

ESG Handbook

FY 2024-25



ADITYA BIRLA GROUP



Birla Cellulose

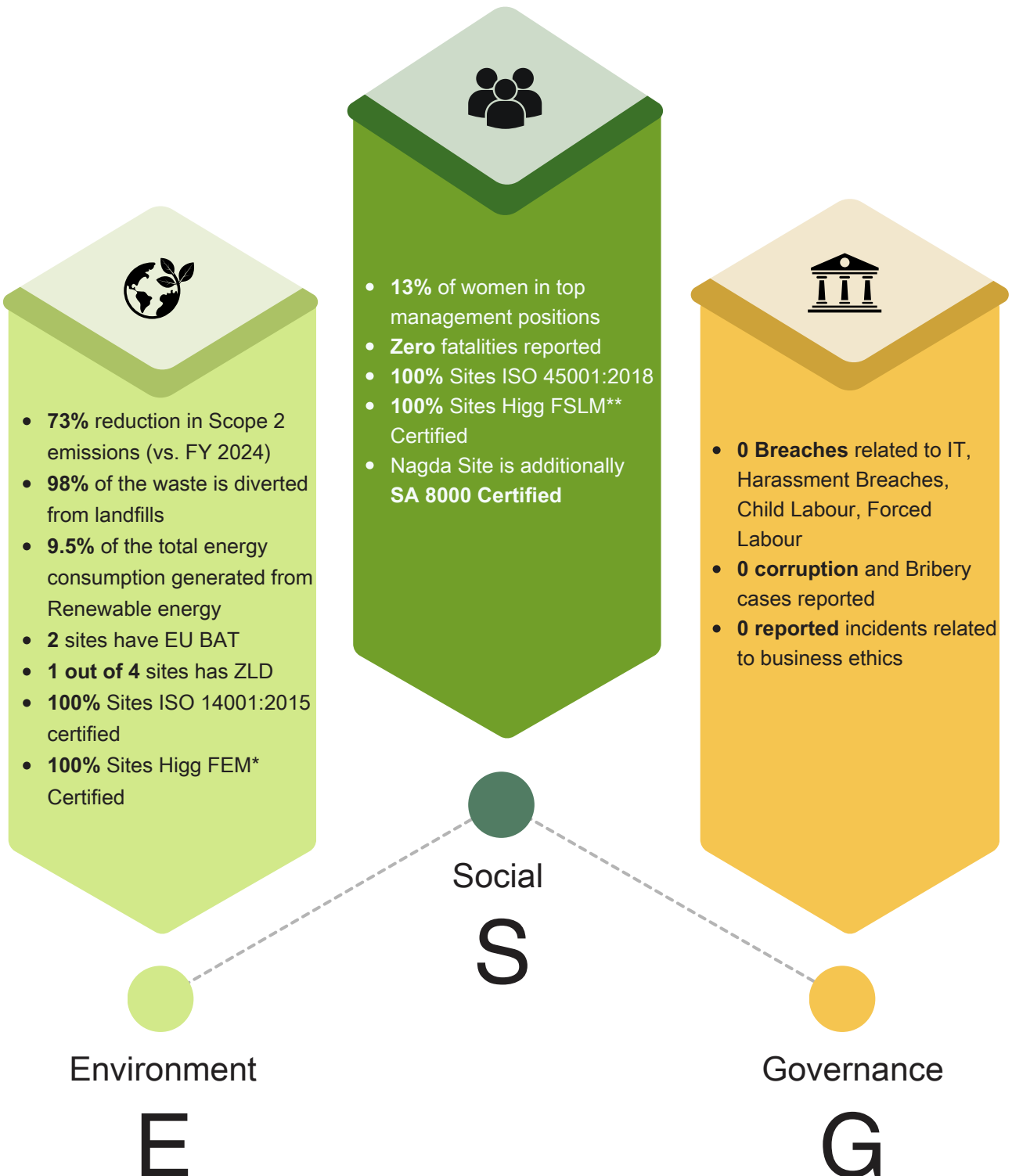
Fibres from nature



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Key Highlights: FY 2024-25



*Higg FEM: Facility Environment Module

**Higg FSLM: Facility Social & Labour Module

About the ESG Handbook

Birla Cellulose presents its ESG Handbook for FY 2024-25 to provide a structured and transparent overview of its environmental, social and governance commitments, practices and performance across the cellulose division. The handbook supports consistent implementation of ESG principles and serves as a practical reference for all stakeholders.

This ESG Handbook complements these disclosures by consolidating key ESG initiatives, governance mechanisms, operational practices, and performance indicators. It is designed to support internal awareness, enable effective implementation, and facilitate readiness for customer assessments, and audits.

Scope and Boundary

This report covers all activities of our four primary manufacturing facilities, Cellulosic Fibers - CSF (Cellulosic Staple Fibre) Division located in:

1. Staple Fibre Division, Nagda, Madhya Pradesh, India
2. Grasilene Division, Harihar, Karnataka, India
3. Birla Cellulosic, Kharach, Gujarat, India
4. Grasim Cellulosic Division, Vilayat, Gujarat, India

This report presents CSF Division sustainability performance and activities for the financial period from April 1, 2024, to March 31, 2025. This report includes data across our CSF operations and supply chain, with a focus on our core sustainability pillars.

Reporting Standards

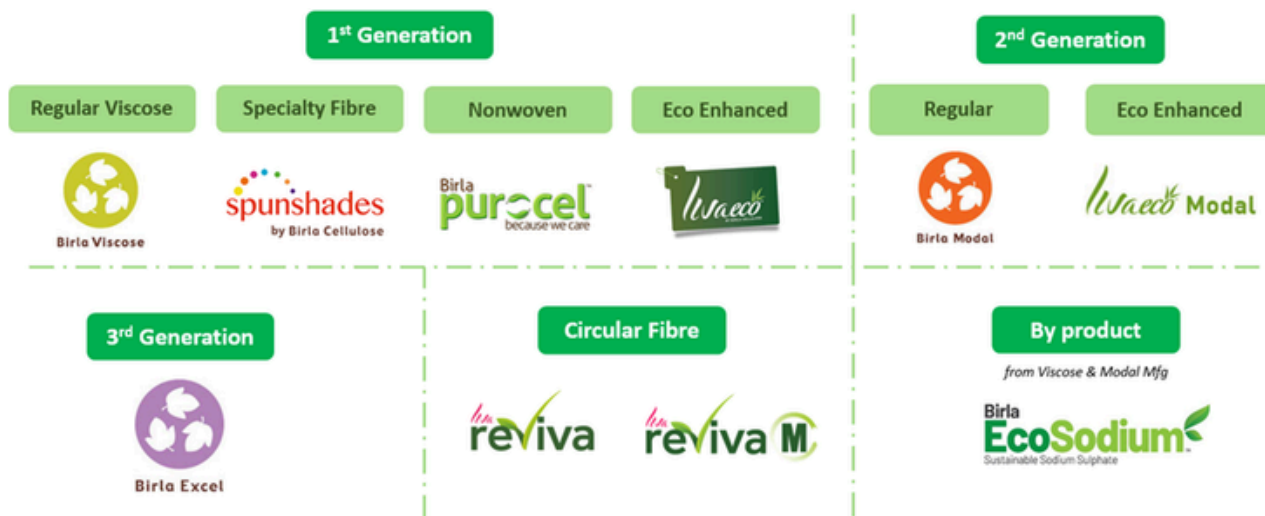
At Birla Cellulose, sustainability disclosures are developed with reference to the Global Reporting Initiative (GRI) Standards to enhance transparency, consistency, and accountability. By aligning key ESG initiatives with globally recognized frameworks, the Company provides stakeholders with meaningful insights into its performance, supports informed decision-making, and drives continuous improvement in responsible and sustainable operations.

This report has undergone independent external assurance on a Limited Assurance basis, conducted by a recognized third-party assurance provider, in accordance with the Global Reporting Initiative (GRI) Standards and relevant sustainability reporting frameworks.



About Birla Cellulose

Birla Cellulose, the Pulp and Fibre business of the Aditya Birla Group, is a global leader in Manmade Cellulosic Fibres (MMCF). With an annual production capacity of 922 KTPA of fibre, our portfolio spans:



Man-Made Cellulosic Fibre (MMCF) and Circular Innovation

Man-Made Cellulosic Fibres (MMCF) represent a key enabler of circular textile value chains. Responsibly produced MMCFs are derived from natural and renewable wood sourced from sustainably managed forests and manufactured through closed-loop processes that minimise environmental impact. These fibres are biodegradable in soil, freshwater, and marine environments. They are also compostable at the end of their life cycle.

With advancements in recycling technologies, pre- and post-consumer textile waste can now be processed and reintegrated into viscose production, reducing reliance on virgin wood-based pulp. This transition supports a shift from a linear “take-make-dispose” model to a more circular business model.

Birla Cellulose continues to invest in textile waste recycling technologies as part of its commitment to circularity. Its R&D initiatives have led to multiple innovations that are currently in various stages of development and scale-up.

- **NextGen Solutions**

NextGen Solutions focus on alternative raw materials and process innovations aimed at reducing pressure on forests and improving material efficiency. These initiatives explore the use of alternative feedstocks such as agricultural residues and recycled textiles to optimise resource use and reduce environmental footprint.

- **Liva Reviva**

Liva Reviva fibre is produced using Next Generation feedstock in line with circular textile principles. It incorporates up to 30% pre-consumer textile waste while maintaining performance characteristics comparable to conventional viscose fibres.

Key attributes include:

- Certification under the Recycled Claim Standard (RCS)
- Lower water consumption and reduced GHG emission intensity compared to conventional alternatives
- A molecular tracer embedded within the fibre to enable source verification and supply chain traceability through blockchain technology

Birla Cellulose has prioritised the development and scaling of alternative feedstock and next-generation fibres through continued investment in recycling technologies and production capabilities.

- **Nanollose Collaboration**

Birla Cellulose is collaborating on the development of Nanollose-based lyocell fibres, which utilise an eco-friendly fermentation process to convert agro-industrial waste streams into cellulose. This partnership has resulted in a joint patent application following successful laboratory-scale production, with further scale-up trials underway.

- **Agri-Waste Project**

An Agri-Waste initiative is being advanced under the Fashion for Good platform, supported by the Laudes Foundation and some of our brand partners. The project evaluates the feasibility of producing pulp from agricultural waste for use in viscose and lyocell fibre production, contributing to diversification of feedstock and circular material flows.

Sustainable Process Innovations

- **Sustainable Dyeing Process for Excel Fibres:** Introduced a masterbatch-dyeing process where pigments are embedded directly into the dope, reducing the need for harmful chemicals and water. This results in high-quality dope-dyed fibres with a lower environmental footprint.
- **Elemental Sulphur Reduction in Spinning:** Optimised CSF spinning by adding metal oxide and using nitrogen blanketing, leading to improved steam efficiency and increased CS₂ recovery.
- **Continuous Dissolver (CD) Implementation:** Enhanced the Cellulosic Staple Fibre (CSF) dissolution process using the CD concept, which enhances fibre quality, optimises energy consumption, and production costs.
- **Infrared (IR) Enhanced CSF:** Integrated IR-active minerals into fibre manufacturing to produce CSF suited for winter wear, offering added warmth and wellness benefits.
- **In-house Flame Retardant (FR) Synthesis:** Developed and patented organophosphorus-based FR additives, reducing external dependency and enabling cost-effective, eco-friendly production of flame-retardant CSF.
- **Membrane Distillation with Mechanical Vapour Recompression (MVR) Technology:** Piloting a next-generation evaporation system that combines membrane distillation with MVR, potentially reducing energy use by up to 40% in process evaporation.
- **IR Thermal Imaging for Quality Control:** Deployed an IR thermal imaging system in the CSF business to detect and quantify wet lumps at the dryer end, enhancing process control in fibre production.
- **Biodegradable Fibre Design in the age of Microplastic Pollution:** The man-made cellulosic fibres produced are derived from natural, renewable wood-based raw materials and are inherently biodegradable. Unlike synthetic fibres, any fibre fragments released during use or washing do not persist as microplastics and naturally degrade in soil, freshwater, and marine environments, reducing long-term environmental impact.

Sustainable Innovation in Dyeing – Anionic CSF for Brighter, Cleaner Shades

Overview

Conventional dyeing processes are resource intensive and generate dye-laden effluents and chemical waste, presenting a clear opportunity to reduce environmental impact and improve process efficiency. This project focused on enhancing CSF with anionic additives to enable dyeing with cationic dyes, resulting in a more sustainable, efficient dyeing process that produces vibrant colours with reduced resource use and pollution.

Solution

An anionic additive was introduced into the cellulose dope during fibre production, improving affinity for cationic dyes. This concept was successfully demonstrated through scale-up and commercial trials by the R&D teams at the Fibre Research Centre and the Nagda plant. Both the **Fibre Research Centre and the Textile Research and Application Development Centre** were instrumental in refining the process and developing shade options. Collaboration with the Marketing team and key customers helped fine-tune dyeing protocols and establish the downstream value chain. The additive was integrated using existing manufacturing infrastructure, enabling smoother adoption across operations.

Impact

This innovation reduces dye consumption and environmental impact by enabling salt-free dyeing at lower temperatures. It simplifies processing of blends with cationic polyester and acrylic through single-bath dyeing and offers a cost-effective solution for mélange and patterned fabrics. The use of basic dyes expands shade variety and enhances brilliance. A patent has been filed, reinforcing our intellectual property portfolio and competitive edge.

Future Outlook

Further efforts are focused on establishing fabric performance standards, streamlining supply chain integration, and scaling up market availability. With strong customer interest and broad application potential, anionic CSF is set to support responsible fashion with lower environmental impact and higher value creation.



Lifecycle Impact and Product Use

Beyond manufacturing, Birla Cellulose evaluates environmental impacts across the entire product lifecycle, including the use phase. The Life Cycle Assessment (LCA) framework enables Birla Cellulose to systematically evaluate key impact areas such as energy consumption, emissions, and resource efficiency across product use phases. Insights from these assessments guide continuous product and process improvements by highlighting opportunities to enhance energy performance, strengthen decarbonisation pathways, optimise operational efficiency, and adopt cleaner and more efficient technologies. These learnings also support alignment with national energy-efficiency programmes and broader sustainability objectives, ensuring that product development is informed by robust environmental intelligence and drives measurable long-term improvement. In addition to lifecycle assessments, we identify and manage operational risks associated with energy use and emissions.

Climate Risk and Mitigation

Risk Identified: On-site generation of electricity and steam from captive power plants leading to GHG emissions

Actions Taken:

- Decarbonisation and transitioning to green power and green steam required for fibre production.
- Adopting more efficient coal-based steam and power generation.
- Improving operational efficiency to achieve a reduction in steam and power consumption.
- Actively participating in the Perform, Achieve and Trade (PAT) cycle as per the Bureau of Energy Efficiency (BEE). Additionally partaking in the newly established Carbon Credit Training Scheme (CCTS).

Product Stewardship and Safe Handling

Birla Cellulose ensures that appropriate measures are in place for the safe handling and storage of fibre products to maintain product quality and minimise risks to personnel and operations. Handling practices are designed to ensure safe management of bale materials, including the use of suitable tools, personal protective equipment, and adherence to safe stacking protocols to prevent instability.

Storage and physical handling controls focus on mitigating risks associated with ignition sources, electrostatic charge, and exposure to incompatible materials. Products are stored under controlled conditions to preserve quality, including maintaining cool, dry, and low-light environments. Additionally, operational processes are managed to control fibre dust generation and ensure compliance with applicable exposure standards, with appropriate ventilation and protective measures implemented where required.



Environmental Stewardship

At Birla Cellulose, we are committed to driving sustainable industrial practices that balance operational excellence with environmental responsibility. Our strategy focuses on innovation, rigorous performance monitoring, and stakeholder collaboration to minimize our ecological footprint across key areas.

Climate Strategy and Environmental Management

Birla Cellulose is committed to advancing energy management and reducing carbon emissions as a core sustainability priority. Recognising the urgency of climate change, decarbonisation is embedded as both an environmental responsibility and a strategic business imperative. The organisation has set a target to achieve Net-Zero carbon emissions across all operations by 2040 and reduce GHG emissions intensity by 50% by 2030 (Baseline year 2019). Closed-loop technologies are being implemented across fibre sites to meet EU BAT guidelines for sulphur emissions to air by 2027, with two of the four CSF Division sites already in conformance. During the reporting period, 100% of the sites were assessed against key environmental risk parameters, including water management, emissions, waste handling, and resource efficiency. These assessments help the Company monitor environmental performance, ensure compliance with regulatory requirements, and identify opportunities for continuous improvement in environmental management practices across its operations.

Through regular audits and a structured communication framework, Birla Cellulose aims to enhance understanding of energy issues while reinforcing its mission to mitigate environmental impact and inspire collaborative efforts toward sustainable energy solutions.

Energy Management and Renewable Energy:

Our strategy focuses on systematically reducing energy intensity, expanding renewable energy integration, and deploying non-fossil fuel sources such as biomass, biogas etc. across fibre sites. Renewable Energy is generated across all Birla Cellulose sites through solar installations, with additional renewable energy purchased at the Kharach unit. During FY 2024-25, a total of 2,909,057 GJ of renewable energy was generated. At our pulp operations, circularity in energy use is already evident: 80-90% of energy needs are met internally through black or red liquor generated in the cooking process as a fuel, reducing dependency on external fossil fuels and enhancing resource efficiency.

In addition to renewable energy, Birla Cellulose utilizes a range of alternative and biomass-based fuels to support its energy requirements. These include Wood chips, Charcoal churi, Biomass sludge, Wooden sawdust, Wooden saw pallets, Rice husk, Bagasse, Biomass briquettes, Renewable electricity (purchased)

Through these initiatives, Birla Cellulose continues to strengthen its energy transition strategy by promoting circular resource use, improving operational efficiency, and advancing the integration of sustainable energy sources across its manufacturing operations.

GHG Emissions Accounting:

We calculate our Scope 1 emissions using recognised emission factors, operational data such as fuel consumption and process information, and clearly defined assumptions to ensure accuracy and transparency. For Scope 2, we report emissions using both market-based and location-based methods, reflecting our electricity procurement choices as well as grid-average emission factors in line with GHG Protocol requirements.

We calculate our Scope 3 emissions in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Standard to identify the most relevant emission sources across our value chain. Our approach focuses on refining category classification and expanding emissions coverage, particularly for fuel- and transport-

related activities particularly for fuel- and transport-related activities. We classify fuel transport emissions under Category 3 (Fuel- and Energy-Related Activities) to reflect their upstream lifecycle, and include emissions from purchased electricity, fuels, as well as transmission and distribution losses. We also determine transportation emissions (Categories 4 and 9) based on the purchaser of the service rather than the direction of movement.

Water Stewardship

At Birla Cellulose, we have set ambitious targets for water conservation and recycling across our operations. Given the technological intensity of our chemical processes, we invest in advanced purification systems to ensure high quality demineralised water for production, while continuously optimising water use and promoting reuse and efficiency.

As part of the Aditya Birla Group and a member of the World Business Council for Sustainable Development, we actively advance responsible water management. We have implemented a structured water stewardship approach focused on clear reduction targets, robust monitoring systems, behavioural change, knowledge sharing, and investments in water conservation initiatives. All sites have defined water reduction targets, with monthly performance tracked and reviewed by the Chief Operating Officer (COO). Incoming water is measured and mapped across processes, with department-wise daily monitoring and regular analysis to identify losses and opportunities for efficiency improvements. We also focus on building awareness among employees to reinforce the importance of responsible water use.

CASE STUDY

Reduction of water consumption at our Vilayat plant world's largest VSF manufacturing site

Objective

Our objective is to achieve 'minimum' freshwater consumption and have set a target that surpasses the statutory, regulatory, and / or industry norms.

Action

We have, in the last few years, made significant investments to improve processes and systems. This facility is conforming to European Union Best Available Technology (EU-BAT) guidelines. Several initiatives have been implemented to reduce our environmental impact, including:

- Installation of RO systems to recover and reuse up to 70% of processed water from various effluent streams
- Influent and effluent characterisation, closed-loop backwashing, pinch for washing, utilising RO reject for once through quenching.
- Expansion and upgradation of ETP and process improvisation

These initiatives demonstrate our commitment to sustainability and our efforts to continuously improve our environmental performance.

Outcome

We have significantly reduced our water consumption, thanks to our pioneering measures. Our overall water intensity has been reduced by 83% from the baseline of FY16 to FY25, in a phase wise manner.

Nagda – the first Zero Liquid Discharge (ZLD) viscose and lyocell site in the world

Overview

Birla Cellulose has achieved a path-breaking innovation by successfully commissioning the first ZLD plant in the MMCF industry in the world. This sets a new benchmark in the closed loop process and increases the water recovery to the extent of 95% from the viscose process and at the same time, reduces the liquid effluents to zero. The MMCF wastewater is very challenging to treat and not friendly to existing membrane technologies that are typically used for wastewater treatment

Challenge

- ZLD system has never been tried in the viscose process
- High inorganic, organic content and hardness in the effluent
- Unit not designed for installing ZLD system
- Increasing water stress and commitment to reduce fresh water consumption

Action

- Invited water field experts to design the systems retrofitting several places for smooth operation of the ZLD process
- Involved world's top three companies in membrane technologies to develop an ideal system that can handle all the nuances of viscose effluent
- After months of study and analysis, a state-of-the-art ZLD system was designed which will recover about 95% of wastewater feed without any generation of any waste

Outcome

- As 95% wastewater is recycled within the process, fresh surface water withdrawal from river is avoided leading to more availability of water for irrigation and other general purposes
- Increase in salt recovery leading to increased revenue generation
- Positive impact on the society at large
- No effluent discharge from the site and zero pollution load due to wastewater

Birla Cellulose has implemented several measures based on the 3R principle - Reduce, Reuse and Recycle to minimize water consumption and reduce effluent discharge across its operations.

REDUCE

- Better technology machines are introduced which require lesser water for fibre washing
- Optimizing of water usage in spinning after-treatment section
- Drip irrigation system in the office gardens
- Minimization of wastewater generation
- Reduce cooling tower blowdown in Auxiliary department by reducing carryover losses from equipment
- Elimination of filter presses for reject viscose filtration by installation of centrifuges

REUSE

- Reuse of the water used in various equipment in Viscose department for fire pond
- Use cooling tower blowdown water of viscose department, energy centres and CS₂/ H₂SO₄ plants into fire pond, ash handling plant and acid plant scrubbers
- Fiber washing optimized with more back purging
- Treated water from ETP is used for greenery development, floor cleaning, coal quenching
- Spin bath filter backwash done by excess scrubber water / first wash water
- Reusing of excess condenser water to water treatment plant (WTP)
- Reusing of excess scrubber water to waste fibre tow washing area

RECYCLE

- Cooling Tower blowdown recycling through RO
- Recycling of water used in Auxiliary department vacuum pumps' gland cooling into cooling towers
- Use sewage treatment plant (STP) for cooling tower makeup in Auxiliary departments
- Installation of state-of-the-art membrane RO plants to recycle wastewater and permeate is used directly for process
- Recycling of MSFE condensate through RO and reusing the same as soft water
- Collecting underflow of water clarifiers, water filter back wash, and installing Lamella filter to remove solids and reuse
- Recycling of ETP wastewater for floor washing & other less important activities
- Recycling of process steam condensate in after-treatment process

Waste Management and Circular Economy

At Birla Cellulose, we are committed to responsible waste management and advancing circular economy practices across our operations. We have set an ambitious target to achieve Zero Waste to Landfill by 2030, in alignment with the Aditya Birla Group commitment and applicable local regulations. To support this goal, we have launched a multi-phase initiative to identify, segregate, reduce waste at source, and promote reuse of waste streams, including a key project to eliminate the landfilling of piece-up solid waste with complete diversion targeted by FY26 and scaling across all sites by FY 2028.

We aim to divert over 90% of operational waste from landfill and incineration by 2030 (baseline 2019), and have already achieved 89% diversion through reuse, recycling, and recovery practices. Across our units, strict source-level segregation of hazardous and non-hazardous waste is implemented, supported by regular employee training. Our waste management approach follows a hierarchy prioritising reduction, reuse, and recycling, while ensuring compliance with India's waste management regulations.



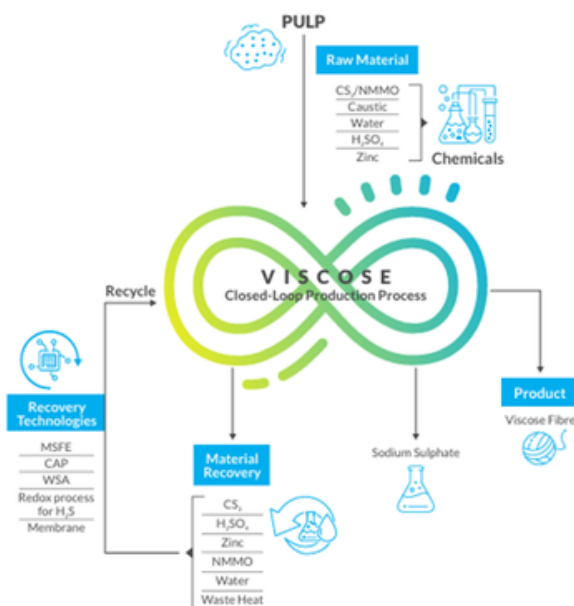
Closing the Loop in Fibre Manufacturing

In our closed-loop fibre manufacturing process, at every stage, we ensure that output materials are reused. The 3R philosophy has been institutionalised at Birla Cellulose to eliminate waste and preserve natural resources.

Dissolution: The pulp is dissolved in caustic and squeezed in the dissolution stage. The squeezed liquid contains caustic, which is reused in the process after filtration. Subsequently, the alkali-cellulose reacts with CS_2 to form viscose. This is filtered in multiple steps. In each step, the reject material is used again after filtration.

Regeneration: In the regeneration stage, viscose reacts with sulphuric acid to form regenerated cellulosic fibre. The spent solution is again reconditioned in evaporators to be reused. Also, the sodium sulphate salt formed in this process is crystallised and recovered as by-product. During the reaction, there is release of CS_2 and H_2S , which are captured and sent to the gas treatment unit. The salt recovery in Birla Cellulose plants is among the highest in the industry globally.

CS_2 and Sulphur Recovery: In all our plants, CS_2 condensation unit is installed, which recovers CS_2 and then this CS_2 is reused again in dissolution of viscose. In some of our plants, Claus Sulphur Recovery technology has been adopted to recover Sulphur in molten form from H_2S tail gas, and some have Wet Sulphuric Acid (WSA) plants. The molten sulphur is reused in making sulphuric acid. In some of the plants, the exhaust gas is treated to remove H_2S , and the CS_2 containing gas is fed to Carbon Adsorption System where the CS_2 is recovered. The recovered CS_2 is reused in viscose process. The recovered sulphuric acid is also reused directly in the process. The recovered sulphur is converted to sulphuric acid and reused in this process. The combined recovery of sulphur could be greater than 90%.



Steam: The steam used in the process is flashed and the resultant flash steam is recovered and reused in the system.] The hot condensate of the steam is collected and is recycled to make more steam in the boiler. Our manufacturing plants are one of the most energy efficient plants in the world with minimum Greenhouse gas emissions.

Water: Birla Cellulose is proud of the fact that we have been able to close the loop on water largely and have delivered the world's lowest water consumption numbers in some of the most water stressed geographies, where we operate. We have reduced the consumption to as much as 50% below the lower limits of EU BAT norms for process water, which is a global benchmark in the viscose industry.

Air Quality

The captive power plants at our sites are identified as the primary source of air emissions. We monitor and manage these emissions in accordance with regulatory requirements and internal control systems, using process optimisation, pollution-control equipment, and regular compliance monitoring to minimise environmental impact and safeguard community and environmental health. To curb air pollution, we have implemented several mitigation measures, including engineering controls such as filters, scrubbers, and cyclones separator; automated controls to maintain critical process parameters; and preventive maintenance of environmentally critical equipment. Most sites are equipped with Continuous Emissions Monitoring Systems (CEMS) connected to pollution control board servers, with real-time emission data displayed at factory gates to enhance transparency. Periodic monitoring is also conducted by regulatory-approved third parties. Our facilities deploy multiple technologies to capture and treat process emissions such as CS₂ and H₂S, including CS₂ condensation, wet sulphuric acid processes, carbon disulphide adsorption (CAP) technology, redox processes, and scrubbers.

We have also adopted European Union Best Available Techniques (EU BAT) guidelines across our viscose and modal fibre operations, with sites such as Vilayat and Kharach already meeting these standards. Through these measures, Birla Cellulose remains committed to maintaining emissions within permissible limits while continuously adopting global best practices to reduce environmental impact



Noise Management

Measures are implemented to minimise noise emissions and safeguard the surrounding environment, including the installation of noise control walls such as greenbelt barriers, sound barrier blankets, and panels, along with noise control systems and equipment such as acoustic enclosures, mufflers, silencers for exhaust air from pneumatic equipment, and insulation of designated production areas. In addition, machinery and equipment are regularly maintained to ensure optimal performance and prevent elevated noise levels. Periodic inspections are also conducted to monitor and ensure compliance with prescribed noise limits.

Third-party noise monitoring assessments are also conducted across all operational locations of Birla Cellulose to measure noise levels at various points within the site premises and track emissions during plant operations. The monitoring results indicate that noise levels across all locations are within permissible regulatory limits and do not cause disturbance to the surrounding environment, reflecting the Company's commitment to maintaining compliant and responsible operational practices.

Biodiversity Management

Birla Cellulose sees biodiversity as critical to ecosystem resilience and the long-term availability of natural resources that support our activities. We are dedicated to attaining No Net Loss (NNL) of biodiversity at all sites through focused habitat management, restoration programmes, and site-specific action plans. In FY 2024–25, baseline assessments were initiated in Vilayat and Harihar, with Biodiversity Management Plans (BMPs) being prepared. The next phase will contain Nagda, Kharach, as well as two additional units. All our Indian sites are targeted to complete biodiversity assessments by 2027. Our method, which follows the mitigation hierarchy of avoid, minimise, restore, and offset, allows for systematic responses to site-specific risks, particularly in biodiversity-sensitive sites. This reaffirms our commitment to Responsible Manufacturing and long-term value generation for nature and society

Sustainable Sourcing

Supply Chain Management

At Birla Cellulose, responsible sourcing is central to value creation and supports environmental stewardship, climate resilience, ethical practices, and long-term business sustainability. Our key inputs include dissolving pulp from wood and chemicals used in pulp and MMCF fibre production. Recognising the critical role of forests in carbon sequestration and climate regulation, wood sourcing is governed by a comprehensive Wood Sourcing Policy focused on forest conservation, deforestation- and conversion-free sourcing, and protection of ancient and endangered forests. We are also exploring alternative raw materials for MMCF to diversify our feedstock base. Supplier relationships are built on long-term partnerships with ESG criteria embedded in selection and evaluation processes. Our Supplier Code of Conduct encompasses key clauses on environmental protection, human rights, child labour, and ethical business conduct. All suppliers are required to comply with our Supplier Code of Conduct, and critical partners undergo sustainability performance assessments. Through Project Synergy, we further strengthen supplier sustainability through structured self-assessments, promoting responsible practices across our value chain.

Supplier Assessment approach (Project Synergy)

Our supply chain comprises approximately 4,000 suppliers, of which 80 critical suppliers have been assessed through a structured sustainability evaluation during FY 2024-25. The supplier self-assessment questionnaire is aligned with leading ESG standards and is designed to enable suppliers to identify gaps, align with sustainability expectations, and adopt best practices. All suppliers are required to comply with our Supplier Code of Conduct, and through Project Synergy, we continue to strengthen supplier sustainability performance and responsible practices across our value chain.

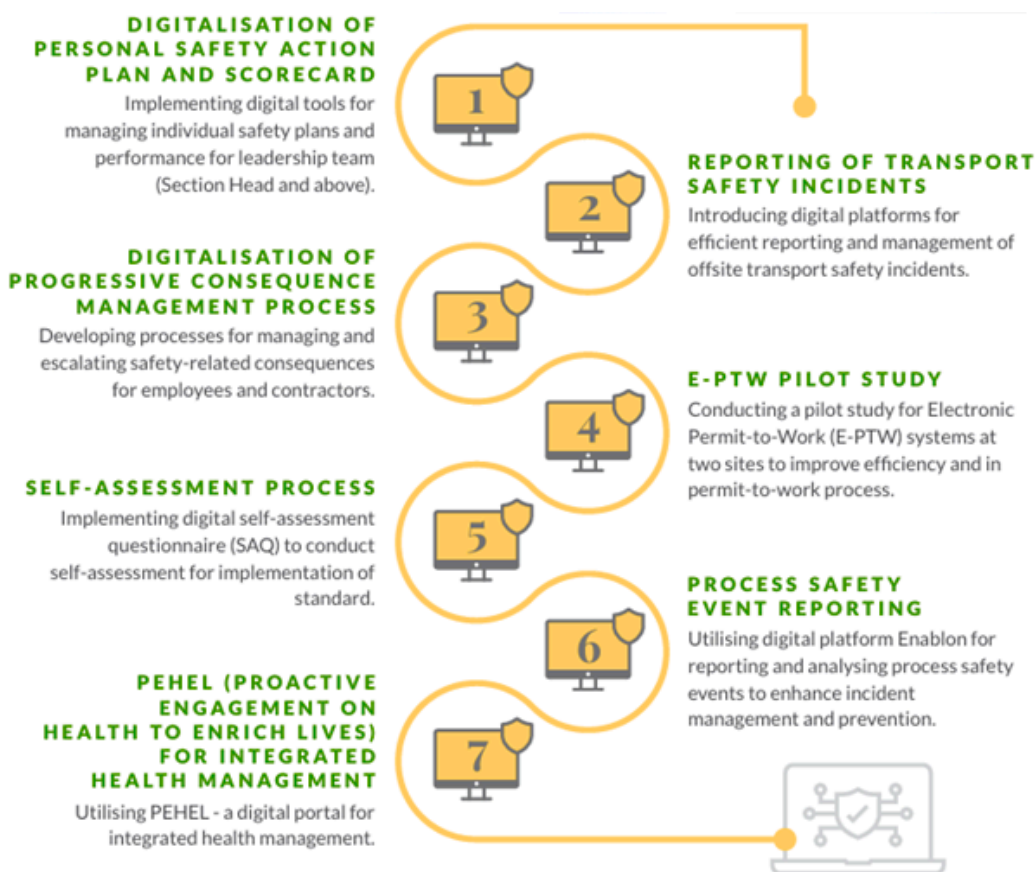


Our People and Social Impact

Health & Safety

At Birla Cellulose, ensuring the health and safety of our employees is fundamental to our commitment to Zero Harm. We recognise that safety is not only a core responsibility but also a critical driver of sustainable value creation. All our sites are certified to ISO 45001:2018, reinforcing our structured approach to occupational health and safety management. Human rights impact and risk assessments were conducted across all 4 operational sites, ensuring 100% coverage of the Company's operations. By embedding safety into every fibre of our operations, we promote risk prevention, accountability and continuous improvement as integral to daily practices. Protecting lives and preventing harm underpin our long-term resilience, enabling our employees to thrive and our organisation to grow with confidence and integrity. Health and safety training is mandatory for all employees across all operational sites. 2 lost time injuries were recorded during the reporting period

Digitalisation in Safety: Below are the key initiatives under digitalisation of safety processes to enhance safety, efficiency, and effectiveness in our operations:



Our People

We strive to foster a workplace where employees feel valued, heard and empowered to grow. Our policies promote equal opportunity, open communication and a safe, healthy working environment. Guided by the Group's One HR strategy, a structured three-year HR roadmap outlines key priorities aligned with business goals and workforce needs, enabling the development of a high-performance organisation that delivers sustained value across operations and communities.

Diversity & Inclusion : As part of our commitment to being a 'Force for Good' diversity and inclusion remain central to our priorities. Women currently make up 8% of our workforce.

To strengthen representation and foster inclusion, we implement supportive policies and run targeted initiatives like WISE (Women Investing in Skills & Experiences). WISE empowers junior women employees by helping them build confidence, leadership readiness, business acumen, and communication skills.

Equal Opportunity

Birla Cellulose upholds equal opportunity and maintains a zero-tolerance approach to discrimination and bias. Recruitment processes are transparent and merit-based, with hiring decisions based solely on qualifications and role requirements. Defined approval protocols and compliance checks ensure fairness and consistency.

Professional development and promotion decisions are guided by structured performance evaluations and competency frameworks to ensure equitable growth opportunities. Gender balance and leadership representation are monitored, and employee feedback tools such as engagement surveys are reviewed to identify and address improvement areas.

Assistance for Disabilities

Birla Cellulose is committed to creating an accessible and inclusive workplace where employees with disabilities can perform at their best, in line with the Rights of Persons with Disabilities Act, 2016. We also provide necessary workplace modifications and assistive technologies to remove barriers and support the productivity and wellbeing of persons with disabilities.

Wages and Compensation

Birla Cellulose is committed to providing equal remuneration opportunities to all employees and workers, irrespective of gender, caste, religion, or any other personal background. We promote non-discriminatory compensation practices and support the principle of equal pay for equal work. In alignment with the governance framework of Grasim Industries Limited, Birla Cellulose monitors gender pay equity and implements appropriate measures to address any identified gaps, ensuring fairness and consistency across all levels of the organization.

Living wage

Birla Cellulose is committed to fair and equitable compensation for all employees aligned with Grasim Industries' commitment. We ensure the payment of living wages (minimum wages) and provide wages at or above the minimum wage benchmarks as prescribed by law and provincial statutory requirement. Regular reviews are conducted to reflect cost-of-living adjustments. Compensation practices are designed to uphold dignity, fairness, and compliance with labour laws across all operating locations. Annual wage audits and performance-linked incentives maintain competitive pay structures. **During FY 2024-25, 83% of the permanent workforce received wages above the living wage threshold, in line with the Asian Floor Wage.**

Freedom of Association and Collective Bargaining

We respect employees' rights to Freedom of Association and Collective Bargaining in line with national labour laws and international standards. Employees are free to form or join unions and engage in collective negotiations without discrimination or retaliation. We maintain transparent dialogue with employee representatives on workplace conditions, remuneration, benefits, and health and safety, and negotiate agreements in good faith to ensure fair treatment, employee participation, and harmonious industrial relations across our operations. In FY 2024-25, 80% of employees were covered under collective bargaining agreements.

Employee Well-being and Support Programmes

We uphold fair labour practices across all operations, ensuring compliance with national labour laws and international standards. Policies covering fair compensation, reasonable working hours, and employee welfare underpin a supportive and legally compliant work environment. Birla Cellulose has strict working hour policy that ensures setting maximum working hours, flexible working systems and paying workers for annual leave.

Working Hours and Conditions

We have defined maximum working hours in accordance with applicable local and national labour laws and employment standards. Work schedules, rest intervals, weekly offs and leave entitlements are aligned with statutory requirements and prevailing local practices to promote a safe and healthy work environment. Overtime is discouraged; however, where operationally necessary, it is compensated in line with statutory provisions and internal guidelines to ensure fairness, compliance and the protection of employee wellbeing. The total number of hours worked during the reporting period amounted to approximately 12,310,455 hours, representing the cumulative time spent on direct and ancillary activities involved in the production of goods and services.

Flexible Work Arrangements

Where operationally feasible, Birla Cellulose supports flexible working hours and work-from-home arrangements to enhance work-life balance and improve overall employee satisfaction. Through these measures, Birla Cellulose aims to ensure adequate wages, promote equitable treatment, and foster a work environment that balances operational efficiency with employee welfare.

To support a smooth and seamless transition for female employees returning from maternity leave, Birla Cellulose provides flexible work arrangements. These include flexible working hours (with up to two hours of flexibility), the option to work from home for up to two days per week, and access to satellite office facilities where feasible. These measures are designed to help employees balance professional responsibilities with personal commitments during the transition period.

Leaves

Employees are entitled to paid annual leave in accordance with applicable legal and policy provisions and are encouraged to fully utilise their leave to support wellbeing, prevent burnout and sustain long term productivity.

Maternity Support

- **Paid maternity leave of up to 26 weeks** for the first two children, in line with the Maternity Benefit Act, 1961 (with up to 8 weeks permitted prior to delivery).
- **Paid maternity leave of 12 weeks** for the third or subsequent child (with up to 6 weeks prior to delivery).
- **Additional maternity leave option of up to 60 days**, which may be availed through accumulated or advance privilege leave (with pay), subject to policy provisions.
- **Paid parental leave of 1 week** for the non-primary caregiver.
- **Paid family care leave** to support employees during family caregiving needs.
- **Day care facilities and dedicated breastfeeding areas** at applicable locations to support working parents.
- **Creche facilities** are available at all the plant sites to support parents

Paternity Support

- **Eligible male employees are entitled to 5 days of paid paternity leave.**
- The leave may be availed in one stretch or in tranches, up to the time the child reaches two months of age.
- Employees may combine paternity leave with other eligible leave entitlements for extended time off, subject to policy provisions.
- This benefit is also applicable in cases of child adoption.

Child Adoption Leave

Women employees who choose adoption to be a parent are entitled to

- 12 weeks of paid leave provided they have been in 18+ months of service, with fewer than two children
- Leave must be availed within 6 months of adoption, in 1-2 tranches until the child turns 2
- Eligible employees may also avail Additional Maternity Leave and Child Care Leave

These initiatives aim to foster an inclusive workplace that supports employees during key life stages.

Healthcare Benefits

We prioritise employee health and safety through comprehensive healthcare and workplace support systems, including health and accident insurance, OPD coverage, on-site medical centres at manufacturing locations, and regular health check-ups and wellness programmes. Mental and emotional wellbeing is supported through counselling services, stress management initiatives, and awareness sessions. Additionally, employees across all business units in India are covered under a Group Personal Accident Insurance policy for both management and non-management cadres, providing financial protection in cases of accidental death or disability, with coverage linked to the employee's job band.

Life Unlimited

Life Unlimited is a confidential counselling service available to employees and their family members, offering guidance on personal and professional challenges such as stress management, work-life balance, relationship issues, grief, anxiety, and conflict management. The service provides 24x7 support, free of cost, through telephonic, online, or in-person sessions (in select cities), with access to 200+ counsellors across India in multiple languages. Employees can connect with the service through partner organisations Mpower or Santulan for professional counselling support. Mpower can be accessed by calling +91-8069633333 or through the chat option available on the Poornata portal, while Santulan can be reached via toll-free number 1800-11-2442, mobile +91 9818711035, WhatsApp at +91 9818198117, or by emailing connect@santulan.co.in

Eldercare Support

To support employees in balancing professional and family responsibilities, the Aditya Birla Group (ABG) has partnered with Samarth to provide eldercare support services for employees whose parents reside in India. Through this collaboration, employees can access a range of care services at negotiated rates across 75+ cities. The care plans provide support across five key areas: healthcare, emergency assistance, convenience services, safety and security, and engagement and companionship. The subscription includes care-counsellor visits and coordination services, while additional visits and third-party service expenses are charged separately. Employees can access further details at www.samarth.care/abg or reach out via contact@samarthlife.org or +91 88829 43599.



The banner features the Samarth logo in the top left corner with the tagline "Nurturing Hearts, Enriching Lives." The main headline reads "Best Elder Care Services In India: Ensuring Peace Of Mind And Happiness To Families" with a sub-headline "Gold Standard, No-compromise Senior Care at Home". A navigation bar at the top includes links for Plans, Services, Client Experiences, The Samarth Way, Samarth Clinics, Resources, and a "Request free consultation" button. At the bottom, four statistics are displayed: "33+ Countries where we serve the Indian diaspora", "350+ Indian cities where we offer care", "100+ Personal visits and critical requests completed daily", and "9500+ Healthcare network pan India".

Educational Scholarship for wards of Employees

Birla Cellulose supports employees' families by providing scholarships for the higher education of wards of permanent Staff (Non-Management) and Workmen employees.

- **Eligibility & Merit Criteria:** The scholarship is available for up to two wards of permanent employees. Applicants must have secured a minimum of 75% marks in the qualifying examination. Selection is merit-based and conducted by a designated committee, whose decision is final.
- **Eligible Courses & Coverage:** Scholarships are available for higher education in Engineering, Agriculture and allied fields, medical courses, Management programmes (including MBA, MCA, CA, etc.), and other Postgraduate/master's degrees. A maximum of 8 scholarships per category are awarded annually (4 for Staff – Non-Management and 4 for Workmen).
- **Scholarship Amount:** The annual scholarship amount ranges from Rs. 5,000 to Rs. 10,000, depending on the course category.
- **Continuity & Conditions:** The scholarship is awarded for the duration of the course, subject to the employee remaining in service and submission of semester/yearly academic results. Receiving other Group-level scholarships is not eligible under this scheme.

Employee Financial Support Programmes

Birla Cellulose provides financial assistance to employees under specific circumstances, subject to defined eligibility, interest, and repayment terms.

- **Education Loan:** Eligible employees may avail a loan of up to 6 months of basic salary for the education of their children (limited to two children). The loan carries an interest rate of 5% per annum and is repayable over 12 months.
- **Medical Emergency Loan:** In cases of medical emergency, employees may avail a loan of up to 6 months of basic salary. This loan is interest-free and repayable for over 12 months.
- **Marriage Loan:** Employees may avail a loan of up to 6 months of basic salary for marriage-related expenses (self or direct dependents). The loan carries an interest rate of 5% per annum and is repayable over 18 months.

Employee Engagement Survey

We strive to create a collaborative, growth-orientated culture by prioritising engagement, transparent communication, and continuous development. Regular feedback mechanism helps us align with employee expectations and design initiatives that enhance connection and motivation. The Vibes Survey, conducted every alternate year, gauges stress levels, happiness, sense of purpose, and job satisfaction. Insights from the survey inform ongoing efforts to strengthen workplace wellbeing and alignment across all levels.



Career Development and Management

Performance Management

Birla Cellulose follows a structured and transparent performance management framework to support continuous employee growth. Annual appraisals, mid-year reviews and goal alignment discussions help assess performance and identify development priorities.

Learning and Skills Development

We have empowered our employees to develop their skills and reach their full potential through numerous learning and development events at Gyanodaya, our dedicated training center, as well as outreach programs at our units and offices across India.

Birla Cellulose implements a structured skills development programme aligned with individual development plans and organizational priorities, through our centralised platform, POORNATA. The My Development Plan programme at the platform, the employees can access competency frameworks, learning resources and personalised Individual Development Plans, ensuring career progression aligned with both individual aspirations and organisational goals. Training interventions are delivered through on-site, digital, and hybrid formats, supported by coaching and mentorship where relevant.

Employees have access to training across diverse areas, including:

- Technical and functional skills development
- Health and safety practices and risk management
- Prevention of discrimination and harassment (including POSH)
- Human rights and ethical working conditions
- Workplace conduct and compliance awareness
- Environmental and sustainability awareness
- Leadership and management development
- Information security and data privacy

The screenshot displays the POORNATA (A FORCE FOR GOOD) platform interface. The top navigation bar includes the logo and a search icon. The main content area is divided into several sections:

- MY CAREER OPPORTUNITIES:** Features a yellow background with a ladder and clouds, and a text box stating, "We believe in making 'A World Of Opportunities' come alive by ensuring our employees have a fulfilling career in the group. The diversity of our businesses within the Group."
- MY DEVELOPMENT (MDP):** Promotes "Own It! Take Charge of your career" and includes a "Related Links" section with items like "MDP System Guide April 2023", "MDP Guide on How to make MDP - V 20-21", "Competency Dictionary", and "My Training Record".
- MY LEARNING:** Encourages to "Transform Knowledge into Action" and lists resources such as "Competency Framework", "GVC Course June 2023-26", "Courses Catalogue", "Frequently Asked Questions", and "Learning User Manual".
- Process Engineering:** A prominent banner for this field.
- Prozone:** A project marketplace connecting short-term part-time gigs to opportunities to skilled and aspirational ABGies.
- Focus 50:** A section for skill development initiatives.
- Gyanodaya:** The Birla Group's Global Center for Leadership Learning.
- VIRTUAL CAMPUS COURSERA:** Access to 7,000+ courses and specializations from 170+ leading companies and universities.
- TECH X:** A logo for technical training.

Discrimination & Harassment

Birla Cellulose is committed to fostering a workplace founded on dignity, respect, and equal opportunity, with zero tolerance for discrimination and harassment. In line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, a comprehensive POSH policy and framework have been established, outlining clear processes for prevention, reporting, investigation and redressal, while ensuring confidentiality and protection against retaliation. The policy extends to all employees, contractors and partners, mandates fair and timely resolution of complaints, and is reinforced through regular awareness and sensitisation programmes to promote a safe and respectful work environment.

Disciplinary actions if anyone found guilty:

Aditya Birla Group or the company may take any breach of this policy as a sign of misconduct by the individual concerned. The Disciplinary actions shall be taken as a consequence of any violations of this code of conduct. These actions will vary depending on violation committed. All the below mentioned disciplinary actions are subject to management discretion and will not necessarily follow the order in which they are listed. Human Resources shall be consulted regarding the appropriateness of the disciplinary action being applied for violation. Disciplinary actions that may be taken as a consequence of violation of this policy, either by individuals or groups, include, but are not limited to:

1. Counselling
2. Verbal or written warning;
3. Withdrawal of access and system privileges in part or whole; and
4. Any combination of above.

Serious or repeated breach of this policy can be construed as gross misconduct and disciplinary actions may include, but are not limited to:

1. Demotion
2. Suspension or Termination
3. Loss of benefits for a definite or indefinite time
4. Any combination of the above
5. Legal Action

Grievance Mechanism for PoSH related Concerns

Birla Cellulose's zero-tolerance approach towards sexual harassment reinforces our broader commitment to employee well-being, gender inclusivity, and ethical conduct. Through continuous engagement and accountability, we strive to maintain a workplace that is safe, respectful, and empowering for all. Regular awareness and sensitisation programmes are conducted to educate employees about their rights, responsibilities, and the mechanisms available for raising concerns.

To raise a complaint, employees can email to bshcc.fibre@adityabirla.com. Complaints will be acknowledged within 3 working days. We have established Internal Complaints Committees (ICCs) across all operating locations to address grievances promptly, impartially, and confidentially. ICC members are provided with capacity-building training to strengthen their ability to handle cases with fairness, empathy, and confidentiality. Within 7 working days of receiving a written complaint, the IC Chairperson or a designated member will meet the complainant to understand the complaint and review supporting evidence. Investigation concluded within 30 working days (extendable with justification), and outcome communicated promptly.

Child Labour, Forced Labour and Human Trafficking

Birla Cellulose maintains a zero-tolerance stance on child labour, forced or bonded labour, human trafficking, and all forms of modern slavery across its operations and supply chain. These commitments are embedded in our Human Rights Policy and Supplier Code of Conduct, which explicitly prohibit violations of labour rights, discrimination, harassment, threats, intimidation, abuse of authority, unfair pay, and health/safety issues.

Key Measures and Actions

- **Policy integration:** Prohibition of child labour, forced labour, and human trafficking is explicitly included in Company policies and the Supplier Code of Conduct.
- **Policy Integration and Supplier Code of Conduct:** Our Supplier Code of Conduct mandates that suppliers prohibit child labour in violation of local laws, ensure compliance across their subcontractors, and circulate awareness policies.
- **Age Verification:** All employees, contractors, and workers undergo mandatory age and document verification (e.g., Aadhaar, birth certificates, or equivalent) prior to hiring, with records maintained for audits. The plant enforces strict access controls, and individuals below the age of 18 are not permitted within the site premises under any circumstances.
- **Employee Training:** Mandatory annual training programs for all staff, HR personnel, and site managers cover identification, prevention, and reporting of child labour, forced labour, and human trafficking

Human rights impact and risk assessments have been conducted across all operational sites, ensuring full coverage of the Company's operations and reinforcing its commitment to identifying and addressing potential human rights risks.

Grievance Mechanism:

We follow a formal grievance redressal framework of Grasim Industries Ltd, accessible to both internal and external stakeholders. A dedicated committee addresses complaints, including human rights concerns such as discrimination, harassment, child labour, forced labour, and human trafficking.

Stakeholders may raise grievances without fear of retaliation through written submissions or designated channels. All complaints are investigated through a fair and transparent process, ensuring timely and equitable resolution. Confidentiality is strictly maintained, and complainants are protected from harassment, intimidation, or victimisation throughout and after the process.

As part of Grasim Industries Limited framework, we conduct regular internal audits to assess compliance of Birla Cellulose plants and offices with applicable legal and policy requirements related to issues such as discrimination, child labour, and sexual harassment. In addition, Birla Cellulose's Nagda facilities are subject to external audits in accordance with the SA 8000 standard, which evaluates adherence to recognised social accountability practices. During the reporting period, these audits did not result in any significant findings, indicating compliance with the applicable requirements.

Responsible Business Governance

At Birla Cellulose, we foster a culture where ethics shape our actions, decision making and stakeholder engagement. We maintain the highest standards of business integrity through comprehensive policies on conflict of interest, anti-bribery, anti-money laundering, insider trading and whistleblower protection.

Our Code of Conduct clearly defines expectations for integrity, fairness and responsible behaviour across all operations. We comply with applicable laws and require our employees, partners and representatives to act with honesty, avoid undue influence and uphold transparent and accountable business practices.

To strengthen ethical governance, we implement a comprehensive anti-corruption framework that includes mandatory training on corruption and bribery prevention, anti-corruption due diligence for third parties, structured corruption risk assessments, periodic audits of control procedures, and specific approval processes for sensitive transactions.

All employees commit to our Code of Conduct upon joining and undergo mandatory training covering information security, non-discrimination, health and safety and professional behaviour. Suppliers are also expected to meet these standards, supported by continuous monitoring. Compliance is reviewed through performance evaluations and linked to remuneration.

Vigil Mechanism / Whistle-Blower Mechanism

Birla Cellulose has established a robust vigil and whistleblower mechanism to promote transparency and accountability across the organisation. The mechanism provides employees, directors and other stakeholders with a secure and confidential channel to report unethical conduct, bribery, corruption, fraud or violations of the Code of Conduct without fear of retaliation.

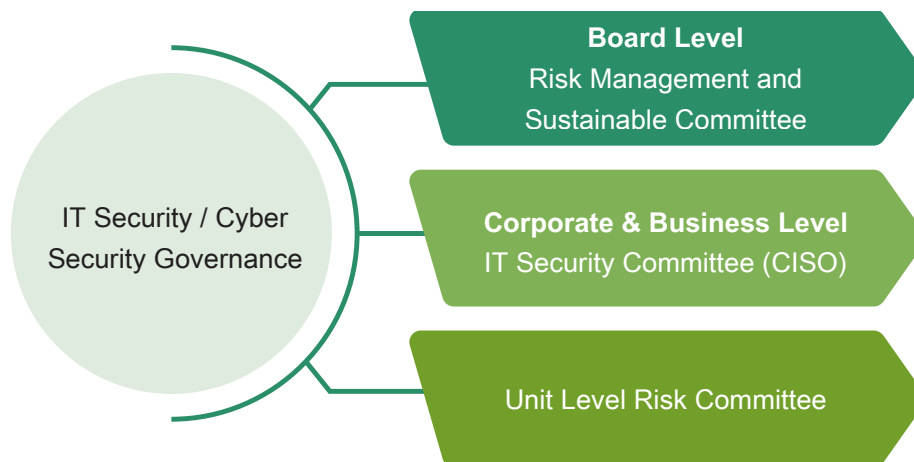
The complaints can be sent to the designated E-Mail ID: abg.whistleblower@ethicshelpline.in, call the number 1800 103 9868, or send a fax on 1800 103 9868 or mail it to P. O. Box No 71, DLF Phase 1, Qutub Enclave, Gurgaon - 122002, Haryana. This is operated by an independent third-party vendor.

We uphold a strict zero tolerance approach to victimisation and provide regular training to strengthen awareness of reporting channels, reinforcing our commitment to ethical governance and responsible business practices.

Information Security:

We have implemented a three-tier cybersecurity governance model, combining top-down oversight with bottom-up execution to strengthen IT security systems and controls. Our framework aligns with the Information Security Management System standard and the provisions of the Information Technology Act, 2008.

Our comprehensive Information Security Policy governs data classification, access and protection across all platforms, including third party managed systems. We deploy robust controls such as access management, encryption, data backups, continuous monitoring, and regularly tested business continuity plans. Furthermore, we have implemented a formal records retention schedule to ensure secure storage and timely disposal of information. Specific measures are in place to protect third party data from unauthorised access or disclosure, and we follow defined processes to obtain stakeholder consent for the processing, sharing and retention of confidential information. A structured Incident Response Plan is in place to effectively manage and mitigate breaches of confidential information.



Annual third-party vulnerability assessments and internal ISMS audits are conducted to further ensure compliance with applicable standards and regulatory requirements.

All employees undergo mandatory cybersecurity training to identify risks and follow reporting protocols. Dedicated incident reporting email IDs include grasim.infosec@adityabirla.com, complaint@adityabirla.com, and gilvsf.infosec@adityabirla.com, along with reporting through local IT teams. A structured Incident Response Mechanism ensures all incidents are centrally logged, classified by severity, and addressed in a timely manner.

Customer Complaints and Feedback

The Company has implemented a systematic approach to efficiently receive and resolve customer complaints and feedback. This process is closely monitored to ensure that all issues are addressed effectively. The escalation procedure is tailored to fit the specific needs of each business area, considering both B2B and B2C interactions. Overview of Company's mechanism:

- **Step 1: Complaint registration** – Customers may report issues through the online Customer Relationship Management system, which is managed by the Customer Care Services team and subsequently relayed to the marketing team. Alternatively, complaints can be submitted via email.
- **Step 2: Process input** – The marketing department gathers comprehensive details of the customer's complaint, including the product name, batch number, and the type of issue.
- **Step 3: Process interface** – Marketing personnel record the complaint in the Customer Relationship Management (CRM) system and create a unique Ticket ID. The marketing team informs the appropriate departments about the complaint details. Legitimate complaints are thoroughly analysed to determine the root cause, which is then escalated for additional action.

The detailed analysis of the root cause and the corrective actions taken are shared with the customer. The time taken to respond varies based on the customer's location as mentioned below:

- **Domestic customers:** Concerns about quality, packaging, documentation, and labelling are addressed within 15 days, while issues regarding weight shortages, product application are resolved within 60 days.
 - **Export customers:** Concerns about quality, packaging, documentation, and labelling are addressed within 30 days, while issues regarding weight shortages and product application are resolved within 60 days. If a complaint is found to be without merit, the customer is informed of this outcome. If it is practical, the Quality Assurance (QA) department may suggest a visit to the customer's site to further understand and confirm the validity of the complaint.
- **Step 4: Feedback** – The Company offers an online feedback option through Mission Happiness, a portal that is frequently used by customers.

Sustainability Performance

ENVIRONMENT

GHG Emissions

	Sites	UoM	FY 2024-25	FY 2023-24	FY 2022-23
Scope 1 Emissions	Nagda	tCO ₂ e	7,65,017	7,08,094	6,54,366
	Harihar	tCO ₂ e	3,30,555	3,41,323	3,32,927
	Kharach	tCO ₂ e	4,92,831	5,10,175	4,56,877
	Vilayat	tCO ₂ e	11,71,270	10,68,303	9,62,241
	Total Emission	tCO₂e	27,59,672	26,27,895	17,52,046
	Scope 2 Emissions	Nagda	tCO ₂ e	0	0
Harihar*		tCO ₂ e	515	1,941	616
Kharach		tCO ₂ e	0	0	19,539
Vilayat		tCO ₂ e	0	0	0
Total Emission		tCO₂e	515	1,941	20,156
Scope 3 Downstream Emissions	Nagda	tCO ₂ e	9,743	46,951	35,093
	Harihar	tCO ₂ e	3,210	16,687	14,592
	Kharach	tCO ₂ e	2,221	49,586	80,217
	Vilayat	tCO ₂ e	4,548	2,34,186	1,37,875
	Total Emission	tCO₂e	19,722	3,47,410	2,67,777
Scope 3 Upstream Emission	Nagda	tCO ₂ e	670,684	4,96,428	3,82,912
	Harihar	tCO ₂ e	3,22,250	2,20,906	2,00,405
	Kharach	tCO ₂ e	5,68,820	318,090	3,39,776
	Vilayat	tco2e	10,30,091	963,132	8,38,987
	Total Emission	tCO₂e	25,91,845	19,98,556	17,62,080

All the facilities are operated through in-house Captive Power Plants (CPP).

*Scope 2 in Harihar is due to purchased electricity.

Energy Consumption

Sites	UoM	FY 2024-25	FY 2023-24	FY 2022-23
Nagda	GJ	80,95,130	75,04,697	71,94,157
Harihar	GJ	58,04,345	61,00,719	59,87,597
Kharach	GJ	56,60,574	55,38,039	51,33,720
Vilayat	GJ	1,25,52,621	1,18,98,961	1,07,65,905
Total	GJ	3,21,12,669	3,10,42,416	2,90,81,379

Renewable Energy Consumption

Sites	UoM	FY 2024-25		FY 2023-24		FY 2022-23	
		Purchased	Generated	Purchased	Generated	Purchased	Generated
Nagda	GJ	0	65,818	0	66,243	0	0
Harihar	GJ	0	23,90,070	0	25,48,483	0	23,18,479
Kharach	GJ	1,67,530	3,25,206	1,53,210	30,825	12,070	25,132
Vilayat	GJ	0	1,27,963	0	5,52,967	0	1,11,933
Site Total	GJ	1,67,530	29,09,057	1,53,210	31,98,518	12,070	24,55,544
Total	GJ	30,76,587		33,51,728		24,67,614	

Energy Consumption from Renewable Sources (FY 2024–25)

Sites	UoM	Total Energy	Renewable Energy	Percentage
Nagda	GJ	80,95,130	65,818	0.81%
Harihar	GJ	58,04,345	23,90,070	41.18%
Kharach	GJ	56,60,574	4,92,736	8.70%
Vilayat	GJ	1,25,52,621	1,27,963	1.02%
Total	GJ	3,21,12,669	30,76,587	9.58%

Water Discharge by Destination

Sites	UoM	FY 2024-25		FY 2023-24		FY 22-23	
		Surface Water	Sea Water	Surface Water	Sea Water	Surface Water	Third Party Water
Nagda**	ML*	0	0	0	0	0	0
Harihar	ML	10,438	0	10,255	0	10,227	0
Kharach	ML	0	2,512	0	2,552	0	2,821
Vilayat	ML	0	4,363	0	4,736	0	4,755
Site Total	ML	10,438	6,875	10,255	7,288	10,227	7,576
Total	ML	17,313		17,543		17,803	

*ML: MegaLitre

**Nagda operates as a Zero Liquid Discharge facility.

Water Summary

	Sites	UoM	FY 2024-25	FY 2023-24	FY 2022-23
Water Withdrawal	Nagda	ML*	1,468	1,503	1,590
	Harihar	ML	13,784	13,773	13,231
	Kharach	ML	4,905	4,339	4,284
	Vilayat	ML	7,870	7,273	8,592
	Total Withdrawal	ML	28,026	26,887	27,697
	Water Discharge	Nagda**	ML	0	0
Harihar		ML	10,438	10,255	10,227
Kharach		ML	2,512	2,552	2,821
Vilayat		ML	4,363	4,736	4,755
Total Discharge		ML	17,313	17,543	17,803
Water Consumption	Nagda	ML	1,468	1,503	1,590
	Harihar	ML	3,345	3,518	3,004
	Kharach	ML	2,393	1,786	1,463
	Vilayat	ML	3,507	2,537	3,837
	Total Consumption	ML	10,713	9,344	9,894
Water Recycled/Reused	Nagda	ML	6,222	5,271	5,539
	Harihar	ML	565	1,073	860
	Kharach	ML	5,633	6,398	6,088
	Vilayat	ML	7,167	7,683	5,793
	Total Recycled	ML	19,587	20,425	18,280

*ML: MegaLitre

**Nagda operates as a Zero Liquid Discharge facility.

Water Withdrawal : Category

Sites	UoM	FY 2024-25		FY 2023-24		FY 2022-23	
		Surface Water	Third Party Water	Surface Water	Third Party Water	Surface Water	Third Party Water
Nagda	ML	1,468	0	1,503	0	1,590	0
Harihar	ML	13,784	0	13,773	0	13,231	0
Kharach	ML	4,905	0	4,339	0	4,284	0
Vilayat	ML	0	7,870	0	7,273	0	8,592
Site Total	ML	20,156	7,870	19,615	7,273	19,105	8,592
Total	ML	28,026		26,887		27,697	

Waste Generation

Sites	UoM	FY 2024-25		FY 2023-24		FY 2022-23	
		Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Nagda	MT	4,332	1,69,873	8,187	1,24,998	4,961	70,323
Harihar	MT	123	92,726	98	69,844	109	51,353
Kharach	MT	17,247	83,816	13,832	68,859	8,467	57,776
Vilayat	MT	41,849	62,363	32,426	70,990	37,405	45,133
Site Total	MT	63,551	4,08,778	54,544	3,34,690	50,942	2,24,585
Total	MT	4,72,329		3,89,234		2,75,527	

Waste Disposal Category (FY 2024-25)

Sites	UoM	Hazardous				Non Hazardous			
		Recovery	Recycling	Incineration	Landfill	Recovery	Reuse	Recycling	Landfill
Nagda	MT	0	7,641	1	323	5,458	1,61,924	2,317	0
Harihar	MT	0	0	86	64	4,054	450	96,154	0
Kharach	MT	15,783	168	0.13	1,077	0	407	82,220	245
Vilayat	MT	27,205	146	0	8,591	0	62,259	0	0
Site Total	MT	42,987	7,955	87	10,055	9,512	2,25,040	1,80,690	245

Total Waste Recovered : 36,566 MT

Waste Diversion from Landfill (Site-wise)

Sites	UoM	Total Waste	Landfill	Waste Diverted	Diversion (%)
Nagda	MT	1,77,664	323	1,77,341	99.82%
Harihar	MT	92,510	0	92,510	100.00%
Kharach	MT	1,00,713	1,255	99,458	98.75%
Vilayat	MT	98,201	8,591	89,610	91.25%
Total	MT	4,69,089	10,169	4,58,919	97.83%

Air Pollutants

Sites	UoM	FY 2024-25			FY 2023-24			FY 2022-23		
		SOx	NOx	PM ₁₀	SOx	NOx	PM ₁₀	SOx	NOx	PM ₁₀
Nagda	MT	1,895	88	282	1,938	94	295	1,684	79	264
Harihar	MT	962	292	94	1,268	386	97	1,472	440	119
Kharach	MT	525	146	80	511	151	89	566	171	95
Vilayat	MT	886	523	91	493	223	64	339	108	52
Site Total	MT	4,267	1,050	548	2,271	760	544	2,377	719	530
Total	MT	5,865			3,575			3,626		

SOCIAL

Number of hours worked

Sites	UoM	FY 2024-25
Nagda	Hours	41,46,376
Harihar	Hours	33,40,756
Kharach	Hours	24,46,293
Vilayat	Hours	23,77,030
Total Hours	Hours	1,23,10,454.83

Health and Safety Data

Sites	UoM	LTI	Fatality	Total recordable work-related injuries
Nagda	Number	1	0	3
Harihar	Number	0	0	0
Kharach	Number	2	0	6
Vilayat	Number	2	0	7
Total	Number	5	0	16

Performance Review*

Sites	UoM	FY 2024-25	Out of	Percentage
Nagda	Number	401	425	94.4%
Harihar	Number	129	142	90.8%
Kharach	Number	343	344	99.7%
Vilayat	Number	529	615	86%
Total employees reviewed	Numbers	1,402	1526	91.9%

* Applicable only to Management cadre employees, does not include permanent workers

Employees trained on discrimination and harassment (POSH)

Sites	UoM	Employees trained on POSH criteria in FY25	Total Number of Employees	Percentage
Kharach	Number	278	917	30.3%
Vilayat	Number	310	707	43.8%

Diversity and Women Representation

Indicator	UoM	FY 2024-25
Women within the organization's board	%	20
Women at top management level	%	13
Women employed in the whole organization	%	8

Site-wise Diversity and Women Representation*

Indicator	Men	Women	Total	% Women
Nagda	365	60	425	14%
Harihar	135	7	142	5%
Kharach	328	16	344	5%
Vilayat	580	35	615	6%
Total	1,408	118	1,526	8%

* Applicable only to Management cadre employees, does not include permanent workers

Social Dialogue

Indicator	UoM	FY 2024-25
Total number of employees (Permanent Workers)	Number	3,385
Number of employees covered by formally elected employee representatives or collective agreements	Number	2,709
Percentage	%	80

Working Conditions

Sites	UoM	Health Insurance (Coverage)	Parental Leave (Eligibility)
Nagda	Number	1,769	365
Harihar	Number	701	694
Kharach	Number	917	901
Vilayat	Number	1,524	580
Total employees who received benefits	Numbers	4,911	2,540
Total employees	Number	4,911	4,911
Percentage	%	100	52

Living Wages for Permanent Workers

Sites	Permanent Workers Earning equal or more than AFW*	Total Number of Permanent Workers	% Permanent Workers Earning equal or more than AFW
Nagda	1,165	1,344	87%
Harihar	522	559	93%
Kharach	404	573	71%
Vilayat	702	908	77%

*AFW or Asia Floor Wage for India is INR 34,170.46 per month

GRI Content Index

GRI Disclosure	Title	Description / Performance Data	Page	UN SDG
UNIVERSAL STANDARDS				
GRI 2: General Disclosures 2021				
2-1	Organizational details	Birla Cellulose, Pulp & Fibre business of the Aditya Birla Group; global leader in MMCF; annual production capacity of 922 KTPA of fibre; headquartered in Mumbai, India; 4 manufacturing sites in Nagda (MP), Harihar (KA), Kharach (GJ) and Vilayat (GJ).	4	SDG 8, 9
2-2	Entities included in reporting	Report covers the Cellulosic Staple Fibre (CSF) Division across four sites: Nagda (Madhya Pradesh), Harihar (Karnataka), Kharach (Gujarat), Vilayat (Gujarat).	3	-
2-3	Reporting period, frequency & contact	Financial year FY 2024-25; period April 1, 2024 to March 31, 2025; annual reporting frequency.	3	-
2-5	External assurance	Report has undergone independent external assurance on a Limited Assurance basis, conducted by a recognised third-party assurance provider	2,36-37	SDG 16, 17
2-6	Activities, value chain & other business relationships	Production of Man-Made Cellulosic Fibres (viscose, modal, lyocell, circular fibres) from wood-based pulp via closed-loop manufacturing processes. Supply chain comprises approximately 4,000 suppliers. Products supplied globally to textile and apparel brands.	4-5, 14	SDG 8, 12
2-9	Governance structure & composition	Three-tier governance structure: Board-level Risk Management and Sustainability Committee; Corporate & Business Level IT Security Committee (CISO); Unit Level Risk Committee. Women on Board: 20%.	25-26, 32	SDG 516
2-16	Communication on critical concerns	Vigil/Whistleblower mechanism via abg.whistleblower@ethicshelpline.in and toll-free 1800 103 9868, operated by an independent third-party vendor. Zero reported incidents related to business ethics in FY 2024-25.	25	SDG 16
2-23	Policy commitments	Code of Conduct, Human Rights Policy, Supplier Code of Conduct, Anti-Bribery & Anti-Corruption policy, POSH policy, Wood Sourcing Policy. All employees commit to the Code of Conduct upon joining.	15, 24-25	SDG 8, 16
2-25	Processes to remediate negative impacts	Formal grievance redressal framework (Grasim Industries Ltd) accessible to internal and external stakeholders, covering human rights, labour, harassment and environmental concerns. Internal Complaints Committees (ICCs) established across all sites for POSH complaints.	23-24	SDG 8, 16
2-26	Mechanisms for seeking advice	Whistleblower mechanism enables confidential reporting of unethical conduct, fraud and Code of Conduct violations	25	SDG 16
ECONOMIC STANDARDS				
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Supply chain of approximately 4,000 suppliers; 80 critical suppliers assessed through structured sustainability evaluation (Project Synergy) in FY 2024-25. Supplier Code of Conduct mandates compliance on environment, human rights, child labour and business ethics.	15	SDG 8, 12, 17
GRI 205: Anti-corruption 2016				
205-2	Communication & training on anti-corruption	Mandatory training on corruption and bribery prevention for all employees. Anti-corruption due diligence for third parties; structured corruption risk assessments; periodic audits of control procedures; specific approval processes for sensitive transactions.	25	SDG 16
205-3	Confirmed incidents of corruption	Zero corruption and bribery cases reported in FY 2024-25. Zero reported incidents related to business ethics.	2, 25	SDG 16

ENVIRONMENTAL STANDARDS

GRI 302: Energy 2016

302-1	Energy consumption within the organisation	Total energy consumption FY 2024-25: 3,21,12,669 GJ. Site breakdown Nagda: 80,95,130 GJ; Harihar: 58,04,345 GJ; Kharach: 56,60,574 GJ; Vilayat: 1,25,52,621 GJ. Biomass-based and alternative fuels used across sites (wood chips, bagasse, rice husk, biomass briquettes, biomass sludge).	25	SDG 7, 13
302-1 (RE)	Renewable energy generated & purchased	Total renewable energy FY 2024-25: 30,76,587 GJ (generated: 29,09,057 GJ via solar installations; purchased: 1,67,530 GJ at Kharach). Renewable energy share: 9.58% of total consumption. At pulp operations, 80–90% of energy met internally via black/red liquor.	8, 26, 29	SDG 7, 13
302-4	Reduction of energy consumption	Strategy to systematically reduce energy intensity across sites. Active participation in Bureau of Energy Efficiency PAT cycle. Membrane Distillation with MVR technology piloted potential to reduce process evaporation energy by up to 40%.	7-8	SDG 7, 13

GRI 303: Water and Effluents 2018

303-1	Interactions with water as a shared resource	All four sites located in regions classified as extremely high water risk per WRI Aqueduct Water Risk Atlas. Structured water stewardship approach with clear reduction targets; monthly performance reviewed by the COO. Nagda is the world's first ZLD viscose and lyocell manufacturing site.	9–10	SDG 6, 12
303-3	Water withdrawal	Total withdrawal FY 2024-25: 28,026 ML (FY 2023-24: 26,887 ML; FY 2022-23: 27,697 ML). Sources: surface water 20,156 ML; third-party water 7,870 ML (Vilayat site).	27–28	SDG 6
303-4	Water discharge	Total discharge FY 2024-25: 17,313 ML. Site detail; Harihar: 10,438 ML (surface water); Kharach: 2,512 ML (sea water); Vilayat: 4,363 ML (sea water); Nagda: 0 ML (ZLD facility).	26–27	SDG 6
303-5	Water consumption	Total consumption FY 2024-25: 10,713 ML (FY 2023-24: 9,344 ML; FY 2022-23: 9,894 ML). Water recycled/reused: 19,587 ML. Water intensity at Vilayat plant reduced by 81% from FY16 baseline. RO systems recover up to 70% of processed water from effluent streams.	9, 27–28	SDG 6, 12

GRI 304: Biodiversity 2016

304-1 / 304-2	Biodiversity management	Committed to No Net Loss (NNL) of biodiversity at all sites. Baseline assessments initiated in FY 2024-25 at Vilayat and Harihar; Biodiversity Management Plans (BMPs) being prepared. Nagda and Kharach included in next phase. All Indian sites targeted to complete biodiversity assessments by 2027. Approach follows mitigation hierarchy: avoid, minimise, restore, offset.	13	SDG 15
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GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions	Total Scope 1 FY 2024-25: 27,59,672 tCO ₂ e. Site detail - Nagda: 7,65,017; Harihar: 3,30,555; Kharach: 4,92,831; Vilayat: 11,71,270 tCO ₂ e.	25	SDG 13
305-2	Energy indirect (Scope 2) GHG emissions	Total Scope 2 (market-based) FY 2024-25: 515 tCO ₂ e (FY 2023-24: 1,941 tCO ₂ e; FY 2022-23: 20,156 tCO ₂ e). 73% reduction vs. FY 2024. Nagda, Kharach and Vilayat sites operate via in-house Captive Power Plants (Scope 2 market-based = 0).	1, 25	SDG 13
305-3	Other indirect (Scope 3) GHG emissions	Scope 3 Downstream FY 2024-25: 19,722 tCO ₂ e. Scope 3 Upstream FY 2024-25: 25,91,845 tCO ₂ e. Calculated per GHG Protocol Corporate Value Chain (Scope 3) Standard. Fuel transport under Category 3; transportation (Categories 4 & 9) based on purchaser of service.	8–9, 25	SDG 13, 17
305-5	Reduction of GHG emissions	Target: Net-Zero carbon emissions by 2040; 50% reduction in GHG emissions intensity by 2030 (baseline year: 2019). Closed-loop technologies being implemented to meet EU BAT sulphur-to-air guidelines by 2027; 2 of 4 CSF Division sites already in conformance.	19	SDG 13
305-7	Nitrogen oxides, sulphur oxides & other significant air emissions	Total FY 2024-25: SO _x 4,267 MT; NO _x 1,050 MT; PM ₁₀ 548 MT. All sites equipped with CEMS connected to pollution control board servers; real-time emission data displayed at factory gates. EU BAT guidelines adopted at Vilayat and Kharach.	13–14, 29	SDG 3, 11

GRI 306: Waste 2020				
306-1 / 306-2	Waste generation & significant waste-related impacts	Target: Zero Waste to Landfill by 2030 (aligned with Aditya Birla Group commitment). Multi-phase initiative to eliminate landfilling of piece-up solid waste; complete diversion targeted by FY26, scaled to all sites by FY28. 3R philosophy (Reduce, Reuse, Recycle) institutionalised across all operations.	10-12	SDG 12
306-3	Waste generated	Total waste FY 2024-25: 4,76,327 MT (hazardous: 61,085 MT; non-hazardous: 4,15,243 MT). FY 2023-24: 3,97,841 MT; FY 2022-23: 2,75,527 MT. Strict source-level segregation of hazardous and non-hazardous waste implemented at all units.	28-29	SDG 12
306-4 / 306-5	Waste diverted from / directed to disposal	98% of waste diverted from landfills. Total waste recovered FY 2024-25: 52,500 MT. Hazardous disposal: 42,987 MT recovery, 7,955 MT recycled, 87 MT incinerated, 10,055 MT landfilled. Non-hazardous: 9,512 MT recovery, 2,25,040 MT reused, 1,80,690 MT recycled.	1, 28-29	SDG 12
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers screened using environmental criteria	80 critical suppliers assessed via Project Synergy structured sustainability evaluation (FY 2024-25). Supplier Code of Conduct includes environmental protection clauses. Wood Sourcing Policy governs deforestation- and conversion-free sourcing and protection of ancient and endangered forests.	14	SDG 12, 17
SOCIAL STANDARDS				
GRI 401: Employment 2016				
401-2	Benefits provided to full-time employees	Health insurance coverage: 100% of 4,911 employees. Parental leave eligibility: 52% (2,540 employees). Benefits include: OPD coverage, on-site medical centres, Life Unlimited counselling (24x7, 200+ counsellors), eldercare support (Samarth, 75+ cities), Group Personal Accident Insurance, education loans, medical emergency loans (interest-free), marriage loans.	18-20, 31	SDG 1, 3, 8
401-3	Parental leave	Paid maternity leave: up to 26 weeks (first two children); 12 weeks (third child+). Paid paternity leave: 5 days. Flexible return-to-work: up to 2 hrs flexibility, WFH up to 2 days/week. Child adoption leave: 12 weeks for eligible employees. Creche facilities available at all plant sites.	17-18	SDG 5, 8
GRI 402: Labor Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	Freedom of Association and Collective Bargaining rights respected in line with national labour laws and international standards. 80% of permanent workers (2,709 of 3,385) covered by formally elected employee representatives or collective bargaining agreements in FY 2024-25.	16, 31-32	SDG 8
GRI 403: Occupational Health and Safety 2018				
403-1	OHS management system	All 4 sites certified to ISO 45001:2018. Human rights impact and risk assessments conducted across all operational sites (100% coverage). Health and safety training is mandatory for all employees across all operational sites.	15-16	SDG 3, 8
403-3 / 403-6	Occupational health services & worker health promotion	PEHEL (Proactive Engagement on Health to Enrich Lives) digital portal for integrated health management. Life Unlimited confidential counselling service (24x7, free of cost, 200+ counsellors across India). Stress management initiatives, wellness programmes, regular health check-ups.	16, 18-19	SDG 3, 8
403-9	Work-related injuries	Zero fatalities reported in FY 2024-25. E-PTW (Electronic Permit-to-Work) pilot study conducted at two sites. Digital platforms deployed for transport incident reporting and process safety event reporting (Enablon platform). Digitalisation of Personal Safety Action Plan and Scorecard for leadership team.	1, 15-16	SDG 3, 8

GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Career management training hours FY 2024-25 (per employee): Nagda 11.6 hrs; Harihar 13.6 hrs; Kharach 10.6 hrs; Vilayat 132.8 hrs. Training delivered via POORNATA platform, Gyanodaya training centre, and on-site/digital/hybrid formats.	20-21, 30	SDG 4, 8
404-2	Programmes for upgrading employee skills	My Development Plan (MDP) on POORNATA platform with competency frameworks and personalised IDPs. Access to Coursera, GWO and virtual campus. Training areas: technical & functional skills, H&S, POSH prevention, human rights, compliance, environmental awareness, leadership, information security. 1,248 employees received skills-related training (25% of total workforce).	20-21, 30	SDG 4, 8
404-3	Employees receiving regular performance and career development reviews	1,402 management cadre employees received regular performance and career development reviews in FY 2024-25 (92% of 1,526 management employees). Annual appraisals, mid-year reviews and goal alignment discussions conducted.	20-21, 30	SDG 8
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Women on Board: 20%. Women in top management: 13%. Women in total workforce: 8%. Total employees: 4,911. WISE programme (Women Investing in Skills & Experiences) to strengthen women's leadership readiness. Recruitment is transparent and merit-based.	15-16, 31-32	SDG 5, 10
405-2	Ratio of basic salary and remuneration of women to men	Birla Cellulose monitors gender pay equity within the Grasim Industries governance framework and implements measures to address identified gaps. Equal pay for equal work policy; non-discriminatory compensation practices irrespective of gender, caste or religion.	17	SDG 5, 10
GRI 406: Non-discrimination 2016				
406	Non-discrimination	Zero tolerance; Zero discrimination incidents; PoSH policy	1, 21-22, 31-32	5, 10
GRI 408: Child Labor 2016 and Forced Labour 2016				
408-1 / 409-1	Child labor	Age verification, zero tolerance, prevention across operations and supply chain	22-23	8, 16
GRI 412: Human Rights Assessment 2016				
412-1 / 412-2	Operations subject to human rights reviews; employee training	Human rights impact and risk assessments conducted across all 4 operational sites (100% coverage). Mandatory annual training for all staff, HR personnel and site managers on identification, prevention and reporting of child labour, forced labour and human trafficking. Human rights and ethical working conditions included in standard training curriculum.	21-23	SDG 8, 16
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers screened using social criteria	80 critical suppliers assessed via Project Synergy structured sustainability evaluation in FY 2024-25. Supplier Code of Conduct mandates compliance on human rights, child labour, forced labour and ethical conduct. Suppliers required to prohibit child labour in violation of local laws and ensure compliance across subcontractors.	14, 23	SDG 8, 12, 17
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints regarding customer privacy and loss of customer data	Zero IT breaches in FY 2024-25. Three-tier cybersecurity governance model aligned with ISMS standard and Information Technology Act 2008. Annual third-party vulnerability assessments and internal ISMS audits conducted. Structured Incident Response Plan in place; all incidents centrally logged and classified by severity.	1, 24-25	SDG 16

Assurance Statement



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Independent Assurance Statement

To,
Grasim Industries Limited, Pulp & Fibre Business,
Aditya Birla Centre, 'A' Wing, 2nd Floor,
S.K. Ahire Marg, Worli, Mumbai-400030

Independent Assurance Statement to Grasim Industries Limited (Pulp & Fibre Business) on select non-financial disclosures in the Sustainability Report for the financial year 2024-25.

Introduction and objective of engagement

Grasim Industries Limited (Pulp & Fibre Business) (the 'Company') has developed its Sustainability Report 2024-25 (the 'Report') based on the Global Reporting Initiatives (GRI) standards and UN Sustainable Development Goals (UNSDGs). The reporting criteria have been derived from the GRI Standards and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard.

BDO India Services Private Limited (BDO India) was engaged by the Company to provide independent limited assurance on select non-financial information in the Report for the financial year 2024-25.

The Company's responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

BDO's responsibilities

BDO India's responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Assurance Standards Board (IAASB). We applied the criteria of 'Limited' assurance.

Scope & boundary of assurance

We have assured select indicators in the Report pertaining to the Company's non-financial performance covering its operations for the period 1st April 2024 through 31st March 2025. The indicators under the scope of assurance are listed in Appendix 1.

Assurance methodology

Our assurance process entails conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review process included:

- Evaluation and assessment of the appropriateness of the quantification methods used to arrive at the non-financial sustainability information of the select GRI indicators in the Report;
- Review of consistency of data/information within the Report as well as between the Report and the source;
- Engagement through discussions with personnel at the corporate level who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls;
- Verification of non-financial/sustainability performance data, on sample basis, based on our professional judgement, was done for the Nagda, Vilayat and Kharach locations only.

Limitations and exclusions:

There are inherent limitations in an assurance engagement, including, for example, the use of judgement and selective testing of data. Accordingly, there are possibilities that material misstatements in the Report may remain undetected.

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2024 through 31st March 2025);
- Review of the 'economic and/or financial performance indicators' included in the Report or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topic other than those listed in the 'Scope & boundary of assurance';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration/targets, expectation, aim or future intention.

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Our observations

We have reviewed the disclosures in the "Report" for the reporting period from 1st April 2024 through 31st March 2025. The disclosures of the Company, covered under the 'Scope and boundary of assurance', are fairly reliable.

Our conclusions

Based on the procedure performed and evidence obtained as defined under the 'Assurance methodology' nothing has come to our attention that causes us not to believe that the disclosures of the Company are presented fairly, in all material respects.

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India Services Private Limited

A handwritten signature in black ink, appearing to read 'Indra Guha'.

Indra Guha
Partner | Sustainability & ESG
Business Advisory Services

Gurugram, Haryana
22 December 2025



Birla Cellulose
Fibres from nature

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