ADITYA BIRLA

GRASIM

GRASIM INDUSTRIES LIMITED

ESG DATA BOOK

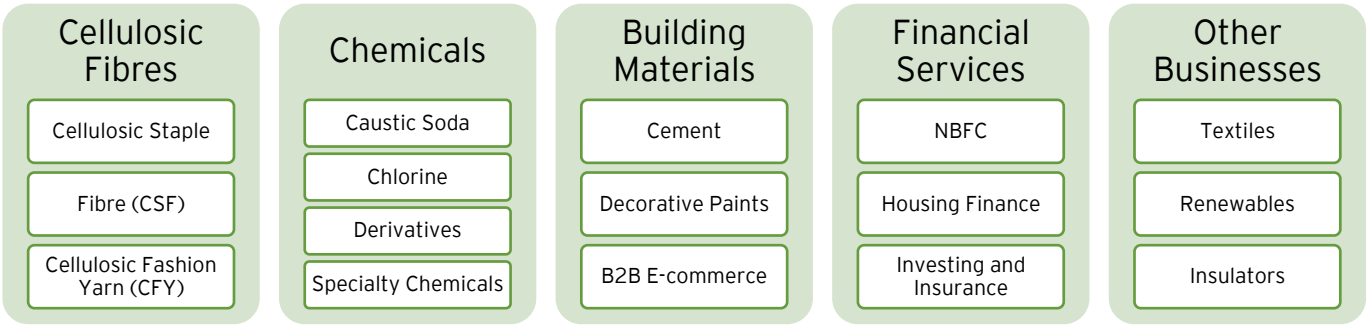
FY 2024-2025

Contents

About the Company

Grasim, a flagship company of the Aditya Birla Group (ABG), is one of the leading diversified companies in India. With strong presence across key sectors, our multi-business portfolio strengthens our competitive edge, builds resilience, and drives innovation. Guided by a commitment to sustainable and responsible growth, we continue to contribute meaningfully to India's growth story, today and into the future.

Our Businesses



The company reported consolidated net revenue of ₹1,48,478 Cr. and EBITDA of ₹20,023 Cr. in FY 2025.

About the ESG Data Book

Grasim Industries Limited is pleased to present the Company's ESG Data Book for Financial Year 2024-25.

Annually, Grasim reveals its significant financial and sustainability disclosures, as well as its performance and accomplishments, using a comprehensive annual report encompassing the Global Reporting Initiative's (GRI) index and Business Responsibility and Sustainability Report (BRSR). This ESG data book is an extension of our Integrated Report FY 2024-25 with additional disclosures aligned to global reporting frameworks.

Scope & Boundary

The ESG Data Book is compiled to showcase the ESG performance of Grasim and its prominent subsidiary, Ultratech Cement Limited, encompassing over 75% of the total revenue. Grasim has released its Integrated Annual Report, detailing the ESG performance of the company on a standalone basis. Similarly, separate Integrated Report is published by UltraTech Cement. Both Grasim & UltraTech are listed entities, the governance and economic disclosures are reported on a standalone basis for Grasim. Likewise, Ultratech provides its disclosures separately in its Integrated Report.

Governance & Economic

Corporate Governance

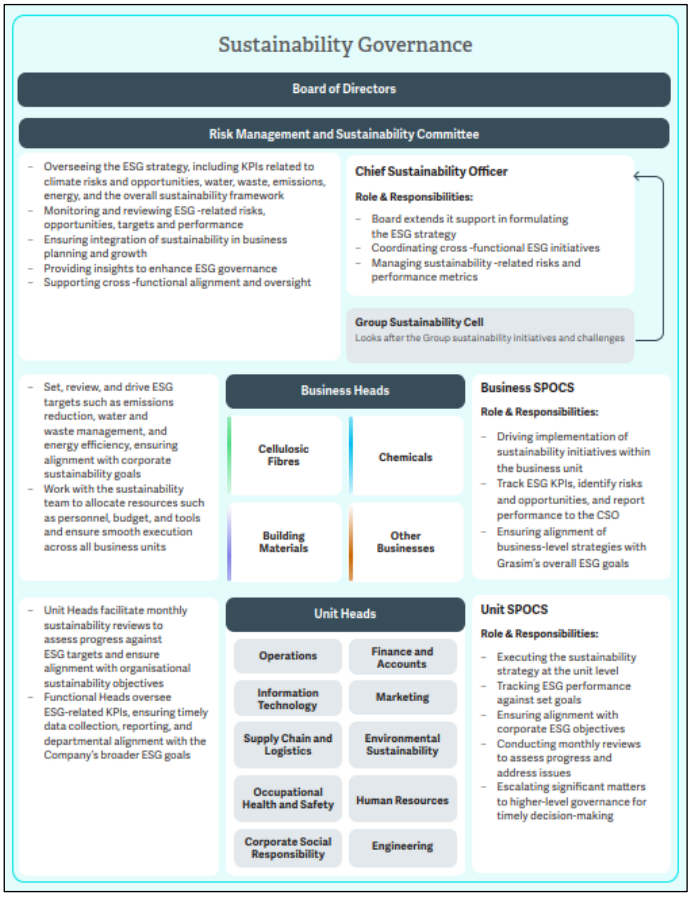
As mentioned in the corporate governance section of Integrated Annual Report FY 2024-25, total number of meetings held during the tenure was six, and attending minimum one meeting is mandatory for board members in a year as per Company's Act 2013. The average board meeting attendance for Grasim was 92%.

(Refer Grasim's Integrated Annual Report FY'25, pg. 36 & 285 for more details of attendance of Directors at the Board Meetings)

Grasim's sustainability framework is fully aligned with this year's theme, Force for Growth. We embed environmental stewardship, social responsibility, and robust governance into our core business strategy and daily operations. This integration drives innovation, improves resource efficiency, builds stakeholder trust, and unlocks new opportunities for sustainable growth.

Guided by five strategic priorities, we ensure our growth is inclusive, responsible, and future-ready. Sustainability is not treated as a compliance requirement, but a catalyst for long-term value creation, business resilience, and competitive strength. It reinforces our Group's purpose: to enrich lives by building dynamic, responsible businesses and institutions that inspire trust.

We have a clear and accountable structure to oversee our sustainability agenda. The Board of Directors provides strategic guidance, with implementation led by senior leadership and functional teams across businesses. Defined roles, regular performance reviews, and strong internal controls ensure ESG priorities are embedded into decision-making. Cross-functional coordination supports effective risk management and keeps us aligned with stakeholder expectations, enabling responsible growth and long-term value creation.



For more information refer Grasim's Annual Integrated Report FY'25, pg. 111

Materiality

❖ ***Materiality Analysis***

At Grasim, we conduct the materiality analysis on need basis and at a regular interval. Both internal and external stakeholders are actively engaged in our materiality assessment to capture diverse perspectives. The identified issues are prioritised through a materiality matrix, integrating internal priorities with external inputs, and embedded into our Enterprise Risk Management (ERM) framework.

The process follows the principle of double materiality, considering both business impacts and external societal and environmental impacts. The results are signed off by senior management.

(Refer Integrated Annual Report FY'25, pg. 98-109 for more information on "Materiality Assessment" and "ERM" respectively)

Material KPI	Energy Consumption	GHG Emissions	Water & Effluents
Description of Business Case	Energy consumption directly impacts Grasim's operational costs, regulatory compliance, and	Emissions management directly impacts Grasim's operational costs, regulatory compliance, and sustainability	Water usage and effluent management are vital to Grasim's operations, affecting costs, compliance,

	sustainability performance. Efficient management reduces costs, lowers risks, aligns us with global climate goals, and boosts both competitiveness and stakeholder confidence.	performance. Reducing emissions lowers financial and regulatory risks, strengthens alignment with global climate goals, and enhances both competitiveness and stakeholder confidence.	and sustainability. Effective management lowers expense, ensures regulatory compliance, and advances our commitment to global sustainability goals.
Our Strategy & Approach	We prioritise energy-efficient technologies, resource optimisation, and regulatory compliance. Our focus includes transitioning to renewable energy, upgrading infrastructure, and implementing energy management systems to reduce environmental impact, build resilience and meet global sustainability targets.	We prioritise emission reduction through process optimisation, adoption of cleaner technologies, and regulatory compliance. Our focus includes transitioning to low-carbon alternatives, scaling renewable energy, and implementing advanced monitoring systems to reduce environmental impact, build resilience, and meet global sustainability targets.	We prioritise water conservation, invest in advanced wastewater treatment, and implement zero liquid discharge systems where feasible. By optimising water use and ensuring regulatory compliance, we minimise environmental impact and improve operational efficiency.
Target (FY'30)	16% share of renewable energy in the total energy mix	45% reduction in emission intensity per unit of production (base year of FY'24)	38% of total water requirement would be met through recycled water
Progress (FY'25)	6.5% share of renewable energy in the total energy mix	11% reduction in emission intensity per unit of production (base year of FY'24)	31% of total water requirement is met through recycled water
Compensation	To ensure effective management of key material issues, we have outlined a comprehensive strategy and linked the compensation of top executives (including Business CXOs, Unit Heads, and other relevant managers) to its performance. Their incentives are directly tied to progress on these material issues. Topics include: 1. Energy Management 2. Emission Management 3. Employee Health & Safety 4. Water & Effluent Management etc.		
Link to Grasim IR FY'25	Refer pg. 118 & 156-157	Refer pg. 118 & 158-159	Refer pg. 118 & 161-163

Particulars	Innovation	Product Stewardship
Cause of Impact	• Operations & Product / Services	
Impact Area	• Environment • Society • Consumers/end-users • External employees (e.g. organizations in the supply chain, contractors)	
Topic Relevance on External Stakeholders	These are the products that reduce the emissions in down-stream value chain i.e. emission reduction happens outside the operational boundary of Grasim, by avoiding certain down-stream processes (e.g. wet processing) that enable customers to reduce their final products' emissions. Grasim has a long-term strategy to increase the share of these specialty products in its	Product stewardship enables Grasim to demonstrate its commitment to responsible and sustainable operations by ensuring products are managed safely and sustainably across their lifecycle. This approach enhances customer trust, ensures regulatory compliance, and positions Grasim as a socially responsible market leader. Grasim follows a holistic approach, using Life Cycle Assessment (LCA) to identify and manage

	product basket. One such product from Grasim is Birla Spunshades or Spun-dyed fibres. These are made by directly injecting the pigment in the viscose dope, requiring no dyeing at a later stage. These viscose fibres result in chemical, water and energy savings due to the shortened sequence in the downstream value chain.	risks in manufacturing and waste disposal. Its closed-loop system promotes by-product reuse, improving resource efficiency and minimizing waste. By reducing its environmental footprint, Grasim optimizes resource use and creates long-term value for stakeholders.
Type of Impact	Positive	Positive
Output Metric	Avoided emissions in tCO_2eq.	Waste Diverted Away from Landfill in Percentage
Impact Valuation	Decreased carbon emissions from atmosphere / improvement of environment	Reduction of waste disposal to landfills
Impact Metric	2,10,924 tCO_2eq. emissions avoided	93% diverted away from landfill and managed through Reuse, Recycle, and Recovery

Business Ethics

At Grasim, every new employee commits to the Code of Conduct upon joining, supported by mandatory training to reinforce its principles. The Code outlines clear expectations on information security, anti-bribery, non-discrimination, health and safety, conflict of interest, and professional behaviour. Compliance is regularly assessed during performance evaluations, with adherence directly linked to employee remuneration. This year we have seven number cases related money laundering & insider trading. We have whistle blower mechanism in place and have zero tolerance policy for retaliation, and we provide training of reporting channels.

❖ *Reporting on Breaches*

Reporting Areas	FY 2025
Corruption & Bribery	0
Discrimination & Harassment	12
Customer Privacy Data	0
Conflict of Interest	0

Policy Influence

At Grasim, policy advocacy is an important to ensure our perspectives are effectively communicated and considered by relevant stakeholders. We primarily engage in advocacy through trade associations that represent the collective interests of the industries in which we operate.

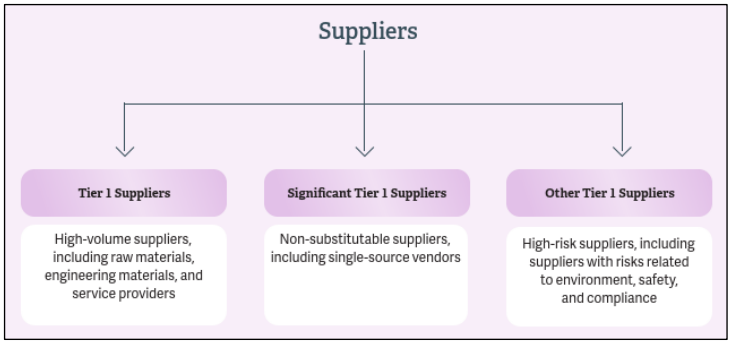
We see it as our responsibility to provide constructive input on regulations, and policies that may influence our business operations. All such engagements are carried out in strict adherence to Grasim's Code of Conduct and other relevant policies, ensuring transparency, ethical practices, and alignment with our corporate values. The Company makes political contributions in compliance with applicable laws and regulations (e.g., Companies Act, 2013 and relevant electoral rules in India). All political donations are executed transparently through AB General Electoral Trust, approved via internal governance mechanisms. The Company discloses the overall monetary value of such political expenses in its statutory filings and annual report. These expenses are strictly limited to political donations only.

Particular	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Trade Associations	INR	14,95,000	8,980,875	1,12,39,765	1,88,34,405
Political & Charitable Contribution	INR	0	0	0	50,00,00,000

Particular	Description
Fashion for Good	For Grasim's textile and fibre businesses, engagement with Fashion for Good provides a platform to explore, adopt, and scale cutting-edge sustainable technologies that align with our commitment to responsible manufacturing. Fashion for Good plays a pioneering role in accelerating sustainability and circularity in the global fashion and textile ecosystem by supporting innovations in fibers, dyes, recycling, and traceability. Through collaboration with this global innovation platform, Grasim is able to pilot advanced solutions in areas such as bio-based fibres, closed-loop recycling, and low-impact processing methods. These partnerships enable us to align with international best practices, integrate circular economy principles into our value chain, and contribute to shaping the future of sustainable textiles. Contribution Fees: ~ INR 50,00,000
Federation of Indian Chambers of Commerce & Industry (FICCI)	Through its engagement with FICCI, Grasim contributes to policy dialogues on the Carbon Credit Trading Scheme (CCTS) and the Renewable Consumption Obligation (RCO). These discussions are critical in shaping regulatory frameworks that influence compliance requirements, investment strategies, and operational planning, while also driving businesses to accelerate their transition towards sustainability. Grasim also engaged with FICCI on water related aspects and our position is fully consistent with that of the FICCI Water Mission and the India Industry Water Conclave, which advocate for policy interventions, technological advancements, and collaborative approaches to drive sustainable water management and water reuse in India. During the reporting year we also contributed inputs during conclave discussions on the need for supportive regulatory frameworks and financial incentives for industrial water reuse, thereby aiming to influence and strengthen the collective policy advocacy efforts being led by FICCI Water Mission. Contribution Fees: INR 8,26,000
Confederation of Indian Industry	Grasim actively engages with the Confederation of Indian Industry (CII) on critical policy dialogues related to climate action and energy transition. In particular, we have contributed to discussions on the Carbon Credit Trading Scheme (CCTS) and the Renewable Consumption Obligation (RCO), both of which are key enablers of India's low-carbon growth pathway. CII is a leading industry body that actively promotes sustainability, ESG integration, and climate action through policy advocacy, capacity building, and sectoral collaborations. Grasim collaborates with CII on various sustainability initiatives, from resource efficiency and circular economy practices to energy transition and corporate governance. Such engagement allows Grasim to represent its perspectives, co-create sustainable solutions, and contribute constructively to shaping the regulatory and business environment. Contribution Fees: INR 10,32,011

Supply Chain Management

At Grasim, our supply chain is anchored in transparency, accountability, and a shared sense of purpose. We engage with suppliers through open dialogue and alignment on mutual goals, ensuring they meet our high standards of quality, responsibility, and compliance. Built on long-term partnerships and consistent, ethical practices, our supply chain, rooted in long-term partnerships and ethical practices, upholds integrity throughout every stage of operations.



We classify our suppliers into Tier 1 and non-Tier 1 categories, based on their level of engagement and procurement value. Tier 1 suppliers deliver goods, materials, or services directly to Grasim and represent a

significant share of our procurement spend. Non-Tier 1 suppliers operate further upstream in the value chain, supplying products or services through our Tier 1 partners. Supplier assessment is carried out in alignment with guidance from ISO, UNGC, etc.

❖ **Supplier screening**

Key aspects of Supplier Screening
- Acceptance of SCoC
- Outcome of Preliminary Assessment done by Grasim
- Outcome of other Country-specific, Sector-specific, and Commodity-specific risk assessment
- Screening based on business relevance to identify suppliers

❖ ***KPIs for Supplier Screening, Assessment & Development***

Supplier Screening	FY 2025
Total number of Tier-1 suppliers	8,667
Total number of significant suppliers in Tier-1	1,279
% Of total spend on significant suppliers in Tier-1	31
Total number of significant suppliers in non-Tier-1	175
Total number of significant suppliers (Tier-1 and non-Tier-1)	1,454
Number of suppliers assessed with substantial actual/potential negative impacts	215
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Total number of suppliers supported in corrective action plan implementation	54
% of unique significant suppliers in capacity building programs	0

Information Security/ Cybersecurity & System Availability

The company has implemented a three-tier cybersecurity governance model and employs a dual approach, both top-down and bottom-up, to implement IT security systems and procedures. The business has obtained ISO 27001 certification, signifying compliance with the Information Security Management System standard as well as data protection legislations specified in the Indian Information Technology Act, 2008. Grasim maintains business continuity and contingency plans, subjecting them to manual testing by the company's IT representatives.

100 % of the sites are ISO 27001 certified*

**excluding the newly commissioned paints business*

IT Security / Cyber Security Governance

- Board Level - Risk Management and Sustainability Committee
- Corporate & Business Level IT Security Committee
- Unit Level Risk Committee

Mr. Ashvin Parekh is an independent director and a member on the Risk Management and Sustainability Committee, which reviews cybersecurity matters and provides guidance to the management.

Mr. Parekh has worked with startups, government institutions, etc and has experience on cybersecurity and IT security. He has been a member of several committees set up by the RBI, IRDAI and SEBI. Mr. Parekh is on the boards of reputed BFSI and listed entities as Independent Director.

As a member of Risk Management Committee and with expertise in digitalization, technology, and innovation, he guides team in implementing cybersecurity measures to ensure smooth Governance and protection of information assets and strengthen cybersecurity practices.

At Business Level - Chief Information Security Officer (CISO) of each business division hold the primary responsibility for implementing systems and procedures related to IT Security and Cybersecurity. Their role also encompasses ensuring the effectiveness and efficiency of IT Security and Cybersecurity processes and infrastructure.

We prioritise cyber and information security to protect business continuity, safeguard stakeholder trust, and meet regulatory requirements. A comprehensive Information Security Policy governs data classification, usage, and protection across all platforms and devices, including those managed by third parties. We implement strong security measures such as access controls, encryption, data backups, and continuous system monitoring. Business continuity and contingency plans are in place and regularly tested to ensure operational resilience against cyber threats.

Regular third-party vulnerability assessments and internal audits of IT systems and Information Security Management Systems (ISMS) help evaluate control effectiveness and compliance with internal policies and global standards. All employees undergo mandatory training to identify threats, follow best practices, and report incidents promptly. Dedicated business wise email IDs grasim.infosec@adityabirla.com, complaint@adityabirla.com, gilvsf.infosec@adityabirla.com, have been published and conveyed to employees to report any suspicious events. Additionally, users can report any incident through the local unit IT team. There is an Incident Response Mechanism (IRM) at Grasim, to address the information security incidents in an appropriate and timely manner. All reported incidents will be logged in a centralized system and classified based on their severity and impact to business.

Environment

Environmental Policy and Management

We are focused on translating our environmental vision into action through robust implementation mechanisms across all facilities. By adopting clean, low-impact technologies, enhancing process efficiency, and embedding circular economy models, we aim to reduce dependence on virgin resources. We place particular emphasis on water security, emissions reduction, and waste minimisation. Cross-functional collaboration and digital tools support real-time performance monitoring and adaptive response.

We embrace responsibility for our products, from raw material selection to production and usage. Life Cycle Assessments (LCAs) help us identify critical environmental impact areas and guide strategies for continuous improvement. Our commitment to circularity drives initiatives such as closed-loop systems and by-product reuse, helping minimise waste and maximise resource efficiency. Product performance, safety and customer feedback inform improvements in design, material choices, and delivery, enabling us to develop sustainable, high-quality solutions that respond to evolving market needs.

Grasim's R&D ecosystem spans nine specialised centres aligned with core business verticals and backed by centralised analytical and testing capabilities. Grasim with industry leaders, research institutions, and value chain partners to develop market-relevant solutions. Our total expenditures on R&D were 209 INR crores, supporting programs focused on energy efficiency, water conservation, and waste management.

❖ ***EMS: Certification/Audit/Verification***

Particulars	Certification/Verification details
Specification of international standards through which EMS has been verified	99% of our sites are ISO 14001:2015 certified

Note: Grasim has 100% of the plants certified with ISO 14001, these exclude newly commissioned Paints Business, and Ultratech has 99% of the plants certified with ISO 14001.

❖ ***Return on Environmental Investments (in INR)***

Parameters	FY 2022	FY 2023	FY 2024	FY 2025
Capital Investments	2,52,08,00,000	9,03,75,64,000	3,65,85,47,484	6,16,23,93,939
Operating Expenses	3,82,31,000	4,74,82,71,874	4,70,64,04,874	1,44,87,11,357
Total Expenses = Capital Investment + Operating Expenses	2,55,90,31,000	13,78,58,35,874	8,36,49,52,358	7,61,11,05,296
Savings, cost avoidance, income, tax incentives, etc.	1,85,27,00,000	3,18,87,68,800	42,81,00,000	2,81,09,45,820

❖ ***Environmental Violations***

Parameters	FY 2022	FY 2023	FY 2024	FY 2025
Number of violations of legal obligations / regulations	0	1	0	0
Amount of fines / penalties related to the above in INR	0	2,07,37,500	0	0
Environmental liability accrued at year end. Currency: INR	0	0	0	0

Note: Violations amounting to more than $10,000 is reported as per DJSI Guidelines

Emissions

❖ *Direct Greenhouse Gas Emissions (Scope 1)*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Total direct GHG emissions (Scope1)	$MTCO_2e$	6,60,23,952	6,72,55,110	7,65,44,684	8,62,19,949

❖ *Indirect Greenhouse Gas Emissions (Scope 2)*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Total indirect GHG emissions – market based (Scope 2)	$MTCO_2e$	24,39,149	33,11,340	30,74,325	30,95,951

❖ *Indirect Greenhouse Gas Emissions (Scope 3)*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Total indirect GHG emissions (Scope 3)	$MTCO_2e$	93,57,816	97,72,535	1,31,05,458	1,88,79,499

❖ *Scope 3 Categories*

List of Categories	Scope 3 Emissions in the reporting year (MT CO_2e)
Category 1: Purchased goods and services	79,00,571
Category 2: Capital goods	2,44,018
Category 3: Fuel-and-energy-related-activities (not included in Scope 1 or 2)	77,26,771
Category 4: Upstream transportation and distribution	26,62,332
Category 5: Waste generated in operations	25,983
Category 6: Business travel	7,284
Category 7: Employee commuting	40,713
Category 9: Downstream transportation and distribution	2,71,827

❖ *NO_X Emissions*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Direct NO_X emissions	MT	75,731	86,298	94,313	94,742

❖ *SO_X Emissions*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Direct SO_X emissions	MT	16,116	20,419	37,068	36,022

❖ *Dust Emissions*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Direct dust emissions	MT	4,185	4,266	9,224	9,337

❖ *Direct Mercury Emissions*

Parameters	Unit	FY 2023	FY 2024	FY 2025
Direct mercury emissions	MT	0.42	0.46	BDL

**BDL: Below Detection Limit*

Resource Efficiency and Circularity

❖ *Energy Consumption*

Our energy management approach is driven by cleaner technologies, digital monitoring and process innovation. We continue to scale up renewable energy adoption and conduct energy consumption assessments across sites to identify efficiency opportunities. These are addressed through structured action plans and targeted interventions.

We conduct regular internal audits to evaluate energy usage and identify improvement opportunities, have quantified targets and action plans for reducing energy usage, and provide regular employee training on energy management.

Total energy consumption	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Total non-renewable energy consumption	MWh	9,09,67,756	9,65,12,174	10,43,88,891	11,39,16,148
Total renewable energy consumption	MWh	17,65,172	13,29,218	34,53,667	38,59,333

Waste

We conduct regular waste audits across our operations to identify opportunities for improving efficiency, reducing waste generation, and strengthening compliance. Insights from these audits inform action plans that prioritize waste reduction at the source through resource optimization, process improvements, and the adoption of closed-loop systems that reuse by-products within manufacturing.

In line with these efforts, we have established quantified waste reduction targets, supported by continuous monitoring and independent assurance waste data including that of landfill diversion. Significant investments in innovation and R&D drive new approaches to minimizing waste, with a strong focus on process redesign and alternative uses for by-products. To embed best practices, we provide employee training programs on efficient waste segregation, safe handling of hazardous and non-hazardous waste, and responsible disposal methods.

We have integrated robust recycling programs across all sites, ensuring by-products are reused wherever possible and reducing the volume of waste sent to landfill. Our compliance with Central and State Pollution Control Board regulations, coupled with collaborations with authorized agencies for safe disposal, reinforces transparency, accountability, and long-term sustainability.

❖ *Waste Disposal*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Total waste recycled/ reused	MT	9,73,033	8,66,726	36,62,856	39,13,349
Total waste disposed	MT	1,05,827	1,21,765	64,884	65,095
Waste landfilled	MT	1,03,895	1,19,368	64,287	64,081
Waste incinerated with energy recovery	MT	1,057	1,198	0	0
Waste incinerated without energy recovery	MT	875	1,199	597	1,014

Water

At Grasim, water stewardship forms a cornerstone of our environmental responsibility, and we undertake comprehensive water use assessments across facilities to identify opportunities for efficiency improvements. These assessments, supported by tools such as Aqueduct and the India Water Tool, allow us to evaluate consumption patterns, dependency on freshwater sources, and potential risks related to availability and quality. Based on the findings, we have adopted strategic initiatives to reduce water consumption, including the implementation of Zero Liquid Discharge (ZLD) systems across 13 facilities (with one more under commissioning)

and the expansion of Sea Water RO systems to reduce dependence on freshwater. In addition, we have established clear targets to lower water use intensity, ensuring that conservation efforts are embedded within operational decision-making and long-term planning.

We are equally focused on improving wastewater quality and minimizing impacts on local ecosystems. Advanced treatment technologies, combined with ZLD operations, ensure that no untreated effluents are released, significantly improving effluent quality and safeguarding shared water resources. Furthermore, treated water is extensively recycled within operations, maximizing resource circularity and reducing discharge volumes. To strengthen these initiatives, employees across functions receive awareness and training on water efficiency management programs, enabling a culture of accountability and responsible water use. Together, these actions underscore our commitment to global best practices in water stewardship while ensuring resilience and sustainability across operations.

Dependency-related water risks considered in risk assessment
We assess our reliance on freshwater sources critical to operations by evaluating regional water availability and baseline water stress. This includes examining the extent of our dependence on surface water and groundwater, and identifying risks related to scarcity that may disrupt production. The India Water Tool and Aqueduct tool are used to map regions with medium-to-high baseline water stress and drought severity, ensuring that operational decisions account for local water availability challenges.

Impact-related water risks considered in risk assessment
We analyse how our water withdrawals and consumption may impact local ecosystems and communities. This includes assessing potential effects on downstream water users, water quality, and biodiversity. The assessment considers how effluent discharges and if it could alter local water quality even after treatment. Our adoption of Zero Liquid Discharge (ZLD) systems across 13 facilities and expansion of desalinated seawater use highlights our mitigation approach to reducing adverse impacts.

Assessment of future water quantities available
Future water availability is evaluated using the Aqueduct tool, which provides projections of water demand-supply gaps, drought occurrence, and seasonal variability. We assess whether climate variability and increasing regional demand could constrain the availability of freshwater for operations. This helps us plan for resilience through alternative sources such as seawater and enhanced water recycling.

Assessment of future water quality-related risks
We evaluate how industrial activity in the surrounding catchments, and regulatory changes in discharge standards could affect the quality of available water resources. Attention is given to potential deterioration in groundwater quality and stricter compliance norms, which may increase treatment costs or limit usable water. Implementation of ZLD systems across 13 facilities (with one more under commissioning) and high-efficiency RO treatment is part of our mitigation strategy.

Assessment of impacts on local stakeholders
Our water risk assessment integrates community and ecosystem considerations, recognizing that our withdrawals and discharges may affect local stakeholders. We analyse how water scarcity in shared basins can impact households, agriculture, and other industries, and how our operations could contribute to competition or conflict over resources. Proactive engagement with communities and Gram Panchayats, coupled with measures to reduce freshwater dependency, form part of our stewardship approach.

Assessment of future potential regulatory changes at a local level
We monitor and assess possible regulatory developments around water use, discharge, and conservation at both state and national levels. Anticipated changes include stricter caps on groundwater abstraction, enhanced requirements for industrial effluent treatment, and mandates for higher levels of water recycling. Our adoption of ZLD and seawater RO systems ensures readiness for compliance with emerging local and national water regulations.

❖ *Water Consumption*

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Withdrawal: Total municipal water supplies (or from other water utilities)	Million cubic meters	11.12	13.67	13.49	13.94
Withdrawal: Fresh surface water (lakes, rivers, etc.)	Million cubic meters	42.54	44.75	42.12	40.22
Withdrawal: Fresh groundwater	Million cubic meters	7.57	8.15	8.06	9.41
Total Withdrawal (Excluding seawater)	**Million cubic meters**	**61.23**	**65.57**	**63.69**	**63.57**
Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted (excluding seawater)	Million cubic meters	13.30	15.80	10.42	11.83
Total Net Fresh Water Consumption	**Million cubic meters**	**47.93**	**49.77**	**53.27**	**51.74**

Note: Water consumption is calculated using GRI formula (Water Consumption = Water Withdrawal - Water Discharge).

Grasim has undertaken various initiatives to uphold water stewardship. The company places a strong emphasis on water conservation, treatment, recycle and reuse. Through continuous investments and process optimization and enhancements, Grasim strives to reduce its overall water consumption. The company has not faced any water-related incidents and financial impact (fines/penalties) above USD 10,000 in last four financial year which could disrupt our business operations.

❖ *Water consumption in Water-Stressed Areas*

Parameter	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	Million cubic meters	40.17	40.08	31.09	29.96

Note: Water consumption is calculated using GRI formula (Water Consumption = Water Withdrawal - Water Discharge).

Exposure to Water Stressed Areas

Parameters	Unit	FY 2025
No. of production plants in water-stressed areas	Number	20
Total No of production plants	Number	83
% of production plants in water-stressed areas	Percentage	24
% of Cost of goods sold (COGS) in last FY	Percentage	74

Plants are classified under water stressed regions as per India Water Tool; Figure for COGS is of last FY.

Climate Strategy

Grasim discloses climate-related risks and opportunities through its TCFD Report and Annual Integrated Report, with disclosures made on a standalone basis for Grasim.

❖ *Financial Risk of Climate Change*

Risks driven by changes in regulation	
Description	The risk arises mainly from potential compliance costs linked to carbon credit procurement, price volatility in emerging markets, and operational challenges in

	implementing abatement projects, alongside reputational and regulatory risks from non-compliance. Grasim manages these risks through a multi-pronged strategy. Oversight is provided by the Risk Management and Sustainability Committee, with unit-level monitoring of emissions and credit requirements. Operational measures include process optimisation, chemical recovery, thermal efficiency improvements, and quality control, supported by renewable energy procurement and alternative fuels. A Net Zero roadmap tailored to each unit underpins these efforts. Grasim invests in environmental measures covering energy efficiency, renewable energy, alternative fuels, and water risk mitigation. These actions reduce reliance on carbon credits while strengthening operational resilience. Through integrated governance, investments, and abatement initiatives, Grasim is proactively addressing CCTS-related risks, aligning with national climate policy and advancing its long-term transition goals.
Average estimated time frame for financial implications of this risk	3 Years

Risks driven by change in physical climate parameters or other climate-change related developments	
Description	Water stress is a critical risk for Grasim, with 16 manufacturing units located in water-stressed basins such as the Indus, Krishna, Ganges–Brahmaputra, and Sabarmati. WRI Aqueduct projects further declines in freshwater availability, heightening risks to water-intensive processes like chemical synthesis, cooling, and dyeing. This may lead to higher costs, production slowdowns, regulatory pressures, and reputational challenges. Financially, water stress could increase operating expenses by 2–4% annually, adding in costs by FY 2030, driven by procurement, pumping, treatment, recycling, and compliance expenses. To mitigate these risks, Grasim is investing heavily in infrastructure, technology, and process optimisation. Key initiatives include ZLD systems, upgraded ETPs and STPs, and SWRO plants to boost recycling and reduce freshwater dependency. These measures enhance compliance, cut effluent discharge, stabilise long-term costs, and build resilience in line with our climate transition plan.
Average estimated time frame for financial implications of this risk	5 Years

Financial opportunities arising from climate change	
Description	Grasim has identified a major climate-related opportunity through its low-carbon product portfolio, particularly in the Cellulosic Fibres business supported by the Aditya Birla Science & Technology Centre. Innovative products such as Livaeco, Liva Reviva, Birla Excel, and Birla Spunshades deliver lower lifecycle emissions, validated by the Higg MSI framework. Rising global demand from apparel and retail brands for sustainable materials positions Grasim to expand market share, strengthen international partnerships, and enhance brand value. This opportunity is reinforced by closed-loop systems, efficiency improvements, renewable energy use, and sustainable raw material sourcing that drive the low-carbon performance of these fibres. All forest-based raw materials are responsibly sourced from FSC®, SFI®, and PEFC™-certified forests, with traceability ensured through GreenTrack™ and independent audits like CanopyStyle.
Average estimated time frame for financial implications of this risk	3 – 5 Years

Physical climate risk adaptation plan (Overall Plan)	
Description	The most significant physical risks identified for Grasim are heatwaves, droughts, cyclones, and flooding. Heatwaves pose challenges to employee well-being and productivity, with risks of absenteeism and higher health-related costs. In response, Grasim has introduced measures such as providing refreshments during extreme heat and maintaining on-site healthcare facilities to safeguard employees. Drought risk, particularly critical in water-stressed regions where the company operates, threatens to disrupt production processes that rely on continuous water availability. To mitigate this, Grasim has deployed a combination of reduce-reuse-recycle water management practices, large-scale rainwater harvesting, feasibility studies for desalination in coastal plants, and adoption of advanced water treatment and recycling technologies such as effluent treatment plants, reverse osmosis, and Zero Liquid Discharge systems. Cyclones present a different set of risks, including production disruptions, supply chain delays, and infrastructure damage. To build resilience, Grasim follows cyclone disaster management protocols across all plants, strengthens critical infrastructure such as roads and drains, maintains insurance cover where necessary, installs physical barriers and stormwater systems, and ensures supply chain continuity by diversifying suppliers and securing key raw material inventories. Flood risks, both riverine and coastal, are addressed through site-specific measures including the construction of flood defence systems, drainage improvements, localized disaster response protocols, and robust business continuity planning. Grasim's adaptation strategy is not static. The company continuously monitors evolving site-level risk profiles and integrates lessons from recent climate events into its risk management framework. New technologies and infrastructure improvements are deployed proactively as risks emerge, such as evaluating desalination options for coastal facilities. Oversight of climate adaptation is embedded in enterprise risk management and strategic planning processes, with the Board's Risk Management and Sustainability Committee providing governance alongside site-level safety and sustainability committees. At its core, the adaptation plan is designed to safeguard employees, strengthen infrastructure resilience, and ensure sustainable water management while also engaging with local communities and stakeholders to manage shared risks. By combining global climate science with localized action, Grasim is enhancing its operational resilience, ensuring business continuity, and supporting its long-term sustainability objectives.
The plan includes a target to implement relevant adaptation measures within the following timeline	5 to 10 Years

Note: For more information on risks and opportunities, refer, TCFD report

❖ ***Climate Related Management Incentive***

Position	Type of Incentive	KPI
Chief Sustainability Officer (CSO)	Recognition	Overall climate strategy deployment, major materiality / non materiality targets taken at company level
Description		

The CSO, plays a pivotal role in the organizational structure, directly overseeing the company's sustainability-related risks and ensuring that operations and growth strategies are in alignment with the Company's ESG goals. The CSO collaborates closely with business-level management and the Board-Level Committee to set and achieve sustainability goals across various business units.
The Chief Sustainability Officer (CSO) leads Grasim's sustainability agenda, focusing on energy reduction, emissions management, and progress toward net-zero goals. Each year, the CSO sets Key Performance Indicators (KPIs) aligned with company priorities, covering renewable energy adoption, efficiency initiatives, and climate-related targets. Performance is reviewed annually, with recognition and incentives tied to achievements.
Every year Aditya Birla Group holds Aditya Birla Awards to recognize the contributions of its employees in various group businesses. Awards are categorized into four categories: Emerging Professionals, Distinguished Achievers, Exceptional Contributors and Accomplished Leaders.

Position	Type of Incentive	KPI
Unit Head	Recognition	Targets on water conservation, safety, etc

Description

Grasim operates across energy-intensive industrial segments, making the reduction of energy consumption vital for both economic and environmental gains. Business Unit Managers are entitled for recognition for achieving climate goals such as lowering energy use, enhancing efficiency, and increasing renewable energy adoption. These performance metrics are tailored to each unit—whether chemicals, insulators, cellulose, or paints—reflecting sector-specific climate challenges. By aligning incentives with Grasim's ESG strategy, each unit contributes meaningfully to the company's overall sustainability objectives, driving measurable environmental outcomes.
Every year Aditya Birla Group holds Aditya Birla Awards to recognize the contributions of its employees in various group businesses. Awards are categorized into four categories: Emerging Professionals, Distinguished Achievers, Exceptional Contributors and Accomplished Leaders.

Position	Type of Incentive	KPI
Employee	Recognition	Efficiency

Description

Grasim has adopted the Kaizen (World-Class Manufacturing) concept across its business operations, empowering unit teams to identify potential energy reduction opportunities through this program. As part of integrating the Kaizen concept into the business units, the teams have launched a reward and recognition scheme, which includes categories such as best projects, highest savings, best Kaizen, and most contributions to Kaizen.
This initiative has led several of our units to achieve significant reductions in energy consumption, which in turn has resulted in lower emissions. Additionally, the company presents Pride Awards to recognize individual and team efforts in advancing sustainability initiatives, including energy reduction, increased use of renewable energy sources, and emission reduction. The company recognizes each winning team or individual with vouchers, certificates of appreciation, mementos, and trophies. Every year Aditya Birla Group holds Aditya Birla Awards to recognize the contributions of its employees in various group businesses. Awards are categorized into four categories: Emerging Professionals, Distinguished Achievers, Exceptional Contributors and Accomplished Leaders.

❖ ***Emission Reduction Targets***

Target	Goal	Timeframe	Baseline Emissions	% reduction target from base year
Intensity	45% reduction in emission intensity (Scope 1+2) per unit of production	Base Year: 2022 Target Year: 2030	6.5 million $tCO_2eq.$ % of base year emissions: 100%	45%

❖ *Net Zero Targets*

Target	Goal	Timeframe	% of base year emissions
Absolute	Grasim strives to become operations Net Zero (Scope 1 and 2 emissions)	Base Year: 2022 (Scope 1&2) Base Year: 2023 (Scope 3) Target Year: 2050	Scope 1: 100% Scope 2: 100% Scope 3: 90%

❖ *Pathway to Net Zero*

Grasim recognises climate change as both a material risk and a strategic opportunity across its value chain. Guided by TCFD recommendations and aligned with the Paris Agreement, the Company adopts a forward-looking, scenario-based approach to address transition and physical risks while advancing its decarbonisation journey.

Strengthen partnerships and secure renewable energy supplies to increase the share of clean energy in operations.

Pursue green building certifications for offices and facilities wherever feasible.

Deploy energy-efficient technologies and process improvements to lower energy use and emissions.

Expand the use of electric vehicles (EVs) and develop EV charging infrastructure to enable a low-carbon fleet.

Foster employee engagement and training programmes to embed climate awareness and sustainable practices.

Integrate investment planning across the energy transition value chain within Grasim's businesses.

Implement advanced renewable energy and storage systems to optimise energy utilisation.

Develop long-term climate resilience plans to adapt to sea-level rise, extreme weather, and water scarcity.

Promote nature-based solutions through afforestation, conservation, and biodiversity enhancement projects.

Advocate for supportive policies on renewable energy, energy efficiency, and sustainable practices at local, national, and global levels.

Address residual emissions through the purchase of high-quality carbon credits and investments in permanent carbon removal solutions.

❖ *Internal Carbon Pricing*

Grasim employs an internal carbon pricing mechanism on standalone basis.

Parameters	Method	Price
Internal Carbon Pricing	Shadow Pricing	USD 20 per metric tonne of CO_2e (Scope 1 and Scope 2)

The internal carbon price serves multiple objectives: Navigating evolving GHG regulations, influencing internal behaviour towards sustainability, driving energy efficiency, promoting low-carbon investments, and identifying new low-carbon opportunities.

By embedding this price into operations, Grasim aims to align financial incentives with broader environmental goals, ensuring the business remains resilient and sustainable in a low-carbon economy.

For setting the pricing we have used multiple approaches such as benchmarking against peers, internal consultations, and technical analysis. Similarly, Ultratech has also defined it's ICP.

Product Stewardship

Product stewardship lies at the heart of our commitment to building a sustainable and resilient future. As we progress toward a low-carbon and resource-efficient economy, we acknowledge the vital role our products and services play in addressing global sustainability challenges. Our portfolio is increasingly focused on solutions that enable climate change mitigation and adaptation, advance circular economy principles, prevent pollution, safeguard water resources, and conserve biodiversity. For Grasim standalone, we have 97.25% (FSC + FSC mix) third-party certified wood-based materials.

Attributes of building materials

Grasim's largest subsidiary within our consolidated reporting boundary, Ultratech, has received Environmental Product Declarations (EPDs) for four cement products – OPC, PPC, PSC, and PCC – based on Life Cycle Assessment (LCA) studies conducted in line with ISO standards. An EPD provides transparent, science-based information on a product's environmental impacts across its life cycle, enhancing credibility and sustainability in the construction sector.

Their green portfolio includes over 70 GreenPro certified products, with ~70% of production being blended cement, thereby reducing carbon emissions, conserving limestone, and enabling large-scale utilization of industrial waste. The company is committed to GCCA's Net-zero Concrete Roadmap and integrates decarbonisation, circular economy, biodiversity, water positivity, and community development across its value chain. Investments in renewable energy, energy efficiency, alternative fuels, and innovative low-carbon products further reinforce UltraTech's sustainability leadership.

The scope of EPDs is "cradle to gate," covering raw material production, inbound transport, and manufacturing stages. Assessments include key impact parameters such as global warming potential, acidification, eutrophication, and ozone depletion. This helps identify priority areas for improvement and directs R&D and investments towards sustainable cement solutions.

Characteristics specification of building materials*	Raw Material Supply: Production for each product starts with mainly locally sourced
	Environmental impacts indicators: Formation potential of tropospheric ozone (POCP)
	Additional Environmental parameters: IR = Ionizing radiation, human health
	Resource use: Use of renewable primary energy as energy carrier
	Other Parameters: Low-emitting VOC materials, Low embodied carbon materials, Materials and packaging that can easily be recycled, Materials that disclose environmental impacts, Rapidly renewable materials and recycled content materials.

** Note: These are the few of parameters used in EPD, for more information refer EPD Decleration*

❖ *Revenue from Sustainable Construction*

Description of certifications or green building standards
We have received GreenPro certification for 70 of our products. For manufacturing blended cements (PPC, PCC and PPCS), the Company use waste materials such as fly ash and slag that helps in the substitution of natural resource such as limestone. These cements are also less carbon and energy intensive. Our low carbon products – blended cements (Portland Pozzolana Cement, Portland Slag Cement and Composite Cement), are produced by blending 20% - 50% supplementary cementitious materials (SCMs) with clinker. As compared to 92% clinker in Ordinary Portland Cement (OPC), blended cements have as low as 35% of clinker content, resulting in low embodied carbon in these cements. Not only we produce blended cements at our units, and we also encourage our direct key customers (B2B), to blend the OPC sourced from us with SCMs at their project sites, within statutory norms, enabling them to reduce the carbon footprint of their buildings.

Description of other sustainable products or services
These products are designed to reduce emissions in the downstream value chain, meaning that the emission reductions occur outside Grasim's operational boundaries. By avoiding certain downstream processes, such as wet processing, these products help customers lower the greenhouse gas (GHG) emissions of their final products. Grasim has a long-term strategy to increase the share of these specialty products in its portfolio. One example is Birla Spunshades, also known as spun-dyed fibres. These fibres are produced by directly injecting pigment into the viscose dope, eliminating the need for dyeing at a later stage. This process leads to significant chemical, water, and energy savings, as it shortens the sequence of steps in the downstream value chain, helping customers reduce their carbon footprint. Birla Spunshades fibres, featuring unique Colour-Lock technology, are fade-resistant and ensure exceptional colour consistency. By eliminating the dyeing process at the fabric stage, these fibres save large amounts of water and chemicals, and they prevent wastewater generation, further contributing to environmental sustainability.

Parameters	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Revenues from recognized credits for building material	INR Crores	--	43,003.19	23,413.87	53,016.68
Revenues from Birla Spunshades	INR Crores	1316.99	1496.77	1169.82	1224.31

❖ *Co-Processing Rate*

Parameters	Unit	FY 2025
% alternative fuel used to replace the fossil fuel (as % of total heat consumption)	Percentage	5.70
Clinker-to-Cement ratio	Percentage	67.90
% alternative raw materials contained in cement (excluding natural raw materials e.g. gypsum, pozzolan)	Percentage	21.73
% alternative raw materials contained in concrete (excluding natural raw materials e.g. gypsum, pozzolan)	Percentage	5.06
% alternative raw materials contained in other building materials such as asphalt (excluding natural raw materials e.g. gypsum, pozzolan)	Percentage	N/A

Climate Advocacy and Industry Engagement

At Grasim, we actively participate in industry dialogues on sustainability and leverage these platforms to advocate for the Paris Climate Goals. Our public policy engagement follows a structured, solution-oriented approach, working closely with policymakers to shape and strengthen policies at local, national, and international levels. These efforts are anchored in rigorous research, ensuring credibility and delivering meaningful contributions to both government and society.

Our advocacy approach is anchored in two key methods: direct climate-related engagement and collaboration through trade associations.

Direct Advocacy: Grasim's leadership team, including CXOs, actively engages in climate-related policy dialogues aligned with the Paris Agreement. Leaders review proposed policies, share insights, and provide recommendations to ensure that our positions reflect the latest climate science and evolving regulatory landscape. This proactive approach helps strengthen and adapt our advocacy strategies over time.

Trade Association Collaboration: Alongside direct engagement, Grasim works with industry and trade associations to advance collective climate goals. Through these platforms, we amplify our advocacy efforts, promote supportive policies, and encourage alignment with Paris Agreement objectives. By collaborating with like-minded organizations, Grasim contributes to shaping industry-wide standards and sustainable practices. We regularly review our trade association memberships to ensure consistency with our policy positions. This approach reflects our commitment to responsible policy development and reinforces our broader organizational values.

Addressing Climate Policy Position

Grasim recognizes the importance of transparency and consistency in climate advocacy. To uphold this, we have established a framework to address any misalignments between the climate policy positions of our trade associations and our own commitments. This enables us to assess and disclose the policy positions ensuring alignment with national goals. We also report on our direct climate advocacy activities through defined communication channels.

Grasim actively engages in climate-related advocacy aligned with the Paris Agreement, underscoring our commitment to national and global climate goals. We support India's transition to a low-carbon economy by contributing to policy discussions on Renewable Purchase Obligations, the Carbon Capture and Trading Scheme, and other regulatory frameworks. Through these engagements, Grasim adds value to dialogues on sustainable development, decarbonization, climate finance, and the adoption of sustainable alternatives, including green hydrogen.

Parameters	Description
Policy Relevant to Climate Change	**Carbon Credit Trading Scheme (CCTS):** Ministry of Power (MoP) & Bureau of Energy Efficiency (BEE) have notified Greenhouse Gas Emission Intensity (GEI) targets. Businesses from Textiles, Chlor-Alkali, and Fibre under Grasim are under the scheme.

	Renewable Consumption Obligation (RCO): Also introduced by MoP & BEE, aligned with policies we have actively advocated for.
How are we engaging with the policy maker (directly or through trade associations)	We engage directly with Ministry of Power (MoP) and Bureau of Energy Efficiency (BEE) and participate through industry associations such as Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI) and other forums to align sectoral positions.
Alignment	We support the policies as enablers of India's decarbonisation pathway.
Policy Influence on Business	• Investment planning for renewable integration, energy efficiency, and technology pilots. • Operational alignment across multiple businesses to CCTS and RPO requirements.
Impact of the policy advocacy	• Advocacy has led to policy refinements such as discussion on pilot year for CCTS and greater clarity on RCO exemptions

Biodiversity

We recognise biodiversity as vital to ecosystem resilience and the sustained availability of natural resources that support our operations. Our approach goes beyond regulatory compliance, guided by science-based assessments and focused on maintaining ecological balance and ensuring operational continuity.

We are committed to a "No Deforestation" approach by adhering to all applicable regulations in the regions where we operate, while also aligning with broader global guidelines on forest protection.

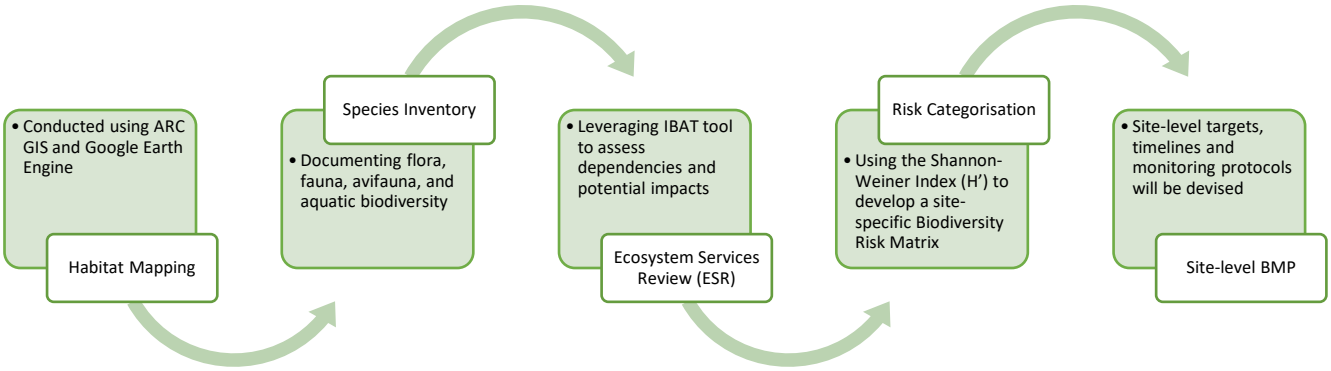
To achieve this, we aim to achieve 'No Net Loss (NNL)' at our sites through targeted habitat management, restoration initiatives, and site-specific action plans. We have established dedicated policies to address biodiversity-related challenges and adopt appropriate measures for conservation and restoration.

Grasim's sites are classified according to its Biodiversity Importance Category (BIC) and undergoes a structured, five-stage biodiversity assessment:

Scope of assessment

Grasim's standalone units and surrounding areas are assessed for impact on biodiversity. A 5 km buffer zone was considered around each site to evaluate potential ecological impacts, and Ultratech has also conducted biodiversity impact assessments for each operational site within a 10 km radial buffer zone around the core area (mine lease area). The study area is systematically divided into 5 x 5 km grids.

Grasim's structured approach to impact assessments



Potential biodiversity related risks identified[1]:

- Loss of forest land impacting the biodiversity value (floral and faunal) of the project area by direct loss of habitat
- Noise and associated ground vibration impact the lower vertebrate mainly the ground dwelling reptiles and small mammals.
- Change the normal behaviour in the form of restricting the movements, feeding, resting and breeding activities of major faunal groups of the project area.

Mitigation actions

For Grasim standalone, all BMPs will follow the LEAP approach (Locate, Evaluate, Assess, Prepare), incorporating the mitigation hierarchy avoid, minimise, restore, regenerate, and offset, into biodiversity action planning across the project lifecycle.

Furthermore, Ultratech have implemented comprehensive Biodiversity Management Plans (BMPs) for mitigation of identified risks and impacts. Ultratech have undertaken several initiatives to minimize our impact on biodiversity. Here are examples of these initiatives across different categories of the mitigation hierarchy:

Avoidance:

- Avoid operational activities in proximity to World Heritage areas and IUCN Category I-IV protected areas.
- Avoid operating in critical habitats and ecologically sensitive areas.
- Avoid the introduction of any new potentially invasive, non-native species and seek to eradicate these within our operational sites.
- Preserving ecosystems: Ensuring that existing ecosystems are protected from disturbance and creating awareness around.
- Maintaining noise levels below 85 dBA: Mitigating the impact of noise pollution on wildlife.

Minimization:

- Developing green belts to restore mined areas and to reduce impacts and promote biodiversity.
- Establishing nurseries to meet sapling requirements.
- Creating check dams to counter erosion and preventing soil erosion and habitat degradation.
- Constructing rainwater harvesting structures to improving water availability.
- Developing butterfly gardens to attract butterflies: Enhancing local biodiversity and supporting pollinators.

[1] *These risks are as identified by Ultratech*

Restoration/Rehabilitation:

- Storing and conserving water in mined-out pits and restoring water resources.
- Establishing bird nests and additional green spaces to enhancing habitats for birds and other wildlife.
- Initiating apiculture (beekeeping) within plant and colony areas for habitat enhancement

Transformation:

Our biodiversity mitigation efforts, focuses on addressing the root causes of nature loss by reimagining our operations, value chain, and products to generate positive environmental outcomes.

We are committed to:

- Capacity building and empowering our employees and establishing effective mechanisms for biodiversity stewardship.
- Transforming landscapes through targeted ecological interventions that restore and cherish biodiversity.
- Promoting soil and wildlife conservation through active participation of local communities and stakeholders

Parameters	No. of. Sites	Operational Area (Hectare)
Total sites	25	25,278.42
Sites assessed	24	24,804.89
Site's proximity to Critical areas/eco-sensitive zone	5	8,755.34
Sites with biodiversity management plans	23	23,110.69

Note: For more information on biodiversity, please refer Grasim's Annual Integrated Report FY2024-25. The values as per assessment by our largest subsidiary Ultratech. Grasim has its own Biodiversity policy with an aim of 'No Net Loss of Biodiversity'. (click here for policy)

Social

Labour Practice indicator

Grasim is committed to fair and equitable compensation for all employees. We ensure the payment of living wages (minimum wages) and provide wages at or above the minimum wage benchmarks as prescribed by law and provincial statutory requirements. The same is disclosed under BRSR principle 5, essential Indicator #2. All employees and workers are entitled to equal remuneration opportunities, regardless of gender, caste, religion, or any other background. Grasim actively monitors the gender pay gap and implements measures to ensure equal pay for men and women across all levels of the organization. At Grasim, we maintain zero tolerance for any discrimination, harassment and human rights violations and consider diversity and inclusion essential at all levels.

Structured policies and guidelines define maximum working hours in line with applicable regulations. The work hours, breaks, weekly offs and leave rules are aligned with labour law, employment standards and local practices to ensure a good balance between work and welfare of employees. We discourage our workforce from doing excessive working hours and we have implemented employee well-being measures to safeguard both physical and mental health. These measures ensure productivity is maintained while supporting a healthy work-life balance. We encourage employees to use their paid annual leave entitlements, as this promotes well-being, helps prevent burnout, and supports long-term productivity.

Employees are provided with adequate notice periods as mentioned in their offer letter and appointment letter in line with applicable regulatory obligations, and company guidelines, thereby meeting the minimum requirements for consultation and notice periods. We engage with workers' representative and as mentioned in the BRSR principle 3, essential indicator #7, we encourage conversations through union / representative committees / association. The collective mechanisms help workers secure better conditions, resolve grievances, and engage with management through an appropriate channel. However, it is important to state that this is not the only channel for engagement. Our workers are fairly compensated for overtime work, in accordance with statutory provisions, internal company guidelines, and local practices to ensure equity and compliance.

To prepare our workforce for industry transitions, and career transitions, we provide structured training and reskilling programs. These cover areas such as safety, climate change, digital dexterity, functional and behavioural skills, enabling employees to adapt to evolving business needs, strengthening long-term resilience of the organization and also increase each employee's employability. The Company extends its support network to all employees approaching retirement. Through the exclusive Enabling a New Life Post Retirement (ENLPR) program, and through personal counselling conversations, the Company actively engages in empowering and equipping its workforce with the necessary guidance and motivation to embrace their post-retirement phase with confidence and a clear direction.

❖ *Total Permanent Workforce*

Parameter	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Workforce	Nos.	46,146	47,375	49,599	55,257

❖ *Gender Pay Gap*

Indicator	Difference between Men and Women Employees (%)
Mean gender pay gap	-03.92
Median gender pay gap	-12.24
Mean bonus gap	-08.01
Median bonus gap	-32.12

Note: The pay gap analysis consolidates data from both Grasim (standalone) and UltraTech. For Grasim standalone, the analysis is based on total permanent workforce, and for UltraTech, it considers the employees from management cadre only.

❖ *Workforce Breakdown: Gender*

Diversity Indicator	Percentage
Female share of total workforce (%)	4.8
Females in all management position including senior, middle, and junior management position (as % of total management workforce)	6.9
Females in junior management position (as % of total junior management positions)	7.1
Females in top management position, i.e., maximum two levels away from the CEO or comparable positions (as a % of total top management positions)	2.6
Females in management positions in revenue-generating functions (e.g., sales) as a % of all such managers (i.e., excluding support functions such as HR, IT, Legal, etc.)	3.7
Share of women in STEM-related positions (as % of total STEM positions)	6.1

❖ *Workforce Breakdown: Nationality*

Country wise share in total workforce	Percentage
India	
Share in total workforce	99.69
Share in all management positions	99.83
Sri Lanka	
Share in total workforce	0.18
Share in all management positions	0.11
UAE	
Share in total workforce	0.02
Share in all management positions	0.02
Bangladesh	
Share in total workforce	0.04
Share in all management positions	0.01
Bahrain	
Share in total workforce	0.02
Share in all management positions	0.01
Pakistan	
Share in total workforce	0.02
Share in all management positions	0.00
Nepal	
Share in total workforce	0.02
Share in all management positions	0.00
Philippines	
Share in total workforce	0.01
Share in all management positions	0.01
Yemen	
Share in total workforce	0.01
Share in all management positions	0.01
Egypt	
Share in total workforce	0.01
Share in all management positions	0.01

❖ *Freedom of Association*

Indicator	% of employees & workers
Represented by an independent trade union or covered by collective bargaining agreements	35%

Human Rights

❖ *Human Rights Due Diligence Process*

The procedure is designed to identify potential human rights risks within business operations and ensure effective management through stakeholder engagement, planning, monitoring, and transparent disclosure. It places emphasis on preparing and reviewing mitigation measures while keeping stakeholders informed of the due diligence process and its outcomes.
Key performance indicators (KPIs) guide implementation. The Human Rights Due Diligence (HRDD) Tool must be completed and updated annually by the HR department to reflect any changes in processes. Salient human rights issues are also identified annually, with final approval by the Unit Head. Monitoring and reviewing of mitigation plans occur quarterly in line with the Mitigation Action Plan, ensuring timely adjustments. Finally, disclosure of mitigation outcomes is carried out annually through formal reports, reinforcing accountability and transparency with stakeholders.

Procedure

- Baseline Human Rights Management: A cross-functional team, including HR, ER, CSR, and other relevant departments, is identified and trained to execute the HRDD process. Business sites utilize the HRDD tool to establish a baseline of current practices and identify potential human rights impacts within their operations.
- Output of HRDD Tool: The HRDD tool categorizes identified potential human rights violations into three impact levels: high (red), medium (yellow), and low (green). This categorization allows for a focused approach to addressing human rights risks based on their severity.
- Identification of Salient Human Rights: The procedure emphasizes identifying high and medium impact areas following specific criteria outlined in the ABG Human Rights Policy. This step is crucial for focusing on the most significant human rights concerns. The identified impacts guide the development of mitigation plans, which include regular HRDD assessments and collaborative efforts with other stakeholders to address the issues.
- Mitigation Plans: Mitigation plans are developed for high and medium impact areas, with a particular focus on those identified as having severe impacts. The monitoring of these plans varies based on the impact level, with annual reviews for high impacts, biannual reviews for medium impacts, and reviews every three years for low impacts.
- Ongoing Human Rights Abuse or Violation: In cases of ongoing human rights abuses, immediate action is required. The procedure outlines specific approaches for addressing abuses affecting both direct and indirect workers, ensuring that the organization responds promptly to any issues that arise.
- Addressing Unavoidable Human Rights Impacts: If a human rights impact is deemed unavoidable, the procedure mandates notifying the CEO. Subsequently, mitigation plans are developed in collaboration with relevant departments to manage these impacts effectively.

Remedy

To address grievances, the organization establishes an operational-level grievance mechanism. This mechanism is designed to provide a channel for impacted individuals and groups to seek redress for any human rights violations they may experience.

Human Rights Management Plan

A comprehensive Human Rights Management Plan is developed to manage the identified human rights impacts. This plan includes detailed mitigation actions, monitoring schedules, and other necessary measures to ensure the organization's operations align with its commitment to upholding human rights.
(for more information on Human Rights, please refer Grasim's Annual Integrated Report FY2024-25, BRSR, Principle #5)

Our plants and value chain partners were assessed for child labour, Forced/involuntary labour, Sexual harassment, Discrimination at workplace, Wages. The Company ensures that the entire value chain adheres to the Supplier Code of Conduct, which prevents violations of labour rights, health and safety, and issues like sexual harassment, discrimination, fair pay, child labour, forced labour and more.

Category	Coverage	% of total assessed where risks have been identified	% of risk with mitigation actions taken
Own Operations	100	Nil	Nil

All Tier 1 suppliers have confirmed their compliance with key human rights aspects by formally acknowledging Grasim's Supplier Code of Conduct.

Human Capital Development

❖ ***Training and Development Inputs***

Indicator	Values
Average hours per FTE of training and development FY 2024-25	13.92
Average amount spent per FTE on training and development FY 2024-25 in INR	1,141.67

❖ ***Type of Trainings****

Training Type	Male (Hours)	Female (Hours)
Health safety Training	1,12,184.03	6,346.61
Human Rights	11,572.33	2,005.24
Skill Upgradation	1,45,386.68	15,278.24

**Figures represented for Grasim standalone, for more information on type of training please refer BRSR, Principle 3 & 5*

❖ ***Employee Development Programs***

At Grasim, employee development is supported through diverse learning methods that combine internal and external resources. Coaching and mentorship play a central role in guiding employees' professional growth, with managers and leaders providing continuous feedback, structured reviews, and one-on-one guidance. Knowledge sharing is also encouraged through platforms like Shikhar Tak Safar, which fosters excellence by sharing best practices. In addition, teams and networks such as role-based learning platforms (E-Karigar) and group-driven programs promote peer-to-peer learning, collaboration, and the exchange of experiences across functions and locations. These structured interventions build a performance-driven culture while enabling employees to grow in alignment with business priorities.

Grasim offers a wide spectrum of development programs tailored to different career stages and organizational needs. Leadership development is a key focus, with initiatives such as Focus 50 and Lead the Change aimed at preparing future-ready leaders and empowering middle management. Cultural education is integrated into programs like Samarthya, which nurtures professionalism and a transformative mindset. Career progression support also extends to transition programs, ensuring smooth movement for employees experiencing role shifts, retirement, or separation. To meet the demands of a rapidly evolving workplace, digital transition programs leverage advanced learning platforms and e-modules, providing scalable, accessible training opportunities across geographies. These blended approaches ensure that employees are equipped with the skills, resilience, and adaptability needed to excel in a dynamic business environment.

Program Name	FOCUS 50
Description	Focus 50 is an accelerated leadership program to build a pool of Department Heads in technical and functional areas to meet the future needs of the business. Criteria: • B 8-10 Section Heads / FLOs • Talent pool • Age < 38 years Inclusion: • Technical Know - how & Business Acumen • Customer understanding • Shop floor and People Management

	• Financial Acumen • External benchmarking – Best in class Immersion
Program Objective and Business Benefit	• Succession planning and building our leadership pipeline with home grown talent. • Encourage self-awareness in every employee. • Promote a strong sense of individual responsibility for personal development. • Create opportunities for engagement with COOs and CXOs, providing enhanced visibility, motivation, and insightful exchanges. • Improve technical skills and managerial expertise through tailored functional learning experiences.
Impact	Grasim is committed to building a strong pipeline of skilled Department Heads across technical and functional domains, recognizing leadership development as a strategic priority with long-term impact. By preparing future leaders, the company ensures business continuity amid evolving market dynamics and internal changes. This initiative supports smooth succession planning by equipping employees to step into critical roles, while also enriching their professional experience. As employees are nurtured and empowered to take on greater responsibilities, they gain a stronger sense of fulfilment, leading to higher engagement and retention. Ultimately, the program strengthens organizational leadership, driving sustained growth and resilience in a rapidly changing business environment.
% of FTEs that participated in this program	6% have participated across batches until day. The 5th batch of Focus 50 is currently underway.

❖ *Employee Support Programs*

Employee Benefits	Work Conditions	Family Benefit
‣ We prioritise employee wellbeing through a comprehensive range of physical, emotional, and mental health initiatives. These include regular health check-ups, wellness sessions, counselling support, and awareness campaigns. Mental health programmes such as stress management boot camps, help build workforce resilience. ‣ Social connection and recreation are encouraged through celebrations, sports tournaments, and team gatherings.	‣ Our benefits are designed to support employee health, wellbeing and work-life balance. ‣ Other benefits such as flexible working hours, work from home arrangements etc. is being provided as per company's guidelines and policy	‣ Paid parental leave for the primary caregiver: 26 Weeks (6 Months) ‣ Paid parental leave for the non primary caregiver: 1 Week ‣ We provide paid family care leave ‣ We provide day care facilities and dedicated breastfeeding areas, health, accident and OPD insurance, on-site medical centres, subsidised meals, and transition assistance programmes.

❖ *Performance Appraisal*

We regard performance enablement as a continuous process that supports clarity and growth. Employees set measurable objectives in consultation with their managers, ensuring aligned expectations.

Structured reviews, constructive feedback, agile check-ins, targeted skill enhancement, performance appraisals, and 360-degree feedback support progress and accountability. This process helps cultivate a consistent performance-driven culture across the organisation.

Our Learning and Development (L&D) Framework includes goal-oriented development plans and supports career growth through structured goal-setting and mid-year reviews.

Talent Attraction and Retention

❖ *Hiring*

Particulars	FY 2022	FY 2023	FY 2024	FY 2025
Total number of new employee hires	2,081	4,088	4,835	7,026
Percentage of open positions filled by internal candidates	82	26	25	36
Average hiring cost per FTE Currency: Indian Rupee (INR)	25,555	27,407	54,701*	60,730*

**Average hiring cost is represented for Grasim Standalone*

❖ *Hiring Breakdown in FY'25*

Category	Age Group			Gender	
	<30	30-50	>50	Male	Female
Top Management	0	1	2	3	0
Senior Management	0	17	6	22	1
Middle Management	20	291	19	302	28
Junior Management	2,086	1,735	14	3,479	356
Staff	1,763	530	5	1,947	351
Workmen	336	184	17	532	5

❖ *Employee Turnover Rate*

Particulars	FY 2022	FY 2023	FY 2024	FY 2025
Total employee turnover rate	8.8%	8.1%	8.3%	9.2%
Voluntary employee turnover rate	8.4%	6.2%	6.7%	7.7%

❖ *Employee Left Breakdown (Age, Gender and Employee Category in FY'25)*

Sr. No.	Category	FY 2025	
		Male	Female
1	Total Number of Left Employee	4,400	403
2	Total Number Employee Who Left voluntary	3,671	384
3	Total Employees in Top Management		
3.1	Total Employees Left	7	0
3.2	Total Employees Left Voluntary	4	0
4	Senior Management		
4.1	Total Employees Left	36	1
4.2	Total Employees Left Voluntary	23	1
5	Middle Management		
5.1	Total Employees Left	247	22
5.2	Total Employees Left Voluntary	222	20
6	Junior Management		
6.1	Total Employees Left	2,068	265
6.2	Total Employees Left Voluntary	1,940	254
7	Staff		
7.1	Total Employees Left	870	109
7.2	Total Employees Left Voluntary	802	105
8	Workmen		
8.1	Total Employees Left	1,172	6
8.2	Total Employees Left Voluntary	680	4

Total and voluntary employees' turnover is same for Ultratech.

Category	Male	Female	<30	30-50	>50
Total Employee Left	4,400	403	1,443	2,071	1,289
Total Employee Left Voluntary	3,671	384	1,370	1,860	825

❖ *Employee Engagement*

We strive to create a collaborative, growth-orientated culture by prioritising engagement, transparent communication, and continuous development. Regular feedback mechanism helps us align with employee expectations and design initiatives that enhance connection and motivation.

The Vibes Survey, conducted every alternate year, gauges stress levels, happiness, sense of purpose, and job satisfaction. Insights from the survey inform ongoing efforts to strengthen workplace wellbeing and alignment across all levels.

Particulars	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Employee Engagement	% of actively engaged employees / Score on Engagement Index	97	97	93	87

Occupational Health and Safety

❖ *Fatalities*

Particulars	FY 2022	FY 2023	FY 2024	FY 2025
Employees	2	1	0	2
Contractors	7	2	8	7

❖ *LTIFR*

Particulars	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Employees	*n/ million hours worked*	0.29	0.21	0.093	0.019
Contractors	*n/ million hours worked*	0.17	0.11	0.12	0.25

Customer Satisfaction Measurement

Satisfaction Measurement	Unit	FY 2022	FY 2023	FY 2024	FY 2025
Employees	*Net Promoter Score*	63	62	61	67

Note: NPS is calculated for each of the businesses separately, details of which are available in Integrated Annual Report FY'25 page 375. Score is for our Chemical Business.

Reference

1. Integrated Annual Report 2024-25 of Grasim Industries Limited. <Click Here>
2. Integrated and Sustainability Report 2023-24 of UltraTech Cement Limited. <Click Here>
3. Task Force on Climate-related Financial Disclosures (TCFD); Grasim's Approach to Climate Change and Net Zero; FY 2022-23 Summary Report. <Click Here>

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