



RESPONSIBLE SUPPLY CHAIN POLICY

Grasim Industries Limited ("Grasim" or "the Company") is in the business of production of Pulp & Fibre, Textiles, Chemicals, Paints, Insulators and B2B E-Commerce, among others. Grasim is a value driven organisation with Integrity, Commitment, Passion, Seamlessness, and Speed. Our Group Purpose is to "Enrich lives, by building dynamic and responsible businesses and institutions, that inspire trust. Our Group Purpose and values form the foundation for all actions and decisions within our business.

Grasim acknowledges the significance of establishing a robust and sustainable supply chain to support business growth and continuity. Grasim continuously optimises its performance by prioritising the enhancement of relationships and collaboration with suppliers, purchasers, and consumers ("**stakeholders**"). This commitment to Responsible Stewardship is integral to the company's operations. Grasim is committed to ensuring minimal disruption to its business by maintaining a resilient value chain that shall withstand internal and external headwinds.

Furthermore, the company's focus on procuring sustainable goods and services extends beyond seeking competitive prices. Grasim aims to ensure high quality, timely delivery, and incorporation of cutting-edge technology in the products and services it sources. This approach aligns with the company's dedication to sustainability and resilience in its operations.

This Policy shall be applicable to all businesses of Grasim Industries Limited and must be adopted by all sites and offices owned, controlled, and managed by Grasim.

Grasim shall continue to endeavour to:

- Ensure compliance with local, national, and international legislation within the supply chain, conformance to the ABG Sustainability Framework requirements by at least tier-one suppliers.
- Create a supply chain that is resilient and viable amidst the risks and opportunities that may arise from the geo-political, external legal, technical, environmental, and societal megatrends, as part of our business future-proofing program.
- Build capabilities within the supply chain and strive to create best-in-class supply chain solutions.
- To ensure transparency regarding the origin of goods and their environmental impact, it is important to adhere to the principle of traceability throughout the supply chain.
- Promote resource conservation, the use of alternative materials and renewable energy, water stewardship, safety, health, respect for human rights, and the elimination of child and forced labour across the supply chain.
- Proactively communicate our approach and achievements to the suppliers.
- Select suppliers through a competitive and transparent process including requests for proposals (RFPs), requests for quotations (RFQs), or other appropriate methods.

- Support, promote and develop suppliers from marginalised or vulnerable groups as a business partner while also promoting local procurement and supporting small and medium suppliers (MSME) through their development and engagement in business activities.
- Influence and promote our suppliers to collaborate or support Grasim's sustainability initiatives to promote environmental responsibility by encouraging responsible sourcing practices, reducing the environmental impact of transportation, and fostering transparency and accountability in supplier relationships.
- Guide our suppliers to set in place internal policies, governance structures, systems, and processes and take any other relevant measures to ensure adherence with this Policy.
- Regularly monitor supplier performance to ensure compliance with sustainable practices, contractual terms, quality standards, and delivery schedules.
- Communicate the Supply Chain Management Policy and Guidelines and cascade it through training programs, conferences, and other appropriate channels to its directors, management, and staff. The effectiveness of such training and communications programs shall be evaluated on a regular basis.

Grievance Redressals:

All stakeholders can report non-compliance under the policy without any risk in the form of retribution or retaliation and may directly report to the Company through an email to Grievance Officer at 'bc.grievance@adityabirla.com' in line with the Grievance handling policy. (<https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf>).

This policy shall be reviewed periodically for its suitability and updated as necessary.



Hari Krishna Agarwal
Managing Director, Grasim Industries Limited
22nd May 2024