

# ANTI-MONEY LAUNDERING POLICY

Prepared by:

**Human Resources Department**

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Arvind Limited, Naroda Road, Ahmedabad



## **OBJECTIVE:**

The purpose of this policy is to establish a robust framework at Arvind Ltd. to prevent the misuse of its systems, processes, and networks for money laundering or related criminal activities. Arvind is committed to full compliance with all applicable laws and regulations designed to combat money laundering and terrorist financing, and to maintain a transparent and accountable financial environment.

## **APPLICABILITY:**

This policy applies to all employees of Arvind Ltd., including full-time, part-time, contract staff, interns, consultants, and third-party partners engaged in business operations.

## **KEY DEFINITIONS:**

- **Money Laundering:** The process of concealing the origins of money obtained through illegal means by passing it through legitimate businesses or transactions.
- **Terrorist Financing:** The act of providing funds with the knowledge that they may be used to support terrorist activities, regardless of the source of the funds.
- **Know Your Customer (KYC):** The process of verifying the identity of clients, partners, or vendors to assess their legitimacy and risk.
- **Beneficial Owner:** The natural person who ultimately owns or controls a customer or on whose behalf a transaction is being conducted.

## **POLICY STATEMENT:**

Arvind Ltd. does not tolerate money laundering, terrorist financing, or any activities that facilitate or are linked to criminal conduct. All employees and business units must ensure that their actions do not, intentionally or unintentionally, aid such illicit activities.

## **CONTROL PRINCIPLES:**

### **1. Due Diligence and KYC**

- Business units must ensure appropriate due diligence of counterparties, especially in procurement, vendor onboarding, and international trade.
- High-risk vendors or customers must undergo enhanced KYC procedures, including identification of beneficial owners and source of funds (where applicable).

### **2. Monitoring of Transactions**

- Unusual, complex, or high-value transactions that do not have an apparent economic or lawful purpose must be flagged and reviewed.
- Business units must report any suspicious financial behavior to the relevant internal compliance or finance authorities.



### 3. Cash Transactions

- Arvind discourages the use of large cash transactions in its operations.
- Where cash transactions are legally required (e.g., petty cash), they must be properly documented, justified, and approved by authorized personnel.

### 4. Third-Party Risk Management

- Third parties, agents, and intermediaries must be screened, and AML clauses must be embedded in contracts where appropriate.

## **RED FLAGS FOR MONEY LAUNDERING:**

Employees should remain alert to the following indicators:

- Requests for payments to unrelated third parties or offshore accounts without clear justification
- Inconsistent or fabricated business documentation (e.g., invoices, licenses)
- Refusal to provide complete identification or ownership information
- Transactions significantly exceeding the norm for a customer or vendor
- Attempts to make or structure payments in a way that avoids recordkeeping or thresholds

## **REPORTING MECHANISM:**

Employees must report any actual, suspected, or attempted bribery or corruption through one of the following channels:

- **Web Portal:** [www.in.kpmg.com/ethicshelpline/arvind](http://www.in.kpmg.com/ethicshelpline/arvind)
- **Toll-Free Number:** 1800 200 8301
- **Email:** [arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)
- **Internal Channels:**
  1. Business Unit HR
  2. Line Manager
  3. Head of Department
  4. Group Ethics Officer

All concerns will be investigated with confidentiality and without retaliation, in accordance with Arvind's **Whistleblower** Policy.

## **DISCIPLINARY ACTION:**

Violations of this policy — whether through action or inaction — may result in disciplinary measures, including termination of employment and legal action where applicable. Arvind reserves the right to report suspicious transactions to appropriate enforcement authorities.



## **ROLES & RESPONSIBILITIES:**

### **Employees**

- Comply with all AML-related procedures and report red flags.
- Exercise due diligence when handling financial transactions or third-party interactions.

### **Managers & Business Leads**

- Ensure compliance in high-risk operations or markets.
- Guide their teams in understanding AML risks and responsibilities.

### **Finance and Compliance Teams**

- Monitor financial activity for irregularities.
- Coordinate investigations and escalate cases where necessary.

### **HR and Ethics Team**

- Support training and awareness initiatives.
- Maintain confidential channels for grievance and violation reporting.

## **REVIEW TIMELINE:**

This policy will be reviewed every two years or earlier if required by law, market practice, or internal compliance needs.

