



**Ambuja
Cements Limited**

Sustainable Development Report 2015

GRI-G4 Comprehensive Compliant

At Ambuja we are
committed to pursuing goals
beyond financial gain.

We aim to be the
most sustainable company
in our industry.
And so each of our practices
and processes align
with environmental goals.

But it is the
I Can spirit that drives
our people to continually
improve them.

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Chairman's Message



Today, world governments and companies recognise the importance of sustainability. In the face of Global Warming and Climate Change, it is a reality that we must deal with. One that Ambuja has been cognizant of for decades, and made giant strides in countering. I am delighted to present Ambuja Cement's 9th Sustainable Development Report for 2015. This is also the second report based on the latest G4 comprehensive guidelines of the Global Reporting Initiative (GRI). Our key focus in this report has been carbon emissions, and it highlights not only the issues but also Ambuja's continuing efforts in reducing them. This report shares our community care initiatives, responsible environment management, resource conservation and corporate governance. Sustainability is integrated with the operations of Ambuja Cement. Each of these efforts consistently adds to our environmental and societal returns while creating positive impact in sustainability.

It was 29 years ago that we made a commitment to be the most sustainable cement company in India. Our journey with sustainability has continued unchecked, carried forward through the resolute enthusiasm of our team that has increased performance in several areas of governance, environment protection as well as social responsiveness. This was achieved through a variety of initiatives we undertook while also improving systems and processes to keep pace with long term objectives of the company. We launched a comprehensive materiality review and stakeholder (internal as well as external) consultation program in 2015 to facilitate a better understanding of the company's obligations to its stakeholders while identifying material issues. This enabled us to revisit our materiality matrix to incorporate our stakeholders' perceptions, key sustainability issues, and most material aspects concerning our business and stakeholders while also serving as a guide for further implementation, monitoring and reporting.

At the group level, the most eventful development was the coming together of Holcim and Lafarge in a historic merger of equals to create LafargeHolcim - a world leader in the building materials industry. With an extensive presence in 90 countries, the Group has about 115,000 employees around the world with combined net sales of CHF 32 billion (EUR 26 billion) in 2014. As an industry leader, LafargeHolcim also sets the industry benchmark in sustainability, by outlining clear policies to tackle carbon emissions and create sustainable solutions. At the recently held international COP21 international conference in Paris on Climate Change, LafargeHolcim played an active role. Under the new entity, Ambuja Cement will become even stronger, by harnessing the potential of synergies in the Group.

We made significant progress in the responsible use of resources, be it natural or man-made. In recent times when water has become a contentious issue, we maintained our status to become 'Four Times Water Positive', through water conservation in the surrounding community and water efficiency in our plants. Moreover, we became plastic positive, by burning as much as 60,545 tons of plastic waste in our kilns, the equivalent of 1.82 times of total plastic used in packing bags for our cement. We also generated 4.6% of our energy generation from Renewable Energy sources.

In the area of community development, our CSR arm, Ambuja Cement Foundation (ACF) continued their path-breaking efforts in serving communities at 21 locations in 11 states, implementing need based and participatory programmes in the areas of Water Resource Development, Health & Sanitation, Women Empowerment, Rural Infrastructure, Education and Agro-based/Skill-based Livelihood Creation. While the mandatory requirement of 2% CSR (as per Section-135 of the new Companies Act) was introduced in 2014, our spending has consistently been past this mark for many years now.

On behalf of the Board and the employees of our company, I would like to take this opportunity to thank all our valued stakeholders, for their unstinted support and encouragement. I also invite valuable comments and suggestions from readers to enable us to achieve even higher standards and benchmarks in different areas of sustainable development.

N.S. Sekhsaria

N.S. Sekhsaria
Chairman

MD & CEO's Message



At Ambuja, sustainability and competitiveness are not mutually exclusive, but go hand-in-hand. ACL's vision of being the most competitive and sustainable company in our industry guides us in all our endeavours.

It was also the motivation behind Ambuja adopting True Value in 2013 – a methodology that encapsulated financial, social and environmental values into a single financial figure. This triple bottom-line accounting (People, Planet, and Profit) encompassed the three pillars of sustainability.

Our vision also aligns with the LafargeHolcim Group's **Sustainability Strategy: The 2030 Plan**. With over 180 years of combined experience, the Group aims to usher in a new era of cutting-edge technologies and innovations in the building materials industry, to address the challenges of the 21st century. The Group's 2030 Plan envisions the construction sector of tomorrow will be innovative, climate neutral and circular in its use of resources. It will be respectful of water and nature, and inclusive – thus enhancing the quality of life.

At Ambuja, the Group's 2030 Plan is crucial in developing ACL's long term sustainability vision, focusing on disclosures in our performance across environmental, social, economic and corporate governance parameters of sustainability. It reflects concern on the depletion of natural resources, and is mindful of our responsibility to mitigate the global challenge of climate change. **Hence, this year's report is themed around our initiatives that have successfully helped reduce our carbon footprint.**

It is evident that the company is progressing towards its goal of improving the carbon footprint. Since 1990, Ambuja has been recording a reduction in its carbon emission - almost 30% reduction till 2015. Over the years, Ambuja has also been enjoying a leadership position in sustainability with many firsts to its credit. In 2014, it raced past other cement companies to the top, at a commendable score of 92 (out of 100) and secured a rank of 10 across sectors in the highly prestigious Carbon Disclosure Leadership Index (CDLI). Other achievements include the shift to Portland Pozzolana Cement (PPC), which comprises 92% of total cement sales by Ambuja in 2015; besides being the first Indian cement company to obtain ISO 14064 Certification.

Ambuja has also effectively aligned itself with leading organisations nationally and globally in setting benchmarks in participation with the Cement Sustainability Initiative (CSI) of the World Business Council; the India Business and Biodiversity Initiative (IBBI) to develop new standards

and policies for biodiversity conservation; and the Dow Jones Sustainability Index (DJSI) for Emerging Markets 2015.

Health and safety is our overarching value and we have maintained strong emphasis by reinforcing our progress through the program, 'We Care'. This initiative is all-encompassing and brings under its ambit all our stakeholders, effectively helping to transform operations as well as attitudes towards safety. The We Care initiative has led the way in training and capability building, and is on track to achieving our goal of Zero Harm.

Ambuja's highly motivated team continues to be the cornerstone of the company's success and growth. Complementing this is a well-devised market strategy, innovative and sustainable manufacturing practices, a robust value chain, strong dealer and retailer networks, value added services and knowledge centres – all combining to ensure we emerge stronger, with the famed 'Giant Strength', for our stakeholders.

Assessing our True Value has put us in a stronger position to respond to the social and environmental changes taking place in India. It is a qualitative measurement of our interaction with the environment and society, that helps us to make strategic business decisions. Furthermore, by identifying a portfolio of cost-effective projects, we will continue to reduce costs, increase earnings and most importantly, increase our True Value in the future, and therein lies our growth.

Sustainability is an integral part of our operations, and this report helps us to prioritise and take strategic decisions for improving the company's sustainability efforts. We believe that this positive outlook, coupled with strong business ethics, will lead us to achieve our larger vision to be the most sustainable and competitive company in the industry.

Ajay Kapur
MD & CEO

Climate change is today’s reality.
How quickly we adapt to it
will determine our future.

Climate Change and Global Warming are the greatest challenges of our times. We now face these realities not only at a macro level, but also in every aspect of our lives. At Ambuja, our Sustainability Policy and Climate Change Mitigation Policy have outlined clear steps to reduce carbon emissions. There is a distinct and strong focus on clean technology, energy efficiency and renewable energy. The company regularly assesses environmental risks emanating from our operations and implements initiatives to address them. Conscious growth takes into account the carbon footprint, and this is integral to our sustainability strategy.



	2020	2030
Climate	We will: <ul style="list-style-type: none">• Reduce net specific CO2 emissions from cement plants by 33% (Vs.1990) and by 5% (Vs. 2015) from CPP per ton of cement	We will: <ul style="list-style-type: none">• Reduce net specific CO2 emissions from cement plants by 40% (Vs.1990) and by 12% (Vs. 2015) from CPP per ton of cement
Circular Economy	We will: <ul style="list-style-type: none">• Use 9 million tonnes of waste-derived resources per year	We will: <ul style="list-style-type: none">• Use 13 million tonnes of waste-derived resources per year
Water & Nature	We will: <ul style="list-style-type: none">• Reduce freshwater withdrawal in cement operations by 10%• Implement WASH Pledge on all sites• Improve our water balance index to 5• Have a Biodiversity Indicator and a reporting system in place at all Active Quarries	We will: <ul style="list-style-type: none">• Reduce fresh water withdrawal in Cement Operations by 15%• Improve our Water Balance Index to 6• Show positive change for Biodiversity
People & Communities	We will: <ul style="list-style-type: none">• Have zero onsite fatalities• Reduce LTI FR< 0.70• Reduce TIFR by 30%• Implement India Road Safety Vision 2020• Develop social programs to benefit 1.5 million people• Complete our Human Rights assessment	We will: <ul style="list-style-type: none">• Have zero onsite fatality• Reduce LTI FR< 0.20• Reduce TIFR by 50%• Have 100% of high-risk active suppliers assessed & consequence management in place

The Lafarge Holcim roadmap is paving the Group's way for a green future.

At the recently held COP21 international conference in Paris, LafargeHolcim was an active participant. The conference tackled global issues and policies regarding climate change. As the leading innovation and solutions provider in the building materials sector, the company took upon the mantle of a market leader by showing the way. LafargeHolcim's mission is to cut net CO2 emissions by 40% per ton of cement by 2030 (compared to 1990). This aligns perfectly with Ambuja's vision and goals towards sustainability. And under this new entity, Ambuja is poised to make significant progress towards sustainable growth.

We're proud to announce our biggest cutbacks. Carbon emissions.

Ambuja's focus on reducing carbon emissions,
has led to a multipronged approach to tackling climate change.
These are largely concentrated on four core operations:



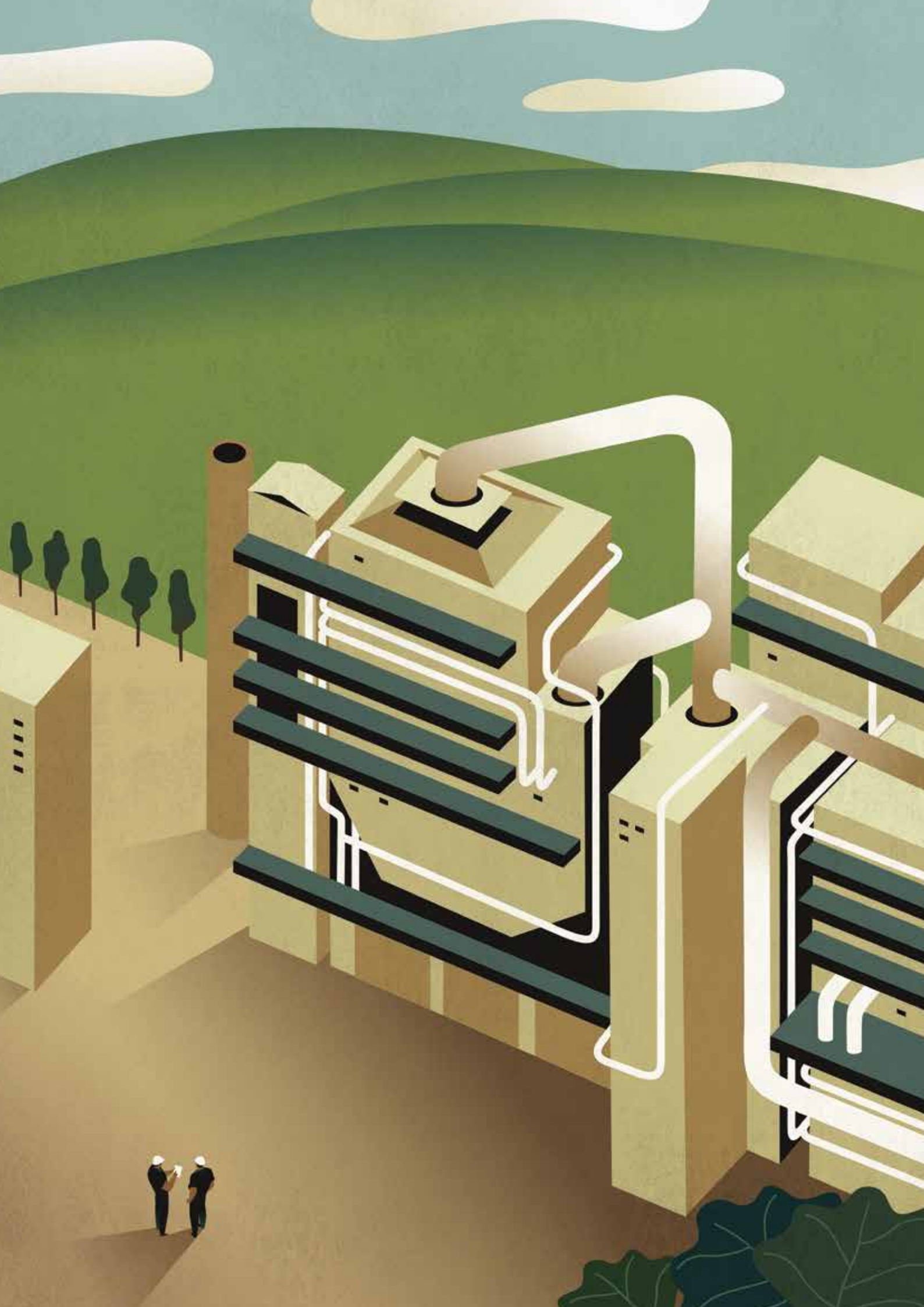
1

Improving energy efficiency

Renewable energy is cleaner energy, and Ambuja has steadily been increasing its portfolio, each of which is performing well.

- Our total energy consumption reduced by 2.3% in 2015.
- Ambuja's electrical efficiency has improved over the years.
Electrical consumption in 2015 reduced by 1.7%, as compared to 2014.
- 15 MW biomass based power plant at Ropar established in 2005.
- 7.5 MW wind power station in Kutch (Gujarat) commissioned in 2011.
- 330 KV solar power station at Bhatapara (Chhattisgarh) established in 2012.





2

Enhancing Waste Heat Recovery

Waste Heat Recovery helps reduce fossil fuel based power generation and lessens our carbon footprint. Taking this concept forward, Ambuja commissioned a 6.5 MW Waste Heat Recovery (WHR) based power generation system at the Rajasthan plant in 2015.

- The Rajasthan plant project is registered under the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC). It will accrue 35000/year Certified Emissions Reductions (CERs) for the next 10 years.
- Ambuja's first global CDM project involved the use of biomass for power generation at the Ropar plant. It earned 17,727 CERs and generated revenue of ₹1.60 Crores in 2011.



3

Optimising fuel composition, including the use of wastes as alternative fuels.

Ambuja pioneered the co-processing of industrial and other wastes in kilns as alternative fuel (AFR). What this does is reduce the use of natural resources like coal, which in turn reduces greenhouse gases.

- In 2015 Ambuja used 2.6 million tons of AFR, achieving TSR of 5.71 %.
- Ambuja has been part of the Cement Sustainability Initiative (CSI) of the World Business Council on Sustainable Development (WBCSD).
- Ambuja is a member of the working group on the development and implementation of a Low Carbon Technology Road Map for the Indian Cement Industry.



4

Increasing the utilisation of fly ash based cement

PPC Cement helps conserve limestone, a natural resource, by replacing the clinker with up to 30% of fly ash. Ambuja increased production of fly ash based PPC, till it now comprises 92% of the product portfolio.

- Ambuja has utilised over 5 million tons of fly ash – essentially a by-product of the power industry.
- The adoption of PPC also resulted in the reduction of 1.3 million tons of carbon emissions since 2012.

We're coming
clean about our numbers:
97 out of 100
in the Climate Change
Leadership Index.

Some numbers improve with a dramatic fall. This is particularly true when we look at our decreased carbon emissions, and improved score in the Climate Change Leadership Index. We're happy to report that Ambuja scored 97 out of 100 in 2015, up from 92 in 2014. Ambuja proactively discloses its carbon emissions and strategies to address climate risks annually in the Carbon Disclosure Project. Because sharing knowledge on sustainability is the only way we can move forward together.

- Ambuja is currently monitoring and reporting CO2 emissions as per the WBCSD CSI Cement CO2 and Energy Protocol.
- CO2 levels in 2015 further reduced by 29.4% from 1990 as compared to 28.3% for 2014.
- In 2015 the specific Net CO2 per tonne of cementitious products reduced to 545 kg.
- Renewable energy projects contributed to reduce about 60000 tonnes of CO2.
- The Direct Absolute Gross (including CO2 from onsite power generation) CO2 emissions also reduced by 2.9% as compared to 2014 figures.

Sustainability.

The essence of our existence.

ORGANISATION PROFILE

G4-3 TO 9

Ambuja Cements Limited (ACL) is India's leading cement company. It commenced cement production in 1986. Ambuja Cement is a premier cement brand in India for Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC), with a significant footprint across the western, eastern and northern markets of India. Our customers range from individual house builders (IHBs) to governments to global construction firms. For 2015, the total cement capacity was 29.65 MTPA, its production 21.54 MT cement and total number of permanent employees 5622.

NATURE OF COMPANY OWNERSHIP:

Ambuja Cements Limited is a public limited company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The GDRs issued by the Company are listed on the Luxembourg Stock Exchange. LafargeHolcim Limited, Switzerland is the majority shareholder with 50.35% equity. For the detailed shareholding pattern please see the Annual Report on our website: www.ambujacement.com

INTEGRATED CEMENT PLANTS:

1. Ambujanagar, Taluka Kodinar District Gir Somnath, Gujarat
2. Darlaghat, District Solan, Himachal Pradesh
3. Maratha Cement Works, District Chandrapur, Maharashtra
4. Rabriyawas, District Pali, Rajasthan.
5. Bhatapara, District Raipur, Chhattisgarh

GRINDING STATIONS:

1. Roopnagar (Ropar), Punjab
2. Bathinda, Punjab
3. Sankrail, District Howrah, West Bengal
4. Roorkee, District Haridwar, Uttaranchal
5. Farakka, District Murshidabad, West Bengal
6. Dadri, District Gautam Budh Nagar, Uttar Pradesh
7. Nalagarh, District Solan, Himachal Pradesh
8. Magdalla, District Surat, Gujarat

BULK CEMENT TERMINALS:

1. Muldwarka, District Gir Somnath, Gujarat
2. Panvel, District Raigad, Maharashtra
3. Cochin, Kerala
4. Surat, Gujarat
5. Mangalore, Karnataka

HEAD/CORPORATE OFFICE:

Ambuja Cements Limited, 'Elegant Business Park', MIDC Cross Road – 'B', Andheri – Kurla Road, Andheri (East), Mumbai – 400 059.

REGISTERED ADDRESS:

P. O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat – 362 715.

LAFARGEHOLCIM LTD.:

LafargeHolcim is a world leader in the building materials industry. With a well-balanced presence in 90 countries and focus on cement, aggregates and concrete, the LafargeHolcim Group has about 1,15,000 employees around the world with combined net sales of CHF 32 billion (EUR 26 billion) in 2014.

AMBUJA CEMENT FOUNDATION (ACF):

Ambuja Cement Foundation is the corporate social responsibility (CSR) arm of Ambuja Cements Limited which was formally registered in 1993. ACF works with the rural communities surrounding Ambuja's existing and proposed manufacturing locations. Today ACF is functional across 12 states covering 22 locations in India.

TECHPORT:

Techport is the regional manufacturing support organisation (RMSO) for South Asia, including ACC and Ambuja Cements Limited in India, LafargeHolcim Bangladesh and LafargeHolcim Lanka. Techport was established as a centre of excellence to provide technical support services and solutions to both ACC and Ambuja Cements Limited in India; it is well equipped with a team of qualified technical experts for dedicated support and service.

HOLDINGS:

1. Holderind Investments Limited, Mauritius
2. Holcim (India) Private Limited

JOINT VENTURES:

1. Counto Microfine Products Private Limited
2. Wardha Valley Coal Field Private Limited
3. OneIndia BSC Private Limited

SUBSIDIARIES:

1. Kakinada Cements Limited, India.
2. M.G.T. Cements Private Limited, India.
3. Chemical Limes Mundwa Private Limited, India.
4. Dang Cement Industries Private Limited, Nepal.
5. Dirk India Private Limited, India. More details are available in the ACL Annual Report 2015. [G4-17](#)

Ambuja subscribes to or endorses the following externally developed economic, environmental and social charters, principles, or other initiatives (not exhaustive): [G4-15](#)

- Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development (WBCSD)
- Indian Business Biodiversity Initiative (IBBI)
- Leaders for Nature (LfN) India
- The Global Compact Network India

Ambuja is a member of the following industry associations: [G4-16](#)

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Management Association (BMA)
- Indian Merchants' Chamber (IMC)
- Bombay Chamber of Commerce and Industry (BCCI)

The principal objectives of the above associations are to provide information, consultative and representative services to the organisation. It operates through national / regional / state and zonal councils. We continue to work closely with CII and FICCI for advocating good sustainability practices in the Industry.

REPORT PROFILE, MATERIAL ASPECTS AND BOUNDARIES

REPORT PROFILE [G4-23, 28-33, 48](#)

This is Ambuja Cement's 9th Corporate Sustainability Report about the Company's continual and structured efforts towards improved disclosure of triple bottom-line performance and enriching stakeholder relationships. The annual reporting cycle covered for this report is January to December 2015. The contents of the report are **'In accordance' – Comprehensive** as per the latest requirements of the Global Reporting Initiative (GRI) G4

guideline. The Company has also made disclosures on the 'Mining and Metals Sector Supplement' as done in the previous years. **Sustainability Performance Data, Independent Assurance Statement, and the contact point for questions regarding content are provided at the end of the Report.**

The previous Sustainability Report 2014 was released in June 2015, in an off-site meeting with key executives of the Company. The report was based on GRI G4 **'In accordance' – Comprehensive** criteria and assured by a third party. The Sustainability Report is brought out in addition to the Annual Financial Report and Ambuja Cement Foundation's Annual Report. The economic performance reported is in line with the Company's audited annual results prepared in accordance with the Companies Act, 1956. The Company has not included subsidiaries and their performance indicators. ACL has a robust mechanism for reporting performance in all three areas of evaluation, i.e., economic, environmental and social. The Sustainability Report/preparation is being reviewed by Top Management through Corporate Sustainability Steering Committee (CSSC) meetings. The Company follows systems incorporated by LafargeHolcim and reports data yearly through online mechanisms or standard information carrier sheets. Holcim Accounting and Reporting Practices (HARP) is used for all financial information; Plant Environmental Profile (PEP) records performance on various environment aspects; and the CSR Questionnaire captures HR and CSR data. Other evaluation sheets are there for: (i) costing and variance from the budget; (ii) occupational health and safety (OH&S) performance; (iii) energy consumption; and (iv) CO2 emission. HR-related parameters are captured in SAP.

This Report is **externally assured** by M/S Emergent Ventures India as per AA 1000 Assurance Standard and the Assurance Statement is a part of the Report. There is no relationship between the organisation/employees and the assurance providers. MD & CEO and senior functional heads are involved in seeking assurance for the organisation's Sustainability Report.

REPORT CONTENT AND BOUNDARY [G4-18](#)

Preparation of the Report has been an in-house effort lead by our Corporate Environment and Sustainability team, with responses from the various departments/functions collected and considered for this purpose. The Report, including all its content, is an outcome of the combined efforts of all respondents. While we have taken due care in preparation of a comprehensive, transparent and accurate Sustainability Report, we acknowledge that we might have missed certain topics of relevance for our esteemed stakeholders. We welcome feedback and suggestions on such topics. This Sustainability Report includes all ACL operations and businesses that fall under the direct

control of the Company. All operations of ACL (no other subsidiaries/entities) within India are covered, including manufacturing plants with mines, bulk cement terminals (offshore activities), Corporate Office and marketing offices. The Company has dry cement manufacturing processes with five integrated cement plants, eight grinding plants, ten mines and five ports.

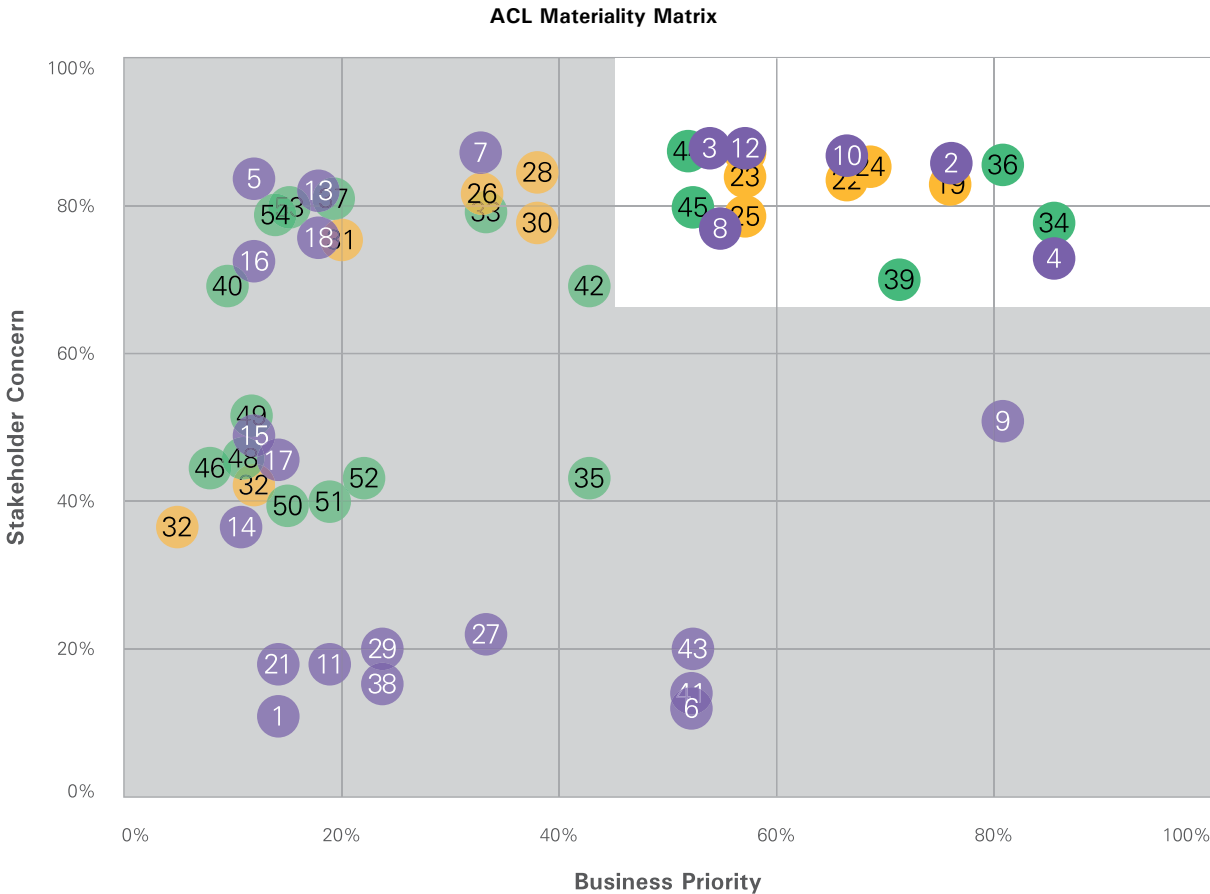
The aspect boundaries and content have been defined using reporting principles prescribed in the GRI G4 guidelines. The report excludes subsidiaries, JVs, associate companies and channel partners’/dealers’ network as the Company has no operational control over them. The detailed financial disclosures of the Company are given in the Annual Report 2015 available on the Company website. This report has been prepared as per GRI G4 guidelines and is aligned to ‘Comprehensive’ reporting. The Company followed the approach described in the GRI Implementation Manual for designing the Report content. The material aspects that have been covered in the Report are clearly brought out in the materiality matrix. In the Report, the DMA (Disclosure on Management Approach) describes the Company’s approach to the subjects relevant to it and the indicators provide details of performance on the specific subjects.

The ACL value chain includes all cement plants, limestone mines, sales and marketing offices, channel partners, suppliers, and product design processes.

There are no significant changes from the previous reporting periods in the scope and aspect boundaries and supply chain. There were no changes in the Company ownership during the year. For all the aspects, a detailed perception study was conducted and all our key stakeholder groups have been included in the aspect boundary. *G4-12, G-13*

MATERIAL ASPECTS *G4-19*

In 2015, ACL completed a comprehensive stakeholder engagement exercise to facilitate a good understanding of the Company’s obligations to its stakeholders; this was consistent with the business’s commitment towards corporate responsibility and also identified the material issues for the preparation of the GRI G4 Report. It generated transparent communication, providing an opportunity for the Company to identify and address the stakeholders’ interests with respect to the operational footprint of our business. Different stakeholders found an opportunity to comment and give inputs on material issues that would directly or indirectly affect them or the Company. GRI G4 guidelines on stakeholder engagement were followed and engagement was designed with the objective of issue-based, proactive, learning-oriented implementation to help achieve tangible outcomes in alignment with the Company’s targets. It was based on a well-defined closed loop approach inclusive of engagement strategy development, stakeholder mapping, prioritisation,



preparation and implementation of an action plan that completed the feedback loop of the system. The principles of completeness, responsiveness, transparency, collaboration, inclusiveness and integrity were addressed in alignment with ACL values. The stakeholder engagement programme was deployed in phases, focusing on each identified external/ internal stakeholder group separately. Gap analysis was conducted to revise the engagement strategy and include the emerging materiality issues into its business sustainability agenda.

All material aspects are material within the organisation. Aspect boundary includes all ACL

operations but not its subsidiaries for which aspects are not material. Aspects are not material outside of the organisation. However, we acknowledge that we need to focus our attention on identified material issues and their impacts across our value chain to influence positive changes towards sustainability in the whole value chain, irrespective of whether or not we have direct control over the issues. There are no restatements of information provided in previous reports or any effect thereon. There are no mergers or acquisitions or change of base years/periods, nature of business, or measurement methods. In terms of size of the Company, there were no significant changes. *G-17, G4-20 to 23*

SUSTAINABILITY ISSUES IDENTIFIED DURING THE STAKEHOLDER ENGAGEMENT
TOTAL-54, HIGH MATERIAL ASPECTS-17 (Shown in Bold)

ECONOMIC ASPECTS	ENVIRONMENTAL ASPECTS	SOCIAL ASPECTS
1 Demand generation of cement	18 Resource availability (Limestone, Flyash, Sand, Additives)	32 Gender diversity
2 Competition	19 Selection and characterization of AFR	33 Training and development of employees
3 Technological upgradation for environmental regulations (capex)	20 Limestonnese quality	34 Customer/Supplier Education
4 Land acquisition	21 Green House Gases	35 Safety
5 Suppliers and dealers network	22 Energy Efficiency	36 Warehouse infrastructure and labour safety in warehouse
6. Product specifications by BIS	23 Water Consumption	37 Solution selling beyond cement
7 Transparency, corporate governance, and ethics in business	24 GHG and Air Emissions	38 Value added services
8 R&D and Innovation Management	25 Waste Management	39 Employee Volunteering
9 Cost savings	26 Biodiversity	40 knowledge management
10 Regulatory requirements and compliance	27 Sustainable mining practices	41 Talent retention
11 Indirect economic impacts	28 Grievance mechanisms	42 Manpower productivity
12 Logistics and distribution cost	29 Sustainable Procurement	43 Brand image
13 Consistency in raw material procurement	30 Logistics (inbound and outbound)	44 Customer Satisfaction
14 Support provided to suppliers to reduce the risks	31 Environmental friendly practices at supplier facilities	45 CSR
15 Supplier/vendor profitability		46 Brand and certification of suppliers
16 On time delivery by suppliers		47 Addressing supplier grievances
17 Product development strategy and innovation for sustainable construction		48 Skills level and retention of talents by the suppliers
		49 Training of suppliers
		50 Health and safety of suppliers
		51 Quality of supplier’s products/ services
		52 Supplier satisfaction
		53 Relocation and rehabilitation
		54 Human rights and non-discrimination

STAKEHOLDER ENGAGEMENT

Ambuja’s mission is to create value for all its stakeholders. The Company tries its best towards achieving these objectives. In over 25 years of our existence, we have engaged with varied groups of stakeholders at different levels to understand their expectations and to make them partners in our journey towards sustainable development. We believe that our stakeholders are our strong pillars of support at all times. Appreciating the importance of our stakeholders, we have created dedicated engagement vehicles for some of our stakeholder groups.

STAKEHOLDERS AND ENGAGEMENT APPROACH G4-24, 26

Stakeholder	Modes of Engagement	Frequency
Shareholder & Investors	Annual General Meeting, Investor Grievance Cell, Board Meetings/Communications, Annual Report	Annual
Dealers & Suppliers	Grihalaxmi Conference,Annual Meet Marketing Meets Channel Satisfaction Survey	Annual Continuous Process Once in two years
Customers	*Technical Services team Camps, Workshops, Seminars, Site Visits	Spread accross the year
Employees	Employee Engagement Survey Magazines - I CAN, I SIGHT Department Specific Meets & newsletters Townhall, functions & programs	Once in two years Quarterly/Monthly Continuous Process Continuous Process
Community & NGOs	*Ambuja Cement Foundation, Community Advisory Panel, Site-specific Impact Assessment	Continuous Process
Government & Regulatory Authority	Compliance to Laws Representations to proposed legislations	Continuous Process
Media	Press Briefing/Invitation to Events	As & when basis
Construction Professionals	*Foundations: Ambuja Knowledge Initiative, Ambuja Technical Literature Series	Continuous Process
Industry Associations	Committee meetings, Policy Papers, Telecons, Delegation	As & when basis

*Dedicated Vehicles of Engagement

BASIS FOR IDENTIFICATION AND PRIORITISATION OF STAKEHOLDERS G4-25

A collaborative process of research, debate, and discussion from multiple perspectives was used to determine a list of key stakeholders across the entire stakeholder spectrum. The stakeholders were identified based on three approaches.

- Peer companies’ stakeholders
- Relevant stakeholders for Ambuja
- Interactions with Senior Management

CRITERIA FOR STAKEHOLDER MAPPING

Stakeholder	Contribution	Legitimacy	Willingness to Engage	Influence	Necessity of Involvement
Rating based on:	Does the stakeholder have information, counsel, or expertise on the issue that could be helpful to the Company?	How directly affected by the Company’s activity?	How keen is the stakeholder to engage?	What is the stakeholder’s sphere of impact?	How critical is their inclusion in the engagement process?

Through the above approach, the following key stakeholders were identified in line with GRI G4 guideline G4-24: Senior Management, employees, investors, suppliers, contractors and transporters, dealers, customers, community, regulatory bodies, policy-makers, government and research institutes, and NGOs. Stakeholders are prioritised based on their importance to the organisation. The major criteria in prioritising stakeholders are their criticality to the business growth, their power to influence, the Company’s influence on them, stakeholder dependency, stakeholders’ potential for cooperation and those who can pose a threat. Keeping these points in view, this part of the assessment clearly defines the importance of each stakeholder and the sequential

manner in which the organisation should start engaging with them. Engagement with key stakeholders was undertaken specifically as part of the report preparation process. Based on interaction with Senior Management and impact of stakeholders on the business, the above stakeholders were prioritised as follows: *Customers, investors, employees, community, suppliers, contractors and transporters, dealers, policy-makers, government and research institutes, and NGOs.*

Key topics/concerns raised by different stakeholder groups during the engagement process along with Ambuja’s approach towards these issues are presented in the table below. *G4-27*

Stakeholder Group/ Key Topics	Short Description	Ambuja’s Response
Customer <ul style="list-style-type: none">• Affordable product• Brand image• Customer satisfaction• Customer education• Greenhouse gases	<ul style="list-style-type: none">• They would prefer to purchase an affordable product based on its brand image.• They would like to know how a product can be used in a better manner to save resources with less impact on the environment.• Customers are satisfied at the moment. However, keeping them satisfied is a challenge considering the new players in the market.	<ul style="list-style-type: none">• Ambuja had built its brand through best quality and affordable products. In order to produce affordable products and enhance customer satisfaction, Ambuja is working on low carbon cement and other innovative products that reduce the consumption of energy and other resources. This will lead to affordable products, increased customer satisfaction and enhance the brand image. Thus, Ambuja ensures that all key issues flagged by customers are addressed well.

Investors <ul style="list-style-type: none">• Profitability• Demand generation• Brand image• Land acquisition• Cost savings	<ul style="list-style-type: none">• As supply is more than demand, investors are apprehensive about investing in the cement sector.• Public advocacy on green cement is the need of the hour.• Land acquisition is very important as investors would like to know how the production can be increased without the availability of land and material.	<ul style="list-style-type: none">• Ambuja is collaborating with different stakeholders for the promotion of innovative products such as blended cement, composite cement etc.• Increased positive vibrations in the Indian economy and new Government initiatives like ‘Make in India’ and ‘Smart Cities’ will increase the demand for cement.
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Stakeholder Group/ Key Topics	Short Description	Ambuja's Response
	<ul style="list-style-type: none"> Cost savings are important as it leads to optimum utilisation of the existing resources 	<ul style="list-style-type: none"> Ambuja has been engaging with the community in and around its plants (and elsewhere) since long. Their faith in Ambuja should provide a softer platform to acquire the land for limestone. Ambuja is already following innovative approaches such as sea transportation to encourage cost savings.
Employees <ul style="list-style-type: none"> Health and safety Manpower productivity Cost savings Training and development Regulatory compliance Technological up-gradation R&D and innovation 	<ul style="list-style-type: none"> Health and safety at work is important for employees. Employee productivity plays a vital role in enhancing business growth. They opined that regulatory compliance is getting stringent. Lot of equipment needs to be upgraded to ensure future environmental compliance R&D of new products plays a paramount role in the sustainable growth of the firm. 	<ul style="list-style-type: none"> Various programmes to increase the awareness and implementation of safety are in place. 'Zero Harm' is one of topmost priorities for Ambuja. Ambuja's target is to increase training hours per employee. Further, Ambuja has in place training programmes that will be conducted by external institutes to groom its future leaders. Ambuja Cements Limited has been working on increasing the use of alternative fuels and materials, along with innovative cement products.
Community and NGOs <ul style="list-style-type: none"> CSR Shared value Sustainable mining practices Quality of supplier products/services Health and safety (H&S) Water consumption Relocation and rehabilitation 	<ul style="list-style-type: none"> The community is satisfied with the current CSR practices and would like them to be continued. Shared value is another expectation from the community. Sustainable mining practices, water conservation and land reclamation are important for the community. CSR provides a social license to run a business. Hence, for Ambuja Cements Limited, CSR and shared value are vital to grow sustainably. More emphasis is needed on H&S. Health and safety of employees and stakeholders are important as the business requires huge transportation of raw materials and produced cement. 	<ul style="list-style-type: none"> Ambuja has started Ambuja Cement Foundation (ACF), which caters to the needs of the community through CSR activities. Ambuja has started Skill and Entrepreneurship Development Institutes to promote self-employment and create shared value. Water conservation projects, land reclamation and biodiversity action plans are in place. ACF is working for H&S improvement with the communities around our plants. Ambuja has been working with many NGOs through ACF. It has plans to expand its outreach with support of NGOs to implement its community engagement plans.
Suppliers <ul style="list-style-type: none"> Supplier/vendor profitability Brand and certification of suppliers Logistics & distribution costs Support to suppliers as part of corporate sustainability to reduce their risks Addressing supplier grievances by ACL 	<ul style="list-style-type: none"> For suppliers profitability is important. They are happy with the Ambuja brand. They believe that procurement standards followed by Ambuja are very helpful to them to improve their business and brand. Transporters are concerned about idle time during the lean season. 	<ul style="list-style-type: none"> Ambuja is following sustainable procurement practices. An external agency to foster robust sustainability practices at the suppliers' end is recommended. Integrated procurement is in place with our partners. Transporters' concerns are regularly discussed and addressed.

Stakeholder Group/ Key Topics	Short Description	Ambuja's Response
Dealers <ul style="list-style-type: none"> Brand image Safety Suppliers' and dealers' network Customer satisfaction 	<ul style="list-style-type: none"> Ambuja's brand image plays a vital part in promoting the product and earning customers' trust. At the moment the Ambuja Cements Limited brand is good. However, the challenge is to maintain it, considering the other existing and new players in the future. High level of customer satisfaction fosters the business. 	<ul style="list-style-type: none"> Regular meetings happen with dealers. Ambuja's customer support group works in tandem with dealers and customers. It conducts regular meetings with them to ensure dealers and customers are satisfied and their concerns are addressed.
Government and regulatory agencies <ul style="list-style-type: none"> Knowledge management Health and safety Product innovation Regulatory requirements and compliance 	<ul style="list-style-type: none"> Policy-makers felt that Ambuja is doing well in terms of sustainability through its True Value project and other initiatives. They felt that knowledge management between the different functions of Ambuja would help run operations more efficiently. Product innovation that leads to resource efficiency is the need of the hour. Environmental norms are getting more stringent by the day. Ambuja must ensure that it meets all the future stringent requirements. 	<ul style="list-style-type: none"> Ambuja will relook at its knowledge management practices and prepare a framework to enhance the synergy between the different functions to encourage the efficiency of its operations. Ambuja will upgrade its environmental management and control systems to meet future compliance requirements.

Site Specific Impact Assessment (SSIA), conducted by ACF, obtains a systematic and comprehensive overview of the plant's impacts at the local level and helps to identify risks and opportunities. The assessment is done through consultations with internal and external stakeholders. Interviews and focus group discussions are conducted, involving the plant management team, employees, contract workers, trade unions, truckers, community members, contractors and local authorities. A proactive plan is made to mitigate any risks. SSIA captures the perceptions of all stakeholders at sites and enables the Company to address potential risks.



KEY IMPACTS, RISKS AND OPPORTUNITIES G4-2

The Company perceives different risks in its operations that could have impact on its business. It is our constant endeavour to seek an opportunity in every risk. We have taken positive steps to respond to these risks, converting them into opportunities.

Risks and/or Opportunities	Ambuja’s Initiatives
Energy: Energy is one of the major expense baskets in the cement industry. Coal price escalations, stressed supplies and faltering quality continue to remain a major area of concern.	We are constantly working towards reducing traditional energy consumption through measures such as use of greener fuels and increased production of blended cements.
Water Availability: Availability of water has become a significant risk area, considering the mounting pressure on the available water resources. Our operations require water for use in cooling, dust suppression, and domestic needs. Non-availability of ready and continued water supply at manufacturing sites owing to unpredictable weather patterns, coupled with increase in costs for water procurement may pose risks to our operations.	Water conservation remains a key element of our sustainability agenda. As in previous years, we have maintained our focus on water sustainability. ACL is committed to conserve and use water resources in a responsible manner. All our plants track water withdrawal and consumption. Plants send monthly Water Management Reports (VMRs) to Corporate Office for information and discussion in regional as well as national executive committees of Top Management. Water KPI (key performance indicator) is used to compare the performance of different plants and also track their improvement over past performance.
Climate Change: Being an energy-intensive industry, climate change poses risks which are evident in our operations and their mitigation represents a key aspect of our sustainability strategy. Our facilities around coastal regions that are exposed to the ensuing physical risks due to rise in sea levels may include one large manufacturing facility as well as five bulk cement terminals used to transport cement in bulk through the sea route. The Company also has two large manufacturing facilities in a water-scarce region. Water availability issues in the region due to climate change may put plant operations at risk. (EC2)	We continue to focus on the four levers in our operations to address the challenges of climate change, namely, reduction in clinker factor, improving thermal energy efficiency and process technology, waste heat recovery and optimising fuel composition, including the use of wastes as fuel. We have continued to focus on the production of fly ash-based PPC as our major product. Through these measures, the Company reduced its specific net carbon footprint by almost 29.4 % in 2015 compared to 1990 levels. Currently we are monitoring and reporting GHG emissions as per the WBCSD CSI Protocol.
Logistics: Increasing logistics expense is another area of concern for the industry and distribution cost is one of the major costs for the industry.	The industry has witnessed a rise in the movement of cement through the sea route to optimise distribution costs. Ambuja is continuously working towards strengthening its distribution network along the country’s coastline, while at the same time trying to bring down distribution and logistics costs.
Mining: Our operations include mining activities. The key challenges associated with mining operations are land acquisition, mineral distribution, ground water table intersection and mine rehabilitation.	The Company extracts limestone from its captive mines. These mines, being captive, allow better operational control from the quarry to the finished product, which supports quality enhancement. It continues to adopt state-of-the-art mining techniques with due regard to pollution control, environment preservation and safe mining. All mining activity at ACL mining sites is environment friendly. We employ the best available technologies focusing on minimal disturbance. The technologies employed include surface miners which cut limestone without blasting; and the latest controlled blasting technique which allows mineral extraction with minimal noise and vibration.

Risks and/or Opportunities	Ambuja’s Initiatives
Local Communities: The Company has manufacturing sites in rural areas of the country. The rural communities are plagued with widespread income inequalities, which often present a source of discontent and social unrest. The communities therefore have high aspirations from the Company. In addition, there are changes in society owing to large inflow of migrant populations, truck force in the area etc. Contented communities help in smooth running of business.	As a responsible corporate, ACL uses over land belt conveyor (OLBC) systems for transportation of limestone from mines to the cement plant stockpile. Mine rehabilitation is an important environmental aspect and the company takes it seriously. In order to prevent degradation of mined-out areas, the Company has meticulous plans for their rehabilitation and post mining use. Ambuja Cement Foundation has institutionalised the process of community engagement over the years. The Community Advisory Panel established in locations comprise of Company and community leaders. It is a platform to discuss issues faced by the community and achieve a consensus to implement programmes for them. All programmes are rigorously monitored through the Social Engagement Scorecard which through detailed group discussions and interviews with community representatives maintains a score on activities and programmes of the Foundation.

STRATEGY OF BUSINESS RISK/ OPPORTUNITIES ASSESSMENT AND MANAGEMENT (BRM) G4-14, 45, 46, 47, 49, 50

The Company has a Business Risk Management (BRM) Policy which captures two models of risks; corporate risks and business segment risks. Corporate risks covers aspects like macro environment, legal & regulations, financial, business support, planning and image. Business segment risks focusses on risks specifically to the cement business like industry & market, projects, CSR, HR, sustainable environment performance, better cost management (BCM) and product management & innovation (PMI) etc. The Board of the Company is responsible for framing, implementing and monitoring the risk management plan. The Risk Management Committee of the Board lays down the procedures to inform the Board about the risk identification, assessment, monitoring and mitigation of various risks to our business. Risk management forms an integral part of the Company’s ‘Mid-Term Planning’ (MTP) cycle. The Committee reviewed the risk trend, exposure and potential impact analysis carried out by the management. MD & CEO and CFO specifically confirmed to the Committee that the mitigation plans are finalised and up-to-date, owners identified and the progress of mitigation actions monitored. The Committee met once during the year.

The directors also engage with the process of risk management through various modes, such as being a part of various committees like Risk Management Committee, CSR Committee, Compliance Committee etc. BRM process identifies risks and opportunities

at the corporate as well as operational levels. The overall objective is to improve awareness of the Company’s risk exposure and manage it appropriately. Materiality reviews are conducted in conjunction with the annual business planning cycle. BRM includes assessment of social, economic and environmental risks. Our risk assessment and management policy support a sustainable business module for increased profitability. Risk management approach incorporates sustainability and provides the management with useful data to identify emerging issues. This helps us to develop new and better products and processes that protect our corporate reputation and improve shareholder value. Sustainability gives us an opportunity to look at risks in a broader rather than a traditional risk management framework, which is to look beyond economic, strategic and operational factors to social and environmental considerations. Sustainability allows corporations to consider emerging risk areas and to look for opportunities presented by risks that are overlooked by other analytical and systems-driven approaches. A more holistic point of view assures sound financial management, ethical corporate governance and transparency with respect to our stakeholders. Examples of emerging issues of concern in the sustainability area in our industry include climate change, social inclusion, depletion of non-renewable resources, brand damage (including boycotts), shareholder actions related to sustainability issues and disclosure of historic environmental liabilities. Sustainability risk management also requires the evaluation of many aspects of the entity’s operations that are not part of most current corporate programmes. Examples include energy consumption, emissions of greenhouse gases, water use, waste management, and alternative fuels and

raw materials (AFR) etc. We address many aspects of sustainability, as it helps improve business efficiency and ultimately boosts profits. Efficient productivity includes reducing material requirements and energy for production, reduced emissions, improving recyclability, improving the durability and reliability of products, and maximising the use of renewable resources. Implementation of a sustainability programme starts with an understanding of corporate and regional principles and values. The fundamental values that unify our work, people and actions are derived from where the Company has been, where it is today and its quest to continue delivering value into the future. The first step towards implementation is risk/opportunities assessment, where all the possible risks/opportunities are identified and then mapped on a matrix to illustrate sustainable development issues with importance or significance to stakeholders and the Company. The next step is to prioritise the risks/opportunities and formulate action plans in the form of projects.

GOVERNANCE

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE *G4-34*

Good corporate governance has been an integral part of our business since its inception. We have been implementing sound management practices in compliance with the laws, adhering to the highest standards of transparency and business ethics. These main drivers, coupled with the Company’s ongoing contribution to the local communities through meaningful ‘corporate social responsibility’ initiatives will reinforce our vision to be the most sustainable and competitive company in our industry and our mission to create value for all our stakeholders. The Company has laid high emphasis on values such as empowerment and integrity of employees, safety of the employees

The Company has laid high emphasis on values such as empowerment and integrity of employees, safety of the employees and communities surrounding our plants, transparency in the decision making process, fair and ethical dealings with all, clean environment and accountability to all the stakeholders.

and communities surrounding our plants, transparency in the decision making process, fair and ethical dealings with all, clean environment and accountability to all the stakeholders. These practices, since inception, have contributed to the Company’s sustained growth. The Company also believes that its operations should optimally utilise scarce natural resources to promote sustainable development.

Ambuja’s Governance Structure is based on the principles of freedom within a given framework to the Executive Management to ensure that the

powers vested in it are exercised with due care and responsibility so as to meet the expectations of all stakeholders. In line with these principles, the Company has created a three-tiered corporate governance structure, viz.:

(i) **The Board of Directors (BoD):** The primary role of the Board is to protect the interest and enhance value for all stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, reporting mechanism and accountability and decision making process to be followed.

(ii) **Committees of Directors:** The Audit Committee, Compliance Committee, Capex Committee, CSR Committee etc. are focused on financial reporting, audit and internal controls, compliance issues, critical assessment and review of large capex and implementation and monitoring of CSR activities.

(iii) **Executive Management:** The entire business including support services is managed with clearly demarcated responsibilities and authorities at different levels.

(A) **The Executive Committee (ExCo)** comprises of the Managing Director (MD), Chief Manufacturing Officer (CMO), Chief Human Resources Officer (CHRO), Chief Finance Officer (CFO), Chief Marketing Officer (CMrktO) and Chief Procurement Officer (CPO). This committee is a brain-storming committee where all important business issues are discussed and decisions are taken. This Committee reviews and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies and keeps the Board informed about important developments having bearing on the operational and financial performance of the Company.

(B) **Managing Director & CEO** reports to the Board and is responsible for the entire operations of all the regions, achieving business strategies, project execution, overall performance and growth, achieving the Company’s vision and mission, mergers and acquisitions, significant policy decisions and all critical issues having significant business and financial implications. He provides strategic direction, policy guidelines and extends support to the Executive Committee members and other functional heads. He also ensures implementation of the decisions of the Board and its various committees.

The **Board of Directors** has a very balanced structure, and primarily takes care of the business needs and stakeholders’ interests. The composition of the Board also complies with the provisions of the Companies Act, 1956 and the Listing Agreement. At the end of corporate financial year 2015, the total Board strength was twelve, which includes five independent, six non-independent non-executive members including the Chairman, and one non-independent executive (MD & CEO). The BoD has eleven males and one female. No member is under 30 years of age. For more information on corporate governance, please refer our Annual Report, 2015 (<http://www.ambujacement.com/investor-relations/annual-reports/>). With the Companies Act, 2013 coming into force, the Board appointed all the existing independent directors as independent directors under section 149 of the Companies Act, 2013 for a term up to 31 March 2019. The independent directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6). Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the retirement policy as laid down by the Board from time to time. The Managing Director and all the non-executive directors are liable to retire by rotation unless otherwise specifically approved by the shareholders. The non-executive directors including independent directors on the Board are experienced, competent and highly renowned persons in their respective fields. They take active part at the Board and Committee meetings and play a critical role with regard to strategic issues, which enhances transparency and adds value in the decision making process of the Board of Directors. The Company has a policy on Board Diversity which requires that there will be no discrimination or bias on grounds of age, ethnicity, gender, religion or other socio-cultural factors, but the endeavour would be to have a group of individuals on the Board, with a diverse set of personalities and demographics representing a wide cross-section of industries, professions, backgrounds, occupations and functions, and possessing a blend of skills, domain and functional knowledge, experience, educational qualifications, both individually and collectively. *G4-38 to 40*

On appointment, the concerned director is issued a letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitment. Each newly appointed independent director is taken through a formal induction programme including the presentation from the MD & CEO on the Company’s manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the director about her/his legal and regulatory responsibilities. The induction for independent directors

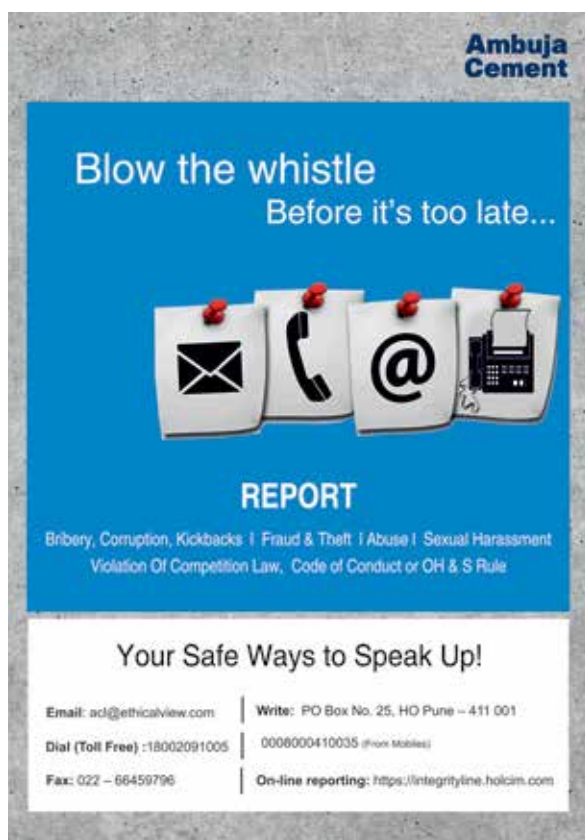
includes interactive sessions with Executive Committee members, business and functional heads, visit to the manufacturing site, etc. The familiarisation programme aims to provide independent directors with the cement industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, and other significant developments so as to enable them to take well-informed decisions in a timely manner. The familiarisation programme also seeks to update the directors on their roles, responsibilities, rights and duties under the Companies Act and other statutes. On matters of specialised nature, the Company engages outside experts/consultants for presentations and discussions with Board members. It is a practice in last so many years to report performance of the Sustainability KPIs and major Sustainability initiatives/ achievements during the quarter to the Board. *G4-43*

In compliance with the Companies Act, 2013, and Clause 49 of the Listing Agreement, during the year the Board adopted a formal mechanism for evaluating the performance and effectiveness of itself, its committees and individual directors, including the Chairman of the Board. For the Board and its committees, the exercise was carried out through a structured evaluation process covering various aspects of the Board’s functioning such as the composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. In case of evaluation of the individual directors, one-to-one meetings of each director with the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee were held. The directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its committees. *G4-44*

Board Committees: The following committees have been formed with specific objectives for controlling various operations within the system:

Audit Committee: The Audit Committee comprises all non-executive directors; majority of them are independent directors, including the Chairman. The terms of reference of this Committee broadly include (i) approval of annual internal audit plan, (ii) review of financial reporting systems, (iii) review of internal control systems, (iv) discussions on quarterly, half yearly and annual financial results, (v) interaction with statutory, internal and cost auditors, (vi) recommendations for appointment of statutory and cost auditors and their remuneration and (vii) the risk management framework concerning the critical operations of the Company.

Compliance Committee: With the rapid growth of the business and its complexities coupled with increasing regulatory compliances, the Board felt it necessary to



have a ‘zero non-compliance’ regime for sustainable business operations. With this objective, a structured mechanism for ensuring full compliance of various statutes, rules and regulations has been put in place and a separate committee of directors by the name ‘Compliance Committee’ has been constituted by the Board. It comprises three independent directors, and three non-independent directors including MD as its members. The Chairman of the Committee is an independent director.

Corporate Social Responsibility (CSR) Committee:

The CSR Committee of the Board, constituted as required under section 135 of the Companies Act, 2013, is headed by the Board Chairman and has two independent directors and four non-independent directors including MD & CEO as its members. The terms of reference of the Committee are to: 1. Frame the CSR policy and review it from time to time, 2. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans, and budget, and 3. Ensure compliance with the laws, rules and regulations governing CSR and periodically report to the Board of Directors. ACF engages in consultation with community stakeholders. The highest governance body is apprised about the consultation outcome by MD & CEO as well as Director - ACF through the CSR Committee. *G4-37*

Nomination and Remuneration Committee:

This Committee and the BoD approve the remuneration policy for directors and senior management employees.

More information is provided in the Ambuja Cements Limited Annual Report 2015. *G4-40*

Other Committees of Directors: In addition to the above referred committees which are mandatory under the Companies Act, the Listing Regulations and under the SEBI Guidelines, the Board has constituted the Capex Committee and Management Committee to look into various business matters.

Although Ambuja Cements Limited has not appointed dedicated executive-level positions with responsibility for economic, environmental and social topics reporting directly to the highest governance body, these issues are attended to through the CSR Committee of the Board and Corporate Sustainability Steering Committee (CSSC). The entire Board is responsible for sustainability issues as an update on sustainability performance is part of the agenda of every Board meeting. MD & CEO is the connection between the Ambuja Cements Limited Board or CSR Committee and CSSC. The CSSC monitors the sustainability endeavours of the Company at the corporate level. The CSSC comprises three permanent members who are Head (Corporate Environment and Sustainability) [the convener], Head (CSR) and Head (Health and Safety) and Technical Advisor to the MD. In addition to this, corporate functional heads are invited as per the topics of discussion. CSSC reports to MD & CEO. This Committee also reviews and approves the Ambuja Cements Limited Sustainability Report and ensures that all material aspects are covered. CSSC also connects with the Unit Sustainability Steering Committee (USSC) at each plant location. ACF undertakes consultation including Site Specific Impact Assessments with different communities. *G4-35 to 37, 42, 48, 49*

REMUNERATION AND INCENTIVES:

The Company has a remuneration policy (available in Annual Report 2015) for directors and senior management employees. The policy is approved by the Nomination and Remuneration Committee and the Board. The remuneration of the MD & CEO is based on the Company’s size, industry practice, current trend and the overall performance of the Company. The Nomination and Remuneration Committee submits its recommendation to the Board, which after consideration approves the remuneration (which also includes the annual increments and performance bonus) payable to the MD & CEO within the overall limits prescribed under the Companies Act, 1956. Approval of the shareholders is obtained wherever required. The non-executive directors are paid applicable sitting fees per meeting for attending the Board and other committee meetings except Share Transfer Committee, for which no sitting fee is paid. In addition to the sitting fees, the Company also pays a uniform commission (to reinforce the

principle of collective responsibility) to the non-executive directors for their overall engagement and contribution towards the Company’s business. Considering the accountability and the complexities of issues handled by the Audit and Compliance Committees respectively, the Company has provided additional commission for each of the non-executive member directors of these committees. The maximum commission payable to each non-executive director has however been capped. None of the directors holds any convertible instruments. Appointment of the MD & CEO is governed by a service contract for a period of five years and a notice period of three months. *G-51 to 55*

VALUES, ETHICS AND INTEGRITY

(G4-41, 56, 57, 58) SO3, SO4, SO5

Managing the Risks of Fraud, Corruption and Unethical Business Practices

In view of the potential risk of fraud, corruption and unethical behaviour consequent to rapid growth and geographical spread of our operations, the Company has laid even greater emphasis on addressing these risks. To meet this objective, a comprehensive **Ethical View Reporting Policy** akin to a vigilance mechanism or the Whistleblower Policy has been laid down. More details about this policy are given in the Corporate Governance Report, which forms part of this Annual Report. The Ethical View Reporting Policy is available on the Company website: www.ambujacement.com. For the effective implementation of the policy, the Audit Committee has constituted an Ethical View Reporting Committee (EVC) comprising very senior executives/directors. The Company Secretary acts as the Response Manager and Secretary to the Committee. In line with the Company’s governance philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down Anti-Bribery and Corruption Directives (ABCD) as part of the Company’s Code of Business Conduct

through a web-based application tool was imparted to approximately 4,000 employees. The above policies and their implementation are closely monitored by the Audit and Compliance Committees of Directors and are periodically reviewed by the Board. The Company received 40 complaints during the financial year. Out of these 40 complaints, 39 were resolved and the remaining one is being resolved.

Ambuja Cements Limited requires that business decisions are made with the aim of performing jobs effectively and fairly in the best interests of the Company and not based on personal interests. A conflict of interest may arise when personal interests interfere, or may be perceived as interfering. Anyone engaged with Ambuja Cements Limited is required to avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing business on behalf of Ambuja Cements Limited. When such relationships or activities cannot be avoided, it must be disclosed promptly to the local compliance officer. In addition, one is required similarly to disclose any personal interest that could be perceived as having a connection with the execution of professional duties. Property or information of the Group is not to be used for personal gain or to take personal advantage of any opportunity that arises in the course of any work for Ambuja Cements Limited. All related party transactions are entered on an arm’s length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel etc. which may have potential conflict with the interest of the Company at large. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for transactions which are

In line with the Company’s governance philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down Anti-Bribery and Corruption Directives (ABCD) as part of the Company’s Code of Business Conduct and Ethics.

and Ethics. The policy, relating to ethics, bribery and corruption, covers the directors and employees of the Company. The Whistleblower Policy covers the directors, employees, vendors and customers of the Company. We take a zero-tolerance approach to bribery and corruption in any form and are committed to act professionally and fairly in all our business dealings. To spread awareness about the Company’s commitment to conduct business professionally, fairly and without bribery or corruption, employee training and awareness workshops were conducted across the organisation during 2015. As part of continuous education on ABCD to the employees, mandatory online training

foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by a certificate from MD & CEO and CFO. The Related Party Transactions Policy as approved by the Board is uploaded on the Company’s website. The details of the transactions with related parties are provided in the financial statements.

The total monetary value of financial and in-kind political contributions made directly and indirectly by Ambuja Cements Limited was zero. *SO6*

Business.

Moving past the blocks.

ECONOMIC PERFORMANCE

Cement is indispensable for the nation’s development. Despite India’s economic growth of over 7% in 2015, cement production in 2015 was subdued, growing by merely 1-2% as against 6% in 2014. Procedural delays in clearances of projects led to reduced consumption and hence reduced demand. This resulted in under-utilisation of capacity. This demand-supply gap is expected to reduce as major projects get underway. Against this backdrop of almost static national cement demand, Ambuja’s cement production rose by 0.5% to 21.54 million tonnes in 2015. Net sales decreased by 5.5% compared to the previous year, down from ₹9911 crore to ₹9368 crore. Lower sales realisation resulted in a reduction of absolute EBITDA of ₹1531 crore by 20.6% over the previous year’s EBITDA of ₹1928 crore. Net profit for 2015 was ₹808 crore, down by 46% over last year’s ₹1496 crore.

material costs were largely flat compared to last year, while those for fly ash and gypsum decreased by 1% and 5% per tonne respectively. Cost of coal for kilns reduced by 11% while that for captive power plants increased by 1% due to the higher cost of imported coal. But the overall cost increase was mitigated by use of petcoke in the kilns. Use of alternative fuels increased by 2% over 2014, accounting for about 6% of the total thermal energy consumed. While the cost of grid power increased by 3% per unit, the increase in the cost of captive power that accounts for about 66% of the power requirement, was restricted to 2%. The overall power and fuel costs decreased by 1% per tonne compared to last year. Power and fuel costs account for about 24% of our total expenses.

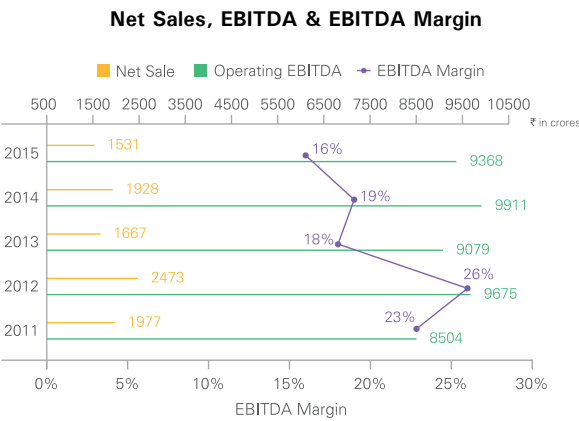
Innovations, increased use of blended cement, energy efficiency, use of advanced technology and alternative

The ‘Geo 20’ initiative for using green fuels has now been streamlined, reducing energy costs and our carbon footprint.

We continued our efforts at cost competitiveness by reducing costs, optimising the supply chain and boosting the productivity of our plants. These efforts, backed by favourable fuel prices, enabled us to reduce marginally our total (operating) costs in 2015. Raw

fuels have helped in preservation of the environment and natural resources. A number of initiatives were undertaken to enhance fly ash consumption in PPC. The Company has developed the ability to switch to the most economical fuel mix, increasing the use of low cost fuels like petcoke. The ‘Geo 20’ initiative for using green fuels has now been streamlined, reducing energy costs and our carbon footprint.

Initiatives were also undertaken to serve customers better, and at the same time bolster our market position. A new roller press at Sankrail will help increase grinding capacity by 0.9 million tonnes, at the same time reducing energy consumption. Dispatch capacity at Sankrail will be enhanced with the commissioning of the Brownfield expansion project of master packer and auto wagon loading, scheduled for the second quarter of 2016. A new railway siding project that connects the plant with the nearest railway junction has commenced at Rabriyawas.



When it becomes operational, possibly in 2017, it will improve logistics and extend customer reach.

PRODUCT QUALITY MANAGEMENT

Product Quality Management (PQM) ensures ‘assured quality’ of cement. Ambuja Cements Limited’s PQM includes a comprehensive set of tools that are used to control and manage product quality. These tools help us to measure and monitor five parameters: 1. customer satisfaction, 2. product benchmarking, 3. internal product specification, 4. application oriented product testing, and 5. targets and key performance indicators for manufacturing quality. All these results are integrated into a single product quality index (PQI), which is used to analyse manufacturing performance and conforms to ISO 9001.

PQM starts with customer requirements, reviews all intermediate processes to ensure the right quality, and ends with evaluation of customer satisfaction. Ambuja Cements Limited has constituted a Quality Committee comprising regional marketing and sales teams, customer support service teams and manufacturing teams. The Committee ensures that there is alignment between manufacturing, sales and customer support. It reviews the market situation, product benchmarking, manufacturing issues and customer feedback. Monitoring strategies include testing of approved quality parameters (daily), coefficient of variations (3-day, 28-day), clinker quality, customer satisfaction, product benchmarking (bi-monthly), application-oriented product testing (bi-monthly), random market sample (cement) testing (monthly), bag quality index (monthly), etc.

A programme called ‘Boost Quality in India’ (BQI) was initiated in May 2015 and is likely to be rolled out in November 2016. The objective is to deliver efficient and standardised quality control (QC) systems and processes at the global level, and support PQM’s FTE sustainability targets. Elements of BQI include setting up quality laboratories, identifying training needs, creating a competency-skill matrix, integrating data and standardising report formats. Initially, Ambuja Cements Limited’s Ambujanagar and ACC’s Wadi plants were selected for quality audits; base assessment and gap analysis findings were benchmarked against LafargeHolcim’s Quality Audit Pyramid, to assess our existing QC system. Three workshops were conducted during the year for QC managers and Laboratory Information Management System (LIMS) champions.

Ambuja Cements Limited supported and participated in a four-day biennial international seminar on Cement and Building Materials in New Delhi from 1-4 December, 2015. The event was organised by the National Council for Cement and Building Materials (NCB),

an apex research and associated services body for the cement and allied industries in India. Ten papers were presented by Ambuja Cements Limited. Our Darlaghat plant team’s paper on ‘Reduction of Specific Electrical Energy Consumption in Raw Grinding Using Systematic Approach’ was adjudged as the best presentation. A handbook on ‘Application of X-Ray Diffractometry (XRD) in Cement Quality Control’, co-authored by our PQM team was also released.



MD & CEO Ajay Kapur inaugurating 14th NCB International Seminar 2015 at New Delhi

As a trusted cement manufacturer, Ambuja Cements Limited strives to set the benchmark for the quality of cement, with focus on responsible product design, efficient use of raw materials, sustainable fuel-mix and innovative product development. Environmental Product Declaration (EPD) for PPC manufactured at Darlaghat plant was initiated in 2015. To this end, a pilot life cycle assessment (LCA) as per ISO 14040 and ISO 14044 requirements as well as Cement Product Category Rules (PCR) UN CPC 3744 was carried out. The assessment aims to quantify the environmental impacts for the complete life cycle of the product, adopting the cradle-to-gate approach (raw material acquisition, transport, manufacturing and packaging) of the product. This initiative will be replicated at other plants in 2016. [PR-1](#)

The Company complies with all statutory requirements as mandated by the Bureau of Indian Standards (BIS), Weights and Measures norms. As per the BIS mandate, product information is displayed on the cement bag. Presently, only what is mandated is displayed. Test reports are available and can be produced on demand. The Company is planning to display sustainable product related information on the bag. All cement bags carry a toll-free number which customers may contact in case of complaints or queries. The PQM team tests cement bag samples from all regions every month for quality and quarterly benchmarking. [PR-3](#)



CUSTOMER SUPPORT AND SATISFACTION

In keeping with our focus on giving our customers nothing less than the best, we constantly undertake efforts to maximise the quality of our products, along with the best marketing and technical support. We engage with our various customer segments through awareness, training and skill development programmes, knowledge-sharing and site visits. Customised programmes are offered to relevant segments such as institutional buyers (serviced by our Key Account Management (KAM) Group), small and large builders and contractors, and the Government. Individual house builders (IHBs) are addressed through our dealers and retailers.

In 2015 our Technical Services team engaged with 356 construction supervisors, 878 masons, 2548 construction professionals and 11291 contractors over 17977 man-days for training, workshops and awareness programmes. Contractors are helped to upgrade their technical and project management skills through an initiative called 'Neev Abhiyaan' that comprises five training modules: project management, steel estimation and detailing, estimation and costing, repair and water-proofing and earthquake resisting structures. We also provide contractors with mobile apps, magazines in six languages and support through plant visits. Ambuja Cements Limited customers across the country are tracked by a CRM (customer relationship management) system.

VALUE ADDED PRODUCTS AND SERVICES

While our value added products and services are accessible in all markets across the country, 25 Ambuja Knowledge Centres (AKCs), of which 3 were

added this year, provide influencers with technical knowledge and skills. Eight Ambuja Concrete Future Laboratories (CFLs), of which Mumbai and Ahmedabad are accredited by the National Accreditation Board for Testing and Calibration of Laboratories (NABL), cover all our business regions.

Our value added products include Ambuja Plus, a high performance PPC with special performance enhancers (SPEs) or additives that provide higher initial strength, better cohesiveness and lower water demand in concrete. They also include Alccofine micro-fine materials: Alccofine 1100 Micro-fine Cement for grouting; and Alccofine 1200 Micro-fine Slag for Concrete Grade M35 – M100 for high strength high performance concrete. Alccofine micro materials are being used by over 100 B2B customers. Classified fly ash (Dirk brand) is available in grades P40 to P100. [G4-4](#)

BRAND DEVELOPMENT AND PROMOTION

The Ambuja Brand symbolises strength. We have a dedicated brand promotion team and about 170 engineers trained as brand development executives. In 2015, our TV commercial 'The Great Khali's House', featuring star wrestler Great Khali, went viral on the social media and became a hit with people across different social strata. The advertising and marketing community has rated it as one of the best advertisements in recent times. It gave fresh impetus to the Ambuja brand.

CUSTOMER FEEDBACK

We use various formal and informal methods to gauge the feedback from different customer segments and channel partners. Brand equity is measured through



The Great Khali

brand health studies with individual customers. Dealer satisfaction is measured through Net Promoter Score (NPS) methodology. All our surveys are conducted as per global standards. Customer complaints on product quality are received through a toll-free number (1 800 22 3010) that is printed on all cement bags. In 2015, 59 queries/complaints were received on this number. All of them were addressed before the end of the year. At the beginning of the year, 20 consumer cases were pending before different forums/commissions/courts; during the year, two more were filed, and five disposed of, leaving a balance of 17 pending cases. Ambuja Cements Limited does not sell/has not sold products that are banned in certain markets or are the subject of discussion or public debate. No complaints have been received, nor are any pending regarding breaches of customer privacy and loss of customer data. [PR4](#), [PR5](#), [PR6](#), [PR8](#)

SUSTAINABLE SUPPLY CHAIN [G4-12](#), [EC9](#)

Our procurement operations are well connected with our manufacturing and sales units across the country. Local procurement teams handle day-to-day requirements, while India Procurement Organisation (IPO) at our head office engages in high value purchase of commodities. Such requirements from individual units are directed to IPO and purchases are made centrally. The purchase of raw materials may fall under the labour-intensive category depending on the degree of mechanisation of the mines. Contracts where manpower is used within our plants are covered by maintenance and engineering services. All suppliers operating from within Indian Territory, including reputed ones, are treated as local suppliers. Wherever viable, Ambuja Cements Limited considers suppliers who are located in close proximity to its plants.

In 2015, we had a vendor base of 9521 suppliers out of which 122 were foreign based import vendors. Supplier categories include bulk/mixed goods; clinker; cement; construction and inorganic chemicals; electrical

equipment; energy; facilities management; fleet and liquid fuels; IT and consulting; logistics; maintenance and engineering services; mechanical and thermal equipment; packaging; personnel management; and travel and entertainment. We prefer vendors who demonstrate good corporate citizenship and promote sustainable development, adhering to our specifications and providing timely delivery; we encourage synergy and long term relationships with them. Vendor payments in 2015 were about ₹ 7344 crore, out of which about 6.5% was used for imports.

Our procurement policy has a clearly defined code of practice encouraging fair, open and transparent competition. High-risk-high-spend regional level suppliers across all areas of operation are trained on aspects of ethics, anti-corruption and anti-bribery. Interaction with vendors takes place through phone, virtual conferences, e-mail or in person as needed.

Key concerns identified are issues regarding quality, quantity and sometimes payments. Problems are sought to be resolved with the concerned plant as soon as possible through our supplier relationship helpdesk. We expect a high standard of professional conduct by our suppliers as defined in the Supplier Code of Conduct (SCC).

In 2014, our parent group retained global consultant PICS to qualify existing and new vendors as per their performance regarding occupational health and safety, human rights, legal, environmental and ethical issues as defined in the SCC. We continued to assess critical suppliers for their sustainability practices. This is challenging, as suppliers still do not fully appreciate the value that sustainability can bring to their business. Once they are evaluated, their practices can be mapped and corrective action plans established wherever necessary. Feedback will be shared with the suppliers and the Company will assist them in improving their performance. They will then be able to demonstrate these improved practices to other potential clients and grow their business.

Optimal sourcing through IPO, cost efficiency, engineering and an improved supply chain are the important levers that enhance our overall performance.

CONTRACTUAL AGREEMENT OF COMPLIANCE

[EN33](#), [LA14](#), [LA15](#), [HR10](#), [HR11](#), [SO9](#), [SO10](#)

All our purchase orders or agreements incorporate clauses related to safety, environment management and social responsibility. The Supplier Code of Conduct (SCC) provides a clear summary of the Company's expectation from its suppliers/contractors in all procurement dealings. Transparency and accountability are given high priority. The SCC lists nine standards

that suppliers must adhere to, besides national and local statutes: Occupational Health and Safety (OH&S); Working Conditions; Freedom of Association and Non-retaliation; Forced Labour; Child Labour; Non-Discrimination; Environmental Regulatory Compliance; Management of Environmental Impacts; and Bribery and Corruption. The SCC covers the standards specified in SA 8000 and ISO 14000. All new suppliers are provided with a copy of the SCC. We have a system of self-declaration wherein vendors disclose details regarding the above-mentioned aspects of the SCC and answer some basic questions regarding compliance with our standards. All suppliers must complete the Supplier CSR and OH&S management system questionnaire before being deemed eligible. Procurement agreements also include conditions regarding labour standards. The Supplier qualification exercise through PICS was continued in 2015; it covered 5% of vendors who fall in the high-risk-high-spend category and account for 50% by value of procurement (excluding Government spend). So far, 490 suppliers have undergone impact assessments (through self-assessment) in the above-mentioned aspects as per the SCC.

ENVIRONMENTAL PRINCIPLES IN PROCUREMENT [EN32](#)

All contractual agreements with suppliers, such as purchase orders, purchase agreements, service agreements and frame agreements have the supplier's compliance with SA 8000, environmental management and legal requirements. By a signature or order confirmation, the supplier accepts and agrees to adhere to these requirements. In the reporting period, around 5% of our new suppliers were screened using environmental criteria.

LOGISTICS

Throughout 2015, our focus remained on cost, service and safety in operations. Total distribution costs per

tonne were lower than those in 2014 by 2%, despite a 4% increase in rail freight. This was possible due to a decrease in the price of diesel, and various logistics savings initiatives such as direct dispatches, reduced lead distance, lower packing bag costs and improved home market sales.

Network optimisation projects were rolled out. Optimiser tools were launched in all regions along with the roll-out of our sales and operations planning process. Material allocations from the optimiser improved cost performance. The use of global positioning system (GPS) and radio frequency identification (RFID) to improve journey management standards is underway. The Indian Road Safety Programme (IRSP) was rolled out to improve driver safety and behaviour. Safety of parking yards is being enhanced through design and process change. Installation of packer units at Rabriyawas (Rajasthan) and Sankrail (West Bengal) improved logistics infrastructure in these locations. More than 14% of our cement supply to the markets was through the environment-friendly sea-route using 10 captive ships. About 24% of the transport was through rail.

SUPPLY CHAIN TRACEABILITY

In 2015, we initiated a supply chain traceability system to trace and track our products at various points in the supply chain. The system adopted the key principles of the Global Traceability Standard (GTS). GTS defines the traceability process, its various components and minimum requirements to be used in combination with various information management tools. The system covers upstream and downstream traceability at Darlaghat; the raw material storage yard at Ropar; and the regional procurement office, Panchkula. A downstream traceability tool has been developed that can capture data rapidly and accurately, and used in case of a request.



Environment. Being future-ready.

A GREEN FOOTPRINT

Ambuja Cements places high priority on environment protection, energy conservation, efficiency, emission reduction, safety etc. A balanced approach towards environment and development is always attempted. The aim of our environment protection systems and practices is to leave no or low trace of our operations. All vital pollution parameters are monitored in real-time through significant investment in highly advanced pollution control and monitoring equipment. All our nine kiln stacks have online continuous emission monitoring systems (CEMS), with over 95% availability over the year; and all our plants have continuous ambient air quality monitoring systems (CAAQMS). CEMS and CAAQMS data are available online on the websites of regulatory agencies.

The Company is gearing up to meet the newer and tighter environmental standards in India, such as the August 2014 emission standard for the cement industry, which requires significantly newer and costlier technologies. Ambuja Cements Limited has framed the overarching 'Corporate Environment Policy' that is in accordance with the guidelines of the Ministry of Environment, Forests and Climate Change, along with unit-specific environment policies. Our Corporate Sustainability Policy, Climate Change Mitigation Policy and Green Procurement Policy enshrine the Company's approach towards these issues.

All our manufacturing locations have a professional environment team and laboratory or monitoring facilities to check stack emissions, ambient air quality, noise, water and waste water. Annual internal environmental performance assessment of a plant is done through a mechanism called 'Plant Environmental Profile' (PEP). It is done through a detailed and standardised questionnaire that covers major elements of ISO 14001 along with key performance indicators such as atmospheric emissions, energy and material consumption, water, waste and quarry management.

Based on the assessment, the plant's environment performance index score is calculated. Thus plants are rated internally, and also benchmarked against LafargeHolcim's other plants worldwide. This facilitates learning and improvement.

Group corporate mandates such as CO2 Emissions Reporting Protocol; Alternative Fuels and Raw Materials (AFR) Directive; Asbestos Directive; PCB Directive; Quarry Rehabilitation Directive; Water Directive; Biodiversity Directive; and Environment Monitoring and Reporting (EMR) Protocol are all followed. Ambuja Cements Limited has a structured process for annual business and environment risk assessment. All Ambuja Cements Limited plants are ISO 14001 certified.

We have invested significantly in energy-efficient equipment; up-gradation of pollution control equipment; dust suppression systems/machines; monitoring equipment and laboratories; rainwater harvesting systems; green belt development; fire management; drainage and wastewater management; environmental training and awareness; certifications etc. Our environment protection expenditure over the year was over ₹493 million. [EN31](#)

At the end of 2015, there are six cases involving environment related issues pending in different courts. No formal grievance about environmental impacts was filed through any grievance mechanism. [EN29](#), [EN34](#).

NATURAL RESOURCE MANAGEMENT

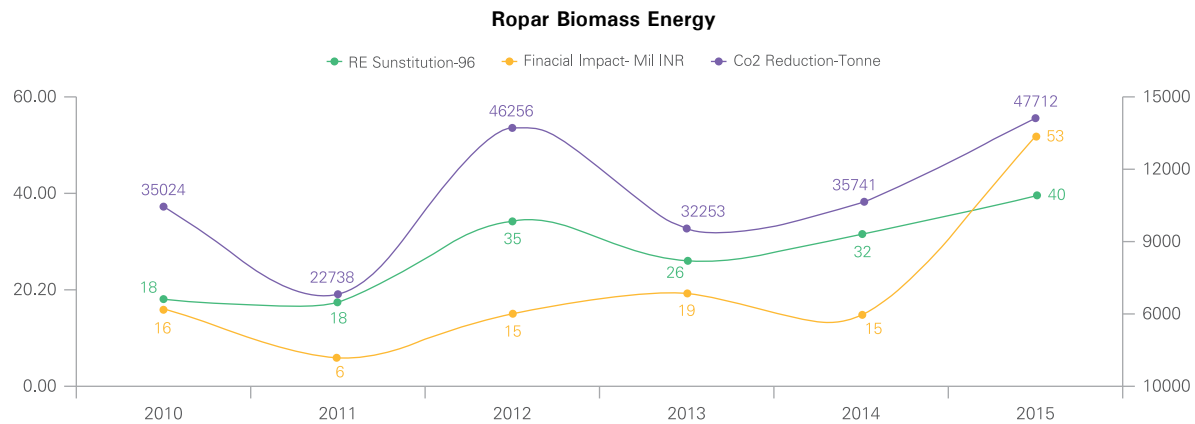
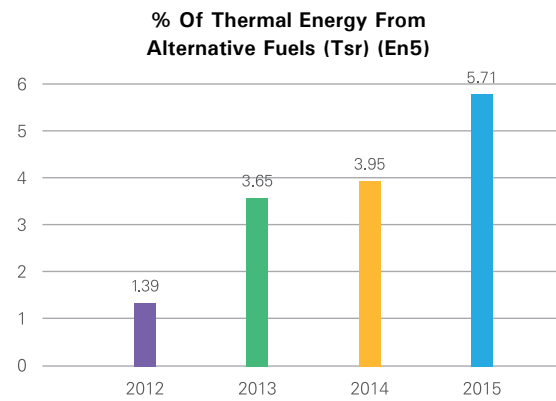
The cement industry uses natural resources as key raw materials. Recognising the pressure on natural resources, Ambuja Cements Limited makes efforts for better material management, along with use of low grade limestone; synthetic gypsum waste from other industries; agricultural biomass; and different industrial wastes as alternative fuel (AFR). Increase in use of wastes like fly ash (over 5 million tonnes used in 2015)

About 20.2% of the total raw material consumed is recycled material.

results in lower clinker factor. With this strategy, our overall cement production comprises over 92% Portland Pozzolana Cement (PPC). While the overall raw material cost was largely flat compared to 2014, that of fly ash and gypsum decreased by 1% and 5% respectively. About 20.2% of the total raw material consumed is recycled material.

ENERGY MANAGEMENT

Coal is a concern due to depleting resources and volatility of the Indian rupee. The Company has developed the ability to switch to the most economical fuel mix in a dynamic fuel market fraught with risks. Alternative fuels and low cost waste material such as petcoke are used wherever possible, and heat loss is plugged at every possible stage of coal consumption. To achieve long term energy security under the 'Geo 20' initiative, the Company has invested in new state-of-the-art storage and pre-processing platforms at our four integrated plants to increase the use of AFR. These facilities are now streamlined, reducing energy costs and our carbon footprint. Our top priorities are use of AFR, waste heat recovery (WHR), and use of renewable energy like biomass. The ISO 50001:2011 standard is



implemented in three integrated and six grinding plants to improve our energy management system.

Power and fuel costs account for about 24% of our total expenses. Cost of coal for kilns reduced by 11% while that for captive power plants increased by 1% due to the higher cost of imported coal. While the cost of grid power increased by 3% per unit, the increase in the cost of captive power that accounts for about 66% of the power requirement was restricted to 2%. The overall power and fuel costs decreased by 1% per tonne compared to last year. The overall cost increase was mitigated by use of petcoke in the kilns. New AFR facilities at four integrated plants helped us to consume and co-process about 2.6 lakh tonnes of AFR, an increase of 45% over 2014, achieving a thermal substitution rate (TSR) of 5.71% replacing this much of total thermal energy that would have been provided by fossil fuels. Plastic waste co-processed in our kilns amounted to 60545 tonnes, 1.82 times the total plastic used in our packing bags, making us plastic positive. We secured a coal block in Chhattisgarh, for which mining operations are expected to commence in 2018.

While there are no industry standards for energy requirements for the use of cement at the user level, Ambuja Cements Limited strives to reduce the power, LDO, coal and other fuels consumed per unit of cement produced. Ambuja Cements Limited is committed to adopting best practices. EN6, EN7

We invested more than ₹200 crore in energy conservation equipment and other initiatives in 2015, details of which are available in Annual Report 2015 on our website. The total annual anticipated cost savings from these initiatives are over ₹70 crore (energy and money).

RENEWABLE ENERGY PERFORMANCE

Ambuja Cements Limited's renewable energy portfolio of a 15 MW biomass based power plant at Ropar, established in 2005; 7.5 MW wind power station in

Kutch (Gujarat), commissioned in 2011; 330 KV solar power station at Bhatapara (Chhattisgarh), established in 2012; and 55.14 kWp solar power (PV) rooftop project at the Gurgaon office, is performing well. The Ropar unit produced over 40% of its energy from biomass in 2015. The new 6.5 MW waste heat recovery (WHR) based

Renewable Energy projects enabled us to reduce about 59,559 tonnes of CO2.

power generation system which was commissioned at our Rajasthan plant in 2015 with an investment of about ₹ 85 crore will increase fuel usage efficiency, optimise power costs, reduce fossil fuel based power generation and also reduce our carbon footprint. We also purchased RE certificates equivalent to 19601 MWh non-solar power and 4723 MWh of solar power in 2015. The net renewable energy generation in 2015 was about 59,080 MWhr, contributing about 4.6% of our total energy generation. Renewable Energy projects enabled us to reduce about 59,559 tonnes of CO2.

CARBON AND OTHER EMISSIONS

At COP21 in December 2015, our parent LafargeHolcim declared our mission to cut net CO2 emissions by 40% per tonne of cement by 2030 (vis-à-vis 1990). This is in addition to collective sectorial action in order to contribute to meeting the 2°C threshold. LafargeHolcim will lead the way as the world's most carbon-efficient international cement producer. Ambuja Cements is committed to Group-level targets and to find solutions to reduce energy consumption and CO2 emissions at all stages of the production process through levers like process mastery, energy efficiency measures, reduction of clinker content in cement and use of alternative energy sources. We are committed to climate change

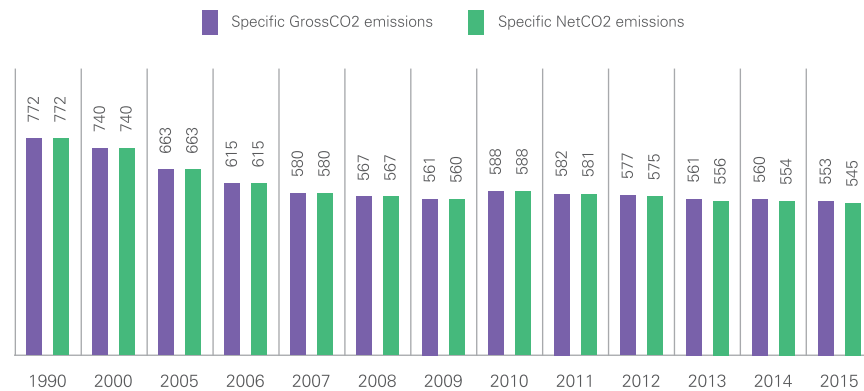
mitigation and carbon footprint-conscious growth which is reflected in our sustainability strategy of low carbon growth. Environmental risks are assessed and addressed regularly. We address climate change by reducing clinker factor through use of appropriate materials like fly ash; improving thermal energy efficiency and process technology; waste heat recovery; and optimising fuel composition, including the use of wastes as alternative fuels. Our main product is fly ash-based PPC which constitutes 92% of our total cement production (the other being OPC, Ordinary Portland Cement). Our WHR project, which started operation in 2015 at Rabriyawas, is registered under the Clean Development Mechanism (CDM) of UNFCCC to accrue 30,000 Certified Emissions Reductions (CERs) per year for the next ten years. Earlier in 2011, Ambuja Cements Limited participated in its first CDM project on the use of biomass for power generation at the Ropar plant, earning 17,727 CERs and a revenue of ₹1.60 crore. In recent years, co-processing of industrial and other wastes in our kilns as alternative fuels has reduced emission of greenhouse gases. For captive power plants, Ambuja Cements Limited focuses on fuel mix optimisation with alternative/low cost fuels, thermal efficiency and station heat rate (SHR) improvement, reduction in auxiliary electrical energy consumption and capacity utilisation to reduce its carbon footprint.

We have identified climate change-related risks with potential impact. Our True Value calculation of environmental and societal externalities and their effect on EBITDA considered material and high risks. The risks which have been valued and internalised are: Emissions of CO2, SO2, NOx, volatile organic compounds (VOCs), water extraction, land disturbances, waste generated etc. The most significant climate change risk remains CO2 emission arising as a direct



Carbon Sequestration by Algae at Ambujanagar

Specific CO₂ Emissions (KgCO₂/Tonne Cement) EN18



The specific net CO₂ per tonne of cementitious product has reduced to 545 kg, down 29.4% from 1990 levels as compared to 28.3% in 2014. This was a marked reduction in the carbon intensity of our product over the previous years.

These multi-pronged initiatives resulted in reduction of total Scope-1 (direct absolute gross CO₂ emissions, including CO₂ from onsite power generation) by 2.9% as compared to 2014. Our renewable energy projects reduced about 59,559 tonnes of CO₂. EN19

The Company provides value added services like concrete mix design and modular curing services which result in a reduction in water usage at construction sites, lowering transportation and onsite water treatment energy requirements. Entrepreneurs are given technical support to manufacture and use fly ash-based bricks to reduce the energy used in brick manufacture. The Company promotes the insulated wall concept which reduces the requirement of energy-intensive baked bricks and mortar. Ambuja Cements Limited also encourages the use of manufactured sand (M-sand) and crushed sand (C-sand). These initiatives reduce the customers' GHG emissions.

OTHER EMISSIONS

Cement production process does not emit ozone-depleting substances (ODS). SO₂, NO_x, dust/particulate matter and other significant emissions from all the nine kiln/raw mill stacks, excluding captive power plants and other stacks, are monitored by continuous emission monitoring systems (CEMS), load calculated and reported. Due to upgradation of pollution control systems and better operation and maintenance during

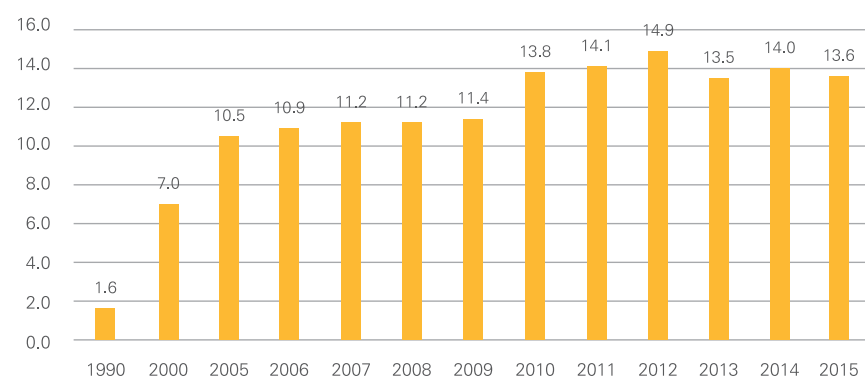
result of our operations. Our actions are comprehensively implemented for all risks including CO₂ emissions, and as such the financial implication provided below is a consolidation of all the above emission related and water withdrawal risks. The estimated financial implication of the risks before taking action is about ₹3,128 million. EC2

The Company has been part of the Cement Sustainability Initiative (CSI) of the World Business Council on Sustainable Development (WBCSD) working group on development and implementation of a 'Low Carbon Technology Roadmap for the Indian Cement Industry'. The strategies mentioned in the roadmap were piloted at our Ambujanagar plant in 2015, with focus on energy efficiency opportunities.

MONITORING AND TRANSPARENCY DISCLOSURES:

The major greenhouse gas (GHG) in cement manufacture is CO₂. The Company monitors and reports CO₂ emissions as per the WBCSD CSI Cement CO₂ and Energy Protocol. Emissions from bulk cement terminals, corporate and marketing offices are insignificant and are hence excluded. Measurement of Scope-3 (other indirect GHG emissions), covering emissions from purchased products and services (Category-1); fuel & energy related activities (Category-3); upstream and downstream transportation and distribution (Category-4 & 9); waste generated in operations (Category-5); business travel (Category-6); and employee commuting (Category-7) is undertaken for all integrated plants. Ambuja proactively discloses its carbon emissions and strategies to address climate risks annually in the Carbon Disclosure Project (CDP). We scored 97 out of 100 in the CDP Climate Change Leadership Index 2015, up from 92 in CDP 2014.

Scope-1 Absolute Gross CO₂ Emissions including on-site power generation (Million tonnes CO₂) EN15



the year, our total and specific SO₂ and NO_x emissions reduced significantly by 6-8%. Reduction in dust emission was over 50%. The load was not calculated on days when CEMS was not operational. EN20, EN21

WATER CONSERVATION — FOR ALL

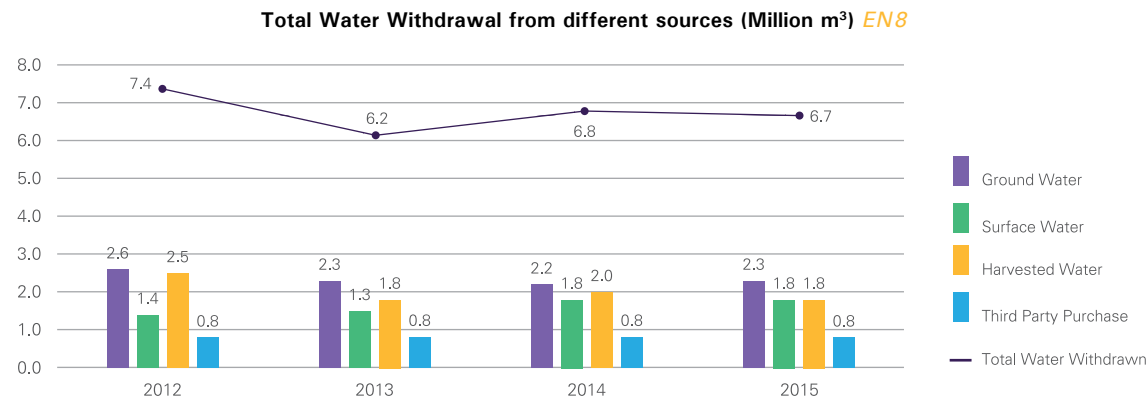
Ambuja Cements Limited has always been aware of the vulnerability of the water resources in our operational geographies. Water scarcity affects different stakeholders and is identified as a risk for business. We believe in 'giving back more than we take'; our CSR arm, Ambuja Cement Foundation (ACF), works extensively in the Company's neighbourhoods to manage water resources through conservation and harvesting. In Kodinar (Gujarat), which is drought-prone, ACF has worked for over two decades to reduce salinity and improve the livelihood of the community. ACF's multidimensional approach included setting up roof rain water harvesting structures (RRWHS); enhancement of water sources by installing percolation wells and check dams; farming low water intensive crops; and creation of a potable water distribution system. Similarly, renovation of traditional water reservoirs, pond deepening, RRWHS and reverse osmosis systems have improved the lives of over four lakh people in the water scarce states of Rajasthan, Andhra Pradesh and the hilly regions of Darlaghat. ACF's interventions give the people access to water for drinking and irrigation, and also sensitise communities about conserving precious resources. Water user associations ensure equitable distribution of water and maintenance of structures; farmers are trained in better techniques and practices such as micro irrigation to improve the quality and sustainability of their lands. As a result of these initiatives, the farmers of Kodinar and Rabriyawas now reap up to three crops a year; and Ambuja was certified

JUST BRING WATER

When ACF first went to the arid Thar Desert region of Rabriyawas for a needs assessment in 2004, the only response by the community was "Just bring water". With average annual rainfall of a mere 445 mm, endurance is sometimes more challenging than infrastructure. ACF undertook revival of traditional water harvesting techniques coupled with deepening ponds, linking canals, building check dams and RRWHS. But often our efforts were frustrated due to the scanty rainfall. In 2011, ACF devised a five-year plan to intensify efforts and bring in five times water positivity. A strategy was implemented at the industrial, residential and agricultural level for rainwater harvesting, groundwater recharge structures, water conservation, augmentation of recycled water, and even change in behavioural practices. Water began to accumulate slowly in the region, and our prayers were answered when in 2014, an independent third party certified our Rabriyawas unit to be 13 times water positive. The presence of water has transformed the region, not just in the quality of the land, agricultural productivity, livestock and biodiversity, but also the health, livelihood and lifestyle of the people. Their priorities and aspirations, especially those of the women, have changed; they now undertake more productive activities and realise their true potential.



Water Harvesting Pit



In 2015 also, we maintained the status to be four times water positive. Ambuja Cements Limited’s target is to become 5 times water positive by 2020.

The total volume of water withdrawn from various sources for our operations during 2015 was about 6.7 million cubic metres (Mm3). We reused/recycled about 1 Mm3 of water or about 14 % of our total water withdrawal from various sources during the year. The recycled water was treated in sewage or effluent treatment plants or by reverse osmosis and reused in dust suppression, gardening, etc.

Most of our plants do not discharge water into natural resources. In 2015, the water discharged by a few of our plants was about 35,154 m3, or about 0.5% of our total water withdrawal. Thus, no water bodies and related habitats were affected by water discharge. *EN22, EN26*

Due to our multi-pronged efforts in water resource management, local water sources are not adversely affected by withdrawal by Ambuja. No water source or protected area (nationally or internationally) is disturbed for water withdrawal. The Company undertakes a water resource estimation study in addition to regulatory requirements; its work has been appreciated, with active participation by the local government, other NGOs and above all by the community itself. Our water resource management programmes have positively impacted the biodiversity in some areas. *EN 9*

We conduct water risk assessments with methodology developed in association with IUCN to analyse the water scenario and its impact on our operations. The process takes into account various risk aspects, including business/Company risks and basin risks to identify units with water stress. The Water Risk Assessment reports also mention the potential impact on operations due to water withdrawals, water discharge, water efficiency, water management practices, basin water scarcity, ecological sensitivity, regulatory and finance issues, and stakeholder pressure.

RESPONSIBLE MINING

Limestone is sourced through our captive mines in the vicinity of our integrated cement plants. Sustainable extraction practices and innovative operational practices are followed at our mining sites, to balance environment protection and social wellbeing with long term economic growth. A seemingly impossible 3.5 km conveyor belt was installed through three hills to not only reduce the distance between the mines and the plant at the Darlaghat in Himachal Pradesh, but also protect the landscape of the region from road transportation traffic and emissions. The limestone is excavated by highly mechanised, modern, open-cast mining technology which varies as per the topography, geographical conditions, geology of the area, nature of occurrence of the deposit, physical and chemical characteristics of the mineral, hydrogeology, structural features and quantum of waste material/soil to be removed. Blast-free surface miner technique is suitable for soft to moderately hard limestone and is used in Gujarat. It is eco-friendly and replaces drilling, blasting and primary crushing; there is no ground vibration, and noise and dust are reduced. At other mining locations limestone is extracted through controlled blasting techniques using electronic detonators, giving higher precision; improved blasting results; minimum fly rock generation; reduction of air blast/ground vibration; safe use in extraneous electric environments; and the possibility of limiting the amount of detonators per shot. Drilling is carried out with a drill with an in-built water sprinkler for dust suppression and a separate dust extraction system, making the technique practically



Restoration of Mined Land for Agriculture/Plantation

Water harvesting in mined-out pits for augmenting the water needs of the Company and its neighbouring communities and ground water recharge at Ambuja Cements Limited mines is a major sustainable development initiative.

dust-free. Haul roads within the mines are maintained using compactors, graders and regular water sprinkling to reduce fugitive dust emission. Blasting is carried out in a controlled manner, under the supervision of competent persons. The ground vibration of each blast is measured and the results are compared with the permissible vibration standards of the Directorate General of Mines Safety (DGMS). At Bhatapara and Darlaghat, use of the latest electronic detonators ensures that villagers are not disturbed. A primary rock breaker (terminator impact hammer) that can excavate up to a three metre depth has been introduced at the Bhatapara mine to excavate limestone in areas nearer to habitation. It generates very low vibration and noise. Broken material can be fed directly to the crusher through excavators and dumpers.

Water harvesting in mined-out pits for augmenting the water needs of the Company and its neighbouring communities and ground water recharge at Ambuja Cements Limited mines is a major sustainable development initiative. At the Rabriyawas mine, a check dam has been constructed to channelize storm water for groundwater recharge. Required health and safety measures are practiced in all Ambuja Cements Limited mines. The Bhatapara mine has installed two safety devices, operators’ fatigue monitoring sensor and proximity sensor, in heavy earth moving machinery (HEMM) like hydraulic excavators for excavation and loading, and dumpers for transportation. In the former device, a sensor installed in front of the operator monitors characteristics linked to fatigue. In the proximity sensor device, the operator receives a signal in his cabin about the presence of any other equipment within a 20m radius. This is very useful in case of low visibility. At the Maratha mine, a modular design fugitive dust suppression system suppresses fugitive dust on haul roads. This system creates a mist of raw water called road fog. A mist gun with a radial throw of 30-40 meter is also attached to suppress air-borne dust. A washing arrangement for crawler-mounted equipment and fire fighting gun make it a multipurpose vehicle. At Ambujanagar, limestone is transported from the mine to the plant through a public road. An in-house developed mechanical system for covered tippers has eliminated spillage and dust emission.

Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated at the end of the year 2015: *EN11, EN13, MM1*

Total land disturbed (Ha)	1346.5
Total land disturbed but not yet rehabilitated as presently used for working (Ha)	1191.0
Total area rehabilitated (Ha)	155.5

None of our sites operates in the immediate vicinity of specific biodiversity zones. Biodiversity (flora and fauna) studies have been conducted by third parties for almost all mining areas. Ambuja Cements Limited follows the Group Biodiversity Directive that requires it to prepare a biodiversity action plan (BAP) for sensitive sites. This has been completed for Ambujanagar and Darlaghat where it is being implemented. *MM2*

In 2015, about 44,47,536 tonnes of overburden/interburden or waste material was generated with no generation of tailings and sludge. Overburden/interburden is disposed of separately in non-mineralised zones through an excavator-dumper-dozer combination as per the approved mine plan. Soil is separately stored and utilised for pasture land development or plantation. The dumps are well designed with a predefined slope angle for maximum stability. At Bhatapara the slope is stabilised by coir matting and plantation. No associated risks have been identified so far. *MM3*

Ambuja Cements Limited’s operating sites are not located adjacent to indigenous peoples’ territories. Local community issues revolved around land acquisition and dust emission. Concerns of the community are addressed through a consultative process. ACF undertakes programmes for community welfare and progress. We do not have artisanal and small-scale mining sites. Land is purchased through negotiations. Progressive mine closure plans are available as per statute for all locations. Concurrent rehabilitation plans are available for the working mines in Gujarat. There were no strikes or lockouts at our mines in the reporting period. *MM5 to10, SO2*

Inconsistent limestone quality in the deposits, occurrence of non-calcareous bands within limestone and overburden increase the complexity of the deposits. Accurate evaluation becomes very important. Ambuja Cements Limited uses state-of-the-art computer based long and short term planning tools to ensure a steady supply of raw materials. Blending material of different grades and qualities helps in maximising mine life and conserving natural resources, minimises waste generation and reduces environment management and mine closure costs. The techniques used in

Ambuja Cements Limited mines include QuarryMaster software for better blending and pile planning; GIS-GPS techniques to control production levels; controlled blasting by I-Kon (E-det system) and PGNAA technology for online analysis of crushed ROM; PGNAA and screening plant for blending of sub-grade material; primary rock breaker for excavation of thin band high grade limestone; reverse camera system fitted in dumpers; rock breaker for first bench boulder formation; back hoe (excavator) for below-water level limestone excavation; terminator to break the material near a village boundary; and mineral conservation through a wobbler and screen plant. **MM11**

BIODIVERSITY MANAGEMENT

In addition to national regulations relating to biodiversity, we are guided by LafargeHolcim’s Biodiversity Directive and policies in our biodiversity protection initiatives involving internal and external stakeholders. Steps are taken at our integrated cement plants and mining sites to ensure that the biodiversity of the area is not disturbed. The biodiversity value of the land around our sites has been enhanced by a water positive programme around our operational sites and beyond, along with green belt development and tree plantation in and around our plants and mines, including the mines’ overburden and lease boundaries. CSR initiatives help us engage with the community in protecting biodiversity. Check dams that conserve water in the rainy season help in recharging the ground water table; the increased availability of water in water-scarce regions like Gujarat and Rajasthan enables local people to grow multiple crops during a longer period of the year, enhancing their livelihood. Use of local agricultural fodder as biomass for power generation helps in minimising greenhouse gas emission and provides

additional income to farmers from the sale of biomass to Ambuja Cements Limited. Enhanced biodiversity helps reduce dust pollution and absorbs carbon emissions as well. Green belts in and around some of our sites have become good nesting and breeding habitats for migratory and local avifauna. Various measures are taken to mitigate or remediate the impact of mining and plant operations on the biodiversity of these sites. Sustainable mining practices such as use of surface miners; controlled blasting to minimise dust and noise; covered transportation of raw materials; water bodies and pastureland development; plantation of native species; and land rehabilitation are undertaken to protect and enhance the landscape and biodiversity of the area. Mining operations and transportation of raw materials are carried out only during the day near protected areas. All mine tippers are provided with a multi-cap covering system to avoid spillage of material during transportation. Haul roads are continuously swept and sprinkled with water to prevent dust from getting airborne.

All operating sites of Ambuja have been assessed for their environment impact and systems are put in place to prevent the occurrence of adverse impacts. Our operations do not significantly impact the biodiversity of these sites. Protected areas like the Majathal Sanctuary and Darlaghat Conservation Reserve exist within 10 km of our mining or plant operations at Darlaghat; Gir Sanctuary exists within 10 km of a mining site at Ambujanagar. For Darlaghat, the Company has prepared a wildlife conservation plan for key species; it has been approved by the State Government. Ambuja Cements Limited contributed ₹97.5 lakh in 2015 and ₹47.9 lakh in March, 2016 to the State Government Exchequer as part of our commitment for implementation of this plan. Ambuja Cements Limited initiated implementation of



Mangrove plantation near Surat (150 Ha)

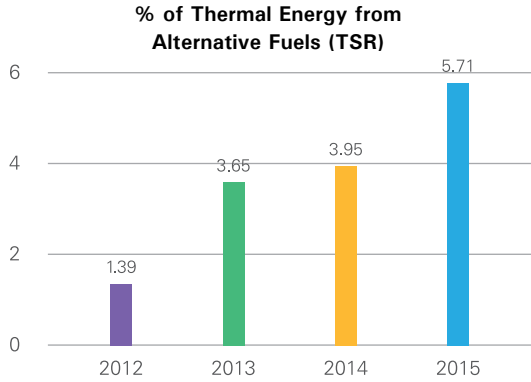
a comprehensive biodiversity action plan (BAP) for our Ambujanagar site. Our Rabriyawas plant has initiated a natural capital profile assessment under the guidance of the Indian Business Biodiversity Initiative (IBBI). The total number of International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by our operations, by level of extinction risk, are given in the Sustainability Performance table at the end pages. **EN12**

In Gujarat, Ambuja Cements Limited has undertaken mangrove plantation in about 150 hectares with the help of the Gujarat Ecology Commission. Since 2007, parapet walls covering 100 square km were constructed around 1320 open wells in 17 villages around the Gir Sanctuary in the state in association with the local forest department to prevent wildlife from accidental falling and drowning in the wells.

The Company partners with various organisations and industry associations in India for biodiversity related policy development, assessment and reporting guidelines. Ambuja is a signatory to the India Business and Biodiversity Initiative (IBBI) of Confederation of Indian Industry (CII) and GIZ. The Company has also been active in IUCN’s Leader for Nature (LfN) initiative. In October 2015, IUCN India experts conducted a one-day training programme for our environment and sustainability managers on Integrated Biodiversity Management System (IBMS), Biodiversity Indicator and Reporting System (BIRS), Invasive Species Management and Wildlife Conservation.

We are starting voluntary reporting against the IBBI Declaration commitments (comprehensive) for the year 2015. The report will cover our biodiversity mapping and relevance of our biodiversity and ecosystem services in various phases of our value chain (own operations, suppliers, use phase, end-of-life, transport); training and awareness activities for biodiversity protection; risks; opportunities; impacts etc.

Various events like Biodiversity Day for employees, school children and the community are conducted annually. The programmes feature awareness presentations, online quizzes, plantation, biodiversity photo competitions, painting, and slogan writing to sensitise the stakeholders towards biodiversity issues. Local NGOs are supported in creating biodiversity awareness. In Gujarat, one NGO was supported in training the community about conservation of the sea turtle. Vaccination camps for cattle in the villages surrounding the Gir Forest are held every year in co-ordination with the Forest Department. Health camps for the community around the Gir boundary are held in co-ordination with the local range forest office. Several livelihood and supporting activities such as afforestation;



fodder development; animal husbandry; distribution of around 10000 smokeless cook stoves; biogas plants (more than 500); demo and training on agriculture and allied activities through Krishi Vigyan Kendra (KVK); composting units in over 200 villages; and organic farming with minimal use of fertilizers and pesticides have been carried out in villages around the Gir sanctuary (Gujarat), Majathal Sanctuary (Himachal Pradesh) and other plants and add value to our biodiversity protection initiatives.

WASTE – AS WEALTH

Waste management is a major challenge that can be solved through innovative thinking and concerted efforts. Ambuja is committed not only to managing its own waste, but to providing state-of-the-art sustainable waste management services to other industries and waste generators through cement kiln co-processing by our Geocycle brand. We co-process waste from the agricultural, industrial and public/municipal sectors. Pre-processing facilities in four locations became fully operational in 2015 and with addition of new customers and waste segments, our co-processing services increased significantly, thereby enabling Ambuja Cements Limited to significantly replace traditional fuels with AFR.

Ambuja Cements Limited co-processed about 2.6 lakh tonnes of alternative fuels in 2015, achieving a thermal substitution rate (TSR) of 5.71% compared to 3.95% in 2014. This enabled a financial benefit of ₹328.4 million



from alternative fuel and ₹115.3 million from alternative raw material. Additionally, the Company has saved fuel worth ₹679 million and raw material worth ₹306.8 million through this initiative. Our elaborate internal risk/safety assessment and certification programme for AFR installations, ‘ACert’, conforms to our overall health and safety (H&S) policies and procedures.

The Company tracks significant spills through the Plant Environment Profile (PEP). No incidents of significant oil spills were recorded in the reporting period. No hazardous waste was transported to/from locations abroad. [EN24](#), [EN25](#)

PRODUCT RESPONSIBILITY

As a trusted leading cement manufacturer, Ambuja Cements Limited strives to set the benchmark for the quality of cement. Responsible product design, efficient use of raw materials, sustainable fuel mix and innovative product development are key focus areas. Cement being a commodity, use-oriented figures are not available. However, Ambuja has initiated steps for Environmental Product Declaration (EPD). A Life Cycle Assessment (LCA) of PPC was initiated in Darlaghat in 2015 to achieve benefit for the products, processes and supply chain. It is a relevant tool that assesses, evaluates and helps reduce the environmental burden due to consumption of energy and material, emissions and waste generation throughout the product’s lifecycle. The life cycle impacts were considered along with the Product Category Rules (PCR) for cement developed by Cement Sustainability Initiative and ISO 14040/44. Primary data from Darlaghat for 2015, conforming to the data quality requirements of ISO 14040/44, was used for this LCA. Going forward, LCA and EPD for other Ambuja Cements Limited plants will be completed by 2017. [EN27](#)

- LCA fulfils the following goals of the Company:
- Identification of hot-spots over the life cycle starting from extraction, sourcing, logistics, manufacturing, usage and end of life disposal.
 - Material comparison during the design stage to look for alternative fuels and raw materials.
 - Supplier evaluation, value chain engagement and improvement.
 - Technology comparison.
 - Packaging and logistics optimisation.
 - EPD for users, external stakeholders, green marketing and branding.

Ambuja a ‘Plastic Positive’ Company

In 2015, we burnt 60,545 tonnes of plastic waste in our kilns, which is 1.82 times the plastic sent to the market as packing bags for our cement.

PROMOTING GREEN CONSTRUCTION:
Ambuja Cements’ regional office at Gurgaon has been awarded a GOLD rating by the India Green Building Council (IGBC) LEED INDIA, which reiterates our vision to be the most sustainable company.



The study helped us identify a short and medium term strategy for reduction of our environmental impact; it aided in prioritisation of environmental programmes and provided strategic guidelines for the introduction of new technologies, processes and materials. It also helped us create an information resource for academic, customer and other interested groups.

The Company uses HDPE bags for packing cement, and bio-degradable paper bags for select markets. It is practically not feasible to collect back cement bags from the market; hence we showed stewardship by co-processing more plastic waste from other industrial/municipal sources than the quantity of HDPE bags we used. In 2015, we burnt 60,545 tonnes of plastic waste in our kilns, which is 1.82 times the plastic sent to the market as packing bags for our cement. [EN28](#)

Thus, Ambuja is a ‘Plastic Positive’ Company.
Eco-friendly transportation

The environmental impact of transporting goods, materials and people has reduced over the years (refer EN18). We have been transporting bulk cement through the sea-route since 1993. Today Ambuja Cements Limited owns 10 ships and hires others for transportation of materials. With 14% of dispatches sent by sea and 24% by rail, about one third of our outbound logistics takes place in an environment-friendly manner. Scope-3 emissions were estimated at all five integrated plants in 2015. [EN30](#)

Society.
Together we grow.

EMPOWERING COMMUNITIES

Our surrounding communities are one of the most important stakeholders in the business; in their sustenance lays our growth. Ambuja Cement Foundation (ACF) was established in 1993 as the CSR arm of Ambuja Cements Limited, when sustainability and community development became a fundamental measure of our work. ACF’s foundational principle is to empower host communities so that they prosper along with the Company. Its mission is ‘Energise, Involve and Enable Communities to Realise their Potential’. Today ACF operates at 21 locations across 11 states with a diverse team of 425 development professionals.

ACF has been conducting CSR activities much before Section 135 of the Companies Act was introduced in 2014, and its CSR spend has been more than 2%. ACF has aligned itself with the requirements of the new mandate and is more than compliant with the Act.

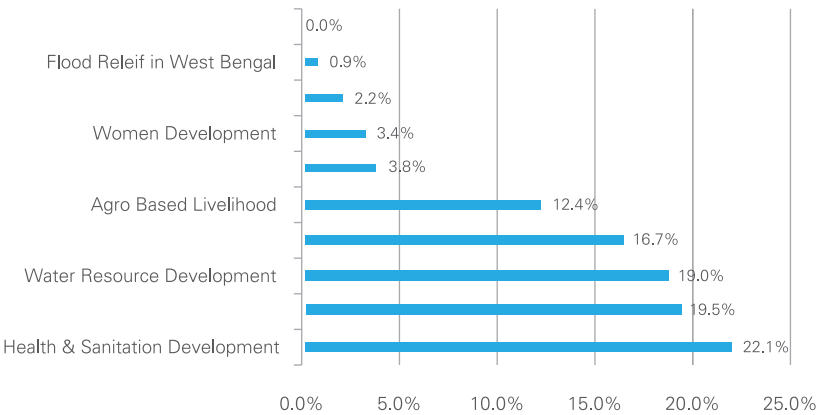
STAKEHOLDER ENGAGEMENT

Ambuja Cements Limited acknowledges that the cement industry is energy-intensive with the potential to cause pollution. All activities are planned with due consideration to societal and environmental impacts. Before a plant is commissioned, ACF initiates a needs assessment amongst the community. Environmental impact assessments (EIAs) are undertaken for new projects according to Government specifications; public consultations are held and the EIA reports are publicly disclosed. This brings in the people’s participation and gives them confidence about our intentions.

ACF has developed a detailed management information system (MIS) to monitor inputs

and outputs. Periodic impact assessment studies/evaluations are conducted to review the benefits received by the communities we work with, impact made, identify strategic and course corrections needed as projects evolve and also to accommodate the necessary changes in our future program strategies. Studies are carried out through a well-qualified internal assessment team as well as by hiring external consultants/subject domain experts or organisations. The assessments that reflect positive outcomes for the community are used as base documents for project replication. Site Specific Impact Assessments (SSIAs) are conducted cyclically to understand stakeholder needs at all Ambuja Cements Limited sites, mitigate risks and ensure sustainability in operations. The required SSIAs for all locations were completed in 2015, and appropriate plans of action devised. The social benefits of the programmes are reflected in the Company’s True Value calculations, Social Return on Investment (SROI) and other studies undertaken. True Value methodology, developed by external consultants, quantifies social benefits. Ambuja Cements Limited is one of the few companies in the world to undertake such valuation. More information is provided on our website. [SO1](#), [SO2](#), [EC8](#)

CSR Expenditure in 2015 (EC7, EC8): ₹40.98 Crore



Over 26,000 youths have been skilled at SEDI, 70% of who have been successfully placed. SEDIs are well-aligned with the national agenda of skill-training with the recent 'Make in India' campaign

ACF prepares community engagement plans (CEPs) annually in close consultation with the community and the unit; the plans take into account the concerns raised by community advisory panels (CAPs) comprising community and Company representatives, and other stakeholders. The CEPs for 2016 have been settled for all locations of the Company. The CAPs meet regularly to discuss the community's concerns and the Company's initiatives to address them. They are present in all Ambuja Cements Limited's plant locations and met at least two to three times in 2015. A Social Engagement Scorecard (SES) exercise is conducted at all locations annually to assess the needs of the communities; all stakeholders provide a review of the programmes through group discussions and opinion leader interviews. This exercise was conducted and documented at all Ambuja Cements Limited's locations for 2015; all locations scored in the range of 75-100%. Based on the above engagements and reviews water management, livelihoods generation, women's empowerment, health care and education have been identified as thrust areas for ACF's programmes.

GENERATING LIVELIHOODS

Since Ambuja Cements Limited operates largely in rural geographies where the primary source of income of the community is agriculture and related activities, one of its goals is to strengthen the community through sustainable livelihoods such as agro-based livelihoods and skill and entrepreneurship development.



Agro-based Livelihoods: ACF aims at empowering the farmers through capacity building, introduction of new technology and creating market linkages in order to make agriculture and its allied activities a sustainable and secure source of livelihood. In 2015, ACF worked with around 85,000 farmers across all its locations. The

various programmes include Better Cotton Initiative (BCI), Systematic Rice Intensification (SRI), organic farming, mushroom cultivation and wadis (horticulture). Further, ACF promotes micro irrigation in over 2000 hectares. Since animal husbandry is an allied agricultural activity, ACF organises regular camps for farmers to promote animal care. In Darlaghat, a team of local women have been trained and operate as pashu swasthya sevikas to provide regular training in animal husbandry. ACF has been working to build farmer producer companies as independent people's institutions to help farmers gain leverage in the market. Six farmer producer companies operate in four locations and carry out agro-based business with Ambuja Cements Limited and other organisations. Farmer producer companies provide Ambuja Cements Limited with biomass as an alternative fuel and raw material (AFR). They get paid by Ambuja Cements Limited to supply bio-wastes that replace conventional fuels in the kilns. ACF is now piloting the use of technology in agriculture. Various services like voice SMS, instant messenger and community radio provide the community with timely and relevant information.

SKILL AND ENTREPRENEURSHIP DEVELOPMENT

Since agriculture is vulnerable to land availability, weather conditions and market forces, there is increasing need to develop alternative means of livelihood for rural communities. ACF has established 16 Skill and Entrepreneurship Development Institutes (SEDIs) across 10 states that aim to provide vocational training and enable at least one member in every rural agricultural household to develop an alternative livelihood. First established in 2006, SEDI promotes productive employment and micro-enterprise. SEDI offers short, intensive courses in various trades for welders, electricians, plumbers, mechanics, masons and hardware technicians, across 12 sectors to strengthen the youths' technical and functional skills. Over 26,000 youths have



been skilled at SEDI, 70% of who have been successfully placed. SEDIs are well-aligned with the national agenda of skill-training with the recent 'Make in India' campaign. Basic computers, spoken English and other soft skills are compulsory components of all training programmes conducted at SEDIs. SEDIs have positively challenged society's perceptions about linking specific professions to gender and ability. This year, batches of female welders and male nurses graduated from SEDI - Kodinar, while SEDI - Nagaur trained 60 physically challenged youth, 90% of whom started their own enterprises. SEDIs also conduct masonry training using Ambuja Cements Limited-developed modules and technical expertise. The masons graduate, take forward the Ambuja brand and create shared value for themselves as well as for Ambuja. Training programmes are also conducted on safety and up-skilling of the contract workforce associated with Ambuja Cements Limited. **EC8**

WOMEN'S EMPOWERMENT

Women are an important part of our communities. In Kodinar and Chandrapur, women from 355 and 80 self help groups (SHGs), respectively associated with ACF, have come together to form federations. The Kodinar federation has taken up the cause of uplift of widows and single women. In both these locations, members of the federations have resolved to have a toilet in their homes. They have availed of a small grant from a donor and have created a revolving fund to aid their members in this venture. ACF has reached out to over 15,719 women, established 1,309 SHGs across locations, created two federations and pooled a corpus of more than ₹5.4 crore.



These women engage in various income-generation activities, have availed of credit linkages from banks and microfinance institutions, are protected under government group insurance schemes and are promoting entrepreneurship amongst members.

COMMUNITY HEALTH

Since adolescents are a vulnerable population, likely to indulge in risky and unsafe behaviour, ACF works on developing appropriate life skills with 'Adolescent Peer for Enhancement of Knowledge, Skill and Healthy

Association' (APEKSHA). APEKSHA reaches out to 20,000 adolescents through a peer support system and discusses issues relating to changes during adolescence, the risk of HIV/AIDS, nutrition awareness, gender equality, safety (road, fire and household), first aid, self-defence and stress management. Home based neonatal care (HBNC) works on home-based preventive care of newborn infants, early detection of delayed development and facilitating patients' access to affordable health care. HBNC reaches out to adolescent girls, expectant and new mothers, enhancing their knowledge about anaemia and related nutritional deficiency diseases, their effects on the self and the offspring, appropriate nutrition and its rich indigenous sources. These health projects are led by a trained crew of village health functionaries (VHFs) called 'sakhis'. Sakhis are active participants in the village health and sanitation committees, vocal at gram sabhas about health care issues, and are resource persons who promote awareness on rural health and hygiene. ACF provides services like mobile medical units (MMUs), specialised health camps, community health clinics, diagnostic centres and primary health care services. ACF's HIV and AIDS prevention programme reaches out to high risk groups such as truck drivers,



commercial sex workers (CSWs) and intravenous drug users (IDUs). Target groups and communities are sensitised through counselling sessions, street plays and camps; projects are organised jointly with state level AIDS control societies and companies. As an extension of Ambuja Cements Limited's 'We Care' and 'Zero Harm' initiatives, ACF provides training in its neighbouring communities and schools about road, fire, water, electrical, health and farm safety and general safety behaviour. In 2015, ACF held 1178 such training programmes across locations.

SANITATION

ACF works extensively to promote ACF has entrusted the responsibility of persuasion and mobilisation of communities for construction and use of toilets on village development committees (VDCs) that actively

participate in local panchayats and other community groups to drive the sanitation campaign. Women and children are the frontrunners of the sanitation drive.

37 villages associated with ACF have been declared to be absolutely open defecation-free.

ACF provides the communities with technical knowhow and avails of good quality designs for affordable sanitation units. ACF has facilitated construction of over 9,200 toilets since September 2014 (over 7,200 completed in 2015), at both the household and community level. In response to the Government’s call for companies to undertake initiatives for school sanitation, ACF completed construction and repair of toilets in 172 schools across all its locations and trained the students about the need for hygiene and sanitation, the need for basic practices such as hand-washing, and health problems associated with lack of hygiene. The existing cadres of swachhata doots and balmitras were engaged to further this agenda. As a result of these efforts, 37 villages associated with ACF have been declared to be absolutely open defecation-free.

EDUCATION

One of the unique initiatives of ACF is the Ambuja Manovikas Kendra (AMK), a special school for mentally challenged children in Ropar. AMK works to help the students grow as independent and productive individuals,



through a range of activities and programmes like therapies, sports, cultural activities, etc. This year, two AMK students won gold and bronze medals at cycling and basketball competitions respectively at the Summer Special Olympics organised in Los Angeles; seven AMK children have won eleven medals at the Summer Special Olympics in different categories to date. ACF also strengthens conventional school management and education in three tiers through varied programmes. Teaching and learning methodologies are introduced in schools coupled with teacher trainings; balmitras are trained to support children in maths and science; and schools are provided infrastructural support with establishment of science centres, libraries, etc. These programmes help in improving retention of children in the educational system. At locations with a high population of out-of-school children, like Bathinda, Nalagarh and Roorkee, ACF runs about 21 non formal education (NFE) centres, to provide basic literacy and to encourage children to enter the formal education system.

PEOPLE’S INSTITUTIONS

All of ACF’s programmes are centred on people’s participation. The onus of implementation of our projects rests on our communities. Farmer producer companies and women’s federations have been established across many of ACF’s locations and are now taking up roles in their own communities. They are self-productive and sustainable, even after complete independence. This is in fulfilment of Ambuja Cements Limited’s sustainability mission to leave no trace of its existence.

EMPLOYEES... OUR BUILDING BLOCKS

Human Resources (HR) at Ambuja plays a vital role in realising business objectives by leading organisational change, fostering innovation and effectively mobilising talent to sustain the organisation’s competitive edge. Our strategy is aimed at integrating HR processes for overall organisational effectiveness. HR clarifies the business direction and performance expectations and contributes to the approach towards managing talent to achieve business goals. We continued our efforts to provide a congenial work environment, innovative recruitment and retention practices, and continuous learning opportunities to employees (management and non-management staff) for their future growth and development. Ambuja Cements Limited provides a congenial working atmosphere, free from discrimination and harassment including sexual harassment, along with equal employment opportunities to all its employees. The Company has a zero tolerance policy towards sexual harassment at the workplace covering



all employees (permanent, contractual, temporary, trainees) in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules therein. An Internal Complaints Committee has been set up to redress complaints about sexual harassment. During 2015, the Company did not receive any complaints in this regard.

In our journey towards better productivity in 2015, we moved to a function-centric organisational structure from a region-based structure to enable faster and expertise-led decision-making at all levels and reduce the response time to external environmental challenges. This resulted in better functional excellence and resource mobilisation and our manpower productivity improved by 19% over 2014. We also established a shared business services centre called One India BSC to streamline and align the Finance and HR operations for the Indian operating companies (Ambuja Cements Limited and ACC) of the LafargeHolcim Group, with

the twin objective of increasing the effectiveness and efficiency of our processes and improving the overall customer experience (internal and external).

We have a Rewards and Recognition (R&R) programme that recognises efforts and rewards employees’ achievements. Awards are decided by awards panels, with spot awards, monthly awards, quarterly awards and annual awards in individual and team categories; awards take the form of appreciation letters, certificates, gift vouchers, hall of fame photographs, and sponsored stays at resorts. Ambuja Cements Limited felicitates employees who spent more than a decade with the organisation with ‘Long Service Awards’.

TALENT MANAGEMENT

Ambuja Cements Limited maintains its competitive edge by honing talent and carving out leaders through various initiatives for managing, developing and retaining superior talent. This drives our business advantage and shareholder value. Leadership skills are developed through structured talent reviews supported by individual development plans (IDPs) and cross-functional

G4-10: Total Workforce by Employment Type, Employment Contract, and Region.								
Regions	North		West and South		East		TOTAL	
Type	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract
MALE	2140	3360	2078	4551	943	3373	5491*	11284
FEMALE	25	8	39	32	29	10	131*	50

* Including employees in corporate office

LA12: Employees Number by Age and Level							Total	No. of Employees with Disability
Levels	Male			Female				
	Under 30	30-50	Over 50	Under 30	30-50	Over 50		
TML		9	16			2	27	0
SML		132	77		2		211	2
MML	12	629	187	1	12	8	849	1
FML and WAGE BOARD	655	3143	631	43	55	8	4535	22
TOTAL	667	3913	911	44	69	18	5622	25

LA1: Total Number and Rate of Employee Turnover by Age Group and Gender						
Attrition by Gender			Attrition by Age			
LEVELS	MALE	FEMALE	UNDER 30	30-50	OVER 50	TOTAL
TML	5			3	2	5
SML	19	1		8	12	20
MML	77	2	2	49	28	79
FML and WAGE BOARD	414	24	144	151	143	438
TOTAL ATTRITION	515	27	146	211	185	542
TOTAL EMPLOYEES	5491	131	711	3982	929	5622
ATTRITION RATE	9.38	20.61				

and cross-location assignments. These initiatives have reaped benefits, with senior positions increasingly being filled internally, along with a healthy external talent intake. Succession planning has helped create a talent pipeline for key positions and a growth avenue for our developing leaders. Ambuja Cements Limited's core values stipulate the need to develop and build leaders who will keep the organisation on the path of high performance. With this in mind, the STEP (Sustainable Talent for Enhanced Performance) programme was institutionalised in 2012 along with other talent management initiatives. The prime objective of STEP is to develop a sustainable pool of leaders with essential leadership skills and the capacity to be internal coaches. The learning journey includes formal, informal and highly interactive components that help in honing a manager's coaching skills for enhanced performance and higher engagement. After the successful completion of the STEP-I programme by 96 managers in 2014, STEP-II was launched in January 2015 for more than 60 managers. Thirty five of the top certified participants from STEP-I have taken the role of people coaches.

EMPLOYEE BENEFITS

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by government authorities, Employees' State Insurance Corporation and Labour Welfare Fund are considered as a defined contribution plan. Retirement benefits such as gratuity, post-retirement medical benefits and death and disability benefit are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method. Contribution to Provident Fund is managed by a trust set up by the Company. [EC3](#)

The ratio of the standard entry level wage as compared to the local minimum wage at significant locations that include all our operating plants, is about 1.3 for males and 2.7 for females. While merit is the main parameter for recruitment, preference is given to local hiring. [EC5, EC6](#)

There is only a marginal difference in few of the benefits for full-time employees (FTEs) and temporary or part-time employees (PTEs). Health care, disability and invalidity coverage, are available to both categories while life insurance, parental leave and stock ownership are not.



Finale of Ambuja 1st 'Rising Star' Programme for Employees and Their Families

Retirement provisions are almost similar, barring a few schemes like superannuation which is not available to some categories of FTEs and all PTEs. Medical benefits are standard for full-time employees but are not provided to temporary or part-time employees. These benefits apply irrespective of location. Women employees are entitled to maternity leave. In 2015, three women employees availed of maternity leave. Of them, two remained employed for the rest of the year after resuming work. One left the organisation. A minimum of three weeks' notice is provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them. It is also specified in the Industrial Relations Act, 1947. [LA2, LA3, LA4](#)

All employees received a regular performance and career development review during the reporting period. A timely and regular performance management system (PMS) appraises all eligible Ambuja Cements Limited employees. The Board reviews the performance of the senior management (ExCo) employees through the Nomination and Remuneration Committee; and the ExCo reviews the performance and development of the other executives as per the process followed by HR. [LA11](#)

We are an equal opportunity employer providing equal remuneration for women and men. However, due to the low number of women employees in a manufacturing industry like ours, the ratio of the basic salary of women to men falls in the range of 0.63 to 1.97 in different management grades, considering all locations of operations of Ambuja Cements Limited. [LA13](#)

We have recognised trade unions, representing blue collar employees, affiliated to INTUC/AITUC/BMS at different locations. About 25% of our permanent employees are members of a recognised employee association. [G4-11](#)

EMPLOYEE ENGAGEMENT – "UMANG"

Our people strategy, systems and processes are aimed towards making us an employer of choice with sustainable talent and concrete action plans to enhance employee engagement. In 2015 Ambuja Cements Limited achieved an employee engagement score of 81% compared to the average benchmark of about 60% and best employer benchmark of 80% (based on the Aon Hewitt model). The response rate for the employee engagement survey was 96.5%. Earlier Ambuja Cements Limited had been following the Gallup model since 2009. Employee engagement takes place through functions, celebrations, functional meets, gate meetings, town halls, etc. 'Ambuja Rising Star', a Company-wide talent show held in 2015, was a hit with employees and their families. Top management engaged with employees across different locations through three town

hall meetings in 2015 where Company performance and future focus areas, merger of Lafarge and Holcim, health and safety etc. were discussed.

EMPLOYEE LEARNING AND DEVELOPMENT

Workforce development is key to strengthening our workmen and ensuring safety; as part of this initiative, productivity and quality training was provided to 70% of our workmen. The ACC Ambuja Cements Limited Leadership Academy (AALA), a joint academy of ACC and Ambuja Cements Limited, was started in February 2012 to provide technical, leadership, procurement, sales and marketing training for employees and the field force of both companies in order to build capability and competence. Robust training modules emphasising quality and effective application at the workplace have been developed. About 50% of staff time at the academy is spent in understanding and inculcating strong work practices during training. AALA aims at using innovative training methodologies to deliver best-in-class quality training and partners with the best management and technical institutes like the Indian School of Business (ISB), IIM - Indore, CRISP, ESAB etc. to build competence in areas where internal expertise support is required. Every effort is made to make these programmes engaging and effective. Training is aligned to the business needs of both Ambuja and ACC. In 2016, on-the-job-training (OJT) will form about 70% of our training plans and will clearly demonstrate a business advantage. In November 2015, a workshop was organised by AALA, Techport – RMSO South Asia and CMO's office to plan for OJT; the workshop equipped participants with OJT tools and helped them prepare both the plant and national level technical training plan for 2016. [LA10](#)



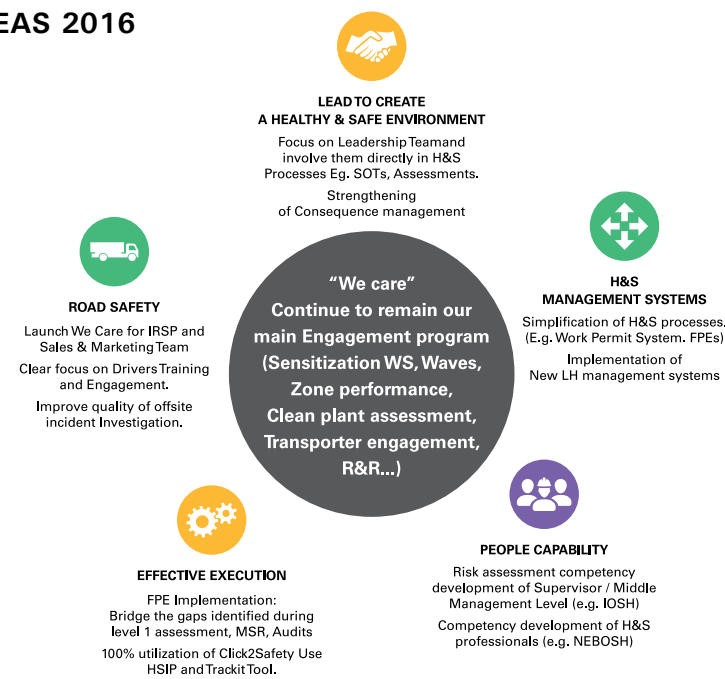
HEALTH AND SAFETY

Health and safety (H&S) is an overarching value at Ambuja. The Company is committed to ensure the safety of all its employees, contractors and everyone associated with it through its 'Zero Harm' policy. Our plants are certified as per OHSAS 18001 world standard. H&S is reviewed monthly by ExCo and quarterly by the Board. Any onsite fatality is reviewed by ExCo. Management is mandated to undertake a specified number of safety observation tours (SOTs) each year. Each function has a specific H&S KRA linked to an employee's performance appraisal; 10-15% of performance is linked with H&S. Strong focus is laid on capacity building in H&S. An incentive scheme for safety stalwarts was introduced, along with consequence management for safety violations.

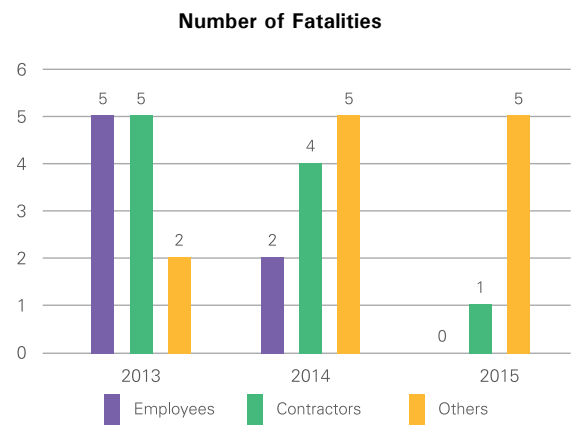
Data consolidated at the corporate level includes (i) Monthly Lead Indicators Report covering SOTs, hazards identified and near misses; (ii) Monthly General Management Report (GMR) which includes all the H&S incident data; and (iii) Online H&S data management system (Click2Safety) with 14 modules on H&S. Incidents are classified into categories like lost time injury (LTI), medical treatment injury (MTI), critical incident etc. Experiences from different plants are shared with employees.

Our onsite performance improved from ten fatalities in 2013 to eight in 2014 and one in 2015. 'We Care', our health and safety excellence initiative launched across the Company in 2014, brought about a change in the mindset of our people, strengthening the safety culture of the Company. H&S became a line

H&S FOCUS AREAS 2016



responsibility and ceased to be a mere functional obligation. This led to standardisation of processes, with increased involvement of people on the ground. A mass training programme was rolled out to build capability among 6,500 employees and contractors involved in high risk activities. Certification programmes were conducted with the help of external experts. About 12,000 people, including over 900 front-line staff and workers, underwent sensitisation workshops and behaviour-based safety training (BBS). A reward and recognition programme was introduced where 374 individuals and 31 teams were rewarded for proactive interventions. In the coming year we plan improve H&S engagement and accountability. Our focus will include demonstrating and enforcing on-the-ground learning. There is also a need to introduce consequence management for non-compliance. Vehicular and traffic safety has been a matter of concern; this year it will be incorporated into our larger strategy.



In the last two years, we have worked together to reduce risks through people engagement, capability building, advanced engineering solutions for key risk areas and strengthening H&S management systems and processes. With these efforts, the number of onsite injuries has reduced to less than half over the last three years. However, we have a long way to go to reach Zero Injury and then Zero Harm. Our efforts will continue with a high level of employee participation, recognition of accomplishments and learning from incidents. Other focus areas for 2016 are risk assessment capability at all levels, and road safety. The immediate focus will be on fleets which are under Ambuja Cements Limited control (in-plant movements, truck yards and dedicated fleets).

Level-1 H&S assessment was completed at Bhatapara, Ambujanagar, Darlaghat, Sankrail, Dadri, Ropar and Panvel for the fatality prevention elements (FPEs); contractor safety management (CSM); India road safety programme (IRSP); and Design Safety and Construction Quality Programme (DSCQP), to analyse implementation of our strategy on the ground. The assessment identified good performance in areas like investments in infrastructure (especially truck parking yards, traffic segregation and elevated work platforms), leadership engagement, a well-managed DSCQP and well maintained Geocycle facilities. With this implementation Ambuja Cements Limited has progressed from Level-1 assessment, but more needs to be done to achieve satisfactory FPE implementation.

‘We Care’ has helped in sensitising shop floor people; safety and line teams have started taking ownership of their H&S performance. Most (95%) of our plants were in the green zone and the rest were in the yellow zone.



Click2Safety, our online H&S management system was launched in 2015. About 50% of the total reported hazards and incidents are being logged through Click2Safety. Our focus is to make it 100% and identify leading indicators that will allow time for proactive interventions. Workers in cement packing and loading sections have a relatively higher risk of occupational health issues. Ambuja Cements Limited has launched drives such as ‘Clean Packing Plant’ to impart training about the use of personal protective equipment (PPE), technology upgradation, automation, better housekeeping, etc. Formal agreements with local trade unions cover health and safety. The focus on safety aspects, especially traffic and third party safety issues, initiated by the India Chapter of the Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development (WBCSD), of which Ambuja Cements Limited is a part, will address the challenges facing the cement industry. [LA7](#), [LA8](#)

CLEAN PLANT AWARDS

Analysis of the last four years (2012 to 2015) shows that about 40% of the total injuries are due to slip/ trip/loss of balance mainly because of hidden hazards. Two years ago, we started a ‘clean plant’ initiative for good housekeeping at our sites and offices. In 2015, we initiated the Clean Plant Awards and rewarded the cleanest integrated plant, grinding unit and BCT during the offsite in May 2015. This initiative will continue in 2016 with the addition of new categories.

2015: Key H&S Performance, People Engagement, Capability Building

- Significant improvement in on-site H&S performance and reduction in total injury since 2013.

- Reached out to 100% (> 12,000) of the people at plants through ‘We Care’ sensitisation workshops. ‘We Care’ Award week celebrated across all plants with theme of ‘Celebrate, Resolve and Reinforce’. Clean plant assessment for all plants.
- Total 374 individuals (safety heroes) and thirty one teams rewarded for proactive H&S contribution.
- More than 800 consequence actions taken against H&S violations.
- Regular sharing of about 400 best practices among plants.
- Sixteen waves completed for LOTO (5), HIRA (2), Learning from Past Incident (4), and Others (5).
- More than 6,500 people performing identified risky operational tasks were trained on life saving rules for the activity.
- More than 900 people covered through two days of behaviour-based safety training.
- Trained 108 welders and 152 electricians through SEDI in addition to 75 riggers, 156 scaffold inspectors and 332 scaffold erectors.
- Fifty four people trained on incident investigation (ICAM).
- E-learning/self learning modules developed for five FPEs, employee induction and plant visitor orientation. More than 10,000 people trained in 3-4 months.
- Electrical safety audit, fire safety adequacy study completed at all plants.
- ELCB/RCCB/RCBO fitted on 7,910 general power outlets and 279 extension boards.
- Lightning arrestor study completed at all IPs & 3 GUs.
- Process safety audit completed in all plants.
- Increased focus on FPE implementation (one dedicated resource in integrated plants from H&S team) and off-site incident investigation.

LOGISTICS SAFETY

We have increased our focus on vehicular and traffic safety (V&TS) with a dedicated logistics H&S officer at all plants to ensure safety within and outside the plant. Defensive driving training (DDT) for drivers, vehicle inspection at plants, segregation of pedestrian and vehicular traffic inside plants with dedicated movement areas and signage have been implemented. Awareness campaigns have been undertaken about PPEs and seat belt usage for all employees, other workers and drivers. GPS is being installed in trucks and bulkers with plans afoot to use IT to analyse GPS and RFID data. Engagement with transporters and drivers has improved. Our focus areas include implementation of Indian Road Safety Program (IRSP); engagement with drivers, transporters and community; key risk programme; seat belts; reward and recognition for drivers and transporters; basic amenities at plant; and DDT.

- In 2015, more than 18,000 drivers underwent defensive driving training and 8 people were certified as defensive driving trainers.
- Customised PPE were distributed for warehouse workers in 2015.
- Initiated systematic analysis of GPS data (about 3,500 units), three-point seat belt for controlled fleet.
- Railway safety audit was completed in Sankrail, MCW, Bhatapara, Ropar and Farakka by an internal team.

RESPECTING HUMAN RIGHTS

Our human rights policy is specified in Ambuja Cements Limited's Code of Conduct and Business Ethics. We prohibit the following practices and will not knowingly do business with any individual or company that participates in: exploitation of children including child labour; physical punishment; gender-based violence; forced or compulsory labour; unlawful discrimination in employment and hiring practices; provision of unsafe working conditions; salary payments (or deductions) below minimum wage; and illegal overtime regulations.



Our commitment to human rights is reinforced by our Group's participation in the UN Global Compact (UNGC), support of the Universal Declaration of Human Rights and our CSR Policy. Ambuja Cements Limited has recently joined The Global Compact Network India (GCNI), the Indian arm of the UNGC, as a life member. Our Group has developed a Human Rights Management System (HRMS) that is mandatory for all our stakeholders. The system examines our own behaviour as well as the value chain, in particular the supply side and third party service contractors. Any incidence of failure to comply with the rules, or other concerns can be shared with our local human resources representative. HRMS is based on country-wise human rights risk assessment and classification and is carried out using Freedom House (an international NGO) and UN human development indices. Issues within a specific country are taken into account; India has been classified as high risk in the context of human rights. Belonging to a high risk country, Ambuja is expected to conduct full-fledged human rights assessments. We undertake a Site Specific Impact Assessment (SSIA) at each of our sites every three years, capturing the perceptions of all our stakeholders and addressing potential risks. Representatives of all our stakeholders interact with the assessment team through focus group discussions. The final report rates our performance on the basis of health and safety; security excesses; grievance mechanisms; community impact; ethics; land management and adherence to ILO core conventions. At the end of the assessment, an action plan is prepared in consultation with the Unit Head and the senior team to mitigate the identified risks. Implementation of the approach is monitored through the annual CSR Questionnaire. The first round of SSIA began in 2012 and was completed for all 13 manufacturing locations in 2015. The second cycle will commence in 2017. The action plan for each site is being implemented. [HR9](#)

We place strong emphasis on the rights of women, preventing child labour or any other forms of forced labour and non-discrimination across our operations and supply chain. We have systems to ensure that the labour engaged by our contractors is covered by the Contract Labour (R&A) Act along with mechanisms to report any violations. The responsibility for implementing the Group's human rights approach rests with the CSR or SD Coordinator along with line and functional management.

Ambuja Cements Limited has a Supplier Code of Conduct (SCC) that covers various human rights aspects; all our suppliers are required to complete the Supplier CSR and OH&S Management System Questionnaires as a condition for eligibility. The self-declaration covers

employee safety, occupational health, corporate social responsibility and environment management. All procurement agreements of the Company include conditions pertaining to labour standards and occupational health and safety.

Currently, significant investment agreements do not include human rights clauses. Although Ambuja Cements Limited does not monitor training hours or the number of employees trained in human rights, our employees are trained and sensitised about human rights through initiatives on sustainable procurement, CSR and labour practices. [HR1, HR2](#)

Ambuja Cements Limited encourages collective bargaining for harmonious industrial relations. Discussions are periodically held and issues resolved with employees' representatives. They are also inducted into various committees constituted for their welfare. No instances or suppliers were reported where violation of employee rights of association or collective bargaining were observed, nor were there any reports of instances or suppliers indulging in child labour, forced or compulsory labour. Although Ambuja Cements Limited does not monitor training hours of security personnel, they are sensitised about human rights through initiatives on labour practices. [HR4, HR5, HR6, HR7](#)

The total number of incidents, complaints or grievances of human rights violations along with the backlog of earlier incidents is zero. No complaints were received, nor are any pending of child labour, forced/involuntary labour, sexual harassment and discriminatory employment. Ambuja promotes equality and diversity and there were no incidents of discrimination in the reporting period. [HR3, HR8, HR12, LA16](#)

COMPLIANCE MANAGEMENT

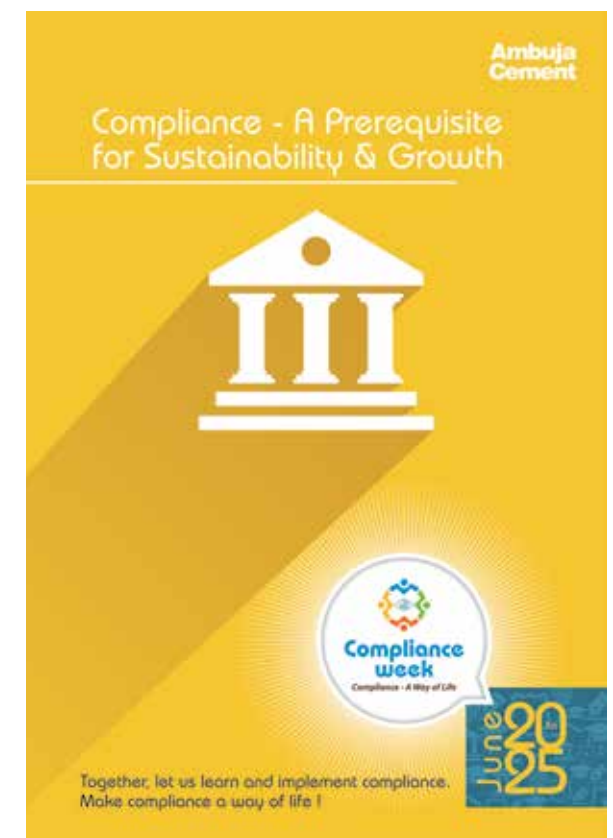
Compliance is monitored by Top Management and the Board Committee. Our e-learning courses on Learning Management System (LMS) include legal and compliance training. In 2015, all relevant employees underwent the mandatory e-learning training and also face-to-face training on Value Creation in a Competitive Environment (VCCE), which is related to compliance with the Competition Law.

We have a formal system of receiving customer complaints through a toll-free number. We received 59 queries/complaints on this number during 2015; no complaints were pending at the end of the year. Twenty consumer cases were pending before different forums/commissions/courts at the beginning of the year. Two more were filed during the year and five disposed, leaving a balance of 17 pending cases at the end of the year.

In June 2012, the Competition Commission of India (CCI) passed an order levying a penalty of ₹ 1163 crore on the Company in connection with a complaint filed by the Builders Association of India against leading cement companies (including Ambuja) for alleged violation of certain provisions of the Competition Act, 2002. The Company filed an appeal before the Competition Appellate Tribunal (COMPAT) for setting aside the said order and obtained a stay order against a deposit of 10% of the penalty amount. In December 2015, COMPAT set aside the said order and handed the case back to CCI for fresh adjudication of the issues. It also allowed the Company to withdraw the 10% deposit kept with CCI.

There are no incidents of non-compliance with regulations and voluntary codes concerning products and services with respect to information and labelling, health and safety impacts, provision and use, or marketing communications, including advertising, promotion, and sponsorship. [SO7, SO8, SO11, PR2, PR4, PR7, PR9](#)

We have initiated the celebration of Compliance Week every year since June 2014 at all plants, regional and corporate offices. This reaffirms our strong commitment towards compliance with all laws, rules, regulations, internal policies, procedures and codes of conduct to our stakeholders. It offers an opportunity to spotlight the importance of ethics and enhanced awareness not just of specific rules and regulations, but of the overall culture of the organisation.



SUSTAINABILITY PERFORMANCE DATA (WITH GRI INDICATORS)

		GRI G4 Indicator	2013	2014	2015
ECONOMIC PERFORMANCE & VALUE CREATION					
Turnover or Net sales (₹Crores)		EC1	9079	9911	9368
Direct Economic value generated	₹Crore	EC1	10795.15	11666.54	11122.15
Wages and benefits to employees	₹Crore	EC1	499.3	562.16	583.87
Payments to providers of capital	₹Crore	EC1	621.4	839.09	526.32
Payments/Benefit to governments (taxes)	₹Crore	EC1	1684.3	1941.13	2,081.67
Benefit to communities/ community investments	₹Crore	EC1	48.9	34.02	40.98
Direct economic value distributed	₹Crore	EC1	11068.98	12574.33	10,705.83
Economic Value Retained (=Economic Value generated-Economic value distributed)	₹Crore	EC1	741.1	756.0	416.32
Sales of cement	million tons	EC1	21.6	22.15	21.53
Operating costs	₹Crore	EC1	7200.0	7534.14	7473.22
EBITDA	₹Crore	EC1	1667	1928	1531
Net Profit After Tax (PAT)	₹Crore	EC1	1295	1496	808
Suppliers					
Number of Suppliers		G4-12	9937	9976	9521
Number of local (Indian) suppliers		G4-12	9822	9868	9399
Number of foreign suppliers		G4-12	115	108	122
% of suppliers identified as “High Risk” (for sustainability criteria aligned with Supplier Code of Conduct)		EN33, LA14, LA15, HR10, HR11, SO9, SO10, SO11	NA	5%	5%
Number of Suppliers screened through Self Assessment Questionnaire			NA	600	490
Monetary value of payments made to suppliers	₹Crore	G4-12	7440	7740	7344
Proportion of spending on local suppliers	%	EC9	91.26	92.63	90.36
Government relations					
Political contribution (Crores)	₹Crore	SO6	Nil	Nil	Nil
Sales Tax Exemption	₹Crore	EC4	189.4	194.4	172.5
Excise Subsidy	₹Crore	EC4	165.2	195.7	136.62
Freight Subsidy	₹Crore	EC4	30.4	29.7	7.14
Capital investment subsidy	₹Crore	EC4	0	0.1	0
Revenue subsidy (Dispensary grant)	₹Crore	EC4	0	0	0.05
Total monetary value of financial assistance received from governments (grants, tax, reliefs and other finance benefits (Crores)	₹Crore	EC4	385	419.9	316.31
Customer relations					
Customer Satisfaction measured every 2 year			In 2012	Yes	Yes
Overall Net Promoter Score (NPS)	%		20	56	91

		GRI G4 Indicator	2013	2014	2015
ENVIRONMENTAL PERFORMANCE					
Number of plants (Cement and grinding plants)			13	13	13
Plants implementing ISO:14001 Management system			13	13	13
Environmental investments	₹Crores	EN31	NA	42	49.3
Number of plants/quarries reporting noncompliance cases		EN29	1	Nil	Nil
Clinker Production Raw Materials					
Limestone-Own mines	tons		20504281	20810230	20277557
Limestone Purchased	tons		229987	651124	801498
Clay & Shale	tons		532338	562355	548714
Marl & Basalt	tons		0	0	0
Silica corrective (Sandstone, Silica sand, Bed Material, China Clay)	tons		186813	225392	216322
Gypsum used in Kiln (SO3-provider)	tons		17695	300	0
Iron correctives (Iron ore, Iron scales, Laterite, Blue dust, Mill scales, LD Sludge, Tailing Waste)	tons		199879	220326	184912
Alumina correctives (Bauxite, Flyash, Red ocre, Brown ocre, Low silica laterite)	tons		200552	231011	185231
Bottom/Bed ash	tons		48010	34152	33688
Cement Production Raw Materials					
Natural Gypsum	tons		686883	822033	746606
Synthetic Gypsum	tons		172499	221673	265386
Flyash/Chemical Additives	tons		5715098	5964584	5064894
Total Raw Materials Used	tons	EN 1	28494035	29743180	28324807
Total Recycled Raw Materials used	tons		6336038	6671746	5734111
% of Materials used that are Recycled Input Materials	%	EN2	22.2%	22.4%	20.2%
Clinker factor (average % of clinker in cement)	%		67.7	66.7	66.57
CO2 Emissions					
Total Scope 1 Direct emissions (Absolute gross: cement & onsite power generation)	tons of CO ₂	EN15	13476725	13997274	13585987
Total Scope 2 Indirect emissions	tons of CO ₂	EN16	634759	794347	888778
Indirect Emissions from Imported Electricity	tons of CO ₂	EN16	536782	707362	547813
Indirect emissions from inbound clinker	tons of CO ₂		97977	86985	340966
Total Scope 3 emissions	tons of CO ₂	EN4, EN17, EN30	Not estimated	167674.4	1528250
Number of Integrated Plants included in Scope-3 emissions			NA	1 of 5	5 of 5
CO ₂ from Combustion of Biomass (kiln & non-kiln fuels including biomass content of mixed fuels)	tons of CO ₂		104466	85193	103860

		GRI G4 Indicator	2013	2014	2015
CO ₂ from Combustion of Biomass (kiln & non-kiln fuels including biomass content of mixed fuels)	tons of CO ₂		104466	85193	103860
Specific Gross CO₂ emissions	kg CO₂/t cementitious material	EN18	561	560	553
Specific Net CO₂ emissions	kg CO₂/t cementitious material	EN18	556	554	545
Reduction in Net CO₂ per tonne of cementitious product	% relative to base yr 1990	EN19	28.0%	28.3%	29.4%
Energy					
Direct/Thermal Energy Consumption		EN3			
Kiln Fuel Consumption					
Coal	TJ		24075	23,885	21218
Petrol coke	TJ		18180	20,326	21216
Diesel oil	TJ		79	87	78
Alternative fossil and mixed fuels	TJ		1234	1682	2328
Biomass fuels	TJ		370	139	245
Non-Kiln Fuel Consumption					
Coal	TJ		15517	15180	14576
Petrol coke	TJ		1863	2,238	2448
(Ultra) heavy fuel, bitumen	TJ		106	97	47
Diesel oil	TJ		21	118	20
Alternative biomass fuels	TJ		623	636	700
Direct Energy Consumed from Wind & Solar Power Generation	Crore Kwh Units		0.99	1.01	1.04
	TJ		35.64	36.36	37.44
Indirect Energy Purchased/Imported Electricity (Corp & mktg offices excluded)	Unit (Kwh) Crores	EN3	57.01	58.59	58.27
	TJ		2052	2,109	2,098
Total Direct & Indirect Energy Consumption from all sources	TJ	EN3	64156	66533	65011
	MWh		17821111	18481389	18058611
Total Renewable Energy Genaration	MWh		58845	60232	59080
Renewable Energy Certificate Purchased	MWh				24324
Power and fuel expenses	₹Crores		2062.92	2,265	2,053
Thermal energy efficiency	MJ/ton clinker	EN5	3079.3	3107.3	3131.66
Electrical energy efficiency	Kwh/ton cement	EN5	79.0	78.9	78
LDO consumption	(Ltr/T of Clinker)	EN6, EN7	0.16	0.20	0.20
Coal & other Fuels (Industry Norms-800)	K.Cal/Kg of Clinker	EN6, EN7	735	741	747

		GRI G4 Indicator	2013	2014	2015
Thermal substitution rate (% thermal energy from alternative fuels)	%	EN6	3.65	3.95	5.71
Co-Processed waste (AFR used)	tonnes in laks		1.74	1.78	2.6
Other atmospheric emissions					
Number of kilns reporting			9	9	9
SOx emissions	tonnes	EN21	3806	4114	3783
NOx emissions	tonnes	EN21	34442	29579	27299
Dust emissions	tonnes	EN21	731	957	468
cementitious materials defined	tonnes		21038420	21978300	21591625
Average SOx specific concentration	g/tonne cementitious materials	EN21	181	187	175
Average NOx specific concentration	g/tonne cementitious materials	EN21	1637	1346	1264
Average Dust specific concentration	g/tonne cementitious materials	EN21	35	44	22
Biodiversity and resources conservation					
Number of biodiversity-sensitive sites		EN11	2	2	2
Number of biodiversity-sensitive sites with Biodiversity Action Plans in place			2	2	2
Number of IUCN Red List species at Ambujanagar and Darlaghat sites		EN14			
Critically Endangered			1	1	1
Endangered			1	1	1
Vulnerable			3	3	3
Near Threatened			4	4	4
Of Least Concern			218	218	218
Approved mining plans of local authorities (% sites)			100	100	100
% of sites with quarry rehabilitation plans in place		EN12	100	100	100
Water					
Water Withdrawal					
From groundwater	m3		2325752	2227519	2330522
From surface water	m3		1304648	1785546	1778346
From harvested rainwater	m3		1765165	1980832	1759806
3rd party purchase/municipal water™	m3		840710	818043	819609
Total Water Withdrawn	m3	EN8	6236275	6811940	6688283
Recycled Water (from STP/ETP/RO Reject etc)	m3	EN10	1035032	1081607	920055
% of water recycled		EN10	16.60	15.88	13.8
Total water discharge (m3)	m3	EN22	12759	31570	35154

GRI G4 Indicator			2013	2014	2015
Transport					
Sea	%	EN30	13.7%	14.4%	14.3%
Rail	%		23.2%	24.6%	24.3%
Road	%		63.1%	61.0%	61.5%
Waste management and recycling					
Total hazardous waste generated	tonnes	EN23	469	315	389
Total non-hazardous waste generated	tonnes	EN23	312992	324839	309970
General waste mgt system (%)			100	100	100
Co-Processed waste (AFR used)	tonnes in lakhs		1.74	1.78	2.6

SOCIAL PERFORMANCE

Employment practices

Number of Permanent Employees		G4 10 & LA12	6030	5882	5622
Number of Employees with Disability		LA12	21	22	25
Employee turnover (%)		LA1	7.9	7.7	9.6
No. of female in workforce		LA12			
Top management level			0	2	2
Senior management level			0	4	2
Middle management level			4	18	21
Notice given for operational changes		LA4	3 weeks	3 weeks	3 weeks
Employee Engagement Score			54th percentile (Gallup)	NA	81% (Aon Hewitt survey)
Response rate of EE survey	%			NA	96.5
Whether employee grievance procedures in place			Yes	Yes	Yes
Whether grievances can be submitted anonymously			Yes	Yes	Yes

No of training programs conducted

Top Management Level			64	28	1
Senior Management Level			190	219	32
Middie Management Level			404	419	103
Other organizational levels (FML & Wage Board)			441	657	246
Total			1099	1323	382
Hours of training per employee		LA9			
Top Management Level			62	11	7
Senior Management Level			48	29	17
Middie Management Level			36	33	25
Other organizational levels (FML & Wage Board)			26	23	17
Average of all levels			43	24	17

GRI G4 Indicator			2013	2014	2015
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees		G4-54	NA	NA	120.6
Ratio of % increase in annual total compensation for the highest-paid individual to the median % increase in annual total compensation for all employees		G4-55	NA	NA	1.6
Employee benefits expense	₹ Crores		502.41	581.58	589.5
Occupational health and safety					
% of workforce represented by committees.	%	LA5	100	100	100
Number of Fatalities		LA6			
Employees			5	2	0
Contractors			5	4	1
Others			2	5	5
Total Fatalities			12	11*	6
Lost-time injury frequency rate (LTIFR)		LA6	0.91	0.8	1.07
Directly employed (Own and subcontractors onsite)			1.01	0.86	1.07
Indirectly employed (Third-party service providers on site)			1.19	0.76	1.31
LTISR			89.6	72	91.92
LTI & MTI			204	98	94
% Plants with joint health and safety committees	%	LA8	100	100	100
Community involvement					
Community spending total (₹ Crores)		EC1	52.57	38.4	40.98
Health & Sanitation Development	%		9	7	22
Rural Infrastructure Development	%		18	21	20
Water Resource Development	%		11	19	19
Skill Based Livelihood	%		NA	11	17
Agro Based Livelihood	%		8	20	12
Overheads	%		14	10	4
Women Development	%		1	2	3
Education Development	%		32	9	2
Others (Sports, Donations, Flood relief)	%		7	1	1
Stakeholder engagement at local level:-Stakeholder dialogues, Need assessment. Stakeholder involvement in CSR planning, Community advisory panels,Community engagement plan.	% of sites	SO1	100	100	100

*Re-stated due to correction in source data.



INDEPENDENT ASSURANCE STATEMENT

Ambuja Cements Limited (ACL) engaged Emergent Ventures India Pvt. Ltd. (EVI) to undertake an independent assurance of its Corporate Sustainability Report for the year 2015. The assurance process has been conducted in accordance with requirements of standard AA1000AS (2008). Adherence to the principles laid out in AA1000AS (2008) and GRI G4 Guidelines and the mining & metals sector supplements have been used as criteria to evaluate the report.

The intended users of this assurance statement are the readers of ACL's Sustainability Report 2015. The management of ACL is responsible for engagement with stakeholders, identification of material issues; and the collection and presentation of the information contained in the report.

In performing the assurance activities, EVI's responsibility is to the management of ACL only in accordance with the terms of reference agreed between them. EVI do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

SCOPE OF ASSURANCE

EVI has been engaged to provide Type 2 Moderate level of assurance as per AA1000AS (2008) assurance standard for the report. The scope of the assurance includes the following:

1. Evaluate the adherence to the Foundation Principle of Inclusivity, the Principle of Materiality and the Principle of Responsiveness laid out in AA1000AS (2008).
2. Evaluate the adherence to the principles of accuracy, balance, clarity, comparability, reliability and timeliness laid out in the GRI G4 Guidelines.
3. Evaluate reliability of specified sustainability performance data for the reporting period from January 2015 to December 2015.

OUR APPROACH

The assurance process has been conducted based on physical site visits, interaction with respective departments, review of processes & practices for identification and collation of relevant information, report content and performance data, which included a review of the stakeholder engagement and materiality determination process.

The following key steps are undertaken during the assurance process:

1. **Review of ACL's Sustainability Report 2015:** A review of the draft Sustainability report is conducted to check alignment of reported data reported against respective economic, environment & social indicators mentioned in GRI G4 'In accordance'- comprehensive guidelines. In addition, mapping along the principles of AA1000AS (2008) is carried out.
2. **Site Visits:** Assurance team visited representative sites of ACL comprising of an integrated cement plant (Rabriyawas, Rajasthan), a cement grinding unit (Dadri, Uttar Pradesh) and corporate head quarters (Mumbai) to evaluate the sources of data.
3. **Data Verification:** Assurance team verified the robustness of data management, information flow & controls and performed sample based review of mechanisms for implementing the company's sustainability related policies and plans, as described in the report. The information disclosed under different indicators is verified by checking with different sources of the information & documents e.g. SAP reports, General Management Report (GMR), Annual Technical Report (ATR), Management Information System (MIS) reports, reports submitted to regulatory bodies, utility bills, inter departmental communication, purchase orders etc supported by on-site inspection.

CONCLUSION

ACL's Sustainability Report 2015 provides an appropriate representation of the sustainable development initiatives undertaken by the company. ACL has built processes that allow them to identify the material aspects for the company, collect performance data for majority of its facilities and report the information in adherence to the principles of AA1000 & GRI G4 guidelines.

The observations on the adherence of the three principles under AA1000AS (2008) are as follows:

Foundation Principle of Inclusivity: No material evidence is found to suggest that ACL has not applied the principle of inclusivity in engaging with its stakeholders. Different departments engage regularly with their relevant stakeholders through multiple engagement channels.

Principle of Materiality: ACL has followed a structured process of materiality determination. It is found that no material aspect of sustainability performance has been excluded from the report.

Principle of Responsiveness: ACL has applied the principle of responsiveness with respect to its stakeholders. No material evidence is found to suggest that responsiveness principle is not being applied in dealing with the stakeholders.

GRI G4 Guidelines

The report meets the requirement of reporting as specified by GRI G4 'In accordance'- Comprehensive guidelines.

OBSERVATIONS AND RECOMMENDATIONS

Without affecting the overall conclusions on the sustainability report, the following observations and recommendations are made:

- Awareness level of onsite personnel towards GRI reporting requirements needs to be enhanced.
- ACL has introduced a new data capturing process for managing health and safety information. This process needs to be further strengthened to enhance the effectiveness of reported information through this system.
- Reporting on significant actual & potential negative impacts for labour practices and human rights in the supply chain and measures taken for the same may be further strengthened.
- ACL recognises the increasing importance of supply chain in growth of business and has proactively initiated several steps to ensure the overall sustainability of its supply chain e.g. assessment of critical suppliers based on their sustainability performance, vast focus on sustainability issues in supplier code of conduct etc. ACL should enhance the disclosure level towards the outcome and effectiveness of these initiatives in the future reports.

LIMITATIONS AND EXCLUSIONS

1. Scope of assurance is limited to the boundary defined in the report and the period of 1st January 2015 to 31st December 2015.
2. Assurance is subject to no physical verification of items like inventory of material consumed, waste generated, emissions and effluents etc. Assurance relied solely on the documentation maintained and provided by the company.
3. The scope of assurance does not cover the statements in the report that describe companies approach, strategy, aim, expectation, aspiration or beliefs or intentions.

STATEMENT OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Emergent Ventures India (EVI) is an independent professional services company that specialises in various facets of sustainability and climate change services in providing independence assurance services. No member of assurance team has any sort of business relationship with the ACL. EVI's sole responsibility was to provide independent assurance on the contents of the Sustainability Report. EVI is cautiously maintaining high ethical standards among their day to day business activities and is particularly vigilant in the prevention of any conflict of interest. The assurance exercise is conducted independently depicting EVI's competence and impartial opinion with no conflict of interest.

For Emergent Ventures India Private Ltd.



AA1000
Licensed Assurance Provider
000-96

Atul Sanghal
Business Head – Sustainability & Climate Change
Emergent Ventures India Private Ltd.
Gurgaon, 6th of May, 2016

GRI G4 - CONTENT INDEX ‘IN ACCORDANCE’ –COMPREHENSIVE

GENERAL STANDARD DISCLOSURES		
Indicator	Description (Pg. no)	External Assurance
Strategy and Analysis		
G4-1	Statement from the most senior decision-maker (pg.4)	Yes (pg.64-65)
G4-2	Key impacts, risks and opportunities (pg.26)	Yes (pg.64-65)
Organisational Profile		
G4-3	Name of the organisation (pg.18)	Yes (pg.64-65)
G4-4	Primary brands, products, and services (pg.34)	Yes (pg.64-65)
G4-5	Location of the headquarter (pg.18)	Yes (pg.64-65)
G4-6	Countries of operation (pg.18)	Yes (pg.64-65)
G4-7	Nature of ownership and legal form (pg.18)	Yes (pg.64-65)
G4-8	Markets served (pg.18)	Yes (pg.64-65)
G4-9	Scale of the organisation (pg.18)	Yes (pg.64-65)
G4-10	Number of employees (by employment contract, gender, age, region, etc) (pg.51,62)	Yes (pg.64-65)
G4-11	Collective bargaining agreements (pg.52)	Yes (pg.64-65)
G4-12	Supply chain description (pg.20,35)	Yes (pg.64-65)
G4-13	Significant changes in the reporting period regarding the organisation’s size, structure, ownership, or its supply chain (pg.20)	Yes (pg.64-65)
G4-14	Precautionary approach or principle (pg.27)	Yes (pg.64-65)
G4-15	External charters, principles, or other initiatives (pg.19)	Yes (pg.64-65)
G4-16	Membership of associations (pg.19)	Yes (pg.64-65)
Identified Material Aspects and Boundaries		
G4-17	List all entities included (pg.19,21)	Yes (pg.64-65)
G4-18	Defining the report content and the aspect boundaries (pg.19)	Yes (pg.64-65)
G4-19	Material aspects identified (pg.20)	Yes (pg.64-65)
G4-20	Aspect boundary within the organisation (pg.21)	Yes (pg.64-65)
G4-21	Aspect boundary outside the organisation (pg.21)	Yes (pg.64-65)
G4-22	Restatements (pg.21)	Yes (pg.64-65)
G4-23	Significant reporting changes in the scope and aspect boundaries (pg.19,21)	Yes (pg.64-65)
Stakeholder Engagement		
G4-24	List of stakeholder groups engaged (pg.22)	Yes (pg.64-65)
G4-25	Basis for identification and selection of stakeholders (pg.22)	Yes (pg.64-65)
G4-26	Approach to stakeholder engagement (pg.22)	Yes (pg.64-65)
G4-27	Key topics and concerns raised by through stakeholder engagement, and the organisation’s response (pg.23)	Yes (pg.64-65)
Report Profile		
G4-28	Reporting period (pg.19)	Yes (pg.64-65)
G4-29	Most recent previous report (pg.19)	Yes (pg.64-65)
G4-30	Reporting cycle (pg.19)	Yes (pg.64-65)
G4-31	Contact point for questions regarding the Report content (pg.19)	Yes (pg.64-65)
G4-32	‘In accordance’ option chosen, GRI Content Index, and Assurance (pg.19)	Yes (pg.64-65)
G4-33	Policy and current practice for external assurance for the Report (pg.19)	Yes (pg.64-65)
Governance		
G4-34	Governance structure (pg.28)	Yes (pg.64-65)
G4-35	Process for delegating authority from the highest governance body to senior executives and other employees (pg.30)	Yes (pg.64-65)
G4-36	Executive-level position (s) and reporting to the highest governance body (pg.30)	Yes (pg.64-65)
G4-37	Processes for consultation between stakeholders and the highest governance body (pg.30)	Yes (pg.64-65)
G4-38	Composition of the highest governance body and its committees (pg.29)	Yes (pg.64-65)
G4-39	Highest governance body (Chair) (pg.29)	Yes (pg.64-65)

Indicator	Description (Pg. no)	External Assurance
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used (pg.29,30)	Yes (pg.64-65)
G4-41	Avoidance of conflicts of interest for the highest governance body (pg.31)	Yes (pg.64-65)
G4-42	Role of governance body towards purpose, values or mission statements, strategies, policies, and goals (pg.30)	Yes (pg.64-65)
G4-43	Measures taken to develop and enhance the highest governance body’s collective knowledge (Partially reported) (pg.29)	Yes (pg.64-65)
G4-44	Processes for evaluation of the highest governance body’s performance with respect to governance (pg.29)	Yes (pg.64-65)
G4-45	Highest governance body’s role in the identification and management of impacts, risks, and opportunities; including implementation of due diligence processes (pg.27)	Yes (pg.64-65)
G4-46	Highest governance body’s role in reviewing the effectiveness of the organisation’s risk management processes (pg.27)	Yes (pg.64-65)
G4-47	Frequency of the highest governance body’s review impacts, risks, and opportunities (pg.27)	Yes (pg.64-65)
G4-48	Highest committee or position that formally reviews and approves Sustainability Report and ensures that all material aspects are covered (pg.19,30)	Yes (pg.64-65)
G4-49	Process for communicating critical concerns to the highest governance body (pg.27,49)	Yes (pg.64-65)
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them (pg.27)	Yes (pg.64-65)
G4-51	Remuneration policies for the highest governance body and senior executives (pg.30)	Yes (pg.64-65)
G4-52	Process for determining remuneration (pg.30)	Yes (pg.64-65)
G4-53	Seeking stakeholders’ views regarding remuneration (pg.30)	Yes (pg.64-65)
G4-54	Ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all employees (pg.30,63)	Yes (pg.64-65)
G4-55	Ratio of percentage increase in total annual compensation of the highest-paid individual to the median percentage increase in total annual compensation of all employees (pg.30,63)	Yes (pg.64-65)
Ethics and Integrity		
G4-56	Values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics (pg.31)	Yes (pg.64-65)
G4-57 & G4-58	Internal and external mechanisms for seeking advice on and for reporting concerns about ethical and lawful behaviour, and matters related to integrity, such as helplines or advice lines (pg.31)	Yes (pg.64-65)

CATEGORY: ECONOMIC

G4-DMA	Disclosure on Management approach (pg.32)	Yes (pg.64-65)
G4-EC1	Direct and indirect economic value generated and distributed (pg.32,58,63)	Yes (pg.64-65)
G4-EC2	Financial implications and other risks and opportunities for the organisation’s activities due to climate change (pg.26,40)	Yes (pg.64-65)
G4-EC3	Coverage of organisation’s defined benefit plan obligations (pg.52)	Yes (pg.64-65)
G4-EC4	Financial assistance received from Government (pg.58)	Yes (pg.64-65)

Market Presence

G4-DMA	Disclosure on Management approach (pg.18)	Yes (pg.64-65)
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation (pg.52)	Yes (pg.64-65)
G4-EC6	Proportion of Senior Management hired from the local community at significant locations of operation (pg.52)	No

Indirect Economic Impacts

G4-DMA	Disclosure on Management approach (pg.47)	Yes (pg.64-65)
G4-EC7	Development and impact of infrastructure investments and services supported (pg.47)	Yes (pg.64-65)
G4-EC8	Significant indirect economic impacts, including the extent of impacts (pg.47,49)	Yes (pg.64-65)

Procurement Practices

G4-DMA	Disclosure on Management approach (pg.35)	Yes (pg.64-65)
G4-EC9	Proportion of spending on local suppliers (pg.35,58)	Yes (pg.64-65)

Indicator	Description (Pg. no)	External Assurance
CATEGORY: ENVIRONMENTAL		
Materials		
G4-DMA	Disclosure on Management approach (pg.37)	Yes (pg.64-65)
G4-EN1	Materials used by weight or volume (pg.59)	Yes (pg.64-65)
G4-EN2	Percentage of materials used that are recycled input materials (pg.59)	Yes (pg.64-65)
Energy		
G4-DMA	Disclosure on Management approach (pg.38)	Yes (pg.64-65)
G4-EN3	Energy consumption within the organization (pg.60)	Yes (pg.64-65)
G4-EN4	Energy consumption outside of the organisation (pg.59)	Yes (pg.64-65)
G4-EN5	Energy intensity (pg.60)	Yes (pg.64-65)
G4-EN6	Reductions of energy consumption (pg.38,61)	Yes (pg.64-65)
G4-EN7	Reductions in energy requirements of products and services (pg.38)	Yes (pg.64-65)
Water		
G4-DMA	Disclosure on Management approach (pg.41)	Yes (pg.64-65)
G4-EN8	Total water withdrawn by source (pg.42,61)	Yes (pg.64-65)
G4-EN9	Water sources significantly affected by withdrawal of water (pg.42)	Yes (pg.64-65)
G4-EN10	Percentage and total volume of water recycled and reused (pg.42,61)	Yes (pg.64-65)
Biodiversity		
G4-DMA	Disclosure on Management approach (pg.44)	Yes (pg.64-65)
G4-EN11	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas (pg.43,61)	Yes (pg.64-65)
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas (pg.44,61)	Yes (pg.64-65)
G4-EN13	Habitats protected or restored (pg.43)	Yes (pg.64-65)
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk (pg.61)	Yes (pg.64-65)
Emissions		
G4-DMA	Disclosure on Management approach (pg.39)	Yes (pg.64-65)
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1) (pg.40,59)	Yes (pg.64-65)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2) (pg.59)	Yes (pg.64-65)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3) (pg.59)	Yes (pg.64-65)
G4-EN18	Greenhouse gas (GHG) emission intensity (pg.40,60)	Yes (pg.64-65)
G4-EN19	Reduction of greenhouse gas (GHG) emissions (pg.40,60)	Yes (pg.64-65)
G4-EN20	Emissions of ozone-depleting substances (ODS) (pg.40)	Yes (pg.64-65)
G4-EN21	NOx, SOx, and other significant air emissions (pg.61)	Yes (pg.64-65)
Effluents and Wastes		
G4-DMA	Disclosure on Management approach (pg.45)	Yes (pg.64-65)
G4-EN22	Total water discharge by quality and destination (pg.42,61)	Yes (pg.64-65)
G4-EN23	Total weight of waste by type and disposal method (pg.62)	Yes (pg.64-65)
G4-EN24	Total number and volume of significant spills (pg.46)	Yes (pg.64-65)
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention and percentage of transported waste shipped internationally (pg.46)	Yes (pg.64-65)
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff (pg.42)	Yes (pg.64-65)
Products And Services		
G4-DMA	Disclosure on Management approach (pg.46)	Yes (pg.64-65)
G4-EN27	Environmental impacts of products and services (pg.46)	Yes (pg.64-65)
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category (pg.46)	Yes (pg.64-65)

Indicator	Description (Pg. no)	External Assurance
Compliance		
G4-DMA	Disclosure on Management approach (pg.57)	Yes (pg.64-65)
G4-EN29	Significant fines and non-monetary sanctions for environmental non-compliance (pg.37, 59)	Yes (pg.64-65)
Transport		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for operations, and transporting members of the workforce (pg.46, 59)	Yes (pg.64-65)
Overall		
G4-EN31	Total environmental protection expenditures and investments (pg.37,59)	Yes (pg.64-65)
Supplier Environmental Assessment		
G4-DMA	Disclosure on Management approach (pg.35)	Yes (pg.64-65)
G4-EN32	New suppliers screened using environmental criteria (pg.36)	Yes (pg.64-65)
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken (pg.35,58)	Yes (pg.64-65)
Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed through formal grievance mechanisms (pg.37)	Yes (pg.64-65)

CATEGORY: SOCIAL		
Labor Practices And Decent Work: Employment		
G4-LA1	Total number and rate of new employee hires and rate of employee turnover by age group,gender and region (pg.51, 62)	Yes (pg.64-65)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees (pg.52)	Yes (pg.64-65)
G4-LA3	Return to work and retention rates after parental leave (pg.52)	Yes (pg.64-65)
Labor/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes (pg.52, 62)	Yes (pg.64-65)
Occupational Health And Safety		
G4-DMA	Disclosure on Management approach (pg.53)	Yes (pg.64-65)
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees (pg.63)	Yes (pg.64-65)
G4-LA6	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities (pg.63)	Yes (pg.64-65)
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation (pg.55)	Yes (pg.64-65)
G4-LA8	Health and safety topics covered in formal agreements with trade unions (pg.55,63)	Yes (pg.64-65)
Training And Education		
G4-DMA	Disclosure on Management approach (pg.52)	Yes (pg.64-65)
G4-LA9	Average hours of training per year per employee (pg.62)	Yes (pg.64-65)
G4-LA10	Programs for skills management and lifelong learning that support the continued employability (pg.53)	Yes (pg.64-65)
G4-LA11	Percentage of employees receiving regular performance and career development reviews (pg.52)	Yes (pg.64-65)
Diversity And Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity (pg.51, 62)	Yes (pg.64-65)
Equal Remuneration For Women And Men		
G4-LA13	Ratio of basic salary and remuneration of women to men byemployee category (pg.52)	Yes (pg.64-65)
Supplier Assessment For Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labourpractices criteria (pg.35,58)	Yes (pg.64-65)
G4-LA15	Significant, actual and potential negative impacts for labour practices in the supply chain and action taken (pg.35, 58)	Yes (pg.64-65)

Indicator	Description (Pg. no)	External Assurance
Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms (pg.57)	Yes (pg.64-65)
HUMAN RIGHTS		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening (pg.57)	Yes (pg.64-65)
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained (pg.57)	Yes (pg.64-65)
Non-Discrimination		
G4-HR3	Total number of incidents of discrimination and corrective action taken (pg.57)	Yes (pg.64-65)
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights (pg.57)	Yes (pg.64-65)
Child Labour		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour (pg.57)	Yes (pg.64-65)
Forced Or Compulsory Labour		
G4-HR6	Operations and suppliers at risk for incidents of forced or compulsory labour (pg.57)	Yes (pg.64-65)
Security Practices		
G4-HR7	Percentage of security personnel trained in the organisation’s human rights policies or procedures that are relevant to operations (pg.57)	Yes (pg.64-65)
Indigenous Rights		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and action taken (pg.57)	Yes (pg.64-65)
Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments (pg.56)	Yes (pg.64-65)
Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria. (pg.35,58)	Yes (pg.64-65)
G4-HR11	Significant, actual and potential negative human rights impacts in the supply chain and action taken (pg.35, 58)	Yes (pg.64-65)
Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms (pg.57)	Yes (pg.64-65)
SOCIETY		
Local Communities		
G4-DMA	Disclosure on Management approach (pg.47)	Yes (pg.64-65)
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes (pg.47,63)	Yes (pg.64-65)
G4-SO2	Operations with significant actual or potential negative impacts on local communities (pg.43, 47)	Yes (pg.64-65)
Anti-Corruption		
G4-DMA	Disclosure on Management approach (pg.31)	Yes (pg.64-65)
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified (pg.31)	Yes (pg.64-65)
G4-SO4	Communication and training on anti-corruption policies and procedures (pg.31)	Yes (pg.64-65)
G4-SO5	Confirmed incidents of corruption and actions taken (pg.31)	No
Public Policy		
G4-DMA	Disclosure on Management approach (pg.31)	Yes (pg.64-65)
G4-SO6	Total value of political contributions by country and recipient/beneficiary (pg.31, 58)	No

Indicator	Description (Pg. no)	External Assurance
Anti-Competitive Behaviour		
G4-DMA	Disclosure on Management approach (pg.57)	Yes (pg.64-65)
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes (pg.57)	Yes (pg.64-65)
Compliance		
G4-DMA	Disclosure on Management approach (pg.57)	Yes (pg.64-65)
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance (pg.57)	Yes (pg.64-65)
Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society (pg.35, 58)	No
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and action taken (pg.35,58)	No
Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms (pg.57,58)	Yes (pg.64-65)
PRODUCT RESPONSIBILITY		
Customer Health And Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement (pg.33)	Yes (pg.64-65)
G4-PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes (pg.57)	Yes (pg.64-65)
Product and Service Labelling		
G4-PR3	Type of product and service information and labelling (pg.33)	Yes (pg.64-65)
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling (pg.35,57)	Yes (pg.64-65)
G4-PR5	Results of surveys measuring customer satisfaction (pg.35)	Yes (pg.64-65)
Marketing Communications		
G4-PR6	Sale of banned or disputed products (pg.35)	Yes (pg.64-65)
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship (pg.57)	Yes (pg.64-65)
Customer Privacy		
G4-PR8	Total number of substantiated complaints received concerning breaches of customer privacy and losses of customer data (pg.35)	Yes (pg.64-65)
Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services (pg.57)	Yes (pg.64-65)

Awards & Accolades

CII-ITC Sustainability Award 2015, fifth consecutive year for
'Significant Achievement for Commendable Results from Deployment of
Policies and Processes' under Large Industry Category (Corporate).

Recognition for commendable work in CSR
at the FICCI CSR Award 2013-14 (given in 2015).

Pandit Madan Mohan Malviya Silver Award for Best CSR Practices
in Education (2015).

CII-ITC Sustainability Domain Awards to Bhatapara plant in Category F of
'Excellence in Corporate Social Responsibility' and
'Commendation for Significant Achievement in Environment Management'.

First prize to ACF- Darlaghat and Chandrapur for
'Excellence in Water Management and Conservation' at 3rd FICCI Water Award, 2015
under the category of Community Initiative by Industry.
Also, 2nd prize to Maratha Cement Works (MCW) and Rabriya was plant jointly.

NABARD's 'Best Partnership Award' to ACF - Darlaghat for
'Watershed Development Projects in Himachal Pradesh'.

Championship trophy in 18th Punjab State Special Olympics (2015)
to Ambuja Manovikas Kendra run by ACF Two AMK athletes won medals
at the World Summer Special Olympics, Los Angeles (2015).

'Best Environmental Excellence in Limestone Mines' award to
Ambujanagar plant for the year 2014-15 at the 14th International Council
for Cement and Building Material seminar of NCBM.

Rabriyawas plant was recognised by Rajasthan Renewable Energy Corporation Ltd.
for 'Remarkable Performance in Energy Conservation in the Cement Sector'.

ACF - Ropar was adjudged the 'Best HIV Project for Intravenous Drug Users'
by the State Institute of Health and Family Welfare, Punjab.

For suggestions/feedback please contact:

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