



GRASIM INDUSTRIES LIMITED
ESG DATA BOOK
FY 2025-2026

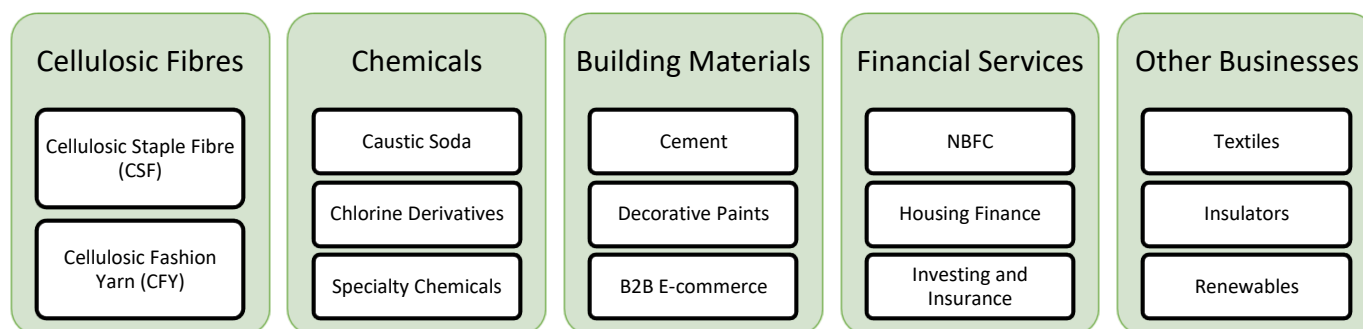
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About the Company

Grasim Industries Limited ("Grasim" or "the Company"), the flagship company of the Aditya Birla Group (ABG), is among India's leading diversified enterprises with a robust presence across high-growth sectors. Our diversified business portfolio provides scale, resilience, and opportunities for innovation, enabling us to consistently deliver value to customers, communities, and shareholders. Guided by the principles of sustainable and responsible growth, we continue to strengthen our leadership position while contributing to India's development journey.

Our Businesses



In FY 2025-26, Grasim achieved consolidated revenue of ₹1,75,431 crore and consolidated EBITDA of ₹25,872 crore, underscoring its track record of strong and consistent growth.

About the ESG Data Book

Grasim Industries Limited is pleased to present its ESG Data Book for FY 2025-26. As part of its commitment to transparency and accountability, Grasim annually discloses its material financial and sustainability performance through a comprehensive Integrated Annual Report, which includes disclosures aligned with the Global Reporting Initiative (GRI) Standards and the Business Responsibility and Sustainability Report (BRSR). This ESG Data Book serves as a supplementary document to the Integrated Annual Report FY 2025-26, providing additional quantitative and qualitative ESG disclosures aligned with leading global sustainability reporting frameworks and stakeholder expectations.

Scope & Boundary

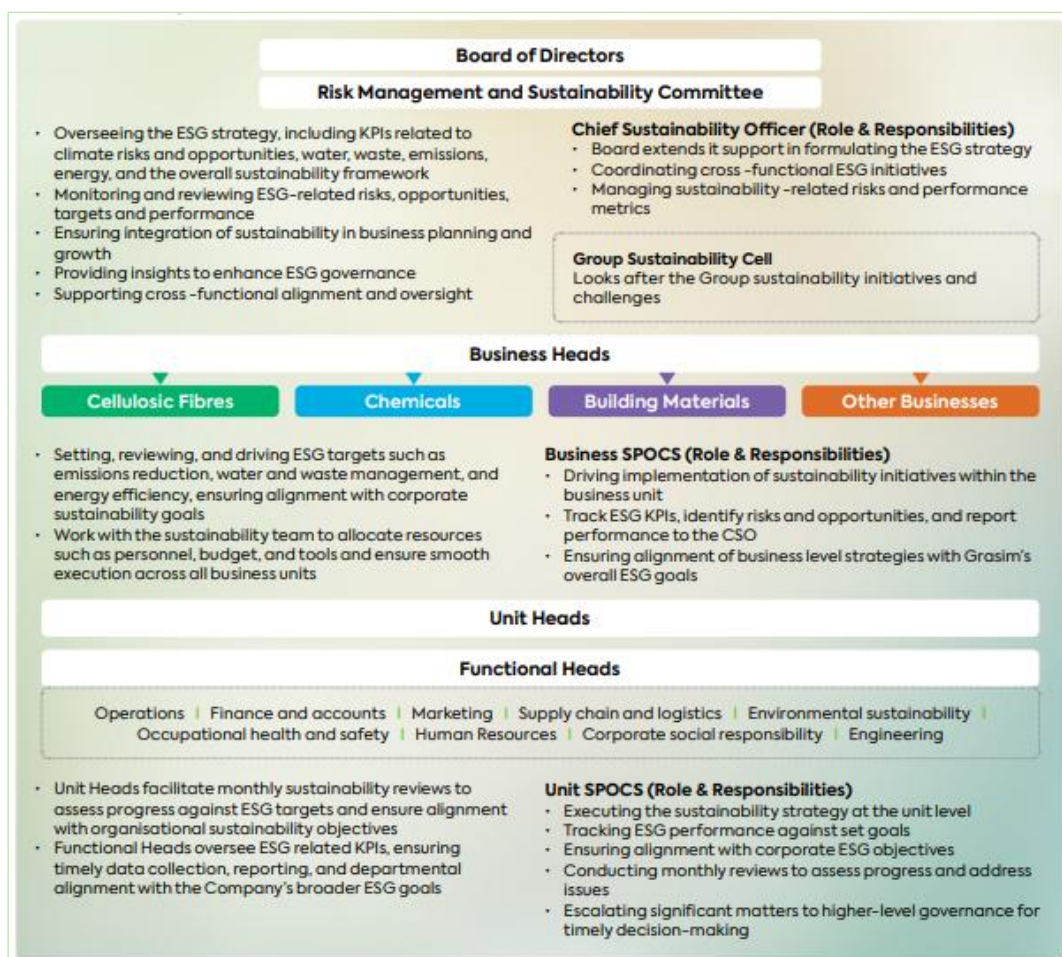
The ESG Data Book presents the environmental, social, and governance (ESG) performance of Grasim Industries Limited and its key subsidiary, UltraTech Cement Limited ("UltraTech"), collectively accounting for over 75% of the Group's total revenue. Grasim and UltraTech publish separate Integrated Reports, each providing detailed disclosures on their respective ESG performance.

As both are listed entities, governance and economic disclosures are reported on a standalone basis by the respective companies. Accordingly, the governance and economic information included in this ESG Data Book pertains only to Grasim Industries Limited, while corresponding disclosures for UltraTech Cement Limited are available in its standalone Integrated Report. Additionally, environmental and social performance data presented in this ESG Data Book reflects the combined performance of Grasim and UltraTech unless otherwise stated.

Governance & Economic

Corporate Governance

Grasim maintains a balanced Board comprising 14 directors, including 50% independent directors. The Board possesses a diverse mix of skills spanning governance, sustainability, finance, risk management, technology, industry expertise and human capital management, while maintaining an average attendance of 95%. Guided by its Board Diversity Policy, the Company considers gender, ethnicity, geography, race, age, nationality, cultural background, education, professional experience, skills and tenure in Board appointments. Women represent 21% of the Board, supporting diverse perspectives and effective governance.



Our sustainability framework guides decisions and actions across the business and aligns sustainability with strategic objectives, helping us consistently manage environmental and social impacts while boosting overall performance and managing risks. Grasim's sustainability framework is aligned to the strategic pillars under Environmental stewardship, social responsibility, and sound governance and are integrated into business strategy & operations, supporting innovation, resource efficiency, stakeholder confidence, and long-term growth.

Sustainability is a key business consideration that supports value creation, strengthens resilience, and enhances competitiveness, while advancing the Group's purpose of enriching lives through responsible businesses and institutions that inspire trust.

Oversight of sustainability matters is led by the Board of Directors, with implementation driven by the senior leadership team and business functions. Clear accountability, regular review mechanisms, and established control processes support the integration of ESG considerations into business decisions. Collaboration across functions helps identify and manage risks, respond to stakeholder expectations, and support sustainable value creation.

CEO Compensation - Success Metrics

Grasim has adopted the Aditya Birla Group Executive Remuneration Philosophy/Policy, which governs executive remuneration across Group companies. As inferred from the policy, the following are the metrics for the executive remuneration. *(Refer policy for more information – [link](#))*

Financial & other relevant metrics:

We tie annual incentive plan pay-outs of our executives to the relevant financial and operational metrics achievement, ESG performance and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business. The remuneration framework is designed to align executive rewards with long-term stakeholder value creation, sustainable business growth, and strategic priorities.

Relative financial metrics:

The policy further states that executive remuneration is positioned competitively within the relevant talent market and comprises a balanced mix of fixed compensation, annual incentives, long-term incentives, and benefits. We do benchmarking against peer companies in similar industries, geographies and of similar size, and secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision-making.

Annual incentive payouts are based on predefined performance measures, while long-term incentives are intended to promote sustained value creation and long-term growth.

Key financial return metrics (Key Standalone Ratios) as disclosed in the Integrated Annual Report include Return on Equity Ratio, Net Profit Ratio, Current Ratio, Debt Service Coverage Ratio, Debt-Equity Ratio, Inventory Turnover Ratio, Return on Investment, Trade Payables Turnover Ratio, Trade Receivables Turnover Ratio, Net Capital Turnover Ratio.

(For more information refer pg. 451-452 of Grasim's Integrated Annual Report 2025-26)

CEO Compensation - Long-Term Performance Alignment

Long-Term Incentives:

Our long-term incentive plans incentivise stretch performance, link executive remuneration to sustained long-term growth and act as a retention and reward tool. We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests. We grant performance stock units as a secondary long-term incentive vehicle, to motivate and retain our executives.

Performance Goal Setting:

We aim to ensure that, for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic. Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a baseline level of performance, reflecting an estimated 90% probability of achievement. Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance. Maximum performance (the point at which the maximum plan pay-out is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

Clawback Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act, 2013, and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/her as per restatement of financial statements, pertaining to the relevant performance year.

Materiality

Materiality Analysis

At Grasim, we conduct materiality assessments on need basis and at a regular interval such as once every 2 or more years which considers internal impact on business as well as external impact on society and the environment. We have carried out double materiality assessments for our business. 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 rooted in our Enterprise Risk Management (ERM) framework. The Double Materiality assessment process is verified by a third-party assurance provider. The materiality assessment results are appraised by the senior management.

(For more information refer Grasim's Integrated Annual Report 2025-26, pg. 89-97 & pg. 78-85 for "Materiality Assessment" & "ERM" respectively)

Material KPI	Energy Consumption	GHG Emissions	Water & Effluents
Description of Business Case	Energy is a critical input for Grasim's operations and has a direct impact on production costs, operational efficiency, regulatory compliance, and environmental performance. Effective energy management helps reduce costs, improve resource productivity, strengthen resilience to energy market volatility, and support the Company's climate commitments. It also contributes to long-term business competitiveness and sustainable value creation.	Operating in energy-intensive sectors makes climate change a critical business consideration. Evolving carbon pricing mechanisms and trade-related measures such as Carbon Border Adjustment Mechanism (CBAM), where applicable, influence cost structures and market access, while investor expectations increasingly favour credible decarbonisation pathways. Progress in renewable energy adoption and improvement in emission intensity support regulatory alignment, energy cost optimisation and long-term competitiveness.	Water is a critical operational input across several processes, making efficient management essential for business continuity. Dependence on freshwater sources, along with regulatory and compliance requirements, can pose operational and financial risks. Improving water efficiency through recycling, reuse, and process optimisation helps reduce reliance on natural water sources, enhances resource efficiency, and supports long-term water security.
Our Strategy & Approach	Grasim focuses on improving energy performance through technology upgrades, process optimisation, and energy management practices across its operations. The Company continues to increase the share of renewable energy in its energy mix while investing in efficient infrastructure and operational improvements. Energy efficiency initiatives are integrated into business planning, supported by regular performance monitoring, adoption of best available technologies, and continuous improvement programmes. This approach helps reduce environmental impacts, improve operational reliability, and support the transition towards a lower-carbon future.	Our decarbonisation roadmap involves a gradual increase in renewable energy use and continued improvements in energy efficiency. Process enhancements and adoption of cleaner technologies help reduce energy intensity, supported by initiatives such as waste heat recovery and fuel optimisation. Energy management systems enable continuous monitoring and optimisation of consumption across operations. Renewable energy sourcing is being scaled through a mix of captive generation and external procurement, supporting a gradual transition towards lower-carbon operations.	Water management is driven through a combination of recycling systems, process optimisation, and responsible use practices. Wastewater treatment enables recovery and reuse, reducing dependence on freshwater sources. Zero Liquid Discharge (ZLD) practices minimise discharge and support efficient water utilisation, while the use of desalinated seawater supplements supply and strengthens resilience. Regular monitoring of water consumption and discharge quality supports effective management and compliance.
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'26)	8% share of renewable energy in the total energy mix	23% reduction in emission intensity per unit of production (base year of FY'24)	32% of total water requirement is met through recycled water

Material KPI	Energy Consumption	GHG Emissions	Water & Effluents
Link to Grasim IR FY'26	Refer pg. 90 – 91 & 97	Refer pg. 90 – 91 & 97	Refer pg. 90 – 91 & 97
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. Key topics includes energy management, emission management, employee health & safety, water & effluent management etc. As per our executive remuneration policy we tie incentive plan pay-outs of our executives to ESG performance and their individual performance, and relevant financial and operational metrics achievement.		

Material Issues for External Stakeholders

Particulars	Innovation	Product Stewardship
Cause of Impact	Operations & Product / Services	Operations & Product / Services
Impact Area	- Environment - Society - Consumers/end-users - External employees (e.g. organizations in the supply chain, contractors)	- Environment - Society - Consumers/end-users - External employees (e.g. organizations in the supply chain, contractors)
Topic Relevance on External Stakeholders	We offer a portfolio of low-carbon and sustainable products, including Grey, Nonwoven, Livaeco™, Liva Reviva™, and Lyocell fibres, along with innovative solutions such as Recyclamine® technology. Our cellulosic fibres are produced from sustainably sourced cellulose, primarily derived from responsibly managed wood pulp, using environmentally optimized manufacturing processes, including advanced closed-loop systems for water and chemical recovery. Our portfolio supports the use of renewable and recycled feedstocks, promotes circularity through innovations such as Liva Reviva™ etc. which contributes to reductions in greenhouse gas emissions, waste generation, and water consumption across the value chain. 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.	Product stewardship enables Grasim to demonstrate its commitment to responsible and sustainable operations by ensuring products are managed safely and sustainably across their lifecycle. Grasim follows a holistic approach, using Life Cycle Assessment (LCA) to identify and manage risks in manufacturing and waste disposal. Its closed-loop system promotes by-product reuse, improving resource efficiency and minimizing waste. Effective waste management and circular practices are important for maintaining operational efficiency and controlling costs. Inefficient handling of waste can increase disposal requirements and compliance risks, while increasing regulatory expectations are driving the need for more sustainable practices. Adopting circular approaches such as reducing waste generation and improving material recovery, better resource utilisation, enhances process efficiency, and strengthens overall cost performance.
Type of Impact	Positive	Positive
Output Metric	Avoided emissions in tCO ₂ eq.	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	33,53,688 tCO ₂ eq. emissions avoided	95% diverted away from landfill and managed through Reuse, Recycle, and Recovery

Business Ethics

At Grasim, all employees are required to formally commit to the Code of Conduct upon joining the Company and undergo mandatory training. The Code sets clear standards on information security, anti-bribery and corruption, anti-money laundering, insider trading, non-discrimination, health and safety, conflict of interest, and professional conduct. Compliance with the Code is periodically assessed through performance evaluations. In the reporting year, we have two number of cases for insider trading. Zero amount is reported towards fines & convictions related to corruption and bribery.

Reporting on Breaches

Reporting Areas	FY 2026
Corruption & Bribery	0
Discrimination	0
Harassment (POSH)	8
Customer Privacy Data	0
Conflict of Interest	0

Anti-Bribery & Anti-Corruption

Grasim maintains a comprehensive Anti-Corruption and Anti-Bribery Policy that supports the Company's commitment to conducting business with integrity, transparency, and accountability. The policy prohibits bribery, corruption, facilitation payments, kickbacks, and other improper advantages in dealings with public officials, business partners, customers, suppliers, and other stakeholders. It provides clear guidance on identifying, preventing, and managing corruption-related risks across business operations and value chains.

The policy establishes specific requirements governing gifts, entertainment, and other benefits, ensuring that such practices are reasonable, transparent, and do not influence business decisions or create conflicts of interest. It also outlines controls regarding political contributions, requiring compliance with applicable laws and approval processes, and provides guidance on contribution that company contributions to charitable organisations will be approved and authorised in accordance with the Company's policies and systems of authority. To strengthen ethical conduct, Grasim conducts anti-bribery and anti-corruption awareness and training programmes for key management personnel, employees and relevant stakeholders.

The Company has an established mechanisms for reporting suspected violations, supported by defined procedures for reviewing, investigating, and addressing breaches of the policy. Any violation is subject to appropriate corrective and disciplinary action.

(For more information, please refer policy - [link](#))

Whistle Blower Mechanism

Grasim maintains a comprehensive Whistle Blower Policy that provides employees, business partners, and other stakeholders with a structured and secure mechanism to report actual or suspected misconduct, unethical behaviour, regulatory violations, fraud, corruption, money laundering, insider trading, or any breach of the Company's Code of Conduct. The policy clearly defines the roles and responsibilities of designated officials responsible for receiving, reviewing, and investigating concerns.

Grasim facilitates confidential reporting through multiple channels, ensuring that all concerns are handled with integrity, impartiality, and due diligence. The Company maintains strict confidentiality of reported matters and follows a defined investigation and escalation process for timely resolution. A whistle blower can send a complaint to the ethics hotline or write to ethics helpline or send a fax or mail it to P. O. Box. This is operated by an independent third-party vendor.

Grasim is committed towards an open and ethical culture through zero-tolerance towards retaliation against whistleblowers, if the complaint was made in good faith, but no misconduct was confirmed on subsequent investigation. Employees are regularly trained on ethical conduct, available reporting channels, the whistleblower mechanism, and grievance redressal procedures to promote awareness and encourage responsible reporting of concerns.

(For more information, please refer policy - [link](#))

Policy Influence

At Grasim, policy advocacy plays an important role in ensuring that the Company's views and industry perspectives are effectively communicated to relevant stakeholders. The Company primarily engages through industry and trade associations that represent the collective interests of the sectors in which it operates.

Grasim provides constructive inputs on regulations, policies, and industry developments that may impact its business and stakeholders. All advocacy activities are conducted in accordance with the Company's Code of Conduct and other applicable policies, ensuring transparency, integrity, and alignment with corporate values.

The Company makes political contributions, where applicable, in compliance with relevant laws and regulations, including the Companies Act, 2013. Such contributions are made transparently through AB General Electoral Trust and are subject to established internal approval and governance processes. The overall monetary value of political contributions is disclosed in statutory filings

and annual reports. These expenditures are limited solely to political donations and do not include lobbying or other advocacy-related expenses.

Particulars	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Trade Associations	INR	89,80,875	1,12,39,765	1,88,34,405	1,09,83,518
Political & Charitable Contributions	INR	0	0	50,00,00,000	0

(For more information on political contribution refer pg. 429 of Grasim's Integrated Annual Report 2025-26)

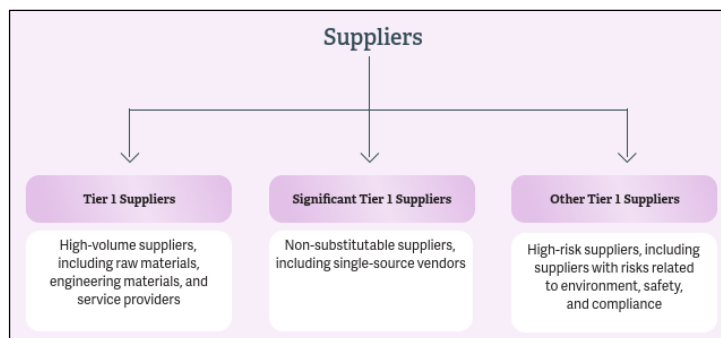
Key Engagements

Particulars	Description
 Indian Chemical Council	Grasim engages with Indian Chemical Council, India's leading industry association for the chemical sector. Through this engagement, Grasim is committed to responsible manufacturing practices and the promotion of sustainable development across its value chain. The participation encompasses industry dialogues, knowledge-sharing and sustainability-related forums, which address topics such as climate change mitigation, chemical safety, emissions management, energy efficiency, water stewardship, circular economy practices and evolving environmental regulations. Membership enables Grasim to benchmark its environmental performance against industry best practices and continuously strengthen its sustainability management systems. The participation also supports collaboration across the industry to drive higher standards of environmental protection, resource conservation and operational excellence. Contribution Fees: ~ INR 53,17,100
 Indian Wind Turbine Manufacturers Association	Grasim actively engages with Indian Wind Turbine Manufacturers Association (IWTMA) which acts as the principal industry body representing India's wind sector and is actively involved in policy advocacy and regulatory dialogue with the Ministry of New & Renewable Energy (MNRE), Ministry of Power (MoP), state governments, regulators, investors, and other stakeholders. It specifically states that it engages proactively with central and state policymakers on policy and regulatory frameworks for wind energy. IWTMA engages with the Government of India, state regulators, and industry stakeholders to advance policies supporting wind energy deployment, renewable energy procurement, domestic manufacturing, grid integration, infrastructure development, and regulatory reforms. Through consultations and industry representation, IWTMA contributes to India's clean energy transition and renewable energy targets. Contribution Fees: ~ INR 3,50,000
 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 11,18,024

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

Suppliers are onboarded and screened against defined operational, financial, compliance, and we also integrate ESG considerations into supplier screening and evaluation process to align with our broader sustainability goals. Criteria of expectations for ethical conduct, safety, labour practices, and environmental responsibility are defined through the Suppliers Code of Conduct, while the Responsible Supply Chain Policy guides transparent sourcing, risk management, and consistent engagement. Supplier ESG programmes enable regular assessment, ongoing dialogue, and capability development, bringing ESG considerations into day-to-day operations and aligning them with responsible sourcing expectations.

Key aspects of supplier screening

- Acceptance of the Supplier Code of Conduct (SCoC)
- Outcome of the preliminary assessment conducted by Grasim
- Outcome of country-specific, sector-specific, and commodity-specific risk assessments
- Screening based on business relevance to identify suppliers

Supplier ESG Programme

Our ESG programme is overseen by Chief Sustainability Officer, who in turn appraises the Risk Management and Sustainability Committee. We conduct workshops and training for suppliers, contractors, and employees on key topics such as climate, resource efficiency, human rights, and diversity. Our purchasing practices are periodically reviewed to ensure consistency with the Supplier Code of Conduct and to prevent conflicts with ESG expectations. If deviations occur, corrective action may be taken with our support. Continued non-compliance may result in disengagement. Following an initial review, supplier are preferred based on comprehensive evaluation based on technical capabilities, financial health, certifications, past performance, and alignment with our ESG commitments. These engagements help identify operational challenges and inform targeted support. Technical guidance and relevant training are provided to internal stakeholder and supplier capabilities to improve ESG performance and ensure alignment with ESG Program.

Supplier Assessment & Development

Periodic supplier assessments are conducted through a combination of internal/desk reviews and contracted consultants (2nd party and 3rd party) to identify key partners, track performance, and assess ESG risks across key supplier categories.

During onboarding, 100% of tier-1 suppliers undergo on-site assessments in alignment with relevant standards and methodologies such as ISO certifications, SA8000, etc, as applicable. Supplier performance is supported through regular engagement, targeted training, and accessible grievance mechanisms. This feedback process enhances accountability, builds supplier capabilities, and drives ongoing improvement.

Following supplier assessments, engagement is undertaken through a range of targeted capacity-building initiatives. Depending on identified needs, suppliers receive remote and on-site support for implementing corrective and improvement actions, benchmarking guidance against ESG peers and industry best practices, training on the Company's supplier ESG programme, processes, and requirements, as well as ongoing technical assistance and practical guidance. Through these efforts, the Company aims to strengthen supplier capabilities, enhance ESG awareness, and drive continuous improvement in sustainability performance across the value chain.

Supplier Screening	FY 2026
Total number of unique suppliers	19,063
Total number of unique significant suppliers	484
Number of unique significant suppliers supported with development measures	484
Number of unique significant suppliers assessed via desk assessments/on-site assessments	269
Number of unique significant suppliers assessed with substantial actual/potential negative impacts	33
Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	33
Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated	0

For Grasim standalone, we are reporting on tier-1 suppliers. The data consolidated is of Ultratech and Grasim's CFI business.

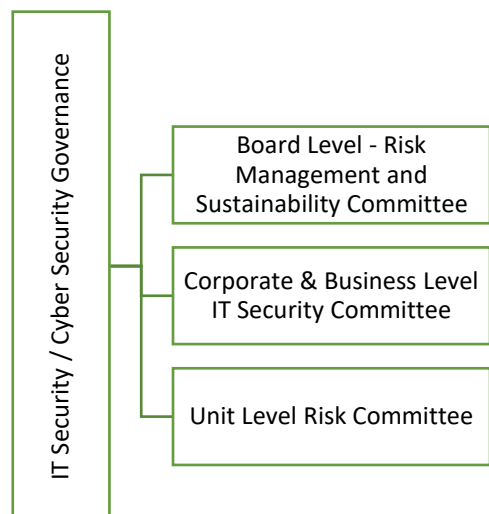
Information Security/ Cybersecurity & System Availability

Cyber security and data privacy are crucial in safeguarding operations, protecting data, and complying with legal and regulatory guidelines. We have a three-tier governance model for cybersecurity with a dual approach to implement IT security systems and procedures. The Risk Management Committee provides strategic oversight, while business leadership translates it into operational control. This approach combines strong oversight with flexibility. The framework is supported by the Information Security Policy, which sets clear expectations for secure asset usage, access controls, data sharing, backup and recovery, and system usage, pre-empting cyber threats.

Fifteen of our sites are certified to ISO 27001, while the remaining units are aligned with the Information Security Management System requirements. This framework supports compliance with applicable data protection and information-security requirements and prevalent regulations. Grasim also maintains business continuity and contingency plans, which are periodically tested by the Company's IT teams to assess their effectiveness, identify improvement opportunities, and strengthen operational resilience.

Customer data is managed through defined Information Security Systems and controlled access protocols. Policies are in place to safeguard confidentiality, prevent unauthorised access, and ensure compliance with applicable requirements. Monitoring mechanisms support early identification of risks, while regular reviews maintain the integrity and security of customer information across operations. 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.



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. Ashvin 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.

Responsible Artificial Intelligence

Grasim Industries recognizes that the responsible use of artificial intelligence and digital technologies must be grounded in robust information security, data privacy, and governance practices. The Company's Information Security Policy and Privacy Policy establish the principles for protecting personal information, securing information assets, managing cyber risks, implementing appropriate access controls, and complying with applicable legal and regulatory requirements. These principles provide the foundation for the responsible adoption of AI-enabled technologies, helping ensure that data is handled securely, access to systems is appropriately governed, and AI-supported processes operate in a transparent, accountable, and controlled manner.

The Company's approach emphasizes protection of privacy, cybersecurity resilience, user awareness, and human oversight in the use of digital technologies. Through risk management processes, information classification, access controls, employee awareness programs, and grievance redressal mechanisms, Grasim seeks to promote responsible technology use while safeguarding stakeholder interests. As AI technologies continue to evolve, the Company remains guided by its existing privacy and information security frameworks and monitors emerging regulatory and governance expectations relating to transparency, accountability, fairness, and responsible innovation.

Responsible Artificial Intelligence Commitment & Programs

The organization is committed to the responsible adoption and use of artificial intelligence and emerging digital technologies. Access to AI systems, tools, and underlying data is governed through appropriate authorization controls to ensure that sensitive capabilities and information are available only to authorized personnel based on business requirements. Transparency is promoted through clear identification of AI-generated outputs and AI-supported decision-making processes where applicable. The organization also recognizes the importance of maintaining the reliability and effectiveness of AI-enabled solutions through periodic monitoring and review, including consideration of model performance, potential bias, fairness, and unintended impacts on stakeholders.

In addition, the organization encourages responsible and secure use of AI through employee awareness and training initiatives covering information security, privacy, and ethical technology use. Stakeholders are provided with appropriate channels to seek clarification, raise concerns, or request review of decisions where AI-enabled tools may contribute to business processes. Efforts are also directed towards evaluating the contribution of AI and digital technologies to operational efficiency, resource optimization, and broader sustainability objectives, while encouraging the efficient use of digital infrastructure. The organization continues to monitor evolving AI governance frameworks, industry standards, and external assurance approaches to strengthen oversight, accountability, and responsible innovation as AI technologies mature.

Environment

Environmental Stewardship and Resource Efficiency

At Grasim, environmental performance is closely linked to how responsibly resources are managed, how operations evolve, and how business growth responds to emerging environmental challenges. As our businesses expand, we remain focused on optimising energy consumption, reducing greenhouse gas emissions, and increasing the use of cleaner energy sources. This approach enables us to address the climate-related risks while supporting resilient and efficient operations.

We apply the same level of discipline to the management of water, materials, and waste, with a strong emphasis on resource efficiency and circularity. Our approach is underpinned by robust measurement systems, consistent processes, and transparent performance tracking across locations. Real-time visibility into resource use enables informed decision-making and timely interventions, helping us continuously improve environmental outcomes. We also remain mindful of the interaction between our operations and the surrounding ecosystem, ensuring that business growth is balanced with responsible environmental management. By scaling with purpose, we aim to advance energy and resource efficiency while building a stronger foundation for long-term sustainability.

To translate this commitment into measurable action, we implement comprehensive environmental management practices across our facilities. Through the adoption of cleaner technologies, optimisation of manufacturing processes, and integration of circular economy principles, we seek to reduce reliance on virgin resources and lower our environmental footprint. Supported by digital tools and cross-functional collaboration, we continuously monitor performance and enhance our ability to respond to evolving environmental priorities.

Sustainable Products and Circular Value Creation

We recognise our responsibility across the product value chain, from raw material sourcing and manufacturing to product use and end-of-life considerations. Life Cycle Assessments (LCAs) help us identify key environmental impact hotspots and inform targeted improvement initiatives. Our commitment to circularity is reflected in efforts such as closed-loop systems, resource recovery, and by-product utilisation, which help minimise waste generation and maximise resource productivity.

Customer insights, product performance assessments, and safety considerations are integrated into our innovation process, enabling continuous improvements in product design, material selection, and delivery mechanisms. Through these efforts, we strive to develop sustainable, high-quality solutions that meet changing customer expectations while supporting responsible consumption and production.

Research, Innovation and Environmental Solutions

Innovation plays a central role in advancing Grasim's sustainability ambitions. Our research and development ecosystem comprises nine specialised centres aligned with key business verticals, supported by centralised analytical and testing capabilities. Working closely with industry leaders, research institutions, technology partners, and stakeholders across the value chain, we focus on developing solutions that address emerging market needs while enhancing environmental performance.

During the year, Grasim invested total of INR 184.20 crore in research and development initiatives, of which 35% are directed towards new product development and process efficiency measures. These investments strengthen our ability to drive innovation-led growth while creating long-term environmental and business value.

EMS: Certification/Audit/Verification

Particulars	Certification/Verification details
Specification of international standards through which EMS has been verified	100% of our sites are ISO 14001:2015 certified

Grasim & Ultratech has 100% of the plants certified with ISO 14001.

Return on Environmental Investments (in INR)

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Capital Investments (Capex)	9,03,75,64,000	3,65,85,47,484	6,16,23,93,939	7,93,81,41,499
Operating Expenses (Opex)	4,74,82,71,874	4,70,64,04,874	1,44,87,11,357	4,72,25,15,733
Total Expenses = Capex + Opex	13,78,58,35,874	8,36,49,52,358	7,61,11,05,296	12,66,06,57,232
Savings, cost avoidance, income, tax incentives, etc.	3,18,87,68,800	42,81,00,000	2,81,09,45,820	3,92,00,00,000

The reported values represent the majority of the environmental expenses (approx.) attributable to key environmental initiatives.

Environmental Violations

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Number of violations of legal obligations / regulations	1	0	0	0
Amount of fines / penalties related to the above (in INR)	2,07,37,500	0	0	0
Environmental liability accrued at year end (in INR)	0	0	0	0

Violations amounting to more than \$10,000 is reported as per DJSI Guidelines. We disclose all the relevant information in BRSR, one of the matters disclosed in Grasim's BRSR FY'26 is currently under appeal, and no final adjudication or determination has been made as of the reporting date.

Emissions

Greenhouse Gas Emissions (in Metric Tonnes CO2e)

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Total direct GHG emissions (Scope1)	6,72,55,110	7,65,44,684	8,62,19,949	9,42,26,943
Total indirect GHG emissions – market based (Scope 2)	33,11,340	30,74,325	30,95,951	30,52,576
Total indirect GHG emissions (Scope 3)	97,72,535	1,31,05,458	1,88,79,499	1,90,97,160

Scope 3 Categories (in Metric Tonnes CO2e)

List of Categories	Emissions FY 2026
Category 1: Purchased goods and services	64,24,847
Category 2: Capital goods	2,35,241
Category 3: Fuel-and-energy-related-activities (not included in Scope 1 or 2)	86,74,219
Category 4: Upstream transportation and distribution	34,12,447
Category 5: Waste generated in operations	27,983
Category 6: Business travel	7,124
Category 7: Employee commuting	68,412
Category 9: Downstream transportation and distribution	2,46,887

Air Emissions (in Metric Tonnes)

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Direct NO _x emissions	86,298	94,313	94,742	1,16,394
Direct SO _x emissions	20,419	37,068	36,022	35,575
Direct dust emissions	4,266	9,224	9,337	12,219
Direct mercury emissions	0.42	0.46	BDL	BDL

*BDL: Below Detection Limit

Resource Efficiency and Circularity

Energy Management and Efficiency

Energy efficiency remains a key focus area in strengthening operational performance while supporting Grasim's transition towards a lower-carbon future. Our approach combines energy audits, process optimisation, technology upgrades, renewable energy adoption, and continuous performance evaluation to identify and realise energy-saving opportunities across operations.

Regular energy assessments and internal audits are conducted across facilities to identify efficiency improvement opportunities and monitor progress against quantified energy reduction targets. Insights generated through digital monitoring systems enable site-specific action plans, helping optimise energy use through continuous improvement initiatives and operational controls.

In line with our commitment to cleaner energy, we continue to expand the use of renewable energy sources across businesses. For Grasim standalone, during FY 2025-26, renewable energy consumption increased to 5.73 million GJ, representing an increase of approximately 33% over the previous year (FY 2024-25: 4.32 million GJ). Renewable electricity consumption increased from 1.67 million GJ to 2.94 million GJ, reflecting the growing integration of cleaner energy into operations. Concurrently, energy intensity improved significantly, declining from 20.01 GJ/MT to 18.09 GJ/MT, while energy intensity per ₹ crore of revenue decreased by approximately 20%, demonstrating enhanced energy productivity and operational efficiency despite business growth.

Innovation also plays a critical role in our energy management strategy. Research and development programmes focused on process efficiency, resource optimisation, and sustainable technologies accounted for 35% of total R&D investments during FY 2025-26, compared with 20% in the previous year. In addition, 11% of capital expenditure was directed towards improving environmental infrastructure and operational efficiency. These investments support the development and deployment of technologies that reduce energy consumption, improve process reliability, and strengthen long-term environmental performance.

Employee awareness and engagement remain essential to achieving sustained energy performance improvements. Energy-efficiency training programmes are conducted across operations to build awareness, encourage responsible energy use, and foster a culture of continuous improvement. Through a combination of technology, innovation, renewable energy adoption, employee engagement, and regular performance evaluations, Grasim continues to enhance energy efficiency while advancing its broader sustainability objectives.

Key Highlights:

Operational efficiency

Installation of VFDs and process optimisation measures to reduce energy consumption and improve operational reliability.

Performance monitoring

Continuous evaluation of energy performance through site-level monitoring and energy audits.

Renewable energy

Expansion of renewable energy sourcing to increase the share of clean energy in the overall energy mix.

Waste-to-energy

Waste-to-energy initiatives under the "Renew Rethink" programme, enabling utilisation of suitable waste streams as alternative fuel sources and reducing reliance on conventional fuels.

Technology and investment

Increased R&D and capital investments aimed at developing and deploying energy-efficient technologies and sustainable operating practices.

Energy and Renewable Energy Targets*

To support long-term decarbonisation and energy transition objectives, Grasim has established clear medium-term targets focused on increasing the contribution of renewable energy within its operations.

Renewable energy mix FY 2025–26 8% FY 2029–30 Target 16%	Renewable installed capacity FY 2025–26 24% FY 2029–30 Target 25%
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*Grasim standalone targets

Total Energy Consumption (in MWh)

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Total non-renewable energy consumption	9,65,12,174	10,43,88,891	11,39,16,148	12,19,24,574
Total renewable energy consumption	13,29,218	34,53,667	38,59,333	52,49,058

Waste Management and Circularity

At Grasim, waste management is guided by the principles of waste prevention, resource efficiency, circularity, and regulatory compliance. We have established structured waste management procedures across operations to manage all categories of waste in accordance with applicable national and local regulations and recognised industry practices. Our approach follows the waste hierarchy, prioritising waste reduction at source, reuse, recycling, and recovery, with disposal through landfill or incineration adopted only where no feasible alternatives exist.

Regular waste audits are conducted across facilities to identify opportunities for improving waste performance, reducing waste generation, and enhancing resource recovery. Insights from these assessments inform action plans focused on process optimisation, material efficiency, by-product utilisation, and circular manufacturing practices. Progress against quantified waste reduction objectives is continuously monitored through robust data management systems, enabling timely interventions and continuous improvement.

A key component of our strategy is the integration of circular economy principles within operations. Several initiatives have been implemented to maximise resource recovery and minimise waste sent to landfill. Polypropylene cones used in yarn winding operations are systematically collected, cleaned, quality-checked and recirculated for multiple reuse cycles before being retired and recycled. Wash solvents generated during production are recovered, regenerated and reused within manufacturing processes, reducing hazardous waste generation while improving material circularity. In addition, plastic waste generated across operations and supply chains is repurposed into durable utility products such as reusable bags, extending material life and reducing reliance on virgin resources.

We also continue to explore innovative uses for internal waste streams. Under our waste-to-energy initiatives, suitable waste materials and production residues have been assessed and utilised as alternative fuels, reducing landfill dependency while supporting resource recovery. Cellulosic waste and ETP sludge generated at select operations are increasingly being diverted for co-processing in cement plants, enabling productive utilisation of waste streams that would otherwise require disposal.

Innovation and research play a critical role in advancing waste minimisation efforts. Investments in R&D and process improvements support the development of cleaner production methods, waste reduction technologies, resource recovery solutions, and circular product applications.

Employee training programmes on waste segregation, safe handling of hazardous and non-hazardous waste, recycling practices, and responsible disposal further strengthen waste management performance across sites.

Our waste management practices are complemented by rigorous governance and assurance processes. Waste data, including waste disposal and landfill diversion information, is subject to independent third-party reasonable assurance, providing confidence in the accuracy, completeness, and reliability of reported performance. This external scrutiny strengthens transparency and accountability while supporting continual improvement in waste management outcomes.

Key Highlights:

Cellulosic waste diversion

100% of cellulosic waste generated at CFY operations is currently diverted from disposal through co-processing in cement plants. Cellulosic Fibres business launched Liva Reviva™ M, India's first next-generation circular fibre made with up to 50% mechanically recycled post-consumer textile waste.

Circular reuse programmes

Circular reuse programmes for polypropylene cones, solvent recovery systems, and plastic waste repurposing initiatives continue to reduce virgin material consumption and waste generation.

Waste diversion from landfill

Independent third-party reasonable assurance is conducted on reported waste management data, including waste disposal and landfill-diverted quantities, reinforcing the credibility of waste performance reporting.

Waste Management Target

100% of cellulosic waste generated at CFY operations to be diverted from disposal through co-processing in cement plants in FY 25-26.

Waste Disposal (in Metric Tonnes)

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Total waste recycled/ reused	8,66,726	36,62,856	39,13,349	36,16,591
Total waste disposed	1,21,765	64,884	65,095	57,166
Waste landfilled	1,19,368	64,287	64,081	56,892
Waste incinerated with energy recovery	1,198	0	0	0
Waste incinerated without energy recovery	1,199	597	1,014	274

Water Stewardship

Water stewardship is integral to Grasim's approach to resource efficiency, operational resilience, and responsible environmental management. We undertake regular water use assessments across facilities to identify opportunities for improving water efficiency, reducing freshwater dependency, and strengthening water security. Supported by tools such as Aqueduct and the India Water Tool, these assessments inform targeted actions and the establishment of water reduction and recycling objectives.

To improve water efficiency and reduce consumption, we continue to invest in water recycling, reuse, and process optimisation initiatives. Key measures include the deployment of Zero Liquid Discharge (ZLD) systems across 15 of 27 manufacturing facilities, expansion of seawater recovery systems, cooling tower optimisation, and integration of ultrafiltration technologies to maximise water reuse. Enhancements to ZLD systems through Agitated Thin Film Dryer (ATFD) and high-pressure Reverse Osmosis (RO) technologies have further improved water recovery, optimised treatment performance, and reduced overall water intensity.

Improving wastewater quality remains a key focus area. Advanced treatment technologies, combined with ZLD operations, minimise effluent discharge and support responsible wastewater management while protecting shared water resources. Water recycling is firmly rooted within our operational practices, with recycled water accounting for 32% of total water requirements during FY'26.

Employee awareness and engagement play an important role in driving water stewardship outcomes. Regular training programmes on water conservation, recycling, and water-efficiency management help embed responsible water-use practices across operations. Our commitment to water resilience is further demonstrated through initiatives such as rainwater harvesting, with the Cheyyar facility operating exclusively on harvested rainwater for seven months during FY'26, reducing dependence on freshwater sources and strengthening local water security.

Key Initiatives:

ZLD optimisation

Enhancements to Zero Liquid Discharge (ZLD) systems through the installation of additional Agitated Thin Film Dryers (ATFDs) and high-pressure Reverse Osmosis (RO) systems improved water recovery, reduced treatment loads, optimised system performance, and enabled the reuse of recovered water and salts.

Water conservation and reuse

Water efficiency measures included recycling systems, cooling tower optimisation, and the integration of ultrafiltration in sewage treatment processes for reuse. These initiatives reduced freshwater dependency, increased water reuse, and strengthened overall water management performance.

Rainwater harvesting and resilience

During FY 2025-26, the Cheyyar facility operated exclusively on harvested rainwater for seven months. Supported by dedicated treatment and monitoring systems, the initiative reduced freshwater withdrawal, improved water resilience, and contributed to sustainable water management.

Water Stewardship Targets

Increase recycled water share to 38% of total water requirement by FY 2029-30.

Water Risk Management Programs

Dependency-related risks	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 risks	We analyse 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 15 of 27 manufacturing facilities and improved water treatment facilities highlights our mitigation approach to reducing adverse impacts.
Future water quantity	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 rainwater harvesting and enhanced water recycling.
Future water quality	We evaluate 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 15 of 27 manufacturing facilities and high-efficiency RO treatment is part of our mitigation strategy. We are adopting and continuously improving our recycling infrastructure for improved water quality.

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.
Regulatory change	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 (in Million Cubic Meters)

Parameters	FY 2023	FY 2024	FY 2025	FY 2026
Withdrawal: Total municipal water supplies (or from other water utilities)	13.67	28.91	13.94	14.74
Withdrawal: Fresh surface water (lakes, rivers, rainwater etc.)	59.80	42.12	58.95	59.92
Withdrawal: Fresh groundwater	8.15	8.06	9.41	9.6
Total Withdrawal (Excluding seawater)	81.62	79.09	82.30	84.26
Water Discharge after treatment (excluding seawater discharge)	15.8	10.42	11.83	12.04
Total Net Fresh Water Consumption	65.82	68.67	70.47	72.22

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

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 (in Million Cubic Meters)

Parameter	FY 2023	FY 2024	FY 2025	FY 2026
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	42.42	32.65	32.49	33.54

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

Climate Strategy

Grasim's sustainability policies help set the tone for responsible business conduct throughout the organisation. These policies define expectations for environmental and social management, guide compliance with regulatory requirements, reinforce fair labour practices and respect for human rights, promote efficient resource utilisation, and prioritise the health, safety, and well-being of our people. Together, these policies guide day-to-day decision-making and help maintain consistency in the management of sustainability priorities. Their implementation is supported through clearly defined processes, performance monitoring, and management oversight.

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

Risks driven by change in physical climate parameters or other climate-change related developments

Description	We have undertaken climate-risk assessments across our operations and identified significant cyclone-related exposure at 10 of our locations. The assessment considered current and projected exposure under multiple climate pathways, including Representative Concentration Pathways, Shared Socioeconomic Pathways (SSP) and the IEA Net Zero Emissions scenario. These Cyclonic events may damage our plant infrastructure, disrupt power and utility services, interrupt production and temporarily restrict access to manufacturing facilities. They may also affect roads, ports and transportation networks, delaying the receipt of raw materials and the delivery of finished products. Potential consequences of the cyclone events include loss of operating days, lower production volumes, increased repair and recovery expenditure, additional logistics costs and reduced revenue during the disruption period.
Average estimated time frame for financial implications of this risk	Medium-term (4-10 Years)
Estimated Financial Implication (INR)	~ 2,16,77,50,000
Estimated Cost of Action (INR)	~ 21,00,00,000 We manage cyclone risk through a combination of risk avoidance where practicable, operational controls, preparedness measures, business-continuity planning and financial risk transfer. Site-level climate-risk assessments are used to identify manufacturing facilities with elevated cyclone exposure and to inform the prioritization of resilience measures. Our operational response includes business-continuity and disaster-recovery planning, emergency preparedness protocols, protection of critical equipment and utilities, and procedures for restoring operations following an extreme-weather event. We also consider the potential effects of cyclones on raw-material transportation, utility availability and finished-product distribution when developing continuity arrangements. We maintain a comprehensive Mega Risk Insurance Policy (with an insurance premium costing approx. 21 crores annually for the 10 units) covering natural calamities and other climate-related events affecting operations, assets and supply chains. This coverage is intended to reduce the financial consequences of physical damage and operational disruption, subject to applicable policy terms, limits, deductibles and exclusions.

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.
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Average estimated time frame for financial implications of this risk 2 Years

Physical climate risk adaptation plan (Overall Plan)

Description	Grasim has identified heatwaves, droughts, cyclones, and flooding as the most significant physical climate risks across its operations. These risks have the potential to impact employee health and productivity, water availability, infrastructure integrity, supply chain continuity, and overall business operations. The adaptation plan is designed to enhance resilience by addressing these risks through targeted operational, infrastructure, and water management measures. Heatwave Adaptation Objective: Protect employee health, safety, and productivity during periods of extreme heat. • Provision of refreshments and hydration support during heatwave conditions. • Provision of shaded rest areas (on-site) for the workforce. • Availability of on-site healthcare facilities to support employee well-being and manage heat-related illnesses. Drought and Water Security Adaptation Objective: Strengthen water resilience and ensure continued operations in water-stressed regions. • Adoption of reduce, reuse, and recycle water management practices. • Large-scale rainwater harvesting initiatives. • Evaluation of desalination opportunities at coastal facilities. • Deployment of advanced water treatment and recycling technologies, including Effluent Treatment Plants (ETPs), Reverse Osmosis (RO) systems, and Zero Liquid Discharge (ZLD) systems, as applicable. Cyclone Resilience Objective: Minimize operational disruptions and infrastructure damage associated with severe storm events. • Implementation of cyclone disaster management protocols across manufacturing facilities. • Strengthening of critical infrastructure, including roads and drainage systems. • Maintenance of appropriate insurance coverage. • Installation of physical protection barriers and stormwater management systems. • Enhancement of supply chain resilience through supplier diversification and strategic raw material inventories. Flood Risk Management Objective: Reduce vulnerability to riverine and coastal flooding events. • Construction of flood defence infrastructure. • Improvement of site drainage systems. • Implementation of localized emergency response protocols. • Deployment of business continuity plans to facilitate rapid recovery following extreme weather events. Governance and Continuous Improvement Grasim regularly reviews site-level climate risk assessments and incorporates lessons learned from past climate-related events into its adaptation planning. Adaptation measures are integrated within the enterprise risk management framework and strategic planning processes. Oversight is provided by the Board Risk Management and Sustainability Committee, with implementation support from site-level safety and sustainability committees.
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The plan includes a target to implement relevant adaptation measures within the following timeline	5 to 10 Years
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For more information on risks and opportunities, refer, [TCFD report](#)

Climate-related Management Incentive

Position	Parameter
Chief Sustainability Officer (CSO)	Implementation of overall sustainability initiatives, monitoring and reporting of the KPIs

Description

Monetary and recognition-based incentives support the delivery of our sustainability agenda and the implementation of climate and environmental priorities across our businesses. As part of our performance management framework, annual performance assessments for sustainability leadership roles, including our Chief Sustainability Officer (CSO), incorporate role-specific sustainability, ESG, and EHS objectives, along with performance against relevant environmental and safety parameters. Accordingly, a portion of performance-linked compensation/incentives, typically ranging from 5-15% or as per business requirement, is influenced by the achievement of these objectives, which may include overall performance, energy efficiency, water stewardship, circularity, biodiversity, environmental compliance, and other strategic sustainability initiatives. Progress against these objectives is monitored through our established governance, reporting, and review mechanisms. 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	Parameter
Unit Head	Targets on energy reduction, water conservation, etc

Description

Grasim operates across energy-intensive industrial segments, making reductions in energy consumption important for both economic and environmental performance. Business Unit Managers are eligible for recognition-based incentives linked to the achievement of climate goals, including reducing energy use, improving efficiency, and increasing renewable energy adoption. These performance metrics are tailored to each business unit—whether chemicals, insulators, cellulose, or paints—to reflect sector-specific climate priorities. Recognition is also provided through the annual Aditya Birla Awards, which acknowledge employee contributions across Group businesses under four categories: Emerging Professionals, Distinguished Achievers, Exceptional Contributors, and Accomplished Leaders. By aligning these incentives and recognition mechanisms with Grasim's ESG strategy, each unit is encouraged to contribute meaningfully to the Company's sustainability objectives and deliver measurable environmental outcomes.

Position	Parameter
Employee	Efficiency

Description

Grasim has adopted the Kaizen (World-Class Manufacturing) concept across its business operations, empowering unit teams to identify energy-reduction opportunities and improve operational efficiency. Employees and teams are eligible for recognition-based incentives linked to their contributions to energy savings, renewable energy adoption, emission reduction, and other sustainability initiatives. These incentives are provided through the Kaizen reward and recognition scheme, with categories such

as Best Project, Highest Savings, Best Kaizen, and Most Contributions to Kaizen, as well as the Pride Awards, under which winners receive vouchers, certificates of appreciation, mementos, and trophies. Recognition is also provided through the annual Aditya Birla Awards, which acknowledge employee contributions across Group businesses under four categories: Emerging Professionals, Distinguished Achievers, Exceptional Contributors, and Accomplished Leaders. Together, these incentive and recognition mechanisms encourage employee participation in continuous improvement and have supported reductions in energy consumption and associated emissions across several units.

Scenario Analysis

Scenario Analysis		2°C or below	Above 2°C
Transition scenario		IEA NZE 2050	-
Physical scenario		-	RCP 8.5 (SSP 5)

Emission Reduction Targets

Target	Goal	Timeframe	Baseline Emissions	% reduction target from base year	Target ambition
Intensity	45% reduction in emission intensity (Scope 1+2) per unit of production	Base Year: 2024 Target Year: 2030	6.5 million tCO ₂ eq. % of base year emissions: 100%	45%	We consider the target to be science-based but not validated by SBTi

Net Zero Targets

Target	Goal	Timeframe	% of base year emissions	Target ambition
Absolute	Grasim strives to become operations Net Zero (Scope 1 and 2 emissions)	Base Year: 2024 (Scope 1&2) Target Year: 2050	Scope 1: 100% Scope 2: 100%	We consider the target to be science-based but not validated by SBTi

Pathway to Net Zero Transition

Grasim has established a comprehensive climate transition plan aligned with the Paris Agreement and guided by IFRS recommendations. The transition plan integrates climate considerations into corporate strategy, enterprise risk management, operational decision-making, capital allocation, and long-term business planning.

The Company has committed to achieving net-zero operations (Scope 1 and Scope 2) by 2050 and achieving a 45% reduction in Scope 1 and Scope 2 emission intensity by 2030 from a FY2024 baseline. These commitments provide a structured and measurable pathway to support global efforts to limit temperature rise to 1.5°C while strengthening long-term business resilience.

Implementation of the transition plan is driven through a portfolio of decarbonisation initiatives covering Scope 1, Scope 2 and Scope 3 emissions. Key Scope 1 measures include process optimisation, thermal efficiency improvements, cleaner production technologies and increased use of alternative fuels. Scope 2 reductions are being achieved through expansion of renewable energy procurement, renewable power generation, energy storage deployment and energy efficiency improvements across operations. For Scope 3 emissions, Grasim is working to strengthen supplier engagement, promote sustainable sourcing, enhance logistics efficiency and expand low-carbon product offerings that support emission reductions across the value chain. Residual emissions will be addressed through the purchase of high-quality carbon credits and investments in carbon removal solutions.

The transition plan is supported by robust governance structures. Oversight is provided by the Board-level Risk Management and Sustainability Committee, with implementation led by the Chief Sustainability Officer and business leadership teams. Climate-related targets, performance monitoring mechanisms and management incentives help drive accountability across the

organisation. To strengthen climate-aligned decision-making, Grasim applies an internal carbon pricing mechanism using a shadow carbon price of USD 20 per tCO₂e, enabling the assessment of climate-related risks, opportunities and low-carbon investments.

Grasim actively engages stakeholders across its value chain to support delivery of the transition plan. The Company collaborates with suppliers, customers, industry associations, policymakers and regulatory bodies to accelerate renewable energy adoption, energy efficiency improvements, climate innovation and carbon market development. Through participation in industry forums such as CII and FICCI and engagement on policy frameworks including the Carbon Credit Trading Scheme (CCTS) and Renewable Consumption Obligation (RCO), Grasim contributes to the development of an enabling environment for India's low-carbon transition and supports broader national and global climate objectives.

Our Climate Transition Plan incorporates adaptation-specific objectives designed to enhance the resilience of our operations, assets, communities and value chains to the impacts of climate change. These objectives are informed by climate scenario analysis under RCP 8.5 (SSP5) pathways and focus on addressing key physical risks, including heat stress, flooding, cyclones, droughts, changing precipitation patterns and water stress. Our primary adaptation objectives include improving the resilience of critical infrastructure and assets to extreme weather events; enhancing business continuity and emergency response capabilities; integrating climate-related physical risks into enterprise risk management and investment decision-making processes; strengthening water security and reducing dependency on freshwater through water-use efficiency, recycling, reuse and alternative water sourcing initiatives; and improving supply chain resilience through enhanced risk assessments and engagement with key suppliers.

To support these objectives, we conduct site-level climate risk assessments and scenario analyses to identify priority vulnerabilities and adaptation measures across our operations. The findings are used to inform operational planning, infrastructure investments and long-term capital allocation decisions. Particular emphasis is placed on manufacturing facilities located in water-stressed and climate-vulnerable regions, where targeted measures such as water recycling infrastructure, climate-resilient asset upgrades and flood mitigation measures are being implemented. These adaptation objectives help reduce the potential impact of physical climate risks on our operations, strengthen resource security, minimize disruption to production and supply chains, and support the long-term resilience of our business. They are integrated with our broader climate transition strategy to ensure that decarbonization efforts are complemented by actions that enhance our ability to operate successfully under changing climatic conditions. Our adaptation approach is also broadly aligned with India's climate resilience and adaptation priorities, including efforts to enhance water security, strengthen climate-resilient infrastructure, improve disaster preparedness and promote sustainable resource management, thereby supporting both business resilience.

Recognising the social implications of climate transition, Grasim incorporates workforce preparedness, employee capability development, health and safety, human rights due diligence and stakeholder engagement into its transition approach. Employee awareness programmes, climate-related training, leadership accountability and continuous engagement initiatives support a responsible and inclusive transition while ensuring that employees, communities and value-chain partners are equipped to participate in a low-carbon economy. These measures strengthen organisational resilience and help deliver long-term sustainable value creation.

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 ₂ e (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 set in 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 its ICP.

Product Stewardship

Grasim integrates sustainability considerations into material selection and product development decisions to reduce environmental impacts across the value chain. Our approach prioritises the use of locally sourced and recovered materials, helping reduce transportation-related impacts while strengthening resource efficiency. We also focus on incorporating rapidly renewable materials and recycled content, supporting circular economy principles and reducing dependence on virgin resources.

To lower the environmental footprint of products and operations, efforts are directed towards the use of low embodied carbon materials, where feasible, and materials with low volatile organic compound (VOC) emissions, contributing to improved environmental performance and safer product use. In parallel, we promote the use of materials and packaging that can be readily recycled, enabling resource recovery and supporting end-of-life circularity.

These considerations are integrated into procurement, product development, and operational decision-making processes, ensuring that sustainability objectives are embedded across the material lifecycle. Through continuous evaluation of material alternatives and advancements in circular solutions, Grasim seeks to enhance resource efficiency, minimise environmental impacts, and support the transition towards a more sustainable and circular economy.

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.

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.

The 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.

*These are the few of parameters used in EPD, for more information refer [EPD Declaration](#)

Revenue from Sustainable Construction

Description of certifications or green building standards

Grasim continues to advance sustainable construction through products certified under recognised green building standards. Our blended cement portfolio has received GreenPro certification, reinforcing its contribution to resource efficiency, lower embodied carbon, and sustainable infrastructure development.

A key feature of our cement manufacturing approach is the use of Supplementary Cementitious Materials (SCMs) such as fly ash and slag, which partially replace clinker and reduce dependence on virgin natural resources such as limestone. By incorporating 20-50% SCMs, our blended cement products, including Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), and Composite Cement, require significantly lower energy and carbon inputs compared to conventional cement.

Compared with Ordinary Portland Cement (OPC), which typically contains around 92% clinker, our blended cements contain substantially lower clinker content, in some cases as low as 35%. This reduction directly lowers the embodied carbon of the final product while promoting the beneficial utilisation of industrial by-products. Beyond manufacturing low-carbon cement products, we actively engage with key B2B customers to encourage the blending of OPC with approved SCMs at project sites, within statutory norms. This enables customers to further reduce the carbon footprint of buildings and infrastructure projects while supporting broader decarbonisation efforts across the construction value chain.

Description of other sustainable products or services

Grasim's sustainability strategy extends beyond operational improvements to the development of products that enable customers to reduce environmental impacts throughout the value chain. These products are designed to lower resource consumption and greenhouse gas emissions during downstream processing, creating environmental benefits beyond our direct operational boundaries.

One such innovation is Birla Spunshades, our spun-dyed fibre solution that integrates colour directly into the viscose dope during fibre production. By incorporating pigments at the manufacturing stage, the product eliminates the need for conventional dyeing at the fabric-processing stage, significantly simplifying downstream manufacturing processes.

Our viscose fibre division contributes to reducing the impact of climate change in the entire value chain, right from sourcing to end-of-life of the product. The emission reduction is based on Higg MSI provided by Cascale (previously Sustainable Apparel Coalition, SAC).

This innovative approach delivers substantial environmental benefits, including lower consumption of water, chemicals, and energy, while eliminating wastewater generation associated with traditional dyeing processes. As a result, customers can significantly reduce the environmental footprint and carbon intensity of their textile manufacturing operations. In addition, Birla Spunshades® features proprietary Colour-Lock Technology, which provides superior colour consistency, enhanced durability, and fade resistance throughout the product lifecycle.

Revenues from Sustainable Products

Parameters	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Revenues from recognized credits for building material	INR Crores	43,003.19	23,413.87	53,016.68	61,073.28
Revenues from Birla Spunshade	INR Crores	1,496.77	1,169.82	1,224.31	1,357.37

Co-Processing Rate

Parameters	Unit	FY 2026
% alternative fuel used to replace the fossil fuel (as % of total heat consumption)	%	6.60
Clinker-to-Cement ratio	%	67.50
% alternative raw materials contained in cement (excluding natural raw materials e.g. gypsum, pozzolan)	%	22.55
% alternative raw materials contained in concrete (excluding natural raw materials e.g. gypsum, pozzolan)	%	4.97
% alternative raw materials contained in other building materials such as asphalt (excluding natural raw materials e.g. gypsum, pozzolan)	%	N/A

Sustainable Products Programme

Classification of Sustainable Products

Grasim follows own classification and a structured approach to identify and evaluate sustainable products based on their environmental and resource-efficiency benefits. Product attributes such as resource conservation, energy efficiency, circularity, reduced emissions, responsible material use, and contribution to sustainable development are considered while assessing and advancing sustainable product offerings.

External Validation and Certifications

Where relevant, sustainable products are supported through recognised certifications, standards, product declarations, and independent assessments that strengthen transparency and provide confidence in their environmental performance and sustainability credentials. The 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.

Targets for Sustainable Product Growth

Grasim continuously works towards increasing the contribution of sustainable products and solutions within its portfolio. Sustainability considerations are integrated into business planning, innovation programmes, and market development initiatives to support long-term growth in products that create environmental and social value.

Investments to Expand Sustainable Product Portfolio

The Company makes ongoing investments in manufacturing capabilities, process improvements, technology adoption, and operational enhancements to strengthen and expand its portfolio of sustainable products and solutions.

Research and Development for Sustainable Products

Research and development play a key role in advancing sustainable innovation. Dedicated R&D efforts focus on improving product sustainability, enhancing resource efficiency, increasing the use of alternative and recycled materials, reducing environmental impacts, and developing next-generation solutions that address evolving customer and market needs.

Sustainable Manufacturing and Infrastructure

Grasim continuously enhances manufacturing infrastructure and production processes to support sustainable product development. Investments in efficient technologies, resource optimisation, renewable energy integration, and circularity initiatives help improve environmental performance across the product lifecycle.

Employee Capability Building and Training

Market enablement

Training and knowledge-building programmes are conducted to strengthen employee capabilities in sustainable design, innovation, life cycle thinking, resource efficiency, and responsible product development. These programmes help integrate sustainability considerations into product design and business decision-making processes.

Sustainability objectives are increasingly rooted within customer engagement and market development strategies. Cross-functional collaboration helps promote sustainable products, communicate their value propositions, and strengthen customer awareness of their environmental and social benefits.

Continuous Improvement and Innovation

The sustainable products programme is supported by ongoing monitoring, stakeholder engagement, innovation, and performance evaluation. This enables Grasim to continuously enhance product sustainability, respond to emerging market expectations, and create long-term value for customers, communities, and the environment.

Climate Advocacy and Industry Engagement

We engage in policy advocacy in a transparent and responsible manner through recognised industry bodies and lawful consultation mechanisms, carefully balancing our business priorities with industry, stakeholder and public policy considerations. This engagement forms an important part of our efforts to contribute to progressive, balanced, and sustainable regulatory frameworks across its operations. Through active participation in international, national, and state-level industry associations and forums, the Company representatives contribute constructively to policy advocacy by sharing industry insights, market intelligence, and practical recommendations with policymakers, regulators, and other stakeholders. Effective execution of advocacy activities across the organisation is supported by defined roles, responsibilities, and collaboration among relevant teams.

Governance & Management Framework for Public Policy Engagement



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.

Our public policy engagement recognises the close link between long-term business resilience and broader economic, environmental, and societal priorities. Participation in industry associations and collaborative forums enables the Company to contribute perspectives aligned with climate and sustainability ambitions, including the Paris Agreement and India's net-zero emissions target for 2070. These platforms provide opportunities to share industry experience and contribute to discussions on responsible growth, operational efficiency, innovation, and long-term value creation. The Company does not undertake lobbying

activities, either directly or indirectly, and ensures that all policy engagements are conducted in a manner consistent with applicable laws, regulatory expectations, and the highest standards of corporate governance. Integrity remains central to all stakeholder interactions, with zero tolerance for bribery, corruption, or unethical influence. Supported by a robust anti-bribery and anti-corruption framework, internal controls, and compliance mechanisms, the Company upholds transparency, accountability, and ethical conduct in all its engagements, strengthening stakeholder trust.

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. Grasim has engaged with policymakers on the draft Greenhouse Gas Emission Intensity Target Rules, 2025, under India's Carbon Credit Trading Scheme (CCTS). 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 [Suggestions and recommendations to the draft bill submitted to the authority via email]	- 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. - Draft rules proposed by the Ministry of Commerce and Industry to further amend the Patent Rules (Notification dated 16th July 2025) - Draft Energy Conservation (Compliance Enforcement) Rules, 2025 issued on 4th August, 2025
How are we engaging with the policy maker (directly or through trade associations)	We actively engage with policymakers and regulatory bodies through our leadership participation in industry associations, government working groups and advisory committees. Our Group Chief Sustainability Officer serves on the Climate Change and Environment Committees of CII and FICCI, chairs FICCI's Green Procurement Sub-Committee, co-chairs the Sustainability and Climate Change Committee of BCCI, is a member of SEBI's ESG Advisory Committee, the steering committee of RECEIC, the Core Working Group on Corporate Affairs and ESG at IICA, and the Ministry of Jal Shakti's Water Working Group. Through these engagements, we contribute technical expertise and industry insights on ESG disclosures, climate action, sustainable procurement, circular economy, resource efficiency, water stewardship, zero liquid discharge and rainwater harvesting. These policy areas are closely aligned with our environmental commitments and transition plans, supporting improvements in resource efficiency, water conservation, climate resilience and responsible business practices across our operations. We measure the effectiveness of our engagement through progress against our sustainability targets, improvements in water-use efficiency, increased water recycling and reuse, advancement of sustainable procurement practices, strengthening of ESG governance and disclosures, and continued alignment with emerging regulatory requirements and national sustainability priorities.
Alignment	We support the policies as enablers of India's decarbonisation pathway.
Scope of Policy	Some jurisdictions only wherever applicable by law / regulation

Parameters	Description
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

At Grasim, biodiversity is recognised as fundamental to ecosystem resilience, natural resource availability, and the long-term sustainability of our operations. Our approach extends beyond regulatory compliance and is guided by location-specific assessments that help identify, manage, and mitigate biodiversity-related risks and impacts across our operating sites.

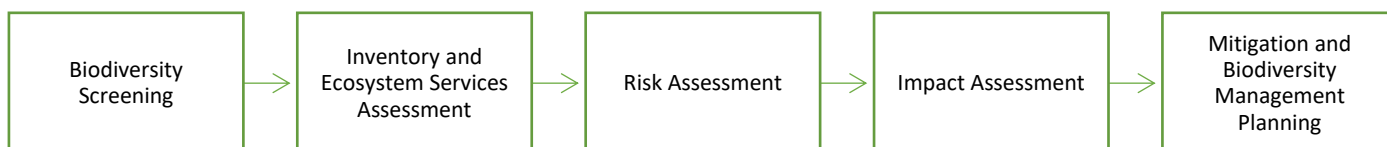
Biodiversity considerations are integrated into our environmental and enterprise risk management processes, enabling a multidisciplinary approach to identifying both dependency-related risks, such as reliance on ecosystem services and natural resources, and impact-related risks arising from operational activities. This ensures that biodiversity-related considerations are incorporated into decision-making, project planning, and long-term business resilience strategies.

We adopt a location-specific approach to biodiversity management, recognising that ecological conditions, species composition, and environmental sensitivities vary across geographies. Biodiversity assessments are undertaken using recognised scientific methodologies, regulatory requirements, and relevant global frameworks aligned with Taskforce on Nature-related Financial Disclosures (TNFD), LEAP (Locate, Evaluate, Assess and Prepare) approach to evaluate ecological sensitivities, potential impacts, and conservation opportunities. These methodologies help identify biodiversity-sensitive locations, assess nature-related dependencies, impacts, risks, and opportunities, and support the development of site-specific conservation, mitigation, and restoration measures aligned with the Company's biodiversity objectives. The findings are used to develop targeted management measures, restoration initiatives, and conservation actions tailored to local ecological conditions.

Our commitment to responsible land and ecosystem management is aligned to our “No Deforestation” approach, implemented in accordance with applicable local regulations and aligned with broader principles of forest and habitat conservation and protection. In parallel, we are working towards achieving No Net Loss (NNL) of biodiversity at our sites through habitat enhancement, restoration programmes, ecological conservation initiatives, and site-specific biodiversity action plans.

Dedicated policies, governance mechanisms, and monitoring processes support the implementation of biodiversity conservation measures across operations. Through continuous assessment, risk integration, habitat management, and restoration efforts, Grasim seeks to strengthen ecosystem resilience, protect biodiversity values, and contribute to the long-term conservation of natural capital in and around its areas of operation.

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 potential biodiversity impacts using a 5 km buffer zone around each site, 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).

Approach to Impact Assessments

Grasim adopts a structured and science-based approach to biodiversity impact assessments to better understand the interaction between its operations and surrounding ecosystems. Assessments are conducted using location-specific studies, ecological baseline evaluations, and recognised biodiversity frameworks to identify potential impacts, dependencies, and conservation priorities.

The assessment process considers both direct and indirect impacts on habitats, species, and ecosystem services, while also evaluating biodiversity-related risks and opportunities. Findings are integrated into environmental management and operational planning processes to support the development of targeted mitigation, restoration, and conservation measures.

Regular reviews and monitoring help track the effectiveness of implemented actions, enabling continuous improvement in biodiversity management and supporting the Company's commitment towards ecological conservation, responsible land stewardship, and achieving No Net Loss of biodiversity across priority sites.

Potential biodiversity-related risks identified¹:

1	Habitat degradation and loss of vegetation cover.
2	Noise and associated ground vibration impact the lower vertebrate, mainly the ground dwelling reptiles and small mammals.
3	Change in the normal behaviour in the form of restricting the movements, feeding, resting and breeding activities of major faunal groups of the project area.

Biodiversity Commitment and Conservation Approach

Grasim is committed to conserving biodiversity and maintaining ecological balance across its areas of operation through a structured and risk-based approach. Our biodiversity commitments are guided by the principles of avoidance, minimisation, restoration, and offsetting, with the objective of preventing biodiversity loss and enhancing ecosystem resilience wherever feasible.

We have, wherever applicable, biodiversity-related goals and location-specific action plans for priority locations, supporting our commitment to achieve No Net Loss (NNL) of biodiversity. Biodiversity considerations are integrated into environmental planning and operational decision-making, enabling proactive management of ecological impacts and dependencies.

A key element of our approach is the application of the mitigation hierarchy, which prioritises avoiding impacts on biodiversity wherever possible, followed by minimising impacts, restoring affected habitats, and implementing compensatory measures where necessary. This framework helps ensure that biodiversity risks and opportunities are systematically assessed throughout the lifecycle of projects and operations.

Biodiversity risk assessments are conducted to identify potential impacts on ecosystems, species, and ecosystem services, as well as the business's dependencies on natural capital. The findings support the development of targeted conservation, restoration, and habitat management measures tailored to local ecological conditions.

Stakeholder engagement forms an integral part of our biodiversity strategy. We actively collaborate with local communities, regulatory authorities, subject matter experts, conservation organisations, and other relevant stakeholders to strengthen biodiversity outcomes and promote responsible ecosystem management. Through ongoing dialogue and partnerships, we seek to enhance conservation efforts, improve awareness, and contribute to the protection and restoration of biodiversity in the landscapes where we operate.

We encourage our suppliers, contractors, and other value chain partners to adopt responsible operating practices that avoid activities in or near areas of globally or nationally significant biodiversity value. Through requirements, engagement, and awareness initiatives, we seek to minimise potential impacts on sensitive ecosystems and support the long-term conservation of biodiversity across the value chain.

¹ These risks are as identified by Ultratech

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 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.
- Enhancing local biodiversity and supporting pollinators.

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	35	39,55,81,520
Sites assessed	24	32,60,16,070
Site's proximity to Critical areas/eco-sensitive zone	5	8,78,96,700
Sites with biodiversity management plans	5	8,78,96,700

For more information on biodiversity, please refer Grasim's Integrated Annual Report 2025-26. 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

Our people, business partners, and communities are central to our long-term value creation strategy. We adopt a holistic approach to social sustainability that integrates human capital development, occupational health and safety, diversity and inclusion, employee well-being, human rights, responsible value chain practices, and community development. Through strong governance frameworks and stakeholder engagement mechanisms, we seek to foster an inclusive, safe, and empowering environment that supports individual growth while contributing to sustainable business performance.

We are committed to attracting, developing, and retaining talent through structured learning and development programs, leadership development initiatives, performance management processes, and employee engagement platforms. We promote an inclusive workplace culture founded on equal opportunity, mutual respect, and merit-based growth.

Employee health, safety, and well-being remain a key priority across our operations. We maintain robust occupational health and safety management systems, implement preventive risk management practices, and continuously strengthen safety culture through awareness, training, and employee participation initiatives. Our commitment to human rights is embedded across operations and value chains through policies, due diligence processes, grievance mechanisms, and responsible business conduct practices aligned with internationally recognized principles.

Beyond our workforce, we actively engage with suppliers, contractors, customers, communities, and other stakeholders to create shared social value. Through responsible sourcing practices, supplier engagement initiatives, and capacity-building efforts, we encourage the adoption of ethical labour, safety, and human rights standards throughout our value chain.

Our community development efforts are centered on education, healthcare, women empowerment, sustainable livelihoods, skill development, environmental stewardship, and rural development. Through targeted interventions and stakeholder engagement, we work to strengthen community well-being and foster inclusive and sustainable development aligned with the Sustainable Development Goals (SDGs).

This approach enables us to strengthen workforce resilience, promote equitable growth, and create sustainable value for employees, communities, business partners, and other stakeholders.

Responsible Labor Practices

At Grasim, we are committed to fair labour and employment practices that support employee well-being, inclusion, and long-term growth. We provide fair and equitable compensation, ensure compliance with applicable wage and working-hour regulations, monitor overtime, and provide paid leave and social protection benefits in accordance with company policies and legal requirements. We promote equal opportunity and equal remuneration, maintain mechanisms for employee consultation and engagement, and uphold the rights of employees to a safe, respectful, and inclusive workplace. Through continuous learning, capability-building, and reskilling initiatives, we equip our workforce to adapt to evolving business and sustainability requirements while fostering a resilient and future-ready organization.

Topic	Commitment	Programs & Practices
Fair Wages & Responsible Compensation	We are committed to providing fair, equitable, and competitive compensation to our employees. We ensure compliance with applicable wage regulations and strive to maintain remuneration practices that support employee well-being and financial security. Across our value chain, we expect suppliers and business partners to provide wages and benefits that meet or exceed statutory requirements.	We monitor compliance with minimum wage regulations, disclose remuneration indicators through BRSR reporting, and promote transparent wage practices. Suppliers are expected to maintain clear compensation structures, timely wage payments, and appropriate overtime compensation for workers.
Working Hours & Overtime Management	We are committed to fostering a healthy and productive work environment by managing working hours responsibly, setting maximum working hour thresholds, and ensuring appropriate compensation and recovery time for overtime worked.	We manage working hours, overtime, rest periods, and weekly off days in accordance with applicable laws and company policies, ensuring fair compensation for overtime and adequate rest for all employees. We also expect our suppliers to uphold responsible working-hour practices,

Topic	Commitment	Programs & Practices
		provide sufficient rest periods, and maintain working conditions that support the health, safety, and well-being of their workforce.
Equal Opportunity & Pay Equity	We are committed to fostering a diverse, inclusive, and discrimination-free workplace that provides equal opportunities and equal remuneration regardless of gender, caste, religion, ethnicity, or other personal characteristics.	We regularly assess pay equity practices and monitor remuneration-related indicators. Gender pay gap and remuneration disclosures are reported across workforce categories in accordance with applicable reporting requirements. Policies prohibit discrimination, harassment, and human rights violations.
Employee Well-being, Leave & Social Protection	We are committed to employee well-being by providing comprehensive benefits, paid annual leave and other leave provisions, and social protection measures that promote work-life balance and overall workforce welfare.	We provide employees with paid leave and other statutory benefits in accordance with applicable regulations and company policies. In addition, we expand social protection coverage beyond statutory and publicly available programs through company-funded benefits, including parental leave, health insurance coverage, employee wellness initiatives, preventive health check-ups, and other employee support measures. We encourage employees to utilize their leave entitlements to support overall well-being and work-life balance while promoting financial, physical, and social security for our workforce.
Employee Relations, Consultation & Responsible Workforce Transitions	We respect employees' rights to freedom of association and collective bargaining and maintain open communication channels that promote constructive engagement and workplace dialogue. We are committed to managing workforce transitions responsibly and transparently.	Workforce engagement is facilitated through employee representatives, unions, committees, grievance mechanisms, and regular consultation channels. In cases of workforce restructuring, notice periods, severance benefits, and statutory obligations are managed in accordance with applicable laws and established company guidelines.
Learning, Development & Reskilling	We are committed to building a future-ready workforce by investing in continuous learning, capability development, leadership growth, and reskilling initiatives that support long-term employability.	Our capability development framework includes competency-based learning, Individual Development Plans (IDPs), technical and compliance training, leadership and succession development, digital learning platforms, and targeted reskilling programs to support evolving business, industrial, and climate-transition requirements.
Worker Engagement & Human Rights	We support internationally recognised human rights aspects and foster an open, inclusive, and non-retaliatory workplace where employees can freely raise concerns, provide feedback, access grievance mechanisms, and contribute to continuous organisational improvement.	We engage with employees and workers through surveys, dialogue forums, grievance mechanisms, leadership interactions, and representative bodies. Human rights principles are embedded within our policies, management systems, and value-chain expectations, supporting fair treatment, dignity, and respect for all workers.

Total Permanent Workforce

Parameter	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Workforce	Nos.	46,146	47,375	49,599	56,658
Parameter	Age-wise employees' breakup for FY 2026			Gender-wise employees Breakup for FY 2026	
	<30	30-50	>50	Male	Female
Workforce	11,661	33,594	11,403	53,667	2,991

Gender Pay Gap

Indicator	Difference between Men and Women Employees (%)
Mean gender pay gap	-04.95
Median gender pay gap	-08.82
Mean bonus gap	-07.68
Median bonus gap	-23.59

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. The mean gender pay gap is calculated as follows: (Men's Salary - Women's Salary)/Women's Salary.

Workforce Breakdown: Gender

Diversity Indicator FY 2026	Percentage (%)
Female share of total workforce (%)	5.3
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)	7.0
Females in top management position, i.e., maximum two levels away from the CEO or comparable positions (as a % of total top management positions)	3.3
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.)	3.6
Share of women in STEM-related positions (as % of total STEM positions)	6.7

Workforce Breakdown: Nationality

Country wise share in total workforce FY 2026	Percentage (%)
India	
Share in total workforce	99.61
Share in all management positions	99.69
Sri Lanka	
Share in total workforce	0.17
Share in all management positions	0.11
UAE	
Share in total workforce	0.09
Share in all management positions	0.10
Bangladesh	
Share in total workforce	0.04
Share in all management positions	0.00
Bahrain	
Share in total workforce	0.01
Share in all management positions	0.00
Pakistan	
Share in total workforce	0.03
Share in all management positions	0.04

Country wise share in total workforce FY 2026	Percentage (%)
Nepal	
Share in total workforce	0.01
Share in all management positions	0.00
Philippines	
Share in total workforce	0.01
Share in all management positions	0.02
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	0.02
Jordan	
Share in total workforce	0.00
Share in all management positions	0.01

Freedom of Association

Indicator	FY 2023	FY 2024	FY 2025	FY 2026
Represented by an independent trade union or covered by collective bargaining agreements (% of employees & workers)	48	39	35	34

Human Rights

At Grasim, we are committed to upholding human rights and fair labour practices across our operations and value chain. We provide a safe, inclusive, and respectful workplace, with zero tolerance for child labour, forced labour, discrimination, harassment, and workplace misconduct. Our commitment is reflected through fair wages, responsible working hours, equal opportunity, employee well-being programs, social protection benefits, and robust employee engagement mechanisms that promote dignity, diversity, and inclusion.

We respect employees' rights to freedom of association and collective bargaining and maintain formal channels for consultation, grievance redressal, and workforce engagement. Our commitment extends across the value chain through supplier expectations on labour, human rights, health, safety, and ethical business conduct. We also invest in continuous learning, leadership development, capability building, and reskilling initiatives to strengthen workforce resilience and support a future-ready organization, guided by applicable regulations and internationally recognized human rights principles.

(For further information, refer to the Human Resources, Employee Development, Human Rights, and Responsible Business Conduct sections of the Grasim's Integrated Annual Report FY'26.)

Human Rights Due Diligence Process

Our Human Rights Due Diligence (HRDD) approach is anchored in our Human Rights Policy, Code of Conduct, Supplier Code of Conduct, and grievance redressal mechanisms. We follow a structured process to identify, assess, and monitor potential human rights risks across our own operations, value chain, and new business relationships, including mergers, acquisitions, and joint ventures. Through periodic assessments, internal audits, annual reviews, and a standardized HRDD framework, we systematically evaluate salient human rights risks and develop mitigation measures to support continuous improvement and effective risk management.



Our assessments cover key human rights issues, including child labour, forced labour, human trafficking, discrimination, freedom of association, the right to collective bargaining, fair wages, health and safety, working conditions, and employee well-being and development. We pay particular attention to vulnerable and potentially affected groups, including employees, women, children, migrant and contract workers, suppliers, local communities, and indigenous, minority, and marginalised groups. We support implementation through stakeholder engagement, defined accountability mechanisms, corrective and remediation measures where required, and mandatory awareness programmes on topics such as POSH, workplace ethics, diversity and inclusion, helping to foster an inclusive, safe, and respectful workplace.

Human Rights Assessment

We assess human rights risks across our operations and value chain. The table below summarises the assessment scope, coverage, identified risks, and mitigation status.

Category	Coverage	% of total assessed where risks have been identified	% of risk with mitigation actions taken
Own Operations	100%	Nil	NA
Tier 1 Suppliers	100%	Nil	NA

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

Human Rights Mitigation & Remediations

We have established mechanisms to prevent, mitigate, and address potential human rights impacts across our operations and value chain. We address potential risks identified through our assessments by defining appropriate mitigation actions, monitoring requirements, implementation responsibilities, and review timelines to ensure timely risk management and continuous improvement.

We periodically review the effectiveness of these measures through stakeholder engagement, monitoring processes, and management oversight to support continuous improvement in our human rights performance. We provide access to remedy through grievance mechanisms available to employees, contract workers, and other stakeholders. All operating sites maintain mitigation plans and grievance redressal processes to identify, address, and resolve human rights concerns in a timely and effective manner. Mitigation plans are in place across 100% of our sites, supported by defined actions, responsibilities, monitoring mechanisms, and review timelines to address identified risks effectively.

We manage concerns through a structured process and maintain oversight to support transparent, accountable, and timely resolution.

We centrally record and screen reported concerns related to potential human rights impacts.	We investigate concerns through designated governance mechanisms and cross-functional review processes.
We implement time-bound corrective and remediation actions and formally close cases after resolution.	We strengthen awareness through regular training and engagement on workplace ethics, POSH, diversity, inclusion, and non-discrimination.

Human Capital Management

At Grasim, we view capability building as a key enabler of long-term business success and employee growth. Our approach focuses on strengthening technical, functional, leadership, and behavioural competencies through a structured learning ecosystem that supports employees across different career stages. Learning interventions are aligned with business priorities and individual development needs, enabling employees to enhance their capabilities, improve performance, and prepare for future roles.

We deliver learning through a combination of classroom, digital, experiential, and on-the-job development programs. Our capability development framework includes competency-based learning, Individual Development Plans (IDPs), technical and compliance training, leadership development initiatives, succession planning, and continuous learning opportunities that help employees adapt to changing business, technological, and sustainability requirements. Through these initiatives, we continue to build a skilled, agile, and future-ready workforce while supporting career progression and organizational resilience.

(For more information, refer to the Human Resource Management and Learning & Development sections of the Grasim Integrated Annual Report FY'26)

Training and Development Inputs

Indicator	FY 2023	FY 2024	FY 2025	FY 2026
Average hours per FTE of training and development	22.6	11.16	13.92	21.89
Average amount spent per FTE on training and development (INR)	1518.7	2991.09	1141.67	2,922.41

Type of Trainings

Training Type	Male (Manhours)	Female (Manhours)
Health safety Training	1,48,299	8,617
Human Rights	21,551	1,635
Skill Upgradation	3,09,520	38,062

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

Employee Development Programs

Employee development is delivered through the Gyanodaya Learning Ecosystem, our flagship learning and development platform. It builds technical, functional, behavioural, leadership, and digital capabilities through classroom training, virtual learning, coaching, mentoring, leadership interactions, cross-functional collaboration, and peer knowledge sharing. Gyanodaya Classroom and Gyanodaya Virtual Campus provide accessible and scalable development opportunities across businesses and locations.

Program Name	Gyanodaya Learning Ecosystem
Description	Our Gyanodaya Learning Ecosystem is the Company's flagship learning and development platform, designed to build capabilities across technical, functional, behavioural, leadership, and digital domains. It supports continuous learning through classroom training, virtual learning, coaching, mentoring, leadership interactions, cross-functional collaboration, and peer-to-peer knowledge sharing. Gyanodaya Classroom and Gyanodaya Virtual Campus provide accessible and scalable development opportunities across businesses and locations.
Learning Methods	Coaching and Mentorship: Employees receive development support through manager-led coaching, structured development discussions, mentoring relationships, and leadership interactions. Teams and Networks: Cross-functional forums, collaborative learning platforms, peer knowledge-sharing networks, employee resource groups, and business-wide learning communities facilitate knowledge exchange and collaboration.

Program Name	Gyanodaya Learning Ecosystem
Program Type	Leadership Development Programs: Focused on succession planning, leadership capability building, talent pipeline development, and preparing employees for expanded responsibilities and future leadership roles. Digital Transition Programs: Designed to strengthen capabilities in digital technologies, analytics, automation, artificial intelligence, cybersecurity, and technology-enabled ways of working to support ongoing business transformation. Cultural Education Programs: Promote diversity, equity and inclusion, employee engagement, organizational values, collaborative workplace culture, and awareness of responsible workplace practices.
Program Objective and Business Benefit	The Gyanodaya Learning Ecosystem aims to develop future-ready talent, strengthen leadership capabilities, accelerate digital transformation, support internal career growth, and improve organizational effectiveness. Continuous upskilling and capability development support workforce adaptability, talent pipeline readiness, and long-term business competitiveness.
Impact	More than 280 learning programmes delivered during FY 2025-26. Over 8,500 employees participated in development initiatives. Approximately 98% of employees accessed digital or blended learning through the Gyanodaya Virtual Campus. More than 5.27 lakh workforce training hours were completed. The framework supported internal talent mobility, cross-business career movements, leadership succession, and internal leadership appointments. The initiatives contributed to workforce capability building, talent readiness, and leadership pipeline development.
% of FTEs that participated in this program	The Gyanodaya Learning Ecosystem is available across our workforce and extends learning opportunities beyond permanent employees. During FY 2025-26, more than 1.23 lakh training hours were delivered to employees and workers other than permanent employees, demonstrating the broad reach of workforce capability-building initiatives.

The Company's employee development programs are designed to be inclusive and extend beyond permanent employees to cover contractual and part-time workers where relevant. All workers receive role-specific training and capability-building opportunities to support their professional development and ensure safe and effective job performance. In particular, mandatory training programs such as health and safety etc. are provided to 100% of the workforce, ensuring consistent standards across the organization.

Hiring

Particulars	FY 2023	FY 2024	FY 2025	FY 2026
Total number of new employee hires	4,088	4,835	7,026	6,265
Percentage of open positions filled by internal candidates	26	25	36	38

*Average hiring cost is represented for Grasim Standalone

Hiring Breakdown in FY'26

Category	Age Group			Gender	
	<30	30-50	>50	Male	Female
Top Management	0	4	5	9	0
Senior Management	0	20	9	26	3
Middle Management	7	247	20	253	21
Junior Management	1,963	1,615	16	3,209	385
Staff	1,282	433	1	1,444	272
Workmen	397	244	2	635	8

Employee Turnover Rate

Particulars	FY 2023	FY 2024	FY 2025	FY 2026
Total employee turnover rate	8.1%	8.3%	9.2%	9.1%
Voluntary employee turnover rate	6.2%	6.7%	7.7%	5.9%

Employee Left Breakdown (Age, and Gender in FY'26)

Category	Male	Female	<30	30-50	>50
Total Employee Left	4,472	426	1,682	2,084	1,132

Performance Appraisal

We regard performance enablement as a continuous process that supports clarity, accountability, and growth. Employees set measurable objectives in consultation with their managers, ensuring alignment between individual goals and business priorities. Performance is managed as an ongoing process through regular development conversations, structured reviews, constructive feedback, agile check-ins, targeted skill enhancement, performance appraisals, and 360-degree feedback, supporting continuous improvement and career progression. This approach enables employees and managers to discuss expectations, progress, development needs, and career aspirations throughout the employee lifecycle while fostering a consistent performance-driven culture across the organization.

Our performance management framework supports capability building, individual growth, and alignment of employee contributions with business objectives. Performance-linked incentives aligned with business and ESG outcomes reinforce a culture of meritocracy, accountability, continuous improvement, and high performance. The annual incentive plan considers department/team performance. In addition, our Learning and Development (L&D) Framework supports career growth through goal-oriented development plans, structured goal setting, coaching, mentoring, targeted capability enhancement initiatives, and mid-year reviews. These initiatives help employees strengthen skills, enhance leadership capabilities, and prepare for future roles and responsibilities, while supporting long-term personal and organizational growth.

Long-term Incentive

At Grasim, we offer long-term incentives through our Long-Term Incentive Plan (LTIP), which includes Stock Options and Restricted Stock Units (RSUs). The program is designed to reward sustained performance, strengthen employee retention, and align individual contributions with the Company's long-term growth and value creation objectives. The LTIP is applicable to eligible employees, as well as identified High-Potential (HiPo) and top-talent employees. Awards are granted based on defined performance goals and vesting conditions, while talent development and succession readiness are periodically reviewed to support long-term career progression.

Long-Term Incentives and Sustainability Performance: Sustainability considerations form part of Grasim's executive incentive framework. Under the annual incentive plan, performance outcomes are assessed against a balanced scorecard that includes financial, operational, ESG, and individual performance parameters. Performance metrics are reviewed annually and aligned with the Company's strategic priorities and business focus areas. This approach helps drive accountability for sustainability commitments while supporting long-term business resilience and responsible value creation.

Employee Support Programs

We prioritize employee well-being through a comprehensive range of physical, emotional, and mental health initiatives designed to support a healthy, safe, and productive workforce. Our programs include regular health check-ups, wellness awareness sessions, counselling support, stress management initiatives, employee assistance programs, and preventive healthcare measures that promote overall well-being. We also encourage active lifestyles and social engagement through sports activities, recreational events, team-building programs, employee celebrations, and community engagement initiatives that help strengthen workplace connections and foster a positive work environment.

Our benefits framework is designed to support employees through different life stages while promoting work-life balance and overall well-being. Employees are provided with flexible working arrangements, including flexible working hours and work-from-home options, in accordance with Company policies and role requirements. We also offer paid family care leave, daycare facilities, dedicated breastfeeding and lactation rooms, health, accident and OPD insurance, on-site medical centres, subsidized meals, and

employee support services. In addition, eligible employees receive 26 weeks of paid parental leave for primary caregivers and 1 week of paid parental leave for non-primary caregivers. Through these initiatives, we seek to create an inclusive, supportive, and employee-centric workplace that enables individuals and their families to thrive.

Employee Wellbeing

We strive to create a collaborative and growth-oriented culture by prioritizing employee engagement, transparent communication, and continuous development. Through regular feedback mechanisms, we seek to understand employee expectations and implement initiatives that strengthen workplace experience, improve job satisfaction, promote a sense of purpose, and create a positive and inclusive work environment. Our well-being programmes, leadership connect initiatives, open communication channels, and learning opportunities are designed to support employee engagement, motivation, and overall workplace happiness.

As part of the Aditya Birla Group's annual Vibes Survey, which covers employees across Group companies including Grasim Industries, employee sentiment is assessed across key dimensions such as job satisfaction, sense of purpose, workplace happiness, engagement, and stress levels. The survey serves as an important feedback mechanism, providing insights into employee experiences and helping identify areas for improvement. For FY 2024, the Vibe Survey results from FY 2023 have been carried forward and used for reporting purposes. Findings from the survey guide targeted actions to strengthen organisational culture, enhance employee well-being, address workplace challenges, and support the development of a more engaged, resilient, and high-performing workforce.

Particulars	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Employee Engagement	Score on engagement index	90	90	91	90

Occupational Health and Safety

At Grasim, we are committed to providing a safe, healthy, and resilient workplace for our employees, contractors, and business partners. Our Occupational Health & Safety (OH&S) framework is supported by leadership commitment, structured governance mechanisms, and established policies, standards, and procedures. We conduct regular risk and hazard assessments to identify potential workplace risks, evaluate their severity, and develop prioritized action plans with defined responsibilities and measurable outcomes. Health and safety requirements are integrated into operational processes, procurement practices, and contractor management systems to ensure consistent safety standards across our operations and value chain. We also follow internationally recognized management systems, including ISO 45001, to strengthen occupational health and safety performance.

Our approach includes workplace inspections, safety audits, process safety reviews, and incident investigations to identify hazards, implement corrective and preventive actions, and continuously improve safety performance. Emergency preparedness and response plans are established across operations and are supported by regular drills, awareness programs, and response protocols to manage potential emergency situations effectively. We provide ongoing OH&S training to employees, contractors, and other relevant stakeholders to strengthen safety awareness, build capability, and reduce workplace risks. Employees are encouraged to actively participate in safety management by reporting unsafe conditions, hazards, incidents, and near misses through established reporting mechanisms without fear of retaliation. Progress against health and safety objectives is regularly monitored through leading and lagging indicators, internal reviews, audits, and management evaluations, enabling continuous improvement in workplace health, safety, and well-being outcomes.

(For more information, refer to the Health, Safety & Well-being sections of Grasim's Integrated Annual Report FY'26.)

Fatalities*

Particulars	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Employees	Number	1	0	2	0
Contractors	Number	2	8	7	6

*Employees and Contractors are inclusive of both permanent and other than permanent workforce.

LTIFR*

Particulars	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Employees	n/ million hours worked	0.21	0.093	0.019	0.09
Contractors	n/ million hours worked	0.11	0.12	0.25	0.12

*Employees and Contractors are inclusive of both permanent and other than permanent workforce.

Customer Relations Management

While most of our products are supplied through B2B channels, we seek to keep customer interactions accessible, inclusive, and responsive. We understand customer needs through reviews, meetings, technical support, site visits, surveys, and digital and non-digital channels. Each business maintains a website with product and service information, contact details, and feedback options, while selected websites provide dedicated customer service phone lines.

We use customer feedback, satisfaction results, and complaint trends to improve product quality and service reliability. Our inclusive engagement practices, employee training, and accessible support measures address the needs of customers with disabilities and elderly customers.

Our four-step complaint management framework is tailored to B2B and B2C business requirements:

Step 1 — Registration

Customers submit complaints through the online Customer Relationship Management (CRM) system, managed by Customer Care Services, or by email. Complaints are routed to the relevant marketing team.

Step 2 — Information Collection

The marketing team records the product name, batch number, and nature of the issue for assessment.

Step 3 — Processing and Review

Each complaint receives a unique Ticket ID in the CRM system and is shared with relevant departments for root cause analysis. Valid complaints are escalated for corrective action, and findings and resolution details are communicated to customers.

Domestic customers receive responses within 15 days for quality, packaging, documentation, or labelling concerns and within 60 days for weight- or application-related issues. For export customers, the timelines are 30 and 60 days, respectively. We inform customers when complaints are unsubstantiated and conduct quality assurance site visits where validation is required.

Step 4 — Feedback

Customers share experience and satisfaction feedback through Mission Happiness, our online customer portal.

Customer Engagement

Satisfaction Measurement	Unit	FY 2023	FY 2024	FY 2025	FY 2026
Percentage of Satisfied Customer	Net Promoter Score	62	61	67	70

NPS is calculated for each of the businesses separately, score disclosed here is for our Chemical Business (Chlor-Alkali) Business.

Stakeholder Engagement & Community Relations

We maintain a structured stakeholder engagement process to understand expectations, identify emerging concerns, and use stakeholder inputs in decision making. As part of the identification process, we identify vulnerable groups to ensure that their needs, perspectives, and potential impacts are appropriately considered. Stakeholder engagement programmes are applied across

all local operations. We conduct regular surveys and reviews of local stakeholder perceptions to assess the effectiveness of our engagement strategy and identify improvement opportunities.

We also provide capacity-building support to local stakeholders to strengthen their ability to communicate priorities, concerns, and feedback to the company. Stakeholder mapping helps us prioritise groups based on their influence, impact, and relevance. We engage through workshops, surveys, interviews, focus-group discussions, consultations, site visits, community events, and leadership interactions.

Stakeholder-specific plans define the purpose, channels, and frequency of engagement. Material feedback is reviewed by management and presented to the relevant Board committees, with significant matters escalated to the Board. We conduct impact assessments for eligible projects to evaluate their effectiveness and outcomes. The findings from these assessments are disclosed through our public reporting and are available on the Company's website, promoting transparency and accountability in our stakeholder engagement approach.

(For more information on impact assessment & CSR initiatives, please refer to [link](#))

Stakeholder Group	Engagement Channels	Key Topics
Employees and workers	Team meetings, surveys, town halls, performance reviews and intranet communication	Job security, career growth, skill development, diversity and inclusion, remuneration, work-life balance, health and safety
Local communities	Direct interactions, site visits, community events, leadership engagement and CSR interventions	Socio-economic development, local employment, community well-being and operational impacts
Investors and shareholders	AGM, annual and sustainability reports, investor meetings, quarterly calls and surveys	Business performance, governance, ESG performance, climate transition, decarbonisation, disclosures and grievances
Customers	Surveys, meetings, digital channels, websites, product labels and conferences	Product quality, pricing, sustainability, innovation, delivery and grievance resolution
Suppliers	Supplier evaluations, meetings, tenders, site visits and questionnaires	Responsible sourcing, ESG expectations, labour practices, timely payments and capability development
Government, regulators and industry associations	Meetings, forums, regulatory filings and industry platforms	Regulatory compliance, community development, safety, environmental performance, governance and taxation
NGOs and development partners	Need-based consultations and programme partnerships	Community priorities, programme implementation and social impact

We engage local communities through direct interactions, site visits, community events, leadership meetings, need-based consultations, CSR programmes, and partnerships with NGOs and development agencies. These channels allow community members to share concerns and expectations relating to local employment, socio-economic development, community well-being, operational impacts, infrastructure, healthcare, education, livelihoods, and skill development.

Community inputs are considered in programme planning, implementation, monitoring, and improvement. Our capacity-building initiatives support local stakeholders in communicating their needs and concerns effectively, and stakeholder engagement programmes are implemented across all local operations.

Community Engagement Practices

Parameters	Our Approach and Supporting Evidence
Community assessment	Baseline assessments examine local socio-economic conditions, employment barriers, and skill gaps. Impact assessments are conducted for eligible community projects.
Communication channels	Communities can engage through direct interactions, site visits, community events, leadership meetings, consultations, CSR programmes, development partners, and the Stakeholder Officer.
Identification of emerging concerns	Meetings, consultations, focus groups, site visits, and community events help us understand changing expectations and concerns.

Parameters	Our Approach and Supporting Evidence
Feedback and perception review	Surveys, interviews, focus-group discussions, consultations, and ongoing interactions capture stakeholder feedback, which is consolidated and considered in planning and improvement.
Community capability development	Education, skill development, sustainable livelihood, and local institution-building programmes strengthen community participation and the ability to articulate local priorities.
Grievance tracking	Grievances are recorded, screened, investigated, addressed through corrective action, followed up, and closed after resolution is confirmed.
Geographic reach	During FY 2025-26, community programmes reached approximately 1.26 million people across 316 villages in nine states.

Community Grievance Mechanism

Community members can raise concerns through the Stakeholder Officer, with escalation to the Grievance Committee where required. We acknowledge grievances within five working days, formally record and screen each case, investigate the root cause, implement corrective actions, and close the matter after confirming resolution. A formal grievance register supports consistent tracking, follow-up, and accountability.

Community Development Approach

Baseline assessments help us understand local socio-economic conditions, employment barriers, and skill gaps. The findings guide programmes in education, healthcare, sustainable livelihoods, skill development, infrastructure, model villages, and social welfare. Our CSR governance framework oversees programme delivery; monitors progress and conducts impact assessments for eligible projects.

FY 2025-26 Community Reach

We invested ₹73.35 crore (Grasim standalone) in CSR initiatives and mobilised an additional ₹14.98 crore through partnerships. Our programmes reached approximately 1.26 million people across 316 villages in nine states.

Reference

1. Integrated Annual Report 2025-26 of Grasim Industries Limited. [<Click Here>](#)
2. Integrated and Sustainability Report 2025-26 of UltraTech Cement Limited. [<Click Here>](#)

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