

# Social and Relationship Capital

## Enriching Lives for Sustained Growth

At Grasim, we strongly believe that acting responsibly and contributing to the well-being of society is integral to good business practices and value creation. We understand the significance of engaging with our stakeholders, including the community, suppliers, and customers. By nurturing these relationships, we build trust, enhance our credibility, cultivate a positive reputation, foster customer loyalty, and generate favourable outcomes for all.

### STAKEHOLDERS IMPACTED

- Customers
- Communities
- Suppliers

### MATERIAL ISSUES

- Empowering Communities
- Customer Health and Safety
- Supply Chain Management

### KEY RISKS

- Strategic Risk
- Operational Risk
- Compliance Risk

### ALIGNMENT WITH SDGs



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FY23 Highlights

**₹54.19 crore**  
CSR Expenditure

**11.05 lakh**  
Lives Benefited

**340 Villages**  
Reach

**OUR APPROACH**

At the core of our priorities is the creation of an inclusive, transparent, and culturally sensitive environment that promotes compassion and care in society. We actively engage with communities in our impact zones, working to improve their well-being and uplift their lives. By cultivating a strong and dependable supplier network and fostering long-lasting customer relationships, we ensure that we meet the diverse needs of our customers. We have established a reliable distribution network to deliver high-quality, innovative products and solutions to our valued customers.



**1 COMMUNITY DEVELOPMENT**

Our goal to uplift communities spans across 9 states, 15 districts and more than 340 villages in India. We focus on several aspects through which we can contribute and assist communities. In FY23, our efforts benefitted around 11.05 lakh people, at a total expenditure of ₹54.19 crore.

**Focus Areas**

- Education
- Healthcare
- Sustainable livelihood
- Infrastructure development
- Social development

**Education**

Grasim runs six company schools with around 5,833 students. Our work in education is multi-dimensional. Our endeavour is to enhance quality education by forming collectives, capacity-building sessions, networking, strengthening schools and anganwadi centres, as well as the formation of Anand Ghar and joyful learning homes.

**145,341**  
No. of Beneficiaries

**Initiatives**

<b>Project Shishya:</b> Provision of special English classes in government schools	<b>Education Support Shala:</b> Pravesh (new enrolment) programme in government schools
<b>Project Star:</b> Felicitation of students who are star toppers of the year	<b>Project Shiksha:</b> Scholarships to girl students
<b>Project Gyanrajan:</b> Distribution of study material	Provision of smart classes through advanced digital boards for primary schools
Support for the celebration of national days and special school events	

**CASE STUDY**

**Creating Joyful Learning Experiences**

**Anand Ghar – We launched the Anand Ghar initiative with a primary focus to provide joyful learning experience for school-going children. Here are some key accomplishments of this initiative:**

**Sponsorship of Events**

We sponsored and conducted various events to engage and inspire children. These events aim to make learning fun and interactive, fostering a positive environment that encourages curiosity and growth.

**Infrastructure Development**

Recognising the importance of well-equipped learning spaces, we have actively worked



**Model Anganwadis**

As part of our efforts to promote quality early childhood education, we have successfully established 68 model anganwadis. These model centres serve as benchmarks for excellence, implementing innovative teaching methods and providing a holistic learning experience for young children.

Through the Anand Ghar initiative, we are committed to providing children with access to quality education, nurturing their talents, and empowering them for a brighter future.

on strengthening 27 anganwadis and 37 schools by improving their infrastructure. This includes the establishment of better libraries and support for computer education, creating an enriched learning environment for the children.



**CASE STUDY**

### Promoting Sports through Rural Education



**Project Aarohan**

We recognise the significant role that sports play in the holistic development of individuals, and our initiative is dedicated to promoting the importance of sports among school-going children in rural regions of the country. We aim to provide the necessary infrastructure and equipment to enable these children to develop their sports skills. Here are some notable achievements resulting from our efforts:

**Selection and Admission to DLSS School**

Through our initiative, 27 students have been selected at the state level and have gained admission to the District Level Sports School (DLSS). This achievement is a testament to their talent and dedication, as well as the support provided by Project Aarohan.

**Medals at State-level Competitions**

Among the 27 selected students at DLSS, four have excelled in state-level competitions. These exceptional athletes have brought pride to their communities by winning medals. Their accomplishments include one gold medal, one silver medal, and two bronze medals.

These outcomes exemplify the positive impact of Project Aarohan, as it not only provides opportunities for talented children in rural areas but also helps them achieve recognition and success in the field of sports. Our initiative is dedicated to nurturing and supporting these young athletes, enabling them to reach their full potential, and contributing to the overall sporting landscape of our nation.

**Healthcare**

Grasim runs five hospitals with support from Grasim Jan Seva Trust, setting up around 1.8 lakh outpatient departments (OPDs). Healthcare facilities are provided to all those who require assistance, with a special focus on children/senior citizens/women and marginalised people.

**587,741**

No. of beneficiaries

**Initiatives**

**Project Niramaya**

We arranged Mobile Medical Camps in slum areas, which carried out free check-ups and provided medical assistance.

**Project Roshni**

We arranged and supported the eye screening and cataract operation camp in collaboration with Rotary Club and local hospitals.

We set up health awareness camps, including TB and blood donation and Pulse Polio.

We ran awareness and Swatchhata Abhiyan programme in nearby villages.

**Project Prayas**

Under this initiative, we provided bedside assistant training to young girls from the community to learn more about hygiene and an opportunity for employment generation at Hospitals and clinics.

We set up menstrual awareness camps, in which carried out the distribution of sanitary napkins and menstruation cups.

We provided drinking water through the piped water supply, RO plants, and Tanker Water supply.

We conducted a programme on setting up a nutritional garden and provided seed kits to help the villages grow their own vegetables.

**CASE STUDY**

### Grasim's Quality Healthcare Services in Madhya Pradesh

Grasim aims to address the healthcare needs of the community, ensuring accessibility to essential medical services and promoting a healthier and happier society.

Grasim provides quality healthcare services to 350+ villages in Madhya Pradesh. The Indu Bhai Parikh Memorial Hospital in Nagda is a trusted institution, offering affordable and high-quality healthcare to the community.



Our initiatives focus on preventive, curative, reproductive child, and quality healthcare. We prioritise health awareness, check-ups, treatments, surgeries, and specialised services for women and children. Through our commitment to accessible and affordable healthcare, we aim to improve the well-being and quality of life for rural communities in Madhya Pradesh.

**CASE STUDY**

### Empowering the Underprivileged for Inclusive Impact



**Project Shaksham**

Our project aims to provide support to the underprivileged and marginalised disabled members of our community. Here are some of the initiatives we have undertaken:

**Artificial-limb Fitment Camp**

Since 1995, we have been organising an artificial-limb fitment camp in partnership with the Karnataka Marwari Youth Federation. This camp, located in Harihar, has benefitted a total of 4,288 individuals to date. Through this initiative, we provide artificial limbs to those in need, helping them regain their mobility and, eventually, independence.

**Livelihood-improvement Programme for the Disabled**

We have also implemented a livelihood-improvement programme that focuses on enhancing the livelihood opportunities of differently abled individuals. In collaboration with 15 different villages, we have supported 224 people by providing them with essential tools, kits, and assets. These resources enable them to carry out their current occupations more effectively, empowering them to lead more productive lives.

By implementing these initiatives, Project Shaksham strives to make a positive impact on the lives of the underprivileged and marginalised members of our community, promoting inclusivity and empowerment.

### Sustainable Livelihood

Grasim is working towards enabling society, including marginal and small farmers, with a sustainable livelihood through resilient and sustainable agricultural practices, women empowerment, animal husbandry, and development programmes for socio-economic development. The initiative also includes institutional building through the village development committee and knowledge-sharing sessions, including field trips.

**190,525**

No. of beneficiaries

Initiatives	
<p><b>Women Empowerment</b> Through the formation of Self-Help Groups (SHGs), Enterprise Development, and Farmer Producer Organisations (FPOs), we aim to foster self-reliance, economic independence, and social empowerment for women. By forming SHGs, supporting diverse enterprises, and facilitating market linkages, we strive to create a conducive environment for women to thrive as entrepreneurs and contribute to their families' and communities' socio-economic development.</p>	<p><b>Animal Husbandry</b> Through various activities such as breed-improvement programmes, vaccination campaigns, training and counselling sessions, fodder and nutrition management programmes, and creating drinking water tanks for the cattle, our initiative focuses on improving livestock quality and well-being.</p>

### Infrastructure Development

Grasim is working on the development of infrastructure in and around the operational areas for community development. These infrastructural developments are focused towards bringing ease of life and empowerment to the communities.

**116,549**

No. of beneficiaries

Initiatives	
Development of village ponds	Construction of cloth washing platforms
Infrastructure support to public health centres (PHCs) and panchayats	Setting up door-to-door garbage collection facilities



### CASE STUDY

## Promoting Sustainable Agriculture



**Project Satvik**  
**Recognising the heavy reliance on agriculture for livelihood in rural India, we understand the challenges faced by using chemical fertilisers. These fertilisers not only escalate input costs but also degrade soil quality and contribute to environmental pollution. To address these concerns, we have initiated a project to promote organic farming practices.**

Our approach involved supporting farmers in transitioning from chemical fertilisers to organic alternatives, specifically using vermicompost. By adopting organic fertilisers, farmers experienced a reduction in input costs while also improving soil quality. To ensure the successful implementation of this transition, we provided comprehensive training to 236 farmers, resulting in

100 of them registering for organic farming practices.

Over a period of five years, the farmers who embraced organic farming practices witnessed notable improvements. They observed a significant reduction in input costs, witnessed enhanced soil quality, and experienced a 15-20% increase in production and income.

Project Satvik aims to create sustainable agricultural practices that not only benefit the farmers but also contribute to environmental conservation and the overall well-being of the community. By promoting organic farming, we strive to enhance agricultural productivity, preserve soil health, and provide a healthier and more sustainable future for rural India.

### CASE STUDY

## Transforming Villages by Enhancing Infrastructure



### Project Nirman

**Our initiative focuses on creating better infrastructure and developing model villages. Here are the key components and accomplishments of our project:**

#### New School Buildings and Anganwadis

We prioritise the construction of new school buildings and anganwadis in the target villages. These facilities provide better learning environments for children and support early childhood education.

#### Village Connecting Roads and Road Repairs

We work towards improving village connectivity by constructing new roads and repairing existing ones. This enables better transportation, and access to essential services, and promotes economic activities in the area.

#### Building Community Hall and Bathing Steps

We build community halls to serve as gathering spaces for various social and

cultural activities. Additionally, we construct bathing steps to ensure safe and convenient access to water bodies for the villagers.

#### Installations of Streetlights

We install streetlights to enhance safety and security in the villages, especially during the evening and night hours.

#### Constructing and Installing Cement Benches

To provide comfortable seating arrangements, we construct cement benches in public spaces, enabling villagers to rest and socialise.

Currently, we are supporting 50 model villages as part of Project Nirman. Having successfully completed and handed over 30 model villages, we are showcasing our commitment to creating sustainable and well-developed communities.

Through Project Nirman, we aim to transform villages by creating better infrastructure and improving the overall quality of life for residents.





**Social Development**

Grasim is working for the welfare of societies through several other means. We try to support all sections of society and touch upon their needs.

**65,594**

Number of beneficiaries

**Initiatives**

**Under our initiative 'Samaj Utthan', we carried out several activities such as**

- Providing food to mentally disabled people at orphanages and other required support to differently abled people
- Mass marriages
- Blankets distribution
- Relief support in disturbed areas
- Support in historical fairs
- Provide support in spreading awareness of E-Governance models and government schemes.
- Support in village celebrations
- Distribution of national flags to celebrate 'Har Ghar Tiranga' from August 13<sup>th</sup>-15<sup>th</sup>; August 2022 for the 75<sup>th</sup> year of 'Azadi Ka Amrit Mahotsav'
- Distribution of cricket kits
- Fire and safety training for ITI and high school students

**CASE STUDY**

**Grasim's Plantation Initiative at Vilayat**



**Objective**

To contribute to the preservation and expansion of the environment through tree plantation under our project, Grasim Forest.

**Achievements**

To date, we have successfully planted 20,450 trees using various traditional and panchvati methods. This reflects our commitment to sustainable environmental practices. This initiative has engaged approximately 300 volunteers, including our own employees, school children, women, village panchayat members, leaders, and community members. Their active participation showcases the collective effort towards a greener future.

**Partnerships**

We have collaborated with various institutions for the successful implementation of our plantation initiative. These include primary schools, village panchayats, VIKAS-NGO, and the Forest Department. Together, we are working towards creating a positive impact on the environment.

This initiative is driven by Grasim's dedication to environmental conservation and community engagement. Through tree planting efforts and collaborative partnerships, we strive to foster a sustainable ecosystem and inspire others to take part in creating a greener and healthier environment.

**2 SUPPLIERS**

Grasim places high value on supply-chain management, which is backed by effective and reliable systems and processes. This approach allows seamless execution to ensure effective management of a diverse range of suppliers and partners.



**Managing a Resilient Supplier Network**

**1. Supplier Registration**

A vendor registration form is provided during the onboarding process to collect all necessary information, such as certifications, financial health, and ESG parameters.

**2. Supplier Evaluation**

An evaluation is conducted basis the information received in the vendor registration form.

**3. Supplier Onboarding and Engagement**

Conducting regular interactions with suppliers on various matters including training and awareness sessions on ESG issues, understanding their concerns and responding promptly through various communication channels such as emails, in-person meetings, etc.

In our supplier selection process, about 10% weightage is given to ESG criteria, compared to other factors such as price, quality, and delivery time, as a yardstick to ensure integration of sustainability into supplier selection criteria. About 5% of the total weightage is allocated to health and safety considerations in our supplier-screening process.

During the onboarding process, our suppliers are required to acknowledge and sign the Supplier Code of Conduct. This document specifies the critical commitments expected from our suppliers, which include an extensive list of important standards. These standards are crucial for fostering a fair and inclusive working environment. In addition, the Supplier Code of Conduct includes environmental parameters such as products and materials manufactured in a sustainable manner. The Supplier Code of Conduct also ensures that suppliers follow fair business practices and maintain ethical conduct.

**Critical Supplier Identification**

The products provided by our suppliers are crucial in defining the operations of our business, preserving our competitive advantage, and achieving overall market success. Therefore, it is critical that we thoroughly evaluate key suppliers throughout our supply chain processes. We conduct assessments of our suppliers every year. These assessments are done

through on-site visits, online surveys, among other methods.

We categorise critical suppliers as per the following:

- (i) High-volume suppliers: Encompassing raw materials, engineering materials, and service providers
- (ii) Non-substitutable suppliers, including single-source vendors
- (iii) High-risk suppliers, including suppliers with risks related to environment, safety, and compliance

**Supplier Sustainability Evaluation**

We place a strong emphasis on supplier evaluations, considering not only quality but also sustainability aspects. As part of our commitment to sustainability, we actively engage and support our suppliers in conducting an annual self-assessment exercise to identify potential risks and enhance their dedication to sustainable practices. During this process, we collect the responses from our suppliers and thoroughly evaluate their performance based on established criteria. Using this evaluation, we assign ratings to each supplier and provide them with valuable feedback. This evaluation exercise is conducted on a yearly basis, allowing our suppliers the opportunity to improve their systems and processes.





Sustainability is at the core of our supply chain strategy. We prioritise reducing our carbon footprint by increasing rail transport usage and minimising emissions from road transport. Responsible sourcing is a key focus, especially in our Pulp and Fibre business.

We exclusively source wood from sustainably managed forests, adhering to globally recognised standards such as FSC®, SFI®, and PEFC™. Our detailed Wood Sourcing Policy ensures traceability and validation of wood sources through internal mechanisms and stringent checks.

We collaborate with global brands to trace raw material sources, with 'Forest

to Fashion' being a ground-breaking project in the apparel industry for supply-chain mapping.

In our vendor development process, we prioritise local vendors and engage communities from vulnerable and marginalised groups. In the reporting year, 20% of our materials were procured from local vendors.

**Wood Sourcing Policy:** <https://www.grasim.com/Upload/PDF/fibre-sourcing-policy.pdf>

## 20%

Materials procured from local vendors

### Supplier Engagement and Grievance Redressal

We use a variety of strategies to address the needs of our vendors and suppliers to improve and streamline our interactions with them. We hold meetings with our suppliers regularly, including with those from MSMEs. Additionally, we provide training sessions on a wide range of subjects, including environmental, social, and governance matters. Our publicly accessible Grievance Redressal Policy provides a channel for suppliers to submit their concerns via email.

**Grievance Handling Policy:** <https://www.grasim.com/Upload/PDF/grasim-grievance-handling-policy-fy21.pdf>

### 3

### CUSTOMERS

In an ever-evolving digital world, we recognise the importance of meeting the emerging needs of our customers. Grasim is dedicated to addressing the evolving requirements and expectations of different customer groups, including B2B (business accounts), B2C (individual consumers), and B2ECA (emerging corporate accounts). We achieve this by offering differentiated products, services, and solutions that cater to their specific needs.

#### Product Information Communication

To ensure that our customers have comprehensive knowledge about our products, we have implemented two information systems in our production plants:

##### The Molecular Product System

It provides detailed information to customers about our products.

##### Traceability System

Based on blockchain technology, it offers complete transparency across the value chain.

Additionally, we provide a neutral platform for customers to access information about our products, facilitating informed decision-making.

#### Effectiveness of Customer-Centric Strategies

The customer-centric strategies implemented by Grasim are measured through the Channel Partner Loyalty programme, Lakshya. This programme allows dealers to achieve targets and earn points, which can be redeemed for various benefits. The Lakshya programme has contributed with expansion of our product basket size. This demonstrates the positive impact of customer-centricity on our business growth.

#### Customer Satisfaction Index

At Grasim, customer satisfaction is measured using the net promoter score (NPS), a scale from 1 to 10 that gauges the likelihood of customers recommending us. Our dedicated NPS calling team conducts monthly calls to collect feedback and ratings from customers across various departments. The team records the scores and comments, with special attention given to key accounts. This valuable information is then shared with the sales representative and zonal sales head, allowing us to track and address customer concerns promptly.

#### Customer Feedback and Grievances Redressal

We prioritise prompt and efficient resolution of customer feedback and grievances. We have implemented two effective systems to handle customer complaints:

##### 1. Mission Happiness

This digital system collects independent feedback from all value chain partners, ensuring compliance and satisfaction.

Our commitment to this mission for over three years reflects our dedication to continuous improvement and customer satisfaction.

##### 2. Customer Technical Team (CTS)

Our digitised CTS team manages sales-related grievances, quality concerns, and logistics issues, ensuring quick and efficient resolutions. The average turnaround time for resolving grievances is one month, thanks to the implementation of these systems.

We follow a systematic approach to address customer complaints, validate concerns, conduct investigations, and share Action Taken Reports. Monthly customer complaint summaries are discussed in management committee meetings, promoting ongoing improvement and customer-centricity. Through all these steps, we strive to address customer grievances promptly, enhance satisfaction, and deliver high-quality products and services.

#### Customer Privacy and Data Protection

At Grasim, customer privacy and data protection are of utmost importance. We adhere to an Information Security Policy that ensures the safeguarding of customer data. Additionally, our ISO 27000 certification validates our commitment to maintaining customer privacy and data protection standards.

**Information Security Policy:** <https://www.grasim.com/Upload/PDF/information-security-policy.pdf>

