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SEBI REGISTRATION #:  
 IN/ERP/Category-II/0002

**ESG REPORT**  
 2025

# GRASIM INDUSTRIES LIMITED

Grasim Industries Limited ('Grasim' or 'The Company') is engaged primarily in the business of Cellulosic Fibres (Pulp, Fibre and Yarn), Chemicals (Caustic Soda, Specialty and allied Chemicals), Building Materials (Paints and B2B E-Commerce) and Others (Insulators and Textiles).

Rating based on FY 2024-25 Data  
 Last updated on 24<sup>th</sup> Dec, 2025

[www.grasim.com](http://www.grasim.com)

BRSR Reporting Standalone

BRSR (FY 2024-25) [Weblink](#)

# of Plants 27

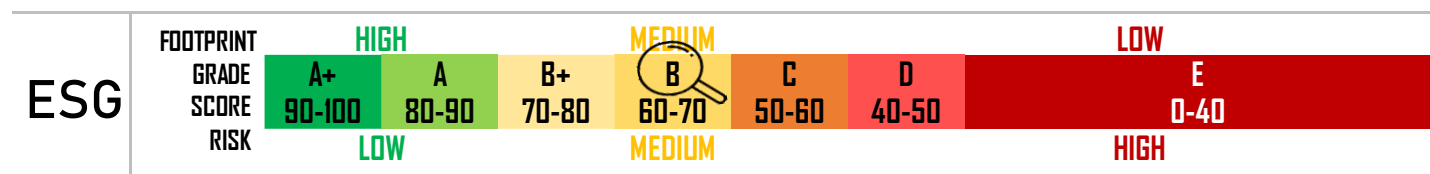
# of Offices 224

INDUSTRY CLASSIFICATION	ASSURANCE / ASSESSMENT REPORTING		ESG SCORE (ADJUSTED)		
Cement & Cement Products	NAME	BDO India LLP	2024	2025	YOY Change
	TYPE	BRSR Core – Reasonable; Selected BRSR – Limited.	67.1	67.8	↑ 0.7

Source: NSE | SEBI – SIC: SEBI - Standardization of Industry Classification (SEBI [Circular](#))

Note: "Wherever you see "Red" think of future improvement"

Note: Scoring is out of 100 | For Scoring explanation – Refer [Annexure](#)



## HIGHLIGHTS

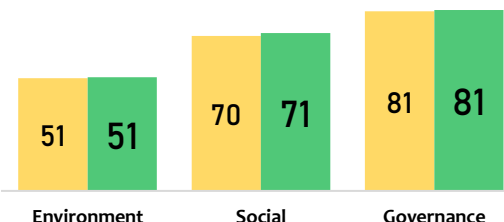
- 92.8% of the total waste generated was recovered through recycling, re-use and other recovery operations in FY 2024-25.
- Renewable energy accounted for only 6.47% of total energy in FY 2024-25.
- Majority of water is withdrawn and discharged in water stressed areas.
- Penalty on Water Related Matters: The Central Ground Water Authority has imposed penalty of ₹ 2,00,000 due to delay in installation of flow meter.
- Women workforce forms less than 5% of the total workforce.
- 1 fatality reported for workers in FY 2024-25.
- Penalty: Employee Provident Fund Organisation, Ranchi has imposed Penalty of ₹ 2,56,99,858/- for non-compliance of the Employee Provident fund Act.
- 3 women directors including an ID, ensuring gender diversity at the Board level.
- Mr. N. Mohan Raj, Mr. Yazdi Piroj Dandiwal, Ms. Anita Ramachandran and Mr. Adesh Kumar Gupta have been classified as NIDs by SES. ([Read more](#))

For further details on pillar wise summary – [Read more](#)

## EVALUATION FACTORS

(Adjusted Scores & Weights)

■ 2024 ■ 2025



36.7% 23.3% 40%

Note: Industry Risk (IR) / Controversy Adjusted Score  
 Refer [ESG Scorecard](#) for details  
 For SES ESG Evaluation Methodology – [Click here](#)

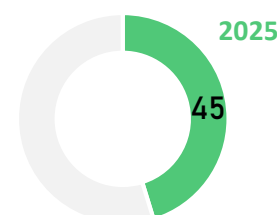
## RATING SENSITIVENESS

FACTORS		% WEIGHT OUT OF 100
Audit & Financial Reporting	G	10.00
Board Independence & Diversity	G	8.00
CSR, Community Relations & Engagement	S	6.26
Health & Safety	S	6.22
Air Emissions	E	6.06

Note: Rating Sensitiveness refers to factors that could have the potential to impact the ESG profile of the entity. ([Read More](#))

## PARIVARTAN SCORE (Transition)

[Based on quantitative parameters only]



Weightage: 11.1%

Analyses y-o-y change on key quantitative parameters




## SASB: INDUSTRY RISK EXPOSURE

## CATEGORISATION

Low  
RiskMedium  
RiskHigh  
Risk

Company's Industry Risk

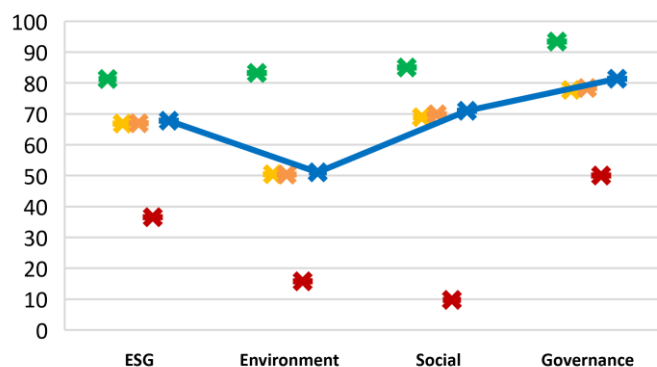
## SCORECARD – ESG

ESG CATEGORIES & SCORE	AS PER SES MODEL Year: 2025			AS PER	SECTOR AGNOSTIC Year: 2025
	RAW SCORE	CONTROVERSY EXPOSURE (CE)	CE ADJUSTED SCORE	INDUSTRY RISK EXPOSURE (IR)	IR ADJUSTED SCORE
	(A)	(B)	(C) (A*B)	(D)	(C*D)^
<b>ESG</b>	<b>74.8</b>	<b>-</b>	<b>73.9</b>	<b>-</b>	<b>67.8</b>
 ENVIRONMENT*	<b>67.3</b>	<b>3.9</b>	<b>64.7</b>	<b>10.3</b>	<b>51.1</b>
 SOCIAL*	<b>75.4</b>	<b>-</b>	<b>75.4</b>	<b>57.6</b>	<b>71.0</b>
 GOVERNANCE*	<b>81.4</b>	<b>-</b>	<b>81.4</b>	<b>-</b>	<b>81.4</b>

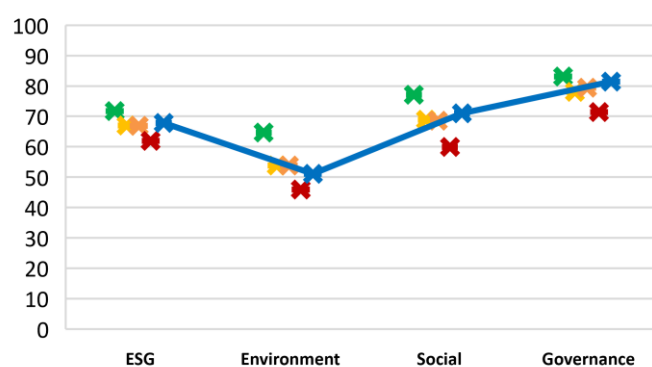
\*Note: For Score Adjustments Scoring – Refer explanation at [Annexure](#) | ^Adjusted Score is calculated based on 75% (C) Score & 25% Risk Exposure (D)

ESG SCORE RELATIVE POSITION:  
COMPANY V. SES UNIVERSE

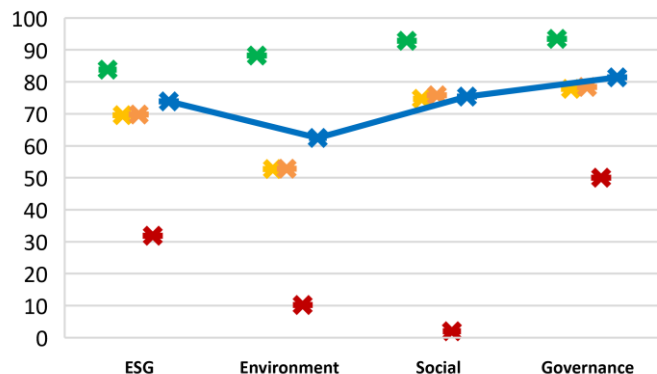
## IR ADJUSTED SCORE

ESG SCORE RELATIVE POSITION:  
COMPANY V. INDUSTRY

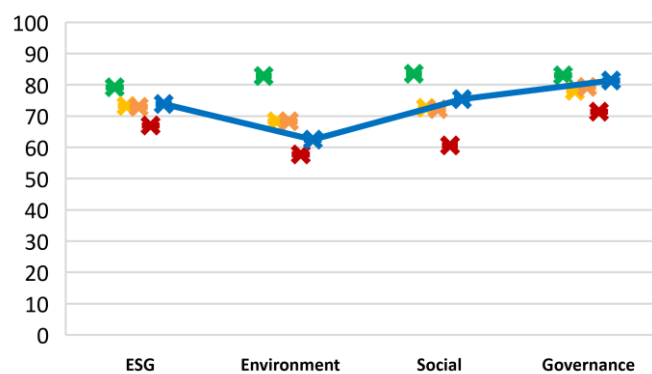
## IR ADJUSTED SCORE



## UNADJUSTED SCORE



## UNADJUSTED SCORE



## LEGENDS

COMPANY

MAXIMUM

AVERAGE

MEDIAN

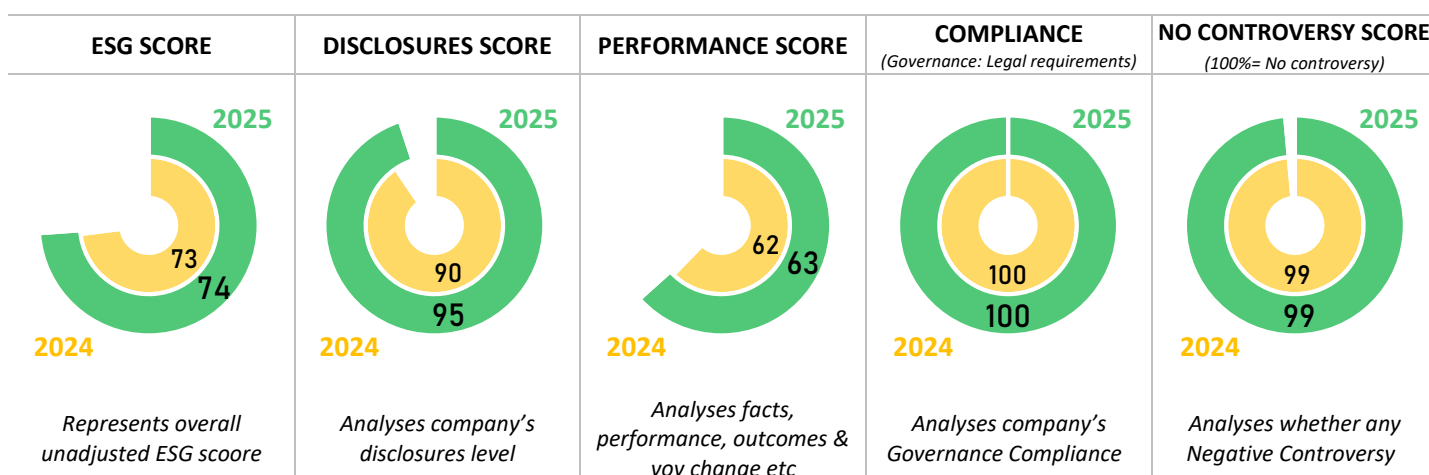
MINIMUM

Note: Presently SES Universe refers to companies covered by SES (724) & their scores based on FY 2023-24 data



## SCORECARD – ESG

(UNADJUSTED)



ESG Scores are result of disclosures as well as performance, scored separately. The above scores are based on overall ESG parameters. Detailed breakup E, S & G pillar wise score is given on next page.

## ECOSYSTEM ANALYSIS

INPUT INDUSTRY RISK		
INDUSTRY	E	S
Power - Transmission	28	51
Dyes and Pigments	19	52
Other Industrial Products	39	57

COMPANY INDUSTRY RISK			
COMPANY			
Grasim Industries Limited			
INDUSTRY			
Cement & Cement Products*			
E	10	S	58

OUTPUT INDUSTRY RISK		
INDUSTRY	E	S
E-Retail/ E-Commerce	51	45
Diversified Retail	51	45
Other Textile Products	51	55
Garments & Apparels	51	55
Civil Construction	48	51

\*As per Stock Exchange Website

Note: Selection of above Industry is done by SES based on information disclosed & SASB SICs. Industry Risk scores is calculated based on SASB Materiality Map / Standards. | Numeric figures represent particular Industry Risk Exposure (in the scale of 0-100 where 0 represent high risk)

**ECOSYSTEM ANALYSIS:** SES is of the opinion that no business operates in isolation. Most business have connectivity with its input supplier on one hand and consumers at other hand. It is unlikely that the business in middle will be unaffected by risks at either end and same holds true for ESG risks. For example, if due to ESG issues, there are regulatory action on input supply side companies, the risk will travel to the user company as well and vice versa.

While at present SES is not rating or scoring any company based on entire eco-system, however eventually scoring will cover both ends of business connectivity-input and output. Till such time SES develops a metric, users may take a note of input and output side Industry risks.

**LEGENDS - Following general symbols are used throughout this report to represent company's disclosures & practices:**

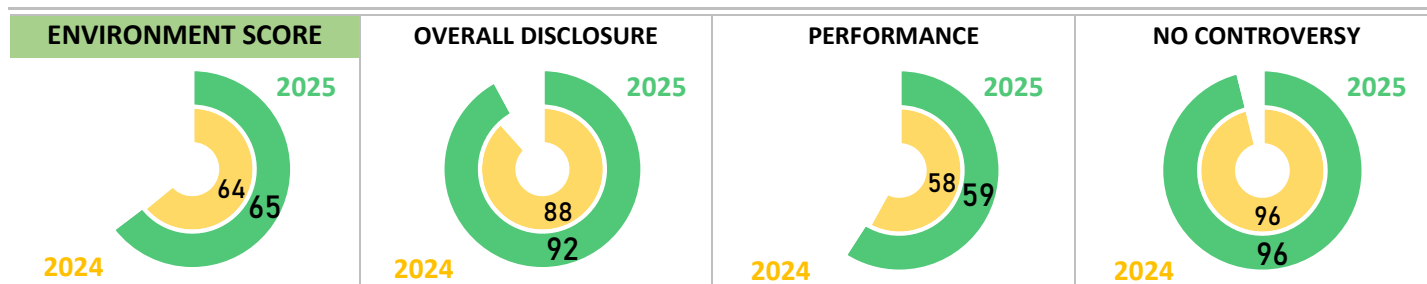
✓	Criteria achieved/ Disclosures made
✗	Criteria not achieved/ No disclosure made
■	No analysis possible: Pre-requisite disclosures not made (Negative Score)
■	Not applicable / Not scored

Note: In case the Company has not disclosed information (E.g. No Policy related disclosure), SES has considered it that it is not in practice (E.g. Policy is not prepared) ([Read more](#))

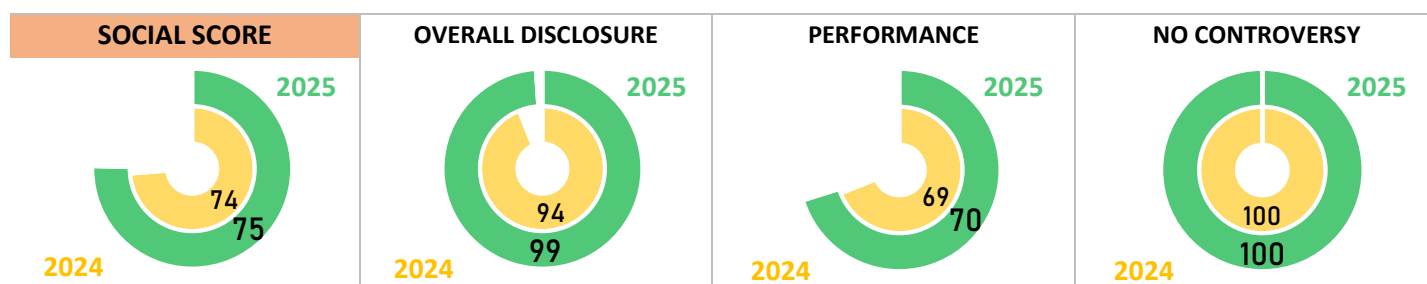
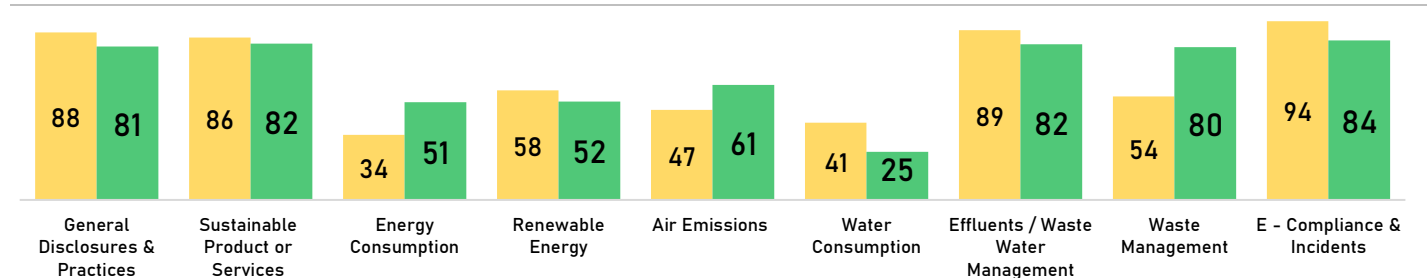


## SCORECARD – ESG PILLARS

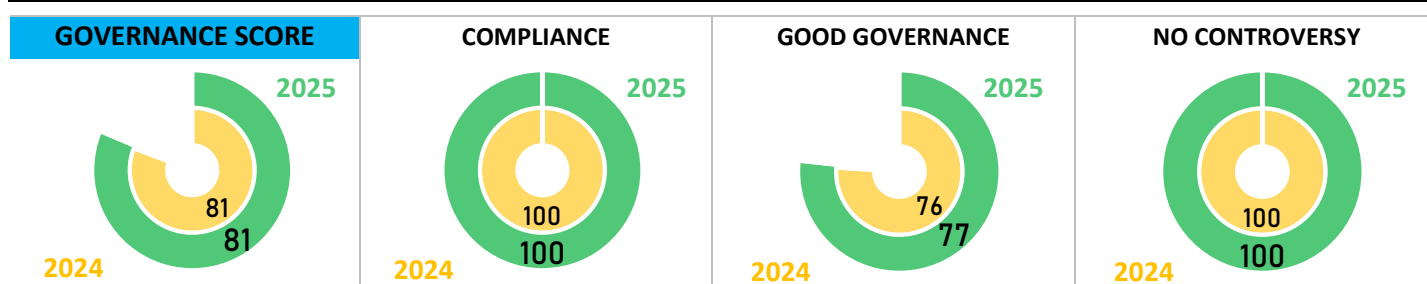
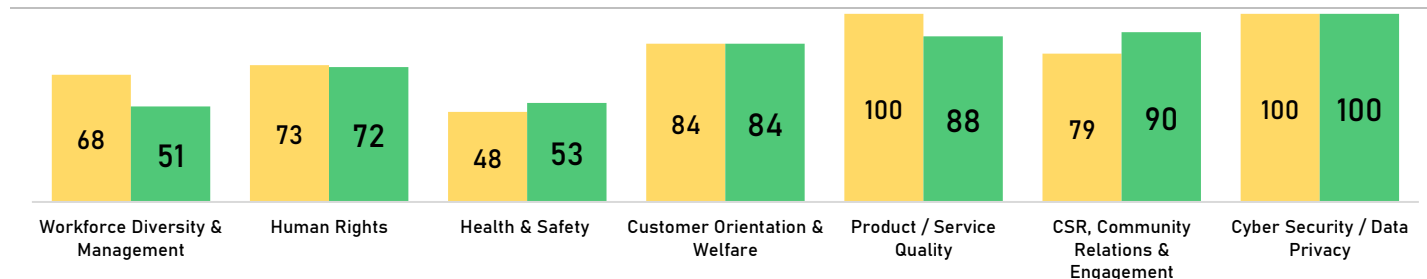
(UNADJUSTED)



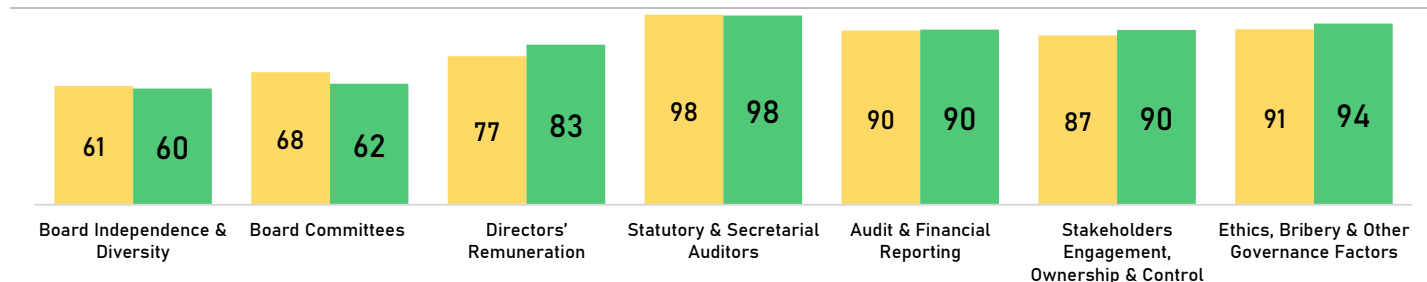
## ENVIRONMENT SCORE DISTRIBUTION



## SOCIAL SCORE DISTRIBUTION



## GOVERNANCE SCORE DISTRIBUTION



## ESG REPORT

## CORE PARAMETERS

Scoring in this section is done purely based on the SEBI identified Core Parameters from BRSR.

## ASSURANCE STATUS

Applicability	Yes	Provider Name	BDO India LLP	TYPE	Reasonable Assurance
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PARTICULARS	SCORE BASED ON DATA:		
	FULLY ASSURED	PARTIALLY ASSURED	UNASSURED
<b>CORE ESG SCORE</b> [Disclosure of Core Parameters] [Weight: 20%]	100	NA	NA
<b>CORE PARIVARTAN SCORE</b> [y-o-y change / transition] [Weight: 80%]	78	NA	NA
<b>CORE COMBINED SCORE</b> [combination of Core ESG & Core Parivartan Score]	82	NA	NA
Impact on Scores (weightage):	8.9%	NA	NA

**Comments:** Grasim obtained Reasonable Assurance on BRSR Core Indicators and Limited Assurance on Selected BRSR Indicators from BDO India LLP and has also made requisite disclosures in line with reporting requirements.

## GREEN-HOUSE GAS (GHG) FOOTPRINT

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Total Scope 1 emissions	million tCO <sub>2</sub> e	Yes	5.31	5.11	↓
Total Scope 2 emissions	million tCO <sub>2</sub> e	Yes	1.19	1.22	↑
GHG Emission Intensity (Scope 1 + 2) [Total Revenue from Operations adjusted for PPP]	tCO <sub>2</sub> e / million US\$	Yes	575.09	414.70	↓
GHG Emission Intensity (Scope 1 + 2) [Total Output of Product or Services]	tCO <sub>2</sub> e / MT	Yes	2.14	1.90	↓

## WATER FOOTPRINT

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Total water consumption	million m <sup>3</sup>	Yes	27.48	28.18	↑
Water consumption intensity [Total Revenue from Operations adjusted for PPP]	m <sup>3</sup> / million US\$	Yes	2,432.52	1,844.84	↓
Water consumption intensity [Total Output of Product or Services]	m <sup>3</sup> / MT	Yes	9.07	8.44	↓

## WATER DISCHARGE BY DESTINATION AND LEVELS OF TREATMENT

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
(i) To Surface water - No treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
(i) To Surface water - With treatment	Million m <sup>3</sup>	Yes	10.26	10.44	-
(ii) To Groundwater - No treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
(ii) To Groundwater - With treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
(iii) To Seawater - No treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
(iii) To Seawater - With treatment	Million m <sup>3</sup>	Yes	16.00	20.21	-
(iv) Sent to third-parties - No treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
(iv) Sent to third-parties - With treatment	Million m <sup>3</sup>	Yes	0.16	1.39	-
(v) Others - No treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
(v) Others - With treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
Total water discharged	Million m <sup>3</sup>	Yes	26.43	32.04	-
- No treatment	Million m <sup>3</sup>	Yes	0.00	0.00	-
- With treatment	Million m <sup>3</sup>	Yes	26.43	32.04	-



## ESG REPORT

## ENERGY FOOTPRINT

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Total energy consumed	Million GJ	Yes	68.28	66.79	↓
% of energy consumed from renewable sources	%	Yes	6.71	6.47	↓
Energy intensity [Total Revenue from Operations adjusted for PPP]	GJ / million US\$	Yes	6,044.26	4,372.00	↓
Energy intensity [Total Output of Product or Services]	GJ / MT	Yes	22.53	20.10	↓

## EMBRACING CIRCULARITY - DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Plastic waste (A)	MT	Yes	1,261.28	1,792.22	↑
E-waste (B)	MT	Yes	73.23	85.70	↑
Bio-medical waste (C)	MT	Yes	7.63	2.84	↓
Construction and demolition waste (D)	MT	Yes	15,800.28	13,616.63	↓
Battery waste (E)	MT	Yes	88.43	83.35	↓
Radioactive waste (F)	MT	Yes	0.00	0.00	-
Other Hazardous waste (G)	MT	Yes	2,21,372.93	2,25,464.54	↑
Other Non-hazardous waste (H)	MT	Yes	8,04,332.89	8,90,638.95	↑
Total waste generated	MT	Yes	10,42,936.67	11,31,684.23	↑
Waste intensity [Total Revenue from Operations adjusted for PPP]	MT / million US\$	Yes	92.32	74.08	↓
Waste intensity [Total Output of Product or Services]	MT of waste / MT	Yes	0.34	0.34	-
Waste Recovered: Recycled	MT	Yes	3,69,258.55	3,04,284.34	↓
Waste Recovered: Re-Used	MT	Yes	5,53,484.18	7,06,073.73	↑
Waste Recovered: Others	MT	Yes	29,719.50	39,570.18	↑
Total Waste Recovered	MT	Yes	9,52,462.23	10,49,928.25	↑
Waste Disposed: Incineration	MT	Yes	595.22	1,011.35	↑
Waste Disposed: Landfilling	MT	Yes	64,287.08	64,081.24	↓
Waste Disposed: Others	MT	Yes	0.00	0.00	-
Total Waste Disposed	MT	Yes	64,882.30	65,092.59	↑

## ENHANCING EMPLOYEE WELLBEING AND SAFETY

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Cost incurred on well-being measures as a % of total revenue of the company	%	Yes	0.44	0.44	-
Number of Permanent Disabilities	Number	Yes	4	0	↓
Lost Time Injury Frequency Rate (LTIFR) [per one million-person hours worked]	per one million-person hours worked	Yes	0.34	0.29	↓
Number of fatalities	Number	Yes	3	1	↓

## ENABLING GENDER DIVERSITY IN BUSINESS

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Gross wages paid to females as % of wages paid	%	Yes	5.00	5.00	-
Total Complaints on Sexual Harassment (POSH) reported	Number	Yes	5	12	↑
Complaints on POSH as a % of female workforce	%	Yes	0.46	0.96	↑
Complaints on POSH upheld	Number	Yes	4	11^	↑

^One pending complaint from FY 2023-24 is upheld in addition to 10 complaints upheld in FY 2024-25.



## ESG REPORT

## ENABLING INCLUSIVE DEVELOPMENT

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Directly sourced from MSMEs/ small producers	%	Yes	15.00	16.00	↑
Directly sourced from within India	%	Yes	50.00	58.00	↑
Job creation in smaller towns – Wages paid to persons employed in smaller towns as % of total wage cost					
- Rural	%	Yes	15.00	19.00	↑
- Semi-Urban	%	Yes	3.00	4.00	↑

## FAIRNESS IN ENGAGING WITH CUSTOMERS AND SUPPLIERS

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Percentage of data breaches involving personally identifiable information of customers	%	Yes	0	0	-
Number of days of accounts payable	Days	Yes	91	61	↓

## OPEN-NESS OF BUSINESS

PARAMETERS	UNIT	ASSURANCE	2024	2025	PARIVARTAN
Purchases from trading houses as % of total purchases	%	Yes	14.00	25.00	↑
Number of trading houses where purchases are made from	Number	Yes	4,446	5,699	↑
Purchases from top 10 trading houses as % of total purchases from trading houses	%	Yes	45.00	31.00	↓
Sales to dealers / distributors as % of total sales	%	Yes	13.00	27.00	↑
Number of dealers / distributors to whom sales are made	Number	Yes	2,410	40,261	↑
Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	%	Yes	23.00	20.00	↓
Share in RPTs: Purchases [Purchases with related parties / Total Purchases]	%	Yes	13.00	9.00	↓
Share in RPTs: Sales [Sales to related parties / Total Sales]	%	Yes	0.20	0.17	↓
Share in RPTs: Loans & advances [Loans & advances given to related parties / Total loans & advances]	%	Yes	94.00	90.00	↓
Share in RPTs: Investments [Investments in related parties / Total Investments made]	%	Yes	59.00	59.00	-



MATERIAL ISSUES

(as disclosed by the Company)

S. No	Material issue Identified	Risk or opportunity (R/O)	Financial implications of the risk or opportunity
1.	Energy Consumption and GHG Emissions	Risk	Negative
2.	Responsible Supply Chain	Risk	Negative
3.	Climate Change Adaptation	Risk	Negative
4.	Waste Management	Risk	Negative
5.	Product Stewardship	Opportunity	Positive
6.	Human Rights	Risk	Negative
7.	Water and Effluents	Risk	Negative
8.	Innovation and R&D	Opportunity	Positive
9.	Resource Efficiency	Opportunity	Positive
10.	Occupational Health and Safety	Risk	Negative





# SUSTAINABLE DEVELOPMENT GOALS

Company has disclosed Mapping of SDG Goals or provided Reference



SDG Mapped/ Disclosures made



SDG not mapped/ No disclosure made

<b>1</b> NO POVERTY  	<b>2</b> ZERO HUNGER  	<b>3</b> GOOD HEALTH AND WELL-BEING  	<b>4</b> QUALITY EDUCATION  	<b>5</b> GENDER EQUALITY  
<b>6</b> CLEAN WATER AND SANITATION  	<b>7</b> AFFORDABLE AND CLEAN ENERGY  	<b>8</b> DECENT WORK AND ECONOMIC GROWTH  	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE  	<b>10</b> REDUCED INEQUALITIES  
<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES  	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION  	<b>13</b> CLIMATE ACTION  	<b>14</b> LIFE BELOW WATER  	<b>15</b> LIFE ON LAND  
<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS  				<b>17</b> PARTNERSHIPS FOR THE GOALS  

**Note:** "The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States". | [SDG Official Website](#)



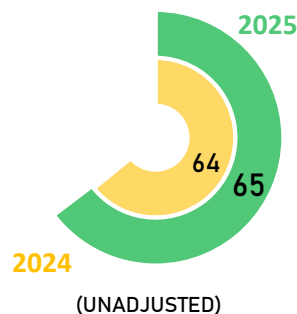
## SUMMARY



## ENVIRONMENT

(W: 26.7%)

SES evaluates a company's disclosures concerning the environmental impact of its operations, along with measures undertaken to mitigate such impacts. The analyses also assess whether the Company has made progress in reducing its environmental footprint and whether it is meeting the sustainability targets it has set for itself.



EVALUATION CATEGORIES	WEIGHTAGE	SCORE & QUARTILE					
		OVERALL		DISCLOSURE		PERFORMANCE	
		2024	2025	2024	2025	2024	2025
General Disclosures & Practices	14.29%	88	81	91	91	87	78
Sustainable Product or Services	5.16%	86	82	100	100	82	78
Energy Consumption	9.64%	34	51	75	79	24	45
Renewable Energy	4.82%	58	52	100	100	47	40
Air Emissions	16.52%	47	61	80	93	39	53
Water Consumption	16.52%	41	25	82	82	30	19
Effluents / Waste Water Management	5.51%	89	82	98	90	87	80
Waste Management	11.03%	54	80	85	97	47	79
E - Compliance & Incidents	16.51%	94	84	100	100	93	80

Note: ● - Last Quartile (0-25) (Poor Performance), ● - 3<sup>rd</sup> Quartile (25-50), ● - 2<sup>nd</sup> Quartile (50-75), ● - 1<sup>st</sup> Quartile (75-100) (Best Performance)



- Grasim has 100% ISO 14001 certification across its units (excluding Paints business).
- Detailed disclosure on targets and their performance. ([Read more](#))
- The absolute non-renewable energy consumption has decreased in FY 2024-25 compared to FY 2023-24.
- The energy consumption intensity and the water consumption intensity linked to production has decreased in FY 2024-25 compared to FY 2023-24.
- The Scope 1 and 2 emissions intensity linked to production has decreased y-o-y in the last 3 FYs.
- 100% of the water was discharged after treatment in the last 3 FYs.
- 92.8% of the total waste generated was recovered through recycling, re-use and other recovery operations in FY 2024-25.**



- Renewable energy accounted for only ~6.47% of total energy in FY 2024-25, showing a decrease from 6.71% in FY 2023-24.
- The absolute Scope 3 emissions as well as the Scope 3 emission intensity linked to production have increased in FY 2024-25 compared to FY 2023-24.
- The % of water withdrawn and discharged in water stress regions out of the total water withdrawn and discharged has increased y-o-y in the last 2 FYs.
- Grasim has only disclosed the data of waste recovery and disposal for 98.53% of the total waste generated. No disclosure is made for the management of remaining **1.47%** of the waste generated.
- Penalty on Water Related Matters:** During the FY 2024-25, Central Ground Water Authority has imposed penalty of ₹ 2,00,000 on the Company due to delay in installation of flow meter.
- Grasim has paid fine of ₹ 2,07,37,500 to JSPCB on alleged water pollution during FY 2022-23.



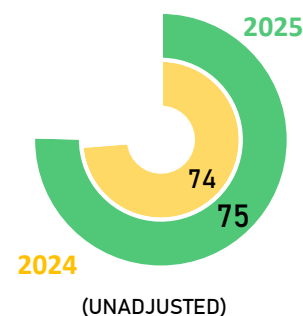
## SUMMARY



## SOCIAL

(W: 23.3%)

SES analyses company's disclosures regarding its relationship with human capital and other stakeholders. This includes an evaluation of the practices and policies adopted to ensure fair and equitable treatment of all stakeholders, as well as an assessment of the company's performance in implementing these policies and demonstrating tangible outcomes over time.



EVALUATION CATEGORIES	WEIGHTAGE	SCORE & QUARTILE					
		OVERALL		DISCLOSURE		PERFORMANCE	
		2024	2025	2024	2025	2024	2025
Workforce Diversity & Management	8.44%	68	51	85	91	63	44
Human Rights	8.78%	73	72	100	100	66	65
Health & Safety	26.67%	48	53	92	100	40	44
Customer Orientation & Welfare	9.75%	84	84	100	97	80	81
Product / Service Quality	9.75%	100	88	100	100	100	85
CSR & Community Relations	26.86%	79	90	89	100	76	88
Cyber Security / Data Privacy	9.75%	100	100	100	100	100	100

Note: ● - Last Quartile (0-25) (Poor Performance), ● - 3<sup>rd</sup> Quartile (25-50), ● - 2<sup>nd</sup> Quartile (50-75), ● - 1<sup>st</sup> Quartile (75-100) (Best Performance)



- Occupational health and safety management system has been implemented by the Company.
- Entire eligible workforce received PF, Gratuity and ESI benefits in last two FYs.
- The coverage of workers provided with health and safety trainings has increased y-o-y in the last 2 FYs.
- The LTIFR has decreased for workers in FY 2024-25.
- Zero complaints reported on Working Conditions and Health & Safety in FY 2024-25.
- 23% jobs created in rural and semi-urban areas in FY 2024-25, which has increased from 18% in FY 2023-24.
- No case of data breach in the last 3 FYs.
- Zero complaints on Data Privacy and Cyber Security in the last 3 FYs.
- Grasim has disclosed its Quality Policy on its website. ([Weblink](#))
- 100% units are ISO 27001 certified excluding three newly commissioned Paints sites, where the certification process is currently underway as reported by the Company in its Annual Report FY 2024-25.



- Women workforce forms less than 5% of the total workforce.
- The total turnover rate for employees and workers has increased in FY 2024-25 compared to FY 2023-24.
- Though male workers are provided with Paternity leaves, the retention rate is disclosed as NA and no justification is provided for the same. Retention rate is not disclosed for permanent workers in FY 2023-24.
- Only 55.45% of employees and 13.61% of workers are provided with skill upgradation trainings in FY 2024-25 which is also a decreased compared to the FY 2023-24.
- Only 27.38% employees and 13.64% workers are provided with Human Rights trainings in FY 2024-25.
- There is a material gap (more than 20%) in the median remuneration paid to male vs female workers.
- The number of complaints received on Sexual Harassment have increased y-o-y in the last 2 FYs.
- Wellbeing benefits are not consistently extended across the entire workforce.
- **1 fatality reported for workers in FY 2024-25.**
- The number of customers complaints reported has significantly increased to 5,345 in FY 2024-25 compared to FY 2023-24 and the Company has not provided any justification for the same.
- **Penalty:** Employee Provident Fund Organisation, Ranchi, Jharkhand has imposed Penalty of ₹ 2,56,99,858/- on the Company vide order dated 01.10.2024, for non-compliance of the Employee Provident fund Act.



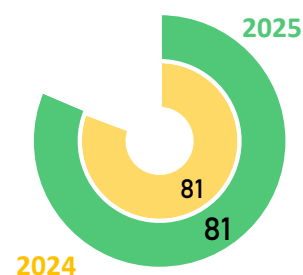
## SUMMARY



## GOVERNANCE

(W: 40%)

SES evaluates companies against applicable legal mandates and leading governance standards. The analysis includes a detailed review of Board composition, director remuneration, committee constitution, and the effectiveness of Board performance. It also encompasses an assessment of statutory auditors, audit quality, financial reporting integrity, and stakeholder engagement practices.



EVALUATION CATEGORIES	WEIGHTAGE	SCORE & QUARTILE					
		OVERALL		COMPLIANCE		GOVERNANCE	
		2024	2025	2024	2025	2024	2025
Board Independence & Diversity	20%	61	60	100	100	50	48
Board Committees	10%	68	62	100	100	62	55
Directors' Remuneration	12%	77	83	100	100	72	79
Statutory & Secretarial Auditors	8%	98	98	100	100	97	97
Audit & Financial Reporting	25%	90	90	100	100	88	89
Stakeholders Engagement	15%	87	90	100	100	83	87
Ethics, Bribery & Other Governance	10%	91	94	100	100	86	91

Note: ● - Last Quartile (0-25) (Poor Performance), ● - 3<sup>rd</sup> Quartile (25-50), ● - 2<sup>nd</sup> Quartile (50-75), ● - 1<sup>st</sup> Quartile (75-100) (Best Performance)



- 3 women directors including 1 Independent Director ensuring gender diversity at the Board level.
- Grasim has disclosed that Key Components of Annual Incentive Plan comprise of ESG performance.
- Statutory Auditors and Secretarial Auditors appointments were compliant with the law.
- Disclosed the Key Financial Ratios and has explained significant changes thereon.
- The Company has complied with all the provisions of Listing Regulations as well as other regulations and guidelines of the SEBI. There have been no instances of non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.
- Zero complaints reported on bribery & corruption and conflict of interest in the last 3 FYs.



- Mr. N. Mohan Raj, Mr. Yazdi Piroj Dandiwala and Ms. Anita Ramachandran Independent Directors, have been classified as NIDs by SES as they are associated with the Company for more than 10 years and Mr. Adesh Kumar Gupta has been continuously associated with multiple group companies since 1999. ([Read more](#))
- Mr. Yazdi Piroj Dandiwala is classified as NID by SES due to his pecuniary relationship with the Company. ([Read more](#))
- Vikas R Kasat is associated with the Company for last 6 years as an Audit Partner.
- Time Commitments of Ms. Anita Ramachandran appear to be excessive as per SES criteria.
- Grasim has reported 5 whistle-blower complaints during FY 2024-25 (4 reported in FY 2023-24).



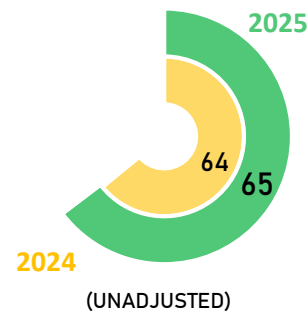
## DETAILED ANALYSIS



## ENVIRONMENT

(W: 36.7%)

SES evaluates a company's disclosures concerning the environmental impact of its operations, along with measures undertaken to mitigate such impacts. The analyses also assess whether the Company has made progress in reducing its environmental footprint and whether it is meeting the sustainability targets it has set for itself.



## GENERAL (ENVIRONMENTAL DISCLOSURE &amp; PRACTICES) [# OF INDICATORS: 33]

2024	2025	YOY Change
88	81	↓ 7

POLICIES ON:	POLICY	
	PRESENT	DISCLOSED
Environment	✓	✓
Energy	✓	✓
GHG Emissions	✓	✓
Water	✓	✓
Effluents	✓	✓
Waste	✗	✗
Bio-Diversity	✓	✓

## CERTIFICATIONS (AVAILED &amp; DISCLOSED)

Environment Management System (E.g. ISO 14001)	✓
Energy Management System (E.g. ISO 50001)	✓
Life Cycle Assessment (E.g. ISO 14044)	✗
LEED certification	✗

- Grasim has disclosed the above-mentioned policies on its website. ([Weblink](#))
- Grasim has disclosed that it has obtained ISO 14001 certification across all its units **excluding Paints business**.

## SALIENT PARAMETERS

Project(s) related to reducing Green House Gas emissions - Disclosed	✓	Sites / facilities identified as Designated Consumers (DCs) under the PAT Scheme - Disclosed	✓
Waste management practices adopted in Company's establishments - Disclosed	✓	Targets set under the PAT scheme have been achieved - Disclosed	✗
Strategy(ies) adopted to reduce usage of hazardous and toxic chemicals for products and processes and the practices adopted to manage such wastes - Disclosed	✓	In case PAT targets have not been achieved, disclosed the remedial action taken by the Company - Disclosed **	✓
Identified environmental risks / opportunity	✓	Environmental Impact Assessments (EIA) of Projects:	
Board-level oversight of climate-related issues	✓	- Details of EIA of projects undertaken by the entity based on applicable laws, in the current financial year - Disclosed	✓
Company operates in green or environmentally friendly offices or buildings	■	- Name and brief details of project - Disclosed	■
Business continuity and disaster management plan	✓	- Results communicated in public domain - Disclosed	■
Entity has operations/ offices in/ around ecologically sensitive areas	NO	In case the entity has operations/offices in/around ecologically sensitive areas; information on environmental approvals / clearances - Disclosed	■
Disclosed about Afforestation or The Compensatory Afforestation Fund Management and Planning Authority Act (CAMPA)?	✓	In case the entity has operations/offices in/around ecologically sensitive areas; conditions of environmental approval / clearance are being complied with.	■
Green Credits generated or procured - Disclosure	✓	Top ten value chain partners (based on value of purchases and sales) generated or procured Green Credits - Disclosed	✓

- Targets set under the PAT Scheme:** "Yes, 11 out of 26 Grasim's sites are designated consumers under the PAT scheme with a target year of FY 2024-25 and beyond.

\*\* All the units where PAT scheme is applicable are on course to achieve their respective targets set by Bureau of Energy Efficiency."





## ESG REPORT

- **Environmental Impact Assessments (EIA) of Projects:** “None”
- **Ecologically Sensitive Areas:** “None of the sites are located in ecologically sensitive areas. However, the Company is planning to conduct biodiversity impact assessments for selected sites to identify and mitigate potential impact on biodiversity, if any.”

## SUSTAINABLE PRODUCT OR SERVICES [# OF INDICATORS: 24]

2024	2025	YOY Change
86	82	↓ 4

SALIENT PARAMETERS			
Procedures in place for sustainable sourcing - Disclosed	✓	Disclosed information & no significant adverse impact to the environment, arising from the value chain of the entity	✓
% of inputs that were sourced sustainably - Disclosed	✓	% of value chain partners that were assessed for environmental impacts – Disclosed %	✓
% of inputs that were sourced sustainably - More than 50%	✗	% of value chain partners that were assessed for environmental impacts – More than 50%	✗
Recycled or reused input material used in production or providing services - Disclosed	✓	Disclosed information & conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?	✓
% Recycled or reused input material to total material used in production or providing services - Disclosed %	✓	Conducted by independent external agency – Disclosed information & conducted	✓
% Recycled or reused input material to total material used in production or providing services - More than 50%	✗	Disclosed and no significant social or environmental concerns and/or risks as identified in the LCA	✗
Undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated	✓	Extended Producer Responsibility (EPR) applicable to the entity's activities	✓
Disclosed / described the processes in place to safely reclaim products for reusing, recycling and disposing at the end of life	✓	Waste collection plan is in line with the EPR plan submitted to Pollution Control Boards – as applicable & disclosed	✓
Information on reclaimed products and their packaging materials (as % of products sold) for product category(ies) – Disclosed	✓	In cases EPR plan not submitted to PCB, provided steps taken to address the same	■

PARTICULARS	%	
	FY 24	FY 25
R&D	37	↓ 20
Capex	10	↓ 7

- % of inputs that were sourced sustainably: 47%

- % of Value Chain Partners that were assessed for environmental impacts: “100% of our pulp suppliers which

accounts for 43% of our total raw material procurement value were assessed for environmental impacts.” Not disclosed information for all value chain partners.

- **Environmental concerns and/or risks as identified in LCA:** Disclosed details on Page # 344 of the Annual Report FY 2024-25.
- **Extended Producer Responsibility (EPR):** “Yes, Grasim complies with the Extended Producer Responsibility (EPR) requirements as stipulated in the Plastic Waste Management (PWM) rules 2016 and amendments thereafter, which are applicable to the Company's operations. In line with the EPR regulations of the PWM rules, Grasim has established a waste collection system that is in accordance with the Central Pollution Control Board (CPCB) guidelines and protocols.

The Company has secured Brand Owner registration from the online portal and has presented its EPR Plan to the CPCB, adhering to the stipulated guidelines. The CPCB mandates targets for each year, expressed as percentages, and Grasim meets these annual targets by acquiring EPR Credits. These credits are obtained through the recycling and authorised disposal of plastic waste, encompassing both pre-consumer and post-consumer materials, in collaboration with CPCB-registered Plastic Waste Processors (PWPs), which are classified into rigid or flexible categories.

The management and oversight of this process occurs via the CPCB online portal, which facilitates the exchange of EPR Credits. Grasim actively meets its EPR obligations and contributes to the advancement of sustainable waste management practices.”



## ESG REPORT

## TARGETS (SET, DISCLOSURE &amp; PERFORMANCE) [# OF INDICATORS: 12]

2024	2025	YOY Change
25	26	↑ 1

Topic	Business	Goals	Status FY 2024-25
Energy and Emissions	Chemicals	30% reduction in GHG emissions of the main product by FY 2029-30 (Base Year - FY 2016-17)	Achieved 26% reduction
		Achieve up to 25% renewable power share by FY 2024-25	Achieved 12.3% renewable power share.
	CSF	Reduce GHG emission intensity by 50% by FY 2029-30	Reduced by 9%
	Textiles	Achieve up to 70% renewable power share by FY 2029-30	Achieved 8.9% renewable power share
Waste Management and Circularity	CSF	Grow circular products to 100,000 tonnes per year by FY 2024-25 using pre- and post-consumer and alternate feedstock	Global circularity uptake is taking longer than anticipated. The business has invested in capacity building and is ready to deliver the targeted volume as market readiness improves.
	CFY	Achieve 100% utilisation of ETP sludge (as Gypsum) and cellulosic waste in co-processing for cement industries by FY 2024-25	Presently 33% of the ETP sludge and 100% of cellulosic waste is being diverted from disposal to co-processing in cement plants
Reduce water footprint	CSF	Reduce water consumption in the CSF manufacturing process by 50% in FY 2024-25 (Base year: FY 2014-15)	Reduced water consumption by approximately 73% by end of FY 2024-25
	Chemicals	Reduce specific freshwater consumption of the main product by 30% by FY 2024-25 (Base Year – FY 2016-17)	Multiple levers of reducing water consumption are being evaluated and achieved 18% reduction in freshwater consumption by end of FY 2024-25.
	Textiles	Reduce effluent discharge and maximise water recovery.	Treated effluent recycling and reused has increased from 36.42 % in FY 2021-22 to 56.2 % in FY 2024-25 vs water uses. Out of 3 units, two units (JST, VW) have installed ZLD plants

- Also, Grasim has disclosed a target to achieve Net Zero by 2050.
- Additionally, it has also disclosed the following group level targets:

PARAMETERS	TARGET SET	TARGET PERFORMANCE
	Target*	Target Achievement
GHG Emissions	45% reduction in emission intensity per unit of production**	11%
Renewable Energy	○ 16% share of renewable energy in the Total energy mix	○ 6.5%
	○ 25% of total installed electrical capacity sourced from renewable power	○ 11%
Water Usage & Waste Water	38% of total water requirement is met through recycled water	31%

\*Target Year: FY 2029-30, \*\*Base Year: FY 2023-24.



ENERGY CONSUMPTION (DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 11]	2024	2025	YOY Change
	34	51	↑ 17

ENERGY CONSUMPTION (TOTAL)	Parameters		Intensity (Other than Turnover)			
			2022	2023	2024	2025
	Data Disclosure (D)	(✓ - ✗)	✗	✓	✓	✓
	Performance (P)	(↓ - ↑)	■	■	↑	↓

NON-RENEWABLE ENERGY CONSUMPTION [million GJ]	ENERGY INTENSITY [GJ / MT]

ENERGY INTENSITY [GJ / TURNOVER – IN ₹ CRORE]	ENERGY INTENSITY [GJ / TURNOVER - Million US\$ PPP Adjusted]

- The absolute non-renewable energy consumption has decreased in FY 2024-25 compared to FY 2023-24.
- Also, the total energy consumption intensities have decreased in FY 2024-25 compared to FY 2023-24.
- “In FY 2024-25, Grasim’s energy consumption decreased by approximately 2% compared to FY 2023-24. Additionally, energy intensity dropped 20% compared to FY 2023-24. This improvement indicates improved energy-efficiency, driven by operational optimisation and a shift towards less energy-intensive activities.”

Grasim has disclosed key initiatives like:

1. Reducing LPG Consumption in Insulator Drying Kilns – Rishra
2. Compressed Air System Optimisation through Pressure Segregation – Veraval
3. Enhancing Electrolyser Efficiency through Digital Monitoring - Veraval

Detailed disclosures can be found at Page # 157 of the Annual Report FY 2024-25.

PARTICULARS	2023	2024	2025
Capital investment on energy conservation equipment (Rs. In crores)	53.95	58.15	22.99

Note: In cases where there has been zero capital investment in the last three years, SES expects the company to provide a detailed justification as to why it considers investment unnecessary.

- Grasim’s capital investment on energy conservation equipment during FY 2024-25 has decreased significantly when compared to previous financial year.





## ESG REPORT

## RENEWABLE ENERGY (DISCLOSURE &amp; PERFORMANCE) [# OF INDICATORS: 8]

2024	2025	YOY Change
58	52	↓ 6

ENERGY CONSUMED FROM RENEWABLE SOURCES (TOTAL)	Parameters		Absolute Data				% of Total Energy			
			2022	2023	2024	2025	2022	2023	2024	2025
	Data Disclosure (D)	(✓ - ✗)	✓	✓	✓	✓	✓	✓	✓	✓
	Performance (P)	(↑ - ↓)	↑	↑	↑	↓	↑	↑	↑	↓

TOTAL RENEWABLE ENERGY CONSUMPTION [million GJ]	% RENEWABLE ENERGY OUT OF TOTAL ENERGY CONSUMPTION

- The absolute renewable energy consumption as well as the renewable energy as a percentage of total energy has decreased in FY 2024-25 compared to FY 2023-24.
- "Grasim is steadily increasing use of renewable energy, which increased from 5.57% to 6.51% over the two-year period."

## AIR EMISSIONS (DISCLOSURE &amp; PERFORMANCE) [# OF INDICATORS: 23]

2024	2025	YOY Change
47	61	↑ 14

GHG EMISSIONS (TOTAL: Scope 1 + Scope 2)	Parameters		Absolute Data				Intensity (Other than Turnover)			
			2022	2023	2024	2025	2022	2023	2024	2025
	Data Disclosure (D)	(✓ - ✗)	✓	✓	✓	✓	✗	✓	✓	✓
	Performance (P)	(↓ - ↑)	↑	↑	↑	↓	■	■	↓	↓

EMISSIONS: SCOPE 1 + SCOPE 2 [million tCO <sub>2</sub> e]	EMISSIONS INTENSITY: SCOPE 1 + SCOPE 2 [tCO <sub>2</sub> e / MT]

EMISSIONS INTENSITY: SCOPE 1 + SCOPE 2 [tCO <sub>2</sub> e / TURNOVER – IN ₹ CRORE]	EMISSIONS INTENSITY: SCOPE 1 + SCOPE 2 [tCO <sub>2</sub> e / TURNOVER - Million US\$ PPP Adjusted]

- The Scope 1 and 2 emissions intensity linked to production has decreased y-o-y in the last 2 FYs.
- GHG Emission Management:** In this regard, the Company has stated that, "Grasim continues to strengthen its emissions management through structured decarbonisation pathways and improved operational efficiency. Our strategy focuses on reducing

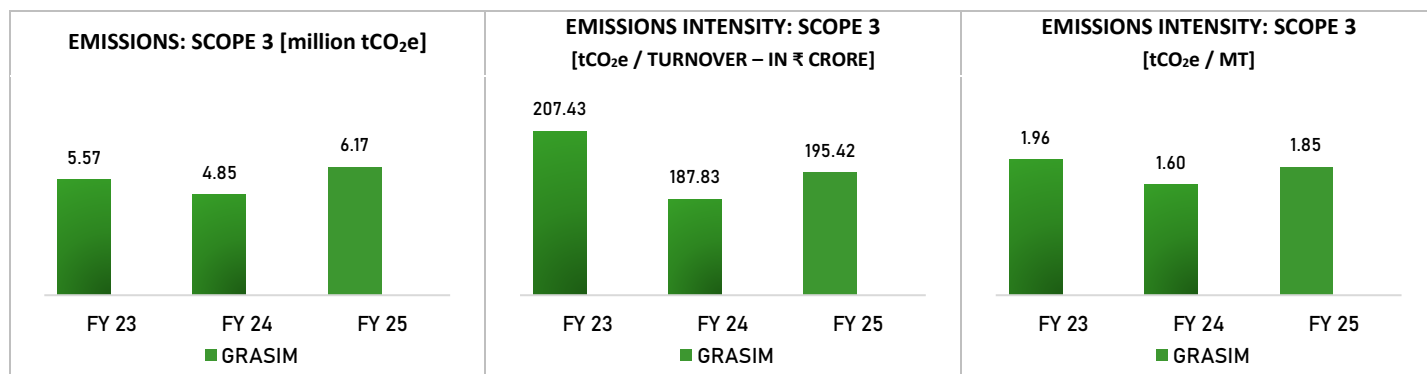


## ESG REPORT

Scope 1 and Scope 2 emissions by adopting cleaner fuels, renewable energy, and process improvements. We are also working to reduce Scope 3 emissions across the value chain.

In FY 2024-25, we enhanced GHG monitoring and data systems across business units, building on the Net Zero roadmap established last year. These efforts reflect our commitment to long-term carbon neutrality, embedding accountability and innovation across all operations.

In FY 2024-25, Grasim's total GHG emissions (Scope 1 and 2) decreased by approximately 2.6% compared to FY 2023-24. Additionally, emission intensity dropped 20% compared to FY 2023-24. This improvement highlights the effectiveness of business-level climate strategies, resource optimisation measures, enhanced operational efficiency and transition to cleaner energy sources."



- Scope 3 emissions as well as the relevant intensities have increased in FY 2024-25 compared to FY 2023-24.

OTHER AIR EMISSIONS - PARAMETERS	UNIT	FY 24		FY 25		
		D	VALUE	D	VALUE	P
NO <sub>x</sub>	MT	✓	2,319.28	✓	2,032.09	↓
SO <sub>x</sub>	MT	✓	7,735.26	✓	7,387.54	↓
Particulate matter (PM)	MT	✓	1,097.72	✓	1,000.14	↓
Persistent organic pollutants (POP)	-	✓	-	✓	-	-
Volatile organic compounds (VOC)	MT	✓	-	✓	0.04	**
Hazardous air pollutants (HAP)	-	✓	-	✓	-	-

D = Disclosures made | P = Y-o-Y performance (↓ IMPROVEMENT | ↑ DETERIORATION)

- \*\*Grasim has stated that, "VOC reporting is added this year (FY2024-25) due to commissioning of Paints business."
- "Grasim actively manages non-GHG emissions such as SO<sub>x</sub>, NO<sub>x</sub>, Suspended Particulate Matter (SPM), and Volatile Organic Compounds (VOCs) through advanced abatement systems and operational controls. Pollution control technologies such as electrostatic precipitators, scrubbers, and bag filters are deployed across sites to ensure compliance with regulatory standards. Continuous Emission Monitoring Systems (CEMS) and Ambient Air Quality (AAQ) monitors support real-time oversight. Additionally, the use of cleaner fuels and process improvements further contribute to emission reduction. These efforts reflect our commitment to environmental protection, workplace safety, and community well-being, in line with national environmental regulations."

## WATER USAGE (DISCLOSURE &amp; PERFORMANCE) [# OF INDICATORS: 24]

2024	2025	YOY Change
41	25	↓ 16

WATER WITHDRAWAL / CONSUMPTION (TOTAL)	Parameters		Absolute Data				Intensity (Other than Turnover)			
			2022	2023	2024	2025	2022	2023	2024	2025
	Data Disclosure (D)	(✓ - ✗)	✓	✓	✓	✓	✗	✓	✓	✓
	Performance (P)	(↓ - ↑)	↓	↑	↑	↑	■	■	↓	↓

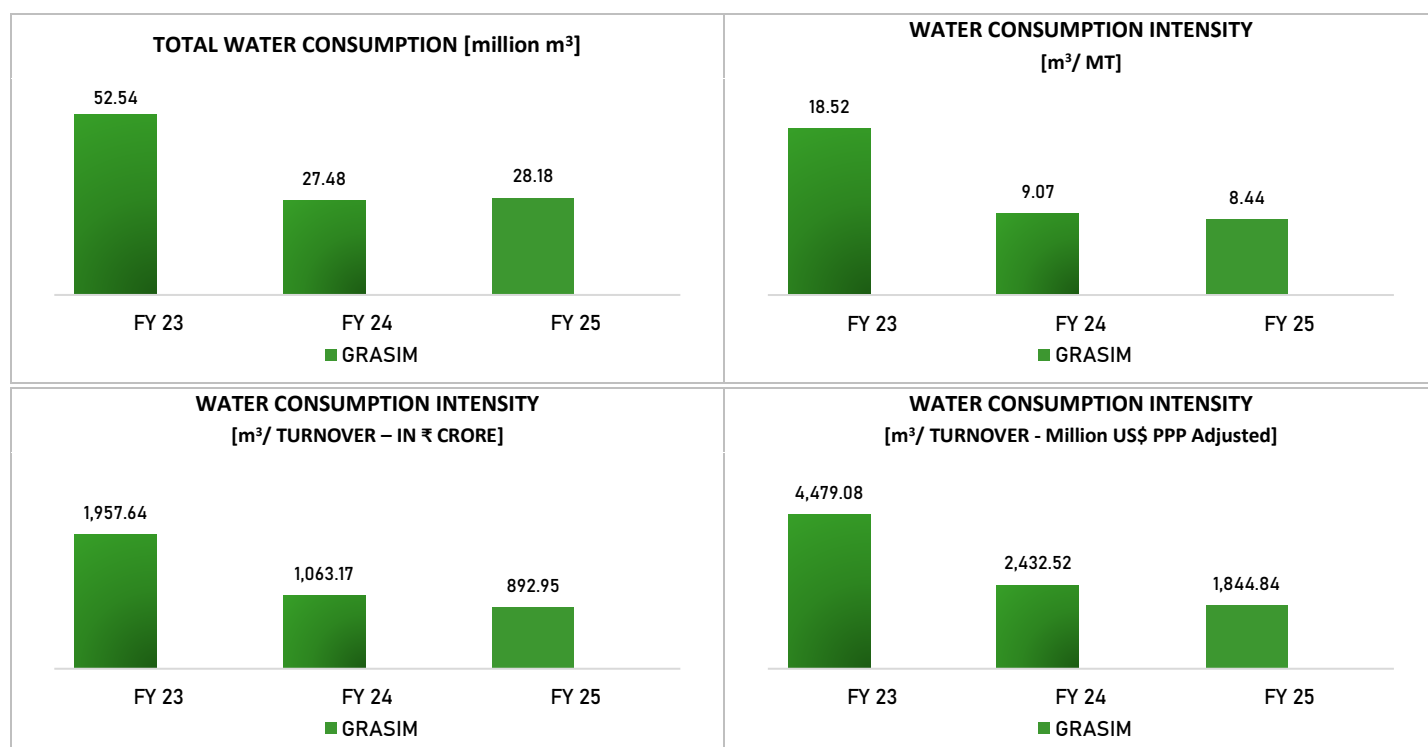


## ESG REPORT

PARAMETER	UNIT	FY 24		FY 25		
		D	VALUE	D	VALUE	P
Water withdrawal by source						
(i) Surface water	million m³	✓	37.08	✓	36.14	↓
(ii) Groundwater	million m³	✓	2.41	✓	2.49	↑
(iii) Third party water	million m³	✓	13.01	✓	13.34	↑
(iv) Seawater / desalinated water	million m³	✓	1.30	✓	8.17	↑
(v) Others	million m³	✓	0.12	✓	0.08	↓
Total volume of water withdrawal	million m³	✓	53.91	✓	60.22	↑
Total volume of water consumption	million m³	✓	27.48**	✓	28.18	↑
D = Disclosures made   P = Y-o-Y performance (↓ IMPROVEMENT   ↑ DETERIORATION)						

\*\*Water consumption is calculated using GRI formula (Water Consumption = Water Withdrawal - Water Discharge). Basis the revised formula, water consumption number for FY2023-24 has been restated.

**SES Comments:** As the Company has revised its water consumption numbers and also the relevant intensities for FY 2023-24, the numbers as provided in below graphs are not strictly comparable over last three financial years. Data for FY 2023 has been represented as per previous year's BRSR and for latest two FYs, data has been represented as per latest BRSR. However, for the above increase / decrease representation and for the scoring purpose, data of each FY has been considered as per relevant FY's BRSR and comparison has been done based on individual BRSR disclosures. As a result, although as per below graph on water consumption, it appears that there was decreased in water consumption during FY 2024, however, that was due to restatement of data, whereas, as per above disclosures, there was an increase in water consumption from FY 2023 to FY 2024, as represented in the BRSR of FY 2024.



- Grasim has updated the disclosure of total water consumption. It has stated that, “Water consumption is calculated using GRI formula (Water Consumption = Water Withdrawal - Water Discharge). Basis the revised formula, water consumption number for FY2023-24 has been restated.”
- The absolute water consumption has increased, however, the water consumption intensities linked to turnover and production have decreased in FY 2024-25 compared to FY 2023-24.
- “At our Veraval power plant, we commissioned a Condensate Polishing Unit along with a heat exchanger system to recycle heat from hot condensate into boiler feed water and recover waste heat. This led to daily steam savings, reduced freshwater intake, and improved energy efficiency.”



## ESG REPORT

- “We have utilised the recycled wastewater into our core processes, resulting in annual water savings. This initiative reinforced our commitment to sustainable water management.”
- Penalty on Water Related Matters:** During the FY 2024-25, Central Ground Water Authority has imposed penalty of ₹ 2,00,000 on the Company due to delay in installation of flow meter. ([Read More](#))

## EFFLUENTS / WASTE WATER MANAGEMENT (DISCLOSURE &amp; PERFORMANCE)

[# OF INDICATORS: 45]

2024	2025	YOY Change
89	82	↓ 7

WATER DISCHARGE (TOTAL)	Parameters		Water Discharge: No Treatment				Water Discharge: With Treatment			
			2022	2023	2024	2025	2022	2023	2024	2025
	Data Disclosure (D)	(✓ - ✗)	✓	✓	✓	✓	✓	✓	✓	✓
	Performance (P)	-	-	-	-	-	-	-	-	-

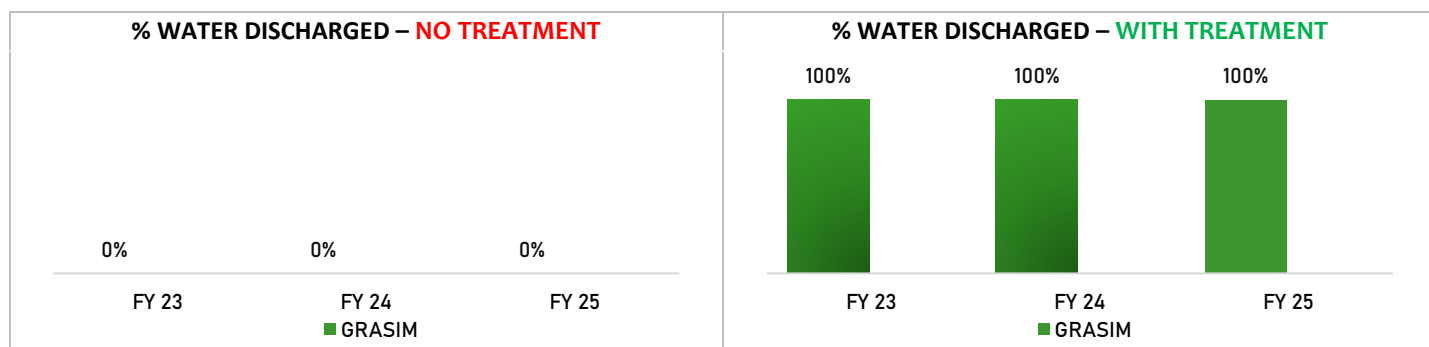
PARAMETER	UNIT	FY 24			FY 25			
		D	VALUE	%	D	VALUE	%	P
Water discharge by destination and level of treatment								
(i) To Surface water - No treatment	-	✓	-	-	✓	-	-	-
(i) To Surface water - With treatment	Million m <sup>3</sup>	✓	10.25	38.8	✓	10.44	32.6	-
(ii) To Groundwater - No treatment	-	✓	-	-	✓	-	-	-
(ii) To Groundwater - With treatment	-	✓	-	-	✓	-	-	-
(iii) To Seawater - No treatment	-	✓	-	-	✓	-	-	-
(iii) To Seawater - With treatment	Million m <sup>3</sup>	✓	16.00	60.5	✓	20.21	63.1	-
(iv) Sent to third-parties - No treatment	-	✓	-	-	✓	-	-	-
(iv) Sent to third-parties - With treatment	Million m <sup>3</sup>	✓	0.16	0.6	✓	1.39	4.3	-
(v) Others - No treatment	-	✓	-	-	✓	-	-	-
(v) Others - With treatment	-	✓	-	-	✓	-	-	-
Total water discharged	-	✓	26.43	100.0	✓	32.04	100.0	-
- No treatment	-	✓	-	-	✓	-	-	-
- With treatment	-	✓	26.43	100.0	✓	32.04	100.0	-

D = Disclosures made | P = Y-o-Y performance | % = Water discharge / Total Water Discharge

## HAS THE ENTITY IMPLEMENTED A MECHANISM FOR ZERO LIQUID DISCHARGE?



**Details:** “Yes, among Grasim’s 26 manufacturing units, 13 of them have installed ZLD (Zero Liquid Discharge) plants, including one under commissioning. Cellulosic Staple Fibre - Nagda; Chemicals - Nagda, Renukoot, Ganjam, Rehla, and Balabhadrapuram; Paints - Panipat, Ludhiana and Cheyyar; Textiles - Rishra, Malanpur & Kolhapur (under commissioning); Insulators – Halol.”

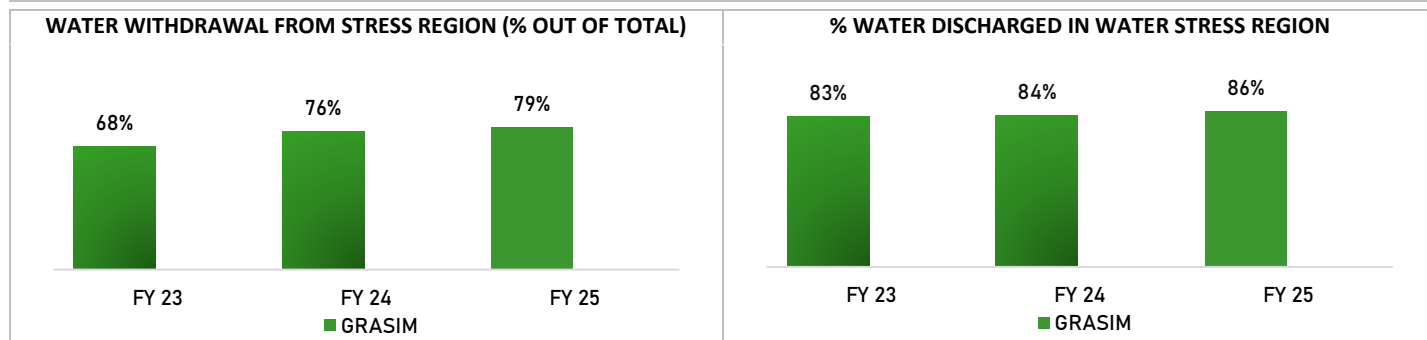


- 100% of the water was discharged after treatment in the last 3 FYs.
- “At Veraval, the project yielded significant quantitative benefits, including a 100% increase in STP capacity, enhancing water reuse and reducing freshwater demand. Qualitative benefits include enhanced water stewardship, reduced environmental impact, and alignment with circular economy principles. The project reinforces the organisation’s commitment to sustainable water management and resource optimisation.”



## ESG REPORT

WATER STRESS AREAS	FACILITY / PLANT LOCATED IN AREAS OF WATER STRESS		✓
	Name of the area	Cellulosic Fibres - Vilayat, Kharach, Nagda, Harihar, Veraval. Chemicals - Nagda, Veraval, Vilayat, Balabhadrapuram, Ganjam. Paints - Panipat, Cheyyar, Ludhiana. Textiles - Malanpur, Kolhapur. Insulators - Halol.	
	Nature of operations	Manufacturing	
	Legend: ✓ - No operations in Water Stress Region   ✓ - Has operations in Water Stress Region		



- The percentage of water withdrawn and discharged in water stress regions out of the total water withdrawn and discharged has increased y-o-y in the last 2 FYs.

WASTE MANAGEMENT (DISCLOSURE & PERFORMANCE) [# OF INDICATORS: 26]	2024	2025	YOY Change
	54	80	↑ 26

TOTAL WASTE GENERATED (TOTAL)	Parameters		HAZARDOUS				NON-HAZARDOUS			
			2022	2023	2024	2025	2022	2023	2024	2025
	Data Disclosure (D)	(✓ - ✗)	✓	✓	✓	✓	✓	✓	✓	✓
	Performance (P)	(↓ - ↑)	↑	↑	↓	↑	↑	↓	↑	↑

Units: Waste related charts units are in MT, unless specifically mentioned or are in %.

PARAMETER	UNIT	FY 23			FY 24			P*	FY 25			P*
		D	VALUE	%	D	VALUE	%		D	VALUE	%	
Plastic waste (A)	MT	✓	2,361.32	0.3	✓	1,261.28	0.1	↓	✓	1,792.22	0.2	↑
E-waste (B)	MT	✓	104.60	0.0	✓	73.23	0.0	↓	✓	85.70	0.0	↑
Bio-medical waste (C)	MT	✓	21.10	0.0	✓	7.63	0.0	↓	✓	2.84	0.0	↓
Construction and demolition waste (D)	MT	✓	12,537.31	1.4	✓	15,800.28	1.5	↑	✓	13,616.63	1.2	↓
Battery waste (E)	MT	✓	99.79	0.0	✓	88.43	0.0	↓	✓	83.35	0.0	↓
Radioactive waste (F)	MT	✓	-	-	✓	-	-	-	✓	-	-	-
Other Hazardous waste (G)	MT	✓	2,29,316.38	25.5	✓	2,21,372.93	21.2	↓	✓	2,25,464.54	19.9	↓
Other Non-hazardous waste generated (H)	MT	✓	6,54,238.62	72.8	✓	8,04,332.89	77.1	↑	✓	8,90,638.95	78.7	↑
<b>Total Waste (A+B + C + D + E + F + G + H)</b>	MT	✓	8,98,679.11	100.0	✓	10,42,936.67	100.0	↑	✓	11,31,684.23	100.0	↑

D = Disclosures made | P = Y-o-Y performance (↓ IMPROVEMENT | ↑ DETERIORATION)

\*Except total waste (on absolute), performance based on % of total waste | % refers to waste category out of total waste generated

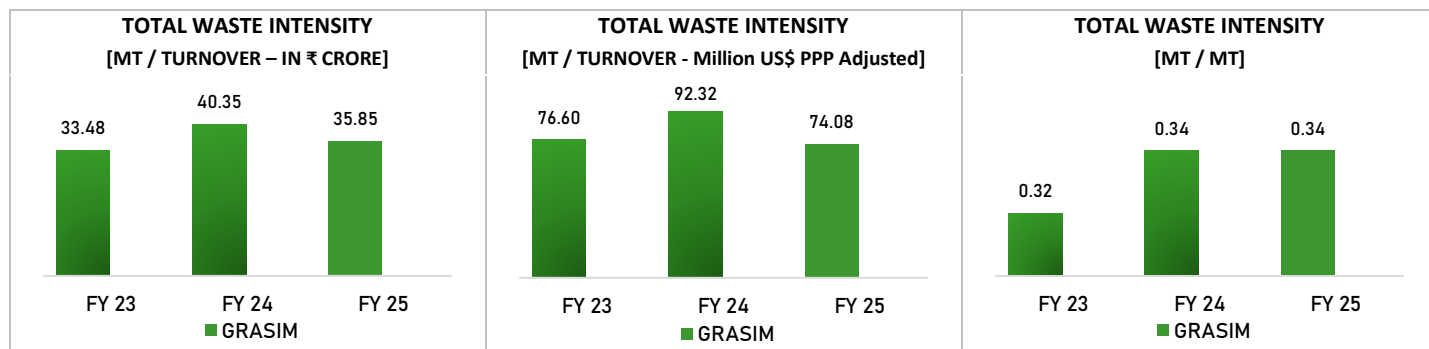
- The absolute waste generated has increased y-o-y in the last 2 FYs.
- "Grasim maintains an effective waste management system that adheres to industry best practices ensuring the collection, handling, storage, transportation, and disposal of waste in compliance with national and local waste management regulations. We prioritise recycling, reuse, and recovery of waste, minimising incineration and landfilling.

Solid waste management is a key focus area for the Company. Bio-sludge from our Effluent Treatment Plants is repurposed as a coal substitute in our power plants, aligning with our strategy to reduce greenhouse emissions and address the challenges of landfilling, which can vary with the seasons.

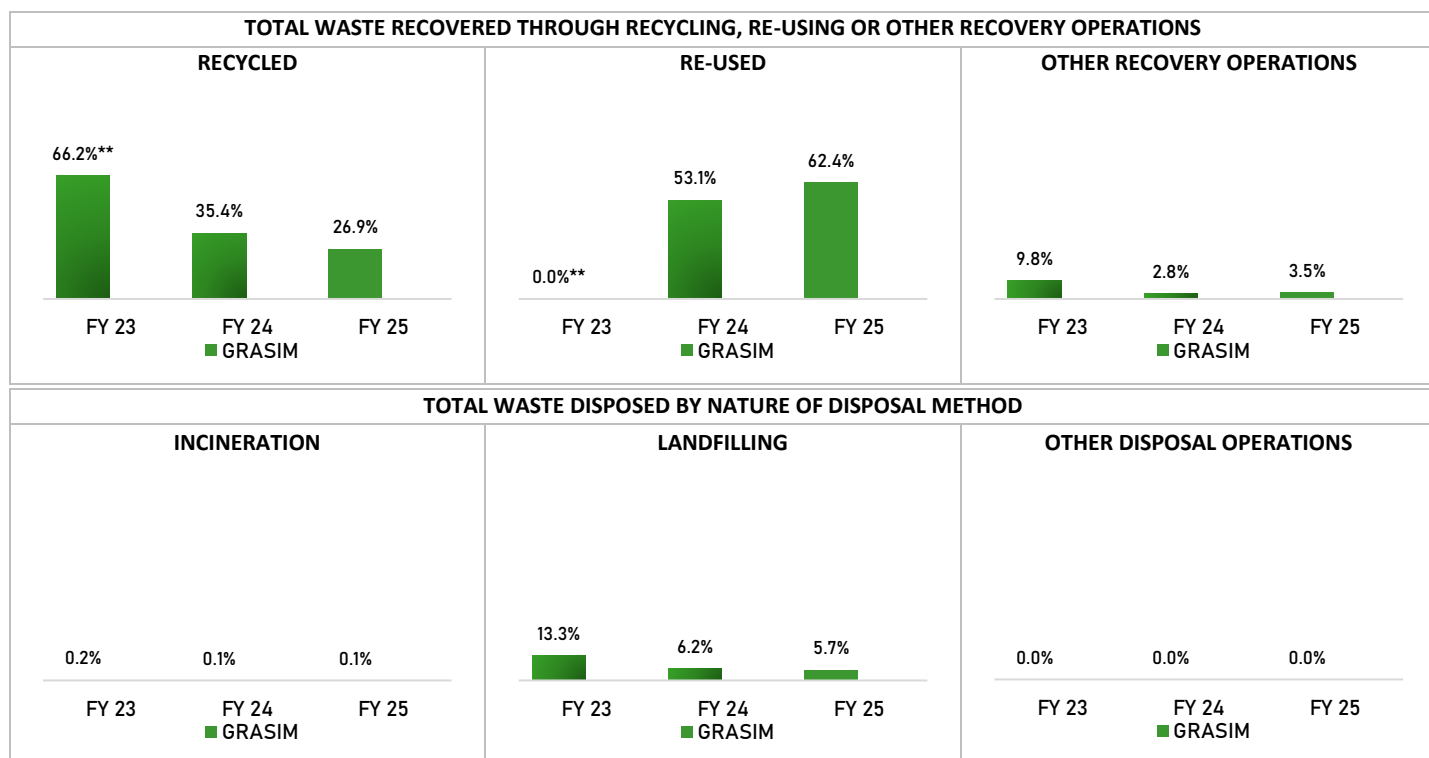
To further reduce waste, we are shifting to the procurement of super washed/washed salt, which decreases sludge formation. We are also introducing a treatment system to reduce or eliminate sulphate content. Plans are underway to supply sludge to fertiliser industries for the production of NPK Fertiliser. Moreover, Grasim's Chemicals business is creating applications for liquid by-products generated from bleaching powder production, offering cost-effective alternatives for textile bleaching and effluent treatment, reducing chlorine recycling costs and enhancing sustainability."



## ESG REPORT



- Although the waste intensity linked to production has remained unchanged, the waste intensities linked to turnover have decreased in FY 2024-25 compared to FY 2023-24.



\*\*For FY 2022-23 Grasim had not provided proper bifurcation for the waste recovered through recycling and reuse. Thus, SES has considered the entire data under waste recycle and re-used is considered as Nil.

- Grasim has only disclosed the data of waste recovery and disposal for 98.53% of the total waste generated. No disclosure is made for the management of remaining 1.47% of the waste generated.
- 92.78% of the total waste generated was recovered through recycling, re-use and other recovery operations in FY 2024-25.

ENVIRONMENTAL COMPLIANCE [# OF INDICATORS: 4]				2024	2025	YOY Change
				100	80	↓ 20
Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India? Such as <ul style="list-style-type: none"><li>Water (Prevention and Control of Pollution) Act</li><li>Air (Prevention and Control of Pollution) Act</li><li>Environment protection Act, 1986 and rules thereunder</li></ul>						✗
Details: “Yes, all units operated by Grasim Industries Limited <b>comply with</b> the applicable environmental laws and regulations in their respective regions.”						
S. No.	The law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies	Corrective action taken, if any		
Not Applicable						



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- **SES' Comments:** While the Company has disclosed as no non-compliance or incidents under the disclosures on Question 13 of Principle 6. However, under the Question 2 of Principle 1 on penalties, the Company has reported that on Principle 6, there were two penalties as provided below:

Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
The Madhya Pradesh Electricity Regulatory Commission, Bhopal, Madhya Pradesh	1,10,000	Penalty was imposed due to shortfall in meeting Renewable Purchase Obligation targets	No
Central Ground Water Authority	2,00,000	Penalty paid due to delay in installation of flow meter.	No

## ENVIRONMENTAL INCIDENTS [# OF INDICATORS: 5]

2024	2025	YOY Change
88	88	■

No product recalled due to environmental reasons in the last 3 years	✓
No product / services banned due to environmental reasons in the last 3 years	✓
No incident relating to environmental pollution or regulatory action due to location of the Company in the last 3 years	✗
No incident relating to environmental pollution or regulatory action due to business operations / products of the Company in the last 3 years	✗
No significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations	✗

- Although there were no instances of any non-compliance during the previous 2 FYs, the Company had 1 instance of non-compliance during FY 2022-23, as discussed in the table below (as disclosed by the Company in the BRSR for FY 2022-23):

S. No.	The law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies	Corrective action taken, if any
1.	Alleged pollution of water	SCN issued by JSPCB on alleged water pollution.	Rs. 2,07,37,500 paid to JSPCB in the full and final settlement without admitting liability. The matter was dismissed as withdrawn.	All points are complied and closed. Full and Final settlement without admitting liability.





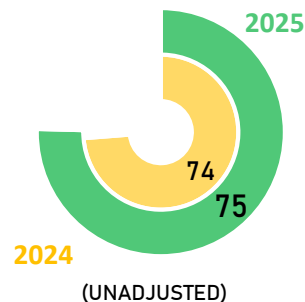
## DETAILED ANALYSIS



## SOCIAL

(W: 23.3%)

SES analyses Company's disclosure regarding its relationship with its human capital and relationship with its stakeholders. Analysis included evaluation of practices and policies adopted by the Company for fair and equitable treatment of all stakeholders.

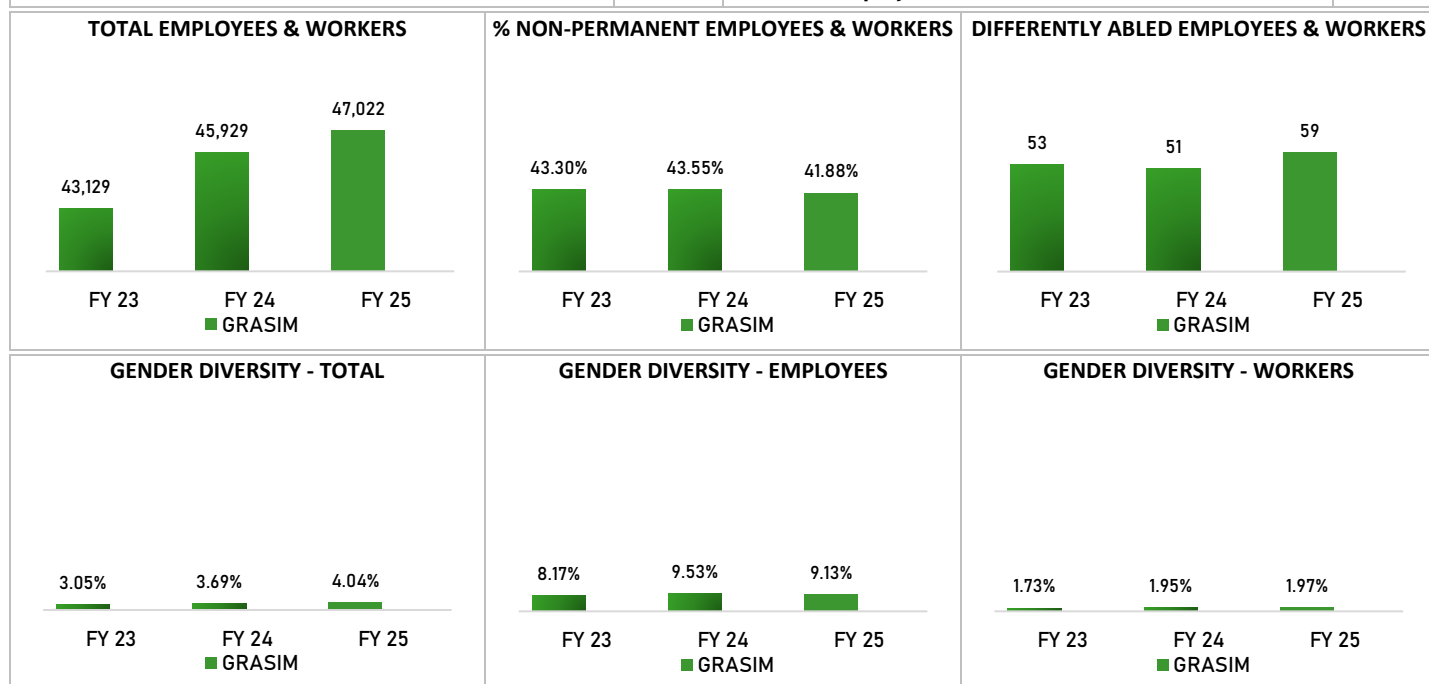


## WORKFORCE DIVERSITY &amp; MANAGEMENT [# OF INDICATORS: 114]

2024	2025	YOY Change
68	51	↓ 17

## SALIENT PARAMETERS – TOTAL EMPLOYEES &amp; GENDER DIVERSITY

Total Employees (Permanent & Non-Permanent): Disclosed	✓	Total Workers (Permanent & Non-Permanent): Disclosed	✓
Total Employees (Male & Female): Disclosed	✓	Total Workers (Male & Female): Disclosed	✓
Total Employees with Disability: Disclosed	✓	Total Workers with Disability: Disclosed	✓
Total Women Workforce: % Increased Y-o-Y	✓	Non-Permanent Employees & Workers less than 25% of the total employees & workers	✗
Total Women Workforce: More than 10% of the Total	✗	Non-Permanent Employees & Workers less than 50% of the total employees & workers	✓



- Women workforce forms less than 5% of the total workforce, however, it has increased y-o-y in the last 2 FYs.
- Enabling a Diverse Workforce:** "Diversity at Grasim extends beyond gender to include age, cultural background, experience, ability, and thought. Our hiring practices are designed to attract talent from a wide socio-economic spectrum and ensure fair representation. We are committed to maintaining a workplace free from discrimination based on race, colour, nationality, religion, age, marital status, disability, gender identity or expression, sexual orientation or health status.

We aim to increase the representation of women in leadership and expand opportunities for individuals across diverse life journeys. As an equal opportunity employer, we integrate inclusive practices throughout the employee lifecycle, from recruitment to retirement. Our manufacturing sites are progressively upgrading infrastructure to enhance accessibility for individuals with disabilities, across both physical and digital environments.





## ESG REPORT

Training programmes on gender sensitisation, unconscious bias, and workplace conduct are in place to build awareness and encourage inclusive behaviours. These initiatives are championed by senior leadership, implemented by HR and site-level teams, and overseen by our CHROs in coordination with business units to ensure measurable progress.”

## SALIENT PARAMETERS – DIFFERENTLY ABLED WORKFORCE

Equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016	✓
Premises / offices are accessible to differently abled employees and workers	✓

- **Equal opportunity policy:** “Yes, Grasim adheres to a Diversity and Inclusion Policy designed to ensure a workplace free from discrimination across our entire workforce and value chain. The Company is committed to provide equal opportunities for individuals with disabilities by enhancing accessibility and accommodating their distinctive needs. Grasim acknowledges and values the contributions made by persons with disabilities and is dedicated to establishing an environment conducive to their professional growth and success. This commitment is reflected in our efforts to render physical workspaces, digital platforms, technological resources, and communication channels accessible to all individuals.”
- **Accessibility of workplaces:** “Yes. The Company facilitates inclusivity within its premises by implementing a strategic approach that enhances workplace accessibility for employees, customers, visitors, and other stakeholders with disabilities. This initiative spans across all our facilities, both existing and those in development. Grasim ensures that workspaces, restrooms, common areas, and transit routes within and around its buildings are accessible, promoting an inclusive environment for all. Our goal is to provide an environment that supports the productivity and well-being of stakeholders with disabilities, enabling them to thrive within our inclusive workspace.”

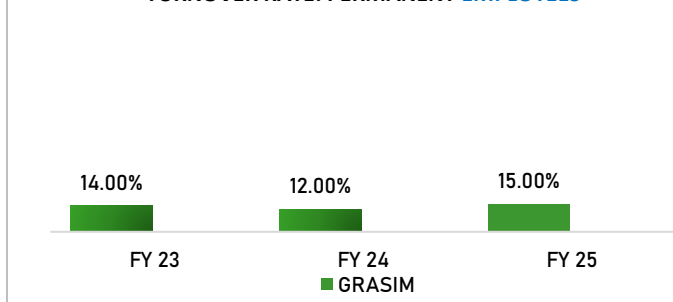
## SALIENT PARAMETERS – EMPLOYEES / WORKERS TURNOVER RATE

Disclosed Turnover rate for permanent employees	✓	Disclosed Turnover rate based on Gender (Male)	✓
Disclosed Turnover rate for permanent workers	✓	Disclosed Turnover rate based on Gender (Female)	✓

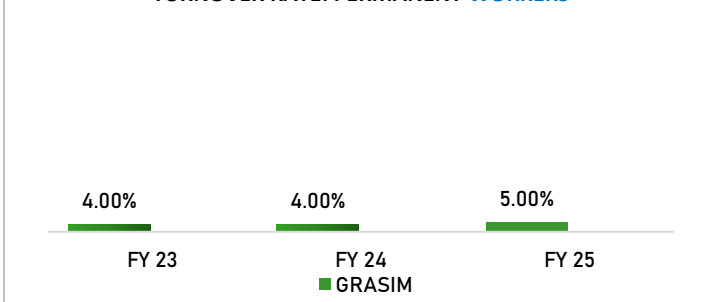
PERMANENT:	TOTAL			MALE			FEMALE			Female / Male Ratio		
	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P
Employees	12.00%	15.00%	↑	12.00%	14.00%	↑	16.00%	19.00%	↑	1.33	1.36	↑
Workers	4.00%	5.00%	↑	5.00%	5.00%	-	3.00%	4.00%	↑	0.60	0.80	↑

Legend: P = Y-o-Y performance (↓ IMPROVEMENT | ↑ DETERIORATION)

## TURNOVER RATE: PERMANENT EMPLOYEES



## TURNOVER RATE: PERMANENT WORKERS



- The total turnover rate for employees and workers has increased in FY 2024-25 compared to FY 2023-24.
- **Career Progression and Retention:** “At Grasim, career growth is supported by structured progression pathways and performance-linked learning opportunities. Our learning ecosystem enables employees to develop capabilities aligned with evolving roles and responsibilities. Transition assistance programmes guide employees through career shifts, ensuring smooth and informed moves. The turnover rate for the permanent workforce stood at 9%.”

## SALIENT PARAMETERS – EMPLOYEES / WORKERS WHO TOOK PARENTAL LEAVE

Disclosed Return to Work rate for permanent employees	✓	Disclosed Return to Work rate for permanent workers	✓
Disclosed Retention rate for permanent employees	✓	Disclosed Retention rate for permanent workers	✓

## RETURN TO WORK RATE

PERMANENT:	TOTAL			MALE			FEMALE			Female / Male Ratio		
	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P
Employees	97.0%	100.0%	↑	100.0%	100.0%	-	81.0%	100.0%	↑	0.81	1.00	↑
Workers	ND	100.0%	-	ND	NA	-	ND	100.0%	-	-	-	-

Legend: P = Y-o-Y performance (↑ IMPROVEMENT | ↓ DETERIORATION)



## ESG REPORT

## RETENTION RATE

PERMANENT:	TOTAL			MALE			FEMALE			Female / Male Ratio		
	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P
Employees	97.0%	89.0%	↓	97.0%	90.0%	↓	94.0%	83.0%	↓	0.97	0.92	↓
Workers	ND	100.0%	-	ND	NA	-	ND	100.0%	-	-	1.00	-

**Legend:** P = Y-o-Y performance (↑ IMPROVEMENT | ↓ DETERIORATION)

- The return to work rate for employees and workers is reported as 100% in FY 2024-25. Though male workers are provided with Paternity leaves, the retention rate is disclosed as NA and no justification is provided for the same.
- The retention rate for employees has decreased from 97% to 89% in FY 2024-25 compared to FY 2023-24. However, the data is not disclosed for permanent workers in FY 2023-24.

## SALIENT PARAMETERS – RETIREMENT BENEFITS

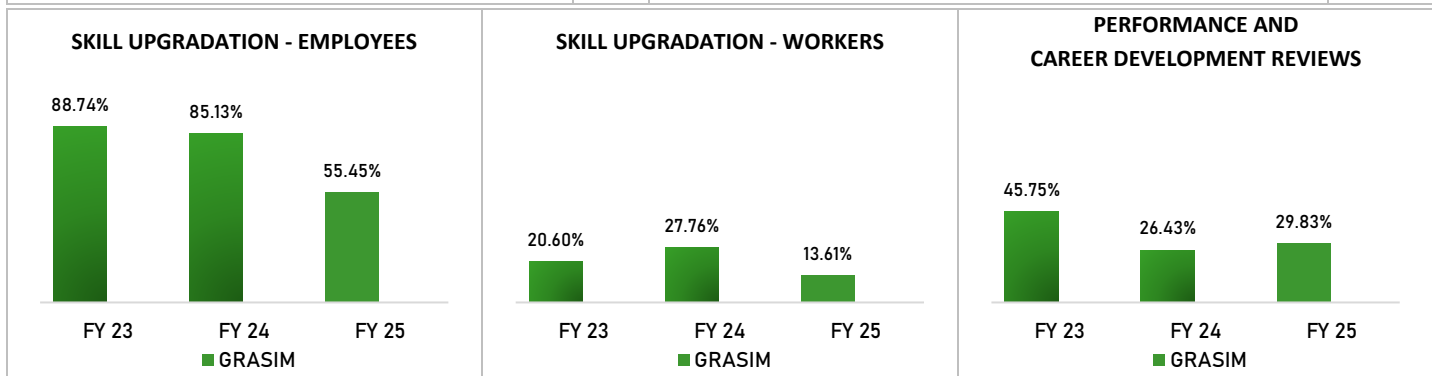
PF benefit given to all Employees / Workers		✓	Gratuity benefit given to all Employees / Workers		✓
ESI benefit given to <u>all eligible</u> Employees / Workers **		✓	Statutory Dues (PF/ ESI deducted and deposited with the authority)		✓

COMPANIES	PF		GRATUITY		ESI **	
	Employee	Workers	Employee	Workers	Employee	Workers
FY 24	100.0%	100.0%	100.0%	100.0%	2.0%	43.0%
FY 25	100.0%	100.0%	100.0%	100.0%	1.0%	32.0%

- 100% of the employees and workers are provided with PF and Gratuity benefits in FY 2023-24 and FY2024-25
- \*\*As per the Employees' State Insurance Act (1948), 100% of the eligible employees and workers are covered under the benefits.

## SALIENT PARAMETERS – WORKFORCE DEVELOPMENT

Training on Skill Upgradation to all Employees	✗	Performance and career development reviews of Employees	✓
Training on Skill Upgradation to all Workers	✗	Performance and career development reviews of Workers	✓



- Only 55.45% of employees and 13.61% of workers are provided with skill upgradation trainings in FY 2024-25 which is also a decreased compared to the previous FY 2023-24.
- Performance and career development reviews are not provided to the entire workforce. While 84.44% of employees receive these reviews, only 7.61% of workers are covered for the same. Furthermore, none of the female workers are provided with performance or career development reviews.
- L&D Framework:** "Our goal-oriented L&D framework integrates learning seamlessly with talent and performance management. It supports career progression through structured development, goal-setting, and periodic reviews to track progress and identify training needs. The Management Development Plan (MDP) promotes ongoing professional and leadership development through manager-employee collaboration. Based on the 70-20-10 model, it blends on-the-job learning, mentoring, and formal training. We collaborate with leading institutions and training partners to bring in global best practices and domain expertise. Digital learning platforms enhance scalability and accessibility across locations."
- Performance Enablement and Talent Development:** "We regard performance enablement as a continuous process that supports clarity and growth. Employees set measurable objectives in consultation with their managers, ensuring aligned expectations. Structured reviews, constructive feedback, agile check-ins, targeted skill enhancement, performance appraisals, and 360-degree



## ESG REPORT

feedback support progress and accountability. This process helps cultivate a consistent performance-driven culture across the organisation."

## SALIENT PARAMETERS – OTHER DISCLOSURES &amp; PRACTICES

Provides equal opportunities to all its employees and to all eligible applicants for employment in the Company	✓
Mechanism available to receive and redress grievances for <u>permanent employees / workers</u>	✓
Mechanism available to receive and redress grievances for <u>non-permanent employees / workers</u>	✓
Provides transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	✓
Membership of employees and worker in association(s) or Unions recognised by the listed entity - Disclosed	✓
Zero case reported relating to Strikes by employees / workers in last 3 years	✓
Zero case reported relating to any wage related disputes with employees / workers in last 3 years	✓

Particulars	FY 24	FY 25	% Change	% benefit remained unchanged compared to previous financial year.
Cost incurred on well-being measures as a % of total revenue of the company	0.44	0.44	0.00	

- **Penalty on EPF Related Matters:** During the FY 2024-25, Regional Provident Fund Commissioner-II, Regional Office Ranchi Imposed a sum of ₹ 2,56,99,858/- as damages by way of penalty u/s 14B of Employee Provident Fund and Miscellaneous Provisions Act, 1952 (EPF&MP Act, 1952).
- As per the Company's corporate announcement, the reason for the same is stated as: "The delay is unintentional at local unit level and is swiftly reported, once it was brought to the notice of the appropriate Company executives."
- Details are provided below:

Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Employee Provident Fund Organisation, Ranchi, Jharkhand	2,56,99,858	Penalty was imposed vide order dated 01.10.2024, for non-compliance of the Employee Provident fund Act.	Yes

## HUMAN RIGHTS [# OF INDICATORS: 37]

2024	2025	YOY Change
73	72	↓ 1

## SALIENT PARAMETERS – TRAINING ON HUMAN RIGHTS

Training to all Employees	✗	Training to all Workers	✗
<b>EMPLOYEES</b> 		<b>WORKERS</b> 	

- Only 27.38% employees and 13.64% workers are provided with Human Rights trainings in FY 2024-25.
- **Human Rights Compliance and Awareness Training:** "We conduct regular training for employees and security personnel on human rights, diversity, inclusion, and workplace ethics. These sessions cover respectful conduct, prevention of harassment and discrimination, incident reporting protocols and grievance procedures, promoting a safe, inclusive and ethical work environment."
- "19,000+ Human Rights Training Hours"



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## SALIENT PARAMETERS – MINIMUM WAGES

All Permanent Employees - More than minimum wage	✓	All Permanent Workers - More than minimum wage	✓
All Non-Permanent Employees - More than minimum wage	✗	All Non-Permanent Workers - More than minimum wage	✗

	EMPLOYEES						WORKERS					
	PERMANENT			NON-PERMANENT			PERMANENT			NON-PERMANENT		
	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P	FY 24	FY 25	P
More than Minimum Wage	96.3%	100.0%	↑	100.0%	87.5%	↓	100.0%	100.0%	-	*	23.2%	↓

**Legend:** P = Y-o-Y performance (↑ IMPROVEMENT | ↓ DETERIORATION)

\* For FY 2023-24 Grasim has stated that, "All contractors have been paid more than minimum wages in accordance with the laws of the land where the Company operates"

- 100% of the permanent workforce is provided with more than minimum wages in FY 2024-25. However, only 87.5% non-permanent employees and 23.2% of non-permanent workers are provided with more than minimum wages in FY 2024-25.

## SALIENT PARAMETERS – MEDIAN REMUNERATION COMPARISON

Employees: No Material Gap (less than 20%)	✓	Workers: No Material Gap (less than 20%)	✗
--	---	--	---

**MEDIAN REMUNERATION COMPARISON (Rs. In lakhs)**

**EMPLOYEES**

Gender	Median Remuneration
Male	6.58
Female	5.52

**WORKERS**

Gender	Median Remuneration
Male	4.17
Female	2.07

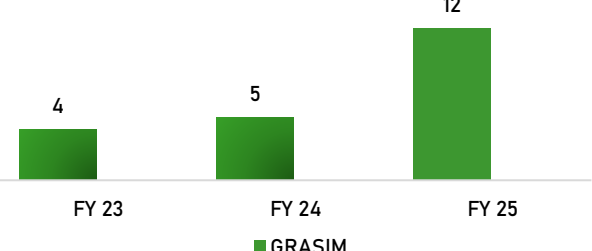
- There is a material gap (more than 20%) in the median remuneration paid to male vs female workers.

<b>AMOUNT PAID TO FEMALES AS % OF:</b>	<b>FY 24</b>	<b>FY 25</b>	<b>% Change</b>
% of total Wages	5.00	5.00	0.00

Gross wages paid to females as a % of total wages paid by the entity has remained unchanged compared to previous financial year.

## SALIENT PARAMETERS – COMPLAINTS

Zero complaints on Sexual Harassment				✗	Zero complaints on Discrimination at workplace		✓
Zero complaints on Child Labour / Forced / Involuntary Labour				✓	Zero complaints on Wages		✓

PARTICULARS (# OF COMPLAINTS)	RECEIVED			PENDING	TOTAL NUMBER OF COMPLAINTS		
	FY 23	FY 24	FY 25	FY 25			
Sexual Harassment	4	5	12	2			
- out of female workforce	0.50%	0.46%	0.96%	-			
- Complaints Upheld	2	4	11^	-			
Discrimination at workplace	0	0	0	0			
Child Labour	0	0	0	0			
Forced /Involuntary Labour	0	0	0	0			
Wages	0	0	0	0			
Others	0	0	0	0			

^One pending complaint from FY 2023-24 is upheld in addition to 10 complaints upheld in FY 2024-25.

- The number of complaints received on Sexual Harassment have increased y-o-y in the last 2 FYs.



## ESG REPORT

## SALIENT PARAMETERS – OTHER DISCLOSURES &amp; PRACTICES

Company has focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business	✓
Internal mechanisms in place to redress grievances related to human rights issues	✓
Mechanisms in place to prevent adverse consequences to the complainant in discrimination and harassment cases	✓
Human rights requirements form part of Company's business agreements and contracts	✓
% of plants and offices that were assessed (by entity or statutory authorities or third parties) - Disclosed	✓
Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments (by entity or statutory authorities or third parties) - Disclosed	■
Business process being modified / introduced as a result of addressing human rights grievances/complaints	✓
Scope and coverage of any Human rights due-diligence conducted - Disclosed	✓
% of value chain partners (by value of business done with such partners) that were assessed	✓
Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments (by value of business done with such partners) - Disclosed	■

- % of plants and offices that were assessed (by entity or statutory authorities or third parties): 100%
- % of value chain partners that were assessed (by value of business done with such partners): 37%
- **Human Rights Assessment:** "We conduct comprehensive human rights assessments and internal audits aligned with SA 8000 standards to identify and mitigate risks such as discrimination, child labour, sexual harassment, and other critical concerns. All sites have implemented a Human Rights Due Diligence tool that enables systematic evaluations, continuous monitoring and timely risk management across our operations and value chain."

## HEALTH &amp; SAFETY [# OF INDICATORS: 49]

2024	2025	YOY Change
48	53	↑ 5

## SALIENT PARAMETERS – GENERAL DISCLOSURES &amp; PRACTICES

Occupational health and safety management system has been implemented by the Company	✓
Coverage of health and safety management system - Disclosed	✓
Processes to identify work-related hazards and assess risks on a routine and non-routine basis by the entity	✓
Processes for workers to report the work-related hazards and to remove themselves from such risks	✓
Do the employees/ worker of the entity have access to non-occupational medical and healthcare services	✓
Measures taken by the entity to ensure a safe and healthy work place	✓
% of plants and offices that were assessed (by entity or statutory authorities or third parties) - Disclosed	✓
Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions - Disclosed	✓
Extends life insurance or any compensatory package in the event of <u>death of employees</u>	✓
Extends any life insurance or any compensatory package in the event of <u>death of workers</u>	✓

- **Occupational Health & Safety Management System:** "Yes, the Company has a system in place that ensures the health and safety of its workforce through a comprehensive Occupational Health and Safety Management System (OHSMS). This system adheres to the sustainability standards of the Aditya Birla Group and is compliant with the ISO 45001 and SA 8000 certifications. To evaluate the system's effectiveness, the Company utilises a Self-Assessment Questionnaire (SAQ) Assurance model, which contributes to the continuous protection of our workforce. The enforcement and management of this system are handled by a collaborative governance structure, which includes members from management, employee representatives, and worker groups."
- "100%\* of our sites have achieved ISO 45001:2018 (Occupational Health and Safety Management System) certification \*This excludes three newly commissioned Paints sites, where the certification process is currently underway"



## ESG REPORT

## WELL BEING OF EMPLOYEES &amp; WORKERS: % COVERED

Employees (E) / Workers (W):	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
	D?	Data	D?	Data	D?	Data	D?	Data	D?	Data
Permanent (E)	✓	100.0%	✓	100.0%	✓	100.0%	✓	100.0%	✓	75.6%
Non-Permanent (E)	✓	91.3%	✓	74.0%	✓	71.0%	✓	65.2%	✓	79.2%
Permanent (W)	✓	67.0%	✓	64.6%	✓	100.0%	✓	10.1%	✓	67.7%
Non-Permanent (W)	✓	37.6%	✓	56.3%	✓	53.6%	✓	0.0%	✓	22.2%

D? = Whether disclosures made?

- Only permanent employees are provided with majority of the benefits.
- Well-being benefits are not consistently extended across the entire workforce.
- Non-permanent workers are not provided with paternity benefits.
- Employee Wellness and Benefits:** “Our benefits are designed to support employee health, wellbeing and work-life balance. These include parental leave and paid family care leave, flexible work arrangements, day care facilities and dedicated breastfeeding areas, health, accident and OPD insurance, on-site medical centres, subsidised meals, and transition assistance programmes. Women employees receive additional support through childcare leave and extended Medclaim coverage to promote comfort and continuity at work.”

## SALIENT PARAMETERS – TRAINING ON HEALTH &amp; SAFETY MEASURES

Training to All Employees	✗	Training to All Workers	✓
<b>TRAINING TO EMPLOYEES</b> 		<b>TRAINING TO WORKERS</b> 	

- The coverage of employees provided with health and safety trainings has decreased in FY 2024-25 compared to FY 2023-24, while the coverage of workers has increased y-o-y in the last 2 FYs.
- “1,60,000+ Training Hours on Occupational Health and Safety”

## SALIENT PARAMETERS – SAFETY

Disclosed LTIFR - Employees	✓	Disclosed LTIFR - Workers	✓
Improvement in LTIFR – Employees	✗	Improvement in LTIFR – Workers	✓
Zero fatalities of Employees	✗	Zero fatalities of Workers	✗
Zero high consequence work-related injury or ill-health - Employees	✗	Zero high consequence work-related injury or ill-health - Workers	✗

## EMPLOYEES

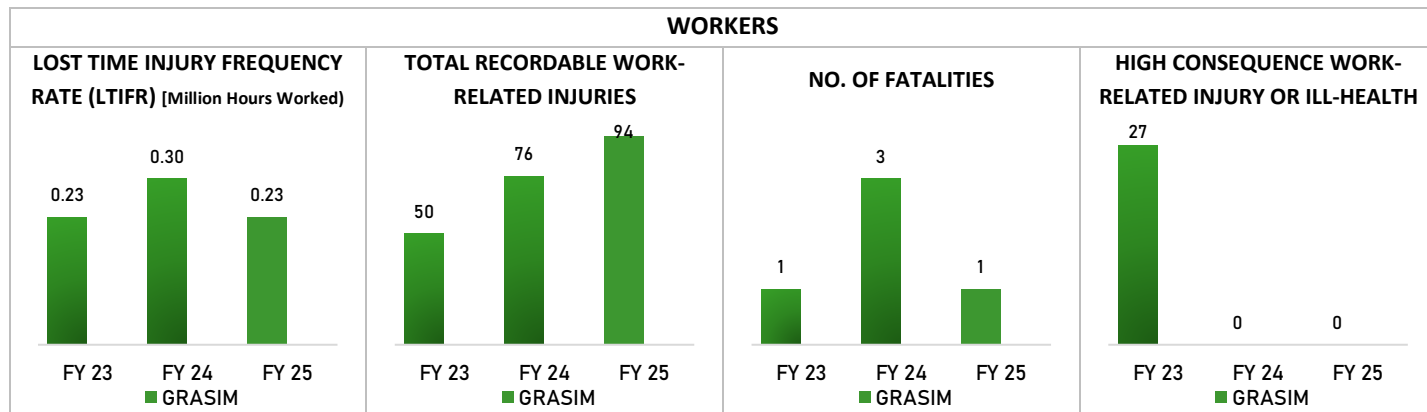
<b>LOST TIME INJURY FREQUENCY RATE (LTIFR) (Million Hours Worked)</b> 	<b>TOTAL RECORDABLE WORK-RELATED INJURIES</b> 	<b>NO. OF FATALITIES</b> 	<b>HIGH CONSEQUENCE WORK-RELATED INJURY OR ILL-HEALTH</b> 
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## ESG REPORT

## WORKERS



- The LTIFR for employees has increased even though the total recordable work-related injuries and High consequence work-related injury or ill-health have decreased in FY 2024-25 compared to FY 2023-24.
- The LTIFR has decreased for workers. The number of fatalities reported have decreased from 3 in FY 2023-24 to 1 in FY 2024-25.

## SALIENT PARAMETERS – COMPLAINTS

Complaints on Working Conditions- Nil		✗	Complaints relating to Health & Safety - Nil		✗
FINANCIAL YEAR	(# OF COMPLAINTS)		<ul style="list-style-type: none"> <li>The number of complaints received have decreased to zero in FY 2024-25 from 6 on Working Conditions and 12 on Health &amp; Safety in FY 2023-24.</li> </ul>		
	FILED	PENDING			
FY 23	0	0			
FY 24	18	0			
FY 25	0	0			

## SALIENT PARAMETERS – OTHER DISCLOSURES &amp; PRACTICES

Information relating to employees / workers having suffered high consequence work-related injury / ill-health / fatalities, who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment - Disclosed	✗
% of value chain partners (by value of business done with such partners) that were assessed on Health and safety practices & Working Conditions - Disclosed	✓
Details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners	✓

- Grasim has reported 1 worker suffered high consequence work related injury / ill-health / fatalities, however, zero are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment during FY 2024-25. Thus, considered negatively by SES, as no justification provided in this regard.

CUSTOMER ORIENTATION & WELFARE [# OF INDICATORS: 16]	2024	2025	YOY Change
	84	84	■

## SALIENT PARAMETERS – GENERAL DISCLOSURES &amp; PRACTICES

Mechanisms in place to receive and respond to consumer complaints and feedback	✓
Whether disclosed Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:	
Environmental and social parameters relevant to the product	✓
Safe and responsible usage	✓
Recycling and/or safe disposal	✓
Channels / platforms where information on products and services of the entity can be accessed - Disclosed	✓
Steps taken to inform and educate consumers about safe and responsible usage of products and/or services - Disclosed	✓
Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services	✓
Display's information on the product as per local laws	✓
Carried out any survey with regard to consumer satisfaction relating to the major products / services of the entity	✓



## ESG REPORT

- **Display product information on the product over and above what is mandated as per local laws:** “Yes, Grasim goes above and beyond regulatory requirements by mentioning additional product information to benefit customers.”
- **Survey with regard to consumer satisfaction:** “Grasim conducts systematic surveys to assess customer satisfaction across its products, operational sites, and overall Company performance, using Net Promoter Scores (NPS) as a measure. These insights help Grasim understand evolving customer needs and make informed decisions to enhance offerings and improve the overall customer experience.

Net Promoter Scores for Grasim’s business segments are as follows:

Chlor-Alkali: 67%

Specialty Chemicals: 65%

B2B E-commerce: 48%

Cellulosic Staple Fibre: 50%

Insulators: 89%”

## SALIENT PARAMETERS – CONSUMER COMPLAINTS (Numbers)

Zero complaints on Advertising	✓	Zero complaints on Delivery of essential services	✓		
Zero complaints on Restrictive Trade Practices	✓	Zero complaints on Unfair Trade Practices	✓		
Zero complaints – Others Category	✗				
PARTICULARS (# OF COMPLAINTS)	RECEIVED			PENDING	TOTAL NUMBER OF COMPLAINTS
	FY 23	FY 24	FY 25	FY 25	
Advertising	0	0	0	0	<div><div></div><div></div><div></div></div> <div>FY 23FY 24FY 25</div>
Delivery of essential services	0	0	0	0	
Restrictive Trade Practices	0	0	0	0	
Unfair Trade Practices	0	0	0	0	
Others – Customers	928	773	5,345	2,265	

- The number of customer complaints reported in the other category has significantly increased to 5,345 in FY 2024-25 compared to FY 2023-24 and not provided any justification for the same.

## SALIENT PARAMETERS – CUSTOMER COMPLAINTS (Relative)

Number of Customers – Disclosed	✗	Complaints per Customer – Decreasing / Zero level	■
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## PRODUCT / SERVICE QUALITY [# OF INDICATORS: 5]

2024	2025	YOY Change
100	88	↓ 12

## SALIENT PARAMETERS

Quality Management System – Certification Obtained (E.g. ISO 9001)	✓
Policy on Product / Service Quality – Disclosed	✓
No case of product recall / ban (or service ban) due to concerns associated with stakeholders	✓

- Grasim has disclosed its Quality Policy on its website. ([Weblink](#))
- Grasim has not made adequate disclosures on Quality Management System, if any in place. However, SES could locate one of the ISO 9001:2015 for Unit Century Rayon of the Company in public domain. ([weblink](#))

## SALIENT PARAMETERS – RECALLS

No case of Voluntary recalls	✓	No case of Forced recalls	✓
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FINANCIAL YEAR (# OF RECALLS)	VOLUNTARY	FORCED
FY 24	0	0
FY 25	0	0





CSR, COMMUNITY RELATIONS & ENGAGEMENT <small>[# OF INDICATORS: 20]</small>	2024	2025	YOY Change	
	79	90	↑	11

SALIENT PARAMETERS	
Mechanisms to receive and redress grievances of the community	✓
Preferential procurement policy where preferences given to purchase from suppliers comprising marginalized /vulnerable groups	✓
Marginalized / vulnerable groups from where procurement is done - Disclosed	✓
% of total procurement (by value) does it constitute – Disclosed	✓
Political donations in last three financial years - No Donation	✓
Affiliations with trade and industry chambers/ associations - Disclosed	✓
Details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities	✓
Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws – as applicable & Disclosed	■
Actions taken to mitigate any negative social impacts identified in the Social Impact Assessments – as applicable & Disclosed	■
Project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company - as applicable & Disclosed	■
Benefits derived and shared from the intellectual properties owned or acquired by the entity, based on traditional knowledge	■
Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved	■

• **Issues related to anti-competitive conduct:**

*“No new cases were filed in the current financial year.*

*Listed below are ongoing cases from the previous years.*

Name of Authority	Brief of the case	Corrective action taken
Competition Commission of India	Competition Commission of India (CCI) has passed an order dated 16th March, 2020 under Section 4 of the Competition Act, 2002, imposing a penalty of ₹ 301.61 crore related to the Cellulosic Staple Fibre turnover.	The company filed an appeal before the National Company Law Appellate Tribunal (NCLAT).
Competition Commission of India	Without considering that an Appeal is already pending against the aforesaid Order, the CCI passed another Order dated 3rd June, 2021, levying a penalty of ₹ 3.49 crore for non-compliance with the Order passed on 16th March, 2020.	The company filed a Writ Petition before the Hon'ble Delhi High Court against the Order of the CCI.
Competition Commission of India	The CCI has passed another order dated 6th August 2021 under Section 4 of the Competition Act, 2002. However, because of the penalty of ₹ 301.61 crore already imposed on the company in a previous order, the CCI deemed it appropriate not to impose any further monetary penalty on the company.	The company filed an appeal before the National Company Law Appellate Tribunal (NCLAT).

- 0.03% of total procurement from marginalised/vulnerable groups.

- **Social Impact Assessment:** *“During FY 2024-25, we have not undertaken any projects that require Social Impact Assessments (SIA).”*

ACCOUNTS PAYABLES	FY 24	FY 25	Change
Number of days of accounts payables	91	61	-30

The number of days of accounts payable has decreased in FY 2024-25.



## ESG REPORT

## SALIENT PARAMETERS – INCLUSIVE DEVELOPMENT

% of input material sourced directly from MSMEs/ small producers - Disclosed	✓	% of input material sourced directly from within India - Disclosed	✓
% of input material sourced directly from MSMEs/ small producers – More than 50%	✗	% of input material sourced directly from within India – More than 50%	✓

PARTICULARS (%)	SOURCING	
	FY 24	FY 25
MSMEs/small producers	15.00	↑ 16.00
Within India	50.00	↑ 58.00

- 23% jobs created in rural and semi-urban areas in FY 2024-25, which is also an increase from 18% in FY 2023-24.

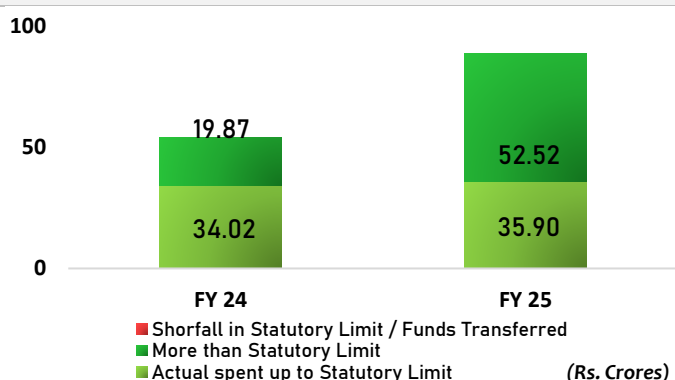
## JOB CREATION IN SMALLER TOWNS (% of the total wage cost)

Location →	Rural	Semi-urban	Urban	Metropolitan
FY 24	15%	3%	61%	21%
FY 25	19%	4%	41%	36%

## SALIENT PARAMETERS

Whether disclosed information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies?	✓
Whether disclosed beneficiaries of CSR Projects?	✓
CSR spend – Actual Spent 2% in an FY	✓
In case of less than statutory requirement, amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	■
In case of less than statutory requirement, Total Amount transferred to Unspent CSR Account as per Section 135(6)	■

## CSR SPEND COMPARISON



## CSR SPEND / INITIATIVES ON:

Health	■	Energy / Renewable Projects	■
Skills & Education	✓	Climate Change	■
Sanitation	■	Water Conservation	■
Agriculture	✓	Plantation	■
Women empowerment	✓	Waste Management	■
Urban / Rural Development/ National Heritage	✓	Other Environmental Projects	■

Note: Based on information or discussion made in Annual Reports.

## CYBER SECURITY &amp; DATA PRIVACY [# OF INDICATORS: 10]

2024	2025	YOY Change
100	100	■

## SALIENT PARAMETERS – GENERAL DISCLOSURES &amp; PRACTICES

Framework on cyber security and risks related to data privacy - Disclosed	✓
Policy on cyber security and risks related to data privacy - Disclosed	✓
Risk Management function on Cyber Security - Disclosed	✓
Number of instances of data breaches - Disclosed	✓
No case of data breach	✓
In case of data breaches – Disclosed impact	■
Percentage of data breaches involving personally identifiable information of customers – Disclosed	■
IT related Certification – Obtained Certifications	✓
Steps taken to ensures safe security system (IT security, firewalls, initiatives etc)	✓

- “Yes, the Company upholds a comprehensive policy and system dedicated to managing risks related to data security and privacy, ensuring the protection and accuracy of data while adhering to legal requirements. The policy details procedures for the use of Company assets, organising and sharing information, creating data backups, securing assets, guidelines for software and internet



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use, and handling emails, among other aspects. The Company prioritises the implementation of excellent practices to achieve the highest level of cybersecurity within the workspace.” [\(Information Security Policy\)](#)

- 100% units are ISO 27001 certified excluding three newly commissioned Paints sites, where the certification process is currently underway as reported by the Company in its Annual Report FY 2024-25.

SALIENT PARAMETERS – COMPLAINTS			
Zero complaints on Data Privacy		✓	Zero complaints on Cyber Security
FINANCIAL YEAR (# COMPLAINTS)	DATA PRIVACY	CYBER-SECURITY	
FY 23	0	0	
FY 24	0	0	
FY 25	0	0	



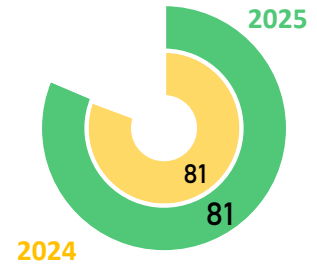
## DETAILED ANALYSIS



## GOVERNANCE

(W: 40%)

SES analyses based on legal requirement as well as good governance practices. Analyses Company's Board related practices such as Board Composition, remuneration, committee composition and performance. Further, section also analyses Statutory Auditors, Audits, Financial Reporting and Stakeholder Engagement functions.



## BOARD COMPOSITION TABLE

Director	Age	Gender	Expertise	Classification		[1] Tenure (Association) in Year	Attendance for last year		[2] Direct- orship	Committee Membership					FY 24-25 Pay (₹ Lakh)
				Company	SES		Board	AGM		LD	AC	NRC	RMC	SRC	
NON-EXECUTIVE NON-INDEPENDENT DIRECTORS															
Kumar Mangalam Birla	58	M	IEX	NEDP(C)(R)	NEDP(C)(R)	32	5 / 6	Yes	7^		M				3.30
Rajashree Birla	80	W	MGT	NEDP(R)	NEDP(R)	29 (42)	5 / 6	Yes	6^					C	55.90
Ananyashree Birla	31	W	MGT	NEDP(R)	NEDP(R)	2 (5)	5 / 6	Yes	3						12.50
Aryaman Vikram Birla	28	M	MGT	NEDP(R)	NEDP(R)	2 (6)	6 / 6	Yes	3						15.00
Sushil Agarwal	62	M	FIN	NED(R)	NED(AP)(R)	1 (36)	6 / 6	Yes	4						15.00
Mukkavilli Jagannath	60	M	MGT	NED(R)(N)	NED(R)(N)	<1	2 / 2	NA	2						1.00
INDEPENDENT DIRECTORS															
Haigreve Khaitan	55	M	LAW	ID	ID	<1	2 / 2	NA	5		M				6.20
Adesh Kumar Gupta	69	M	FIN	ID	NID	4 (26)	6 / 6	Yes	3		M				27.15
Anita Ramachandran	70	W	MGT	ID	NID	7 (10)	6 / 6	Yes	6#		C		C	M	28.60
N. Mohan Raj	71	M	FIN	ID	NID	6 (13)	6 / 6	Yes	1	C		C			31.10
Yazdi Piroj Dandiwala	75	M	LAW	ID	NID	2 (10)	5 / 6	Yes	4	M			M		25.05
V Chandrasekaran	68	M	FIN	ID	ID	4 (9)	6 / 6	Yes	4	M		M			38.85
Ashvin Dhirajlal Parekh	72	M	FIN	ID	ID	1	3 / 3	NA	2			M			10.90
EXECUTIVE DIRECTORS															
Himanshu Kapania	64	M	MGT	MD	MD	<1 (24)	NA	NA	2	M		M	M	M	*

[1] Figures in bracket indicate total association of the Director with the Company/ Group.

[2] Directorship as per MCA website

Note: Directorships, committee membership and committee chairmanship include such positions in the Company

Expertise: IEX-Industry Expert, FIN-Finance, MGT-Management, MKT-Marketing, HRM-Human Resource Management, BNK-Banking

AP – Affiliate of Promoter | Kindly [Click here](#) to view list of abbreviations

\*Appointed as MD and KMP of the Company, with effect from 1<sup>st</sup> April, 2025.

#Time Commitment of Ms. Anita Ramachandran appear to be excessive as per SES criteria. ([Read More](#))

^The directorships of Mr. Kumar Mangalam Birla and Ms. Rajashree Birla are within same group companies. No major concern identified.

BOARD CHANGES (Since 1<sup>st</sup> April, 2024)

Director	Company Classification	Appointment Date	Cessation Date	Tenure (Association) in Year	Age (Years)	Pay (₹ Lakh)	Remark
APPOINTMENTS							SHAREHOLDER'S APPROVAL
Ashvin Dhirajlal Parekh	ID	23-08-2024	-	1	72		AGM - 2024
Haigreve Khaitan	ID	26-09-2024	-	<1	55		AGM- 2024
Mukkavilli Jagannath	NED	26-09-2024	-	<1	60		AGM-2024
Himanshu Kapania	ED	1-04-2025	-	24	64		PB (June-2025)
EXITS							REASON FOR CESSATION
Raj Kumar	NED	12-11-2021	20-08-2024	4	63		<a href="#">Not offered himself for re-appointment</a>
Thomas M. Connelly, Jr.	ID	20-08-2010	22-08-2024	15	73		<a href="#">Completion of term</a>
Cyril Shroff	ID	25-07-2000	22-08-2024	25	66		<a href="#">Completion of term</a>
Harikrishna Agarwal	ED	01-12-2021	31-03-2025	3 (43)	66		<a href="#">Early retirement</a>



BOARD INDEPENDENCE & DIVERSITY <small>[# OF INDICATORS: 25]</small>	2024	2025	YOY Change
	61	60	↓ 1

**Note:** ED: Executive Director; NED: Non-Executive Director; NED-NID: Non-Independent Director; ID: Independent Director; P: Promoter; NP- Non-P | # - Number(s)

Criteria	Age		Women		ID Classification		ID		Attendance		Time Commitments
	ED	NED	WD	WID	Company	SES	Tenure	Association	Board	AGM	LD
	>70	>75					>10 years		<50%	No	>5
No. of Directors	0 / 1	2 / 13	3 / 14	1 / 7	7 / 14	3 / 14	0 / 7	4 / 7	1 / 17	0 / 14	3 / 14
% of Total	0%	15%	21%	14%	50%	21%	0%	57%	6%	0%	21%

#### SALIENT PARAMETERS

Independent Directors (As per SES) - More than 50%	✗	Average Board age between 55-65 years	✓
Chairman - Independent (As per SES)	✗	ED aged more than 70 years - None	✓
Designated Lead Independent Director	✗	NED aged more than 75 years - None	✗
All Independent Directors association <10 years	✗	Board meeting attendance more than 75%	✗
Women Directors - At least 2	✓	All Directors attended last AGM	✓
Independent Woman Director - At least 1	✓	No Excessive Time Commitments (<6 LD)	✗
Liable to Retire by Rotation - All NIDs	✗	Board has more than 50% Post-Graduates / Professionals	✓

#### • Inter-se relation of Board members:

- Mr. Kumar Mangalam Birla and Smt. Rajashree Birla, who is related to each other as son and mother, respectively.
- Ms. Ananyashree Birla is grand-daughter of Ms. Rajashree Birla, Daughter of Mr. Kumar Mangalam Birla and elder sister of Mr. Aryaman Vikram Birla.

- Board Classification:** Mr. Sushil Agarwal has been classified as Affiliate Promoter directors (AP) by SES as Mr. Sushil Agarwal is currently the Director at Hindalco Industries Limited, IGH Holdings Private Limited Promotor Group companies.

**Rationale:** SES as a Policy considers directors holding any position (excluding Independent Directorship) in the Promoter Company or in the Group Companies as Affiliate Promoter Directors.

- Board Independence:** Mr. N. Mohan Raj, Mr. Yazdi Piroj Dandiwal and Ms. Anita Ramachandran Independent Directors, have been classified as NID by SES as they are associated with the Company for more than 10 years and Mr. Adesh Kumar Gupta has been continuously associated with multiple group companies since 1999.

Further, Mr. N Mohanraj was associated with the Company from 2012 to May 2018 as a nominee of LIC. On 12<sup>th</sup> July, 2019, he was appointed as an additional independent director on the Board of the Company. SES, as a policy, requires a cooling-off period of 3 years when an ex-NED seeks to be appointed as an ID on the Board of the same company. However, an exception is drawn in case of ex-PFI nominees wherein cooling-period is not required. Although relaxation is provided in such cases with regard to requirement of cooling-off period, however, the association with the Company is computed since the date of appointment as NED and, ID will considered as NID as per SES parameters from the time the director's aggregate association with the Company exceeds 10 years. Since Mr. N Mohanraj's overall association with the Company exceeds 10 years presently, SES has considered the director to be NID.

**Rationale:** Although, compliant under the law, however, SES as a policy does not consider any director associated with the Company/ Group for more than 10 years to be Independent due to their prolonged association.

Further, Mr. Adesh Kumar Gupta was Whole Time Director & CFO of the Company till 30<sup>th</sup> June 2015. SES is of the view that appointment of an employee who mainly held Executive/Managerial position with the Company as an Independent Director is not indicative of a good governance practice.

- Pecuniary relationship of ID:** Mr. Yazdi Piroj Dandiwal is classified as NID by SES. He is Senior Partner at Mulla & Mulla & Craigie Blunt & Caroe. As per the annual reports of the Company, the Company is taking services from the above-mentioned firm:

Name of the Firm	FY 2024	FY 2025
Mulla & Mulla & Craigie Blunt & Caroe	₹ 3 Lakhs	₹ 7 Lakhs



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Although, the fees paid to the firm is non- material, however, SES is of the opinion that, as a good governance practice, IDs of the Company must not have any relationship (whether pecuniary or otherwise) with the Company as it may potentially vitiate his/her independence.

- **Board Diversity:** The Board consists of directors having experience in diverse fields which *inter alia* include Management, Finance & Banking and Industry Expertise. The directors are duly qualified with majority of board comprising of Post Graduate.

The Company has 3 women directors including an ID viz. Ms. Anita Ramachandran ensuring gender diversity at the Board level.

BOARD COMMITTEES [# OF INDICATORS: 25]	2024	2025	YOY Change	
	68	62	↓	6

Committees	No. of members		Chairman's Classification			Overall Independence			Frequency of Meetings			Attendance < 75%
	LR	Company	LR	Company	SES	LR	Company	SES	LR	SES Benchmark	Held	
AC	3	4	ID	ID	NID	67%	75%	25%	4	8#	6	-
SRC	3	3	NED	ID	NID	1 ID	2 ID	0 ID	1	2	2	Hari Krishna Agarwal (50%)
NRC	3	4	ID	ID	NID	67%	75%	25%	1	2	4	Cyril Suresh Shroff (50%)
CSR	3	3	-	NEDP	NEDP	1 ID	1 ID	0 ID	-	1	2	-
RMC*	3	4	-	ID	NID	1 ID	3 ID	2 ID	2	2	3	-

Kindly [Click here](#) to view details of abbreviations used in this table. | \*Only Board members considered | # Audit Committee: 4 times for review of quarterly results and 4 times for review of other matters.

SALIENT PARAMETERS						
CLASSIFICATION (AS PER SES)				DISCLOSURES		
At least 75% IDs in AC	✗	Independent AC Chairperson		✗	NRC Policy disclosed	✓
At least 50% IDs in SRC	✗	Independent SRC Chairperson		✗	CSR Policy disclosed	✓
At least 75% IDs in NRC	✗	Independent NRC Chairperson		✗		
At least 50% IDs in CSRC	✗	Independent CSRC Chairperson		✗		
At least 50% IDs in RMC	✓	Independent RMC Chairperson		✗		

- **Attendance at Board Committees:** During the year, all the members attended 75% or more committee meetings of all the board committees except Mr. Hari Krishna Agarwal & Mr. Cyril Suresh Shroff.
- The Company has met/ exceeded SES Benchmark for all committee meetings except for AC meetings.
- **Committee Recommendations:** “All the recommendations made by the above Committees, during the year, were accepted by the Board of the Company.”

DIRECTOR'S REMUNERATION [# OF INDICATORS: 25]	2024	2025	YOY Change	
	77	83	↑	6

DIRECTOR CATEGORY	# OF DIRECTORS	2024-25 (₹ IN CRORE)			
		FIXED	VARIABLE	TOTAL	%
ED - NP	2	10.10	4.64	14.75	83.61%
ED - P	0	-	-	-	0.00%
NED-NID - NP	3	0.06	0.12	0.18	0.99%
NED-NID - P	4	0.12	0.75	0.87	4.92%
ID	9	0.32	1.53	1.85	10.48%
<b>TOTAL BOARD</b>	<b>18</b>	<b>10.59</b>	<b>7.04</b>	<b>17.63</b>	<b>100.00%</b>

**Note:** Remuneration paid to all directors (including those ceased) during FY 2024-25 have been considered

EXECUTIVE DIRECTORS' REMUNERATION ANALYSIS (In ₹ Crore)										
Director	PF/NP	2023		2024		2025		Benchmark <sup>[1]</sup>		
		Fixed	Total	Fixed	Total	Fixed	Total	RMER	ED Pay	RMER
Harikrishna Agarwal	NP	5.98	9.99	5.85	8.79	10.10	14.74	213.26x	18.39	236.59x
Himanshu Kapania	NP	Appointed as MD and KMP of the Company, with effect from 1 <sup>st</sup> April 2025.							18.39	236.59x

**Note:** Fixed pay includes basic pay, perquisites & allowances. Kindly [Click here](#) to view details of abbreviations used in this table. | <sup>[1]</sup> Benchmarks are computed by SES, using FY 2023-24 average data. Please [click here](#) to know more. | RMER- Ratio to Median remuneration of employees.





## ESG REPORT

## SALIENT PARAMETERS

ED's remuneration - No skewness	✓	Remuneration Policy disclosed	✓
Remuneration of all EDs have variable Component	✓	NED's remuneration - No skewness	✓
Remuneration of EDs linked with PAT of the Company for last three years	✓	Out of total NED Remuneration, no NED is paid more than 50% of total remuneration	✓
Ratio of ED's remuneration to MRE < 100 times	✗	Annual Board Performance- Process / Parameters of evaluation disclosed	✓
Pay linked to Sustainability / ESG Performance	✓	'Clawback & Malus' Clause	✓

- **Ms. Rajashree Birla was paid commission of ₹ 53 lakhs during FY 2024-25.** It appears that Ms Rajashree Birla has been paid excessive commission compared to other nonexecutive directors. However, considering detailed justification provided by the Company in the Annual report that she is managing complete CSR projects/ work of the Company, **no concern is being raised.**

The justification as stated by the Company in the Annual Report as, "Smt. Rajashree Birla, leads the entire CSR initiatives and monitors its implementation for the Company. She is deeply involved in identifying and planning the areas of social impact and then closely monitors the progress of such CSR activities. For her exemplary contributions, she has won many awards and accolades the most outstanding one has been that of the Government of India which bestowed the 'Padma Bhushan' Award in 2011 on Smt. Rajashree Birla in the area of 'Social Work'. Profile of Smt. Rajashree Birla, mentioned above highlights her social work."

- **Board and CEO Compensation:** "The Board Remuneration Policy complies with applicable laws and aligns with the Aditya Birla Group's Executive Remuneration Philosophy. It is built on the principles of fairness, transparency, and alignment with strategic and ESG goals."

Further, it is also mentioned that Key Components of Annual Incentive Plan comprise of ESG performance.

## STATUTORY &amp; SECRETARIAL AUDITORS [# OF INDICATORS: 9]

2024	2025	YOY Change
98	98	■

AUDITORS		AUDIT PARTNERS	
M/s. B S R & Co. LLP	9 years	Vikas R Kasat	6 years **
<b>Auditor's Network</b>	KPMG Group		
M/s. KKC & Associates LLP	3 years	Gautam Shah	3 years
<b>Auditor's Network</b>	NA		

AUDITORS REMUNERATION COMPONENTS	SALIENT PARAMETERS	
<p>Legend: ■ Audit, ■ Audit-Related, ■ Non Audit</p>	Statutory Auditors Appointment is Compliant with Companies Act	✓
	Statutory Audit Firm Association is less than 10 years	✓
	Statutory Audit Partner Association is not more than 3 years	✗
	Statutory Auditors Appointment Resolution was Compliant with SEBI LODR	✓
	No Resignation of Statutory Auditors	✓
	No Exit of Statutory Auditors (Other than Resignation)	✓
	Non-Audit Fees constitute <25% of Statutory Auditors Remuneration	✓
	Secretarial Auditors Appointment Resolution was Compliant with SEBI LODR	✓

- **\*\* Tenure of Audit Partner:** Vikas R Kasat is associated with the Company for last 5 years as an Audit Partner. As per Section 139(3) of the Companies Act, 2013. Shareholders may resolve to provide that the auditing partner and his team should be rotated at regular intervals.

Section 139(3) of the Act:

"Subject to the provisions of this Act, members of a company may resolve to provide that

- in the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by members; or
- the audit shall be conducted by more than one auditor"



## ESG REPORT

Furthermore, in line with the MCA voluntary guidelines ([Link](#)) on corporate governance, SES is of the opinion that as a good governance practice, the Audit partner should be rotated **every three years**.

- **Term of Secretarial Auditor:** Grasim had sought shareholders' approval for appointment of M/s. Makarand M. Joshi & Co. as Secretarial Auditors for 1<sup>st</sup> term of five consecutive years commencing from FY 2025-26 to FY 2029-30.

AUDIT & FINANCIAL REPORTING <small> [# OF INDICATORS: 73]</small>		2024	2025	YOY Change
		90	90	■
<b>CARO 2020 &amp; SCHEDULE III OBSERVATIONS</b>				
ASSETS MANAGEMENT	Maintenance of proper records showing full <b>particulars of Tangible and Intangible Assets</b>			✓
	No material discrepancies noticed on physical verification of <b>Property, Plant and Equipment</b>			✓
	<b>Title deeds</b> of all immovable properties held in the name of the Company <sup>[1]</sup>			✗
	No significant discrepancy (more than 10%) identified on <b>revaluation</b> of Tangible Assets			✓
	No proceedings initiated or pending against the company under <b>Benami Transactions Act</b>			✓
	No material discrepancies noticed on physical verification of <b>Inventory</b>			✓
LOANS & ADVANCES	Quarterly Statements filed with the Banks from whom working capital in excess of ₹ 5 crores has been obtained agrees with the books of the Company			✓
	Terms and conditions of the loans & guarantees extended are not <b>prejudicial</b> to the Company's interest			✓
	In case of loans or advances, repayment of principal and payment of interest are <b>regular</b> as per stipulated schedule			✓
	Any loans or advances granted are <b>overdue for more than 90 days</b>			✓
	Existing dues are not <b>renewed, extended or settled</b> by granting fresh loans during the year			✓
	No loans granted to Promoters, Related Parties that are <b>repayable on demand or without specifying terms</b>			✓
CAPITAL & DUES MANAGEMENT	<b>No undisputed statutory dues</b> are outstanding for more than 6 months from due date			✓
	No transactions which were <b>unrecorded in Books</b> , have been recorded in tax assessments under IT Act			✓
	<b>No default</b> in repayment of loans or other borrowings to any lender			✓
	Not declared as a <b>wilful defaulter</b> by any bank or financial institution or any Lender			✓
	Term Loans raised are applied for the <b>purposes</b> for which they were obtained			✓
	No funds obtained to <b>meet the obligations of its subsidiaries</b> , JVs or associates			✓
	No loans raised through <b>pledge of securities</b> held in its subsidiaries, joint ventures or associate companies			✓
	Equity raised or monies borrowed are applied for the <b>purpose</b> for which they were obtained			✓
INTERNAL CONTROL	<b>No fraud</b> has been noticed or reported during the year <sup>[2]</sup>			✗
	The Auditor has taken into consideration the <b>whistle-blower complaints</b> received by the Company			✓
	All <b>RPTs</b> are compliant with section 177 and section 188 of the Companies Act, 2013			✓
	<b>Internal Audit systems</b> are commensurate with the size and nature of business			✓
	<b>No non-cash transactions</b> entered with its directors or persons connected with its directors			✓
	The Company has not incurred <b>Cash losses</b>			✓
	No material uncertainty regarding <b>capability of meeting liabilities</b> existing at the date of balance sheet			✓
	No qualifications or adverse remark by Auditors of other Companies, if any <b>included in Consolidated financials</b>			✓
SCH III	No material transactions entered into with <b>struck off</b> companies			✓
	<b>Financial ratios</b> as required under Schedule III disclosed			✓

<sup>[1]</sup> Detailed disclosure on **Page #383** of the Annual report 2024-25.

<sup>[2]</sup> During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year except a fraud on the Company relating to inventory identified by the management aggregating to ₹ 4.50 crore involving erstwhile employee, transporter and warehouse staffs for which the management has taken the appropriate steps.





## ESG REPORT

## SALIENT PARAMETERS

Statutory Auditors Report- No qualifications	✓	All RPTs were at Arm's length & in Ordinary course of business	✓
Secretarial Auditors Report- No qualifications / Observations	✓	In case of Omnibus approval, whether such approval / transactions reviewed by Audit Committee?	✓
Company's internal controls - No major weakness observed	✓	In case of Omnibus approval, whether such approval / transactions reviewed externally?	■
Financial statements restatement - No	✓	Shareholder's Approval for Material RPTs - Omnibus Transactions obtained for 1 year only	✓
Tax disputes form less than 50% of contingent liabilities	✓	Shareholder's Approval for Material RPTs - Justification provided for entering into material RPTs	✓
Contingent Liabilities form less than Net Worth	✓	Shareholder's Approval for Material RPTs - Adequate disclosure on pricing was provided	✓
Disclosed RPT Policy on website	✓	In case of Royalty payments, detailed justification provided	■

- The Statutory Auditors have not made any qualification, reservation, adverse remark or disclaimer in their report for FY 2024-25.
- Major portion of contingent liabilities is constituted by Excise Duty/Cenvat Credit/Service Tax.

## OPEN-NESS OF BUSINESS

PARAMETERS	UNIT	FY 24	FY 25	Change
Purchases from trading houses as % of total purchases	%	14.00	25.00	↑
Number of trading houses where purchases are made from	Number	4,446	5,699	↑
Purchases from top 10 trading houses as % of total purchases from trading houses	%	45.00	31.00	↓
Sales to dealers / distributors as % of total sales	%	13.00	27.00	↑
Number of dealers / distributors to whom sales are made	Number	2,410	40,261	↑
Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	%	23.00	20.00	↓
Share in RPTs: Purchases [Purchases with related parties / Total Purchases]	%	13.00	9.00	↓
Share in RPTs: Sales [Sales to related parties / Total Sales]	%	0.20	0.17	↓
Share in RPTs: Loans & advances [Loans & advances given to related parties / Total loans & advances]	%	94.00	90.00	↓
Share in RPTs: Investments [Investments in related parties / Total Investments made]	%	59.00	59.00	-

- **Material RPTs:** Please refer to SES' [PA Report](#) on PB in June, 2025 to read details on RPTs proposed by the Company. ([Link](#))
- **Arm's length basis and ordinary course of business:** "During the year, all contracts / arrangements / transactions entered into by the Company with Related Parties were on arm's length basis and in the ordinary course of business."

## FINANCIAL INDICATORS (AS PER COMPANY)

	Mar' 24	Mar' 25	Shift	Company Discussion
Current Ratio	1.27	1.58	24.41%	-
Debt Equity Ratio	0.18	0.20	13%	-
Debt Service Coverage Ratio	2.34	1.22	-48%	Decline in Profit primarily due to significant brand building activities in new businesses
Return on Equity	1.91	0.40	-79%	Decline in Profit primarily due to significant brand building activities in new businesses
Inventory Turnover Ratio	3.95	4.33	10%	-
Trade Receivable Turnover Ratio	14.30	13.81	-3%	-
Trade Payable Turnover Ratio	3.76	4.73	26%	Led by higher input and conversion costs.
Net Capital Turnover Ratio	9.75	5.84	-40%	Due to increase in working capital mainly in new businesses.
Net Profit Ratio	3.66	0.67	-82%	Increase in low margin revenue as well as higher input and conversion costs.
Return on Capital Employed	3.69	1.74	-53%	On account of decline in profit and increased net worth (incl. Rights issue) and total debt.
Return on Investment	7.76	8.44	9%	-

Source: Company's Annual Reports



## ESG REPORT

- Grasim has disclosed the Key Financial Ratios and has explained significant changes thereon.

STAKEHOLDERS ENGAGEMENT, OWNERSHIP & CONTROL [# OF INDICATORS: 17]	2024	2025	YOY Change
	87	90	↑ 3

SHAREHOLDING PATTERN			INSTITUTIONAL OWNERSHIP GRADE - AS PER SES						
Sep' 24	43.11%	33.58%	23.00%	Quarter End	Number of Shares (In crores)			PI vs FF	Grade
Sep' 25	43.11%	34.09%	22.49%		Total	Public Institution (PI)	Free Float (FF)		
				Sep' 24	68.06	22.85	38.71	59.02%	B
				Sep' 25	68.06	23.20	38.72	59.92%	B
<div><div></div>Promoters</div> <div><div></div>Public Institution (PI)</div> <div><div></div>Public Others (PO)</div>									

SALIENT PARAMETERS			
Adequate & Objective DDP disclosed	✓	At least 4 Earnings Calls / Investor Calls	✓
Dividend paid in line with DDP	**	Transcripts of all Earnings Calls / Investor Calls - Disclosed	✓
No significant shareholders complaints pending in last 3 FYs	✓	No delay in filing of financial statements	✓
Described the processes for identifying key stakeholder groups of the entity	✓	No resolution defeated by the shareholders	✓
Disclosed list stakeholder groups identified as key for the entity	✓	No pledge of equity shares by promoters' group	✓
Disclosed the frequency of engagement with each stakeholder group	✓	No sanction or any regulatory Action relating to disclosures in last 3 years (by Exchanges, SEBI)	✓

\*\*During FY 2024-25, the Company declared dividend more than the range disclosed in Dividend Distribution policy.

- Grasim has disclosed its Dividend Distribution policy on its [website](#) as per Regulation 43A of the SEBI Listing Regulations, 2015. The policy inter alia states that, "the Board will endeavor to achieve a dividend payout ratio (including dividend distribution tax) in the **range of 25% to 45%** of the Standalone Profit after Tax, net of dividend payout to preference shareholders, if any. Subject to the dividend pay-out range mentioned above, the Board will strive to pass on the dividend received from material Subsidiaries, Joint Ventures and Associates (as defined in the Companies Act, 2013)."

SES understands that the idea of market regulator SEBI behind mandating Dividend Policy disclosure was to provide a tool in the hand of investors to estimate the likely dividend based on available and disclosed financial performance and to question the management in case the policy is not followed.

The aforementioned statement enables the investors to estimate the prospective dividend, thus, ensuring that the policy meets the legally intended objective.

- Investor Calls / Transcripts / Presentation:** Grasim has disclosed Investor presentations and conference calls along with the call transcripts during FY 2024-25. ([Link](#))
- Compliance with Capital Markets:** "The Company has complied with all the provisions of Listing Regulations as well as other regulations and guidelines of the SEBI. There have been no instances of non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority."
- Past Year Data Observation:** The table below depicts Resolutions in which more than 20% AGAINST votes were cast by public shareholders who participated in voting.

Year	Type	Agenda No.	Brief description of Resolution	Total Public Against / Total Public Polled	Approved/ Rejected
2024	AGM	8	Appointment of Mr. Haigreave Khaitan as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from 26 <sup>th</sup> September 2024 upto 25 <sup>th</sup> September 2029 (both days inclusive).	21.10%	Approved



## ESG REPORT

**SES view:** Investors have shown significant dissent. The Company should take note of dissent by shareholders and engage to find out what are the reasons for dissent and take steps to reduce chances of such dissent.

ETHICS, BRIBERY & OTHER GOVERNANCE FACTORS <small>[# OF INDICATORS: 24]</small>	2024	2025	YOY Change
	91	94	↑ 3

SALIENT PARAMETERS			
Code of conduct for Board of Directors & KMPs- Disclosed	✓	Whistle Blower Policy- Disclosed	✓
Code of conduct for employees - Disclosed	✓	Whistle-blower can approach Chairman of the audit committee	✓
Code of Conduct on Insider Trading - Disclosed	✓	The company affirmed that 'No Person' was denied access to the audit committee	✓
ESOP - Adequate disclosures	✓	Insider Trading - No penalties imposed / disclosed	✓
Complaints with regard to conflict of interest – Disclosed	✓	Complaints on bribery & corruption -Disclosed	✓
Conflict of interest – No Complaints Reported	✓	Bribery & corruption - No complaints reported	✓

- **Whistle Blower Complaints:** Grasim has reported 5 whistle-blower complaints during FY 2024-25 which is also an increase from 4 reported in FY 2023-24.

- **Access to Audit Committee:** *"It also provides adequate safeguards against the victimisation of employees, who avail the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. During the year, no person was denied access to the Audit Committee."*

- **Ethics, Bribery or Corruption:** *"Yes, Grasim upholds an Anti-Corruption and Anti-Bribery Policy that ensures ethical conduct and enforces a zero tolerance stance on bribery and corruption. The policy sets forth appropriate guidelines to prevent any violations of relevant laws and regulations across all operations. It applies to all stakeholders including employees and associates, as well as third parties acting on behalf of the Company, prohibiting any form of bribery or corrupt practices"* ([Anti-Corruption Or Anti-Bribery Policy](#))

Number of Complaints received in relation to issues of Conflict of Interest of the:	FY 24	FY 25
Directors	0	0
KMPs	0	0
Number of disciplinary action taken by any law enforcement agency for the charges of bribery / corruption:	FY 24	FY 25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0



## IMPORTANT NEWS

HEADLINE	MEDIA	FACTOR
<b>11-11-2025: Prozeal Green Energy, Grasim Join Hands for 70 MW Hybrid Project Worth USD 100 Million</b> ( <a href="#">Weblink</a> )	ENERGETICA INDIA	ENVIRONMENT

“Prozeal Green Energy signed a USD 100 Million deal with Grasim Industries to develop a 70 MW wind-solar hybrid project.”

HEADLINE	MEDIA	FACTOR
<b>10-10-2025: Asian Paints moves Supreme Court against CCI probe into Grasim case</b> ( <a href="#">Weblink</a> )	BUSINESS STANDARD	GOVERNANCE

“The company challenges the CCI's probe order after the Bombay High Court dismissed its plea on alleged abuse of dominance in the decorative paints segment”

## POLICY CORNER

Code of Conduct	<a href="https://www.grasim.com/upload/pdf/code-of-conduct.pdf">https://www.grasim.com/upload/pdf/code-of-conduct.pdf</a>
Corporate Tax policy	<a href="https://www.grasim.com/upload/pdf/corporate-tax-policy.pdf">https://www.grasim.com/upload/pdf/corporate-tax-policy.pdf</a>
CSR Policy	<a href="https://www.grasim.com/upload/pdf/Grasim_CSR_Policy_2013.pdf">https://www.grasim.com/upload/pdf/Grasim_CSR_Policy_2013.pdf</a>
Dividend Distribution Policy	<a href="https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf">https://www.grasim.com/upload/pdf/Grasim_Dividend_Policy_16.pdf</a>
Executive Remuneration Philosophy/Policy	<a href="https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf">https://www.grasim.com/upload/pdf/ABG-executive-remuneration-philosophy-policy.pdf</a>
Grasim Energy & Carbon Policy	<a href="https://www.grasim.com/Upload/PDF/grasim-energy-carbon-policy.pdf">https://www.grasim.com/Upload/PDF/grasim-energy-carbon-policy.pdf</a>
Grasim Environmental Policy 2021	<a href="https://www.grasim.com/Upload/PDF/grasim-environmental-policy-2021.pdf">https://www.grasim.com/Upload/PDF/grasim-environmental-policy-2021.pdf</a>
Grasim Grievance Handling Policy FY21	<a href="https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf">https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf</a>
Human Rights Policy	<a href="https://www.grasim.com/upload/pdf/human-rights-policy.pdf">https://www.grasim.com/upload/pdf/human-rights-policy.pdf</a>
PIT Code of Practice and Procedures for fair disclosures UPSI	<a href="https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf">https://www.grasim.com/Upload/PDF/pit-code-of-practice-and-procedures-for-fair-disclosures-upsi.pdf</a>
Policy for Archival of documents	<a href="https://www.grasim.com/upload/pdf/archival_policy.pdf">https://www.grasim.com/upload/pdf/archival_policy.pdf</a>
Policy for control of Stationery by RTA	<a href="https://www.grasim.com/Upload/PDF/policy-for-control-stationery-by-rta-grasim.pdf">https://www.grasim.com/Upload/PDF/policy-for-control-stationery-by-rta-grasim.pdf</a>
Policy for determination of materiality of information or event	<a href="https://www.grasim.com/upload/pdf/Policy_materiality_information.pdf">https://www.grasim.com/upload/pdf/Policy_materiality_information.pdf</a>
Policy for determining "material" subsidiary	<a href="https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsiary_Cos.pdf">https://www.grasim.com/upload/pdf/Grasim_Policy_Material_Subsiary_Cos.pdf</a>
Policy for preservation of documents	<a href="https://www.grasim.com/upload/pdf/policy_preservation_documents.pdf">https://www.grasim.com/upload/pdf/policy_preservation_documents.pdf</a>
Policy on Board Diversity	<a href="https://www.grasim.com/upload/pdf/board-diversity-policy-grasim.pdf">https://www.grasim.com/upload/pdf/board-diversity-policy-grasim.pdf</a>
Policy on related party transactions	<a href="https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf">https://www.grasim.com/upload/pdf/Grasim_policy_on_RPT.pdf</a>
Privacy Policy	<a href="https://www.grasim.com/Upload/PDF/privacy-policy.pdf">https://www.grasim.com/Upload/PDF/privacy-policy.pdf</a>
Quality, Environment and Occupational Health and Safety Policy for Harihar	<a href="https://www.grasim.com/upload/pdf/IMS-policy-harihar.pdf">https://www.grasim.com/upload/pdf/IMS-policy-harihar.pdf</a>
Risk Management Policy	<a href="https://www.grasim.com/Upload/PDF/risk-management-policy.pdf">https://www.grasim.com/Upload/PDF/risk-management-policy.pdf</a>
Stakeholder Engagement Policy	<a href="https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf">https://www.grasim.com/Upload/PDF/grasim-stakeholder-engagement-policy.pdf</a>
Suppliers Code of Conduct	<a href="https://www.grasim.com/upload/pdf/suppliers-code-conduct.pdf">https://www.grasim.com/upload/pdf/suppliers-code-conduct.pdf</a>
Water Stewardship Policy	<a href="https://www.grasim.com/upload/pdf/water-stewardship-policy.pdf">https://www.grasim.com/upload/pdf/water-stewardship-policy.pdf</a>
Whistle Blower Policy / Vigil Mechanism	<a href="https://www.grasim.com/upload/pdf/whistle_blower_policy.pdf">https://www.grasim.com/upload/pdf/whistle_blower_policy.pdf</a>
Wood Fibre Sourcing Policy	<a href="https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf">https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf</a>



## ESG REPORT

## ANNEXURE

## UNDERSTANDING SES ESG SCORES

ESG SCORE (ADJUSTED)				This section provides disclosure on change in ESG Score / Ratings (referred as “ESG Score”) compared to last financial year. The change would ideally be based on change in disclosure and performance on E&S parameters; and deviations in governance practices.			
2024	2025	YOY Change					
–	–	↑	↓				

ESG	FOOTPRINT	HIGH		MEDIUM		LOW	
	SCORE	90-100	80-90	70-80	60-70	50-60	40-50
	RISK	LOW		MEDIUM		HIGH	

ESG GRADE	A+	A	B+	B	C	D	E
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- **ESG Ratings / Score (Final Adjusted ESG Score or Combined ESG Score):** This represents the final ESG score of the company, derived after evaluating all relevant parameters under Environment, Social, and Governance themes. It incorporates all applicable adjustments, including controversy adjustments and industry risk exposure, to provide a comprehensive and objective assessment of the company's ESG performance.
- **ESG Grade:** The ESG score is presented in both a numeric format (on a scale of 0 to 100) and as an equivalent alphabetical grade (Alpha Grade), providing a simplified yet effective representation of the company's ESG performance.

In addition to the overall ESG Score and Grade, the following statutory scores are provided in alignment with SEBI's CORE ESG Framework:

**Core ESG Score:** This section evaluates the parameters identified or to be identified, by SEBI under CORE Framework. Core ESG Score is calculated based on the following criteria:

- **CORE ESG SCORE:** This score is based on the disclosure of SEBI identified Core parameters. Full disclosure on all Core Parameters corresponds to a 100% score.
- **CORE PARIVARTAN SCORE:** This score reflects the year-on-year progression or transition for Core Parameters. Positive improvements (such as reduction in Scope 1 Emission Intensity) or maintain optimal performance levels (such as Zero Fatalities) are awarded a full 100% score.
- **CORE COMBINED SCORE:** This score represents the weighted combination of the Core ESG Score (20%) and the Core Parivartan Score (80%). It reflects both the disclosure practices and the performance outcomes of the Core Parameters.

**Parivartan Score:** This score evaluates the quantitative parameters and reflects the incremental changes that a company has made in its transition journey. However, it is limited to quantitative data where year-on-year change can be measured. Since, the SES ESG Model also incorporates qualitative parameter analysis, the percentage change in final ESG score may not directly align with the percentage change in Parivartan score; as Parivartan constitute only certain part of the overall ESG score.

**WHAT IS BEING SCORED?** SES Model scores policy disclosures, targets set, adequacy of disclosure, initiatives taken and performance and for three factors viz. E & G, through well researched questions (approx. 650+ indicators), these questions are aimed to get binary answers based on disclosures made by a company. These binary answers are used to give section wise numerical score and then finally giving the company a Rating / Grading. In order for model to work and reflect true picture, absolute precondition is that the relevant information or data on key ESG factors is disclosed properly.

The SES ESG Model follows the concept of Double Materiality, recognizing that ESG factors must be assessed from two perspectives: the risks that environmental, social, and governance issues pose to the organization, and the impacts the organization has on the environment and society. This dual lens ensures a holistic evaluation of ESG performance capturing both financial materiality and societal materiality.

**SECTION WEIGHTAGE:** A commonly raised question is how identical evaluation criteria can be applied uniformly across fundamentally different sectors, such as mining, services, or consumer products?

Conscious of the fact that one size does not fit all, SES applies a carefully considered and logical framework to assign weightages to Environmental, Social, and Governance (E, S & G) factors in an objective manner. These weightages are tailored based on the specific industry classification.





## ESG REPORT

In establishing the weightages for the primary categories and their sub-components, SES references the standards and guidelines set forth by the Sustainability Accounting Standards Board (SASB) and its Materiality Map, which are now part of the IFRS Foundation and the International Sustainability Standards Board (ISSB). These sources serve as authoritative guidance.

Based on SASB Standards and SASB Materiality Map, SES ESG determines weightages that vary by industry, reflecting the materiality of sustainability issues pertinent to each sector.

It is important to highlight that:

***“SES ESG licenses and applies the IFRS® Sustainability Disclosure Standards, SICs and the SASB® standards in ESG Work”***

For example, companies in the chemical industry typically have a higher weightage assigned to the Environmental pillar due to the nature of their operations, whereas pure service-based companies may have a greater emphasis on Social or Governance factors.

ENVIRONMENT	SOCIAL	GOVERNANCE
15-40%	15-40%	35-45%
Varies from Industry to Industry		

**RATING SENSITIVITIES:** The factors mentioned in ‘Rating Sensitiveness’ refers to the factors that could have the potential to impact the ESG profile of the entity. These factors of environmental and/ or social and/ or governance performance levels could trigger a rating change, upward and downward. However, there could be combination of other factors which may also trigger a rating change, upward and downward. The weightage of all factors is disclosed in summary section.

## EVALUATION MODEL - DYNAMIC

With continuous changes in both regulatory and voluntary ESG requirements, SES has consistently adapted its evaluation model to incorporate relevant and significant developments. The SES ESG Model is not static, rather, it is dynamic and evolves over time to reflect the changing ESG landscape. As a result, when evaluations are conducted using updated or newly added parameters in addition to existing ones, a company’s score may vary compared to the previous year. For example: a company’s score may decline if it fails to address or comply with a newly added parameter.

With introduction of BRSR and several other ESG related initiatives recommended and planned by SEBI in phased manner, SES expects that ESG disclosures will likely stabilize over the next few years. However, given the current pace of change in ESG domain, SES has no choice but to continuously adopt these developments to ensure its evaluations remain meaningful and relevant.

SES firmly believes that ESG evaluation if conducted using outdated, historical or static models, would lack relevance and utility. Since, any updates made to the model is agnostic to any company in particular, its impact is uniform across all companies which ensures fairness and consistency across all evaluations.

## OTHER TERMS:

- Raw Score:** The score arrived based on the pre-determined parameters set for the particular Industry based on SES Proprietary Model (without any exposure adjustments).
- Risk Exposure:** To determine the risk exposure of an Industry, SES has referred SASB Materiality Map or Materiality Finder. Based on the issue materiality information and inputs from SES, SES through its methodology has arrived at E&S Risk Exposure Score of a particular Industry. Based on the E&S Risk Exposure score, the ESG Score of the Company will be accordingly adjusted.
- Risk Exposure Score:** Risk exposure scores showcase the inherit E&S risk of the particulars industry. SES has based on its methodology and information available as per SASB Materiality Map have arrived at the E&S Risk Exposure Score. Lower the Risk Exposure, higher is the risk of E&S in that particular industry. For instance, finance industry will have High E&S Risk Exposure Score vs. chemical industry having low E&S Risk exposure score, indicating that risk in finance industry is lessor as compared to chemical industry.
- Controversy Exposure:** As a policy, SES ESG applies negative score adjustment of up to 25% (depending on severity) whenever there is an extraordinary issue or concern that is highly subjective, and cannot be fully captured through the standard model evaluation (i.e. raw scores). This includes instances such as material irregularities, significant negative controversies, or regulatory actions.

**Note:** Only authentic and verifiable information from credible sources (such as regulatory bodies, official filings, official disclosures, or court records) will be considered for controversy assessments. Unsubstantiated allegations, rumours, or unverified claims are excluded to maintain objectivity and fairness in the scoring process.

## E&amp;S RISK EXPOSURE - SCALE

0-100

HIGH	MEDIUM	LOW
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## ESG REPORT

## INSTITUTION SHAREHOLDING VIS-À-VIS FREE FLOAT

Institutional Holding	GRADE*
More than 75%	A
>50% to 75%	B
>25% to 50%	C
0% to 25%	D

Generally, it is expected that a higher Institutional shareholding would result in better Corporate Governance Practices due to stewardship activities of investors. To analyse the entry and exit of Institutional shareholders in a Company and to capture such triggers, SES has come up with Institutional grading criteria as given in the table. The grading criteria provides a higher grade in case the percentage of Institutional shareholding vis-a-vis free float is higher and vice versa.

\*Percentage is proportion of Public Institutional shareholding vis-a-vis Free float. Free Float is total shareholding reduced by Promoter and Non-Promoter Non-Public shareholding.

## UNDERSTANDING SYMBOLS &amp; TICK MARKS

ESG PERFORMANCE		
Quartile	Score	COLOR
1 <sup>st</sup> Quartile (Best Performance)	75-100	
2 <sup>nd</sup> Quartile	50-75	
3 <sup>rd</sup> Quartile	25-50	
Last Quartile (Poor Performance)	0-25	

**Legends** - Following symbols are used across this report to represent company's disclosures & practices:

✓	Criteria achieved/ Disclosures made
✗	Criteria not achieved/ No disclosure made
■	No analyses possible: Prerequisite disclosures not made (Negative Score)
■	Not applicable / Not scored

Note: In case the Company has not disclosed information (E.g. No Policy related disclosure), SES has considered it that it is not in practice (E.g. Policy is not prepared)

## Following are examples of 'Symbols' used to represent company's disclosures &amp; practices:

## Example 1: Fatalities / Injuries

SALIENT PARAMETERS	
Disclosed number of fatalities	✓
No fatalities in last 1 year	✗
Disclosed number of injuries	✗
No injuries in last 1 year	■

CONDITION	SYMBOL
Fatalities data disclosed	✓
Fatalities = 1 i.e. criterion not met for no fatalities	✗
Injuries data not disclosed	✗
Whether there are injuries or not could not be analysed	■

## Example 2: Fatalities / Injuries

SALIENT PARAMETERS	
Disclosed number of fatalities	✓
No fatalities in last 1 year	✓
Disclosed number of injuries	✗
No injuries in last 1 year	■

CONDITION	SYMBOL
Fatalities data disclosed	✓
Fatalities = 0 i.e. criterion met for no fatalities	✓
Injuries data not disclosed	✗
Whether there are injuries or not could not be analysed	■

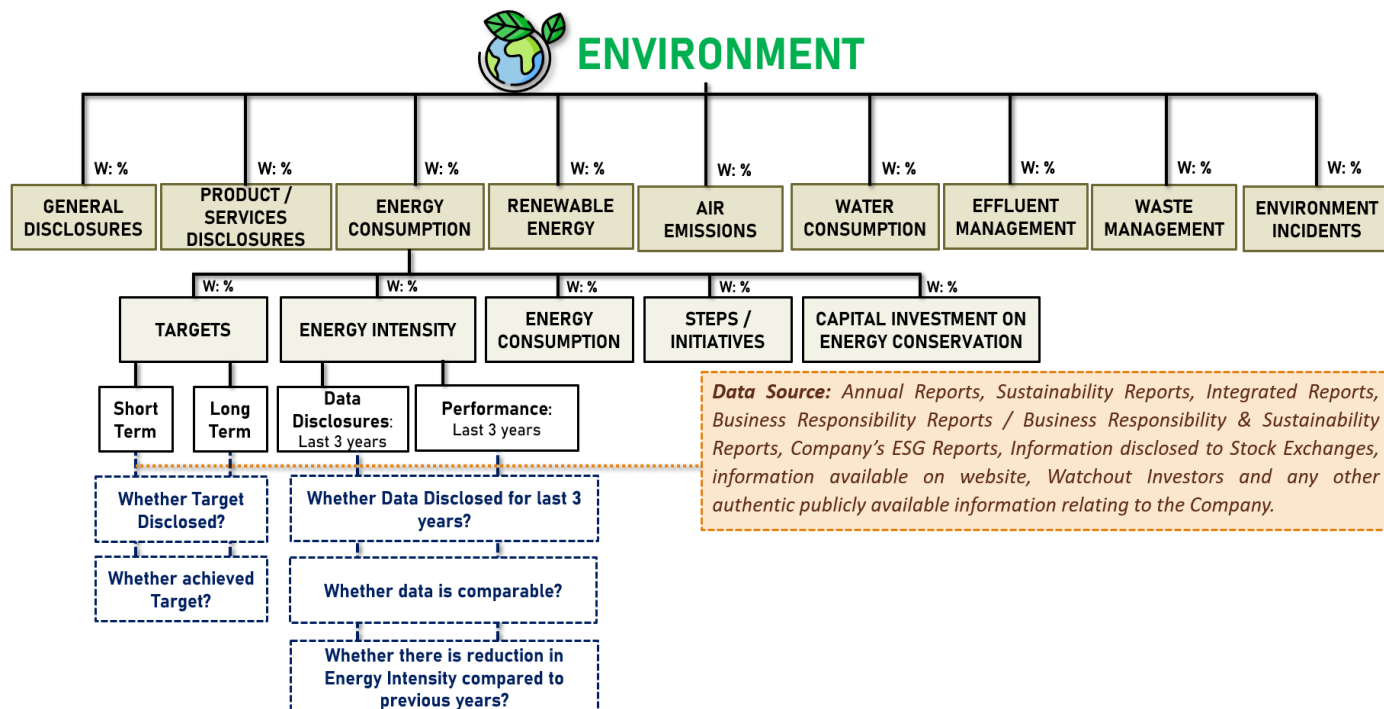
Note: Above cited examples are just for reference purpose to understand presentation of symbols. Use of symbols largely depends on Company's disclosures practices.





## ESG REPORT

## EXAMPLE: FLOWCHART FOR ARRIVING AT ENVIRONMENT SCORE



- The above example highlights salient parameters related to 'Energy Consumption'.
- The weight assigned to a company varies across different sectors or industries, depending on the ESG impact relevant to that sector / industry. For instance, manufacturing companies will carry a higher weightage under the 'Environmental' factor, whereas for financial services companies, the weight will be comparatively lower.
- Each category score is derived from set of questions and parameters within that category and is expressed on a scale of 0-100%.
- The Weighted Score is calculated by applying the category weight to the category score [Example: If the category score is 75 and the weight assigned is 20%, the weighted score will be 15 (i.e.  $75 \times 20\%$ )]
- The sum of all weighted score within a section (such as sections within Environment, Social, or Governance pillars) constitutes the total score for that pillar. [Example: If Weighted Score 1 = 15, Weighted Score 2 = 20 and Weighted Score 3 = 30, then the total score for respective Section / Factor / Pillar would be 65]
- In the event of any significant negative controversies / incidents, a 25% deducted will be applied to the relevant score.



## SES ESG SCORES - INTENT AND CONSTRAINTS

The SES ESG Model has been developed with utmost care, objectivity and diligence. Our intention is highlighting the importance of good ESG practices based on the concept of double materiality. SES understands that stakeholders take decisions based on variety of factors, ESG being an important factor. SES ESG scores alone cannot be used for decision to invest and are to be used as a supplement / an additional tool to help stakeholders to make a considered and holistic view about the company.

SES ESG Ratings or Scores, when considered in isolation, are not intended to predict a company's future performance or serve as the sole basis for investment decisions.

**⚠ Note: ESG ratings / scores do not constitute recommendations to buy, hold or sell any securities**

The scores are derived from publicly available data and rely on the accuracy and completeness of information disclosed by the company, which is assumed to be true and accurate in good faith. Examples of such sources include the Business Responsibility and Sustainability Report (BRSR), Sustainability Reports, Auditor Reports, Certificates of Compliance with mandatory requirements, Directors' Statements, and other disclosures included in Annual Reports. These documents (sources of information) are accepted at face value, without any independent verification or forensic investigation.

As an independent ESG rating provider, SES does not know the internal happenings of a company, nor do we have an inside view of the company's practices. It may be possible that while on paper based on available information everything might appear to be in order but in reality, there could be concerns plaguing the company or vice versa. It is beyond scope of our work, nor we possess such expertise to cross verify the public documents and / or visit the company to check its internal controls, checks and practices. Users may take a note of same and read our Ratings / scores accordingly.

## DISCLOSURES

**Analyst(s):** Harprit Bhangal

**SES ESG Research Pvt. Ltd. - SEBI ERP Registration No.:** IN/ERP/Category-II/0002

**SES ESG / Analyst conflict disclosure:** No conflict | SES follows 'Subscriber Pay' business model

**Research:** SES ESG relies solely on publicly available information, in accordance with its 'Policy on Source of Information for ESG Ratings'.

**Source:** Annual Reports, Sustainability Reports, Business Responsibility & Sustainability Reports, Integrated Reports, Information disclosed to Stock Exchanges, information available on website, and any other authentic publicly available information relating to the Company.

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