

Arvind Fashions Limited Corporate Social Responsibility Policy

(Amended on August 1, 2024)

1. Preamble

CSR: Arising out of implicit value system

Care for the society has been an intrinsic value for the promoters of the Lalbhai Group. Though the rationale for long tradition of reaching out through planned interventions had always been nurturing society, at the base of it all lies an implicit value system. The underlying value system has a firm belief that only in a healthy society healthy businesses flourish and to ensure this, Business leaders must positively impact society.

The Founders of the Lalbhai Group, believed that every human being needs to be engaged productively for accomplishment of his / her personal, social, spiritual and professional goals. To nurture this, the society needs institutions that equip individuals with relevant knowledge, appropriate skills and right attitude and values. The Founders were instrumental in setting up pioneering institutions for sustaining and improving Educational, Social, Cultural and Religious conditions that supported these values and thereby Ahmedabad's social and business progress. Ahmedabad Education Society, Indian Institute of Management Ahmedabad, Centre for Environmental Planning and Technology, H L College of Commerce and Lalbhai Dalpatbhai Institute of Indology are some examples.

The initiatives of educational, social and cultural renewal have been supported much before the term CSR was coined. The Companies Act, 2013 mandates CSR operations by the corporate entities provides broad guidelines and sets up a reporting framework. **Arvind Fashions Limited Policy on Corporate Social Responsibility ("AFLPCSR")** has been put in place to facilitate the process.

2. Rationale for the AFLPCSR

We at Lalbhai Group have well planned, tested and acclaimed initiatives under CSR. The AFLPCSR has been crafted to further strengthen and expand present initiatives, set a foundation for the initiation of new ones and define steps for monitoring, periodic evaluation, planned budgeting and structured reporting.

3. Applicability and Duration

The Arvind Fashions Limited Policy on Corporate Social Responsibility (AFLPCSR) is applicable to all Subsidiaries and Joint Ventures Companies of Arvind Fashions Limited. The Board of the Directors of Subsidiaries and Joint Ventures companies, however, may decide to follow AFLPCSR or have their own CSR policy and undertake interventions

4. CSR Vision

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

5. Policy Objective:

There are five key objectives of AFLPCSR

- (i) To develop guidelines and articulate the broader intervention areas
- (ii) To define projects and programmes under the articulated intervention areas (iii) To define implementation mechanism and organisational base for implementation
- (iv) To define monitoring mechanism, periodicity and reporting procedures
- (v) To define budgetary allocation

(i) Articulating Broader Areas of Intervention

AFLPCSR will have projects and programmes under the following broad areas which will be synergetic to the broader areas that the Schedule VII of the New Companies Act has defined or will define from time to time. CSR Committee will update the intervention areas and the project and programmes every year and suggest changes if any, after approval of the Board.

- Education
- Employment Enhancing vocational skills for Employability
- Projects and programmes around office premises
- Health
- Poverty, Malnutrition, Food, Clothing, Shelter
- Environmental Initiatives
- Agricultural Initiatives
- Water and Sanitation
- Art and Cultural Initiatives
- Rural Development Initiatives
- Other Social Advancement Initiatives

(ii) Defining projects and programmes

After approval of the Board, the CSR Committee will undertake defined CSR projects. The activities listed below are indicative and may not be limited to the following:

a) Education:

- Expand Arvind's programme Gyanda: Fountain of knowledge that undertakes Education support for disadvantaged children, adolescents & youth.
- Set up Education Centres for offering educational support.
- Establish a programmes to provide Scholarships / Loans / Fees to bright students from disadvantaged sections of the society for undertaking higher education and skill oriented programs for upgrading their potential.

- Supporting Projects and Programmes for education in any area of knowledge for women, children, senior citizens, masses and differently abled persons.

b) Employment enhancing vocational skills for Employability

- Undertake studies to identify potential skill initiatives suitable for a particular geographical and industry.
- Undertake women empowerment programs through education, skill enhancement and training and upgrade potential for wage and self-employment.
- Undertake and expand the ongoing projects and programmes for making people English Proficient and facilitate employment linkages.
- Supporting Projects and Programmes for Skill enhancement in any area of knowledge for women, children, senior citizens, masses and differently abled persons.

c) Initiating development project and programmes for impacting positively the quality of lives of people where Arvind Fashions Limited operates

- Undertake Need identification and baseline studies in villages and towns near Arvind Fashions Limited's operations.
- To support and/or undertake rural development projects and programmes in villages and towns near Arvind Fashions Limited's operations.
- To support and/or undertake projects and programmes for improving the quantity and quality of water resources.
- Explore possibility of undertaking similar initiatives in other parts of India where Arvind Fashions Limited operates.

d) Health Initiatives:

- Setting up Health Centres that offers consulting, diagnostics, treatment, medicines and other primary health services.
- Supporting Projects and Programmes for promoting and imparting health care including preventive health care, safe drinking water and other similar measures.
- Support the operations of Health Centres created with Company's support.
- To organise, establish, manage, support, fund and/or undertake projects and programmes that promote inner wellbeing including meditation, yoga and similar practices.

e) Environmental Initiatives

- Undertake projects and programs ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources and maintaining and improving quality of soil, air and water.
- Supporting renewable energy projects and programs

f) Agriculture Initiatives

- Undertake projects and programs for the product lifecycle analysis from the soil conservation point of view.
- Undertaking projects and programs for the helping the farmers opt for better agricultural practices.

g) Water and Sanitation

- Undertake project and programs for improving sanitation and developing infrastructure in underserved urban and rural areas.
- Undertaking projects and programs for supply of clean water and making available clean and safe drinking water
- Undertake project and programs to enable the Sanitation space through awareness, training and capacity building of stakeholders.

h) Cultural Initiatives

- Supporting Projects and Programmes for protection and promotion of art, heritage and culture.
- Supporting projects and programs for the protection of national heritage, art, culture, including restoration of buildings and sites of historical importance and work of art, setting up of public libraries, promotion and development of arts and heritage.

i) Rural Development Initiatives

- Promoting, Supporting and / or Undertaking rural development projects and programs anywhere in India.

j) Other Social Advancement Initiatives

- Supporting Projects and Programmes for social advancement and livelihood help for women, senior citizens, children, adolescents, youth, widows of armed forces, arm force veterans, dependents of armed forces and differently able persons.

- Contribution to the funds set up by the government for national importance.
- Programs for eradicating hunger, poverty and malnutrition.
- Promoting sports, nationally recognised sports, Paralympic sports and Olympic sports.

k) Support Initiatives

Undertake Research, Development, Communication and related initiatives that aid the initiatives of Arvind Fashions CSR.

(iii) Define implementation mechanism, organizational base

- a) AFL may directly engage in activities as listed in Section 5(i) and (ii) of this policy.
- b) AFL may contribute to the activities, projects or programs, relating to activities as listed in Section 5(i) and (ii) of this policy, through contributions to a company established under section 8 of the Act, trusts, societies, NGOs, or institutions, performing such activities.

(iv) Define monitoring & evaluation mechanism, periodicity & report procedures

- a) AFL has set up a Corporate Social Responsibility Committee as per the requirement of the Act which shall be responsible for the implementation/ monitoring of the projects/activities undertaken under the policy and review of this policy.
- b) The members of the Committee are:
 - Mr. Kulin Lalbhai
 - Mr. Nilesh Shah
 - Mr. Punit Lalbhai
- c) The committee shall endeavor to spend atleast 2% of the average net profit during the preceding 3 financial years on CSR activities as enumerated above. The CSR committee shall evaluate and decide the amount that is to be allocated to each specific project/activity.
- d) At the commencement of each financial year, Board shall approve the budgeted amount required to be spent in the financial year.
- e) Activities to be undertaken in areas or subjects specified in Schedule VII of the Act will be placed before the Board.
- f) CSR Committee shall decide on specific projects, manner of execution of such projects and modalities of utilization of funds and implementation schedules for the projects.
- g) Details of the projects undertaken during the previous year will be reported to the Board in the first meeting of next year.

(v) CSR Budget and planned allocation

The CSR Budget will be equivalent to minimum 2% or more of the average net profit of the Company of last three years that will be utilized on CSR initiatives.

6. Dissemination of information

- a) The Committee will report to the Board, at least once a year on the status of the CSR projects/ activities undertaken by the Company.
- b) The Company shall upload this Policy, composition of the committee and projects approved by the Board on its website.
- c) A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as part of the Directors' Report in the Annual Report.

7. Concluding Remark

The Arvind Fashions Limited Policy on Corporate Social Responsibility (AFLPCSR) is an attempt to provide a structured guideline for the Company and all its Subsidiaries and Joint Ventures to undertake CSR initiatives. This policy envisages to guide CSR initiatives for all its Subsidiaries and Joint Ventures and help them maintain a common CSR thought thread.

For doing so, the top Management of the Arvind Fashions Limited and its Subsidiaries and Joint Ventures are expected to define an annual budget, select a focus area and work with the Arvind Fashions CSR team to undertake CSR initiatives. Arvind Fashions CSR team and the organisations representing CSR will undertake the initiatives on behalf of the companies with an aim to maximise effectiveness and efficiency.

The Subsidiaries and Joint Ventures, however, may decide to go separately for setting up their own policy and thereby undertake CSR interventions.

Further, in case of any subsequent changes in the provisions of the Act or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy.