

Built into How We Operate

Our Journey Over the Years

The early years of our journey were driven by a clear focus on building strong and efficient operations. The priority was on improving processes, scaling businesses, and ensuring consistent performance across sites. Over the years, this created a culture of operational discipline and reliability, with systems and practices that enabled the business to perform at scale. This phase did not begin with sustainability as a defined agenda, but it built the foundation that made it possible to integrate sustainability in a meaningful way later.

The journey is now focused on making sustainability a core part of how decisions are made across the business. The emphasis is shifting from standalone initiatives to more integrated ways of working that connect climate action, resource management, and operational performance. There is also a growing focus on using data and digital systems to improve visibility and support decision-making, along with deeper engagement across the value chain. The objective is to build systems that are efficient, adaptable, and aligned with evolving expectations.

Sustainability Governance

The Board of Directors provide overarching direction on sustainability and ESG priorities, driving alignment with the organisation’s vision. Focused oversight is exercised by the Risk Management and Sustainability Committee, which reviews climate and sustainability-related risks, mitigation strategies, adaptation actions, and progress against defined targets.

Sustainability priorities are translated into execution through business and functional teams, where sustainability considerations are systematically integrated into business strategy and planning, capital allocation decisions, enterprise risk management frameworks, performance evaluation processes, and merger, acquisition and investment decisions. This integrated approach ensures that sustainability is not

treated as a parallel agenda, but as a core component of decision-making across the organisation.

Governance effectiveness is reinforced through clearly defined roles and accountability across levels, cross functional coordination mechanisms, and periodic reviews at the Board and Committee levels. As the journey progresses, governance systems continue to evolve to strengthen climate risk assessment, scenario analysis, and sustainability integration, enabling more forward-looking and resilient approach.

Policies, Management Systems and Controls

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

We integrate the requirements of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management) through the Integrated Management System (IMS), creating a unified system for managing key operational and compliance requirements. Standardised procedures, internal audits, management reviews, and digital controls provide visibility into key performance parameters and risk areas. Regular monitoring and evaluation enable timely action and drive continual improvement while maintaining consistency in management practices throughout the organisation.

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Sustainability Framework

Our sustainability framework guides decisions and actions across the business and aligns sustainability with strategic objectives, helping us consistently manage environmental and social impacts while boosting overall performance and managing risks.





What We Aim to Achieve

We continue to drive progress against our sustainability targets, including our commitment to achieve Net Zero by 2050, through focused implementation across key areas. Performance against these targets is tracked on an ongoing basis, providing visibility into outcomes and enabling course correction where required. The targets support consistent monitoring of environmental and social parameters and guide action across businesses to deliver measurable results.

		Description	Performance in FY 2025-26	Targets for FY 2029-30
 Energy and Emissions	Renewable Energy Share	The total energy mix includes both renewable and non-renewable sources used across operations.	8%	16% renewable energy share in the total energy mix
	Renewable Capacity Share	The total installed power capacity comprises renewable and conventional capacity, including captive and purchased power.	24%	25% installed electrical capacity from renewable sources
	Emission Intensity	The emission data covers both direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions.	23%	45% reduction in Scope 1 and 2 emissions per unit of production (Base Year: FY 2023-24)
 Water Management	Recycled Water Share	The total water usage includes water withdrawal and recycled water used in operations.	32%	38% of water recycling in the total water requirement
 Biodiversity	Biodiversity Assessment	Biodiversity risk assessments are conducted across operational sites, followed by development of site specific management plans.	12 out of 27 units	100% assessment of operational 27 manufacturing units for biodiversity-related risks
 Gender Diversity	Gender Representation	The representation of women is considered across total permanent employees.	10%	14% representation of women within total permanent employees