

Independent Assurance Statement

To the Management of Arvind Limited, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Arvind Limited ("Arvind") for independent third-party verification of Scope 1, Scope 2 and Scope 3 Greenhouse Gas (GHG) emissions verification for their Indian operations and offices GHG emissions inventory based on GHG protocol standards for FY2019-20, FY2020-21 and FY2021-22. The GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2004), and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, developed by the World Business Council for Sustainable Development and the World Resources Institute, have been used as criteria for reviewing Arvind's GHG inventory. This assurance is based on the AA1000AS v3 with Type 1 moderate-level assurance.

Intended Users

The intended users of this assurance statement are the management and stakeholders of Arvind. Our responsibility in performing this task was limited to the verification of the GHG inventory, in accordance with the agreed scope of work. This assurance engagement is based on the assumption that the data and information provided to us is authentic and complete. Our assurance task was planned and carried out during June-July 2022

Responsibilities of Arvind and Assurance Provider

The management of Arvind is solely responsible for development the GHG inventory and its presentation. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the GHG inventory so that it is free from material misstatement, whether due to fraud or error.

Intertek's responsibility, as agreed with the management of Arvind, is to provide assurance and express an opinion on the Assurance Statement based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within the GHG inventory based on the AA1000AS v3 assurance process.

Assurance Scope

The organizational boundary was established following the operational control approach. The scope of this engagement covered GHG emissions sources for 10 locations in India, for the period of 1st April to 31st March for FY2019-20, FY2020-21 and FY2021-22. The details of locations are provided below:

- Naroda
- Santej
- Ankur
- Kolhapur
- Mysore
- Bommasandra
- Ecity
- Intex
- Yashwantpur
- Matoda

The verification included Scope 1, Scope 2 and Scope 3 data, as follows:

- Scope 1: Stationary Fuels i.e. Coal, Diesel, Natural Gas, DOC and Briquette.
- Scope 2: Purchased Electricity.
- Scope 3: Category 1-Purchased Goods and Services, Category 2-Capital Goods, Category 3 Fuel- and energy-

related emissions not included in scope 1 or scope 2, Category 4-Upstream Transportation, Category 6-Business Travel, Category 7-Employee Commuting and Category 9-Downstream Transportation

Assurance Criteria

Intertek undertook the assurance in accordance with AA1000AS v3 Type 1 moderate-level assurance, covering:

- Evaluation of adherence to the AA1000APS (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- The reliability of specified environmental performance information (greenhouse gas emissions)

Intertek used WRI's GHG Protocol Corporate Accounting and Reporting Standard, v3.51 (2004) and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, v5.89 (2011) to evaluate Arvind's performance information and adherence to the Principles.

Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a type 1 moderate level of assurance. The assurance was conducted by desk review with regard to the reporting and supporting records for the fiscal year 2020, 2021 and 2022. Data and information supporting the Statement were historical in nature and proven by evidence. Our assurance task was planned and carried out during June-July 2022. The assessment included the following:

- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available digitally.
- Conducted virtual interviews with managers responsible for data management.
- Assessment of appropriateness of various assumptions, estimations, emission factors and thresholds used by Arvind for data analysis.
- Review of GHG related data on sample basis for the duration from 1st April to 31st March of FY2019-20, FY2020-21 and FY2021-22 was carried out remotely through virtual interactions and screen sharing tools.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed.

Limitations

The verification was based on the procedures, documents, records and data provided by client, and not verified physically at the site due to virtual nature of the assessment. Meetings, clarifications from client through concalls. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as part of this assurance engagement. This statement relates specifically to the information disclosed in the GHG inventory for FY 2019-20, FY2020-21 and FY2021-22, and may not be interpreted as validating environmental data reporting in other sources.

Adherence to AA1000AS Principles

Based on the work conducted, nothing has come to our attention demonstrating that Arvind did not adhere to the Accountability Principles, as mentioned below.

- **Inclusivity:** Arvind prioritised stakeholder groups include the group management, investors, employees, suppliers, customers, distributors, local communities, Media and Government Agencies Arvind has a diverse set of stakeholders, who champion divergent interest. Hence in order to manage and maintain stakeholders a 'Stakeholder Relationship Committee' has been formed which has three Members comprising of one Non-Executive Director and two Executive Directors. Comprehensive stakeholder dialogues are performed on every third year, or otherwise per group management's request.
- **Materiality:** Arvind carries out its materiality analysis and prioritises sustainability issues through dialogue with its stakeholders. Most important issues identified through stakeholder dialogue were (in order of highest to lowest) Energy Management, Sustainable Sourcing, Water Management, GHG Emissions, Supply Chain Engagement, Chemical Management, Safety Management, Labour Relation & Union Practice, Code of Conducts etc. For all aforesaid issues Arvind has data collection, progress monitoring, and in some cases relevant targets as well.

- **Responsiveness:** Arvind has formed various working groups and committees for monitoring and reporting tasks that have been further developed and spread throughout key functions such as logistics, supply chain, product development, and human resource. To reduce its environmental impact, Arvind has been investing in ways to improve energy efficiency and use of low-emission materials, low-emission suppliers and activities.
- **Impact:** Arvind performs an internal review on a quarterly basis of its progress in the key focus areas. The yearly results are communicated to the stakeholders in Arvind Annual Reports, containing a sustainability section along with reporting of progression towards key targets.

Conclusions

Based on the boundaries of the assurance and the methods used, Intertek comes to the following conclusions:

- Arvind has calculated and reported its FY2019-20, FY2020-21 and FY2021-22 GHG emissions in GHG inventory following the principles covered by the GHG Protocol Corporate Accounting and Reporting Standard.
- Arvind has implemented processes and procedures that follow the guidelines of GHG Protocol and the AA1000 Accountability Principles Standard.
- Based on the completed review, nothing has come to our attention that gave us any reason to deem that Arvind’s GHG inventory did not meet the current standard’s requirements and criteria.

All relevant emission sources within the chosen system boundary were accounted for. Where estimates were deemed necessary to measure GHG emissions, Arvind provided satisfactory comments on the mode of estimation. The emission factors, units and calculation formulas were found correct. The information was collected and presented in a consistent manner that enables comparison of GHG emissions over time. Further, a few corrections in the data have been carried out by Arvind based on findings, provided in the observation sheets by the verification team. However, these findings lie within the recommended materiality threshold of 10%.

The reported GHG emissions for FY2019-20, FY2020-21 and FY2021-22 are equal to:

Fiscal Year	Scope 1 (tCO ₂ eq.)	Scope 2 (tCO ₂ eq.)	Scope 3 (tCO ₂ eq.)
2020	372,689	275,818	-
2021	287,658	193,347	246,196
2022	363,942	283,654	418,569

Recommendations

Without affecting our assurance opinion, we would also provide the following recommendations:

- Arvind should, also include emissions from mobile sources for the sake of increased transparency and completeness.
- Arvind has made efforts to establish a more streamlined monitoring & reporting system and improved structuring of the data. However, the monthly reporting needs to be strengthened further by collecting backup documents from each individual sites on monthly or quarterly basis.
- Arvind should make efforts to use the most recent emission factor database for the calculation of its Scope 1, 2 and 3 emissions.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 44,000 people. The Intertek assurance team included Certified Sustainability Assurance Professionals, who were not involved in the collection and collation of any data except for this Assurance Opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.



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Lead Verifier

Name: Gayathri Ramanna

Reviewer

Name:

19th July 2022

No member of the verification team (stated above) has a business relationship with Arvind Limited, its Directors or Managers beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.