



Wood Fibre Sourcing Policy

Grasim Industries Limited along with its subsidiaries, joint ventures and affiliate entities which manufacture pulp and viscose staple fibre and forming part (collectively referred as 'Grasim') of the Aditya Birla Group conglomerate are focused on building environmentally sustainable businesses by way of supporting sustainable forest practices. In furtherance of the same, Grasim will maintain at each primary conversion site a Fibre Procurement Policy and, where applicable, Forest Management Policy tailored to the jurisdictional requirements of each of its business operations.

Grasim will endeavor to find out alternative sustainable resources in case of trading and sourcing wood or wood fibre (herein referred to as wood) from the following categories:

1. Illegally harvested wood
2. Wood harvested in violation of traditional and civil rights
3. Wood derived from uncertified High Conservation Value
4. Harvested from plantations established after 1994 through the conversion or simplification of natural forests
5. Wood from forests in which genetically modified trees were planted
6. Wood harvested in identified ancient and endangered forests, or endangered species habitat.

If Suppliers are identified to have contravened these criteria, the Grasim will endeavor to persuade them to develop appropriate practices and/or re-evaluate the relationship with them in a timely manner.

Grasim will participate in the CanopyStyle third party verification audit of our operations and supply chain and use its best efforts to source wood from suppliers participating in credible forest certification standards. Grasim recognizes the Sustainable Forestry Initiative (SFI®) and Programme for the Endorsement of Forest Certification (PEFC™), and prefers the Forest Stewardship Council® (FSC®).

Grasim will strive to increase the amount of certified wood in its supply chain and grow FSC® Chain of Custody within its value chain. Grasim will evaluate the regional wood supply of our suppliers and facilities, as well as new supply partnerships and expansion plans, in relation to the "ForestMapper Application"ⁱ ensuring low risk of sourcing from Ancient and Endangered forests and verify that suppliers are working towards tracking

ⁱ <https://canopyplanet.org/tools/forestmapper/>

forest of origin. If it is determined that suppliers are sourcing wood from Ancient and Endangered forests, Grasim will endeavor to persuade such suppliers to implement science-based conservation plans.

In addition to having a first commercially available product line using 20% pre-consumer cotton, Grasim will continue to explore research and development opportunities for alternative fibreⁱⁱ sources and technologies. Grasim will implement best efforts to work on further developing technological solutions for recycling more than 50% industrial fabric waste as well as post-consumer clothing as inputs in 2020

Grasim will work towards identifying opportunities to support and advocate existing conservation solutions, agreements and further new initiatives to advance sustainable sourcing and forest protection.

Date: Nov. 2019

Place: Mumbai

Signature 

Name: Vinod Tiwari

Designation: COO – Pulp Operations

ⁱⁱ These include lower impact feedstock, such as recycled fabrics, agricultural residues and/or use microbial cellulose technologies. Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fibre. Fibres used for paper products include cereal straws like wheat straw, rice straw, seed flax straw, corn stalks, sorghum stalks, sugar cane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forest land to on purpose crops is not an issue, kenaf can also be included here. Depending on how they are harvested, fibres for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)