- Invested in advanced technologies like Emerising machine by Matchpoint that saves water and chemicals by converting a wet process into a dry process

Water Performance

	FY20	FY21	FY22
Water			In '000 m ³
Total Freshwater Consumption	3,670	2,176	1,655
Total Water Treated & Reused in process	7,243	5,341	5,634
Total Water Treated & Discharged	2,803	2,016	876
Specific Freshwater Consumption			
Fabric (litre/metre)	43.20	40.53	26.21
Garment (litre/piece)*	11.70	12.27	12.88

**Note: Our specific freshwater consumption for garment manufacturing went up as a new plant became operational in 2020 and it was running intermittently.*



Chemicals

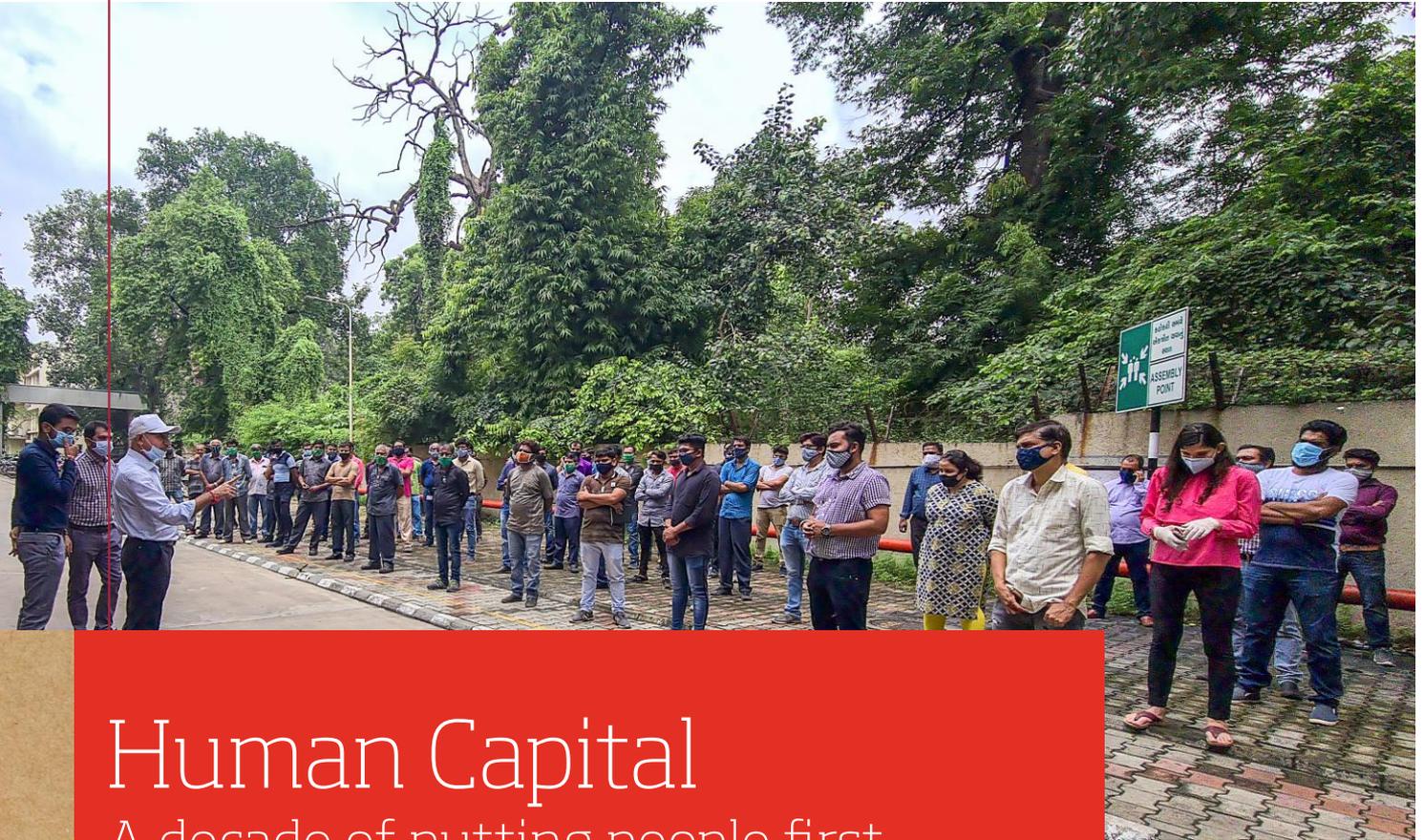
Chemicals are an important ally in providing and differentiating the look and feel of fabrics. This role comes with a side effect on the environment. At Arvind, we try to reduce this impact by adopting green chemistry principles.

Some of our initiatives include:

- Adopted ZDHC (Zero Discharge of Hazardous Chemicals) at all our sites for safe and sustainable chemical management
- Adhered to safer chemistry frameworks to eliminate hazardous chemicals
- Worked on synthetic pesticide elimination in organic farming and reduction in BCI

Our manufacturing facility in Naroda became the first denim plant globally at ZDHC level-1.*

**The ZDHC MRSL Level 1 certification of compliance demonstrates that the chemical formulations used in the production of an article do not contain any of the substances on the MRSL (Manufacturing Restricted Substances List).*



Human Capital

A decade of putting people first

In any organisation, it is the people who make the difference. At Arvind, we believe that by putting people first, we enable a robust transformation that unlocks higher value for all our stakeholders. Empowering employees therefore has been an integral part of our value system since the beginning, and became one of the foremost pillars of our ESG journey which we initiated a decade back.

Human capital involves acquiring, training, managing, and retaining employees for them to contribute effectively in various processes of the business. Top management, executives, employees and workers form a part of our human capital. Their collective knowledge, skills and experiences are major contributors to Arvind's value creation.

We have grown
from about 14,000
employees in 2013
to more than
22,000 in 2022.

Key People Strengths

An organisation is as strong as its employees. We participate in strengthening our people, and our people participate in strengthening the business. The result is, our strengths grow with each other. Some of the key strengths include:

Proficient - A pool of excellent domain experts in finance, R&D, design, product development, sales & marketing, patents & trademarks, sustainability, waste water and solid waste, technical textiles, CSR and IT

Empowered - Employees have the autonomy of decision-making, and a larger sense of purpose. We refer to workers as Front Line Managers (FLMs)

Open to possibilities - At Arvind, people are open to explore opportunities for innovating, experimenting, and even empowering and touching lives of people

Promoters - People believe in not just creating ripples, but waves of impact, and for that they promote new ideas, support them and even allow them to fail

Limitless - Not held back by limits and fuelled by creativity, our people breathe a start-up culture, creating a legacy of innovation by challenging convention, and living up to it everyday

Encompassing - Diversity of every kind is celebrated - cultural, racial, religious, age, gender, ability, and even sectoral diversity (e.g. people from travel industry working in textiles industry)

In the reporting year, we organised a programme called 'Ideas' where employees came up with new thoughts for process optimisation, operational excellence, etc.

Key Focus Areas

Our focus continues to remain on creating a workplace where people come to reimagine the future - personal as well as organisational; where people from diverse backgrounds, flourish together; where people build long-term careers based on merit and creativity; and where people can explore different dimensions of their capabilities and still have a definite role in making Arvind what it is. Achievement of such a workplace entails developing a culture that celebrates diversity, values enterprise and rewards performance, and making employees feel more valued.

A positive workplace culture improves teamwork, raises morale, increases productivity and enhances retention.

The key focus areas to create an empowering employee-first culture include:

- **Recruitment and Leadership Pipeline**

- **Learning and Development**

- **Employee Engagement**

- **Diversity and Inclusion**

Recruitment and Leadership Pipeline

You can't force a square peg in a round hole. Getting the right people for the right role at the right time is the core of recruitment and developing the leadership pipeline at Arvind. We proactively map the requirements with internal and external talent, and accelerate the execution.

Our modes of recruitment involve:

- IJPs (Internal Job Postings) - Provides opportunity to the internal talent first, in case of a vacancy
- Referrals - Proof of a positive experience, so employees refer their known people
- Focussed Internships - Gives a fair idea of the knowledge and skills
- Campus Connect Programmes - Fresh talent infuses much-needed new ideas
- Social Media - Captive target audience of young professionals

The mechanism to create our leadership pipeline entails:

- Identifying next generation leaders
- Succession planning for critical positions based on the 9-Box Grid
- Developing leaders centred on 70:20:10 model of 3Es - Experience, Exposure and Education
- Creating leaders by identifying learning areas based on function, role and career stage, and providing relevant coaching to unlock potential and maximise performance

In FY 2021-22, we had a clear focus on HR digitalisation at the shop floor, business and corporate level, which lead to an enhanced performance in achieving the desired HR outcomes.



We provide a choice of opportunities to our employees, some of which are:

- Opportunity to choose a subject expertise path or a general management path
- Opportunity for vertical and/or horizontal growth
- Opportunity for young employees to move into leadership roles depending on the skillset

Being a leader in the textiles industry with a presence across the entire value chain provides us a platform to attract the best talent available.

In the reporting year, we onboarded 116 fresh graduates from a wide spectrum of specialisations - ranging from MTech, CA, MBA to NIFT graduates.

Learning and Development

An investment in knowledge pays the best interest. We believe that learning and development (L&D) encompasses a human need to grow as well as an enabling power to achieve. Our L&D efforts are geared to empower employees' personal growth and develop their expertise to accomplish greater tasks. For this, we create an enabling culture through:

- **communication channels across levels, for openness**
- **employee-friendly practices and policy, so they feel cared for**
- **fostering team work, to create a synergy of efforts**
- **on-the-job mentors to guide through any situation**
- **cross-functional teams to bring forth diverse ideas**

This facilitating environment results in an organic development. The specialised development needs are taken care of by training. Some of the training programmes include:

- Udaan - Supervisory developmental initiative for garmenting business with a focus on capability building of 230 shop floor supervisors
- Continuing Education Programme - Tie-ups with the Harvard management and senior leadership; Tie-ups for course curriculum with agencies like SkillSoft

- Women Leadership Development Programme - Harappa Academy
- Water stewardship training - Alliance for Water Stewardship
- Functional training for employees
- Safety training for employees

E-learning facility is also available in some cases. All these learning and development initiatives lead to employee transformation.

The process that we follow to drive transformation is - Connect, Communicate and Cascade. Based on this, we have also developed a programme called Parivartan, with a framework of Engage, Excel and Evolve.

Employee Engagement



As they say, to win at the marketplace, you must first win the workplace. At Arvind, we keep employees engaged and motivated, so they continue in their quest for something better, for something more fulfilling, for improving what is, for creating impact, for galvanising dreams into actions.

Our HR policies for employees are called 'Principles of Engagement'.

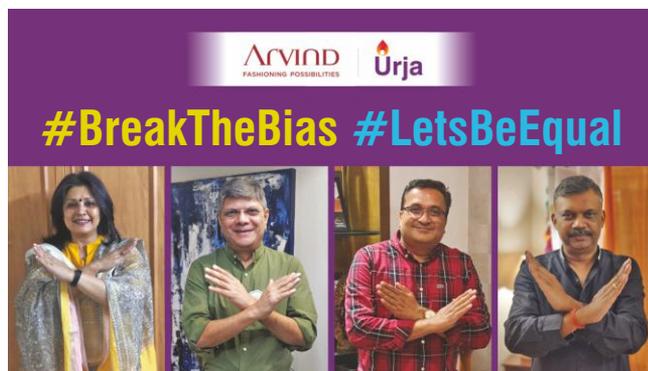
Our comprehensive employee engagement initiatives play a vital role in retaining key employees, as well as in reducing turnover and its related costs. All of these contribute to an organisation's productivity and overall business performance. Some of our initiatives include:

Rewards & Recognitions

- Moved from an annual variable pay structure to a quarterly variable pay structure which allowed employees to get rewarded four times in a year and motivated them to perform consistently
- Instituted a very clear retention scheme in the company at various levels in the organisation to attract and retain various talents
- Clear organograms, structures, KPIs and growth path

Engagement Programmes

- A Leadership Connect Programme - Urja, is our fireside chat with company CXO's
- Health and well-being programmes



Grievance Mechanisms

- Whistle-blower policy
- Ethics helpline

In FY 2021-22, we undertook a four-month compensation benchmarking exercise for all textiles and corporate function on what kind of job roles should exist. The compensation pay ranges and market pay ranges were also mapped for the roles. This exercise helped in evaluating the new hires and benchmarking the fresh talent pool.

COVID-19 Response



The second wave of COVID-19 was overwhelming. We immediately ensured safety of employees by enabling remote work. Setting up the infrastructure required for WFH was accompanied by putting in place COVID-19 relief activities.

These included - family care programmes, ambulances on call, oxygen-on-call service, hospital arrangements, upfront medical support - medical insurance, daily medicine support, death benefits, quarantine assistance to employees and their families, and vaccination support.

We ensured that every employee and their family members felt secure. Our people also rose to the occasion and worked with a higher sense of purpose. We salute their spirit.

Diversity and Inclusion

Great things are seldom achieved by one person; usually it is an outcome of a team with multiplicity of thoughts and skills. Diversity and inclusion therefore not only create a positive work environment, but also make smart business sense.

Our Code of Conduct clearly mentions policies that enable diversity and inclusion. We are also taking further steps to increase diversity and nurture young women leaders. Some of the initiatives include:

- Identifying diversity positions
- Rewarding referral for diverse candidates
- Setting diversity targets for specific functions/businesses
- Launching women-centric policies
- Planning back to work programmes for women
- Introducing women leadership programme to nurture women leaders

We have designed four new schemes to be implemented in FY 2022-23 which will formalise some of the initiatives we are already doing.

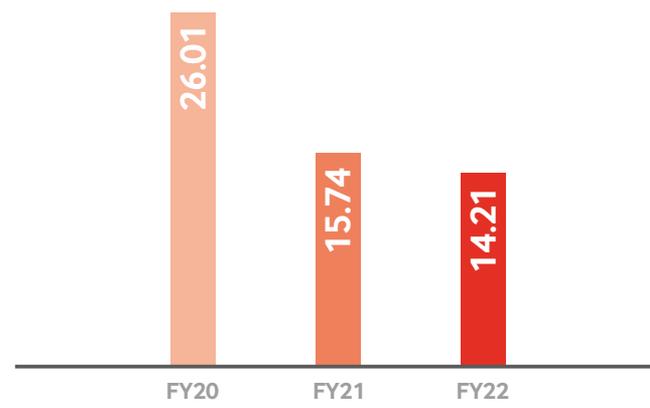
Employee Snapshot

Employee Mix

Permanent Employees (nos.)	15,226
Permanent Women Employees (nos.)	6,241
Temporary / Casual / Contractual Employees (nos.)	7,633
Unionised Permanent Workforce (%)	24%

Percentage of Women Directors on the Board 11.1%

Safety - LTIFR (Workers)



Learning and Development

	FY20	FY21	FY22
Total Participants	27,315.00	63,920.00	73,883.00
Total Hours	17,512.50	486,575.50	530,765.00
Hours per Employee	0.62	16.69	23.36

Note: The trainings were reduced in FY20 due to COVID-19.

Complaints on Child / Involuntary Labour (nos.)	0
Complaints on Discriminatory Employment (Sexual Harassment Complaints)	0
Employee Benefit Expense (INR in Cr)	809



Social & Relationship Capital

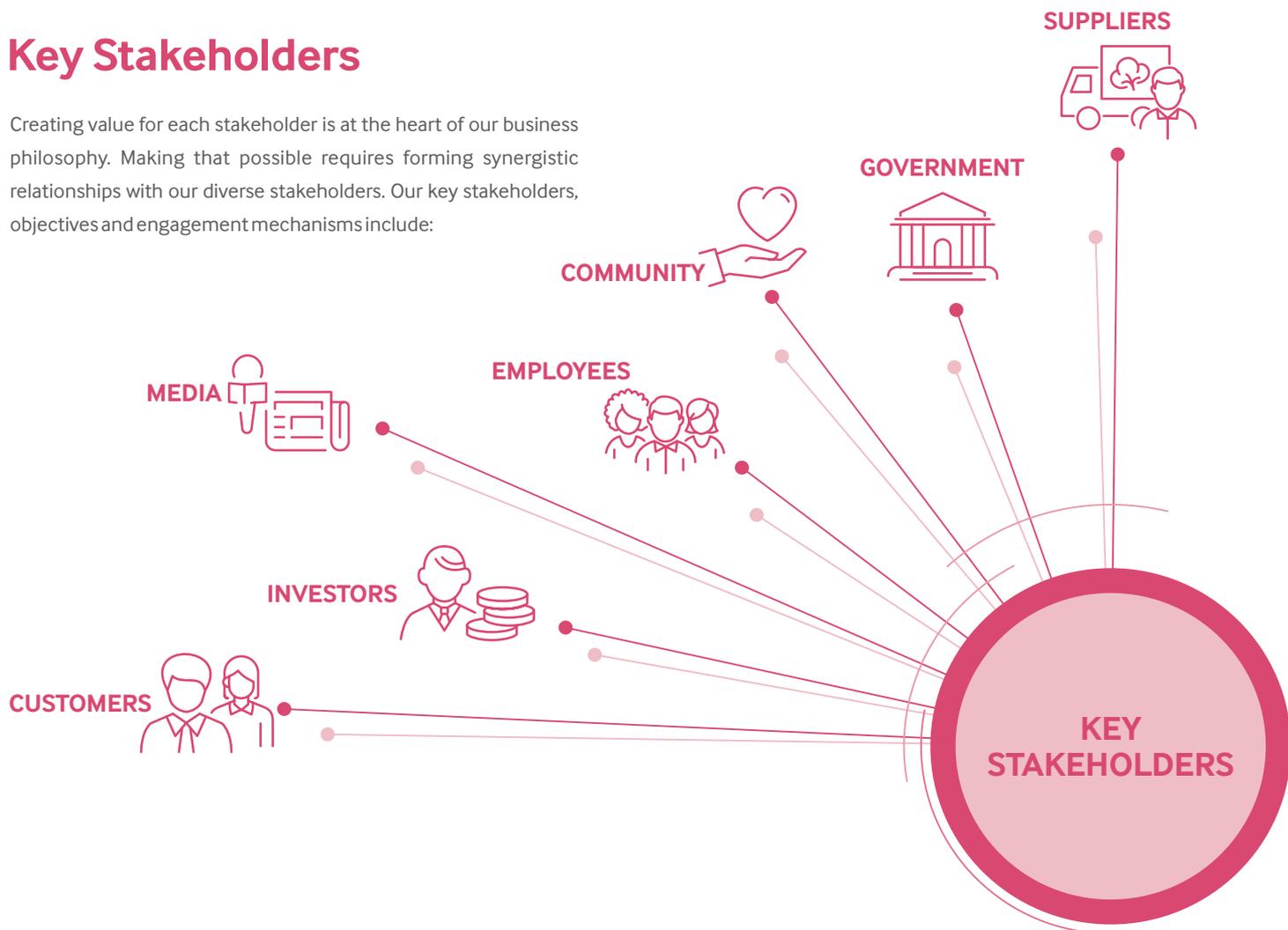
A Decade of Making a Difference

Making a difference in others' life creates the biggest difference in ours. So, it has been a constant endeavour at Arvind to create a positive difference in every life we touch, since the beginning. This requires development of relationships with stakeholders - communities, employees, customers, suppliers, business partners, and others; and the ability to share information and resources to enhance individual and collective well-being. This results in the generation of social and relationship capital that strengthens our social licence to operate.

Our CSR investment stood at INR 3.8 Crore in FY 2021-22. The total CSR investment between FY 2014-15 and FY 2021-22 is over INR 51 Crore.

Key Stakeholders

Creating value for each stakeholder is at the heart of our business philosophy. Making that possible requires forming synergistic relationships with our diverse stakeholders. Our key stakeholders, objectives and engagement mechanisms include:



KEY OBJECTIVES
ENGAGEMENT MECHANISMS

Customers

- | | |
|---|--|
| <ul style="list-style-type: none"> • Develop a sustained relationship • Anticipate short-term and long-term expectations • Fulfil their requirement of Sustainable Products • Understand their Sustainability Goals | <ul style="list-style-type: none"> • Periodic one-to-one interactions with key customers • Customer satisfaction survey • Personal meetings by our design and technology teams with customer groups at regular intervals throughout the year • B2B customer portal to facilitate a continuous dialogue • Feedback gathered during customer visits and audits to the manufacturing locations |
|---|--|
-

Investors

- | | |
|---|---|
| <ul style="list-style-type: none"> • Understand concerns and expectations to create higher shared value • Recognise the sustainability risk perception of investors | <ul style="list-style-type: none"> • Regular dissemination of financial performance through newspapers and published accounts • In-depth interactions during analyst meets and investor presentations • Addressal of specific queries on sustainability from investors |
|---|---|
-

Media

- | | |
|--|---|
| <ul style="list-style-type: none"> • Communicate key developments, milestone events, growth plans, etc. • Build larger outreach and better narrative for various key initiatives | <ul style="list-style-type: none"> • Media interactions, events, press conferences, media announcements of quarterly reports and major tie-ups • Media visits to facilities to demonstrate business growth and new technologies |
|--|---|
-

Employees

- | | |
|--|--|
| <ul style="list-style-type: none"> • Understand their career ambitions, job satisfaction parameters, support career growth, training and development • Share organisation's vision, short-term and long-term goals, workplace needs and expectations | <ul style="list-style-type: none"> • Structured interactive appraisals, career path guidance, training programmes, employee rewards and recognition, development programmes • Feedback mechanism for Front Line Managers (FLMs) using various channels |
|--|--|
-

Community

- | | |
|---|--|
| <ul style="list-style-type: none"> • Positively impact the quality of life of the people in the community • Maintain cordial relations with local communities | <ul style="list-style-type: none"> • Activities by institutions promoted or partnered by us e.g. NLRDF, SHARDA Trust, etc. • Interactions by the Industrial Relations department |
|---|--|
-

KEY OBJECTIVES

ENGAGEMENT MECHANISMS

Government

- Understand compliance and applicable regulations. Brief them on steps taken and discuss opportunities to collaborate on pressing issues
- Personal meetings
- Submission of relevant compliance documents
- Presence in industry forums, etc.

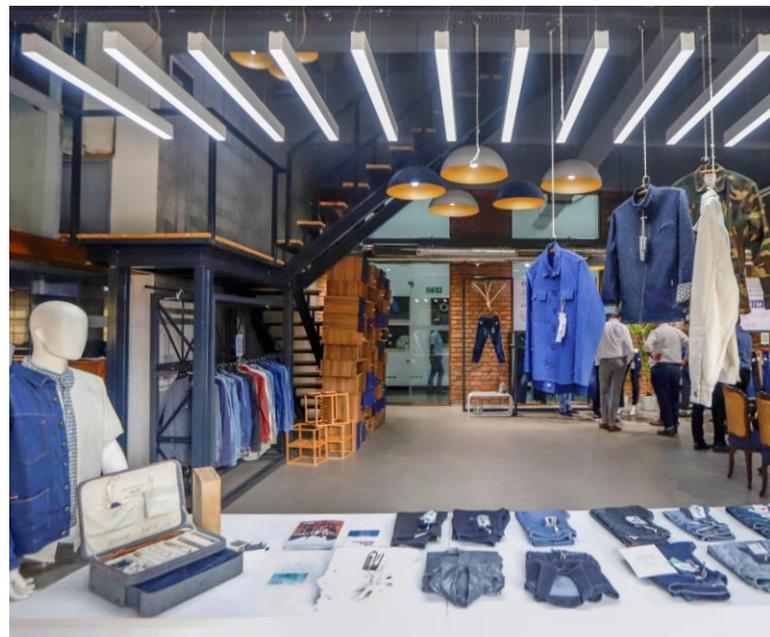
Suppliers

- Sharing of mutual expectation and needs, especially about quality, cost and timely delivery, growth plans and sharing of best practices
- Periodic interactions between Arvind's buying and sourcing teams
- Training programmes, quality workshops

Customers 

All our customers are our partners. This is why, at Arvind, we continuously try to understand their needs and actively solicit feedback, ideas and suggestions. Some of the joint programmes that we have initiated with our customers include:

- Sustainable agriculture projects with Patagonia, Pangaia, Next, Inditex, Superdry, GAP, Levis, C&A, J.Crew, and Timberland to increase the area under organic and regenerative agriculture in India
- D(R)YE Factory of the Future project together with Fashion for Good, Adidas, Kering, PVH Corp., and Welspun India to optimise resource use during the production process
- Materra Pilot: In partnership with Fashion for Good, Kering, and PVH Corp. to pilot a radically resource-efficient cotton farming technology
- 'Sorting for Circularity India Project': To build an infrastructure towards greater circularity with Adidas, Levi Strauss & Co., PVH Corp., Birla Cellulose and Welspun India
- The Full Circle Textiles Project: For driving and scaling disruptive innovations along with Laudes Foundation, Adidas, BESTSELLER, C&A, PVH Corp., Target and Zalando, Fabrics Division of W. L. Gore & Associates, and Teijin Frontier



Our Santej facility won the Best Supplier Award (Platinum) from our customer Kohls as well as TERI Award for Excellence for the usage of effluent water.

Investors



We are continuously working to create attractive ROI both financial and non-financial as well as strong investor relations built on transparency, accountability and trust.

- **20 investor meets in FY 2021-22**
- **13 investor grievance reported in FY 2021-22. All were resolved**
- **Reported at CDP which is a global environmental disclosure system for six years in a row**

Our share price trend is testament to our continued strong relationship with our investors.

	FY20	FY21	FY22
Share Price Trend	19.65	65.85	117.45

Employees



We are creating an empowering and enabling environment for employees, so they perform to their best potential. Our employee-centric initiatives and processes are covered in detail in the Human Capital chapter. Here we are only stating the investment made over last three years:

EMPLOYEE COST	FY20	FY21	FY22
Amount	942	697	809
% of Sales	13%	14%	10%

Media



In these digital times, it is vital to ensure that online engagement with all our stakeholders is done on an ongoing and continuous basis. We have made a conscious effort to remain present across various social media platforms i.e. LinkedIn, Facebook, Twitter and Instagram. This helps us remain not only connected with the relevant stakeholders on real time basis but also acts as

engagement tools. At Arvind, social media has been leveraged to reach out to a larger talent pool and has helped us in our recruiting efforts.

Interviews, articles, industry story publications, policy related communication, etc., during the year shape the narrative and demonstrate thought leadership. Our leaders are often part of interviews, industry and standalone stories; which not only highlight us but also provide industry perspective. Participating in panel discussions by industry bodies has been one of the key highlights of communicating key messages to the larger audience.

Community



The key to building a great business is to generate value for the communities. We achieve that by creating a positive impact in four broad areas of CSR that we focus on:

**Educational Advancement | Rural Advancement
Cultural Advancement | Environmental Advancement**

CSR initiatives in these areas are undertaken through specific institutions promoted by us or in partnership with:

- **Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust**
- **Narottam Lalbhai Rural Development Fund (NLRDF)**
- **Arvind Foundation (AF)**
- **Other Civil Society Organisations**

SHARDA Trust and NLRDF are public charitable trusts with a credible history of three and four decades of working in urban and rural centres respectively. In addition, we have created the Arvind Foundation as an umbrella organisation to ensure continuity of ongoing programmes, implementation of new programmes and to strengthen as well as expand our CSR initiatives.

CSR Vision: To impact positively, the quality of life of people, through initiatives of social, economic, educational, infrastructural, environmental, health and cultural advancement.

INITIATIVE

The COVID-19 Effect on Our Initiatives

Major parts of FY 2021-22 witnessed the continuance of pandemic and related bottlenecks. Although we continued our CSR initiatives with passion and focus, the numbers remained low due to the prevailing situation. Some of our initiatives and their benefits this year include:

Educational Advancement

Digital Education Programme: Benefitted 2,060 students. Our teachers also designed and developed over 2,200 digital teaching resources.

Gyanda Education Programme: Enrolment of over 1,100 students. We have set a goal to enrol 2,000 students in the coming year

Rural Advancement

Farmers Skill Training: 300 farmers from 9 villages benefitted from the programme

Tribal Girls - Training and Employment: 311 girls benefitted

Strengthening dairy practices: Over 150 dairy farmers from 7 Villages attended the training programmes. The team also facilitated the disbursement of loan to 25 dairy farmers.

Rural Inner Well-being Programme: Despite COVID, this programme continued reaching out to over 4,500 people in rural Gujarat and Rajasthan through online format. The meditation sessions have started in offline mode now and will return to the normal days soon.

Environmental Advancement

Tree Plantation: Planted 5,500 trees. Going ahead, our goal is to plant 1,50,000 trees for the next 3 years

Cultural Advancement

Promotion of Indology: Till FY 2021-22, close to 33.5 Lac pages of the manuscripts were digitalised. In addition to that the library automation project was also completed.



Local Community

Our engagement with local communities is not only driven by our CSR activities but also by our business activities. We provide preference to people living near our manufacturing facilities. This ensures ownership amongst the community, making the business more sustainable in the long run.

- Public hearings for expansion project: Zero
- Number of people employed from within <5-15 km radius of the facility

	0-5 KM	6-10 KM	11-15 KM	>15 KM
Staff	127	349	1,968	730
FLM	2,737	1,564	11,533	3,714



Government



From shaping policies to creating a healthy, stable environment where a business can prosper and create as well as distribute value in the society, Government is an important stakeholder for a business.

Participation of private sector in the policy-making process enables the creation of a sound legal and regulatory framework. The top leadership at Arvind serves on various committees set up by the Government and industry bodies to formulate robust policies.

- Mr. Kulin Lalbhai - Vice Chair, CII National Committee on Textiles
- Mr. Ankur D. Trivedi - Member - State Advisory Committee for Textile Sector, Government of Madhya Pradesh
- Mr. Abhishek Bansal - Head of Sustainability is on the board of SAC, ZDHC and SLCP
- Mr. D. J. Yadav - Past Chairman, CII Gujarat Council and Currently Chairman - Academia - Industry & Research & Development Coordination Committee
- Ms. Rachna Mehra - Member - CII Gujarat HR Panel
- Mr. Niraj Lal - Convenor, CII Gujarat CSR Panel and Member, CII CSR National Committee

No non-compliance has been reported during this financial year according to SEBI and ROC.

Tax paid to the Govt.

In INR Crore

FY20	FY21	FY22
65	11	26

Suppliers



We ensure our suppliers grow with us. So, we work with a broad range of suppliers to enhance their capacities and engage with them consistently. The suppliers range from farmers to Micro, Small & Medium Enterprises to Multi-National Corporations. Some of our initiatives include:

- Familiarising with Arvind's Sourcing Policy and Code of Conduct
- Solving grievances - We have an Ethics Helpline Portal where any supplier can post complaints or grievances they have - <https://www.arvind.ethicshelpline.in/portal/en/home>
- Sharing sustainability practices and building capacity through trainings, exposure visit etc.
- Paying a premium for the sustainable produce to the farmers

We have invested INR 4.2 Crore in our sustainable agriculture projects to engage with 82,540 farmers. In these projects, we have 160 agri-professionals that support in capacity building of the farmers.



Shareholders will be entitled to an additional

20% DISCOUNT

ARVSC2022

on their purchases from www.nnnow.com



The process to avail the discount is as follows:

- Please visit the website www.nnnow.com
- Please register yourself and open an account by providing some details - such as name, mobile number and email id
- Select the products that you want to purchase and add them to your cart
- At the checkout page - please enter **ARVSC2022** in the space provided for '**Apply Coupon Code**' and apply
- You will receive an additional **20% discount** on the cart value
- Choose your payment method, place your order and complete the transaction

Terms & Conditions:

- The coupon code is valid up to **31st July 2023**
- No minimum purchase is required
- The coupon code is valid against one transaction only
- The coupon code cannot be revalidated after the expiry date has passed
- Any disputes should be referred to the Company and the decision of the Company shall be final and binding. Disputes, if any, are subject to Ahmedabad jurisdiction



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