



SUSTAINABILITY FRAMEWORK

PROGRESSING WITH PURPOSE



"Our ethos is defined by relentless monitoring, continuous improvement of processes, and investment in cleaner technologies, paving the path to a greener future. We have collaborated with the International Finance Corporation to enhance our sustainability footprint as we transition to a low-carbon economy through renewable projects and energy-efficient products, contributing to the UN Sustainable Development Goals."

Surya Valluri

Chief Sustainability Officer – Grasim Industries Limited

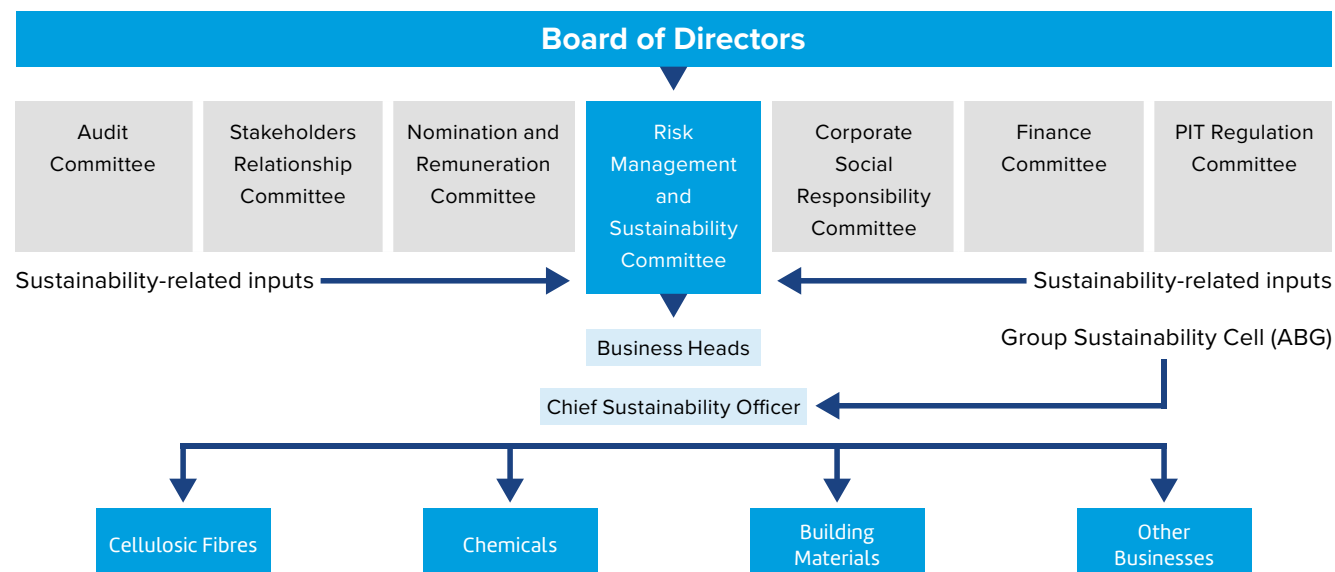
Sustainability Framework

A robust sustainability framework built on three pillars – covering environmental stewardship, being socially responsible and building a resilient business – guides our actions to incorporate sustainability within our business model and operations.

The three pillars of our strategic framework guide our efforts to address challenges and seize opportunities related to ESG factors that directly influence or are influenced by our business activities. Our sustainability framework aligns seamlessly with our broader business objectives.

Sustainability Governance

Our approach to sustainability governance integrates environmental, social, and economic factors into our operational strategies. Through stringent policies, active stakeholder engagement, and transparent reporting, we ensure accountability to our stakeholders. Our sustainability efforts are designed to improve responsible resource use, expand our innovation capabilities for sustainable solutions, develop our human capital, empower communities, and enhance our environmental stewardship.



Sustainability Oversight

The Risk Management and Sustainability Committee of the Board oversees the development and implementation of risk management policies and sustainable business strategies. The committee monitors progress against climate change-related and other ESG targets, collaborating closely with the Chief Sustainability Officer to manage sustainability-related risks. It aligns our operations and growth strategies with the Company's ESG goals. Other Board Committees provide insights to enhance our sustainability governance.

At the operational level, Grasim has established Safety and Sustainability Committees for each business unit, led by the Unit Head and composed of functional heads. These committees are responsible for implementing and monitoring Grasim's sustainability strategy and ESG performance, holding monthly meetings to review progress and reporting to higher-level committees.

Governance for Climate Responsibility

Grasim's Board of Directors oversees climate-related issues, ensuring the implementation of relevant measures. The Board evaluates the Company's progress on climate goals and maintains accountability for their execution. Climate considerations are integrated into strategic reviews, risk assessments, budgeting, capital expenditures, acquisitions, and performance evaluations.

We have established Committees with structured roles and responsibilities for identifying and managing climate-related issues on the ground, reporting directly to the Board or a Board Committee. Regular updates on climate actions are provided during Board and Committee meetings.

Monitoring Key Performance Indicators

The functional heads are responsible for monitoring designated ESG-related KPIs across various departments:

Environmental Head

Oversees all environmental KPIs, including energy consumption, emissions, water usage, waste management, materials, biodiversity, and environmental compliance.

HR Head

Manages KPIs related to human resources, focusing on recruitment, training, employee relations, human rights, and diversity initiatives.

Safety Head

Ensures compliance with safety protocols and monitors KPIs related to workplace incidents, accident rates, and overall safety measures.

CSR Head

Directs corporate social responsibility initiatives, including community engagement, philanthropy, and broader sustainability efforts.

Supply Chain Head

Accounts for supply chain KPIs, emphasising supplier diversity, ethical sourcing, and transparency in the supply chain.

Operations Head

Oversees manufacturing processes, product quality, and research and development activities.

Engineering Head

Supervises engineering-related KPIs, focusing on innovation and efficiency improvements.

Sustainability Policies

Our sustainability policies are designed to minimise the environmental and social impacts of our operations. These policies ensure compliance with regulations, including fair labour practices and respect for human rights, resource conservation, and protecting the health and safety of our people, among others.

Grasim's key policies

Code of Conduct	Human Rights Policy
Risk Management Policy	Safety Policy
Environmental Policy	Stakeholder Engagement Policy
Biodiversity Policy	Privacy Policy
Occupational Health Policy	Whistle Blower Policy
POSH Policy	CSR Policy
Information Security Policy	Water Stewardship Policy
Anti-Corruption & Anti-Bribery Policy	Board Diversity Policy
Grievance Handling Policy	Supplier Code of Conduct
Energy & Carbon Policy	Wood Fibre Sourcing Policy

+ For additional information on our policies, please visit <https://www.grasim.com/investors/policies-and-code-of-conduct>



SUSTAINABILITY FRAMEWORK

Pillar 1

Environmental Stewardship

- Climate Change
- Energy and Emissions Management
- Water Stewardship
- Waste Management
- Product Stewardship
- Resource Management
- Biodiversity
- Environmental Compliance

Pillar 2

Social Responsibility

- Talent Management
- Learning and Development
- Diversity and Inclusion
- Employee Well-being
- Health and Safety
- Community Development
- Suppliers and Business Partners
- Customers
- Responsible Supply Chain

Pillar 3

Resilient Business

- Corporate Governance
- Economic Performance
- New Product Development
- Automation and Digitisation

PILLAR 1: ENVIRONMENTAL STEWARDSHIP

We promote environmental responsibility by implementing initiatives aimed at creating positive impact on our environment. We strive to embrace recycling and reusing strategies to manage the utilisation of important resources effectively. Additionally, we intend to harness technology across our properties to enhance sustainability.

FOCUS AREAS

Climate Change

Progressing towards carbon neutrality to combat climate change

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Energy and Emissions Management

Transitioning to renewable energy and reducing our carbon footprint by adopting sustainable practices

[+ Read more Page 124](#)

Water Stewardship

Reducing/Reusing water and improving conservation options to promote water stewardship at our operational facilities

[+ Read more Page 127](#)

Waste Management

Foster circularity through 3R principles. Reduce-Reuse-Recycle waste for managing volumes going to landfills and conserving valuable natural resources

[+ Read more Page 129](#)

Product Stewardship

Making environmentally sustainable product offerings in every category

[+ Read more Page 107, 116](#)

Resource Management

Ensuring optimum resource utilisation

[+ Read more Page 107](#)

Biodiversity

Protecting and enhancing biodiversity around our operations and beyond

[+ Read more Page 132](#)

Environmental Compliance

Adhering to environmental rules and regulations for sustainable operations

[+ Read more Page 133](#)

PILLAR 2: SOCIAL RESPONSIBILITY

A sustainable organisation relies on the support from employees, customers, suppliers, and surrounding communities. Therefore, we place utmost importance on investing in our workforce's growth, development, and well-being. We endeavour to enhance the quality of life within local communities by actively participating in initiatives and programmes fundamental to their overall well-being.

FOCUS AREAS

Talent Management

Creating an environment that recognises and appreciates performance in the workplace

[+ Read more Page 148](#)

Learning and Development

Creating L&D opportunities for our employees

[+ Read more Page 149](#)

Diversity and Inclusion

Creating a diverse and inclusive workspace

[+ Read more Page 150](#)

Employee Well-being

Nurturing a positive work environment to support the well-being of our employees

[+ Read more Page 152](#)

Health and Safety

Safeguarding our employees' safety and cultivating a culture of safety

[+ Read more Page 153](#)

Community Development

Cultivating community development to foster positive change

[+ Read more Page 137](#)

Supply Chain Management

Building trusted relations with suppliers and business partners while encouraging our vendors to adhere to, and integrate ESG norms in their business practices

[+ Read more Page 110, 143](#)

Customers

Ensuring good customer relations

[+ Read more Page 145](#)

PILLAR 3: RESILIENT BUSINESS RESPONSIBILITY

Our focus is on building a robust and dependable business for all our stakeholders. We aim to strengthen our organisation ensuring that it is capable of overcoming challenges and disruptions, to continue delivering value to our stakeholders consistently over time.

FOCUS AREAS

Corporate Governance

Focus on improving internal controls, performance measurement and corporate disclosures

[+ Read more Page 26](#)

Economic Performance

Promoting consistent financial performance through sustainable innovation

[+ Read more Page 36](#)

New Product Development

Working towards new products that are more sustainable

[+ Read more Page 114](#)

Automation and Digitisation

Moving towards automation and digitisation to implement technology-driven initiatives to achieve sustainable development

[+ Read more Page 118](#)



SUSTAINABILITY FRAMEWORK

Sustainability Targets

Topic	Business	Goals	Status (FY 2023-24)
Energy and Emissions	Chlor-Alkali	30% Reduction of GHG emission of the main product (Scope 1 and Scope 2) by FY 2029-30 (Base Year - FY 2016-17)	Achieved 18% reduction in Scope 1 and Scope 2 GHG emissions.
		Achieving renewable power share up to 25% by FY 2024-25	Achieved 13% renewable power share.
	CSF	Reduce GHG emission intensity by 50% by FY 2029-30	Reduced GHG emission intensity by 17%.
	Textiles	Achieving renewable power share up to 70% by FY 2029-30	Achieved 9.3% 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 time than anticipated. The business has invested in capacity building to meet the demand for recycled fibre and is ready to deliver the targeted amount when the market is ready.
	CFY	Utilisation of ETP sludge as Gypsum and Cellulosic waste in co-processing for cement industries rather than landfill to be done 100% by FY 2024-25 over total disposal	Presently 36% of the ETP sludge and 100% of cellulosic waste is being diverted from disposal to co-processing in cement plants.
Diversity and Inclusion	CFI*	Increase woman employees by three times by FY 2024-25 (Base Year - FY 2018-19)	Women employee number increased from 142 in FY 2018-19 to 429 in FY 2023-24.
	CSF	Increase women employees' percentage in manufacturing units to 15% by FY 2024-25	Currently, female employees make up 2.3% of total employee count at the manufacturing units. Efforts to increase this count are ongoing.
Sustainable supply chain	CSF	Assess the sustainability performance of key suppliers by FY 2024-25	Established a Supplier Assessment Framework and completed sustainability assessments for key suppliers covering about 66% of procurement spend.

* Chemicals, Fashion Yarn and Insulators

Topic	Business	Goals	Status (FY 2023-24)
Biodiversity	All businesses	Businesses to undertake the assessment studies in next three years	Planned to conduct biodiversity assessment studies for four Grasim units in FY 2024-25. Two units from CSF business and one unit each from CFY and Chlor-Alkali businesses.
	All businesses	Target to plant 2 lakh trees in total across multiple location in vicinity of Grasim manufacturing sites by FY 2023-24	1.7 lakh trees planted.
Reduce water footprint	CSF	Reduce water consumption by 50% in CSF manufacturing process by FY 2024-25 over the baseline of FY 2014-15	CSF business has reduced water consumption in manufacturing process by nearly 74% by end of FY 2023-24.
	Chlor-Alkali	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 16% reduction in freshwater consumption by end of FY 2023-24.
	Textiles	Reduction in effluent discharge and maximise water recovery	Treated effluent recycling has increased from 7.2% in FY 2014-15 to 53.1% in FY 2023-24. Out of 3 units, two units (JST, VW) have installed ZLD plants.
Safety	CSF	Reduce the Lost Time Injury Frequency Rate (LTIFR) by 90% (Base Year – FY 2014-15)	Grasim CSF has achieved a reduction of nearly 83% LTIFR.
	CFI*	Reduce LTIFR by 80% by FY 2024-25 (Base Year – FY 2016-17)	LTIFR reduced from 3.77 in FY 2016-17 to 0.17 in FY 2023-24 achieved 95% LTIFR reduction.
	Textiles	Achieve Zero Fatality and reduce LTIFR for workers	Zero Fatalities for more than 5 years, and LTI reduced from 58 in FY 2016-17 to 7 in FY 2023-24.