



**AMBUJA CEMENTS
LIMITED**

**SUSTAINABLE
DEVELOPMENT REPORT
2013**



THE VALUE OF AN ORGANISATION IS
MORE THAN JUST THE FINANCIALS ALONE.

THE TRUE PICTURE IS REVEALED
BY THE SUM TOTAL OF OUR ACTIONS.

WHEN SOCIAL AND ENVIRONMENTAL
RESULTS ARE ADDED TO THE EQUATION,
WE GET THE TRUE VALUE.

AT AMBUJA WE ARE COMMITTED TO
BETTERING OURSELVES IN EVERY SPHERE.
IT IS A PERSONAL MISSION TO INCREASE
OUR TRUE VALUE WITH EVERY YEAR,
THROUGH EVERY TASK WE UNDERTAKE DAILY.

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MESSAGE FROM THE CHAIRMAN

India today is a nation in the balance. On the one hand we are one of the fastest developing nations in the world. But on the other side of the scale lies India's social needs and economic distribution. It poses a unique challenge for business, society and the policy makers.

At Ambuja we strongly believe that Sustainability is one the most powerful answers to these challenges. It is the key to a safer and happier future for generations to come.

So it gives me great pride to introduce Value Creation - Ambuja Cements' Sustainability Report of 2013. In the quest to create value beyond business, our people are focused on creating enduring results in all three aspects of our future - Social, Environmental and Economic. As a company that touches millions of lives we feel responsible for building a stronger nation.

To understand our focus on Sustainability it is important to know that it has always been a part of Ambuja's culture. It was 27 years ago when the company's first bag of cement was produced

at Ambujanagar. And right from that time our philosophy has been centered on I Can – a personal mission to transform the world around us. While this report is not mandated by law, we feel compelled by a sense of responsibility to society, to share our results and efforts towards Sustainability.

A strong financial performance serves as more than just profit. It allows us to make investments that continue responsible and safe operations, produce superior quality cement for the nation, as well as reward our shareholders. However our employees remain our most valuable asset. While the company has scaled up production, we've simultaneously improved safety operations and social well-being. And the global benchmarks set by the Holcim Group will only raise the standards ever higher.

Another equally important function of Sustainability is Corporate Social Responsibility. Ambuja ensures that the lives it touches are always changed for the better, right down to the smallest aspects of living. Because even a small deed can create ripples of change. The company

spent ₹52.57 crores during the year 2013 on CSR activities alone, which accounts for over 4% of the company's net profit. Our engagement through our CSR arm, the Ambuja Cement Foundation (ACF), has earned us important recognition from various stakeholders like community, government, NGOs and industry associations. It's no wonder then that we have been recognised as pioneers in CSR and Sustainability.

This report is intended to extensively cover all practices that are directed towards the environment, society and economy in the course of our business operations. But it is more than just a summary of the tasks that we have accomplished. I intend it to be a roadmap for the future of our Sustainability efforts. The world is watching us and we aim to rise to the challenge of improving with every year.

N. S. Sekhsaria

N. S. Sekhsaria
Chairman



MESSAGE FROM THE MANAGING DIRECTOR

As competition for resources intensifies, assessing the value of environmental and social impact, as well as opportunities, is vital. It will prove instrumental for anticipating future developments and gaining a competitive advantage. While currently these factors are not accounted for in the cost of goods, this is bound to reflect eventually.

At Ambuja, Sustainability has always been at the core of all our operations. In order to lead the way one must attain the role through actions. This will only happen when we give back more to the environment than what we take from it.

To help us build competitiveness through Sustainability we have launched the True Value project with support from KPMG. The aim is two-pronged: one, to take into account the company's operations on society and the environment; and secondly, to maximise future profitability.

Hence, the True Value project would help us understand both the impact as well as gain insights to the value that could be at risk by 2020.

All the levers of True Value such as alternative fuels and raw materials (AFR), plastic, and water, help us reduce cost. A sustained effort at cost reduction can help us stay years ahead of the competition.

Industries would do well to take note of the evolving need for True Value. Findings of the recently conducted True Value study showed that overall, ACL shows a positive financial impact on net environmental and social values. It also highlighted where the company needs to invest in reducing negative values – especially in the environmental domain. The study specifically showed that ACL could profitably maximise its True Value by focusing its resources on carbon emissions, water and further expanding its social engagements.

Even as a lot of work is being done on different aspects of the True Value project, the Ambuja Cement Foundation is a big force for the company in generating positives.

Now is the time to think more broadly. It is essential to fully integrate the True Value concept in business processes, and revalidate

our 2020 Sustainability ambitions. We should not only look to reduce costs and impact but also generate more positives, with lower investment. And we must focus our thinking on the triple bottom-line performance of the company. Together they will put us ahead, on the right path, for the future.

Onne van der Weijde
Managing Director



MESSAGE FROM THE DEPUTY MANAGING DIRECTOR & CEO

I'm pleased to announce the creation of a project that addresses paramount issues in the current state of affairs. 'True Value' is a unique measurement tool that takes into account the financial, environmental and social performance. ACL is proud to be the first company to estimate its True Value.

One of the factors that has gone into assessing our environmental and social performance, is the company's stress on environmentally-friendly and cost effective resources leading to the establishment of a Geocycle Department. The department focuses on converting waste into compatible material for the cement industry. The team also draws inspiration from Holcim's Sustainability policy on energy, eco-efficient products, atmospheric emissions and sustainable construction.

For the third consecutive year, we have significantly reduced CO2 emissions, with a more ambitious target with each step. An important factor has been increasing the use of alternative fuels and raw materials (AFR).

Energy is a key component of environmental practices. As an internal initiative the team at Ambuja took the lead in setting up the Regional Chapter of Energy Activation across Regional Network (EARN), to build a lean energy culture. EARN works towards reducing traditional energy consumption through the use of greener fuels.

Along with the environment, our focus on Occupational Health and Safety (OH&S) has been further strengthened with the launch of 'We Care', a program that instills a culture of safety in every aspect of work. We understand growth plans cannot happen in isolation and require the support of communities and societies.

In order to review the impact of our interventions, our team created the Social Engagement Scorecard (SES) and Site Specific Impact Assessment (SSIA) that is used across various locations.

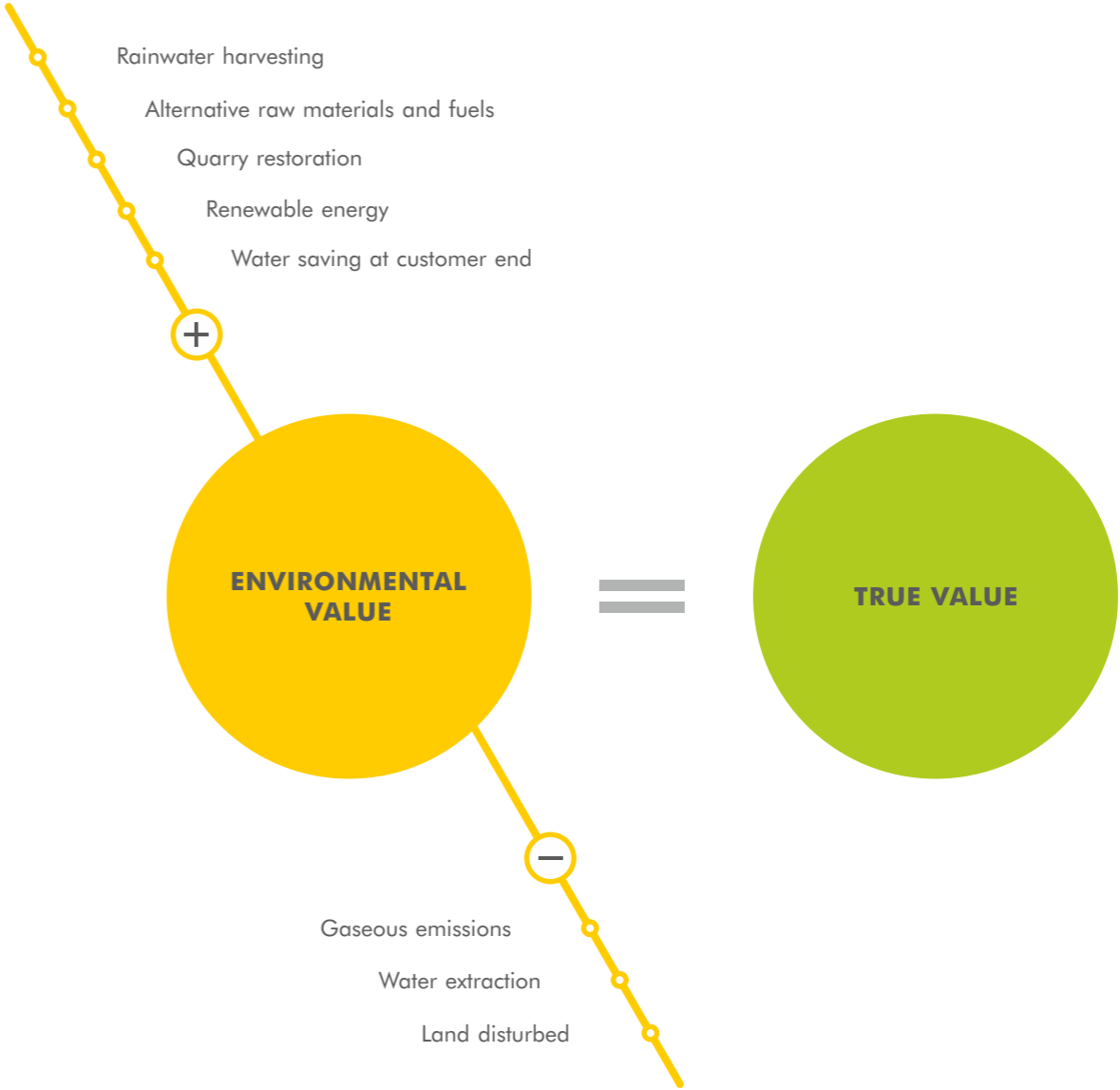
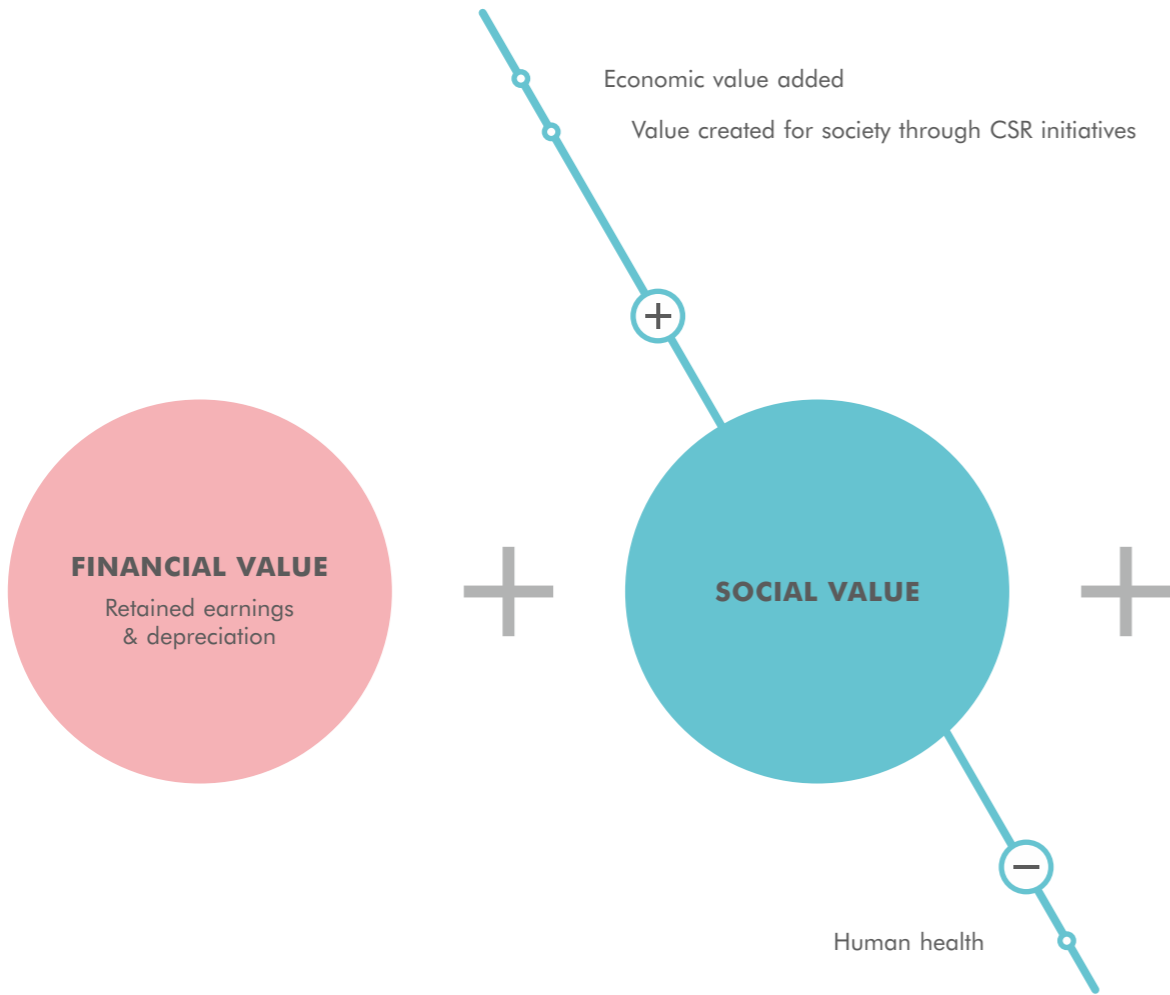
Sustainability is now an international issue. At the global stage we continued our active participation in Sustainability initiatives like Cement Sustainability Initiative (CSI) and India Water

Tool (IWT) of the World Business Council for Sustainable Development (WBCSD).

The purpose of this report is to make people aware of our efforts as well as emphasise the need for more Sustainability initiatives in the future. I would like to thank all our valued stakeholders who have lent their support in this journey towards a greener tomorrow.

Ajay Kapur
Deputy Managing Director & CEO

RESULTS STILL MEAN NUMBERS.
BUT AT AMBUJA, WE HAVE CHANGED
THE EQUATION.



TRUE VALUE HAS A PLACE IN TODAY'S CORPORATE WORLD. AND IT'S RIGHT AT THE TOP.

Times have changed but most companies haven't. In the modern world it is important that a company broadens its view on the value it brings to the world. Financial results provide a limited view of a company's performance. One needs to question both the social impact, and the environmental effects of a company. So to find a complete answer we asked ourselves a question with three perspectives:
what is our financial, social and environmental standing?

With the help of KPMG, our knowledge partner, we devised a comprehensive system that measures our actions on a logical and credible scale. And so we arrived at the concept of True Value.

The process consists of 3 steps:

1. Assessment

Calculate the social and environmental value created by the company, both positive and negative. This is done by collating information from third party data, government agencies and academic studies.

2. Analysis

The True Value Bridge identifies the key elements of a company's social and environmental value. The next step is to understand how these elements could impact the company's future financial performance.

3. Strategic Response

Now that we have the data it's time to act. A range of strategic responses are developed to reduce negative environmental and social value, and increase positive social and environmental value. The ultimate aim is to find the most cost-effective ways to increase our True Value.

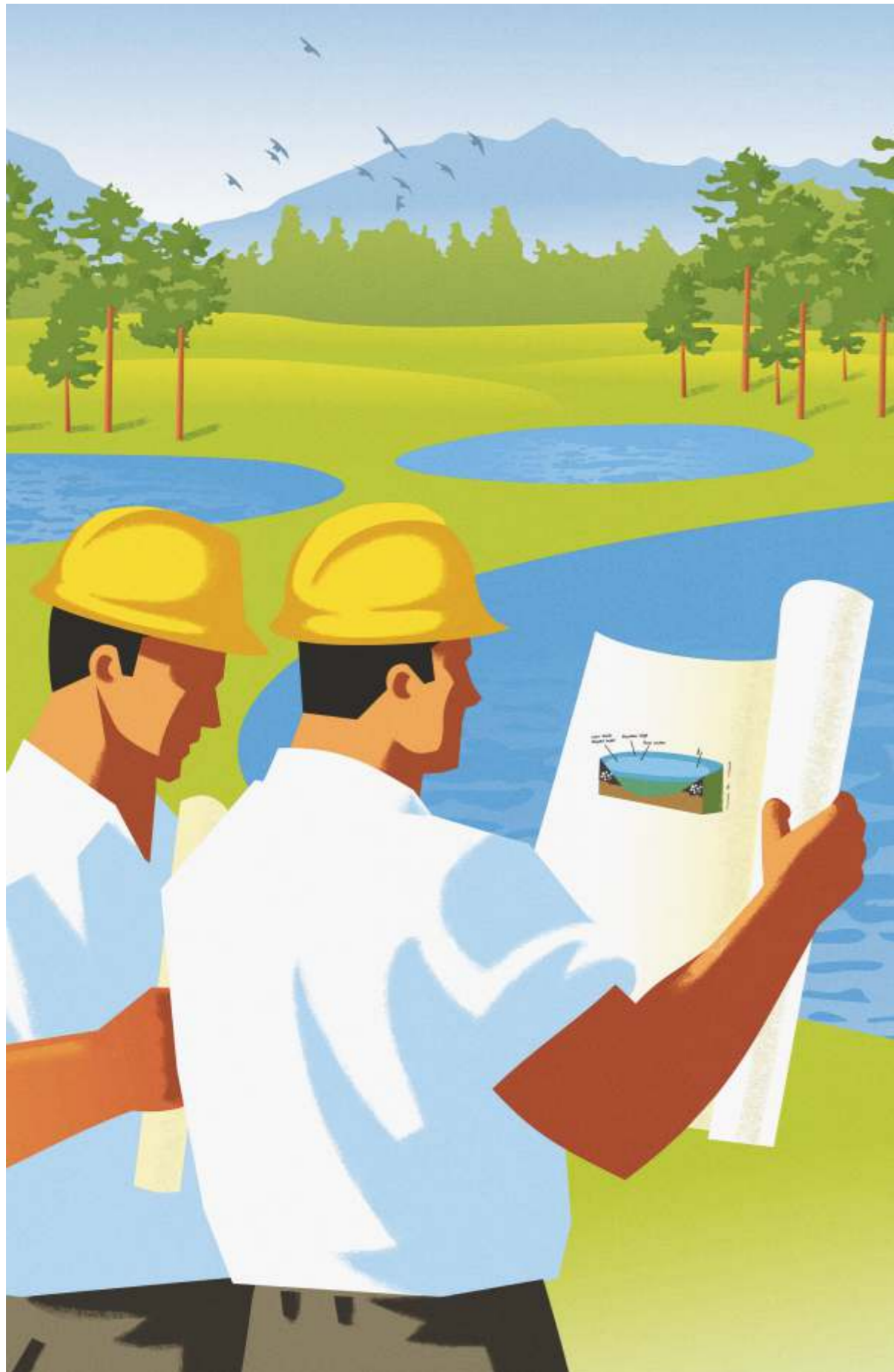
THE PROS AND CONS OF TRUE VALUE

The True Value project allows Ambuja to know where the company stands and where it needs to be in the future. It helped us identify cost-effective projects that benefit local communities, society and the environment in the long run. For too long environmental impact was measured from only a negative point of view. True Value has also given irrefutable data about the positive value we create. This allows us to strengthen our license-to-operate and have constructive interactions with policy makers, communities, NGOs and other stakeholders. Another crucial benefit is how we can preempt change instead of reacting to it. It is clearer now that the future of industries depends on how much they can anticipate resource depletion and plan accordingly.

TRUE VALUE IS A NEW CONCEPT. BUT IT'S HERE TO STAY.

The True Value approach can encourage a shift in the cement sector, and more widely in the Indian and global business communities. By working with the World Business Council for Sustainable Development and other platforms, we hope to move towards standardising the True Value processes.

It's time the business community assess their true value.



WE DOUBLED OUR WATER SUPPLY. THE AMOUNT WE SUPPLIED BACK TO THE PLANET, THAT IS.

Water is a key component of cement production. While it is an unavoidable part of manufacturing, in today's world, one cannot ignore the threat of water shortage. As a growing concern globally, the Ambuja team knew that they needed to replace every drop that was used. Yet of all the energy alternatives, water remains the irreplaceable natural element. Plans were drawn out to minimise all usage and increase efforts in conservation and replenishment. Methods such as check dams, river linking, micro and drip irrigation, and conventional dams ensured that even scarce areas of Rajasthan and Gujarat boosted their water supplies. But the team set their goals above simply replacing the amount of water they used.

They decided to give back to the environment more than they could ever take.

A combination of various programs and revolutionary techniques were employed. Through rainwater harvesting large quantities of water were collected that would have otherwise gone unused. Even used quarries were given a new life by converting them into manmade lakes and wetlands. Steadily the results grew with each year. Today Ambuja is possibly the first Cement Company in the World to be certified as 'Water Positive'. The company was certified as Two Times Water Positive in 2011, and the team has increased their efforts to ensure that we remain Water Positive this year as well. But the team's ambition is to become 5 times water positive by 2020.

It's a difficult task but every drop added is a victory for our team, and the planet.

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- 16.6% of our total water was recycled and reused in dust suppression, gardening and other purposes, after treatment in water plants.
 - The Rabriyawas Plant received the honour of 'Excellent Water Efficient Unit' at the National Award for Excellence in Water Management, 2012.
 - Our team has built over 170 check-dams and small barriers across the country, to avoid water runoff from streams and rivers.



WE WOULD LIKE NOTHING BETTER THAN TO LEAVE NO TRACE OF OUR EXISTENCE.

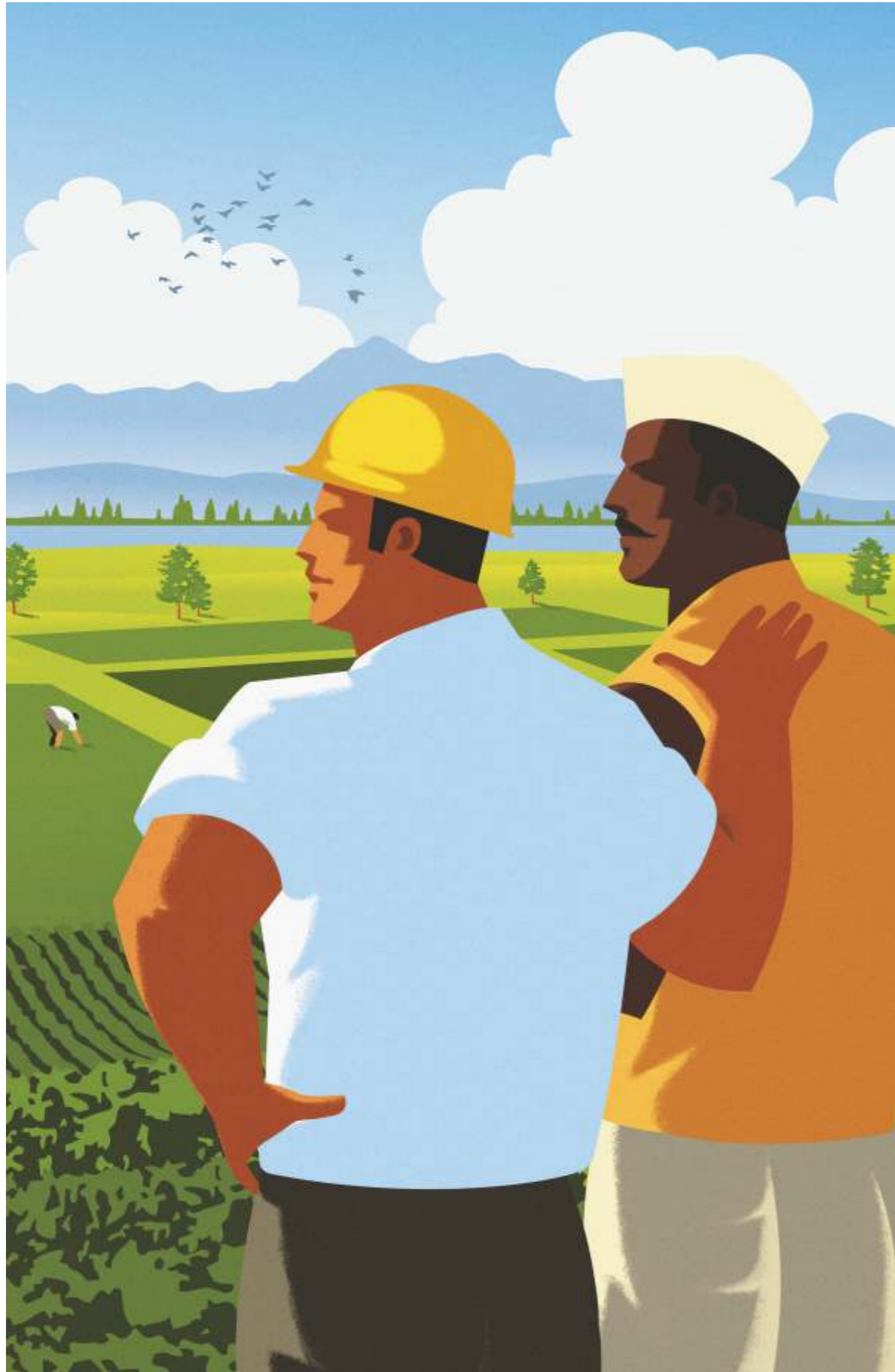
The greatest challenge for a company is to tread so lightly on the carbon footprint that Mother Nature never knew you were there. Our people at Ambuja decided that Sustainability would become the prism through which all actions were judged. But the truth is, CO₂ emissions cannot be avoided in the manufacture of cement. So our people put all their efforts into the task of lowering emission levels. Months of study and implementation began to bear results. Despite huge improvements however, the team refused to accept it as an achievement.

The first step was to substitute raw materials with waste materials. It transformed into a wonderful cycle of production, and thermal substitution rose close to 4%. 'Waste will not be wasted', became the norm. The plastic equivalent to that used in making cement bags made its way to the kilns. 36,876 tons of it. The natural elements chipped in with an equal share of effort too. Wind and solar energy was harnessed in great measure.

Now that the processes were streamlined, our team looked outside the box, or in this case, the factory. Vehicular transportation of materials is not the most optimal method. Engine exhausts, dust, and fuel consumption make the road a poor choice. To curb these effects, sea transport was increasingly adopted for the movement of materials. And 5 Captive Ports were created for this environment-friendly method of shipment. Even the Grinding

Stations were set up closer to Thermal Power Plants to minimise the carbon footprint, 8 in total. All these factors came together to reduce CO₂ Emissions by 28% in 2013. Though by no means has this satisfied the team, which will look to do better next year. Because the environment remains our greatest business partner.

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- A key element in environmental impact is the reduction of CO₂ Emissions.
 - From 1990 till 2013 we managed reduced CO₂ emissions by 28%.
 - Sea transport is the most environment-friendly method for movement of materials. To harness this, we set up 5 of our own Captive Ports to transport cement from Ambujanagar and import fuel and raw materials.
 - We have set up 8 Grinding Stations closer to Thermal Power Plants to use their waste materials.
 - At Darlaghat Plant, we have set up an Oveland belt conveyor to transport limestone from our mines to the plant. This is much more environment and community friendly compared to transporting such large volumes by road.
 - Invested in Waste Heat Recovery System (WHRS) of 6.5 MW at Rabriyawas and 7.5 MW of Wind Energy.
 - Power generation through renewable sources:
Nearly 4% of our power needs was generated using Biomass and Wind in 2013.



OUR STRONGEST RESULTS? IT HAS BEEN IN PEOPLE'S LIVES.

When industrial production begins in a new location, the impact on the local people is inevitable. What remains to be decided however, is whether it's negative or positive. Our team at Ambuja chose the latter. The challenge lay in turning around mining operations and plant production in a way that the locals would welcome our team. The teams sought a solution to this seemingly impossible problem. But the final answer was simple – the team couldn't afford to be the 'outsider'. By delving into the issues and struggles of the local inhabitants, our people created a series of measures that built an environment of trust.

First the team stripped down their mining process. At Ambujanagar, they began Surface Mining, instead of following traditional methods that impact the area. By stripping the land layer by layer, harmful effects like excess smoke and dust were cut down. This helped the farmers and the entire community to stay closer to the mining site.

Now that they could move closer, it was easier for the team to interact with them. The Ambuja Cement Foundation tackled broad issues like water management, skill building, better farming techniques, healthcare services and education. Improving the standards of living and providing a better future for their future generations.

It was such a success that the ACF replicated their efforts in 21 locations across 12 states in India.

Having achieved progress with the outside world the team turned their attention to the core of the company – the employees. The first thing they did was lower numbers, of employee risk. The policy of 'Zero Harm' was aggressively and relentlessly pursued. Next, the 'People Power' program expanded the skills of each employee giving them multiple growth avenues. As it turns out a happy employee is also a more productive worker. As the significant improvement in manufacturing indices showed. The team demonstrated how the 'I Can' spirit empowers people, making them their own agents of change.

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- Safe plants and zero harm is Ambuja's top commitment.
 - Helping the communities around our plants. The 'People Power' initiative - 16 Skills and Entrepreneurship Development Institutes (SEDI) across 10 states have trained more than 14000 people in 45 different vocational trades. With placement rates of 75%.
 - Ambuja began surface mining at Ambujanagar, which helped the farmers and the entire community to stay closer to the mining operation. This wouldn't have been possible had they followed the conventional way of blasting operations.



Sustainability...

Our way of life



ORGANISATION PROFILE

Ambuja Cements Limited (ACL) is India's leading cement company. It is a subsidiary of Holcim Limited, Switzerland. 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 significant footprints across western, eastern and northern markets of India. Our customers range from individual house builders (IHB) to government to global construction firms.

OUR VISION

To be the most sustainable and competitive company in our industry.

OUR MISSION- CREATE VALUE FOR ALL

- Delighted customers
- Inspired employees
- Enlightened partners
- Energised society
- Loyal shareholders
- Healthy environment

NATURE OF COMPANY OWNERSHIP

Ambuja Cements Limited is 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. Holcim is the majority shareholder with 50.48% equity. (For more information on shareholding pattern, please refer Ambuja Cement Annual report 2013, available on www.ambujacement.com).





The view of Darlaghat Plant

PLANT LOCATIONS

Integrated Cement Plants

- Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat
- Darlaghat, District Solan, Himachal Pradesh
- Maratha Cement Works, District Chandrapur, Maharashtra
- Rabriyawas, District Pali, Rajasthan
- Bhatapara, District Raipur, Chhattisgarh

Grinding Stations

- Roopnagar (Ropar), Punjab
- Bathinda, Punjab
- Sankrail, District Howrah, West Bengal
- Roorkee, District Haridwar, Uttarakhand
- Farakka, District Murshidabad, West Bengal
- Dadri, District Gautam Budh Nagar, Uttar Pradesh
- Nalagarh, District Solan, Himachal Pradesh
- Magdalla, District Surat, Gujarat

Bulk Cement Terminals

- Muldwarka, District Junagadh, Gujarat
- Panvel, District Raigad, Maharashtra
- Cochin, Kerala

- Surat, Gujarat
- Mangalore, Karnataka

The Corporate Office

Ambuja Cements Limited

'Elegant Business Park', MIDC Cross Road - 'B', Andheri - Kurla Road, Andheri (East), Mumbai- 400 059

Holcim Limited

Holcim is one of the world's largest producers and suppliers of cement, aggregates (crushed stone, sand and gravel), ready-mix concrete and asphalt and other related services. It was founded in Switzerland in 1912.

In over 100 years of operation, today it is a global company employing over 80,000 people, with production sites in around 70 countries and has significant market presence on every continent.

Ambuja Cement Foundation (ACF)

The Ambuja Cement Foundation is the Corporate Social Responsibility wing of Ambuja Cement 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 Centre of Excellence, providing technical support and solutions to Ambuja Cements Limited. It is equipped with a team of qualified technical experts, dedicated to enhance efficiency and productivity in all operating units of the group across India. It started in 2006 as 'Technical Support Services' (TSS) as collaboration between the technical teams of ACL and ACC. Later in 2009, it was renamed to 'Techport'.

Joint Ventures

- Wardha Valley Coal Field Private Limited and
- Counto Microfine Products Private Limited

Subsidiaries

- Kakinada Cements Limited, India
- MGT Cements Private Limited, India
- Chemical Limes Mundwa Private Limited, India
- Dang Cement Industries Private Limited, Nepal
- Dirk India Private Limited, India
- Dirk Pozzocrete (MP) Private Limited, India

Projects and Expansions

- Ambuja has commissioned a bulk packaging terminal of 1 million tonne capacity at Mangalore in the state of Karnataka.

- Expansion of Sankrail grinding unit in the state of West Bengal comprising the roller press and related logistics enhancements is in progress and is aimed for completion by 2016 to increase grinding capacity by 0.8 million tonnes.
- ACL is expanding its capacity at Rabriyawas unit in the state of Rajasthan by installing roller press, which is likely to be commissioned in 2014 to increase the grinding capacity by 0.8 million tonnes.
- The Company's project "Geo20" with focus on increasing usage of alternative fuel to reduce dependencies on fossil fuel is progressing well. The project involves capital outlay of ₹ 200 crores at five integrated plants. The projects are likely to be completed by the end of 2014.
- The Rabriyawas unit, Rajasthan is constructing a railway track to connect the plant location with railway junction at an estimated capital outlay of ₹ 250 crores. It is likely to get operational in the year 2016.





AWARDS AND ACCOLADES



For the 3rd consecutive year, Ambuja won the CII Sustainability Award

During the year 2013, Ambuja Cement bagged number of prestigious awards for its corporate as well as manufacturing functions.

Corporate

- ACL bagged the prestigious CII - ITC Sustainability Award 2013 for the third year in a row for 'Significant Achievement for Commendable Results from Deployment of Policies and Processes' under Large Industry category.
- Ambuja Cement won "Asia's Most Promising Brand" at the Asian Brand & Leadership Summit - Dubai 2013, held in August, 2013.
- Ambuja Cement Foundation (ACF), bagged first prize in 'Community Initiatives by Industry' category at the **FICCI Water Awards 2013**.
- Ambuja Cements Limited bagged the recognition award for exhibiting "Strong Commitment to HR Excellence" at 'The 4th National HR Excellence Award Confluence 2013' by the Confederation of Indian Industries (CII).
- Ambuja Cement won the **ET NOW Talent and HR Leadership Award 2013** for Best Talent Management.
- **Global HR Excellence Awards 2013** for Organization with Innovative HR Practices by World HRD Congress.

- Rated at **Gold Level** in the **Sustainability Plus Rating** done by CII.
- Ambuja Cement received **CSR Excellence Award 2013-14** Runner Up under category of Large Corporate by ASSOCHAM.

Ambujanagar

- RKBA Limestone Mine at Ambujanagar was awarded the prestigious **RIO TINTO Health & Safety Award for 2012-2013**. It was presented by the Hon'ble Union Minister of Mines.
- **Best National Award for Environmental Excellence** for Mines Operation by the National Council for Cement & Building Materials (NCCBM) for 2012-13.
- **Second Best National Award for Environmental Excellence** for Plant Operation by National Council for Cement & Building Materials (NCCBM) for 2012-13.
- The **Best Paper Award** in 13th NCB International Seminar on Cement and Building Materials.

MCW

- Received **CII Sustainability Award 2013**, 'Certificate of Commendation for Strong

Commitment for Sustainable Development' for the second year in a row.

- Maratha Cement Works was awarded the **IPE-Asia Pacific HRM Congress Awards 2013** under category "Organization with Innovative HR Practices", for its innovative and good HR practices.
- Bagged Safety Award in the Gold category in Cement Sector at the **12th Annual Greentech Safety Award 2013**.
- Won the 'Greentech Environmental Excellence Award 2013' for the fourth consecutive year.
- Received Srishti G Cube (Good Green Governance) award 2013 for the third consecutive year.
- IBM awarded following awards during **Mines Environment & Minerals Conservation Week** for year 2013-14:
 - ▶ 1st Prize for Water Quality Management
 - ▶ 2nd Prize for Afforestation
 - ▶ 3rd Prize for Management of Minerals & Sub-Grade Minerals
- The unit received following prizes during **Metalliferous Mines Safety Week 2013** by Directorate General of Mines Safety:
 - ▶ 1st Prize for Housekeeping & Provision of Welfare Amenities
 - ▶ 2nd Prize for Explosives
 - ▶ 2nd Prize for Transport in Mines & Dust Suppression

Darlaghat

- Best Performance Award 2013-14 for overall performance for Kashlog Mines in Mechanized Category by Indian Bureau of Mines (IBM).
- The other prizes won by Kashlog Limestone



"Best National Award for Environmental Excellence" for mines operation of Ambujanagar

Mine in six different sub-categories are as enumerated under :

- ▶ 1st Prize for Mineral Conservation
- ▶ 1st Prize for Scientific Development of the Mine
- ▶ 1st Prize for Publicity & Propaganda
- ▶ 1st Prize for Afforestation
- ▶ 1st Prize for Air & Water Pollution Control Measures
- ▶ 2nd Prize for Community Development

Rabriyawas

- Won the 14th Annual Greentech Environment Award 2013 in Gold Category by Greentech Foundation.
- Awarded "Energy Efficient Unit" during the 14th National Award for Excellence in Energy Management 2013, Hyderabad for the year 2012 by CII.
- The unit received following prizes during 23rd Mines Environment and Mineral Conservation Week for the year 2012:
 - ▶ 3rd Prize for Mines Afforestation/Plantation
 - ▶ 3rd Prize for Waste Dump Management

Bhatapara

- IBM Nagpur region awarded following awards for 2012-13:
- 1st Prize for Waste Dump Management
 - 1st Prize for Top Soil Management
 - 3rd Prize for Water Quality Management

Nalagarh

- Won the 3rd FICCI Safety Excellence Award for Manufacturing.



ASSOCHAM Awarded Ambuja Cement for CSR Excellence



ABOUT THE REPORT



Corporate Sustainability Report 2012 released at offsite in Istanbul

ACL has been publishing the Corporate Sustainability Report for the past six years. It is a part of our continual and structured efforts towards improved disclosure of triple bottom-line performance and enriching stakeholder relationships.

The reporting period covered for this report is January to December 2013. The contents of the report include all core and some additional indicators as per Global Reporting Initiative (GRI) G3 version guidelines ('A+' level of reporting). The Company has also made disclosures on the 'Mining & Metals Sector Supplement' as done in the previous year to meet the requirements of A Level reporting.

Ambuja's previous Sustainability Report 2012 'Going Greener' was released in June 2013, in an off-site meeting with key executives of the Company. The report was based on Global Reporting Initiative (GRI) G3 guidelines. With A+ Level of reporting, it is the third 'Sustainability Report' of the company being assured by Third Party. Additionally Corporate Sustainability Report 2012 also reported on Mining & Metals Sector Supplement.

The Sustainability Report is brought out in addition to the Annual Financial Report and Ambuja Cement Foundation's Annual Report. An annual reporting cycle is maintained for the report. The Economic Performance reported is taken from the Company's audited Annual Results prepared in accordance with the Companies Act, 1956 and

audited by M/s S. R. Batliboi & Co. 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 Company follows systems incorporated by Holcim and report data, yearly through online mechanism 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 CSR Questionnaire captures HR and CSR data. Other evaluations sheets are there for: (i) costing and variance from the budget; (ii) occupational health and safety (OH&S) performance; (iii) energy consumption; (iv) CO2 emission; and (v) HR related parameters are captured in SAP.

Assurance

Ernst & Young LLP has conducted independent assurance for the 'Sustainability Report 2013' as per ISAE 3000 standard and their Assurance Statement is a part of the report.

Report Boundary

All operations within India are covered including Manufacturing Plants with Mines, Bulk Cement Terminals (off shore activities), and Corporate Office and Marketing Office.

The Company uses dry cement manufacturing process with 5 integrated cement plants, 8 grinding plants, 10 mines and 5 ports. Preparation of the report has been an in-house effort from the Corporate Environment & Sustainability Team. Responses from the various departments and levels have been 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 to prepare 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.

Contact Person for any suggestions/feedback:

Sandeep Shrivastava

Vice President

Corporate Environment & Sustainability

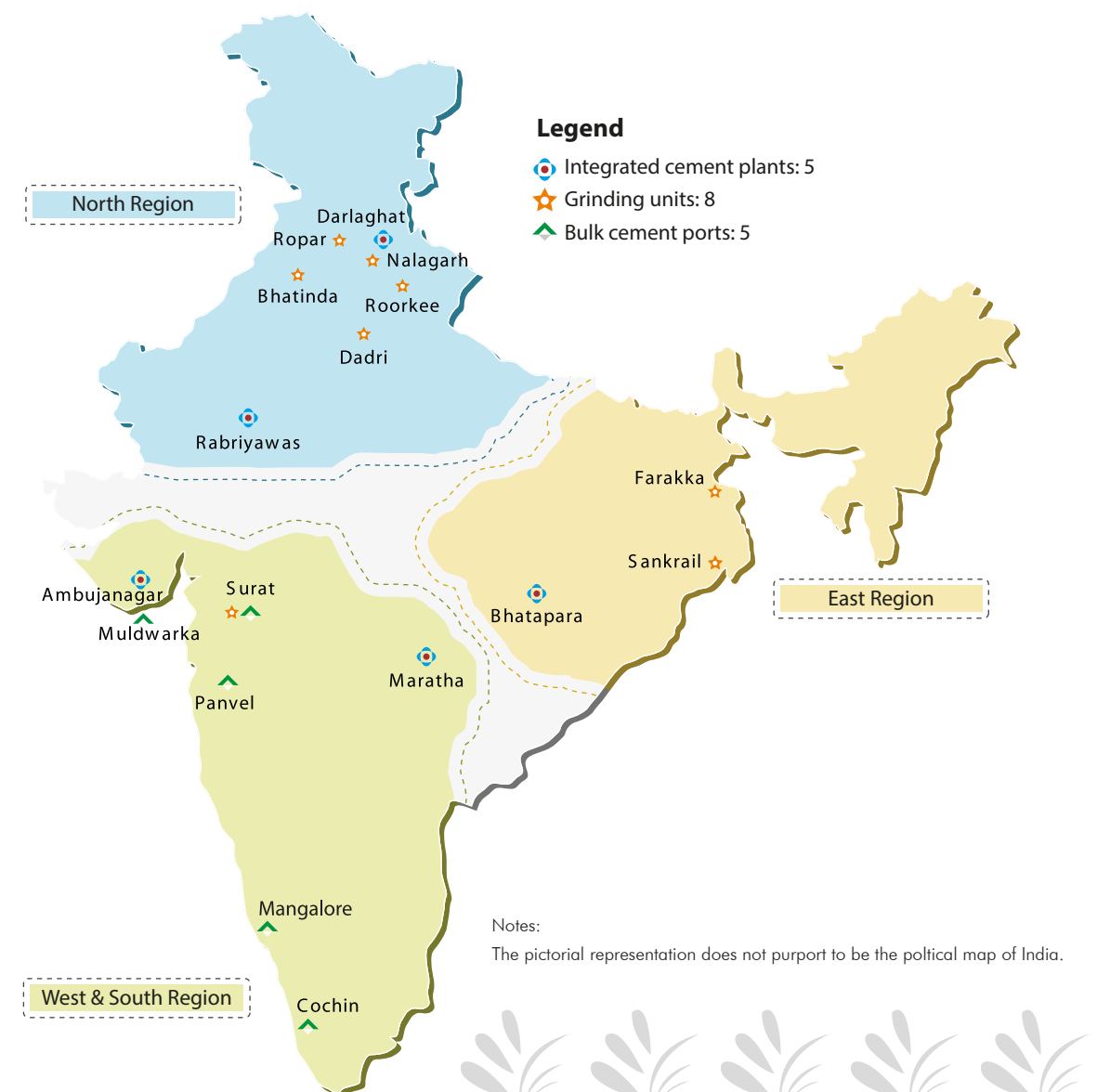
Ambuja Cements Limited

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(Haryana) - 122016

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KEY IMPACTS, RISKS & OPPORTUNITIES

ACL perceives several risks in its operations that could have impact on its business. At Ambuja, it is our constant endeavor to see an opportunity in every risk. In 2013, we have taken positive steps to respond to these risks, converting them into opportunities.

RISKS AND OR OPPORTUNITIES	AMBUJA'S INITIATIVES
<p>Energy</p> <p>Energy is one of the major expenses faced by the cement industry. Coal price escalations, stressed supplies & faltering quality continue to remain a major area of concern.</p>	<p>We are constantly working towards reducing traditional energy consumption through measures such as use of greener fuels and increasing the production of blended cements. Energy Activation across Regional Network (EARN), is an in-house initiative that Ambuja has embarked upon, to build a lean energy culture across the Company.</p>
<p>Water Availability</p> <p>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. Rising concern for ready & continued water availability at manufacturing sites owing to unpredictable weather patterns coupled with increase in costs for water procurement may pose risks to our operations.</p>	<p>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 (WMR) to Corporate Office for information and discussion in Regional as well as National Executive Committees of top management. Thus, Water KPI (Key Performance Indicator) is used to compare performance of different plants as also with respect to improvement over past performance.</p>



RISKS AND OR OPPORTUNITIES

AMBUJA'S INITIATIVES

Climate Change

Being an energy intensive industry, climate change poses risks which are evident in our operations & their mitigation represents a key aspect of our Sustainability Strategy.

Potential risks emanating out of climate change include:

1. Exposure to physical risks for our facilities around coastal region. These include one of our large manufacturing facility as well as a Bulk Cement Terminal. Rising sea level can challenge operations of our Bulk Cement Terminals which are used to transport cement in bulk through sea route.

The Company also has two large manufacturing facilities in water scarce region. Water availability issues in the region due to climate change may put plant operations at risk.

We continue to focus on the four levers in our operations to address challenges of climate change. These are -

- I. Reduction in Clinker factor;
- II. Improving thermal energy efficiency and process technology;
- III. Optimizing fuel composition, including the use of wastes as fuel and
- IV. Waste Heat Recovery.

The international standard ISO 50001:2011 is also being implemented to further strengthen our energy management system. Our Rabriyawas unit became the first Integrated Facility in Ambuja to obtain the certification to the standard in 2013. We have also been able to reduce our specific net carbon footprint by almost 28% in 2013 compared to 1990 levels. Currently we are monitoring and reporting GHG emissions WBCSD CSI Initiative through CO2 Emissions Inventory. We have continued to focus on production of fly ash based PPC as our major product.

Logistics

Logistics 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 movement of cement through the sea route to optimise distribution cost. Ambuja is continuously working towards strengthening their distribution network along the coast of India, while at the same time trying to bring down distribution and logistics costs. In 2013, around 13% of our dispatch (including export) was through sea. A new Bulk Cement Terminal got commissioned in Mangalore in 2013.





RISKS AND OR OPPORTUNITIES

AMBUJA'S INITIATIVES

Mining

Our operations include mining activities. The key challenges associated with the 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 quarry to the finished product, which supports quality enhancement. It continues to adopt state-of-the-art mining techniques with due regards to pollution control, environment preservation and safe mining. Environmentally responsible mining is being undertaken at mining sites of ACL. We employ the best available technologies focused 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 vibrations.

As a responsible corporate, ACL uses Over Land Belt Conveyor (OLBC) systems for transportation of limestone from mines to cement plant stockpile. Mine rehabilitation is an important environment aspect and Ambuja takes it seriously. In order to prevent degradation of mined out area, the Company has meticulous plan for their rehabilitation and post mining use.

Local Communities

ACL 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 population, truck force in the area etc. Contented communities help in smooth running of business.

Ambuja Cement Foundation has institutionalized the process of community engagement over the years. The Community Advisory Panel established in locations comprise of the 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. In 2013, all locations scored between 75% to 100%, reflecting positive reviews.



BUSINESS RISKS/OPPORTUNITIES ASSESSMENT AND MANAGEMENT (BRM)

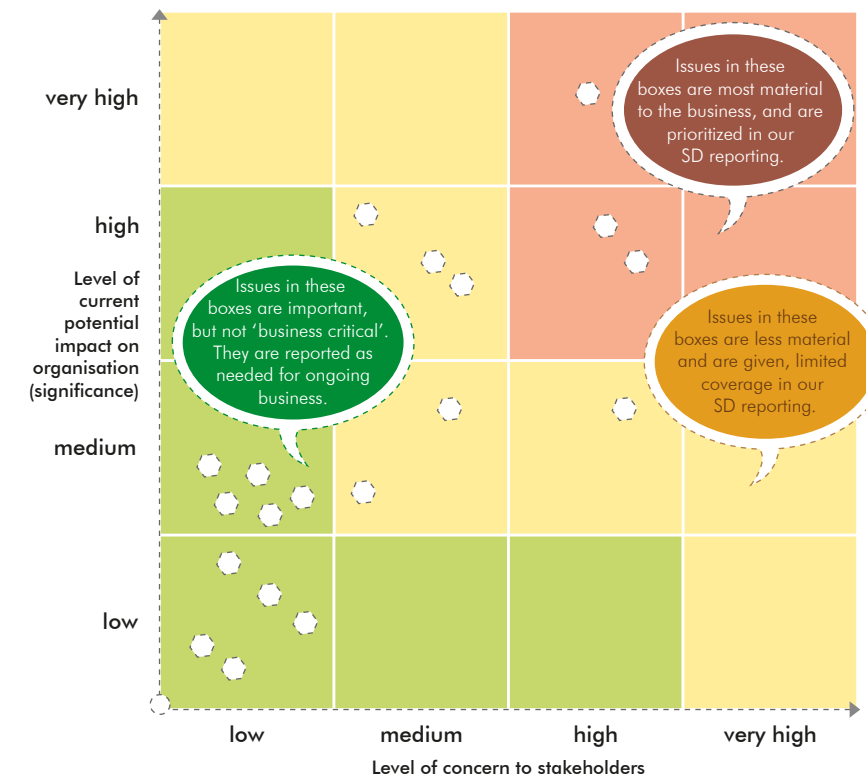
Ambuja Cement has a well embedded business risk management process for identifying risks and opportunities on corporate as well as operational levels. The overall objective is to improve awareness of the Company's risk exposure and appropriately manage it. Materiality reviews are being conducted in conjunction with the annual business planning cycle.

Risk assessment and management policy support the sustainable business module for increased

to include 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 information provided to employees and other stakeholders.

ACL'S SUSTAINABILITY RISKS/OPPORTUNITIES ASSESSMENT 2013

Exhibit 1



profitability. Our risk management approach incorporates sustainability and provides management with useful data for identifying emerging issues and developing new and better products and processes that help protect corporate reputation and improve shareholder value.

Sustainability gives us an opportunity to look at risks in a broader than a traditional risk management framework, which is to look beyond economic, strategic and operational factors and

Examples of emerging issues of concern in the sustainability area for our industry include climate change, social justice, 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 programs. Examples include energy



consumption, emissions of greenhouse gases, water use & waste generation/consumption, AFR etc.

At Ambuja, we address many aspects of sustainability, as it helps in bringing in business efficiency which boosts profits. Efficient productivity includes reduced material requirements, reduced energy for production, reducing the toxic gas emission, improving recyclability, improving the durability and reliability of products, and maximizing the use of renewable resources.

Implementation of a sustainability program starts with an understanding of corporate and regional principles and values. The fundamental values that unify an entity's actions are a way of thinking about the work and the people that are derived from where the Company has been, where it is today and its quest to continue delivering value into the future.

1st step towards implementation is risks/opportunities assessment, where all the possible risks/opportunities are identified and then mapped. This is done with the help of the matrix, (Exhibit 1) which is designed to illustrate which sustainable development issues that have the highest importance or significance to:

- Our Stakeholders (Internal and External)
- Our Company

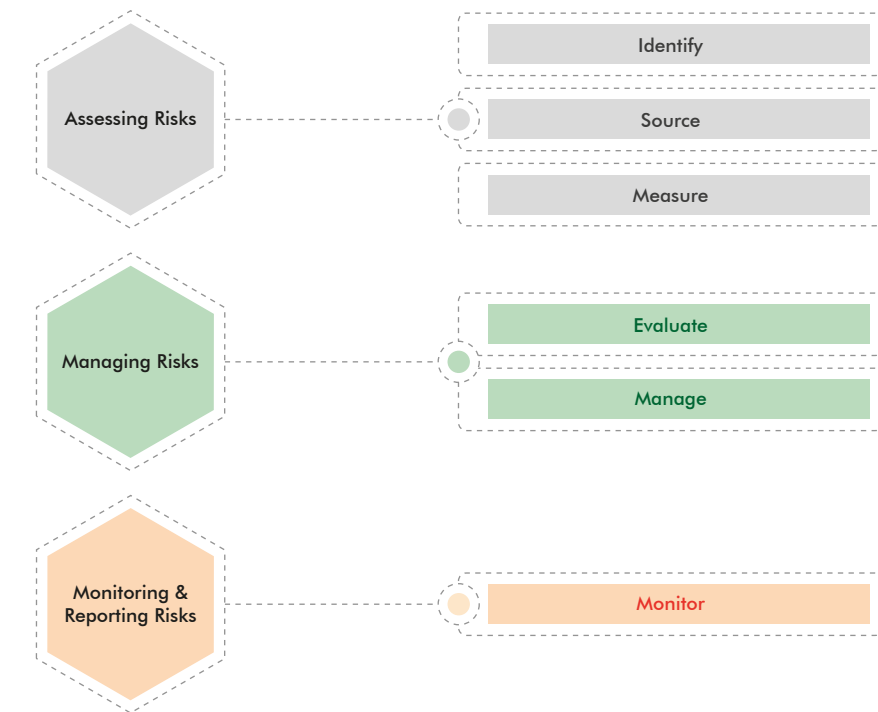
The risks/opportunities are identified and placed as bubbles, which depending upon importance takes the position in the matrix.

Next step is prioritizing the risks/opportunities and the going in for the action plans which then take form of projects. One such example is the ongoing "Geocycle" Project.

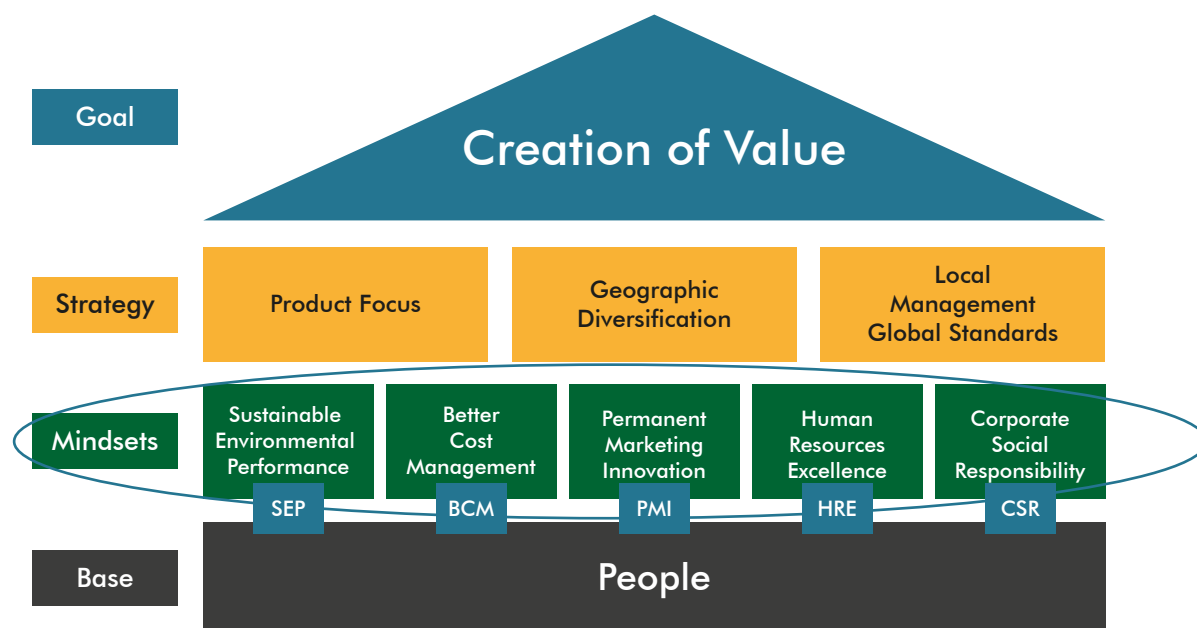
The "Geocycle" brand is firmly endorsed by and associated with Holcim and adopted by all new AFR businesses in the Holcim group. Launching the Geocycle brand is an important milestone for our business as it provides several key advantages. It will help us in positioning ourselves more easily as a reliable provider of sound waste management solutions instead of a simple procurer of cheap AFR. Other advantages include:

- Clearly differentiating ourselves from peers
- Aligning audience perceptions
- Attracting customers and prospects
- Attracting and retaining the best people
- Building strong brand loyalty and confidence
- Gaining synergy by becoming a part of the global Geocycle network

ACL's BRM process can be summarized along following six steps (Actual and target risk maps).



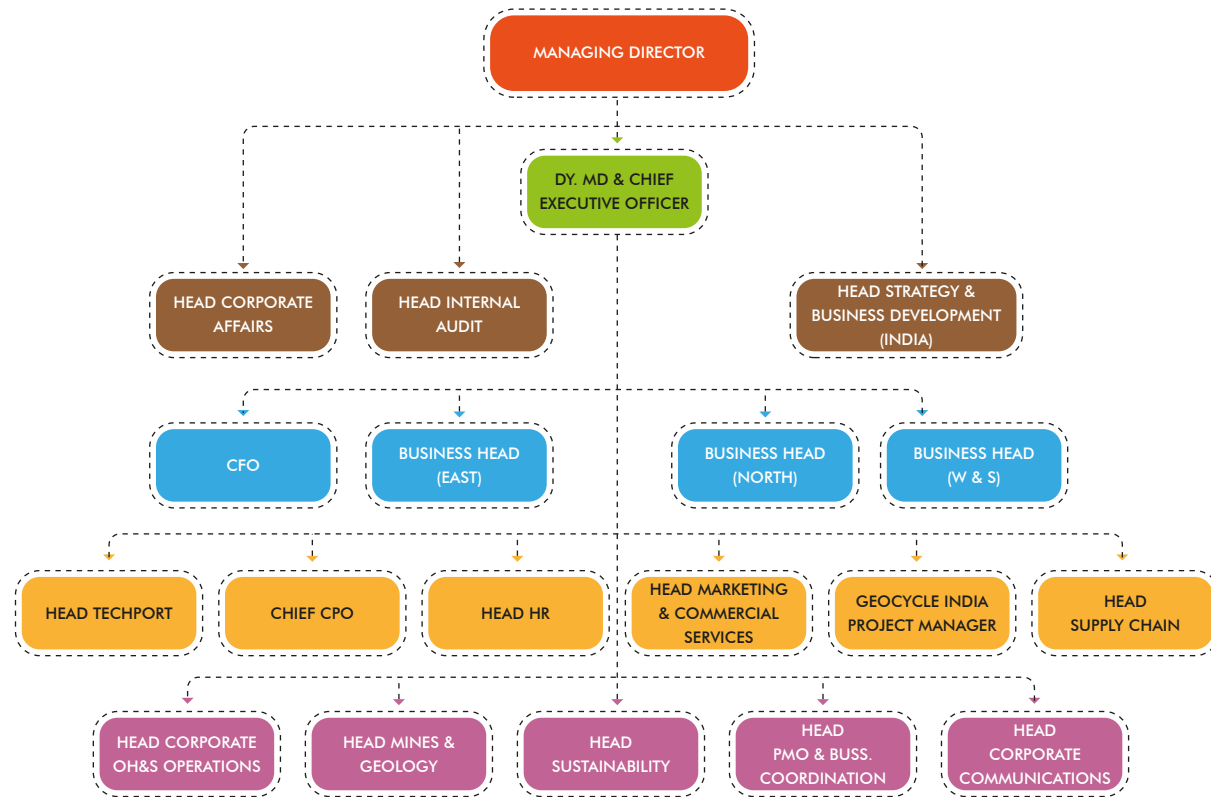
ACL'S STRATEGY HOUSE FORMS THE BASIS FOR THE BUSINESS RISK MANAGEMENT PROCESS





CORPORATE GOVERNANCE

Organisation Structure



Company's Philosophy on Corporate Governance

At Ambuja Cement, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers, together with the Company's ongoing contributions to the local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in the industry and our mission to create value for all our stakeholders.

Ambuja places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making

process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

The Governance Structure

Ambuja's governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- **The Board of Directors** - The primary role of the Board is to protect the interest and enhance

value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals & targets, policies, reporting mechanism & accountability and decision making process to be followed.

- **Committees of Directors*** - Such as Audit Committee, Compliance Committee, Nomination & Remuneration Committee, Share Allotment & Investors Grievances Committee, Capex Committee and CSR Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, critical assessment & review of large capex and implementation and monitoring of CSR activities.
- **Executive Management** - The entire business including the support services are managed with clearly demarcated responsibilities and authorities at different levels.

A. Executive Committee - The Executive Committee comprises of the Managing Director (MD), the Dy. MD & Chief Executive Officer, the Business Heads and a few Corporate Functional Heads. 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 keep the Board informed about important developments having bearing on the operational and financial performance of the Company.

B. Managing Director - The Managing Director is responsible for achieving Ambuja's vision and mission, mergers and acquisitions, significant policy decisions and all the critical issues having significant business & financial implications. He also ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Board of Directors.

C. Dy. MD & CEO - The Dy. MD & CEO is responsible for the entire operations of all the regions, achieving business strategies, project execution and for the overall performance and growth of the Company. He provides strategic directions, policy guidelines and extends support to the Executive Committee Members and other Functional Heads. He reports to the Managing Director and the Board of Directors.

D. Business Heads - With a view to decentralize the powers and responsibilities and to build leaders, the business operations have been

divided into three regions, viz. (i) North, (ii) West & South and (iii) East. Each region is headed by a Business Head, who is responsible for the day to day business and related functions within their respective regions. The Business Heads report to the Dy. MD & CEO.

E. Unit Heads - Unit Head is responsible for operation and maintenance of the plant as well as for all the other functions at the respective plant locations, including all local issues and compliances as may be applicable. He reports to the Business Head.

Composition

ACL has a very balanced structure of the Board of Directors, which primarily takes care of the business needs and stakeholders' interest. 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 2013, the total Board strength comprises of the following:

Independent Directors (including Chairman)	6
Non Independent Directors (Non-executive)	4
Non Independent & Executive (MD and Dy. MD & CEO)	2
Total Strength	12

None of the Directors is a Director in more than 15 public companies and member of more than 10 committees or act as Chairman of more than five committees across all companies in which they are Directors. 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, Deputy Managing Director & CEO 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 from their respective fields. They take active part at the Board and Committee Meetings and play critical role on strategic issues, which enhances the transparency and adds value in the decision making process of the Board of Directors.

*For more information, please refer Ambuja Cement Annual Report 2013, available on www.ambujacement.com



Compensation and Remuneration

The remuneration of the Managing Director and the Dy. MD & CEO is decided 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 payable to the Managing Director and the Dy. MD & CEO (which also includes the annual increments and performance bonus) within the overall limits prescribed under the Companies Act, 1956. Approval of the shareholders is obtained wherever required. The Non-executive Directors are paid sitting fees of ₹20,000/- per meeting for attending the Board and Audit Committee meetings and ₹10,000/- per meeting for attending other committee meetings, except Share Transfer Committee, for which no sitting fee is paid.

In addition to the sitting fees, Ambuja also pays commission to the Non-executive Directors for their overall engagement and contribution for the Company's business. The commission is paid on a uniform basis to reinforce the principle of collective responsibility. Accordingly, the Company has provided for payment of commission of ₹13 lacs to each of the Non-executive Directors who were in office for the whole of the financial year 2013 and on pro-rata basis to those who were in office for part of the year. Considering the accountability and the complexities of issues handled by the Audit and Compliance Committees respectively, the Company has provided additional commission of ₹9 lacs for each of the Non-executive Member Directors of the Audit Committee and Compliance Committee who were in office for the whole of the financial year 2013 and on pro-rata basis to those who were in office for part of the year. The maximum commission payable to each Non-executive Director has however been capped at ₹22 lacs per Director.

Fraud Risk Management Committee

The Audit Committee in order to ensure fraud free work environment has laid down a Fraud Risk Management Policy. For the effective implementation of the policy, the Audit Committee has constituted a Fraud Risk Management Committee (FRMC) consisting of a Director as its Chairman, MD and two other senior executives are its other members.

The Company Secretary acts as the Response Manager and Secretary to the Committee.

The FRMC is responsible for the following:

- (i) Implementation of the policy and spreading awareness amongst employees;
- (ii) Review all reported cases of suspected fraud/misconduct;
- (iii) Order investigation of any case either through internal audit department or through external investigating agencies or experts;
- (iv) Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;
- (v) Annual review of the policy.

The FRMC functions independently and reports directly to the Audit Committee.

Corporate Social Responsibility (CSR) Committee

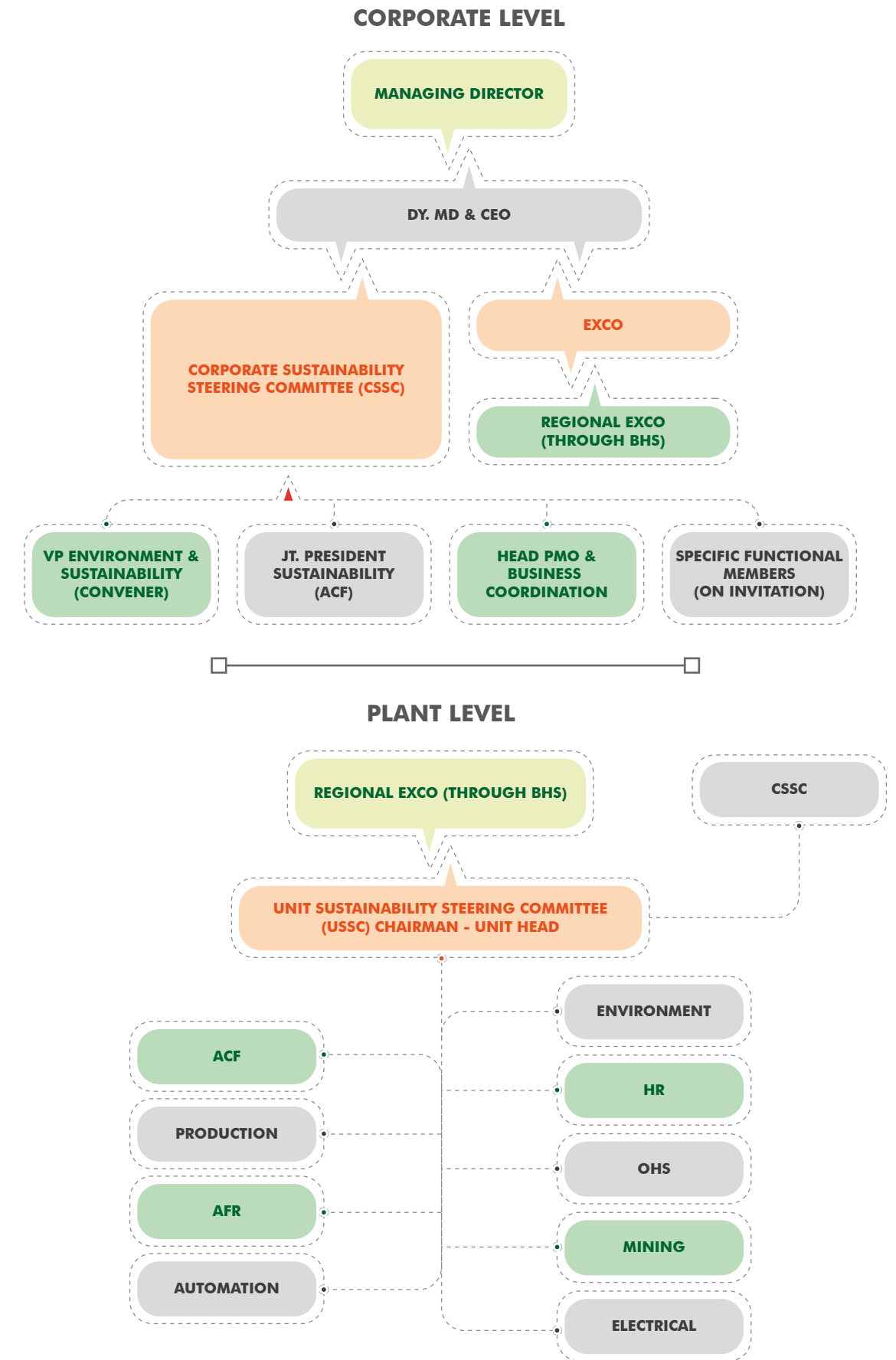
The Company has constituted a CSR Committee at its board meeting held on 3rd May, 2013. The Committee comprises of Mr. N. S. Sekhsaria (Chairman), Mr. Nasser Munjee, Mr. B. L. Taparia and Mr. Onne van der Weijde as the members. Mr. Ajay Kapur, Dy. MD & CEO and Mrs. Pearl Tiwari, Head of Ambuja Cement Foundation, the Company's dedicated CSR arm, are the permanent invitees of the Committee meeting.

The Role and Responsibilities of the Committee are as follows:

- To frame the CSR Policy and its review from time to time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

Corporate Sustainability Steering Committee (CSSC)

The CSSC monitors the Sustainability endeavours of the Company at the Corporate level. The CSSC comprises of 3 permanent members which are Vice President- Corporate Environment (the convener), Joint President- Sustainability, and Senior Vice President- Business and Technical Coordination (MD Office). In addition to this, corporate functional heads are invited as per the topics of discussion. CSSC reports to CEO and MD.





Fraud Risk Management Policy

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the Committee has laid down a Fraud Risk Management Policy providing a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud/misconduct.

In order to instil more confidence amongst the whistleblowers, the management as a part of the escalation protocols under the policy has outsourced receipt of information to an independent agency by providing the agency e-mail id and contact number, since October 2011. This policy is applicable to all the Directors, employees, vendors and customers of the Company and contains features similar to the Whistleblower Policy. The policy is also posted on the website of the Company.

SO 2

The Fraud Risk Management Committee has received complaints from 9 plant locations and 10 offices during the year 2013. The FRMC has reviewed every complaint on its merits and has taken suitable action including detailed investigation and disciplinary action.

SO 4

Of the 43 matters addressed during the year 2013, actions were taken in 8 and investigations are pending in 2 matters. The action ranges from preventive actions to punitive actions. The actions included transfer, termination of services of employees for fraud & misconduct and termination of contract of vendors for indulging into fraudulent practices.

SO 3

Fraud and Corruption is a menace which has affected each one of us in some or the other way. Today we operate in one of the most challenging environments and it has become imperative for organizations like ours to be more vigilant and pro-actively address the challenges, both internal and external, since the consequences of an individual or the Company being involved in corruption, whether directly or indirectly are

extremely serious. Ambuja believes in "Zero Tolerance" to bribery and corruption in any form and in line with our governance philosophy of doing business in most ethical and transparent manner, the Company has laid down the Anti-Bribery and Corruption Directives which forms part of the Code of Conduct and Business Ethics.

All the Directors and employees are required to follow and comply with these Directives. In order to ensure that our people and those who work on our behalf understand their responsibilities and operate to the highest ethical standards, the Management decided to conduct workshops and roped in M/s Deloitte, a reputed firm to undertake training workshop for the **Anti-Bribery and Corruption Directives (ABCD)** across the organization, as a part of our group wide effort to familiarize the employees with its principles and guidelines.

During 2013 workshops for implementation of ABC Directives were conducted at 22 locations which covered plants, grinding units and selected regional marketing offices. Approximately 1600 Relevant Employees were provided face to face training by M/s Deloitte consulting at these 22 locations. The Company also provided E-Learning training of the ABC Directives to the employees through a web based tool. About 80% of the employees successfully completed the E-Learning training.



STAKEHOLDERS...OUR PARTNERS IN PROGRESS



As a part of its mission, the Company believes in creating value for all its stakeholders

ACL believes in creating value for all its stakeholders. In fact it is the Mission of the Company to create value for all the stakeholders. Ambuja strives its best towards achieving these objectives.

In over twenty seven years of our existence, we have engaged with a varied group 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.

SHAREHOLDERS & INVESTORS

Our shareholders are one amongst the most important stakeholders. We strive to remain profitable and provide better and long term sustainable growth to our shareholders. The Company paid an interim dividend of 70% (₹1.40 per share) during the year. The final dividend stood at 110% (₹2.20 per share).



Stakeholder	Modes of Engagement	Frequency
Shareholder & Investors	Annual General Meeting Investor Grievance Cell Board Meetings/ Communications Annual Report	Annual
Dealers & Suppliers	Grihalakshmi Conference Annual Meet Marketing Meets Channel Satisfaction Survey Project Procure	Annual Once in two years
Customers	*Customer Support Group Camps, Workshops, Seminars, Individual Site Visits	Spread across the year
Employees	Employee Engagement Survey Magazines - I CAN, I SIGHT Department specific e-newsletter, Departmental specific MEETS, Induction	Once in two years Quarterly Annual
Community & Society	*Ambuja Cement Foundation Social Engagement Scorecard	Continuous process
Government & Regulatory Authority	Compliance To Laws Representations to proposed legislations	Continuous process, legal audits spread across the year
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, sub-committee telecons policy papers, delegation	As & when basis

* Dedicated vehicles of Engagement

Thus the aggregate dividend for the year 2013 worked out to 180% (₹ 3.60 per share) and the total payout to ₹ 648.37 crores, including dividend distribution tax of ₹ 92.71 crores. This represents a payout ratio of 50%.

The Shareholders of ACL are serviced through its Registrar and Transfer Agents (R&T), Sharepro Services (I) Pvt. Ltd. Sharepro provides timely and

satisfactory services to shareholders of the Company on various matters relating to the shares like dematerialisation, transfer of shares, transmission, issue of duplicate shares, payment of dividend, change of address etc.

The Company regularly interacts with its R&T agents to find out the number of pending requests from shareholders on various counts and tries its

level best to reduce the response time of the R&T agents so as to improve its services to the shareholders. Ambuja promptly posts information like Quarterly Results, Shareholding Pattern, Press Releases and other Communications on the website of the Company after its declaration. Various other information about the business operations of ACL like expansion and new initiatives taken by the Company are also promptly posted on the website of the Company. The information is also promptly given to the stock exchanges where the shares of the company are listed for being disseminated to the members of the public.

Investor Relations

Our investors are kept informed and engaged on the Company's performance which helps them take informed investment decisions. Investor Relations is a Corporate Marketing Activity combining the disciplines of Communication and Finance to provide present and potential investors with an overview of the Industry and the Company performance, in order to help them take educated investment decision.

It serves as a point of contact for the financial institutional investor community including but not limited to sell side analysts, portfolio managers, credit rating agency for communicating information pertaining to the Company's performance, growth plans and an overview of the industry.

Investors' Grievance Cell

The Board of Directors has framed a Committee titled Share Allotment and Investors' Grievances Committee to oversee the overall working of the Company in relation to Investors' Grievances. The Committee meets every month and peruses and takes note of the report placed before it on areas of investor grievances like number of complaints received, solved and pending by the Company from Investors directly and through Stock Exchanges, Securities and Exchange Board of India (SEBI) and Government Departments etc., the number of suits filed against Ambuja on matters concerned with any dispute related to shares/debentures of the Company.

Guidance of the Committee is also sought at times on some important suits/matters relating to Investor grievances.

Pursuant to Clause 47 (f) of the Listing Agreement,

the Company has a dedicated E-mail ID named shares@ambujacement.com offering quick services to the shareholders directly on any matters relating to any share related grievances.

On the website of the Company, www.ambujacement.com, a separate section is provided disclosing information to investors in the "Investor Relations" tab as under:

- Credit Ratings
- Shareholding Patterns
- Investor Grievances
- Corporate Governance
- Green Initiative - E-mail Registration Form
- Annual Reports
- Quarterly and Annual Financial Results
- Details of Unpaid and Unclaimed Dividend

A total number of 29 Grievances were received and resolved during the year. None of the complaints is pending for a period exceeding 30 days. All the requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days. Over and above the aforesaid complaints, the Company and its Registrar and Share Transfer Agent have received more than 12,000 letters/queries/requests on various matters such as change of address, change of bank particulars, nomination requests etc. and we are pleased to report that except for requests received during the year end which are under process, all other queries/requests have been replied on time.

Dealers & Suppliers

Dealers, Distributors & Retailers

ACL continues to develop and leverage its large and able network of around 8,500 dealers and 27,000 retailers across India. Their reach and penetration helps the Company in core rural and semi-urban markets across the country. To serve this important stakeholder group, Ambuja has fully functional and efficient channel management team along with the sales and marketing team. This, coupled with the strong brand equity and efficient channel management, has significantly helped the Company to withstand severe competition in a market with too many players. Our dealer policy clearly states our commitment to improve our dealers' business, profit and social status. These simple rules have elevated brand Ambuja to be one of the most favoured brands. The proof



of it is the Brand Equity Index (BEI), Net Promoter Score (NPS) results which point in favour of Ambuja across all categories and states. The Company operates various initiatives and programs for better and beneficial engagement with the channel partners.



Loyalty Programs



Training

Web Sale & E Collection

Suppliers

We have implemented many of the Holcim Group best practices in our procurement process along with the Green Procurement Policy. ACL-ACC Central Procurement Organisation (CPO) is one of the most reputed procurement organisations and has achieved many milestones and benchmarks within Holcim group and outside. We consider vendors as one of the important business associates. All vendors are treated with respect and dignity. Our vendor base includes reputed manufacturers and trusted brand names, usually the leading 3-4 vendors of their respective industry segment who are technically and financially sound and have the intrinsic capacity to supply material of desired quality and on time. Our CPO prefers vendors who demonstrate good corporate citizenship and promote sustainable development. Adequate care is taken to ensure transparency in procurement processes. Our procurement policy has a clearly defined code of practice for procurement conduct and encourages fair and open competition in markets.

Our vendors have rated us best in the industry in terms of satisfaction as surveyed by A.C. Neilson. We have also been nominated at "Procurement Leaders Awards" in excellence category.

Customers

Our customers have been our strong pillar of support & in over 27 years of our existence have become our true brand ambassadors. We have a significant presence in West, North and East India. The Infrastructure developers, retailers and individual buyers are our important customers. Recognizing the significance of our customers, we have developed a dedicated vehicle for support to customers - The Customer Support Group (CSG). A variety of programs including camps, workshops, seminars and individual site visits are arranged to help the customer build a good house. The Company contact address and toll-free telephone number of consumer care cell are printed on every cement bag. Queries and complaints received are registered within 48 hours. All complaints are investigated by customer support engineer through verbal communication and site visit and attended to suitably.

The Company carries out periodic customer satisfaction surveys to fine tune its products and other offerings. These surveys are carried out as per the global standards like Brand Equity Index (BEI).

Employees

The core of achieving business excellence lies in a dedicated and talented employee base. Our people strategy, systems and processes are aimed at making the Ambuja an employer of choice with sustainable talent by attracting, retaining and developing talent in the organisation and working on concrete action plans to enhance employee engagement. This is in perfect alignment with the Company's vision of being the most sustainable and competitive Company in the industry.

Employee engagement surveys conducted in the recent past to gauge the pulse of the organisation, recorded 98% participation. Feedback from the survey has translated to action planning and implementation and now been institutionalised within ACL. Ambuja's people processes have been appreciated and recognized as the Company bagged the CII National HR Award 2013 for "Strong Commitment for HR Excellence".

Employee communication is ensured effectively through quarterly in-house magazines 'I CAN' and 'I Sight'. There are other department specific e-newsletters which are information sharing platforms circulated to all employees for creating mass awareness.

Community & Society

The Company has clearly identified the community as one of the significant stakeholders, and is keenly interested in responding to their needs in a systematic manner. This guides our efforts in community development.

Ambuja Cement Foundation, the dedicated CSR arm of the Company, celebrated two decades of work with the host communities where it has been involved in development with a spending of well over 3% of Profit After Tax (PAT). The programmes at the Foundation successfully address community needs in a sustainable manner.

The Foundation ensures Stakeholder Engagement where all programmes are decided after a detailed deliberation. Well-defined processes ensure that all stakeholders are involved to identify key concerns by the community and Community Engagement Plans are implemented the subsequent year.

Government & Regulatory Authorities

We at Ambuja strongly believe in remaining compliant to applicable laws and regulations. We also strive to take initiatives in order to go 'beyond compliance' in our operations. In addition, our engagement and close partnerships with various local, state and international government and non-government agencies through Ambuja Cement Foundation ensures that our initiatives enjoy wider support & outreach.

Media Engagement

ACL has always recognized media as an important stakeholder and considers briefing media as one of its prime responsibilities. Through media various external stakeholders are informed about the Company's plans, prospects, performance and outlook for the future. These media interactions or briefings are also held with a view to put forth the management's perspectives on various industry issues in public domain, thereby helping an average investor take informed decision through responsible advertisements.

The media engagement process involves issue of the Company's quarterly and annual performance results in prominent newspapers, issuing of detailed press release every time the board meets to consider its performance and through active media engagements.

During the year 2013 Ambuja had made six corporate announcements, 18 stories related to Ambuja Cement's Corporate Social Responsibility

activities of the Ambuja Cement Foundation and few others on Ambuja's Sustainability Initiatives, Human Resource, New Product Launch, Marketing Initiatives and Real Estate Outreach Initiatives.

Construction Professionals

Knowledge sharing is vital for making a better world. With this view Ambuja has launched "Foundations": Ambuja Knowledge Initiative. Under this, we have set up Ambuja Knowledge Centers - an endeavour to further the cause of implementation of innovative concrete.

Ambuja Technical Literature Series was launched in 1994 and has many booklets to its credit covering technical concepts of cement, building materials and construction.

Ambuja lends its support to leading educational institutions with a view to encourage and contribute in research.



SO 5 - Industry Associations

Ambuja is a member of the following industry associations:

- 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)

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.





Safety...

Our Commitment



TOWARDS "ZERO HARM"

Occupational Health and Safety (OH&S) is one of our core values and we are committed to strive for "Zero Harm". We believe it is one of the most important criteria to become "The Most Admired" company. To achieve this we have provided appropriate technology with stringent operational control practices across all operations.

As a part of structured approach and setting up the OH&S objectives, the Company has reviewed its past OH&S performance and decided to continue with its previous Objectives and Targets with addition of few more key actions. The key focus areas were:

1. Increase visible leadership in OH&S by the Line Management. To achieve this objective, we have integrated OH&S in "People Power". All the operational sites have taken one OH&S wave based on the targeted Fatality Prevention Element (FPE). Peer Reviews were scheduled and conducted between ACC and ACL and also within ACL.
2. All operational sites have taken one OH&S wave based on the targeted Fatality Prevention Element (FPE). These include working at height, isolation and lockout, vehicle and traffic safety, machine guarding, lifting and supporting loads and hot work. Status of implementation was assessed through external certifying agency.
3. A formal OH&S Management System which is aligned with Holcim OH&S Pyramid System and other directives has been established across the organization. All sites were assessed for implementation of the 19 pyramid elements through external certifying agency.
4. To ensure no recurrence of fatal incidents within the organization, all plants have taken steps to implement all actions arising from fatal incident investigation reports, for fatalities reported within ACL since 1st January 2008, Potential fatalities reported with in ACL and fatalities reported with in Holcim (on site) since 1st January 2012 as applicable.
5. To Reduce Risk Exposure through application of OH&S Management System following actions were initiated:
 - Interface and integrating of ACL OH&S Management System with MAC and AFR OH&S (ACert requirements) in ACL OH&S Management System was established.
 - Implementation of OH&S directive for Contractor Safety Management System for Category 3 contractors was initiated as per Roadmap.
 - Process for integrating OH&S requirements during planning and execution of shutdown to ensure that ACL OH&S Management System is implemented during shutdown and Risk Assessment is conducted for all activities during shutdown.
 - Process safety audits and "What If Analysis" has been initiated for all coal handling and milling system to improve the safety while handling coals.
 - A structural integrity survey has been initiated to conduct at all the sites in coordination with Techport.
6. Risk specific and competency based trainings were conducted as per the requirement of targeted Fatality Prevention Elements and other OH&S directives. Competency Program like IOSH - Managing Safely (online course), Welders Training & Certification Course, Electrical & Arc Safety Training, Hot Material Handling and E-learning Module for Defensive Driving Training (Two & Four Wheelers).
7. The Level 1 assessment for Fatality Prevention Elements (Working at Height, Isolation & Lockout, Vehicle & Traffic Safety and Contractor Safety Management) was conducted through HGRS with an objective to assist/assess the OpCo development in Directives for Fatality Prevention and Contractor Safety Management to prevent fatalities by:



- Identifying and understanding the potential for fatalities and their causes;
- Prescribing minimum requirements for the management of fatality risks;
- Focusing on fatality prevention, to direct our attention and resources;
- Monitoring and reviewing our processes and practices to evaluate our ability to prevent fatalities; and
- To check involvement of both OpCo employees and our contractors for success.

Other OH&S Initiatives

- HGRS assessment completed across ACL.
- Static lines and anchor point testing carried out at all the sites.
- Project SPARSH pilot project with transporters was launched at MCW, Bhatapara & Dadri.
- Welders training and certification course was organised.
- Total 63 nominations have been completed for IOSH, licenses were issued and the course has been initiated.

- Train the Trainer program was organized in August by HTS for imparting training among TML & SML to develop 11 master trainers.
- E-Learning module on defensive driving (English and Hindi Version) initiated across the organisation.
- Safety Perception Survey was conducted through DuPont across ACL in Dec. '13.
- Training Program on Disaster & Emergency Rescue Operation with Ahmedabad Municipal Corporation Fire & Emergency Services, Ahmedabad.
- Two Senior Management Level (SML) OH&S training programs were conducted at Darlaghat and Bhatapara.
- Fire Fighting Training Program was organized at Corporate Office. Total 39 personnel attended the program.
- First Aid Training program was organized at Corporate and other Offices. Total 45 personnel attended the program.
- Installation of Standard Static Line and Anchor Points initiated at plants.

- Process safety audit and "What If Analysis" completed by Cholamandalam MS Risk Services Limited at Ambujanagar and Ropar, and shall be initiated in the remaining plants as well.
- YTD 26221 no. of SOT conducted across ACL.

OH&S Trainings

To educate and train employees in OH&S following training programs were conducted through Corporate:

- Disaster and emergency rescue operations
- Fire fighting and first aid
- Selling safety
- SML leadership
- Defensive driving training

Ambuja Cardinal Rules

1. Safety Provisions

Do not override or interfere with any safety provision, nor allow anyone else to override or interfere with them regardless of their relative seniority to yourself.

2. Protective Equipment

Personal Protective Equipment (PPE) rules, applicable to a given task, must be adhered to, at all times.

3. Lock-Out Procedure

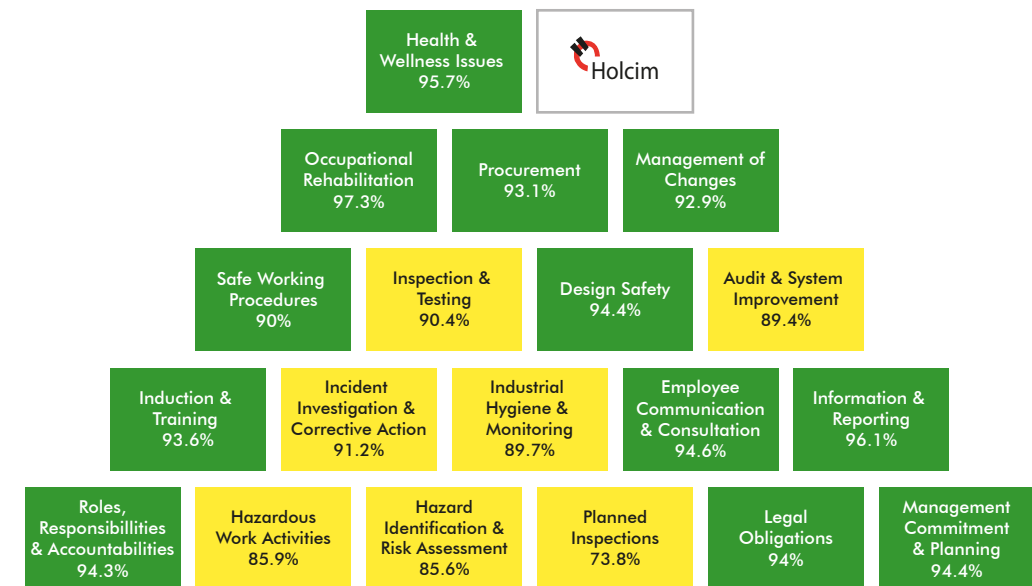
Isolation & lock-out procedures must always be followed.

4. No Alcohols or Drugs

No Person may work, if under influence of alcohol/drug.

5. Reporting Culture

All injuries and incidents must be reported.



"We Care" Concept was launched to drive the OH&S through "People Power" as a part of our OH&S transformation journey. Under the "We Care" initiative, we have launched two concepts, Model Safety Zone and Safety Ambassador. Key deliverables are:

- Fully integrate OH&S with People Power.
- Create right organization (PMOs, OH&S Coach, and Safety Ambassador) to drive it intensively for the next 18-24 months.
- Reinforce clear line accountability.
- Establish Safety Ambassador Concept and develop them.
- Engage & connect with 100% people at our site (at least twice in the next 12 months).
- Establish common objectives between OH&S and line team.
- Implement all actions emerging from multiple workshops.

The Company is committed in its continuous efforts to reduce OH&S risks through integration of OH&S requirements with other business processes.

LA 7

Year	2009	2010	2011	2012	2013*
LTI FR	1.74	1.44	1.04	1.12	0.91
Fatality	3	6	2	7	12
LTI SR	36.7	20.38	15.3	30.9	89.6

*Including 2 offsite fatalities.





Business...

We Sustain



SUSTAINED PERFORMANCE

The Company has been able to keep the production cost flat year on year basis by working on improving operational efficiencies, cost optimization and continued focus on customer & commercial excellence.

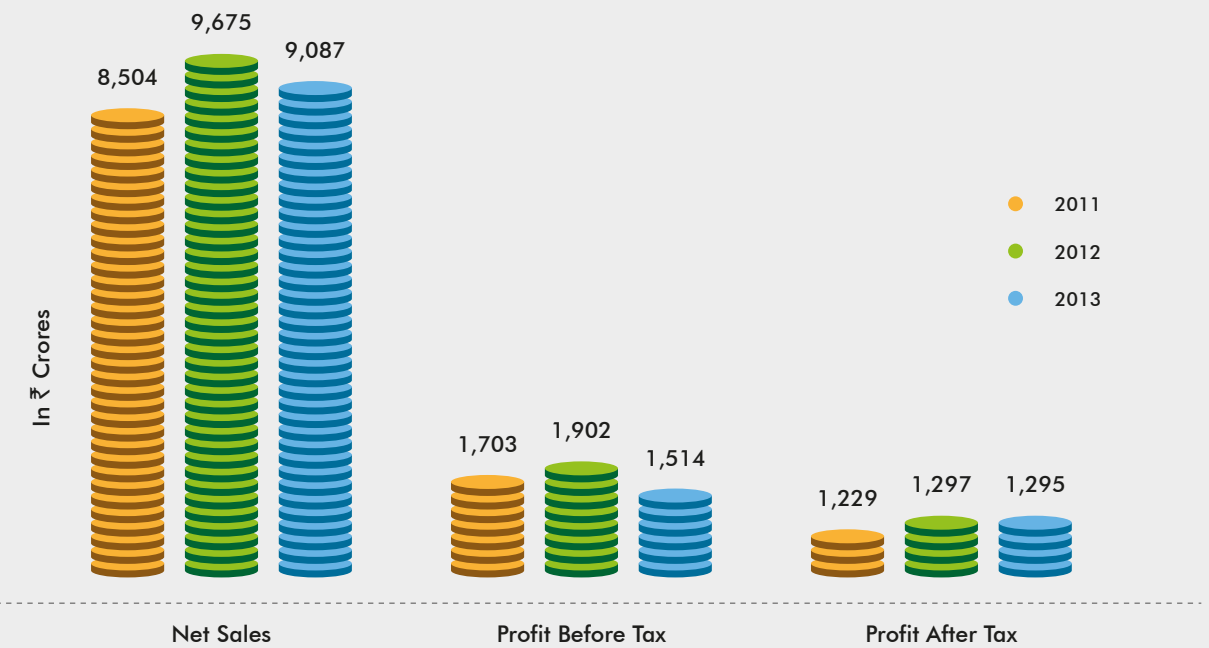
Economic Performance

Owing to unfavorable macroeconomic situations, the industry witnessed slowdown. Demand did not rise in the first part of the year as expected and remained subdued during monsoon season, which was marked by heavy rains, flooding and severe cyclone in Eastern India. Our net sales and profit were lower than 2012 by 6% and 0.2%, at ₹ 9,086.84 and ₹ 1,294.57 crores respectively. In spite of sluggish demand scenario, (cement & clinker) sales volume maintained at 21.60 million

tonnes with a marginal decline from previous year's 21.99 million tonnes. Cement production declined to reach about 21.0 million tonnes from 21.62 million tonnes.

The Company achieved an operating EBITDA of ₹ 1,651 crores in 2013. Net Profit of ₹ 1,295 crores remained at same level of year 2012, mainly due to exceptional item representing additional depreciation charge of ₹ 279 crores in the year 2012 and write back of income tax provision of ₹ 241 crores in the year 2013.

Economic Performance





EC 1

Response Point	2011 (Crore ₹)	2012 (Crore ₹)	2013 (Crore ₹)
Direct Economic Value Generated	9,882.9	11,064.8	10,795.15
Direct Economic Value Distributed			
Operating Cost	6,385.9	7,086.2	7,200.0
Employee wages and benefits	424.1	461.7	499.3
Payments to providers of capital	543.3	630.4	621.4
Payments to government	1,713.9	2,269.4	1,684.3
Community investments	35.1	43.1	48.9
Total direct economic value distributed	9,102.5	10,490.9	10,053.9
ECONOMIC VALUE RETAINED	780.3	573.8	741.1

HR 2

The Company requires all its suppliers to complete the Supplier CSR (Corporate Social Responsibility) and OH&S (Occupational Health and Safety) Management System Questionnaire as a condition for eligibility. The questions in the self-declaration cover the aspects of employee safety, occupational health, corporate social responsibility and environment management. All procurement agreements of the Company include conditions pertaining to labor standards and occupational health and safety.

HR 1

Currently significant investment agreements do not include Human Rights clauses.

EC 6

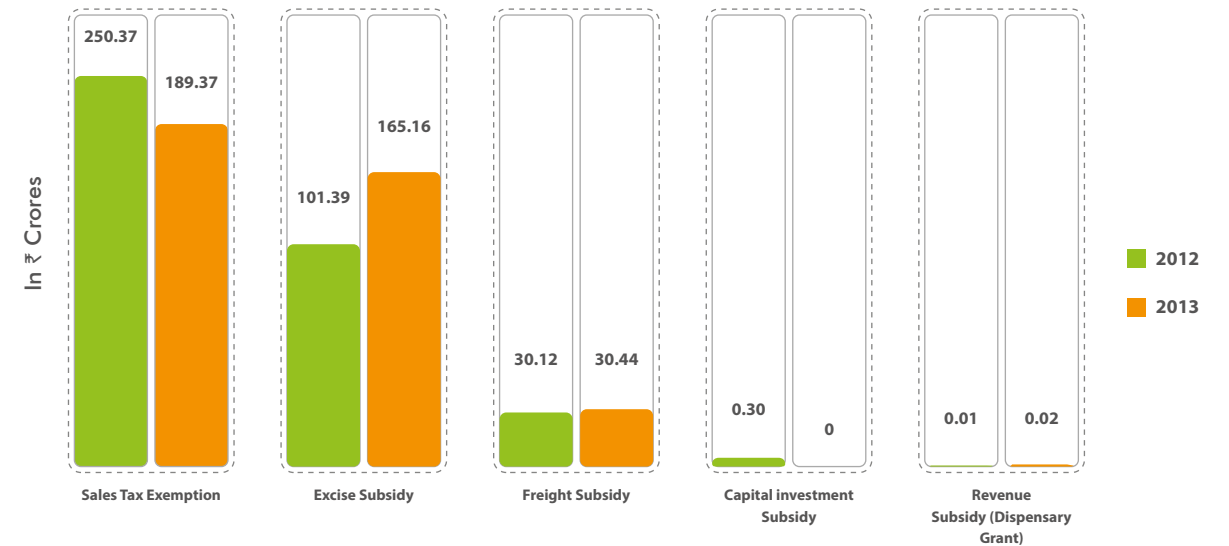
All Suppliers operating from within the Indian territory (National suppliers) are treated as local suppliers. Also wherever viable, ACL considers vendors located in the proximity of its plants.

Response Point	2011	2012	2013
(a) Expenditure on Raw Materials	%	%	%
Imported	27.02	7.61	4.17
Indian	72.98	92.39	95.83
(b) Expenditure on Spares			
Imported	5.88	21.00	13.87
Indian	94.12	89.00	86.13



EC 4

The total value of subsidies received by the Company in the form of various exemptions/ subsidies is ₹ 384.9 crores.



Notes

*Nalagarh Unit

- Nalagarh is excise exempted unit. The amount of excise exemption shown is for 2013.
- Included ₹ 8,88,334/- in excise subsidy for 2012 in 2013, the difference in value updated & final excise incentive (changed as advised by tax auditor).

*Farakka Unit

- Incentive under Industrial Promotional Assistance Scheme for VAT & CST was valid up to 30th June '12.
- The Electricity Duty waiver was valid till May '12.

*Roorkee Unit

- Roorkee is excise exempted unit. The amount of excise exemption shown is for 2013.

SO 8

The Competition Commission of India (CCI) issued an Order in 2012, imposing penalty on certain cement manufactures, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002 and imposed a penalty of ₹ 1164 Crores on the Company. The Company has filed an appeal against the said Order with the appropriate authority, which is pending for disposal.





PRODUCT QUALITY MANAGEMENT

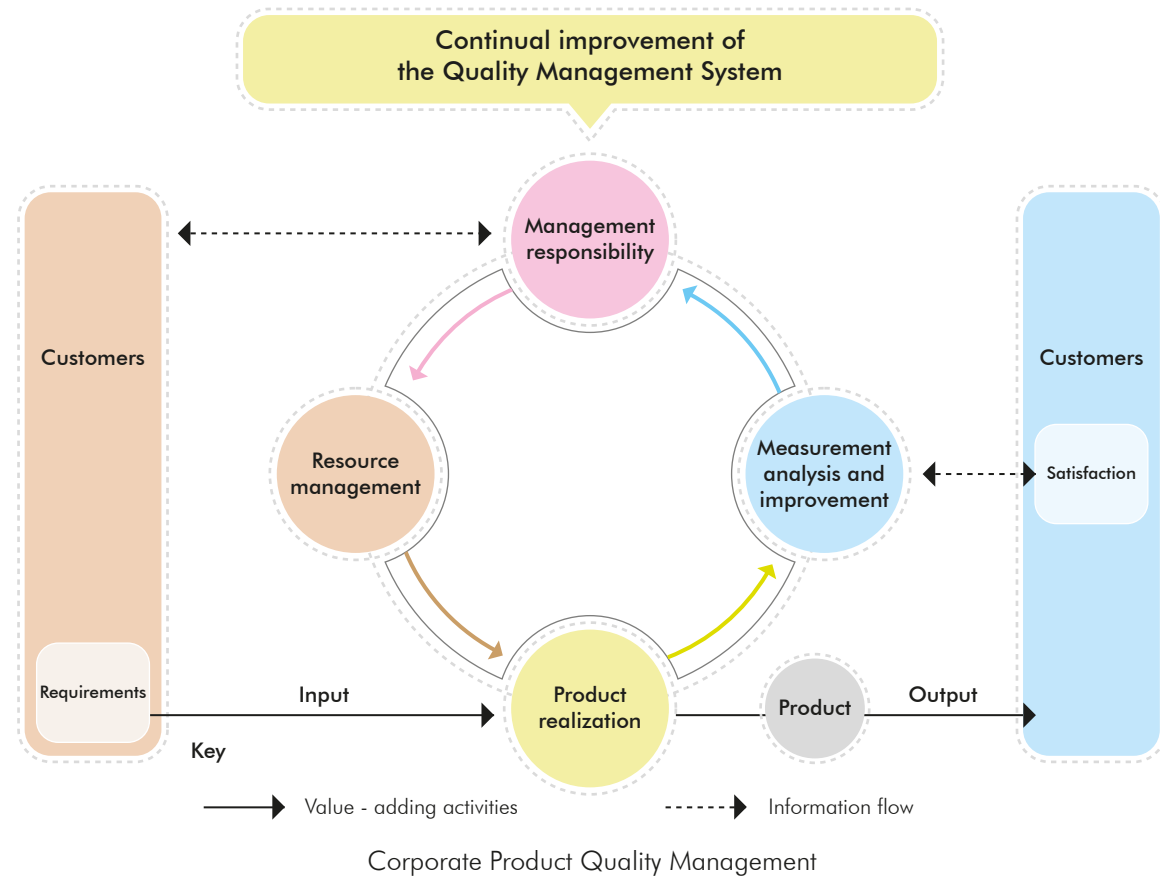
PR 1, EN 26

'Assured quality' is one of the prime factors for sustainability of the industry. Product Quality Management (PQM) plays a significant role in this respect by ensuring cement quality, boosts consumers' confidence and leads to new products. Our PQM includes a comprehensive set of tools which are used to control and manage product quality across the Company. This system involves monitoring of 5 quality principles:

1. Measurement of customer satisfaction
2. Product benchmarking

3. Internal product specification
4. Application -oriented product testing
5. Manufacturing quality targets and Key Performance Indicators

These parameters are integrated into a Product Quality Index (PQI), which is used for the manufacturing performance analysis and is tuned with ISO 9000. As shown in the Figure, the system starts with the customer requirements and ends with the final evaluation of customer satisfaction, including all the intermediate processes to ensure that the delivered product has the right quality.



In addition, the company has also constituted Quality Committee, which refers to an institutionalized, regular meeting between Regional Marketing and Sales teams, Customer Support Service teams and Manufacturing teams (Plant Manager, Quality Control & Production). The objective of the "Quality Committee" is the continuous alignment between manufacturing, Customer Support and Marketing & Sales. This implies the review of the regional market situation, customer feedback and product benchmarking as well as manufacturing issues relevant to product quality. The on-going several PQM quality monitoring strategies are summarised on the right.

LIMS (Laboratory Information and Management System) installed in 3 grinding units during the year 2013. In 2012 it was installed in all 5 integrated units and 1 grinding unit. LIMS is one integrated module of the "Technical Information System" which covers sample management, test results, compilation of data in desired format, statistical calculations and provides Certificate and Conformity of reports.

PR 9

Corporate PQM carries out laboratory audit of all ACL cement testing laboratories annually. The non-compliances are recorded and checked whether they are taken care of in the following audit. During 2013 all ACL laboratories (Concrete & Mortar) were audited by a team of experts from corporate PQM. Mumbai and Chandigarh Concrete Testing Laboratories were ranked 'B' grade out of audited 7 ACL Concrete labs. This ranking also includes OH&S activities. Similarly, Quality audit of 17 mortar labs were carried out during the year.



S. No	Activity
1	Approved Quality Parameters test data
2	5 Indicators for monitoring the Quality <ul style="list-style-type: none"> • CoV of 3D strength • CoV of 28 days strength • Clinker quality • Customer satisfaction • Product benchmarking
3	Application -oriented product testing
4	Random market (cement) sample testing
5	Bag Quality Index
6	Quality Meets (each region)

Corporate PQM team has also conducted 3 workshops for Quality Control department to up-grade their skills. 69 officials and laboratory officials got benefitted.

PR 3

The Company is complying with all the statutory requirements as mandated by Bureau of Indian Standard (BIS), Weights and Measures norms. All cement bags carry toll free numbers for customers to contact in case of complaints or information. PQM also carries out testing of cement bag sample from all regions every month to check its quality and bench marking every quarterly.





CUSTOMER SUPPORT

The Ambuja journey has always focused on our customers. Our approach in the market place is focused on giving our customers the greatest value. This foundation is supported by our continuous efforts to provide the best quality product, accompanied by the best marketing and technical support. Customer Support Group (CSG) offers guidance and support to targeted segments as per need of that segment. This includes broadly:

- Awareness programs
- Training and Skill Development
- Knowledge Sharing

CSG supports the customers in assuring, demonstrating, providing guidance for making stronger construction. Customer Support Engineer (CSE) meets customers during construction site visits, at channel partners' shop, during awareness programs like Individual House Builder (IHB) Meets, Group Meet, etc.

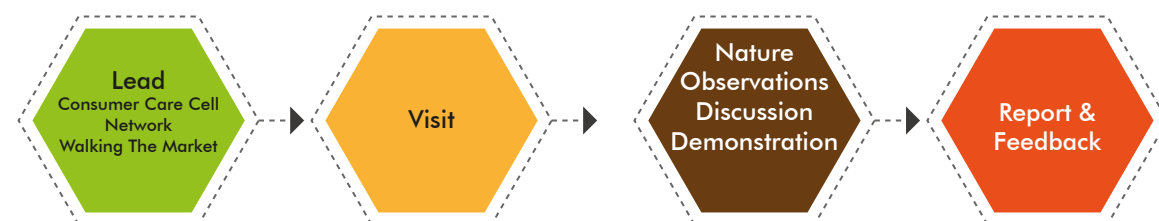
Awareness Programs

CSG organizes awareness programs for customer where in a customer can know and understand how he can observe & monitor ongoing construction with help of simple but effective demonstrations. The programs are either in form of meeting or demonstrations. The customer participation is either through nomination from channel partner or individual invitations (identified during site visit by CSE). These programs give opportunity for active interaction with customer and help getting valuable feedback from them.

The activities carried out by CSG during 2013 are summarised in the following table

Segment	Total No. of Programs/Visits	Participation
Individual House Builder	1,395	38,787
Contractors	1,537	42,942
Masons	2,996	8,14,383
Site visits	1,02,722	-

Complaint Redressal Process



Awareness Initiatives

Site Visits

CSE visits construction sites either by collecting list of channel partner's customers or on his own. During visit, he gets opportunity to observe construction, material quality and construction practices etc. He discusses with customer, contractors and offers suggestion, guidance to improve practices for stronger construction:

- Use of Portland Pozzolana Cement.
- Use of other ingredients (Alccofine, Concrete bricks) / adopt different practices (Modular Curing, Insulated Wall Method) for sustainable construction
- Safety while working on site
- Influencing masons for adopting correct practices to make strong & durable structures.

Foundations - Ambuja Knowledge Initiative

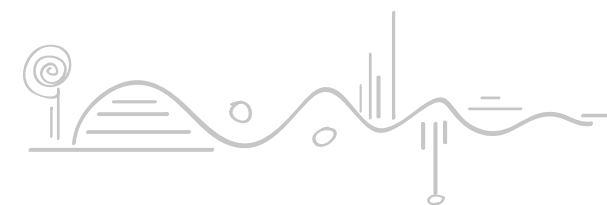
The Ambuja Knowledge Initiative is an endeavor to seek the patronage and partnership of the Architecture and Engineering Community (AEC) for the wonderful world of Cement and Concrete. The underlying ambition is to create a holistic resource basin on the subject of cement and concrete that intends to offer Architecture,

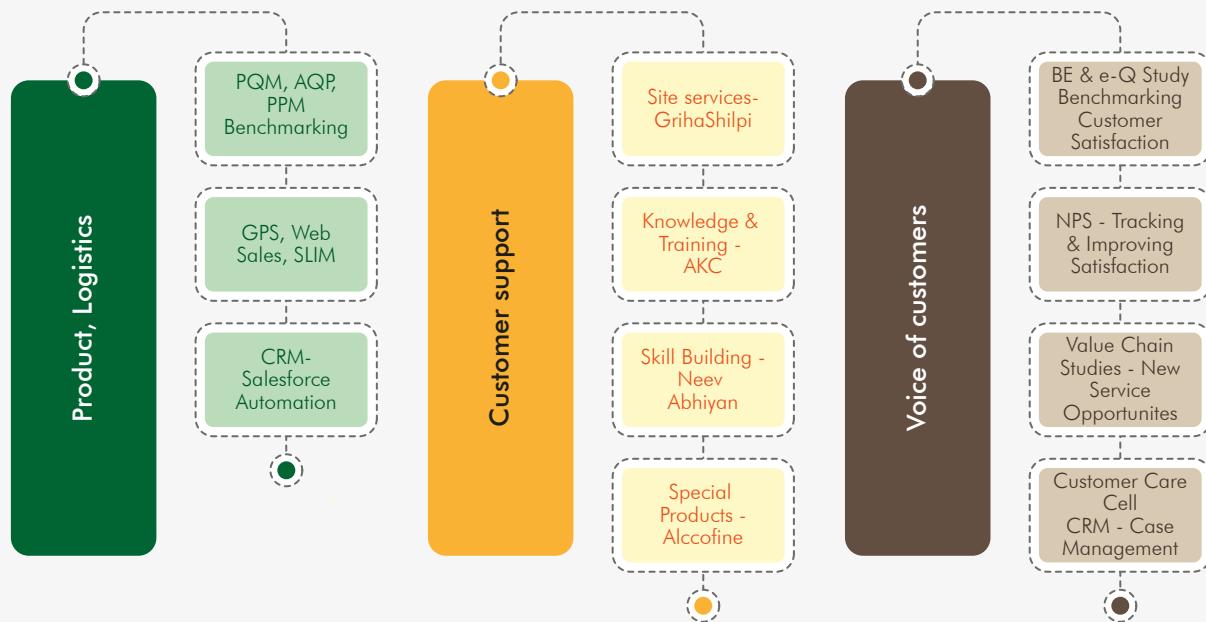
Engineering and Construction professionals various platforms of information, inspiration and interaction.

At Ambuja Knowledge Centre, professionals are invited to share, exchange knowledge to fellow professionals. During workshop, participants understand & learn on use of construction materials, methods & machines which can be adopted for durable & sustainable construction.

The following programs were carried out at different regions during 2013

Title/Type of Program	No. of Programs	No. of Participants	No. of Days
West & South Region			
Concrete mix design workshop	32	687	64
Advance concrete mix design workshop	10	132	20
Supervising concrete workshop	20	362	40
Material & concrete testing workshop	2	14	4
Evening talks	137	8,001	26
North Region			
Concrete mix design workshop	40	1,200	40
Engineers conference	51	3,625	10
Self compacting concrete	16	400	16
IVP	05	125	5
PMW	73	2,190	73
East Region			
Concrete mix design workshop	12	180	12
Induction training	4	100	4
Cement building solutions	2	40	2
IHB Meet	6	90	6
Contractor Meet	7	105	7
Total	417	17,251	329





We aim to continue to be the 'most customer focused company' with the highest customer loyalty in our industry through creating more value for our customers and realize higher and sustainable returns for the company and its investors. To make Ambuja one among the top 10 brands in the country continues to be our passion and our goal. Beside the above activities, several schemes are being run for the benefit and better engagement with the customers, like 'GrihaShilpi', 'GrihaShilpi Kiosks' etc. are being conducted for the benefit of customer and builders.

'GrihaShilpi' - Housing Solutions

Under GrihaShilpi program, the Company is successfully imparting hassle-free housing solutions, through which the customer gets an access to branded and certified construction materials, technical assistance and trained contractors and masons, all under one roof. GrihaShilpi is offered through the Company's dealer network who can assume as the one point contact for the consumer. The dealers are empowered and equipped with the Company's technical assistance.

Elements of GrihaShilpi

1. GrihaRachana - 'Housing Layout'

GrihaShilpi extends support and guidance to the customer, right from the conception of the house. Customized 'house layout' software is being provided through the website of GrihaShilpi

(www.ambujagrihashilpi.com), for the customers. It allows customers to visualize their dream house in 3D on the computer, before starting construction. It also helps the customer to estimate budget required along with major breakup. Moreover, the website also includes important construction tips and a list of dealers and contractors available in the respective locations.

GrihaShilpi Kiosks

These are installed at select dealer counters which are loaded with GrihaRachana software. The customers can use the GrihaRachana software for his estimations at the kiosk.

2. Pre-cast Concrete Products

In order to offer customers, standardized materials of consistent quality, the Company also offers pre-cast concrete products through GrihaShilpi. The Company promotes cement bricks, pavers and other pre-cast products which can be produced and sold by the dealer, with technical support from the Company.

3. GrihaShilpi - Onsite Solutions

• Concrete Testing Solution

The offering involves testing of concrete being produced at customer's site by taking concrete sample and testing them at Ambuja laboratory as per standard procedure. The customer is given test certificate drawn at designated periods.

• Concrete Mix Design (CMD)

The offering involves collecting samples of concrete materials i.e. coarse & fine aggregates, admixtures from customer's site, analysis of the materials, design concrete mix proportions, taking of concrete trials and submit concrete mix design to the customer.

• Modular Curing Solution (MCS)

The offering involves providing modular set of plastic sheets especially designed for the purpose. This eliminates hassle of making arrangement for water for curing purpose.

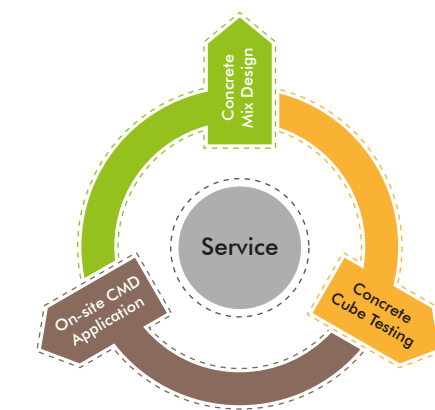
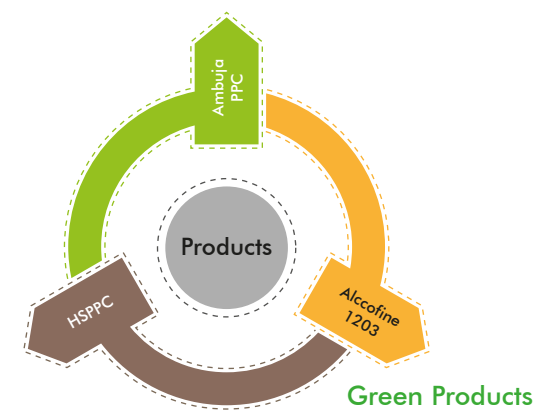
On-site Solutions

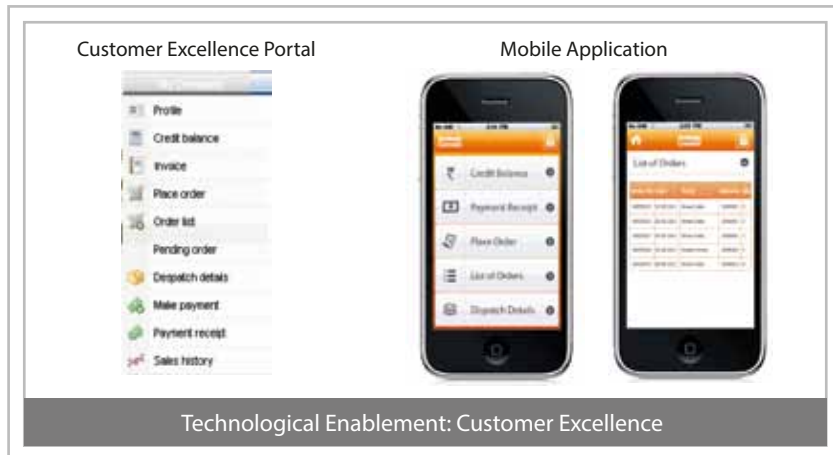
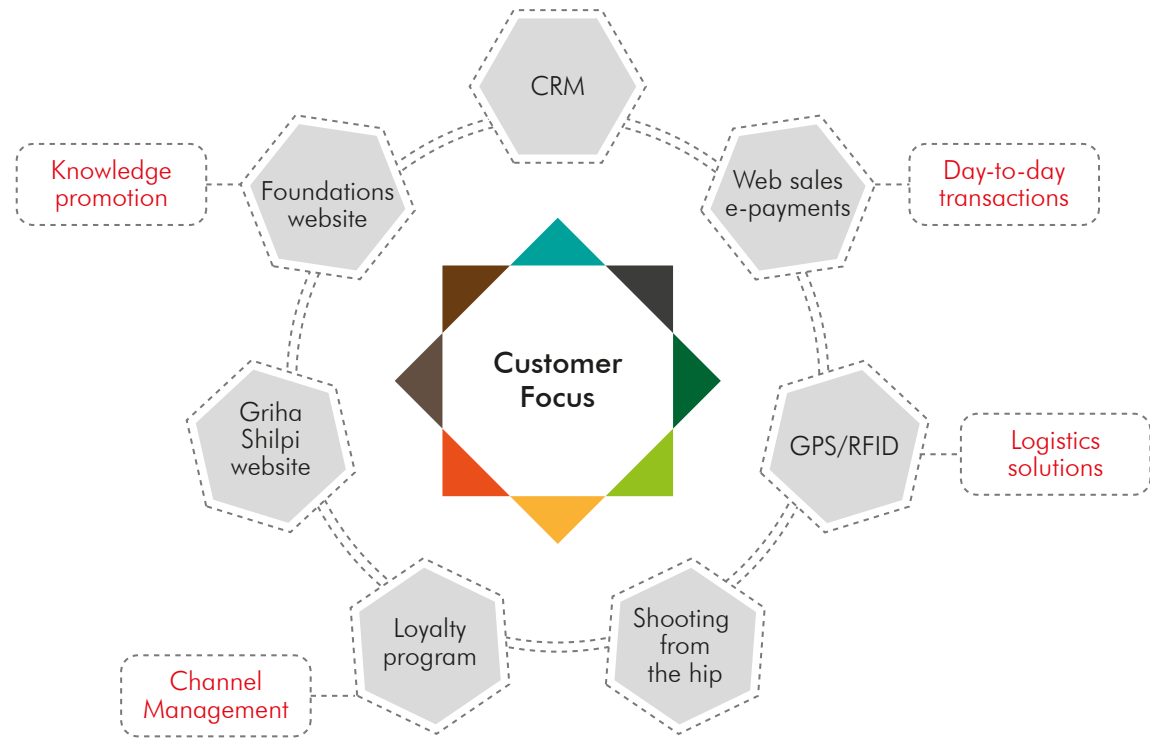
No. of Projects Covered

Concrete Cube Testing	2,087
Concrete Mix Design	159
Modular Curing Solution	133

Sustainable Efforts - Rooftop Rain Water Harvesting System (RRWHS)

Under this program, customer awareness is raised about Rooftop Rain Water Harvesting System (RRWHS) and all the necessary guidance to implement RRWHS including percolation pit layout design is provided.





Technological Enablement: Customer Excellence

Right Choice Press Advertisement

A customer builds his house once in his lifetime and he normally delegates important decisions to others. To

make him aware that cement is an integral part of his house, which renders strength to his house, we created press ads to emphasize the importance of cement, so that he takes the right decision.



Our Toll Free Service

We have been providing Technical Services to our customers through our Customer Support Group.

released ads in leading newspaper in Maharashtra, Gujarat and Punjab, creating awareness of the service and directing interested customers to call the toll free number.

We started a toll free service in our primary markets and

Market	Total Calls	Total Number of Service Requests
Gujarat	1,139	1,141
Maharashtra	3,050	2,419
Punjab	560	588





TOWARDS SUSTAINABLE SUPPLY CHAIN

Sustainability Principles in Procurement

Ambuja Cements Limited (ACL) seeks to engage in long-term relationships with suppliers that commit to their social responsibility, that adhere to international standards such as SA8000 (Social Accountability) and ISO 14001 (Environment Management System) and that have systems in place to comply with relevant local provisions.

The Company has set minimum requirements of Sustainability (including environment management, safety standards and social accountability) to be followed by any Supplier/ Third Party Service Providers (Contractors). A standard questionnaire on CSR & OH&S is sent to Suppliers while seeking requests for quotations in which appropriate clauses have been incorporated based on the nature of order. It is mandatory for new suppliers to provide these details. Most of ACL's Vendors have been covered on all Plants basis. The aim of this is to help reduce the number of Supplier related incidents.

In cases where Suppliers are not able to meet these minimum requirements, we engage in a dialogue and adopt mechanisms to improve our Suppliers' standards. Re-assessment of qualified Suppliers' compliance with these requirements shall take place within the regular schedule of Supplier re-qualification. However, in any cases of violation or obvious non-compliance by the Supplier, re-assessment must be immediate.

Contractual Agreement of Compliance

The Company also has clauses pertaining to Safety, Environment Management and Corporate Social Responsibility which are included in all the

Purchase Orders/Agreements. During the year, no cases of human rights violation (viz. incidences of child labor, forced or compulsory labor, overtime without pay etc.) were recorded in our operations.

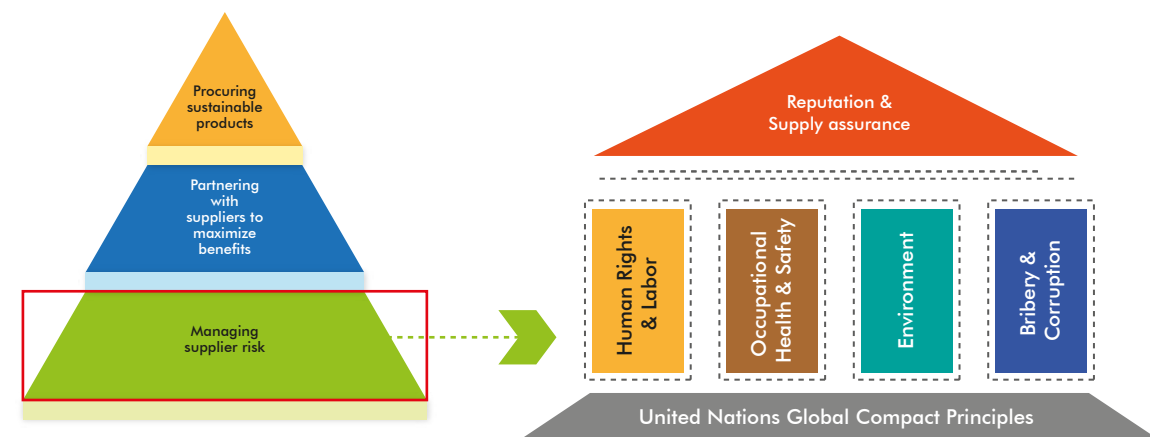
Sustainable Procurement Guidelines

The principles of Sustainable Development - Value Creation, Sustainable Environment Performance and Corporate Social Responsibility - are integral to our business strategy.

Our parent Company, Holcim has always been committed to procure responsibly and now the Group has constituted an integrated approach to ensure consistent management of the risk derived from doing business with Suppliers that do not uphold the Company's standards on environment, OH&S and social responsibility. Holcim's commitment to sustainable development is not confined to the boundaries of its operations and expects its Suppliers to do likewise. The Company has started the implementation of Sustainable Procurement through Holcim Supplier Code of Conduct. This has listed nine standards that Suppliers are expected to adhere to, in addition to complying with local and national laws and regulations.

These standards cover Occupational Health and Safety (OH&S), Working Conditions, Freedom of Association and Non-retaliation, Forced Labor, Child Labor, Non-Discrimination, Environmental Regulatory Compliance, Management of Environmental Impacts, Bribery and Corruption.

The objective of Holcim's integrated approach is to manage the risks to corporate reputation and supply disruption.



The Holcim Supplier Code of Conduct is based on the Principles of the United Nations Global Compact (UNGC), a voluntary global initiative for responsible business practice that Holcim is a member of.

The integrated approach to implement sustainable procurement across the Holcim supplier base consists of 5 steps:

Communication of the Supplier Code of Conduct

Communication of Holcim's expectations and terms of engagement to existing and potential suppliers.

Supplier Prioritization

Identification of potential high-risk suppliers based on Operating Companies' judgment of local conditions.

Risk Assessment

Continuous evaluation of risk exposure through self-assessment, fact finding or verification, as determined by OpCos.

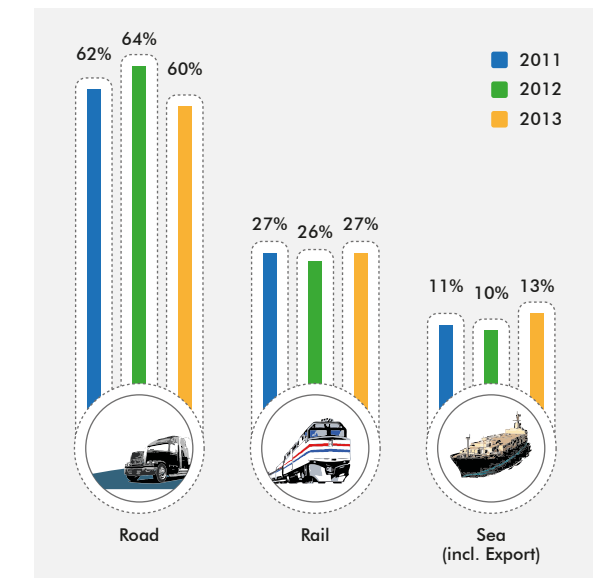
Risk Mitigation

Supplier development or replacement, as determined by Operating Companies.

Scorecard

Continuous performance-tracking of the management of SD related risks by our suppliers.

In addition to the Supplier Code of Conduct, Ambuja has a Green Procurement Policy which we follow in our Procurement while Purchasing Goods/Services.



Project LEAP! India

The Project LEAP (Leverage-Engage-Align-Perform) was kicked off in 2013. The main focus of LEAP is the alignment of overall structure, processes, roles and responsibilities to support an improved leverage of Group spending.

To achieve this, effective and efficient structures, processes, roles and responsibilities are needed, along with integration with external Suppliers as well as internally amongst procurement, technical and operations areas. This is the main aim of LEAP, which comprises of two modules:

- **Organizational Development:** To establish a stronger procurement team across the globe, ready to deliver on ambitious targets with structure and processes in place for sustained results;
- **Savings Delivery:** To consider and prioritize existing and potential new initiatives by systematically assessing the purchasing levers per category to realize our savings ambitions for 2014 and beyond.

To support the twin objectives, a change management program was launched, along with a dedicated Program Management Office (PMO). The

program is guided by the LEAP India Steering Committee and Holcim India Leadership Forum.

During the diagnostic phase, we took a 360 degree view and involved multiple stakeholders - Techport, ACC and ACL management teams, more than 8 plants visits, Suppliers. We have incorporated best practices from both internal (local and global) and external benchmarks.

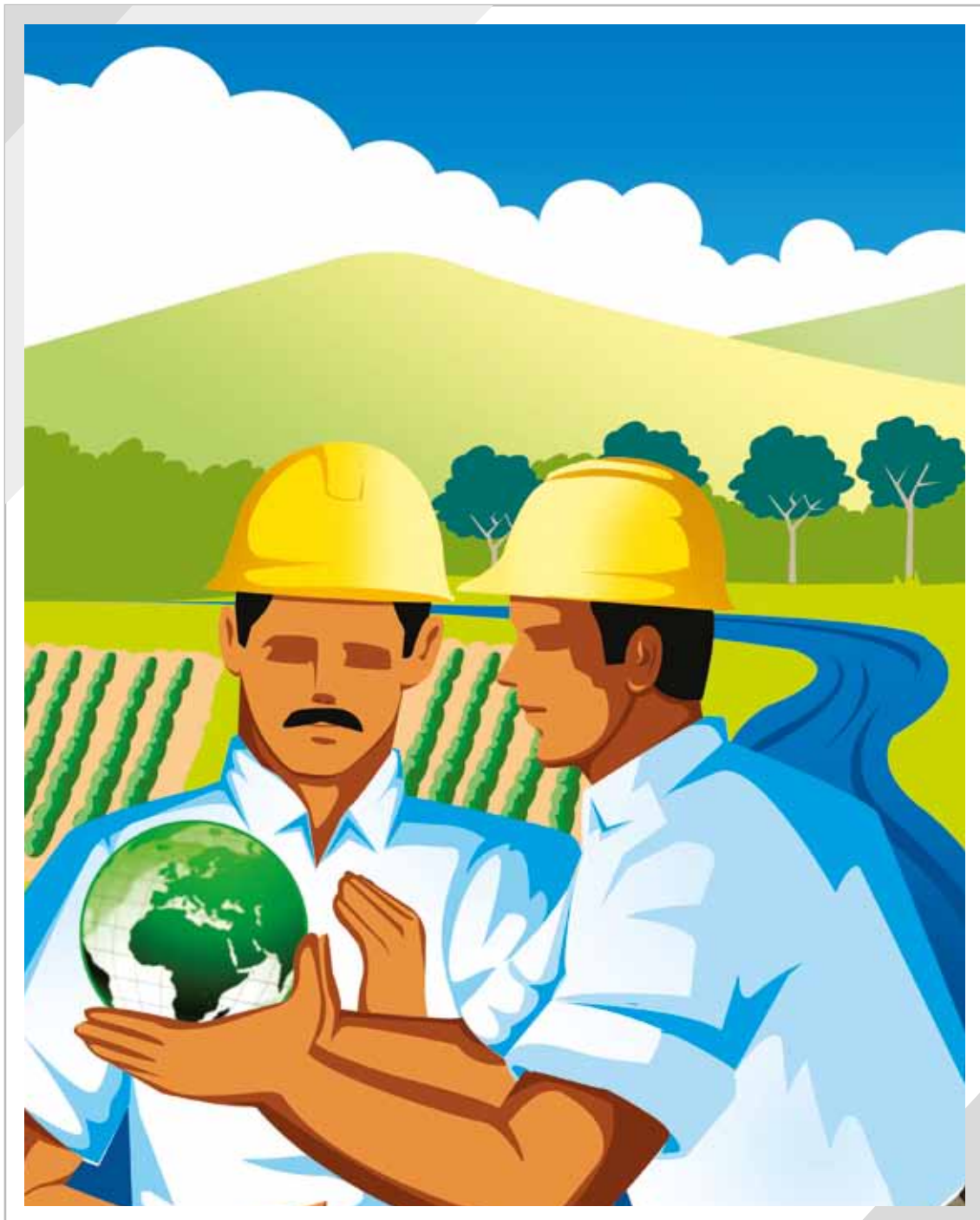
In the Organization work stream, we launched multiple initiatives to address the key issues that were identified during the diagnostic phase. All these initiatives have been rolled out, which has led to significant improvement in employee morale, greater interactions with stakeholders and clarity in roles and responsibilities. To ensure that the efforts are sustainable, we have defined clear quantitative metrics to measure our performance, which will be continuously tracked and shared.

In Savings Delivery, we have completed deep dives in 6 categories - gypsum, bags, coal (as part of Project EARN!), services, maintenance material, and fly ash. Multiple initiatives with timelines and savings target have been mobilized. Globally, we are using a new web based Procurement Initiative Tracking Tool (PITT) to track these initiatives.



Environment...

We Care



GREENER OPERATIONS...OUR ENDEAVOUR

Today we all are witnessing environmental and development issues at loggerheads in many parts of the world. We at Ambuja Cement have therefore adopted sustainability as the way of doing business and give due regard to the environment, energy management, efficiency enhancement, safety and community concerns. We invest in environment protection measures with a view to leave no or minimal traces of our operations.

We have successfully installed Continuous Emission Monitoring Systems (CEMS) at all our nine kilns & have also installed Continuous Ambient Air Quality Monitoring Systems (CAAQMS) at all the plants for proper monitoring of all vital pollution parameters on real time basis. The Company ensured availability of the CEMS above 95% at all the nine kilns round the year.

Policy and Goals

We believe the vision of sustainable development and environment conservation can be achieved more effectively through a structured and systematic approach. ACL is empowered by the overarching 'Corporate Environment Policy' along with unit specific policies. The corporate policy is in conformance with the Ministry of Environment and Forests guidelines. In addition, we also have various specific policies like Corporate Sustainability Policy, Climate Change Mitigation Policy and Green Procurement Policy which mention Company's approach on Sustainable Development, Climate Change Mitigation and Greening of Supply Chain.

All our manufacturing locations have environment team, equipped with laboratory facilities to enable the complete monitoring of stack emissions, ambient air quality, noise level and water quality. These teams are also responsible for implementing various environment initiatives at the units.

Monitoring and Management

A key element of ACL's approach to environmental management is the Company's environmental assessment system. It has implemented Holcim's Plant Environment Profile (PEP) system for the annual monitoring of a plant's environment performance. In addition, Corporate requirements including CO2 Emissions Reporting Protocol, AFR Directive, Asbestos Directive, PCB Directive, Quarry Rehabilitation Directive, Water Directive, Biodiversity Directive and Environment Monitoring and Reporting (EMR) Protocol, were also followed.

PEP System

The Plant Environment Profile (PEP) is the Company's internal annual environment performance assessment system. The assessment is based on detailed and standardized Online Questionnaire, which covers key elements of ISO 14001 along with key performance indicators covering a wide range of topics - including atmospheric emissions, energy and material consumption, water, and waste and quarry management. At the end of the assessment, Environment Performance Index Score is calculated which is used for rating plants internally, as well as to benchmark against the Group's other operating plants globally.

Most of our plants have done well in the Holcim Plant Environment Profile (PEP) annual assessment 2013. While the Company average exceeded the Holcim average score in the integrated units, four of them individually scored above the Holcim average. Both at individual & Company level, all the Grinding Units have scored above the Holcim average PEP score.

Environment Meet 2013

Environment Meet is an annual event in which ACL Environment managers share knowledge and experience. Two day Annual Environment Meet program was organized by the Corporate Environment & Sustainability team at Delhi. It was attended by Business Head (North) including 20 environmental managers from all plants along with personnel from ACF and Geocycle. First day was devoted for internal discussion on the stock taking of initiatives and issues of units. While on second day, a seminar on "Corporate Sustainability" was organized which witnessed presence of eminent experts, experts and consultants from environment and sustainability arena. They motivated and enlightened all the participants by sharing their rich experience.



Environment Meet 2013

Capacity Building

Corporate environment and sustainability team of ACL and Holcim organizes many trainings and skill enhancement programs on various environmental and sustainability topics, over the year. Participants from various plants and corporate functions get benefit from these programs. Some key programs are:

Environment Course at Holderbank, Switzerland

A comprehensive 10 days training course on Environment was conducted from June 3-14, 2013 at Holderbank, Switzerland to provide knowledge on Holcim's approach to environmental management, environmental strategies and technologies in the cement,

ready-mix concrete and aggregate business segments. Seven environment managers from various plants of Ambuja Cement participated in the course.

Key Objectives

- Know Holcim's environmental policies, strategies and programs.
- Gain advanced knowledge on environmental technologies, environmental management, legislation and communication.
- Be able to identify and leverage the opportunities inherent to Environmental or Sustainable Development issues.
- The training also included visit to two plants of Holcim in Switzerland and Germany to familiarize with environment best practices.



Environmental Course at Holderbank, Switzerland

Holcim Water & Biodiversity Directive Workshop, Thane

With an objective to achieve Water & Biodiversity related ORM Targets for 2013, Holcim and corporate environment team has conducted a training program for ACL and ACC plant environment, mining & CSR personnel at the ACC-ACL Academy, Thane, Mumbai on May 13-14, 2013.

Holcim has issued Water Directive and the Biodiversity Directive in 2011. The 'Directives' include the following:

Water metering system should be in place to capture water withdrawal and major water consumption.

Sensitive Sites will have Biodiversity Action Plans (BAP) in place.

Objectives of the training programme:

- To make participants familiar with the requirements and the spirit of the Directives
- To support the implementation of the management systems, protocols and tools associated with the Directives

- To facilitate understanding and acceptance of the risk assessment methodologies and their underlying concepts and metrics

This program helped the participants to understand the requirement of the directives and facilitate in effective implementation of Water Measurement Protocol (WMP) and Biodiversity Management Plan (BMP) at our plants.

Lead Auditor Training Course

During the year two lead auditor training courses were conducted centrally by the corporate team on Environmental, Occupational Health & Safety Management Systems (OH&SMS) and Energy Management System (EnMS) respectively for capacity enhancement of the professionals across the plants.

Similar programs are also conducted at individual ACL plants, on regular basis.



World Environment Day Celebration

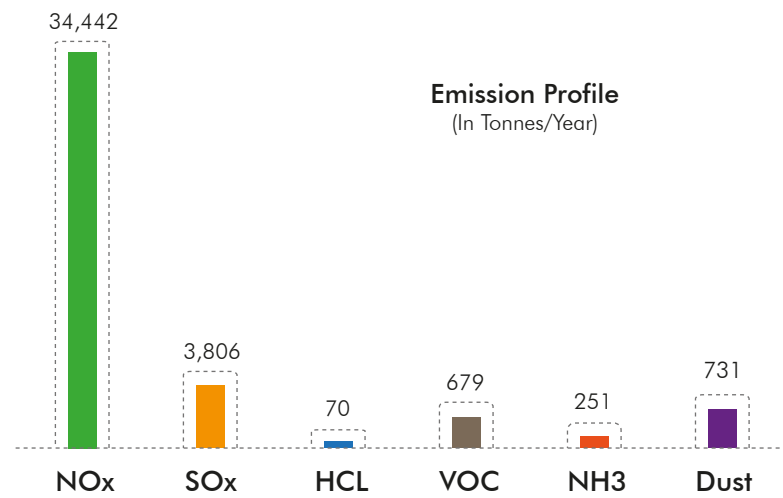
As every year, Ambuja Cement including all plants and offices commemorated World Environment Day on 5th June to promote awareness on environmental protection and conservation among the office employees. Most of the plants celebrated World Environment Day as a weeklong event. It provided an excellent opportunity for employees and the community around the plants to come together for spreading awareness on environment. There was active participation from all members of the ACL staff, their families and the nearby community.





Managing Impact

EN 20



Note: Emissions from the 9 Kiln/Raw mill stacks are reported, excluding Captive Power Plants and other stacks. These emissions are load calculated by Continuous Emission Monitoring Systems (CEMS) at all 9 stacks. During any days when CEMS was not operational, the load was not accounted.

EN 22

Waste Generation	2011	2012	2013
Hazardous waste (In tonnes)	556	653	469
Non-hazardous (In tonnes)	4,35,039	2,53,130	3,12,992

Note: Waste from BCT excluded.

EN 27

The Company is using HDPE bags for packing cement; it also uses bio-degradable paper bags for selected cement markets in Maharashtra.

EN 23

The Company tracks significant spills through Plant Environment Profile. There were no incidents of significant oil spills recorded in the reporting period.

EN 28

There were no non-compliance cases with respect to applicable environmental laws and regulations in the reporting period. However, a show cause notice under E(P)Act for our mining operation at Darlaghat was issued by MoEF in Sept, 2013 for which reply was submitted by the Company.

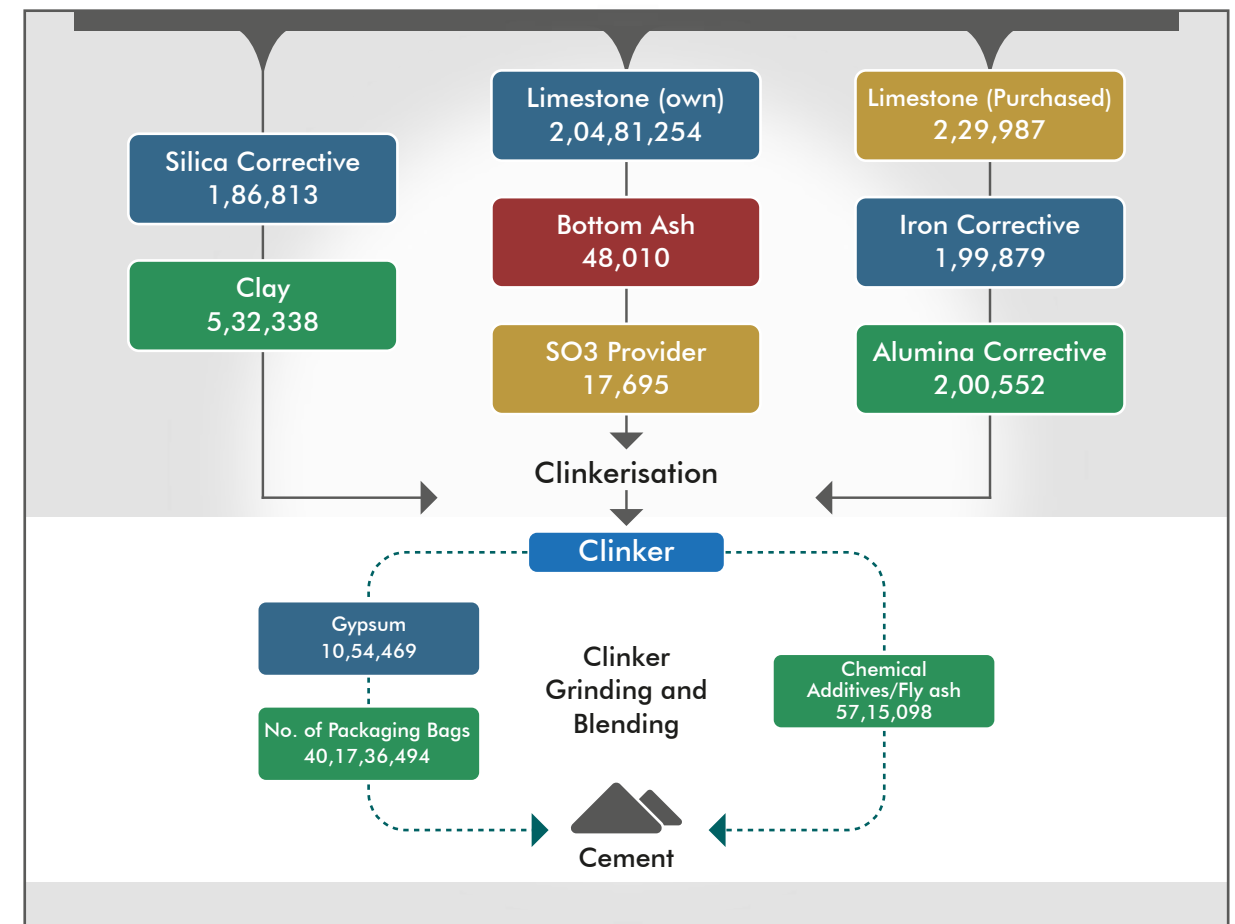
EN 2

Total Raw Material Used (EN1)	2,86,66,095 tonnes
Total Recycled Raw Material	63,80,569 tonnes
Total % of Recycled Raw Material Used	22.3

Materials Management

EN 1

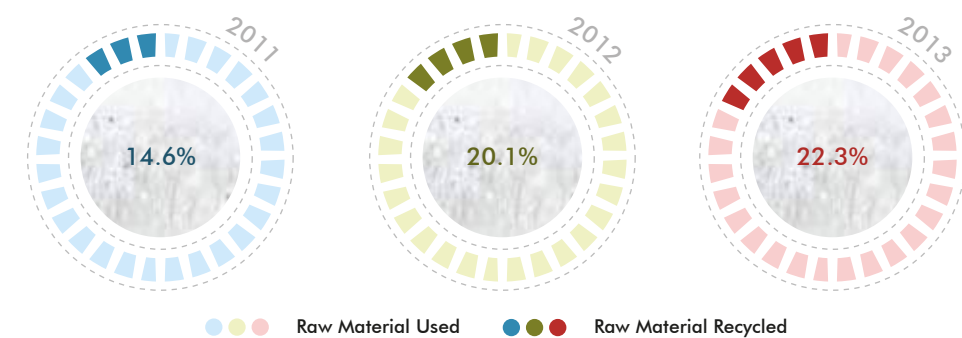
Cement production involves use of natural resources as key raw materials, hence as a responsible Company, ACL recognises the global pressures on natural resources and puts in efforts for better material management, use of low grade limestone, synthetic gypsum waste, hazardous or non hazardous wastes from various industries as fuel or raw material.



Note

- Limestone (own) is the quantity of limestone sourced from our own mines.
- All figures in tonnes except number of bags.

22.3% of Total Raw Materials consumed is Recycled Material.





ENERGY MANAGEMENT

The Company is taking steps to ensure it meets its commitments under the PAT scheme and RPO-REC obligations. Further, we are taking steps to strengthen monitoring and control of our emissions, so that we can meet the requirements of the new standards as and when they are notified.

Three of our grinding units have attained certifications to the Energy Management System (EnMS) as per ISO 50001:2011. Our Rabriyawas plant has become the first integrated unit in Ambuja to implement this international standard. This is also our first pilot at plant level on estimating scope 3 emissions (limited) emanating from our operations.

EN 3 - Direct Energy Consumption by Primary Energy Source in TJ/Yr.

Kiln Fuel Consumption	Unit	2011	2012	2013
Coal*	[TJ/Yr.]	39,139	36,732	24,075
Petrol Coke	[TJ/Yr.]	5,891	11,319	18,180
Diesel Oil	[TJ/Yr.]	82	76	79
Alternative Fossil & Mixed Fuels [#]	[TJ/Yr.]	213	580	1,234
Biomass Fuels [@]	[TJ/Yr.]	57	101	370
Non-Kiln Fuel Consumption				
Coal*	[TJ/Yr.]	18,104	17,658	15,517
Ultra Heavy Fuel	[TJ/Yr.]	512	187	106
Diesel Oil	[TJ/Yr.]	63	150	21
Petrol Coke	[TJ/Yr.]	9	14	1,863
Alternative Biomass Fuels	[TJ/Yr.]	438	729	623

* Includes coal, anthracite, waste coal & lignite.

[#] Includes waste oil, tyres, RDF including plastic, mixed industrial waste, other fossil based waste excluding biomass fraction of mixed fuels.

[@] Includes wood, non-impregnated saw dust, agricultural, organic, diaper waste, charcoal, other biomass & biomass content from alternative fuels.

Note - Excluded Corporate Office, marketing offices & BCT. Non-kiln fuel consumption is for CPP.



In-house Lead Auditors' Course on Energy Management System

Direct Energy Consumed from Wind Mill/Solar Power	2011	2012	2013
Net Units (Kwh) Crores in Reporting Period	1.04	1.21	0.99
Total Energy Consumed in TJ in Reporting Period	37.43	43.56	35.64

EN 4

Indirect Energy Consumption by Primary Source

Indirect Energy Purchased (Imported Electricity)	2011	2012*	2013
Net Units (Kwh) Crores purchased	53.16	65.82	57.01
Indirect Energy Consumed in TJ	1,914	2,370	2,052

* BCT included; Corporate Office and Marketing Offices are excluded

EN 5

Energy Conservation Measures Implemented in 2013

A. Optimization of Process & Equipment at Various Locations

- Installation of Godrej made Intelligent Flow Controller along with Metacentre for optimization of Compressed Air System (Maratha)
- Kiln Inlet Enlargement with Inlet Seal Replacement & Riser Modification (Suli)
- Tipping of Raw Mill Fan and Mill Inlet Duct Modification (Rauri)
- Modification of various stages cyclones of Preheater (Bhatapara, Suli)
- Optimization of cement mill (Farakka)
- Elimination of ideal running of equipment (Dadri, Maratha)
- Installed Auto Start/Stop of Capacitor Bank for HT side to improve Power Factor (Dadri)

B. Installation of Speed Control Devices

- Installation of speed control devices like VVF drives in fans of various equipment. (Rabriyawas, Bhatapara Line I and II, Suli, Rauri, Maratha)

C. Energy Conservation Measures for Plant & Township Lighting

- Energy & Compressed air audit by External Agency (Farakka)

- Installation of Expert Optimiser for Gaj-1 (Ambujanagar)
 - Installation of SPRS (Slip Power Recovery System) (Suli, Rabriyawas, Dadri)
 - Mid Air Tap from Cooler to Raw Mill for heat recovery (Ambuja Unit)
 - Installation of Light Emitting Diode (LED) (Sankrail, Rauri, Rabriyawas, Dadri)
 - Installation of Lightning Transformer (Dadri) and Lighting provided with timer (Rauri)
- ##### D. Installation of Energy Efficient Equipment
- Power Transmission Line to Bulk Cement Terminal- Muldwarka from Plant (Ambujanagar)
 - Installation of High Efficiency Fans (Suli, Rauri)
 - Installation of Efficient Air Blowers for Pre Calciner firing (Maratha)
 - Conversion of Reverse Air Bag House to Pulse Jet Bag Filter (Suli)





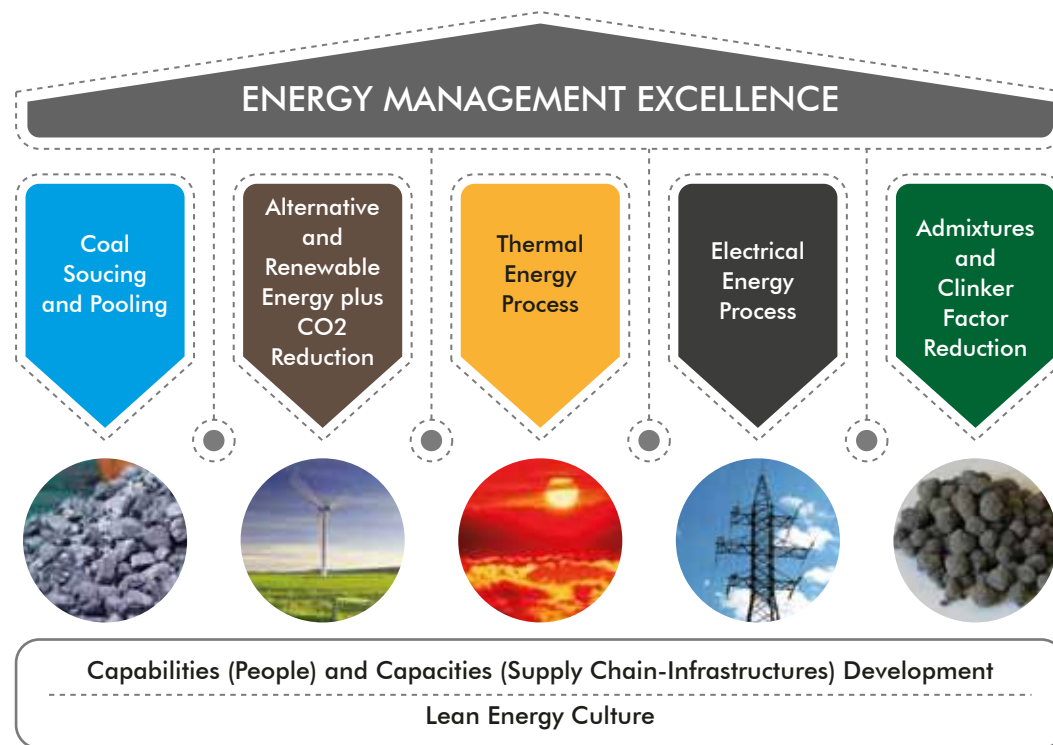
EARN (Energy Activation across Regional Networks)

At Ambuja, energy contributes to significant proportion of production costs. With the shrinking conventional energy sources, we have chosen to proactively address the challenge by launching a focused strategy and transformation to drive down our energy consumption and cost. Energy Activation across Regional Networks (EARN) is our journey to energy excellence. It is not a technical project alone, it is a transformation initiative of building a lean energy culture. We have a specific target to reduce our annual energy cost by 2015. This initiative is a part of Holcim Leadership Journey (HLJ) which was launched in 2012.

Programme Approach

- Transparent measurement of energy consumption for all plants. Establishing regional communities of excellence for each pillar, to share best practices.
- Building model plants across our networks.
- To sustain and expand this transformation, creating academies and equipping them with the expertise to drive energy projects.

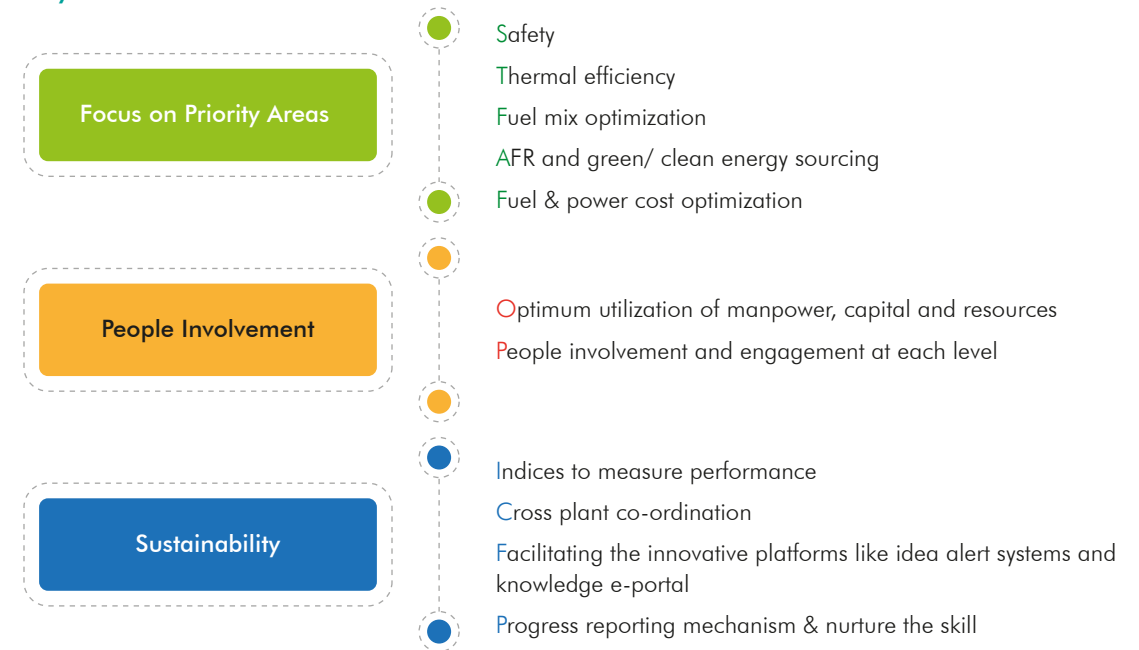
EARN focuses on 5 main pillars/streams to generate a competitive advantage and sustainable saving potential.



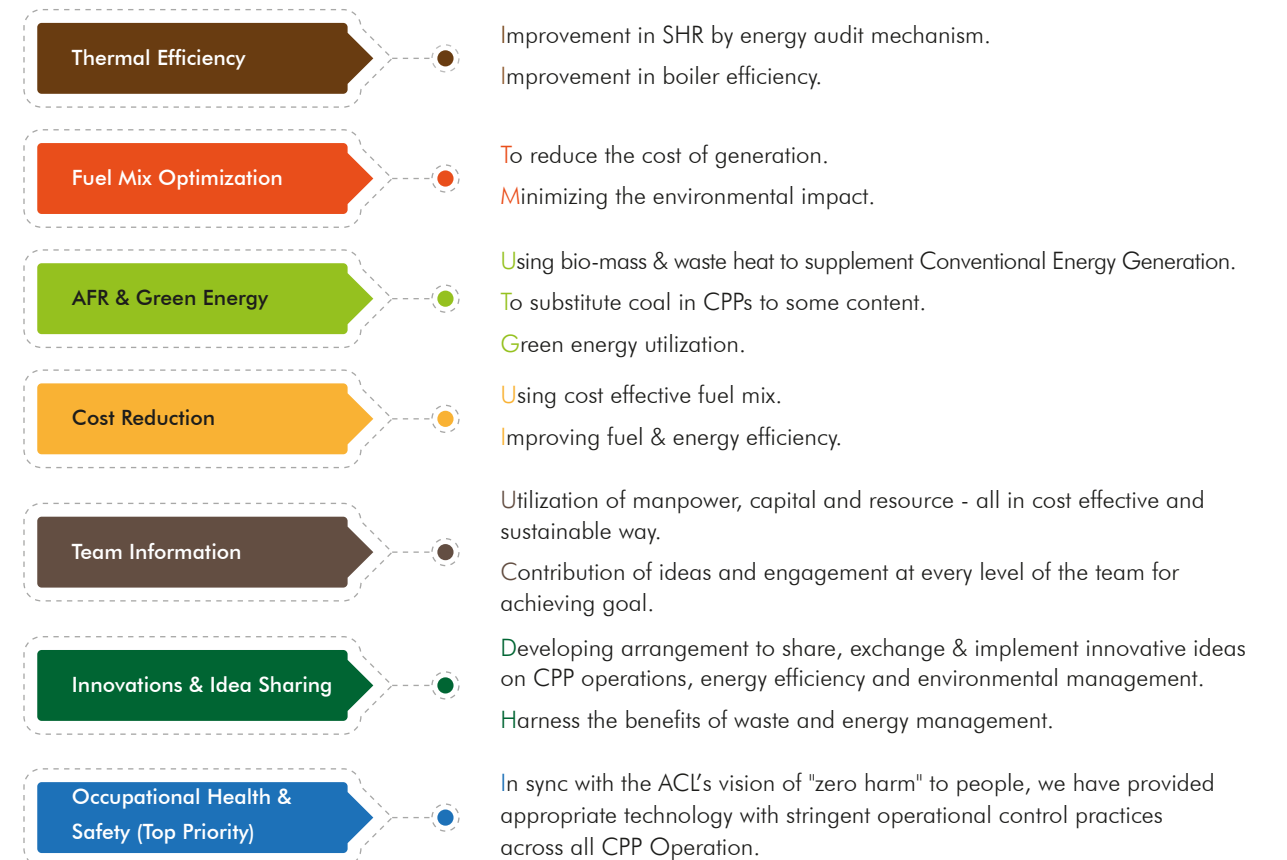
POWER MANAGEMENT & RENEWABLE ENERGY

"To improve the performance of CPPs across all units, by innovation, replicating best practices, empowering people, offsetting carbon footprint and creating mechanisms for Sustainability".

Key Elements



Imperative elements identified and adopted by ACL for Sustainable Development in CPP and Electricity Sourcing





Renewable Energy Projects- Sustainability Aspect

The Cement industry is considered as an energy intensive sector with energy cost making up a significant proportion of the total cement production cost. Climate Change and Energy Security are global challenges and the Company recognises the need to contribute its equitable effort as a function of its techno-economic and socio-economic development. The Company recognises the significant threat caused by Climate Change and focuses to develop its own Renewable Energy Assets. This supports the vision to complement existing power resourcing strategy with Green Power, efficient energy use planning, investment for better returns with sustainable energy growth.

Renewable energy planning will ensure to address concerns such as climate change or carbon footprint, long term energy security with effective future energy development for giving value to the core business. In order to develop the Company's roadmap, 3 major options were included - Wind, Solar and Bio-mass.

Social Well Being

The RE projects help in generating local employment during project execution activity as well as during operational activity, for a longer period (Project life of 25 Years).

Environmental Well Being

- No industrial waste. No impact on water, flora and fauna
- The project activity helps in GHG's emissions reduction initiatives

Economic Well Being

The RECs earned and Power Mix Cost optimization at Cement Plant by the project, add value to Power Sourcing Strategy & RPO Compliance Economical Operation and competitive Low Power Generation Cost.

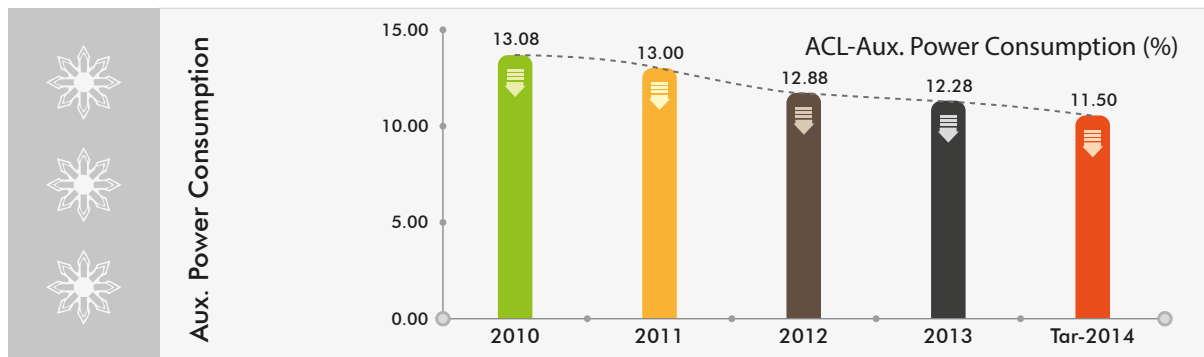
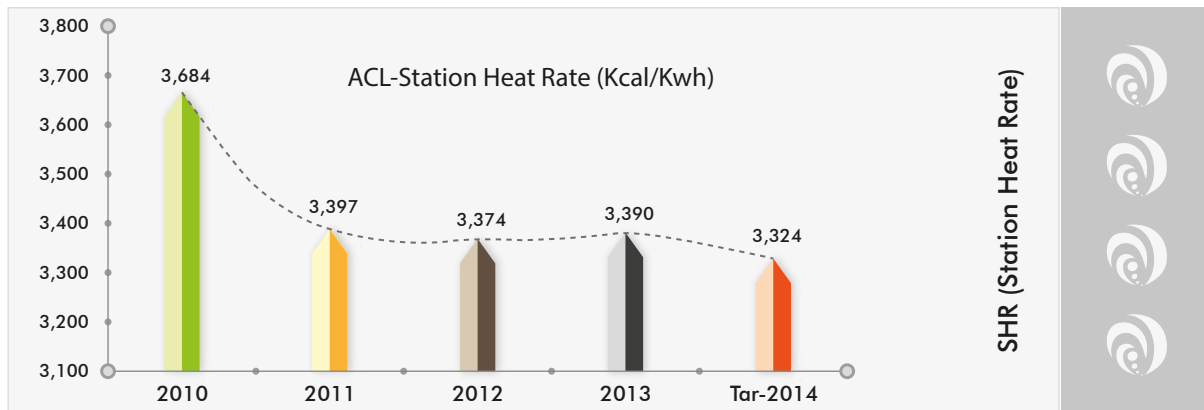
Technological Well Being

- Clean technology
- Well proven & state-of-the-art technology
- Applied worldwide
- High availability & reliability of power generation

Other initiatives for Carbon Footprint Reduction in Conventional CPPs

(Power Mix Optimization & Heat Rate Reduction)

a. YoY basis Improvement in CPPs Performance-indices



CARBON CONSCIOUS GROWTH

EC 2

Climate change mitigation and footprint conscious growth are embedded into our Sustainability Strategy. We focus on low carbon growth, use of alternative fuel, renewable energy, bio-mass etc.

We continue to progress on our Renewable & Clean Energy Roadmap. As a part of that, we have installed 330 KV of Solar Power Station at Bhatapara, Chhattisgarh in 2012, in addition to the existing 7.5 MW of Wind Energy at Kutch, Gujarat commissioned in 2011. A 6.5 MW waste heat recovery based Power Generation System is being installed which is expected to be operational by 2014.

The Company is currently monitoring and reporting CO2 emissions as per the WBCSD Cement Sustainability Initiative (CSI) protocol. We have been able to reduce our GHG emissions by almost 28% taking 1990 as the reference year. To reduce the carbon footprint & to avoid the use of natural resources, we continue to produce fly ash based cement as our major product. In 2013, we utilised over 5.7 million tonnes of fly ash.

Continuing our participation in the Global Programme of Clean Development Mechanism (CDM) we are currently pursuing two CDM projects on Smokeless Chulha in Community around our plants & Waste Heat Recovery based Power Generation in our integrated unit in Rabriwayas, Rajasthan.

India Cement Technology Roadmap- WBCSD CSI

The Company is one of the Co-chairs of CSI India & has been part of the Working Group that released the Low Carbon Technology Roadmap for Indian Cement Industry.

In the same line, we have decided to initiate the phase II of the CSI project that envisages implementing the various levers outlined in the Technology Roadmap.

Carbon Disclosure Project, CII and WWF

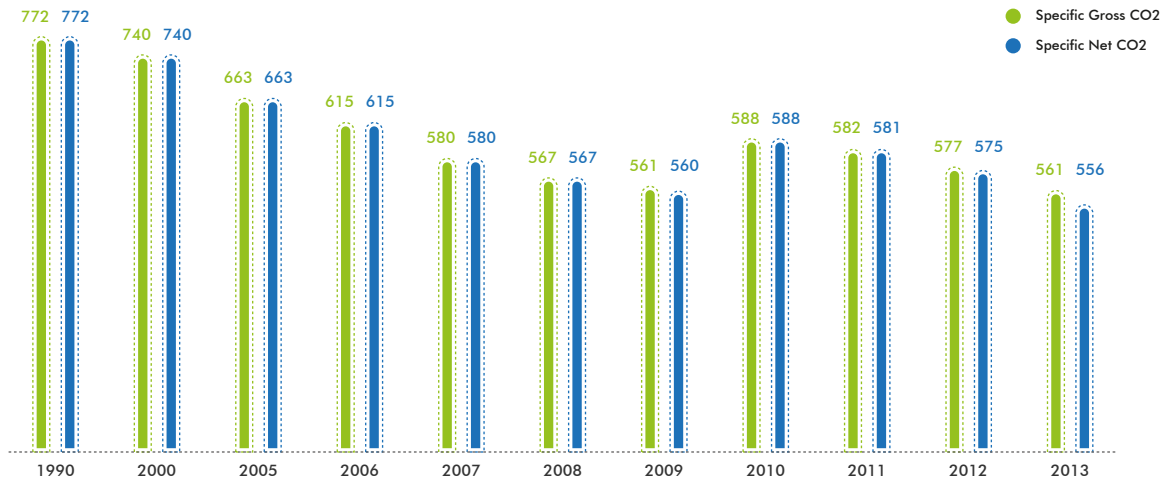
As in the previous years, this year too, we participated in Carbon Disclosure Project and shared our Carbon Emissions as per the CSI Protocol.





EN 16

Specific Gross and Net CO₂ Emissions Per Tonne of Cementitious Product



Note

From 2011 onwards, emissions from Power Plants are excluded from the scope. Due to a change in HARP (Holcim Accounting and Reporting Practice) which led to changes in the methodology of calculation of CO₂ emissions.

Emissions from BCTs, Corporate Office and Marketing Offices excluded.

Emissions due to AFR, bio-mass and indirect sources are excluded.

CO₂ Emissions from On-site Power Generation (Tonnes of CO₂)-16,80,119

CO₂ Emissions from Purchased Electricity (Tonnes of CO₂)-5,36,782*

*Using Northern Grid Emission Factor - 0.94 tCO₂/MWh [as per CEA, user guide Version 8.0]



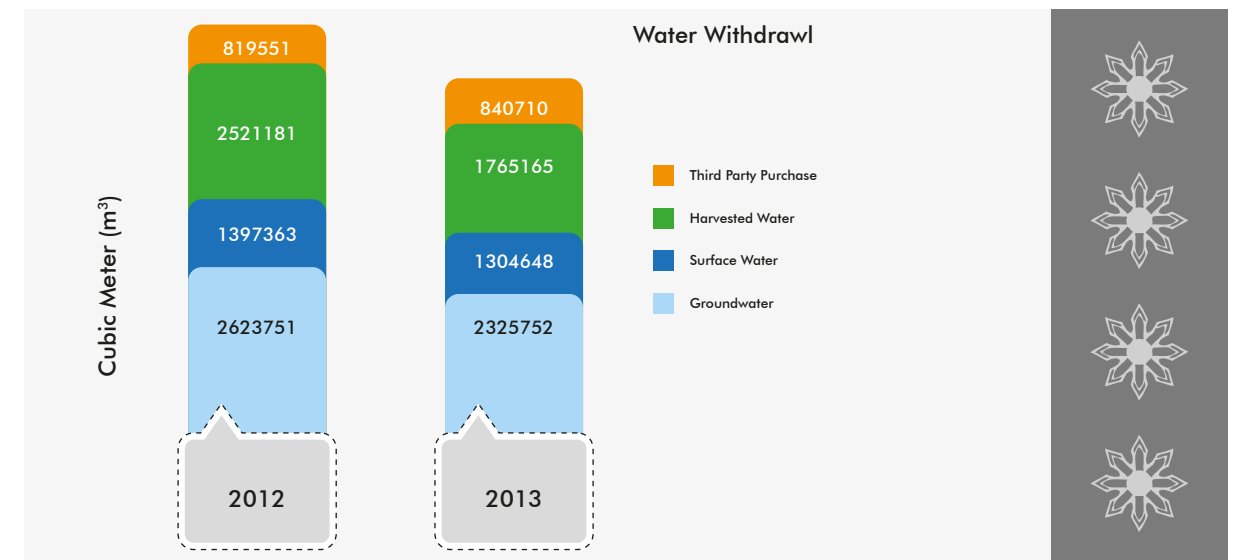
WATER MANAGEMENT...SCALING UP ON POSITIVITY

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 (WMR) to Corporate Office for information and discussion in Regional as well as National Executive Committees of top

management. Thus, Water KPI (Key Performance Indicator) is used to compare performance of different plants as also with respect to improvement over past performance.

EN 8

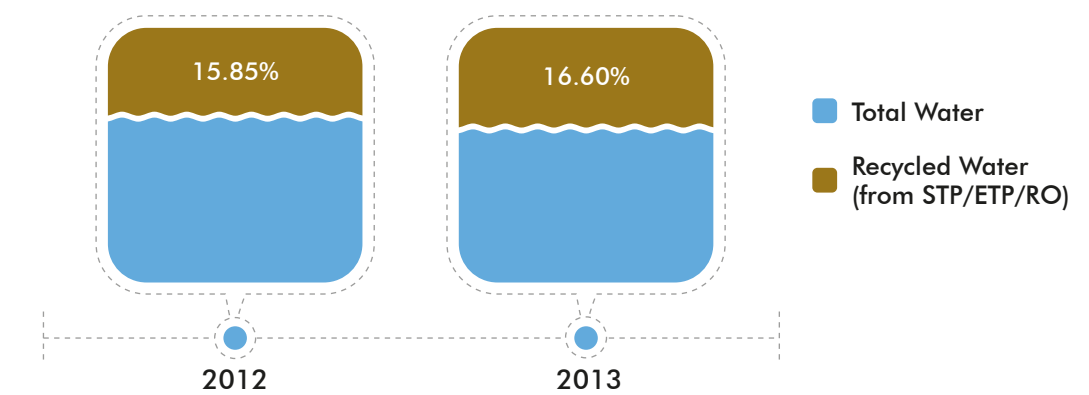
The Total Volume of Water Withdrawn From Various Sources (Jan-Dec, 2013)



As compared to 2012, our total water withdrawal volume in 2013 reduced by about 15.3%. Although our water purchase from municipal supply and 3rd party increased by 3% but we reduced our water consumption by reducing ground water use by 11% and surface water use by 7%.

EN 10

About 10,35,032 m³ of water which is 16.6% (approx.) of our total water withdrawal from various sources was recycled and reused in dust suppression, gardening & other purposes after treatment in Sewage or Effluent Treatment Plants (STP/ETP) and Reverse Osmosis (RO) Plants.



EN 21

Most of our plants do not discharge any water or waste-water in natural resources like land, streams,

lakes or ponds etc. In 2013, the total water discharged by three of plants was about 12759 m³ which is about 0.2% of our total water withdrawal.



Bhakeshwar Dam near Kodinar (Gujarat) got completed in 2013 at a total cost of over ₹12 crores (40% shared by the Company and 60 % by Gujarat govt.). The dam has a storage capacity of 1.41 million cubic meters providing water security and irrigation benefits for second and third crops in about 1,167 hectare area consisting of 1,150 wells within 8 coastal villages. Additional recharge of water through the dam will also prevent salinity ingress in coastal aquifers thus benefitting these villages.

India Water Tool with WBCSD

Ambuja Cement has been partnering with WBCSD for the development of India Water Tool (IWT) since 2012. India Water Tool is a step in good water management for industry in India. The tool (IWT v1) was developed along with a working group of other Indian companies chaired by ACC and PwC (with Infosys as the technology partner). Version 1.1 of the tool (including early feedback, groundwater level data and the Bloomberg and DJSI metrics) was launched in Delhi in 2013.

The tool shall help companies to understand and respond to their growing challenges of managing water effectively and water risk with respect to ground water across direct operations and supply chains within India. Currently, ACL is continuing its participation in development of version 2 of the tool, in partnership with WRI, CII Triveni Water Institute and 10 other Indian companies.



RESPONSIBLE MINING

Sustainable mining practices are the 'dictum' for Ambuja Cements Ltd. The Company has mining footprints in various regions of the country which covers Rajasthan, Gujarat, Maharashtra, Chhattisgarh and Himachal Pradesh region.

MM 11

To obtain limestone as chief mineral from its captive mines, mainly two types of methodologies are deployed while complying with all the Govt. legislations. The soft, crumbled / friable limestone is scratched by efficient mining techniques using Surface Miners which is exclusively utilized in Gujarat region, whereas the harder and compact 'limestone' is extracted through advanced hi-tech controlled drilling blasting techniques with in-built arrangement of providing dust free operation. To minimize blasting effect / noise pollution, vibration and fly rock generation 'Digital Energy Control System' has been introduced. It reflects our concern and commitment towards surroundings and environment protection.

As of now ACL is operating 10 mines which are located at various integrated plants in India. In Gujarat, 5 of our mines are being operated by surface miners while other mines located in northern, central and western parts of India are mined by drilling and controlled blasting to extract limestone.

Statutory Mine Plan, Scheme of Mining, Mine Closure Plan, Quarry Updation Work is carried out in-house by qualified, competent personnel with the help of the latest technology and software. Other technical studies viz. Hydrological, Geotechnical, Remote Sensing and Land use/ Land cover studies are being conducted through reputed consultants.

Various types of technical events including Mines Environment & Mineral Conservation Week, Mines Safety Day, World Environment Day etc. are being celebrated in ACL mines which spread awareness and promote the welfare program among the surrounding community and foster the technical advancement in day to day operations. Concurrent planning on water harvesting, plantation and other environmental protection activities are also taken care.

Besides adoption of modern technologies in drilling & blasting process, we also exercise raw material optimization through the latest computer applications (Quarry Scheduling Optimization), optimizing screen reject, slope stability by coconut

fiber blankets, logistics optimization and proper rehabilitation etc.

EN 11 & EN 12

All ACL's operating sites have been assessed for environment impacts and necessary systems are put in place to prevent the occurrence of adverse impacts. The Company continuously strives to operate in an environmentally responsible manner. Protected area exists within 10 Km of our mining or plant operations at two locations, Darlaghat and Ambujanagar. The Company has initiated Wildlife Conservation Plan and Biodiversity Action Plan for management of biodiversity.

MM 1

Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.

ACL Total

Mining area (ha)	4,987
Area disturbed (ha)	1,233
Area rehabilitated (ha)	185
Area disturbed & not yet rehabilitated (ha)	1,049

MM 2

None of the sites are operating in immediate vicinity of specific Biodiversity zones. Biodiversity (Flora and Fauna) studies have been conducted by third parties for almost all mining areas. Additionally, we are implementing Holcim Biodiversity Directive with a mandate to prepare Biodiversity Action Plan for our sites.

MM 3

Total 42,61,369 tonnes of overburden/interburden or waste material was generated during the reporting period. Further, there is no generation of tailings and sludge. The disposal of waste material is being done through excavator-dumper-dozer combination. Dumping is carried out in non mineralised area. There are no associated risks identified so far. The dumps are well designed and maintained with predefined slope angle for maximum stability.



MM 4

There were no strikes or lockouts at our mines in the reporting period.

MM 5, MM 6 & MM 7

Our operating sites are not located adjacent to Indigenous Peoples' territories.

We follow a consultative approach to address concerns of local communities if any, involving all the stakeholders. Where applicable, compensation is also paid to the local communities by the Company.

MM 8

There are no operating sites where artisanal and small-scale mining take place.

MM 9

Lands are purchased on negotiations and one to one basis. There were no significant disputes related to resettlement.

MM 10

Progressive mine closure plans are available as per statute for all the locations. Additionally, concurrent rehabilitation plans are available for the working mines in Gujarat.



Ambuja Cement's surface miner for eco-friendly mining

WE VALUE WASTE

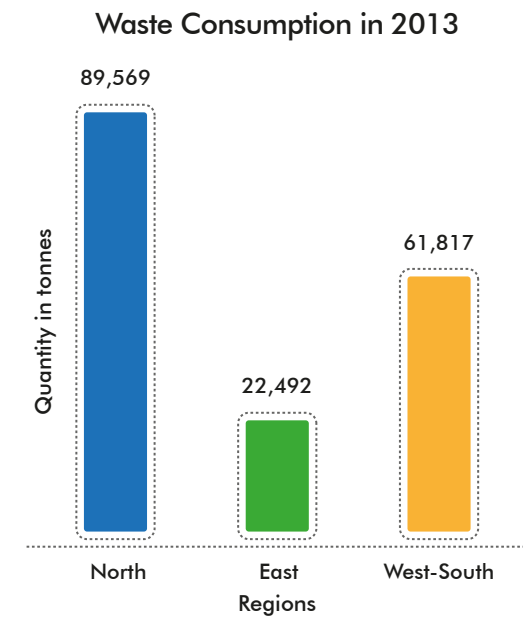
Geocycle supports Ambuja's core cement making business, keeping the commitment to manage and optimize the use of natural resources responsibly and thus minimizing the impact of our operations on the environment. In 2013, waste consumption increased substantially, the range of waste streams also increased significantly to cater for new customers. The higher utilization of alternative fuels and raw materials in turn resulted into higher Thermal Substation Rate (TSR) and earnings of Geocycle which rose significantly over the year 2012.

2013 also marked the construction phase of the Geo20 projects. With new and more automated installations, Geocycle will be in a position to accept varied waste streams across India and

convert them into AFR. Geocycle has also focused on strengthening the ACert implementation for comprehensive assessment of its all operations related to co-processing.

Waste Consumed

Ambuja consumed about 1.74 lakh tonnes of waste in 2013 as compared to 1.5 lakhs in 2012. Through this activity, Ambuja not only reduced the negative impact of the waste on the environment but also reduced its overall ecological footprint by reducing its use of natural resources. We primarily co-processed waste from agriculture, industry and public sector. However, the focus is on providing solutions to the industrial waste generators as well as Municipal Solid Waste (MSW).

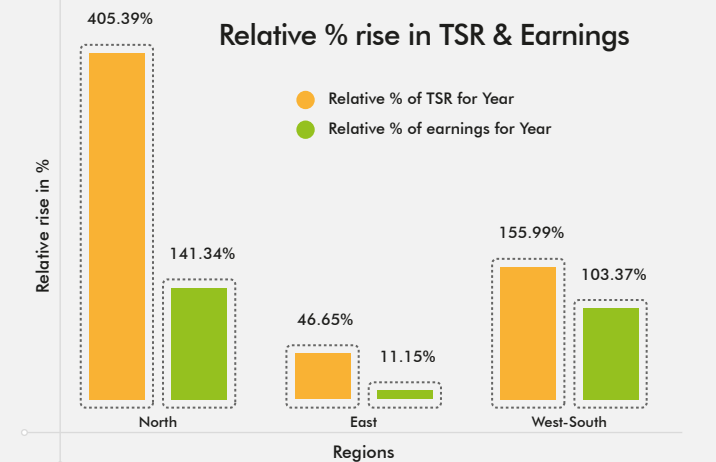


Trial Burns

In compliance with regulatory requirements, Ambuja has conducted various trial burns in the past, to demonstrate the suitability of materials with regards to environmental, health and quality criteria. Lately in September 2013, the Company conducted trial burn of waste from pharmaceutical industry at Bhatapara unit in coordination with the waste generators and regulatory authorities. Other trial burns are also scheduled for first quarter of 2014.

TSR and GAV

Ambuja achieved a TSR of 3.65% in 2013 as compared to 1.39% in 2012, a rise of over 160% straight away. Earnings also showed a rise of impressive 50% over the previous year. Earning from Geocycle operations is a very important element of sustainability. It allows the necessary management focus, capital investment and controls to be applied to the business.



Geo20 Installations

Geo20 project was initiated with an objective to offer sustainable waste management solutions to the waste generators. Geocycle is just a few months away from wrapping up the Geo20 project to add further to its waste treatment facilities at the cement kilns of Ambuja. The installation of project has been a year-long effort to catch up with the demand for better waste management services in the country.

Very soon, we expect to start using the new facilities to produce high quality AFR and feed it to the kilns with least impact on production parameters.

ACert

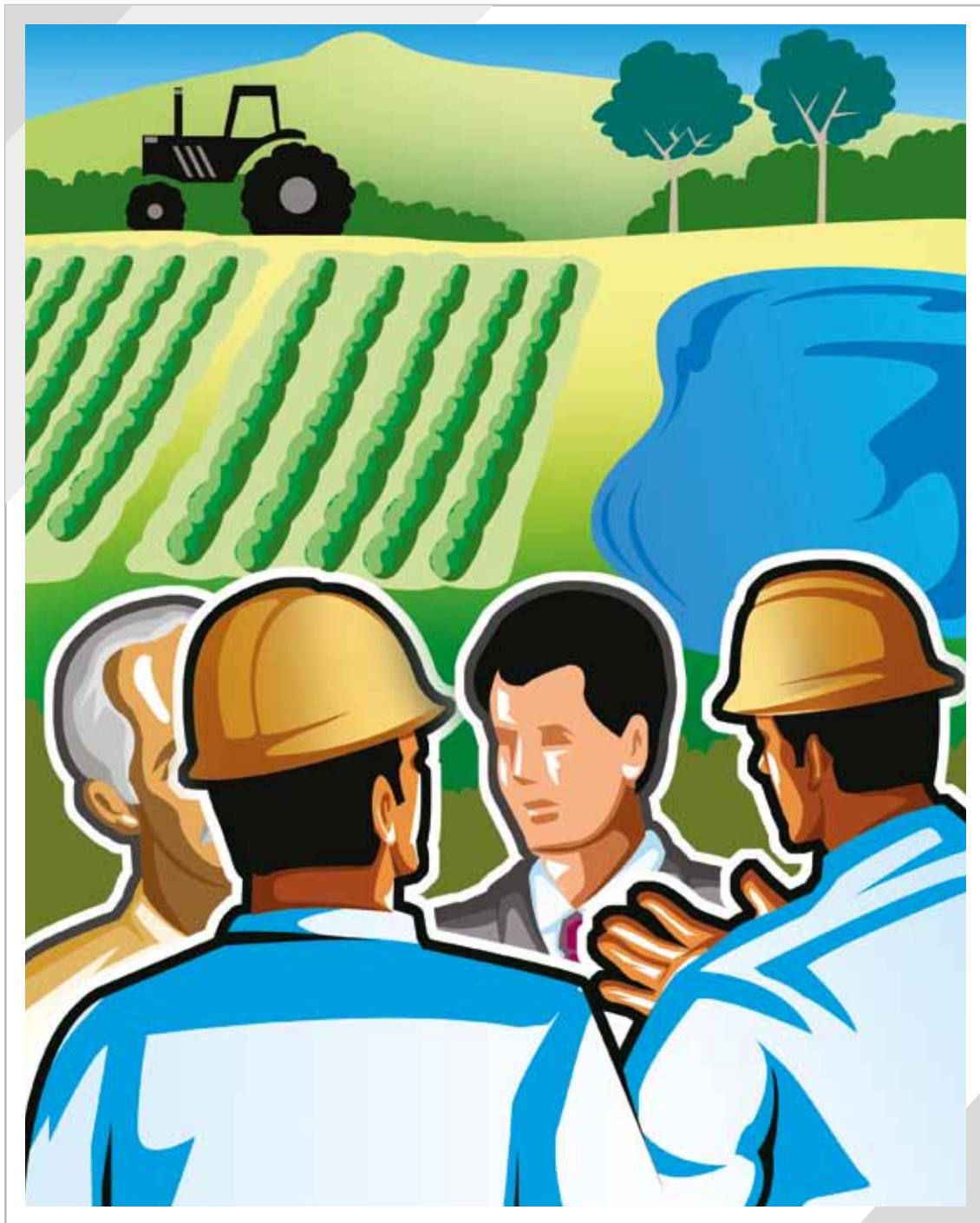
As a company policy, ACert is a mandatory program which was designed to ensure adequate controls are in place for Geocycle operations. All facilities conducting Geocycle activities are guided by the ACert program. At Bhatapara, ACert audit was conducted by third party for solid handling system in January 2013.

Internal assessments were also conducted for existing AFR handling facilities at Ambujanagar and Bhatapara units in October 2013. ACert Gap Analysis was conducted at Rabriyawas and Maratha units to identify the key areas to be focused for implementation. Further, ACert Audit/Assessment shall also be conducted after commissioning of Geo20 Projects.



Community...

We Empower



OUR EMPOWERED PARTNERS

Corporate Social Responsibility (CSR) has always been an integral part of Ambuja Cements Ltd. (ACL). The Company's vision of CSR is translated through Ambuja Cement Foundation (ACF) which implements programmes and activities in all ACL manufacturing sites.

SO 1

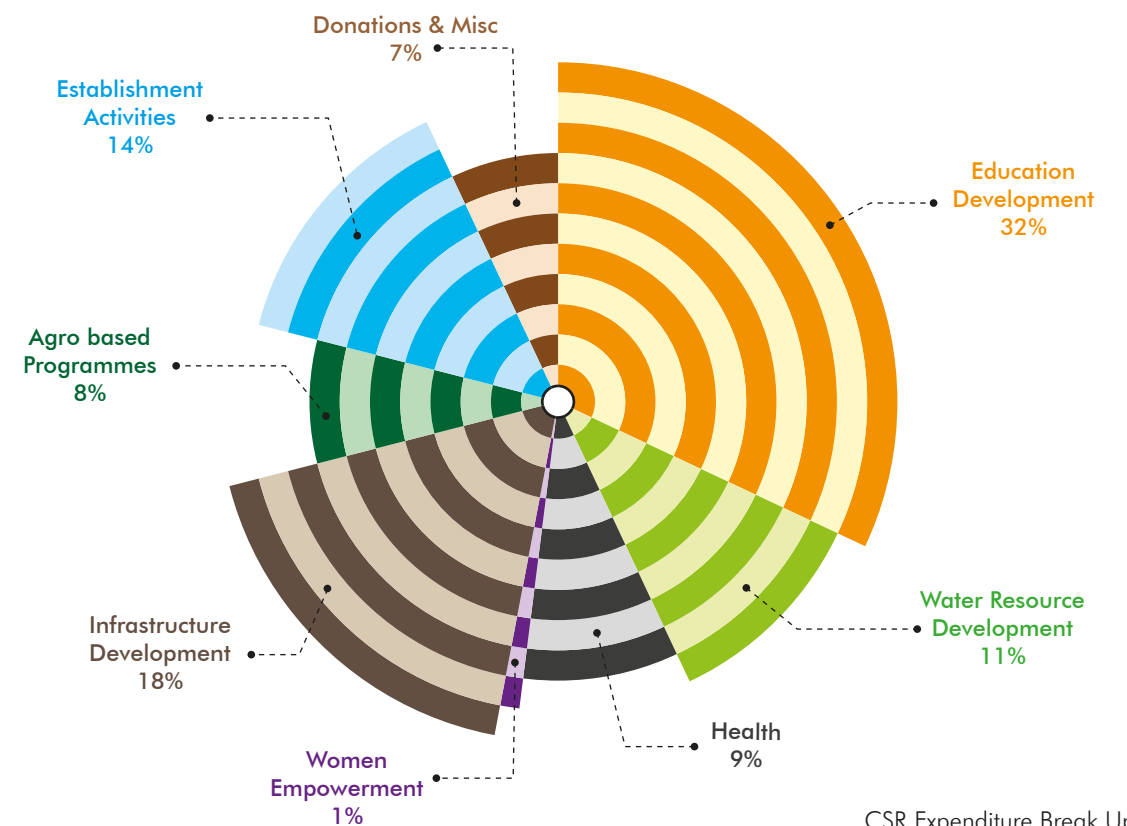
The host communities are one of the most important stakeholders for the Company. Their needs and priorities are ascertained through Participatory Rural Appraisal (PRA). Based on this, each location has developed a thrust area ranging from water resource management, agro based livelihoods, health, education or women empowerment. All the programmes are designed, developed and implemented with the direct participation of the community members. ACF projects are in complete sync with the requirement of the region involving people at every stage of project development. We believe that involvement of people coupled with hand holding support

leads to progressive programmes which are sustainable in future. The programmes at ACF are owned by people.

We have developed a tool, the Social Engagement Scorecard (SES) which rates the initiatives of the Company across locations through the methodology which collects information and reviews the work through detailed group discussions and interviews. In 2013, all the locations scored in the range of 75% to 100% indicating positive reviews.

Besides ACF's continuous engagement through community development programmes, we also have established Community Advisory Panels (CAP) at each location. The CAP is an advisory

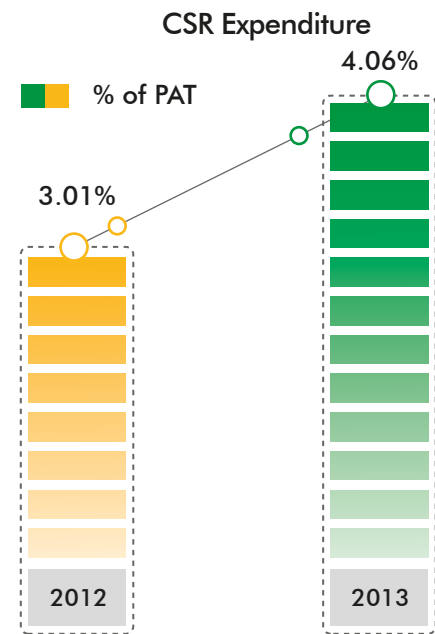
The Company has spent ₹ 52.57 crores during the year 2013 on CSR activities which is over 4% of the Company's net profit.



CSR Expenditure Break Up



body representing members among community leaders, local administration, NGOs and the Company. This is a platform for exchange of information and views, hearing out community concerns, and planning ahead for the area.



The **Site Specific Impact Assessment (SSIA)** obtains a systematic and comprehensive overview of the plant's impacts at 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 plant management team, employees, contract workers, trade unions, truckers, community members, contractors and local authorities. A proactive plan is made to mitigate these risks.

Employee Volunteer Programmes have made it possible for ACL employees to be a part of the development journey of the communities. It has engaged employees and sensitized them towards ground level issues that can have an impact on the Company and the community around it. Since initiation, over 2,000 employees have actively engaged in programmes related to environment, mentoring or social aspects and have clocked more than 26,000 volunteering hours.

Water Resource Management

ACF has undertaken extensive work to ensure water availability in areas neighbouring the ACL locations. The intervention varies according to the geography and topography of the area. The work in Gujarat has focused on salinity mitigation. The

groundwater was affected by salinity ingress due to the proximity with the sea, having an adverse effect on agriculture and daily consumption of water. Rajasthan is characterised by large dry spells leading to an approach of conservation and optimum utilisation of water.

The **Roof Rain Water Harvesting Structures (RRWHS)** installed in the community, ensures that rain water is collected in large tanks through the water collected on roof tops and can be used later. The building of check dams, pond deepening, filling up of mined out pits has resulted in recharge of ground water and ponds in various locations. The Khadin System in Rajasthan has been revived helping to preserve surface runoff. The renovation of dykes which is a traditional water harvesting system led to increase in groundwater recharge in our project areas. In hilly region like Darlaghat, Himachal Pradesh, watershed development project is taken up in partnership with NABARD. Once completed, this project will benefit 2,183 farmers in the vicinity.

The work on water is recognised by the communities and corporates as well. ACF was conferred the "Water Award 2013" by FICCI for the excellent initiatives in community water management. The cascading effect of water is seen in everyday life of communities. For women, availability of water in the vicinity has reduced drudgery of walking for hours to fetch water for the household. The farmers are assured of water to irrigate their fields. The water bodies and the systems are managed by Water User Groups formed in the communities.



Agro Based Livelihoods

Agriculture is the primary occupation for host communities. Regular farmer meetings are conducted to address issues in the field. Punjab is characterised by use of organic farming reaching out to 864 farmers. The produce is marketed through the organic shops. The Krishi Vigyan Kendra (KVK) in Kodinar, Gujarat is managed by ACF & benefits numerous villages in the vicinity. This Kendra is frequented by farmers to be abreast of technologies in agriculture. The KVK strives to build farmer capacities through regular trainings and demonstrations of technologies in farmer fields. System of Rice Intensification (SRI) is an alternate method of growing rice in a sustainable manner in West Bengal. SRI has reached out to 5,036 farmers till date.

The **Better Cotton Initiative (BCI)** has won accolades from the communities and industry too. ACF was awarded the Best NGO Award for working in the cotton sector by Northern Indian Cotton Association Ltd. The Better Cotton Initiative has ensured sustainable ways of growing cotton with better profits and sustainable means. BCI is today running successfully in 5 locations benefitting 9,863 farmers.

ACF's agro related activities also include bee keeping and mushroom cultivation. Animal Husbandry is supported through regular health camps in the communities. The Pashu Swasthya Sevika at Darlaghat, Himachal Pradesh are animal care takers who are trained by ACF. This programme provides support to families who rely

on cattle for livelihood and has empowered the women to be trained as para vets.

The work in agriculture is complemented by Water Resource Management through promotion of technologies like sprinklers, installation of drip irrigation and construction of check dams, ensuring regular water supply and optimum utilisation of water in agriculture.

Skill and Entrepreneurship Development Institute (SEDI)

SEDI was introduced in 2006 to address the growing demand of skills from industry and increase in the number of unemployed or under skilled youth. Since inception, SEDI has created livelihood for youth and successfully changed their lifestyles. SEDI imparts employable skills through the 16 centres across India depending on the need and demand of that region.

In Kodinar, Gujarat the nursing course has helped young girls to support their families. In Darlaghat, Himachal Pradesh the stitching course enabled housewives to support their families by working from home. The mason training in Chandrapur has changed lives of 135 youth who were earlier not working or were involved in low paid unskilled work. This course is also popular in Bhatapara, Chhattisgarh where 54 girls have been trained as masons. The security guard training at Chhindwara is much in demand due to numerous industries nearby. The welder course in Roorkee has increased job opportunities for youth in nearby industries. Courses like mobile repairing has encouraged youth to be entrepreneurs too.



SEDI provides training in 45 trades with English and Computers compulsory for all courses. A detailed assessment process is undertaken by the youth which helps to determine the course which the students should opt for coupled with counselling of the student and parents. The curriculum focuses on practical training and ensures that the youth is acquainted with the industry through on-the-job trainings. SEDI supports its students for at least 2 years once the student is placed in the industry.

Some of the courses at SEDI are affiliated to the National Council of Vocational Training (NCVT) and the State Council of Vocational Training; while others are certified under the Modular Employment Scheme of the Central Government. Some SEDIs are also registered as Vocational Training Provider and Assessment Centre under this scheme. SEDIs have changed lives of 14,934 students with a placement rate of 75%.

The partnership with the government, NGOs and corporates ensures that courses are up to date and in sync with market demand. The ISED (Institute for Skill and Education Development) in Darlaghat is a joint initiative with Punjab National Bank and co-sponsored by NABARD. In unique collaboration with Gram Panchayat, youth were trained as mason in Chandrapur, Maharashtra supported by the DRDA and L&T. Schneider Electrical provides equipment for electrician course in 10 locations. Partners like Godrej and Taj Hotels have helped in on job training, exposure visit, placement and curriculum development. Numerous other partnerships with various organisations aid placement of our students and regular feedback ensures that curriculum is up-to-date.

Comprehensive Healthcare

LA 8

The health intervention at ACF promotes easy and quick access to healthcare. ACF trained women from the communities called sakhis ensure 24 X 7 healthcare especially for women and children. The sakhis are trained in mother and child care along with nutrition and basic clinical care. The work of the sakhis is complemented by health camps, mobile dispensary in the village and awareness sessions with adolescents. ACF has trained 337 sakhis and the sustainability of programme is reflected in 103 sakhis being absorbed as ASHAs workers as government cadre.

The purview of health extends to community action through complete sanitation. In Chandrapur, our works in communities incorporate construction of toilets, soak pits and drainage. ACF facilitates making of an open defecation free village by promoting construction of toilet by leveraging government schemes and extensive awareness generation sessions. Their participation extends to volunteering to sweep streets, labour work for infrastructural work and lending space to the Village Development Committee for meetings. The infrastructural work in toilet construction at Chandrapur is supported by youth trained in SEDI for masonry. Sanitation activities extend to schools where children endeavor to adopt hygiene practices and have clean schools. In locations like Darlaghat, swacchadoot or cleanliness messengers are appointed to ensure a clean and tidy school.

Ambuja Cement also works extensively towards prevention of HIV & AIDS, in and around its plants and other locations for reducing stigma towards those affected by it. Programmes are



held with truckers around ACL plants raising awareness on HIV & AIDS. Counseling sessions are also organised in some locations. Targeted Intervention Project is implemented in collaboration with State AIDS Control Societies (10) and Health Care Centres in partnership with Apollo Tyres Foundation (4) in various states. In Ropar, ACF supports people living with HIV & AIDS through a support network.

Education

ACF has introduced a number of programmes to make study interesting and meaningful for children. The Teaching and Learning Module (TLM) introduced in schools aids teachers in using better methods to study. In Chandrapur, E-Learning makes lessons interesting by introducing chapters through stories and revision lessons in the form of quiz.

Balmitras in school are appointed as children's friend for joyous learning. Balmitras, are members from the community trained by ACF to help children understand subjects like Math, Science and English using varied teaching and learning methodologies. The non-formal education centres reach out to out-of-school children. The process empowers children with quality education, and helps them move on to regular schools, once they are sufficiently prepared.

ACF also runs the **Ambuja Manovikas Kendra (AMK)**, a special school for intellectually challenged children in Ropar, Punjab. With hundred children on its rolls, the school works to improve the quality of life of children with intellectual disabilities. A range of activities and programmes at AMK help them grow as independent and productive individuals. The children at AMK once again did us proud by winning the "Overall Championship Trophy" in

Punjab State Special Olympics 2013, 8th time in a row. The institution was also adjudged the "Best Institution in Sports". The school since the past one year extends its services to children who cannot travel to school through its Home Base Rehabilitation Programme.

Women Empowerment

ACF encourages women to form Self Help Groups (SHG) to promote savings and begin entrepreneurial activities. Till date, ACF supports 833 SHGs in 17 locations with a corpus of ₹3.40 crore. In Panvel, (Mumbai) women have come together to

manage the canteen and supply food to the workers at the Company. They also undertake painting of diyas (earthen lamps) and sell in exhibitions in ACL and other organisations in Mumbai. The easy access to funds has enabled women to support their families through alternate income generation activities and their use during sudden requirement of money.

In Ambujanagar, Gujarat, women from 120 SHGs have formed their Federation called Sorat Mahila Vikas Mandal. They not only loan money, but also undertake issues of members like inter caste marriage, domestic violence and support to the needy.

The programmes at ACF have directly and indirectly impacted lives of women in various ways. Assurance of water leaves time for women to undertake other activities. As sakhis and balmitras women step out of their homes and contribute to the development of their communities, SEDI has changed the lifestyles of numerous young girls by providing an opportunity to be skilled and support their families.

Biomass as an Alternate Fuel

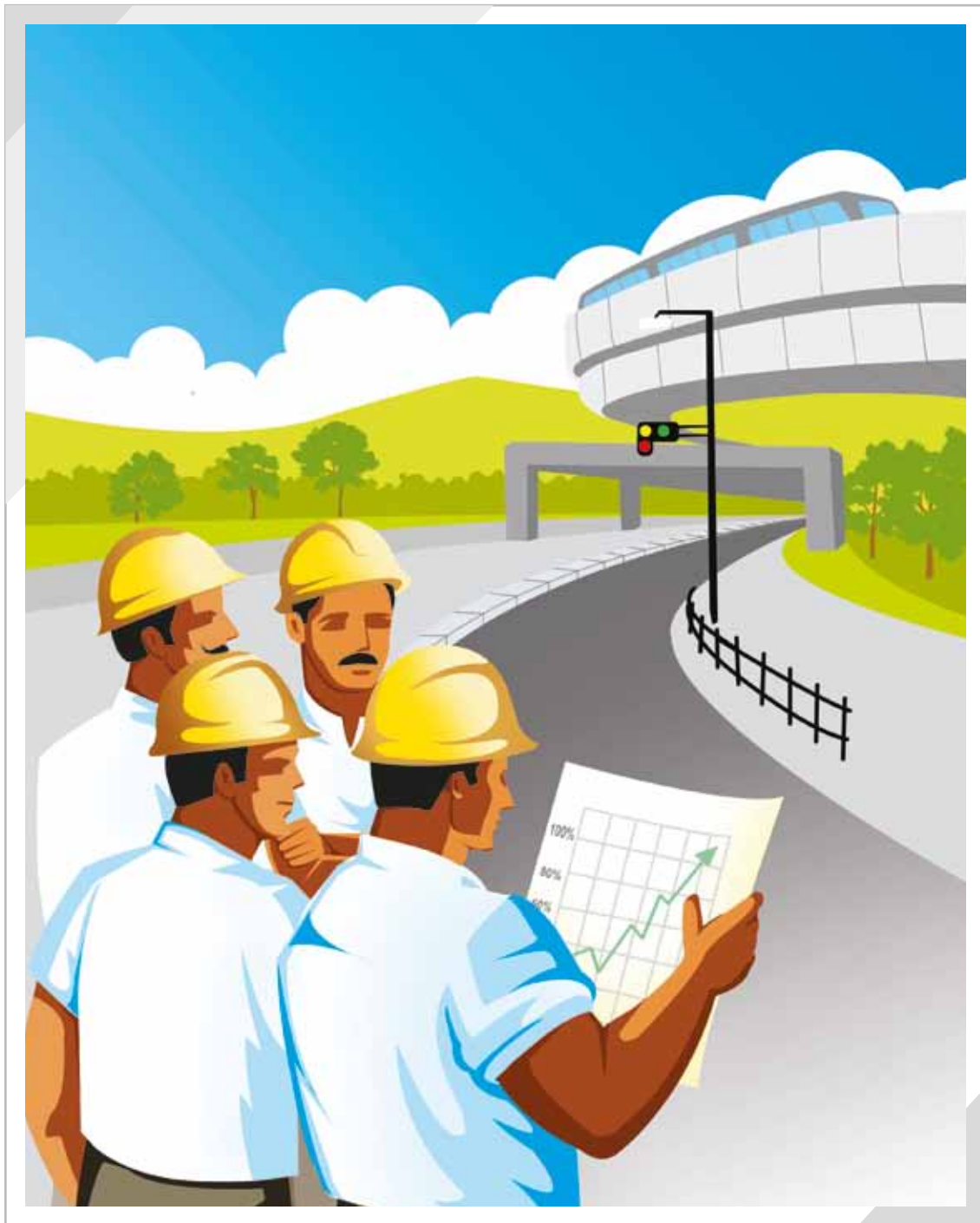
This programme was initiated in the year 2012 with aim to provide the Company alternate fuel to promote clean energy. Farmers usually burn the residue left out of crops like- mustard, cumin, cotton husk, etc. In an endeavour to promote clean energy, this residue or bio mass is now provided as an alternate fuel to ACL. The farmers have formed Farmer Producer Companies through which they sell biomass in five locations of integrated cement plants, thus generating additional income. About 20,263.04 metric tonnes of biomass was supplied by farmers to ACL plants.





Employees...

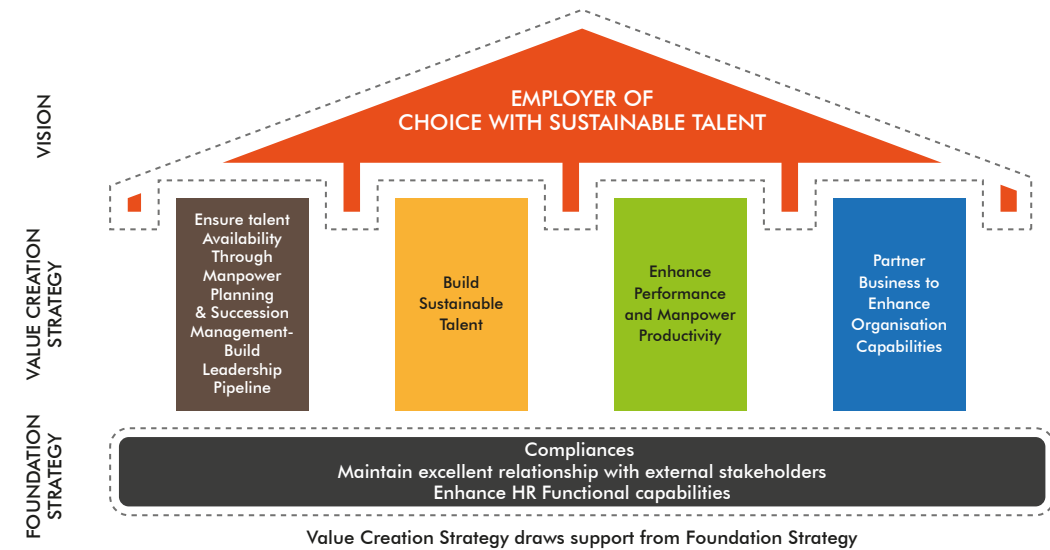
Our Asset



OUR BUILDING BLOCKS

Our HR system and process are aimed towards making us an employer of choice with sustainable talent. This is a perfect alignment with the company vision of being the most sustainable and competitive company in the industry, towards this end, there have been constant efforts to ensure a capable talent pipeline.

Ambuja HR Strategy



Training and Development

At ACL, it is our endeavor to consistently facilitate the learning of employees to enable a continuous process of grooming them for future challenges & leadership roles. Our training and development initiatives are directed at enriching leadership, behavioural, functional and technical skills as well as bringing about a change in the Attitude, Knowledge and Skills of the employees.

We cater to all levels/grades of employees with various training programmes being planned to enable Leadership as well as Functional and Behavioural Competency Development.

Training Objectives

The focus of the training and development team is to provide high quality training solutions to aid the growth and development of an employee. Another focus area is the aligning of individual needs with the organization's requirements, thereby enabling training to become a more structured exercise which brings value to both, the individual and the organization.

Broadly the Key Objectives of Training are:

- To implement training initiatives across different levels of employees that will help strengthen our vision of being a learning organization.
- To create a wide talent base in the organization and equip employees to handle challenging roles and assignments.

Leadership Development Programmes during 2013

- Executive Education Programmes at Premier International/Indian Business Schools are identified for Top Management Level (TML). Senior Leaders are also nominated for various Holcim Leadership Programmes (RMS, LS, SMP, and SLP) held at Zurich.
- The Leadership Development Programme (LDP) for Senior Management Level (SML) employees was conducted at IIM Ahmedabad.
- 2 batches of the Management Development Programme (MDP) at NMIMS, Mumbai were organised for Middle Management Level (MML) employees.



- A Fast Track Development Programme (FTDP) has been introduced for Front Line Managers (FML) in collaboration with NMIMS, Mumbai. 2 batches of Fast Track Development Programme (FTDP) were organised for FML employees. With this programme, Leadership Oriented Programmes are now in place across levels.

- Change Management Workshop was organised for the CE Coaches.
- Negotiation Skills Workshop was organised for the Supply Chain Department.
- Outbound Development Programmes had been planned for trainees (GETs and MTs) and also for the Shipping Department. This

LA 10: Average hours of training per year per employee by employee category

Employee Category	No. of Training Programmes	Training Mandays (No. of Mandays)	No. of Participants	Average TrgMandays	Average TrgManhours
TML	64	163	137	7.76	62.24
SML	190	1,635	1,318	6.06	48.44
MML	404	6,407	6,395	4.50	35.94
FML & WAGE BOARD	441	13,637	11,906	3.26	26.02
TOTAL	1,099	21,842	19,756	3.70	29.57

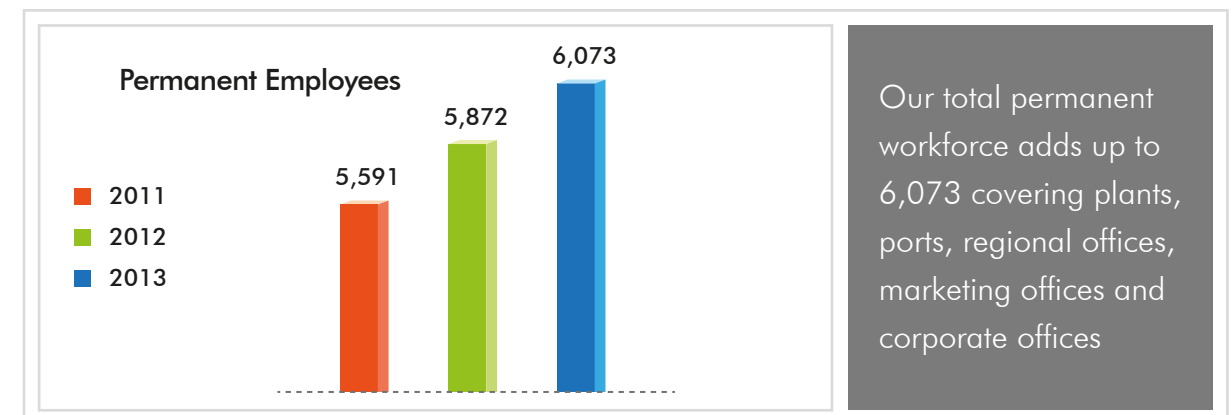
Umang - The Employee Engagement Surveys

The Umang Employee Engagement Survey is conducted every two years, in order to measure and enhance employee engagement levels through systematic interventions. The first survey was launched during 2009 and the second was during Q1-2012. Surveys were conducted by Gallup Inc. (a globally renowned organization dealing with HRM for over 70 years, in more than 160 countries). Both the surveys received enthusiastic responses from Ambujaites. The response rate in 2012 reached a new benchmark and saw an overwhelming participation of 96% as against 81% in 2009. The employee engagement score and the Company percentile in Gallup global survey also has gone up during this period.

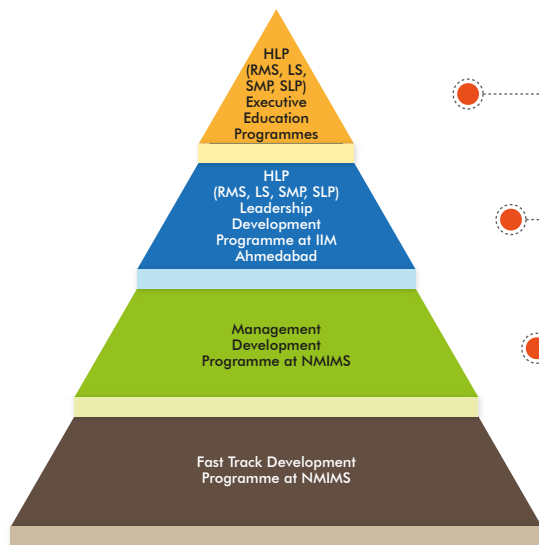
The latest survey was launched on November 15, 2013. We witnessed over 75% responses in the first 5 days of its launch. Overall participation for the survey turned out to be 98%.

The results of the survey help us to:

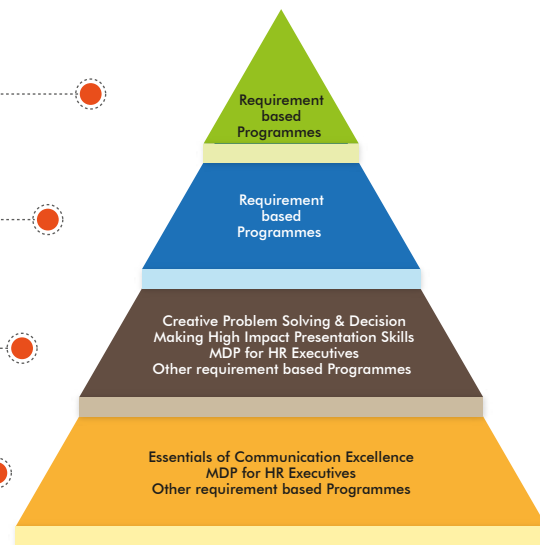
- Know Ambuja's definite areas of strength.
- With values like Knowledge of the Company Policies and Role Clarity, we have a sound foundation for achieving our Vision of becoming the Most Sustainable and Competitive Company in the Industry.
- Understand areas for Improvement and Development which have been assigned due importance during this year.
- The feedback has provided the management authentic inputs from employees which will help us in developing our agenda on how to improve the way we interact, relate with one another and also positively articulate our thoughts and views with all stakeholders including our people.



LEADERSHIP COMPETENCY DEVELOPMENT



FUNCTIONAL & BEHAVIOURAL COMPETENCY DEVELOPMENT



Functional & Behavioural Programmes during 2013

- Flagship Programmes like Action for Personal Excellence (APEX) and Building Tomorrow's Leaders (BTL) continued to be rolled out in 2013 on a monthly basis.
- Other soft skills programmes were also planned and rolled out across regional and plant locations - Creative Problem Solving & Decision Making for MML, High Impact Presentation Skills and Essentials of Communication Excellence for FML.
- For HR executives, a comprehensive functional programme comprising 2 days of Negotiation Skills & Conflict Management and ICS & CLM for employees from Corporate and across plants.
- Two batches of Management Development Programme on HR for HR team in collaboration with NMIMS, Mumbai were organised.
- Targeted Selection Workshop rolled out in 3 regions (Mumbai, Delhi and Kolkata offices).

programme covered aspects like Team Synergy, Mutual Trust, Personal Leadership, and Group Problem Solving & Decision Making.

- Finance Workshop was organised for the North Region ExCo Team.

External Speaker Sessions

Various sessions on Leadership and Motivation were organised as part of the Department Conference/Meets or Offsite Meets. These sessions were taken by renowned speakers from the industry.

E-Learning

To bring a blended style of learning into the Company, efforts are being made in the area of E-Learning, with modules on OH&S and CSG being launched and a few more modules in the pipeline.





LA 1 Total Workforce

Levels	Male	Female	Total	LA13 Employees with Disability
TML	20	2	22	0
SML	172	-	172	0
MML	799	20	819	3
FML & WAGE BOARD	4,909	151	5,060	18
TOTAL	5,900	173	6,073	21

LA 2 Attrition

Turnover by Gender

Levels	Male	Female	Total
TML	3	0	3
SML	22	0	22
MML	77	4	81
FML & WAGE BOARD	347	27	374
TOTAL ATTRITION	449	31	480
TOTAL EMPLOYEES	5,900	173	6,073
ATTRITION RATE	7.6	17.9	7.9

Turnover by Age

Levels	Age			Total
	Under 30	30-50	Over 50	
TML	0	0	3	3
SML	0	11	11	22
MML	5	61	15	81
FML & WAGE BOARD	202	112	60	374
TOTAL ATTRITION	207	184	89	480
TOTAL EMPLOYEES	1,123	3,946	1,004	6,073
ATTRITION RATE	18.4	4.7	8.9	7.9

LA 4

Almost all ACL's non-management cadre employees are covered under collective bargaining, wherever applicable, which is approximately 27% of the total workforce.

LA 5

As per statutory requirements, the minimum notice period for significant operational change is 21 days.



Ambuja promotes Equal Opportunities for all its Male & Female Employees

LA 14

We are an equal opportunity employer and the salaries are commensurate to the position & work handled qualification and experience of employees. As per regulations, there are some additional benefits provided to women employees. These included entitlements to maternity leave, etc. The ratio of male-female basic salaries at equal levels is almost equal (1:1) at entry level.

HR 4

Ambuja promotes equality and diversity amongst employees and there were no incidents of discrimination in the reporting period.

HR 5

ACL encourages collective bargaining to maintain harmonious Industrial Relations. The issue of mutual interest are periodically discussed and resolved with employees' representatives. They are also inducted in various committees constituted for their welfare (such as Safety Committee, Canteen Committee and Works Committee).

HR 6

It is the Company's practice to only engage with an employee once he has attained the minimum age of 18 years. Those, who are below 18 years of age, are not allowed to enter into its plants. ACL also ensures that its contractors strictly comply with the same guidelines.

HR 7

The Company adheres to the law while engaging labour. It does not engage forced labour. The labour engaged by the

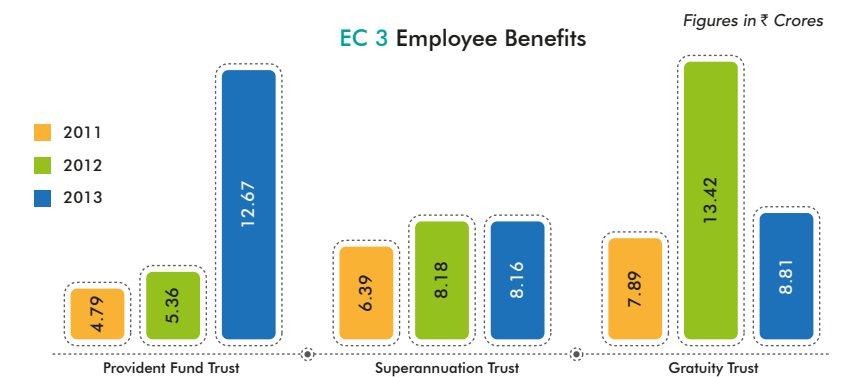
contractor are governed by the Contract Labour (R&A) Act. The contract is required to obtain license to engage Contract Labour after fulfilling the prescribed condition of the Act.

EC 5

The Company ensures wage payment to its contract employees in accordance to the Minimum Wage Rules. The minimum wage paid during the reporting year was ₹ 13,456 while the statutory minimum was ₹ 7,200. Thus the ratio between the two stood almost at 2:1.

EC 7

The Company believes that merit is the parameter for recruitment. However, there is preference given for local hiring. On an average, 80% of the company workforce at different locations is local.





PEOPLE POWER – “OUR WAY OF LIFE”

Knowledge Management

"Knowledge Management is the process of capturing, distributing and effectively using knowledge."

Knowledge gained and not shared with others is of no use. With this thought in mind we are continuously trying to make all Ambujaites aware about the various modes of knowledge sharing and learning. We have developed many platforms where one can explore & share the knowledge. For a better knowledge management we kept in mind two things:

a. Generate/capture knowledge

b. Share/distribute knowledge

Other than generating and distributing knowledge, we also encourage development of network with people of same expertise so as to learn from them. With this thought we have launched the

-  Mines & Crushers
-  Raw Material Grinding
-  Kiln
-  Cement Grinding
-  Packing Plant

concept of Community of Practices (CoP) and we already have a very robust platform 'iShare' for sharing on Holcim Portal.

Community of Practices

Communities of Practices were started with the key objective of bringing together people with functional expertise to a common platform, to share ideas/best practices, and also their concerns. The communities are expected to sustain themselves and create value through regular communication, building mechanisms for creating and disseminating knowledge, having an informal progress review mechanism and targeting complex issues/projects through a common approach. We have the following nine CoPs in place right from Quarry to Lorry with the defined Owners, Co-owners and the Plant Champions from all the manufacturing locations.

-  Power Plant & Utility
-  Academy
-  Quality
-  Preventive Maintenance

PEOPLE WE INTERACT

Together, Faster, the global communication and collaboration platform, was launched to unify all platforms across the Group - e-mail, calendars, chat, document creation, sharing and archiving, intranet, collaboration and communities.

At Ambuja, the first phase entailed switching over from Lotus Notes to Google Apps. In the second phase, HUB was launched as a one-stop page, giving access to mails, Google Apps, corporate

Town Hall


Town Hall is the platform where employees get to connect and interact with top management team. Corporate Communications team organized four Town Halls in the year 2013 on the topics of Occupational Health and Safety, Holcim Leadership Journey, Synergy of Ambuja & ACC and Year-End review of 2013 where our MD and Dy MD & CEO addressed employees across ACL locations through webcast.

news, information and expertise at one go.

This new platform is aimed at bringing all Ambujaites Together and collaborating Faster by sharing knowledge, exchanging ideas and updating on new developments and achievements.

The new solutions provided by **Together, Faster** will enable people to work together more productively & efficiently. This will enhance cross-regional and cross-functional communication and collaboration.

ACL HUB




Social media has opened up a whole new way to connect with the world. It provides attractive new channels to communicate and build relationships. The possibilities are expanding, and it is appropriate to contemplate how they can enhance corporate reputation and visibility.

At Ambuja, the need to connect with employees as well as with the new generation stakeholders through social media was felt, as it offers a personal connection with the brand. It launched the Official Facebook Page of Ambuja in October 2013.

The Facebook page covers various relevant and interesting topics that talk about Strength, Positivity and the 'I Can' Spirit. The page has also paid tributes to individuals/ teams who have displayed giant strength in their field of work.

Response to Ambuja's Facebook page has been quite good and the Company has been able to build a strong community of employees, dealers, architects and students. Today, the page has nearly 7,000 users, directly or indirectly associated with the brand, expressing an opinion.

 Please visit & like **AMBUJA CEMENTS LIMITED** page:

<http://www.facebook.com/AmbujaCementsLimited>. Official





ASSURANCE STATEMENT



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**The Board of Directors
Ambuja Cements Limited
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MIDC Cross Road 'B',
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Independent Assurance Statement

Ernst & Young LLP (EY) was engaged by Ambuja Cements Limited (the 'Company') to provide independent assurance to its Sustainability Report 2013 (the 'Report') covering the Company's sustainability performance during the period 1st January 2013 to 31st December 2013.

The development of the Report based on the Global Reporting Initiative 2006 (GRI-G3) Guidelines and the GRI Mining and Metals Sector Supplement, its content, and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. 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.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environment, health & safety (EHS) and social performance for the period 1st January 2013 to 31st December 2013. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information / data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following facilities/ locations:
 - Ambujanagar facility at Gujarat.
 - Corporate office in Mumbai ;
 - Regional office in New Delhi.
- Execution of audit trail of selected claims and data streams to determine the level of accuracy in collection, transcription and aggregation processes followed;
Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development

The selected GRI-G3 indicators from the environment and social reporting section which were taken up for verification are: EN1, EN2, EN3, EN4, EN8, EN10, EN16, EN20, EN22, EN23, LA1, LA2, LA4, LA7, LA8, LA10, LA14, HR5, HR6, PR3, SO1, SO5, MM10 and MM11.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st January 2013 to 31st December 2013);
- The 'economic performance indicators' included in the Report;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention.
- Data and claim covered by assurance provided by any other agency.

Ernst & Young Private Limited, (a company with registration no. U74120WB2008PTC121768) converted into Ernst & Young LLP (a Limited Liability Partnership with LLP identity No. AAB-4343) effective 1st April, 2013.
A member firm of Ernst & Young Global Limited, Regd. Office: 22, Camac Street, Block 'C', 3rd Floor, Kolkata - 700 016.

ASSURANCE STATEMENT



Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During our review process, we observed that:

1. the Company has used GRI-G3 Guidelines and protocols including the Metal and Mining Sector Supplement; The Company has demonstrated a structured approach for addressing the concerned reporting principles and criteria;
2. the data collection and reporting process was found to be fairly reliable. However, the Company may improve reliability of data pertaining to indicator EN22 (total weight of waste by type and disposal method) ;
3. the Company may further strengthen its internal review mechanism of sustainability data.

Conclusion

Based on our scope of review and approach, nothing has come to our attention that causes us not to believe that the Report has covered significant aspects in a fairly balanced manner, with regard to the Company's sustainability performance.

Ernst & Young LLP
Sudipta Das
Partner

Dated: 18 July 2014
Place: Kolkata, India



GRI APPLICATION LEVEL CHECK STATEMENT

GRI CONTENT INDEX



Statement GRI Application Level Check

GRI hereby states that **Ambuja Cements Limited** has presented its report "Corporate Sustainable Development Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 06 August 2014




Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

The "+" has been added to this Application Level because Ambuja Cements Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 24 July 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Profile Disclosure	Description	Explanatory Notes	Page No.
STANDARD DISCLOSURES			
1	Strategy and Analysis		
1.1	Chairman and Managing Director Messages		5-9
1.2	Description of key impacts, risks, and opportunities		27
2	Organizational Profile		
2.1	Name of the organization		21
2.2	Primary brands, products, and/or services		21
2.3	Operational structure of the organization		22
2.4	Location of organization's headquarters		22
2.5	Number of countries where the organization operates		27
2.6	Nature of ownership and legal form		21
2.7	Markets served		41
2.8	Scale of the reporting organization	Annual Report 7, 68	27, 90
2.9	Significant changes during the reporting period		23
2.10	Awards received in the reporting period		24
3	Report Parameters		
Report Profile			
3.1	Reporting period		26
3.2	Date of most recent previous report		26
3.3	Reporting cycle		26
3.4	Contact point for questions regarding the report or its contents		27
Report Scope and Boundary			
3.5	Process for defining report content	The report shall be provided to all the stakeholders via electronic medium (website etc). Limited selection of stakeholders for distribution of report has not been done. We wish to receive feedback from wide range of stakeholders so as to improve our sustainability performance. Guidance for defining report content: Principle of Materiality: The materiality matrix has been developed. The identification of material issues has been done considering the concerns raised by our stakeholders during various interaction with them at various levels. Principle of Stakeholder Inclusiveness: It's a regular process in our organization to pay attention to the concerns and expectations of our stakeholders. Same has been considered while prioritizing the issues to be reported. Principle of Sustainability Context: We have given equal importance to disclosures on economic, environment, and social performance in the report. Principle of Completeness: All information given in the report is complete in terms of boundary and scope of the report.	31-33
3.6	Boundary of the report		27
3.7	State any specific limitations on the scope or boundary of the report		27
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations		27
3.9	Data measurement techniques and the basis of calculations		26
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement		None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report		74
3.12	Table identifying the location of the Standard Disclosures in the report	GRI Content Index	
3.13	Policy and current practice with regard to seeking external assurance for the report		26
4	Governance, Commitments, and Engagement		
Governance			
4.1	Governance structure of the organization		34
4.2	Indicate whether the Chair of the highest governance body is also an executive officer		34



GRI CONTENT INDEX

Profile Disclosure	Description	Explanatory Notes	Page No.
4.3	State the number of members of the highest governance body that are independent and/or non-executive members		35
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		35
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance		36
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided		35
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, & social topics		34
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation		21
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance		31
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance		36
Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary principle is addressed by the organization		36
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses		73
4.13	Memberships in associations	Annual Report 62	38
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.		39
4.15	Basis for identification and selection of stakeholders with whom to engage	We use factors like dependency, responsibility, influence, proximity and to identify and prioritize our internal/ external & direct/in-direct stakeholders. Through our regular interactive forums we engage with them to understand their concerns & expectations.	39
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		40
4.17	Key topics and concerns that have been raised through stakeholder engagement	We have a defined internal process of identifying our stakeholders like Customers, Dealers, Employees, etc. & regular engagement with them utilising various means like dedicated vehicles, meets etc. Various issues reported have been the outcomes and concerns of various stakeholders that have been raised during such interactions. Ambuja provides feedback to all the engaged stakeholders through its sustainability report. This report is available in the website so that all stakeholders can utilise the information given in the report.	40
5 Management Approach and Performance Indicators			
Performance Indicators			
ECONOMIC PERFORMANCE			
Economic performance			
EC 1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments		50
EC 2	Financial implications and other risks and opportunities for the organization's activities due to climate change		73
EC 3	Coverage of the organization's defined benefit plan obligations		91
EC 4	Significant financial assistance received from government		51
Market presence			
EC 5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation		91

GRI CONTENT INDEX

Profile Disclosure	Description	Explanatory Notes	Page No.
EC 6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation		50
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation		91
Indirect economic impacts			
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement		82
ENVIRONMENTAL PERFORMANCE			
Materials			
EN 1	Materials used by weight or volume	Clinker is an intermediate product for production of Cement.	67
EN 2	Percentage of materials used that are recycled input materials		66
Energy			
EN 3	Direct energy consumption by primary energy source		68
EN 4	Indirect energy consumption by primary source		69
EN 5	Energy saved due to conservation and efficiency improvements		69
Water			
EN 8	Total water withdrawal by source		75
EN 10	Percentage and total volume of water recycled and reused		75
Biodiversity			
EN 11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		77
EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		77
MM 1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated		77
MM 2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place		77
Emissions, effluents and waste			
EN 16	Total direct and indirect greenhouse gas emissions by weight	As per WBCSD CSI protocol	74
EN 17	Other relevant indirect greenhouse gas emissions by weight	We are monitoring & reporting our GHG emissions as per WBCSD CSI protocol version 3.0. This protocol mandates to monitor & report Scope 1 & Scope 2 emissions. The Scope 3 emissions are currently not covered in this protocol. However, we did a pilot study estimation of Scope 3 emissions in our Rabriyawas unit in 2013. We intend to scale it up in the coming years.	
EN 19	Emissions of ozone-depleting substances by weight.	Cement Production process does not emit ozone-depleting substances. We have identified that our offices within plants are also free from ODS emitting equipment like air conditioning systems, fire suppression, refrigeration etc.	
EN 20	NOx, SOx, and other significant air emissions by type and weight	Emissions from the 9 Kiln/Raw mill stacks are reported, excluding Captive Power Plants and other stacks. These emissions are load calculated by Continuous emission monitoring systems at all 9 stacks. During any days when CEMS was not operational, the load was not accounted.	66
EN 21	Total water discharge by quality and destination		75
EN 22	Total weight of waste by type and disposal method		66
MM 3	Total amounts of overburden, rock, tailings, and sludges and their associated risks		77
EN 23	Total number and volume of significant spills		66
Product and Services			
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation		52
EN 27	Percentage of products sold and their packaging materials that are reclaimed by category		66



GRI CONTENT INDEX

Profile Disclosure	Description	Explanatory Notes	Page No.
	Compliance		66
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		66
	Transport		29, 61
	Overall		69
	SOCIAL PERFORMANCE		
	Labour Practices & Decent Workplace		
	Employment		87
LA 1	Total workforce by employment type, employment contract, and region		90
LA 2	Total number and rate of employee turnover by age group, gender, and region		90
	Labor/Management relations		90
LA 4	Percentage of employees covered by collective bargaining agreements.		90
LA 5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements		90
MM 4	Number of strikes and lock-outs exceeding one week's duration, by country		78
	Occupational health and safety		45
LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	The formal joint management-worker health & safety committees operate at the unit level with equal participation from the management & workmen.	
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region		46
LA 8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases		84
	Training and education		87
LA 10	Average hours of training per year per employee by employee category		89
	Diversity and equal opportunity		89
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity		90
LA 14	Ratio of basic salary of men to women by employee category		91
	Human Rights		
	Investment and procurement practices		50
HR 1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening		50
HR 2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken		50
	Non-discrimination		91
HR 4	Total number of incidents of discrimination and actions taken		91
	Freedom of Association and Collective Bargaining		91
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights		91
	Child Labor		91
HR 6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor		91
	Forced & Compulsory Labor		91
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor		91
	Indigenous rights		78
MM 5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities		78
	Society		
	Community		81
SO 1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting		81

GRI CONTENT INDEX

Profile Disclosure	Description	Explanatory Notes	Page No.
MM 6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples		78
MM 7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes		78
	Artisanal and small-scale mining		78
MM 8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks		78
	Resettlement		78
MM 9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process		78
	Closure Planning		78
MM 10	Number and percentage of operations with closure plans		78
	Grievance Mechanism & Procedures		78
	Emergency Preparedness		77
	Corruption		36
SO 2	Percentage and total number of business units analyzed for risks related to corruption		38
SO 3	Percentage of employees trained in organization's anti-corruption policies and procedures		38
SO 4	Actions taken in response to incidents of corruption		38
	Public Policy		43
SO 5	Public policy positions and participation in public policy development and lobbying	Annual Report 62	43
	Anti-Competitive Behaviour	Annual Report 43, 45	
	Compliance		51
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		51
	Product Responsibility		
	Materials Stewardship		77
MM 11	Programs and progress relating to materials stewardship		77
	Customer health and safety		52
PR 1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		52
	Product and service labelling		53
PR 3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements		53
PR 5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	The Customer Support Groups from the 3 regions of the Company have carried out consumer surveys and framed the Customer Satisfaction Index based on their surveys. The Company also carries out Nielsen Brand Equity Study - a globally recognized standard for understanding customer preferences at regular intervals.	
	Marketing Communication		
PR 6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	The Company's Advertising & Communications are governed by Advertising Standards Council of India (ASCI) norms. Before releasing the communication, the Company checks the accuracy of the facts & technical content in the advertisements so as to provide the correct information to the Company's customers.	59
	Customer Privacy		
	In the cement manufacturing industry, no such confidential information is shared between the customer & the manufacturer as it is the same product which is supplied to all the customers without any change in its composition except the quantity as per the requirements of the customers		
	Compliance		53
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No non-compliance cases with respect to applicable laws and regulations.	53



ANNEXURE

TRUE VALUE [SOCIAL ENVIRONMENTAL PROFIT & LOSS(S E P&L)] AT AMBUJA

Why is True Value relevant?

Business as usual is no option:

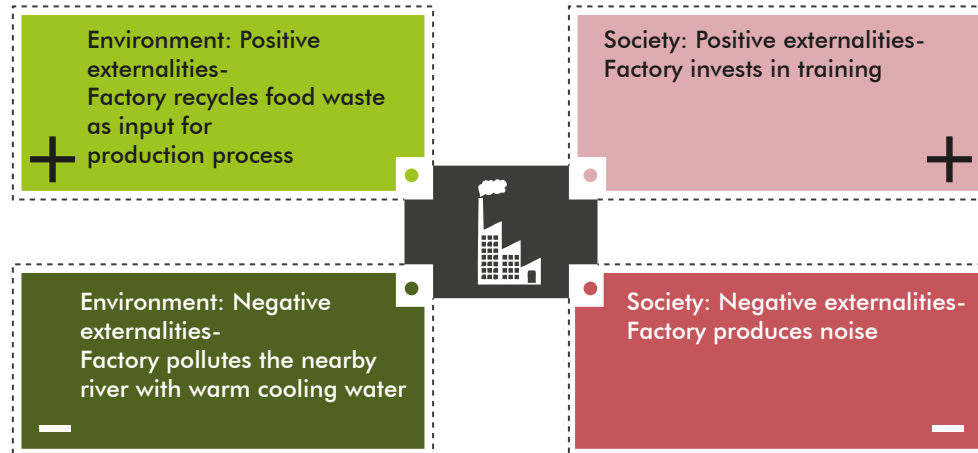
- exceeding planetary boundaries
- range of social issues

Companies have negative (-) and positive (+) environmental and social impacts (externalities)

Understanding the True Value of your business is the basis for protecting and capturing business value, while creating socio-environmental value

What are externalities? Example of a factory by a river

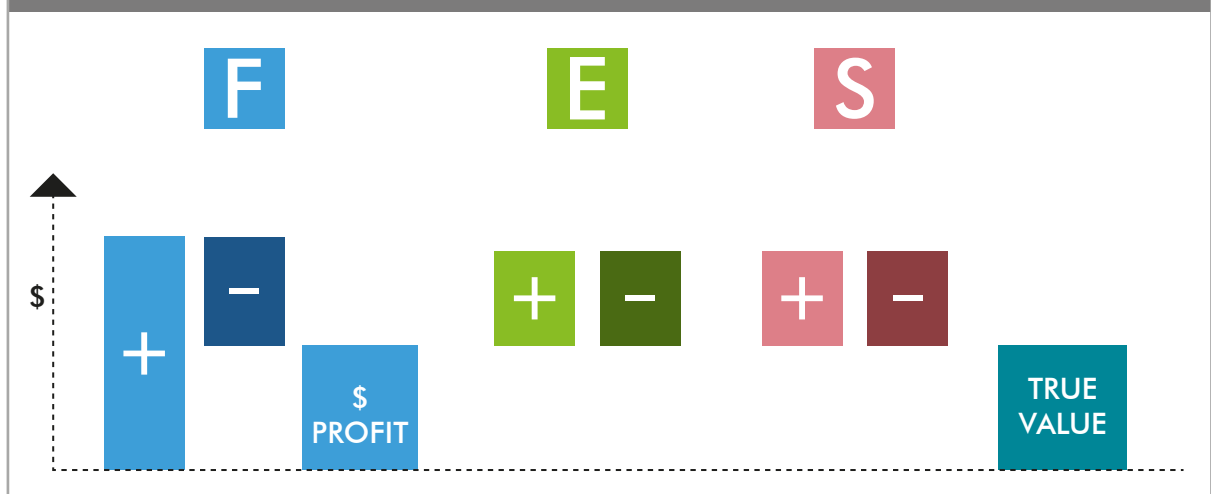
An externality is the cost or benefit that affects a party who did not choose to incur that cost or benefit. Externalities can thus be positive or negative. The examples below are not related to Ambuja.



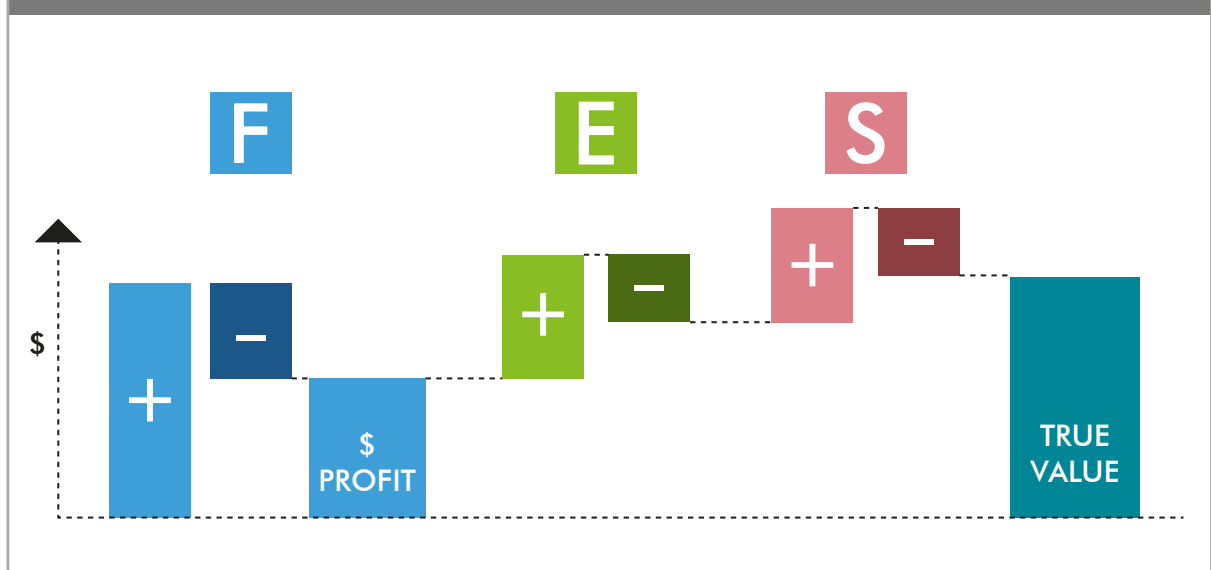
What do we mean with True Value (S E P&L)?

F inancial P&L	E nvironmental P&L	S ocial P&L
<ul style="list-style-type: none"> • Core competence private sector • Accounting rules 100+ years 	<ul style="list-style-type: none"> • First-ever E P&L in 1990 by IT company BSO/Origin (Eckart Wintzen) • Followed by Puma (Jochen Zeitz) in 2010 • Gaining traction 	<ul style="list-style-type: none"> • Increasingly debated • Territory of Social Return on Investment (SROI)

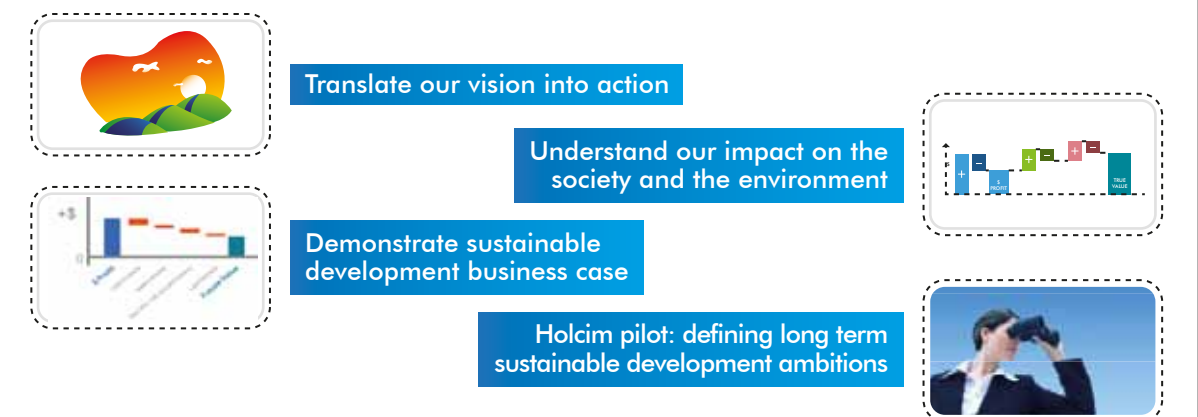
True Value represents the societal value of a company



Growing True Value (increasing positives & decreasing negatives)

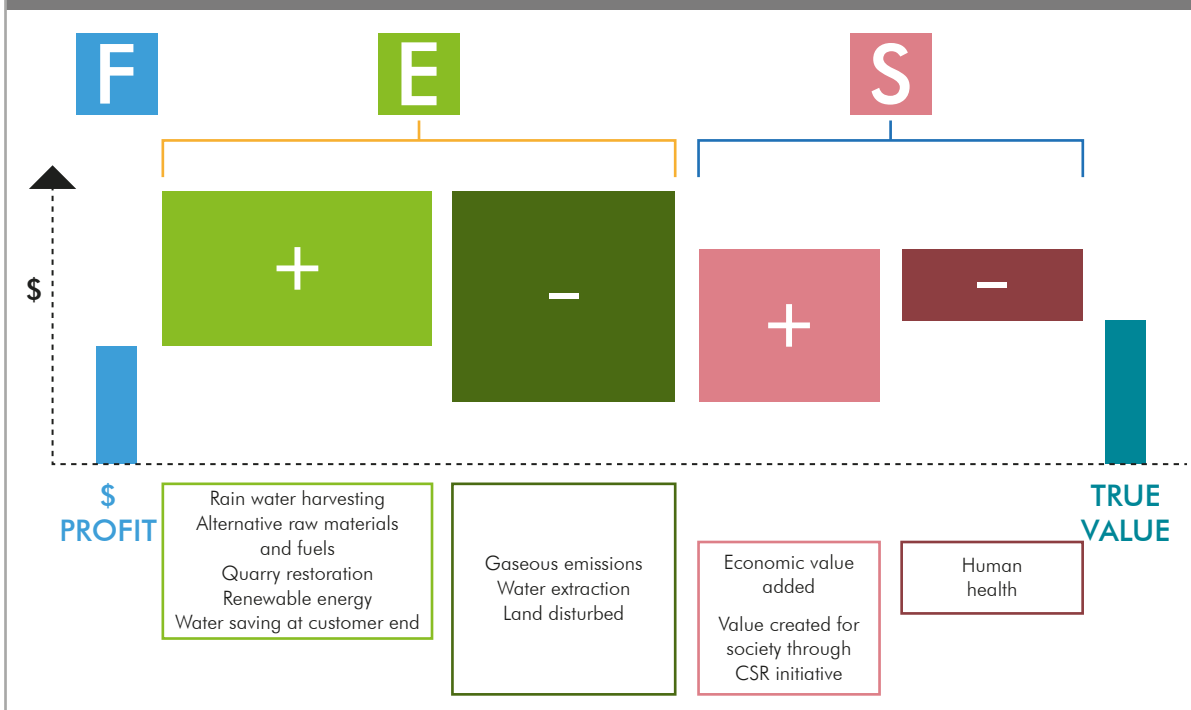


Why this True Value project at Ambuja?

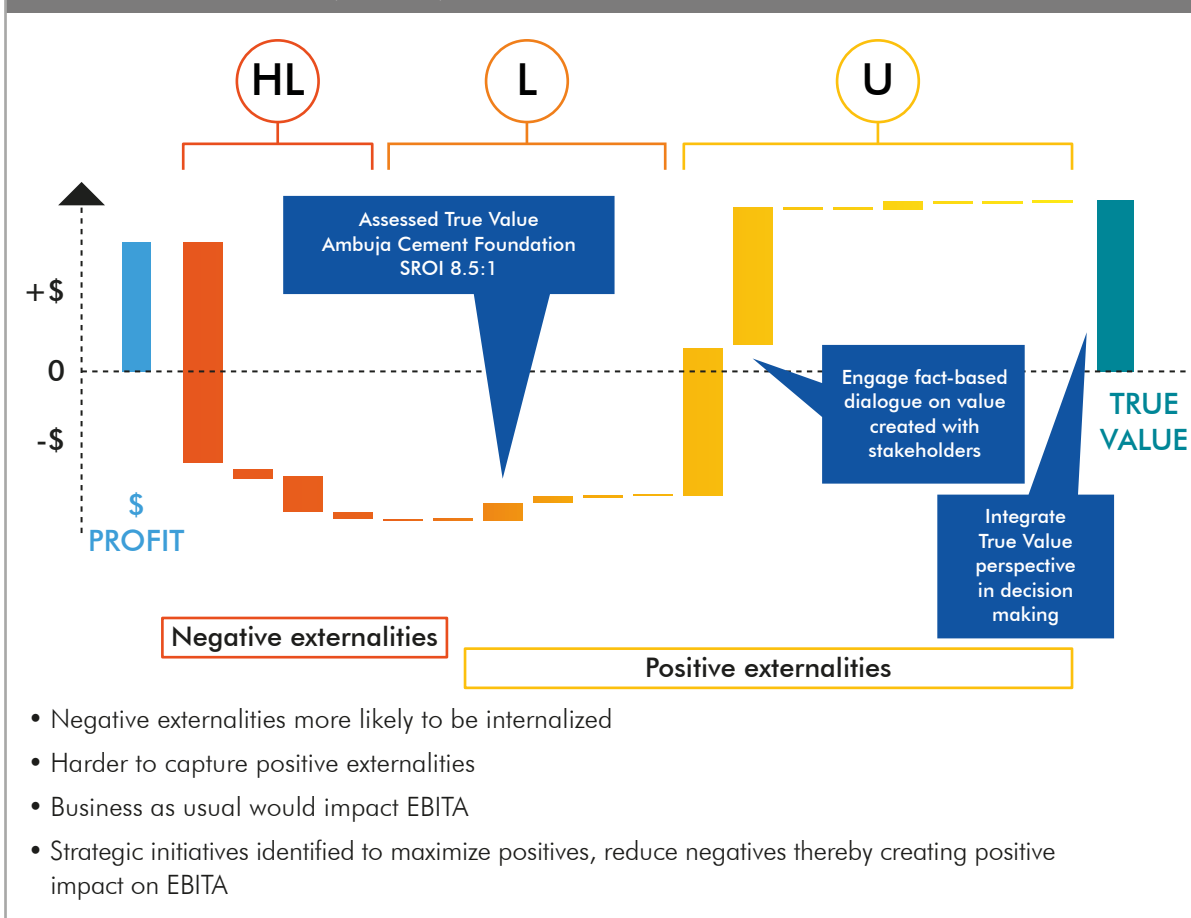




Ambuja creates significant societal value



True Value calculation (S E P&L) triggered other strategic initiatives



Key Learnings

- Assessing impact is critical for long term success and living our vision
- True Value methodology (S E P&L) TRULY helped to:
 - Continue reducing negatives (positive NPV projects)
 - Understand and measure our performance
 - Demonstrate business case
 - Prioritise CAPEX
- Increase return on S/E spent, creating more positive value to maximize True Value by proactively working on:
 - Water resource management
 - Skill development of people from the community
 - Promoting modern irrigation & cultivation practices
 - Reducing water requirements at customer sites
- Create Comparative Advantage by minimizing negative impact of some of the externalities getting internalized by proactively working on:
 - Reducing clinker factor
 - Going for more of alternative and renewable energy
 - Bringing in energy efficiency

Next Steps

- Engage with stakeholders in creation and recognition of True Value (S+/E+)
- Communicate key results True Value project externally
- Last but not the least, support and promote with others the development of common methodology (S E P&L)

Cautionary Note

-
- True Value calculations (S E P&L) is journey
 - Intends to raise awareness
 - Indication of magnitude - not accurate figures
 - Scope and assumptions can be debated
 - Certainly not the final answer
 - More (standardization) work to be done

The Social and Environmental Profit and Loss statement (SEP&L) is intended to raise awareness of externalities that may or may not affect Holcim's business, and to assess their relative importance. It contains preliminary considerations which may be subject to change. Furthermore, the SEP&L may also change, for example, as valuation techniques and methodologies evolve. It should be considered as indicative and it does neither represent any final factual conclusions nor is it intended to assert any factual admission by any person regarding the impact of Holcim or any of its related parties on 19 environment or society.




Sustainability Policy

We at Ambuja Cements Ltd. believe that acting in a sustainable manner in all our operations is not only a business imperative for us but provides us with a competitive advantage in the long run. The ultimate objective of our Sustainability Policy is to strike a proper balance between environment protection and social wellbeing including community development all around our operating units together with long term economic growth. This will be achieved by ensuring that the principles of Corporate Sustainability are followed all across the organisation. The company will strive to accomplish the following:

- ✓ Ensure that relevant environmental and social considerations are embedded in our business decisions and goals, including mapping and addressing sustainability risks and opportunities
- ✓ In practice, we maintain and step up to go beyond compliance with applicable legislation for environmental protection, occupational health & safety, employment & labour welfare and corporate governance.
- ✓ We strongly believe in adopting eco-friendly technologies in our plants and mining operations to achieve better environment and social performance.
- ✓ We apply OH&S standards and guidelines; provide necessary resources, training and education and measure performance to ensure Zero Harm to our employees, visitors and contractors.
- ✓ We will use all our resources judiciously and substitute them with eco-friendly alternatives including wastes like fly ash.
- ✓ Our endeavors will be towards progressive co-processing of waste materials in our manufacturing facilities.
- ✓ In our day-to-day activities, we work to minimize our greenhouse gas emissions and contribute to mitigate climate change.
- ✓ Further, we will work with local communities around our plants for capability building to enhance their quality of life.
- ✓ Our people are our biggest assets. We will nurture our human capital through engagement, training and development, motivate them and provide an environment for them to excel in their working.
- ✓ We will continually improve and periodically report our Sustainability performance to our stakeholders.




Ajay Kapur
Managing Director & CEO
Revalidated on 27th June 2014

Corporate Environment Policy

Concern and consciousness towards environment took birth in Ambuja Cements Ltd. along with the birth of its first cement plant set up at Ambujanagar, Gujarat. Maturity curve has been rising year after year. The structure, process and monitoring have been significantly reshaped in past few years, keeping in view the need of the time and the Company's objectives towards Corporate Sustainability.

The Environmental Policy remains core to all our functions & operations and we commit to:

- ✓ Adopt ecologically sound mining and process technologies along with best practices for prevention & control of emissions, effluents and wastes
- ✓ Rehabilitate mines and greenbelt development.
- ✓ Optimise use of key resources including minerals, coal, petroleum products, water & energy.
- ✓ Maintain and strive to 'go beyond compliance' with applicable legal and other requirements including the applicable environment and forests clearances, consents, permits and licenses.
- ✓ Implement and maintain environment management systems all across our operations along with monitoring, reporting and continually improving our environmental performance.
- ✓ Be reliable provider of sound waste management solutions by co-processing wastes such as fly ash and other industrial and non-industrial wastes from other waste generators/service cos.
- ✓ Develop and propagate environmental awareness amongst employees and other stakeholders including surrounding communities.

This policy will be communicated to all persons working for or on behalf of the company.


Ajay Kapur
Managing Director & CEO



Revalidated on 27th June 2014

Corporate Social Responsibility Policy

INTRODUCTION

At Ambuja Cements Ltd., the Corporate Social Responsibility (CSR) has been an integral part of the way we have been doing our business since inception. For more than 25 years, the Company's CSR initiatives has played pivotal role in improving the lives of the communities and society at large and in & around our operations with an objective to energize, involve and enable them to realise their potential. This has also enabled us to fulfill our commitment to be a socially responsible corporate citizen.

OBJECTIVE

The main objective of Ambuja's CSR policy is
✓ to lay down guidelines to make CSR a key business process for sustainable development of the society
✓ to directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our plant and society at large
✓ to generate goodwill and recognition among all stakeholders of the company.

II. OUR RESPONSIBILITIES

- A) Towards our communities
We will involve communities surrounding our operations to bring about a positive change in their lives through holistic, sustainable and integrated development.
- B) Towards our Customers
We will build gainful partnerships with the customers to understand their needs and provide right product and service solutions. We will adopt and actively encourage the best and fair business practices and shall endeavour to build solid bonds with them.
- C) Towards our Business Partners
We will support our suppliers to cultivate ethical and fair business practices and give preference over other to those who demonstrate this.
- D) As a Corporate Citizen
We reaffirm our commitment to conduct our business with environmental accountability. We will endeavour to adopt environment-friendly technologies and energy efficiency in our operations while continuously monitoring and reducing emissions.



1 of 5

Climate Change Mitigation Policy

Ambuja Cements Ltd. recognises the significant global threat caused by high concentration of Green House Gases (GHG) in the atmosphere. We consider ourselves responsible and shall put in efforts for limiting our impact on climate change. Our efforts shall be implemented in all plants and offices. Our strategy for preventing climate change commits us to the following:

Reduce our carbon footprint by:

- ✓ Inventorisation of carbon emissions throughout our processes
- ✓ Integrating energy efficient considerations into all aspects of our business including manufacturing, transportation and investments
- ✓ Exploring/implementing alternative sources of energy
- ✓ Increasing production of blended cement
- ✓ Retrofitting energy efficient technology including installation of CFLs in our buildings, lighting controls and metering systems
- ✓ Reducing our travel emissions wherever possible
- ✓ Offsetting our carbon emissions through plantation
- ✓ Promoting 3R's in all our activities and processes

Engage our employees to reduce their personal carbon footprints by:

- ✓ Creating awareness amongst employees and their families on the benefits of energy efficiency and rewarding employees who achieve reduction of GHG emissions
- ✓ Providing incentives to employees for using more energy efficient equipment

Influence our suppliers to reduce emissions by:

- ✓ Conducting awareness program on energy efficiency
- ✓ Using energy consumption and environmental considerations as mandatory criterion in procurement decisions
- ✓ Suggesting suppliers and contractors to use energy efficient equipment


J. C. Toshniwal
Business Head - North


Vilas Deshmukh
Business Head - W & S


Vivek Agnihotri
Business Head - East


Ajay Kapur
MD & CEO



Revalidated on 27th June 2014

Green Procurement Policy

We at Ambuja Cements Ltd. are conscious on environment and believe in the ethical and fair business practices and the philosophy of 'Sustainable Development'. We are committed to make environment an intrinsic part of our decision-making and inspire our Suppliers also to adopt the same fair business practices and in making informed decisions for positive environmental change.

We accomplish this through our Green Procurement Policy and commit to:

- ✓ Select equipment which are environment friendly as far as possible
- ✓ Utilise reusable & recyclable materials wherever possible
- ✓ Promote environmental awareness amongst suppliers/contractors
- ✓ Prefer suppliers with better track records on environment, health & safety
- ✓ Legal compliance on environmental matters and labour laws as a criterion in suppliers' selection
- ✓ Institutionalise environmental considerations in all procurement decisions
- ✓ Encourage our staff to abide by green procurement practices
- ✓ Reuse/recycle packaging material of raw material/equipment supplied
- ✓ Support suppliers in improving their environmental performance through sharing of best practices.


Ranjan Sachdeva
CCPO


Ajay Kapur
Managing Director & CEO



Revalidated on 27th June 2014



Acronym

ABCD	Anti Bribery and Corruption Directives
ACC	Associated Cement Company
AALA	ACC-ACL Leadership Academy
ACF	Ambuja Cement Foundation
ACL	Ambuja Cements Limited
AFR	Alternative Fuels & Raw materials
AMK	Ambuja Manovikas Kendra
ARS	Authorised Retail Store
BAP	Biodiversity Action Plan
BCT	Bulk Cement Terminal
BMS	Biodiversity Management System
CSSC	Corporate Sustainability Steering Committee
CDM	Clean Development Mechanism
CE	Customer Excellence
CEMS	Continuous Emission Monitoring System
CEO	Chief Executive Officer
CER	Certified Emission Reduction
CGWB	Central Ground Water Board
CMO	Chief Medical Officer
CMU	Cement Manufacturing Units
CPCB	Central Pollution Control Board
CPO	Central Procurement Organisation
CPP	Captive Power Plant
CSE	Customer Support Engineer
CSI	Cement Sustainability Index
CSR	Corporate Social Responsibility
CUM	Cubic Meter
DG	Diesel Generator
DGMS	Directorate General of Mines Safety
EARN	Energy Activation Across our Regional Network
ETP	Effluent Treatment Plant
ExCo	Executive Committee

FICCI	Federation of Indian Chamber of Commerce and Industry
FPE	Fatality Prevention Elements
FML	First Management Level
FRP	Fiberglass Reinforced Plastic
FSR	Feasibility Study Report
GDR	Global Depository Receipts
GET	Graduate Engineer Trainee
GHG	Green House Gas
GJ	Giga Joule
GRI	Global Reporting Initiative
Ha	Hectare
HARP	Holcim Accounting and Reporting Principle
HDPE	High-Density Polyethylene
HGRS	Holcim Group Support
HGV	Heavy Goods Vehicle
HLJ	Holcim Leadership Journey
HSD	High Speed Diesel
HSPPC	High Strength Portland Pozzolana Cement
HTS	Holcim Technical Services
IBM	Indian Bureau of Mines
ICT	Information and Communications Technology
IHB	Individual House Builder
ILO	International Labour Organisation
ISO	International Standards Organisation
IUCN	International Union for Conservation of Nature
IWT	India Water Tool
KPI	Key Performance Indicators
KVK	Krishi Vikas Kendra
Kw	Kilo Watt
KwH	Kilo Watt Hours
LEAP	Leverage Engage Align Perform
LIMS	Laboratory Information and Management System

LMV	Light Motor Vehicle
LTI	Lost Time Injury
MaCX	Marketing and Commercial Excellence
MCW	Maratha Cements Work, Chandrapur
MDP	Management Development Program
MJ	Mega Joule
MML	Middle Management Level
MoEF	Ministry of Environment and Forest
MSW	Municipal Solid Waste
MT	Metric Tonnes
MTPA	Million Metric Tonnes Per Annum
NABARD	National Bank for Agriculture and Rural Development
NGO	Non Government Organisation
OHSAS	Occupational Health & Safety Assessment Series
OPC	Ordinary Portland Cement
OpCo	Operating Company
PAT	Perform Achieve & Trade
PMM	Plant Procurement Managers
PMO	Programme Management Office
PPC	Portland Pozzolana Cement
PPE	Personal Protective Equipment
PPEI	People Power Excellence Index
PQM	Product Quality Management
R&D	Research and Development
RDF	Refuse Derived Fuel
RE	Renewable Energy
REC	Renewable Energy Certificate
RO	Reverse Osmosis
RPO	Renewable Purchase Obligation
RWH	Rain Water Harvesting
RSO	Regional Sales Office
SCOPE	Supply Chain Excellence
SD	Sustainable Development
SEDI	Skill and Entrepreneurship Development Institute
SHG	Self-Help Group
SHR	Station Heat Rate
SLC	Separate Line Calciner

SML	Senior Management Level
SOT	Safety Observation Tour
SPCB	State Pollution Control Board
SPRS	Slip Power Recovery System
SPOC	Single Point Of Contact
SPV	Solar Photo Voltaic
STEP	Sustainable Talent for Enhanced Performance
STP	Sewage Treatment Plant
TJ	Tera Joule
TML	Top Management Level
TSR	Thermal Substitution Rate
USSC	Unit Sustainability Steering Committee
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organisation
WHR	Waste Heat Recovery
WMR	Water Management Report
WWF	World Wildlife Fund
YTD	Year Till date
ZLD	Zero Liquid Discharge





FEEDBACK FORM

Your suggestions and feedback will help us improve our performance. Please spare few minutes of your valuable time and give us your feedback.

1. Relevance of Economic, Environment & Social issues covered in the Report:

High Medium Low

2. Clarity of information provided on above issues in the Report:

High Medium Low

3. Quality of Design, Layout and Presentation of the Report:

Excellent Very Good Good

4. Your views on the report.....

Sincerely look forward to your views and suggestions on this issue.

Your contact information

Name:
 Designation:
 Organisation:
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 E-mail:

Contact Person for any suggestions/feedback:

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GRI APPLICATION LEVEL

	C	C+	B	B+	A	A+
Self Declared						
Third Party Checked		Report Externally Assured		Report Externally Assured		Report Externally Assured ✓
GRI Checked						

GRI G3 Compliant A+
 Third Party Assured Report



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