Making Responsible Choices

We firmly believe that responsibility is the cornerstone of our sustained growth. It is, therefore, imperative for us to ensure that our business activities are closely aligned with our sustainability goals to create holistic value for all our stakeholders. With an unwavering commitment to driving lasting change, we have integrated the principles of Environment, Social, and Governance (ESG) into our business model. This integration enables us to align our business objectives with the key focus areas identified in our ESG approach. Guided by our purpose and vision, we operate with a strong sense of responsibility to achieve sustainable and consistent growth.

Our ESG Framework

Our commitment to integrate sustainability into our business manifests through our carefully crafted ESG framework that aims at delivering comprehensive value to both our organisation and stakeholders. We aspire to make meaningful contributions towards an ecosystem that prioritises environmental protection, societal well-being, and the establishment of a robust corporate governance structure.

At the core of our strategy for responsible investments lies our commitment to delivering lasting value. With the focus on sustainable value creation, we have identified three key pillars that underpin our engagement in significant ESG initiatives.

These strategic pillars serve as the foundation for our efforts to drive long-lasting change for each of our stakeholders. They guide our actions and help us identify the areas that are directly impacted by our business operations. Our primary objective is to develop and implement impact-oriented projects that align with these focus areas. Through these initiatives, we aim to bring positive change in the world while simultaneously building a strong and reliable company. We recognise that our actions have the potential to shape the future and we embrace the responsibility to contribute to a more sustainable and inclusive world.

Purpose: A Commitment to Sustainable Living

Pillar 1: Environmental Stewardship

We aim to achieve environmental stewardship through the active implementation of significant initiatives that are focused on driving a positive change in our surrounding environment. We also aim to adopt the concept of recycling and reusing to effectively manage the consumption of these valued resources and to leverage technological interventions across our properties to drive sustainability.

Pillar 2: Socially Responsible

Pillar 3: Resilient Business

Focus Areas

CLIMATE CHANGE
Working towards carbon neutrality to combat climate change
Read more 99

SUPPLY CHAIN MANAGEMENT
Encouraging our vendors to adhere to ESG norms in their procurement, hiring, and other business practices
Read more 80

ENERGY CONSUMPTION & EMISSIONS MANAGEMENT
Shifting towards renewable energy and reducing our carbon footprint by adopting sustainable practices
Read more 100

WATER STEWARDSHIP
Reducing/Reusing water and improving conservation options to promote water stewardship at our operational facilities
Read more 101

WASTE MANAGEMENT
Fostering circularity through 3R Principles
Read more 104

PRODUCT STEWARDSHIP
Making environmentally sustainable product choices in every category
Read more 87

RESOURCE MANAGEMENT
Ensuring optimum resource utilisation
Read more 79

BIODIVERSITY
Ensuring conservation of biodiversity by taking various steps
Read more 105

ENVIRONMENTAL COMPLIANCE
Adhering to environmental rules and regulations for sustainable operations
Read more 107

Supported by Robust ESG Governance Framework
Focus Areas

Pillar 2: Socially Responsible

As our journey towards building a sustainable organisation is not possible without the invaluable support of our employees, customers, suppliers, and surrounding communities, we make investment in the growth, development and well-being of our workforce our top priority. Moreover, we strive to uplift local communities by contributing to measures and programmes that are vital for their overall well-being.

TALENT MANAGEMENT
Creating an environment that recognises and appreciates performance in the workplace

LEARNING AND DEVELOPMENT (L&D)
Creating L&D opportunities for our employees through various initiatives

DIVERSITY AND INCLUSION
Creating a diverse and inclusive workplace

EMPLOYEE WELL-BEING
Providing a healthy and safe workplace

HEALTH AND SAFETY
Ensuring zero incidents

COMMUNITY DEVELOPMENT
Cultivating community development as a key focus to foster positive change

SUPPLIERS AND BUSINESS PARTNERS
Cultivating good relations with suppliers and business partners

CUSTOMERS
Ensuring good customer relations

Focus Areas

Pillar 3: Resilient Business

In our pursuit of sustainability, the development of a resilient business that remains dependable for all stakeholders is our key priority. Our goal is to fortify our organisation in a way that enables us to navigate through challenges and consistently generate value for our stakeholders over time.

NEW PRODUCT DEVELOPMENT
Working towards new products that are more sustainable

AUTOMATION AND INNOVATION
Moving towards automation and proactively working towards innovation of new products

DIGITISATION
Implementing digital and technology-driven initiatives to achieve sustainable development across our units

ECONOMIC PERFORMANCE
Promoting sustainable products to improve economic performance

ESG TARGETS

<table>
<thead>
<tr>
<th>Goals</th>
<th>Business</th>
<th>Goals</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve Net Zero GHG Emissions at Grasim level by 2050</td>
<td>CFI</td>
<td>Reduce GHG emission of the main product (Scope 1 and Scope 2) by 10% by FY30 (over the base year of FY17)</td>
<td>Initiatives are in progress on various fronts like exploration of energy-efficient technologies, improving operational efficiencies, and increasing the share of renewable energy in the overall mix</td>
</tr>
<tr>
<td>Chlor-alkali</td>
<td>VSF</td>
<td>Increase share of renewable power to 25% by FY25</td>
<td>Already achieved 8% RE-power share till FY23</td>
</tr>
<tr>
<td>VSF</td>
<td>Reduce GHG emission intensity by 50% by FY30 and Achieve Net Zero Emissions by FY40</td>
<td></td>
<td></td>
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<tr>
<td>Textiles</td>
<td>Increasing RE power share up to 70% by FY30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All businesses</td>
<td>Target to plant 2 lakh trees in total across multiple location in vicinity of Grasim manufacturing sites by FY24</td>
<td></td>
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<tr>
<td>VSF</td>
<td>Grow circular products to 100,000 tonnes per year by FY24 using pre and post-consumer and alternate feedstock</td>
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<tr>
<td>VSF</td>
<td>Utilisation of ETP sludge as Gypsum and Cellulosic waste in co-processing for cement industries rather than landfill to be done 100% by FY25 over total disposal</td>
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</tr>
<tr>
<td>Enhanced diversity and inclusion for all business of Grasim</td>
<td>CFI</td>
<td>Increase woman employees by three times over FY19 (base year) to FY25</td>
<td>Women employee number increased from 342 in FY19 to 297 in FY23</td>
</tr>
<tr>
<td>VSF</td>
<td>Increase women employees percentage in manufacturing units to 15% by FY25</td>
<td>Continuous focus on hiring and retaining women manufacturing sites</td>
<td></td>
</tr>
<tr>
<td>Sustainable supply chain</td>
<td>VSF</td>
<td>Assists the sustainability performance of key suppliers by FY25</td>
<td>Identification of critical suppliers done, Supplier Code of Conduct circulated and sign-off started, Supplier Assessment Framework established for Viscose Staple Fibre Business</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>All businesses</td>
<td>Businesses to undertake the assessment studies in next three years</td>
<td>Biodiversity Policy has been announced for Grasim</td>
</tr>
<tr>
<td>Reduce water footprint</td>
<td>VSF</td>
<td>Reduce water consumption by 50% in VSF manufacturing process by FY25 over the baseline of FY16</td>
<td>VSF business has reduced water consumption by nearly 55% by end of FY23</td>
</tr>
<tr>
<td>CFI</td>
<td>Reduce specific freshwater consumption of the main product by 30% by FY25 over FY17 (baseline)</td>
<td>Multiple levers of reducing water consumption are being evaluated and work in progress on various fronts to reduce water consumption</td>
<td></td>
</tr>
<tr>
<td>Textiles</td>
<td>Reduction in efficient discharge and maximise water recovery</td>
<td>Treated Ef fluent recycling quantity has increased from 4% in FY17 to 57% in FY23</td>
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</tr>
<tr>
<td>Safety</td>
<td>VSF</td>
<td>Reduce the Lost Time Injury Frequency Rate (LTIFR) below 90% over the baseline of FY16</td>
<td>Grasim VSF has achieved a reduction of nearly 80% over the baseline</td>
</tr>
<tr>
<td>CFI</td>
<td>Reduce LTIFR below 80% by FY25 (over the base year of FY17)</td>
<td>LTIFR reduced from 3.77 in FY17 to 0.17 in FY23</td>
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</tr>
<tr>
<td>Textiles</td>
<td>Achieve Zero Fatality and reduce LTIFR</td>
<td>Zero Fatalities for more than 5 years, and LFIR reduced from 58 in FY17 to 3 in FY23</td>
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