

Grasim Industries Ltd  
ANNUAL MEETING OF SHAREHOLDERS  
**25<sup>TH</sup> AUGUST 2023**  
QUESTIONS FROM DWS INVESTMENT GMBH

Dear Mr Kumar Mangalam Birla,  
Dear Mr Harikrishna Agarwal,  
Dear Mr Surya Valluri,  
Dear members of the Board,

DWS Investment GmbH, also acting on behalf of funds of DWS Investment S.A. (incl. SICAVs and PLCs) and certain institutional mandates of DWS International GmbH, all according to delegation agreements (hereafter DWS), is one of the largest asset managers in Europe. As a responsible investor in Grasim Industries Ltd, it is part of our fiduciary duty to express our expectations in the best interest of our clients. Our commitment to environmental, social and governance (ESG) practices is a crucial element of our responsibilities and forms an integral part of our investment process.

Ahead of your 2023 annual general meeting (AGM) of shareholders, we would like to share our questions with you. We would greatly appreciate your answers in written form. Please note that we will also share our questions on our website ([www.dws.com](http://www.dws.com)) on the day of your AGM. Thank you for your consideration.

### **Board Independence**

Qualified, experienced, and independent directors are essential for competent and efficient decision-making processes at board level. Having a majority of independent members serving on the board as well as an independent chairperson is important for us to ensure an appropriate oversight.

We appreciate the contributions that Mr. Thomas Connelly Jr., Mr. Cyril Suresh Shroff have made to the company, however, since their association with the company exceeds 10 years, they are no longer considered independent as per our DWS Corporate Governance and Proxy Voting Policy. As a result, at present, the Board's independence stands at only 36% which does not meet our expectations. Additionally, the chairman of the Board is also a non-independent director.

**QUESTION 1: When can we expect you to appoint an additional independent director to the Board to reach the majority independence?**

**QUESTION 2: Will you consider appointing a Lead Independent director to counterbalance the role of a non-independent chair?**

### **Overboarding**

Directors should not hold excessive number of mandates (listed directorships). Directors must ensure that they have sufficient time and capacities to fulfill their board commitments. DWS considers directors overboarded in case where they hold more than five external non-executive mandates. For directors who hold executive positions on any board, our limit is two additional non-executive mandates.

Further, due to their extended responsibilities, DWS attributes an additional mandate to members assuming the chair position of the board or the chair position of the audit committee. Any additional mandate attributed for chairing an audit committee counts towards the limit(s) set above.

In this regard, we noticed that Mr Adesh Kumar Gupta and Ms Anita Ramachandran are currently overboarded according to our DWS Corporate Governance and Proxy Voting Policy.

**QUESTION 3: Are there any plans for the above-mentioned directors to reduce their mandates (listed directorships) by the next AGM?**

### **Low Board Attendance**

Directors must endeavor to attend all board and committee meetings. DWS expects directors to attend at least 75% of their meetings convened during the financial year. As per your Annual Report, Mr. Cyril Shroff, attended only (2 out of 7) 29% of board meetings in FY 2023. Further, the Company has not provided any explanation for his low attendance.

**QUESTION 4: We would like to understand what were the reasons for his low attendance.**

### **Net Zero**

Corporations and investors have a key role to play towards reducing emissions in the mutual goal of addressing global warming. In this regard, we support the Climate Action 100+ and the Net Zero Asset Managers initiative with the aim to enhance the governance of climate change risk and opportunities, to curb emissions and to strengthen climate-related financial disclosures.

Grasim is in the process of developing a decarbonisation roadmap in line with the SBTi recommendations.

The businesses of Grasim are actively setting targets towards reducing their carbon footprint such as the Chemical business has targeted to reduce GHG emission (scope 1 and scope 2) of the main product by 30% by 2030 (over the base year of FY17). VSF business has committed to reduce GHG emission intensity by 50% by 2030 and achieve net zero by 2040. The Company has goal to achieve net zero GHG Emissions at Grasim level by 2050.

**QUESTION 5: When can we expect the company to set scope 3 GHG emission mid- term and long-term reduction targets in line with the Paris Agreement?**

**QUESTION 6: When can we expect you to validate your scope 1, 2 & 3 targets with SBTi in line with a global warming of 1.5°C?**

**QUESTION 7: Can we expect you to set an ambitious long-term target to switch completely to renewable energy in the near future?**

### **Executive Remuneration**

DWS expects investee companies to integrate material ESG factors into their thinking and strategy and we ask them to establish and disclose how their ESG/sustainability priorities are factored into their remuneration. The variable pay components should reflect ESG-related targets which are meaningful, ideally quantifiable and reflect a material ESG priorities for the company.

**QUESTION 8: Does the company integrate GHG reduction targets and other material ESG/sustainability targets in the executive remuneration? If yes, what percentage of the LTI and STI is linked to ESG/sustainability targets?**

To conclude, we would like to thank all members of the Board and all the employees of Grasim Industries Ltd on their commitment and dedication.

Thank you in advance for your answers.