NEW CONNECTIONS DISCOVERED. WHAT OLD ROUTES OVERLOOKED.

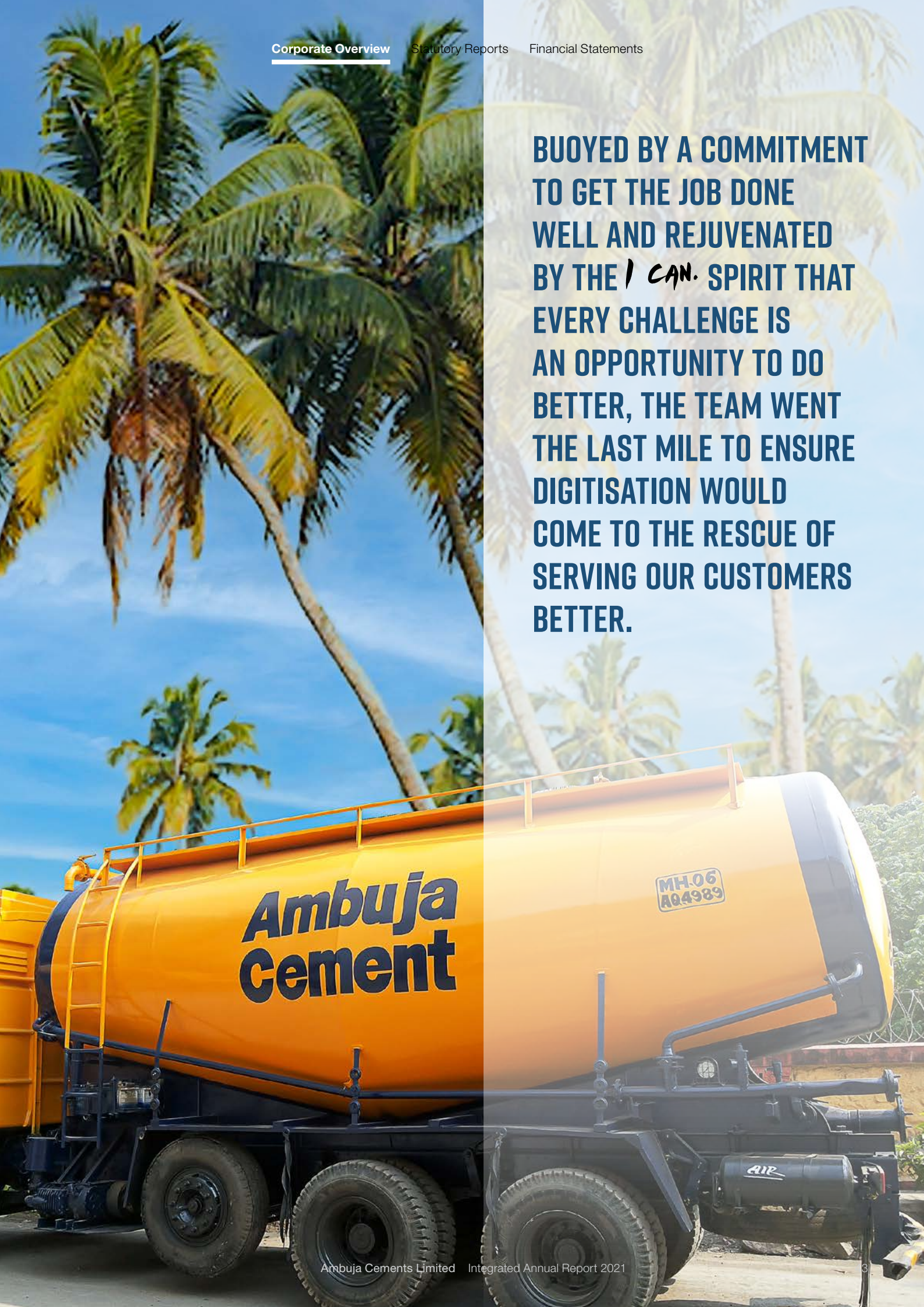
The second wave of the COVID-19 pandemic posed severe hurdles in the transportation of manufactured products to distributors. Our ability to serve our customers' needs was being compromised. So, the team put their heads together on how to circumvent this situation and ensure seamless business continuity.

The team decided that it was time to refocus their energies and accelerate its digitalisation efforts. By now, the Transport Analytics Centre (TAC)—launched a couple of years ago—had evolved and moved to the next level, addressing the twin needs of trucker safety and real-time route optimisation. TAC had now become the single source of truth for the entire supply chain.

Soon, TAC fine-tuned its features to optimise production and despatch schedules, rationalise routes, help build a more robust order allocation programme, thus enhancing management of the e-platform driven freight procurement.

As a result, our trucker partners' minimised time spent on roads, optimised pick-up and delivery, ensuring all essential documentation was easily available on their devices for swifter transit. For Ambuja, it provided a single-window view for the efficient management of costs, time, driver well-being and customer satisfaction.

Besides, this marked a significant milestone in Ambuja's journey towards automation of our processes and controls.



BUOYED BY A COMMITMENT TO GET THE JOB DONE WELL AND REJUVENATED BY THE I CAN. SPIRIT THAT EVERY CHALLENGE IS AN OPPORTUNITY TO DO BETTER, THE TEAM WENT THE LAST MILE TO ENSURE DIGITISATION WOULD COME TO THE RESCUE OF SERVING OUR CUSTOMERS BETTER.

CAPITAL-WISE PERFORMANCE

FINANCIAL CAPITAL

Successful financial capital management helps us achieve our business objectives, retain stakeholder value and ensure the smooth continuity of business operations. Our financial capital includes the surplus generated from our business operations and funds generated through financing activities. The year saw us achieve a record revenue growth, efficiently manage cost rationalisation and deliver robust returns to our shareholders.

STAKEHOLDERS IMPACTED

- Shareholders and investors
- Employees
- Dealers
- Suppliers
- Community

MATERIAL ISSUES ADDRESSED

- Economic performance
- Marketing communication and reputation
- Procurement practices

KEY RISKS ADDRESSED

- Maintaining market position
- Funding requirements

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

GROWTH

Developments and key initiatives

Achieved a historic high revenue

KPIs

23%
growth in revenues In CY2021

MARGIN MANAGEMENT AND EFFICIENCY

- Focus on cost optimisation across the organisation
- Growing contribution of premium products driving realisations

21%
growth in EBITDA

40 BPS
decline in EBITDA margin

90 BPS
decline in net profit margin In CY2021

FINANCIAL STABILITY

- Strengthened capital profile

₹21,810 CR
Other equity

₹22,207 CR
Net worth As on December 31, 2021

SHAREHOLDER RETURNS

- Delivered superior return for shareholders with strong dividend

₹1,251 CR
Proposed payout for the year 2021

CAPITAL-WISE PERFORMANCE >> FINANCIAL CAPITAL

OVERVIEW

We ensure regular operations are at an optimum level. Our operational KPIs are compared with internal and external benchmarks to achieve higher productivity and yields. Our innovative marketing initiatives and various ongoing digital programmes provide better customer connect and reach, and higher realisations. This operational efficiency enables us to generate positive cash flows from operations. We have a robust financial planning process that assesses the requirement of funds for sustainable business operations as well as for investments towards present and future business sustainability and growth opportunities.

Driven by strong volume growth and realisations, we reported one of the best performances ever in the history of Ambuja Cement.

GROWTH

During the year, we reported a revenue of ₹13,965 crore, a 23% growth over the 2020 revenue of ₹11,372 crore. Performance was driven by a strong demand, which led to 1,100 bps growth in capacity utilisation as well as continued focus on the premium category, resulting in 4% growth in average realisations over that in 2020.

NET SALES (₹ CRORE)

2021	13,794
2020	11,175
2019	11,353
2018	10,977

MARGIN AND EFFICIENCY

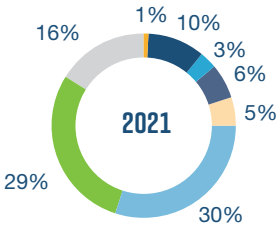
Strong growth in volumes along with better realisation led to a 21% growth in EBITDA from ₹2,647 crore in 2020 to ₹3,207 crore in 2021. EBITDA margin for the year reported a 40 bps marginal decline from 23.7% in 2020 to 23.3% in 2021.

In the face of an inflationary environment, cost optimisation initiatives were undertaken in operations and logistics through our 'Plants of Tomorrow' and other programmes. Total cost per tonne reported 3% increase during the year.

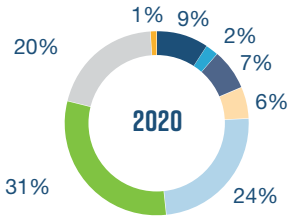
- Raw material costs per tonne increased by 8.8% due to increase in input material cost
- Power and fuel costs per tonne increased by 27% due to steep increase in fuel prices
- Logistics cost per tonne decreased by 2.8%. This was a result of our digitalisation efforts in logistics as well as increased volume under master supply agreement with ACC Limited

Other expenses per tonne increased by 4% in 2021 over 2020.

COST BREAK-UP AS PERCENTAGE OF TOTAL COST (₹ CRORE)



- Finance cost (₹91)
- Cost of materials consumed (₹1,134)
- Purchase of traded goods (₹381)
- Employee benefit expenses (₹678)
- Depreciation and amortisation expenses (₹551)
- Power and fuel cost (₹3,421)
- Freight and forwarding expenses (₹3,308)
- Other expenses (including change in inventory) (₹1,835)



- Finance cost (₹83)
- Cost of materials consumed (₹875)
- Purchase of traded goods (₹197)
- Employee benefit expenses (₹669)
- Depreciation and amortisation expenses (₹521)
- Power and fuel cost (₹2,252)
- Freight and forwarding expenses (₹2,855)
- Other expenses (including change in inventory) (₹1,878)

EARNINGS

Robust improvement in core business performance and low interest outgo resulted in strong profit growth. EBIT during the year reported a growth of 25%, from ₹2,125 crore in 2020 to ₹2,656 crore in 2021. Pre-tax profit registered a growth of 15% from ₹2,414 crore in 2020 to ₹2,785 crore in 2021. Pre-tax profit margin decline 140 bps from 21.6% in 2020 to 20.2% in 2021.

Our net profit for the year registered a 16% increase from ₹1,790 crore in 2020 to ₹2,081 crore in 2021. Net profit margin for the year showed a decline by 90 bps from 16% in 2020 to 15.1% in 2021.

Earnings per share in 2021 witnessed a 16% growth from ₹9.02 in 2020 to ₹10.48 in 2021.

NET PROFIT (₹ CRORE)

2021	2,081
2020	1,790
2019	1,529
2018	1,487

FINANCIAL STABILITY

Our total assets reported a growth of 11% from ₹25,481 crore in 2020 to ₹28,173 crore in 2021. Current assets accounted for 24.0% of the total assets during the year under review against 17.4% in 2020.

Our funding profile strengthened further during the year on the basis of a strong profit generation that boosted the Company's equity base.

Our effective utilisation of capital and strong EBITDA helped us post 160 bps increase in return on capital employed over 2020.

CASH AND CASH EQUIVALENTS (₹ CRORE)

2021	3,985
2020	2,717
2019	4,512
2018	3,150

NET WORTH (₹ CRORE)

2021	22,207
2020	20,316
2019	22,205
2018	21,013

RETURN ON CAPITAL EMPLOYED (%)

2021	13.1
2020	11.5
2019	9.2
2018	7.6

CASH FLOW

Our cash position strengthened during the year, reflecting the broad-based improvement in operational performance. Cash used in investing activities increased by 37% from ₹641 crore in 2020 to ₹882 crore in 2021. Net cash balance stood at ₹3,985 crore at the end of 2021 against ₹2,717 crore at the end of 2020.

DIVIDEND PER SHARE (₹)

2021	6.30
2020	18.00
2019	1.50
2018	1.50

WE PAUSED TO PREPARE BETTER. AND THEN SURGED AHEAD TO ACHIEVE.

The cement plant of the future will embrace digitisation and sustainability trends to earn a competitive advantage and build resilience.

Challenging times in the recent past have proved the importance of building resilience into the core of any manufacturing industry. The path forward for our industry is clear - embrace digitisation and sustainability in the cement plant.

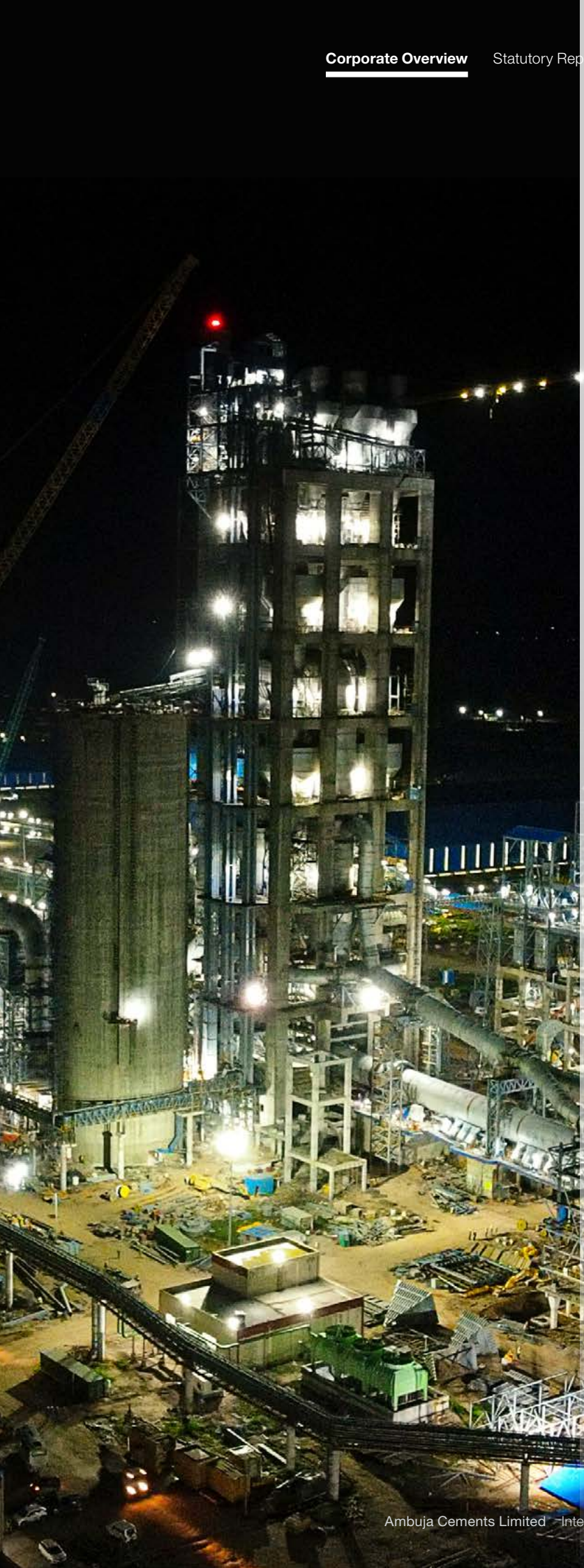
Ambuja has incorporated both these trends at the core of its planning as evident with its newest plant, Marwar Cement Works which is clearly a trendsetter as a Plant of Tomorrow.

With the vision that the cement plant of the future would boost productivity and efficiency, innovations were incorporated in Marwar right from the planning stage. A strong technological base facilitated a fully-integrated cement value chain, across different functions.

The entire operation of Marwar Cement Works is guided by the state-of-the-art Robotic Lab, which has the highest number of auto sampling points. Robotic arms across the plant, collect samples in capsules and transport to the lab for analysis with absolute accuracy guaranteed without any human intervention. Automated sampling has eliminated hazards associated with physical sampling besides creating a dust-free environment in labs and sample rooms.

Mining operations are assisted by another advanced technology that examines limestone samples at 1/10th of a second and updates operators on consistency of input materials within minutes. Besides time, fuel consumption is reduced due to consistency in raw material; and thus energy is saved.

This targeted and effective maintenance lengthens the lifeline of the equipment. The plant's environmental footprint is minimised, securing its license to operate across locations. All non-value added tasks are automated and real-time information is remotely available at all levels to make better decisions.



THE SWIFT TURNAROUND IS AN EXAMPLE OF I CAN. SPIRIT THAT HAS HELPED MARWAR STAY AHEAD OF COMPETITION. WE HAD ONLY VISUALISED A PLANT WITH THIS LEVEL OF TECHNOLOGY, AUTOMATION AND DIGITISATION. FOR US AT AMBUJA, IT IS A DREAM COME TRUE.

CAPITAL-WISE PERFORMANCE

MANUFACTURED CAPITAL

Effective management of our manufacturing assets contribute to our operational efficiency, profitability and continued growth. During the year, we continued to maximise our existing facilities, implement planned expansion and invest in Industry 4.0 through the Plants of Tomorrow initiative that is designed to make manufacturing more sustainable and safer.

STAKEHOLDERS IMPACTED

- Dealers
- Employees
- Construction professionals
- Suppliers
- Government and regulatory authorities

MATERIAL ISSUES ADDRESSED

- Capacity utilisation and current demand
- Energy efficiency
- Land acquisition for mines and new operations
- Compliance to regulatory requirement

KEY RISKS ADDRESSED

- Market position
- Scarcity of natural resources

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

CAPACITY EXPANSION

Developments and key initiatives

- Commissioning of the new greenfield unit at Marwar
- Embarked on brownfield expansion and waste heat recovery projects among others

KPIs

6.1%
increase in grinding capacity in CY2021

ENHANCING EFFICIENCY

- Strengthening the Plants of Tomorrow initiative to strengthen digitalisation
- Leveraging other efficiency enhancement initiatives to emerge as a lean manufacturer

30 BPS
increase in operating cost as a percentage of operating revenue in CY2021

SUSTAINABLE MANUFACTURING

Reducing the environment impact of our operations through:

- Enhanced use of waste
- Increased share of green energy

96 BPS
increase in thermal substitution rate

154 BPS
improvement in clinker factor in CY2021

QUALITY IMPROVEMENT

Continuous investments in quality control and quality assurance measures

>95%
compliance in Annual Quality Programme (AQP) in CY2021

CAPITAL-WISE PERFORMANCE >> MANUFACTURED CAPITAL

OVERVIEW

Our manufactured capital consists the tangible objects that facilitate our day-to-day operations and delivery of our products. This includes physical infrastructure such as our land, buildings, production plants, mines on lease, heavy machinery, equipment fleet, and furniture and fittings among others.

DEVELOPMENT AND EFFICIENCY

At Ambuja Cement, we continuously invest to strengthen our market position and evolve as a more efficient, cost-competitive and environmentally sustainable organisation. Key initiatives of the year include:

Capacity expansion

- We have set up a greenfield integrated plant with 3.0 MTPA clinker capacity and 1.8 MTPA cement grinding capacity at Marwar in Nagaur District of Rajasthan. Commercial operations commenced from September 2021 and installation of a Waste Heat Recovery System (WHRS) of ~ 14.5 MW capacity is in progress
- We are setting up a 1.5 MTPA brownfield grinding unit at Ropar, Punjab at a total investment of ~₹310 crore

Raw material security

- To secure our fuel resources, we acquired a coal block at Gare Palma sector IV/8 in Chhattisgarh through e-auction. Open cast mining at full capacity commenced from October 2018 and underground mining commenced from October 2021
- To secure long-term limestone requirement for the Bhatapara plant, we commissioned a new limestone mining lease at Maldi Mopar. The Limestone Crusher and Conveying system, with a project cost of ~₹190 crore, has commenced operations from July 2021
- To secure the long-term limestone requirement for the Ambujanagar plant in Gujarat, we acquired a new mining lease at Lodhva. Environmental clearance and other required approvals for the mining lease have been obtained. Land acquisition is in progress, along with necessary infrastructure development
- To ensure adequate availability of dry fly ash, we are setting up fly ash dryers/hot air generators at Ropar and Bathinda (Punjab), Nalagarh (Himachal Pradesh), Dadri (Uttar Pradesh), Roorkee (Uttarakhand) and Rabriyawas (Rajasthan) with an estimated investment of ₹140 crore
- To meet future limestone requirement, we have invested ₹77 crore to purchase land at Ambujanagar, Darlaghat and Bhatapara
- To secure limestone needs of the Maratha Cement Works plant in Chandrapur, Maharashtra, we have acquired a new mining lease at the Nandgaon Ekodi mine. Environmental clearance and other required approvals for mining are in progress

Energy

- To minimise power cost and enhance the use of green power, we are setting up WHRS (totalling 53 MW capacity) at Marwar, Darlaghat and Bhatapara plants at a total investment of over ₹550 crore. The projects are expected to be completed by April-June quarter of 2022
- To reduce power cost and increase usage of green power, tendering and requisite approvals are in progress for WHRS at the Ambujanagar and Maratha plants in Gujarat and Maharashtra, respectively

Logistics

To strengthen our logistical capability and enhance customer outreach, a new railway siding project at Rabriyawas has been commissioned at a total investment of ~₹210 crore. Clinker and cement despatch by rail started from October 2021.

₹380 CRORE

Spend on development and efficiency capex in 2021 (excluding Marwar expansion)

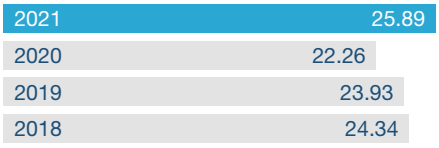
MANUFACTURING PERFORMANCE

We adopt best practices in manufacturing. Our parent, Holcim, has developed a 'Cement Industrial Framework', which defines the systemic approach towards manufacturing in its entirety, including people and processes. This framework is the guiding principle for all manufacturing activities at Ambuja Cement.

The framework has helped us in running operations more efficiently, strengthen plant availability and ramp up production seamlessly. Some of the highlights for the year includes:

- Utilised around 8.6 million tonnes of waste derived resources in production, in line with our commitment of continuously reducing use of natural resources in manufacturing

CEMENT PRODUCTION VOLUME (MN TONNES)



CAPACITY UTILISATION (%)

EFFICIENCY IMPROVEMENT

In order to emerge as one of the most cost-competitive cement manufacturers in the country, we make continuous investments in the areas of clinker factor reduction, energy efficiency, raw material mix and fuel mix optimisation and enhanced use of alternative fuels and raw materials in manufacturing.

Plant efficiency

- Reduction in electrical power consumption achieved through optimisation of grinding media charging and optimisation of grinding aid consumption
- Installation of new high momentum and low NOx burner in Ambuja, Gajambuja and Bhatapara
- Baghouse filter bag replacement with low drag to reduce the pressure drop, leading to reduction of SEEC (Specific Electrical Energy Consumption)
- Installation of IKN Cooler to reduce heat consumption and improve efficiency at Bhatapara
- Reduction in SHR (Station Heat Rate) and auxiliary power consumption by replacing SJAE with vacuum pump for STG3

Cost rationalisation

- Maximisation of Wet fly ash (WFA) and conditioned fly ash (CFA) usage to reduce overall fly ash cost
- Replacement of 50% traditional High Speed Diesel usage with pyrolytic oil at the time of cold kiln startup
- Maximisation of alternative fuels and raw materials to reduce fuel cost
- Optimisation of raw mix in fuel to reduce overall cost of cement
- Use of molecule-based grinding aid to reduce procurement from vendors
- Maximum utilisation of fly ash to reduce clinker factor
- Variable Frequency Drive (VFD) Installation in In-line Calciner (ILC) Coal Firing Blower to save 480 kWh per day
- Increase in the nozzle area of raw mill from 5.25 m^2 to 6.55 m^2 to reduce pressure drop in system and increase mill productivity
- Mill Master commissioned for better mill performance

FOCUSED APPROACH FOR REDUCTION IN ENERGY AND POWER CONSUMPTION

Our optimisation efforts during the year resulted in the following:

- Optimisation of kiln operation to reduce Specific Thermal Energy Consumption (STEC) from 769 kCal/kg of clinker to 746 kCal/kg of clinker
- Optimisation of kiln and cement grinding mill to reduce power consumption from 61.4 to 60.2 kWh/t of clinker in kiln and 37.4 to 36.0 kWh/t of cement Grinding

PLANTS OF TOMORROW

Our investment in Industry 4.0 under the 'Plants of Tomorrow' programme is part of Holcim's Strategy for Growth 2022. The initiative aims to make manufacturing more efficient through better plant optimisation, higher plant availability and a safer working environment. We are implementing several projects under the programme including FinCem and free lime prediction among others. Once implemented and certified, a plant usually promises 15-20% more operational efficiency compared to a conventional cement plant.

POWER AND FUEL COST PER TONNE (₹)

2021	1,266
2020	994
2019	1,075
2018	1,051

THERMAL SUBSTITUTION RATE (%)

2021	5.13
2020	4.17
2019	5.36
2018	5.61

CAPITAL-WISE PERFORMANCE >> MANUFACTURED CAPITAL

PRODUCT QUALITY MANAGEMENT

We have an impeccable record in delivering superior quality products. Our quality parameters are stringent and we keep a close tab on them to improve the overall Product Quality Index (PQI).

Our product quality monitoring strategy includes daily testing on defined quality parameters; three-day and 28-day measurement of coefficient of variations, clinker quality assessment; customer satisfaction; bi-monthly product benchmarking; bi-monthly application-oriented product testing; monthly testing of random market samples and monthly assessment of bag quality index.

We are compliant with all the statutory requirements as mandated by the Bureau of Indian Standards (BIS) as well as all weights and measures norms. As a statutory compliance, our bags display the contact details for customers to communicate any complaint, observation and query.

To ensure consistent results, we follow the round robin test methodology to identify issues and improve upon the same.

Key initiatives to improve overall process/product quality during the year:

- Installed robotic lab for real time quality monitoring and control of cement manufacturing at Marwar
- Installed Cross Belt Analyser for real time quality check of input limestone from mines
- Implemented Technical Information System (TIS) for production and lab data information
- Use of molecule-based grinding aid to improve the strength of cement
- Optimised SO3 across location to improve strength
- Qualitative and quantitative identification of clinker phases for strength optimisation using X-ray Defraction Meter (XRD)

SUPPLY CHAIN AND LOGISTICS

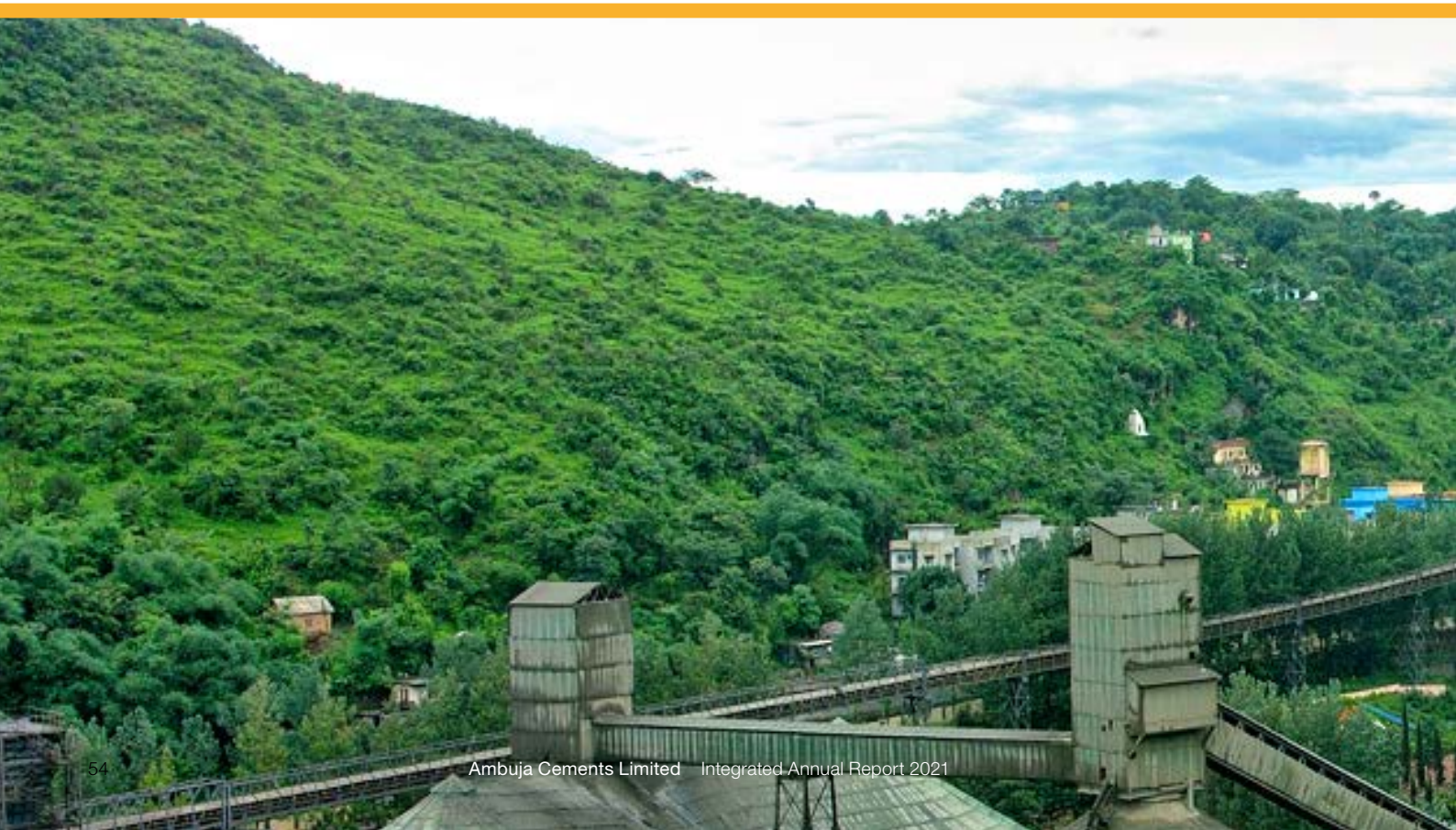
The past year saw continuation of the challenges created by the pandemic. Although disruptions were more localised during the second wave, they still caused uncertainty of demand and costs and put the supply chain under pressure.

Relieving stress

Despite the challenges, our team ensured continuous supplies to all markets and healthy inventories with utmost focus on safety amidst while maintaining all COVID protocols. The major enablers were technology-driven operations and high agility among the teams as well as the service providers. With management focus on sales and operations planning, we were able to respond to market variability with agility.

Technology as a driver for cost

Digitalisation initiatives across the supply chain helped optimise cost. Transport Analytics Center (TAC) is being used for finding deviations on the ground. We are also using best-in-class tools for network optimisation, Sales



& Operations planning, e-platforms for freight procurement, etc. All our logistics excellence projects are driven through automated dashboards.

Freight reduction

Several initiatives are being taken to improve efficiency and negotiate contracted rates. We are using the latest e-procurement platforms to discover real time freight rates. Vendor performances are being closely tracked and monitored to improve their value proposition.

Safety and Sustainability

The Driver Management Centres (DMC) that were closed during the initial phase of the pandemic were re-opened to engage with the driver community and counsel them towards safety-oriented behaviour. TAC has also helped develop more meaningful safety dashboards for use by the Driver Management Center (DMC). We are developing a Carbon Reduction tracker while working on bio-fuel trails, e-vehicles, lead reduction and mode mix to reduce our carbon footprint.

CAPTIVE POWER GENERATION

We have undertaken strategic initiatives in our value chain for energy sourcing and are developing in-house capacity to cater to our energy needs. Some of these include use of alternative fuels/Biomass, Waste Heat Recovery (WHR), renewable energy like, wind and solar and implementation of energy management system (ISO 50001:2011). A substantial part of our power consumption comes from our captive power plants at four integrated plants and one grinding unit.

67%

Share of power sourced from captive units in 2021

MINING

Our integrated units have captive mines for limestone.

How we ensure optimum utilisation of mines:

- Maximise the use of alternative and waste derived materials in the process
- Effective and efficient mining and extraction processes without disturbing the ecological balance
- Use of limestone Screening end extraction

Our Group policy prohibits operations in the immediate vicinity of specific biodiversity zones, world heritage sites or International Union for Conservation of Nature (IUCN) category I-IV protected areas. We adhere to the Holcim Group Quarry Rehabilitation and Biodiversity Directive, requiring us to prepare a Biodiversity Action Plan (BAP) for sensitive sites. Every three years, a biodiversity indicator reporting system (BIRS) assessment is undertaken, as per IUCN guideline, and an improvement/action plan prepared.

All issues with the local community are resolved through dialogue and negotiations. There were no strikes or lockouts at our mines during the reporting period.

CAPITAL-WISE PERFORMANCE >> MANUFACTURED CAPITAL

KEY INITIATIVES UNDERTAKEN IN THE MINES DURING THE YEAR

Bhatapara

- Initiated pilot project for real-time monitoring of equipment performance
- Conducted study for use of electrical excavator in place of diesel excavator

Ambujanagar

- Reduction in limestone purchase from market owing to GALM mines limestone extraction (30,000 MT)
- Strengthened in-house maintenance of tippers and water tanker to reduce the AMC/FMC charges
- Initiatives undertaken to reduce diesel consumption
- Reduction of moisture percentage in limestone
- Initiated pilot project for use of Compressed Natural Gas (CNG) in tippers and bulkers
- Pilot project on electric vehicles for limestone transportation

Maratha

- Implemented raw mix design with higher SO_3 percentage to increase mine life
- Initiatives on reduction in fuel consumption

Rabriyawas

- Ras-I mine expansion to reduce high grade limestone consumption
- Trial for diesel additives to reduce diesel consumption in mining
- New road identified from Ras-I to plant to reduce lead distance of upto 4 km and reduce transport cost
- Prepared plan for procurement of high-grade mines within a 50-60 km radius around the plant

Darlaghat

- Close monitoring to reduce diesel and lead consumption, and trial of Thermol-D

RESPONSIBLE MINING STRATEGY AT AMBUJA CEMENT

Safety

- Fatigue monitoring system for operators
- Proximity sensor in heavy earth-moving machinery with 20 meter alert system
- Haul road maintained with compactors and graders
- Dust suppression on haul roads, crawler-mounted equipment
- In-built water sprinklers and dust extractors in drilling machines
- Reverse cameras and alarms in dumpers

Ecosystem protection

- Excavated soil used for cultivation/ pasture land development
- Dump slopes designed for stability
- Waste disposal as per approved mining plan
- Operating sites do not encroach into territories of indigenous people
- Approved mine closure and rehabilitation plans

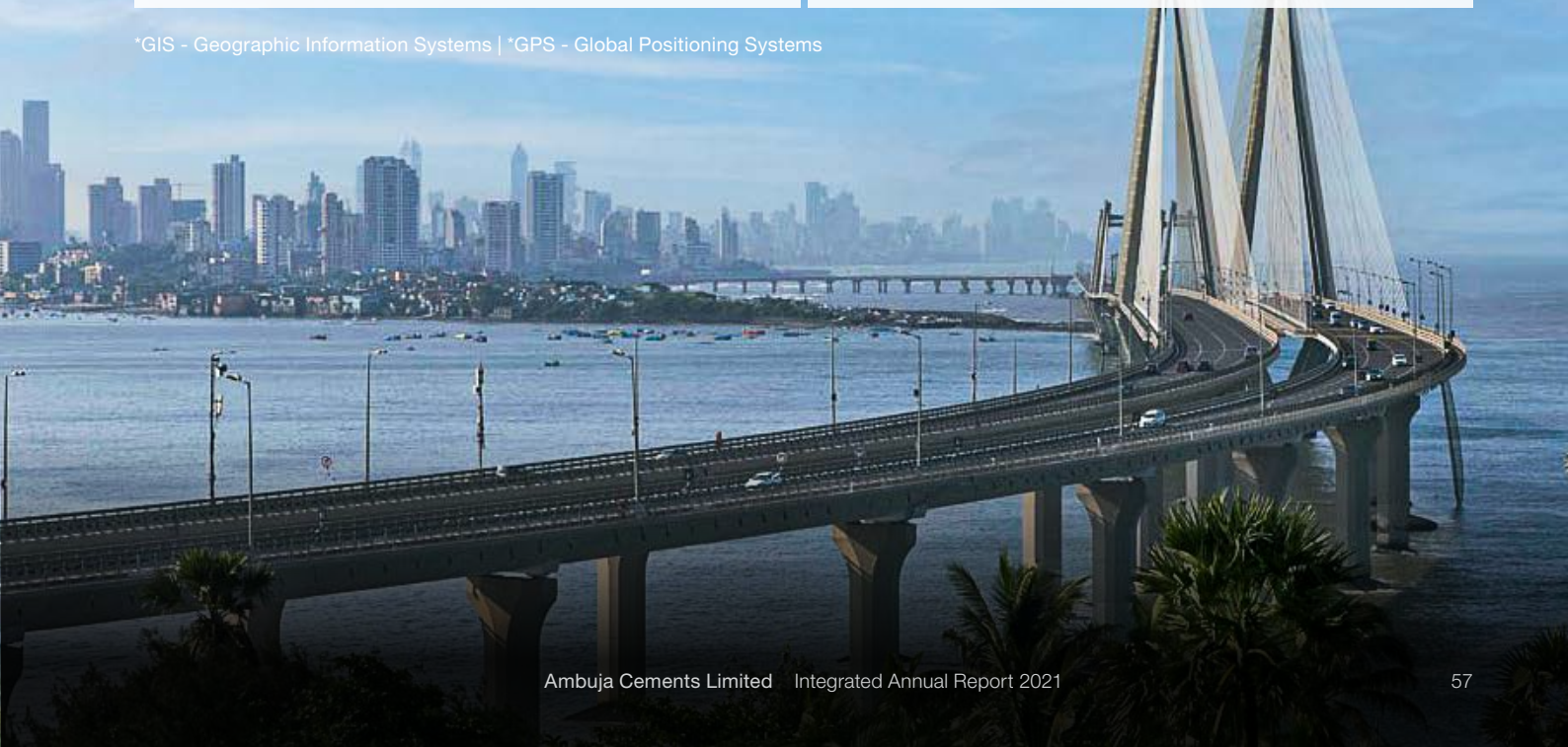
Constant monitoring

- Blast monitoring
- Vibration measurement after each blast
- Vibration measurement as per approved standards
- Technology-based mining and demand mapping
- GIS*-GPS* based blasting and production
- Prompt Gamma Neutron Activation Analysis (PGNAA)-based crushed Rom analysis

Efficient techniques

- Eco-friendly blast-free surface mining (Ambujanagar)
  - Replaces blasting and drilling
  - Eliminates ground vibration
  - Noise minimisation
- Controlled blasting
  - Minimal fly rocks and vibration
  - Safe extraneous electric environment
  - High-precision electronic detonators

*GIS - Geographic Information Systems | *GPS - Global Positioning Systems



WE BUILT A SHIELD THAT LET'S ONLY SMILES SEEP THROUGH

A house of one's own is a long-cherished dream for millions of Indians. However, leaking walls and seepage in ceilings could turn this dream into a nightmare.

Realising that these problems are endemic to humid and tropical regions where water tables are low and waterlogging common, our R&D team decided to seek out a durable and affordable solution. And what resulted after intensive brain-storming, testing ideas and experimentation was Ambuja Kawach—a product with inherent water-repellent features that worked as a shield against seepage and without any chemical additives.

Kawach was manufactured using waste materials/mineral admixtures, which replaced clinker in the production process. The result was 30% lower carbon footprint compared with ordinary Portland cement. Launched virtually during the lockdown, Kawach garnered nearly 2.9% of our total sales in a short span, despite the challenging demand-supply environment.

The product met with a resounding response. The Solar Impulse Foundation endorsed Kawach as one of Holcim's Top 10 solutions globally, that was both 'green' and created 'economic value' for its customers.

WHILE THE INTRODUCTION OF KAWACH HAS STRENGTHENED CUSTOMER PREFERENCE FOR THE AMBUJA BRAND TO ACTUALISE THEIR DREAM HOME; IT IS THE I CAN. SPIRIT TO THINK OUT-OF-THE-BOX AND CREATE CUSTOMISED SOLUTIONS FOR OUR CUSTOMERS THAT HAS PROVED TO BE TRUE ONCE AGAIN.

CAPITAL-WISE PERFORMANCE

INTELLECTUAL CAPITAL

Our intellectual capital consists of the wealth of ideas, technical expertise, process knowledge, consistent capability of innovation and other intangibles such as our brand value and corporate culture. During the year, we strengthened our knowledge base through focused learning and development activities while leveraging our innovation strength to create new knowledge and formulate sustainable products and construction solutions that are aligned to a low carbon future.

STAKEHOLDERS IMPACTED

- Stakeholders and investors
- Customers
- Government and regulatory authorities
- Dealers
- Employees
- Construction professionals
- Suppliers
- Community
- Industry associations

MATERIAL ISSUES ADDRESSED

- Customer satisfaction
- Economic performance
- Sustainable construction

KEY RISKS ADDRESSED

- Maintaining market position
- Resource availability and price
- Cyber security

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

RESPONSIBLE PRODUCTS AND SUSTAINABLE CONSTRUCTION

Developments and key initiatives

Strengthening reach of Ambuja Kawach

KPIs

7.7 LAKH
tonnes of Kawach sales volume achieved during the year

TECHNICAL SERVICES

Developments and key initiatives

- Address challenges at construction sites and marketplace for sustainable construction
- Augmented onsite sustainable construction solutions
- Technical guidance on rainwater harvesting

KPIs

1,994
Sites where modular curing solutions were provided

14,824
customer sites provided with instant mix solutions In CY2021

ACCELERATED DIGITALISATION

Developments and key initiatives

- Strengthen digital transformation for internal and external stakeholders

KPIs

- **Tech-enabled operations across the value chain**

in CY2021

CAPITAL-WISE PERFORMANCE >> INTELLECTUAL CAPITAL

OVERVIEW

We are a frontrunner in technology use and have built on our reputation as pioneers in product innovation through our strong emphasis on research and development. We are constantly innovating not only to bring new and sustainable products and solutions to the market but also optimise resource use and decarbonise the cement industry. We are scaling up digitalisation across the organisation value chain to strengthen our competitive edge in the market.

SUSTAINABLE AND RESPONSIBLE CONSTRUCTION SOLUTIONS

We take proactive initiatives to help reduce our carbon footprint, while enhancing our product quality and brand promise. Our products and services help our customers and construction professionals reduce their carbon footprint, manage maintenance requirements and cost of operations, making the projects greener and cleaner with lower environmental footprint.

During 2021, we continued to scale up our sustainable products and solutions.

- Launched in 2020, Ambuja Kawach has emerged as a preferred product for its unmatched attributes. To expand availability, we started supplying the product from four more plants – Bhatapara, Dadri, Ropar and Darlaghat. Currently, Ambuja Kawach is supplied to 17 states and Union Territories from 12 plants across the country. The product has seen an overall growth in volume by 328% on y-o-y basis
- Ambuja Cool Walls, our green solution for walls, is made of pre-cast autoclaved aerated concrete with a special heat-barrier technology that helps keeping homes cooler during summer and warm during winters. In 2021, we added six new plants for Ambuja Cool Walls manufacturing, reaching a total of 18 plants pan-India, and a 25% volume growth on a y-o-y basis.
- Our blended cements portfolio, consisting of Ambuja Plus, Ambuja Kawach, Ambuja Compocem and Ambuja Cement (PPC), is now listed in the Green Product Catalogue of Green Rating for Integrated Habitat Assessment (GRIHA), a national green rating system of India co-developed by the Ministry of New and Renewable Energy, Government of India. Our products were evaluated on third-party test results, benchmarks and environmental certifications etc.

GLOBAL RECOGNITION FOR AMBUJA KAWACH

Ambuja Kawach has been endorsed by Solar Impulse Foundation, a renowned environmental non-profit, as 'Green Building Solution'. We are the first cement brand from India to be awarded this label. Ambuja Kawach also features among the first top ten Holcim solutions recognised by Solar Impulse Foundation.

Technical services

We have developed various products and solutions with 'Ambuja Certified Technology' to enable sustainable construction, which has become a key differentiator for the Company. Our Technical Services team undertakes various initiatives to promote sustainable construction. Instant concrete mix proportioning solution, which reduces usage of natural resources, is one onsite construction solution provided by the Company. During the year, this solution was provided to 14,824 customer sites, leading to a saving of ~17.20 million litres of water. Modular Curing or Zero Water Curing solution is another such sustainable construction solution, which was provided at 1,994 sites, saving ~24 million litres water at construction sites.

Our team is also creating awareness about Rainwater Harvesting (RWH) solution and helping customers implement the same at their sites. During 2021, RWH solution was provided at 100 sites, conserving ~8.5 million litres water annually.

Our applicator training programs have helped masons and contractors upgrade skills across the country. During the year, 514 contractors were covered under various training programs and 1,000+ contractors were educated digitally at the height of the pandemic.

1,994
Customer sites advised on Zero Water Curing solution, leading to saving of ~24 million litres water

Ambuja Knowledge Center
The Ambuja Knowledge Center was as a knowledge sharing platform for architects and engineers. We have 19 such centres across the country to promote and educate construction professionals on sustainable construction and advanced material and techniques. During the year, 5,350 professionals were covered through various knowledge sharing activities and webinars helped reach out to over 1,500 leading professionals.

ACCELERATING DIGITALISATION AND INNOVATION
With an aim to strengthen operations and enhance our competitiveness, we are driving digitalisation initiatives focusing on Operational Excellence, Controls and Compliance and Culture.

For external stakeholders
Contractors are an important stakeholder, given their importance to the individual house builder (IHB), a primary segment we cater to. To empower, engage and fulfil the unmet needs of contractors, we launched Ambuja Abhimaan, a differentiated long-term loyalty program. The program has achieved many milestones, including recognition as one of best mobile loyalty programs, engaging and benefiting 80,000+ key contractors. Besides earning loyalty points, we are also facilitating contractors to market their own work and manage their projects with help of Ambuja Darpan, a business aid mobile app, further buttressing the loyalty. The key features of the app are contractor profiling and estimator among others. It also offers Vaastu tips, event calendar and Ambuja dealer locator facilities that can be used both online and offline.

For internal stakeholders
We have two apps for our Technical Services team – My World, which helps capture onfield efforts in Customer Relationship Management and Ambuja Abhimaan which is used both by contractors as well as the Company's officers. This year, we incorporated the Price MIS (Management Information System) mechanism in both the apps to get the correct and on-ground information from the market.

Plants of Tomorrow
Following the Plants of Tomorrow program of Holcim, we are implementing automation technologies and robotics, artificial intelligence and predictive maintenance across the entire production process. We have implemented predictive tools for quality assurance (FinCem) and piloted predictive tools for maintenance (Preheated Cyclone Blockage, Kiln Energy Optimisation, Ball Mill Slide Shoe Failure, Refractory Lining Failure) to enhance product quality, plant efficiency and safety.

Another Plants of Tomorrow initiative is TIS/PACT- the Technical Information System and Performance & Collaboration Tool--which helps take operational decisions based on data about weekly operations, monthly performances, projects and actions. We have introduced Edge AI at all manufacturing locations to facilitate rapid deployment of predictive models and seamless connectivity with plant data sources.

We also initiated the Digital Eye Program, which facilitates inspection of confined spaces through the use of drones. The concept of connecting mines through the Mines of Tomorrow initiatives was also introduced.

Logistics
The Transport Analytics Center (TAC) is helping us enhance logistics efficiency through route optimisation, cost optimisation and increase road safety. We are leveraging BlueYonder and other software packages to drive logistics efficiency in the organisation.

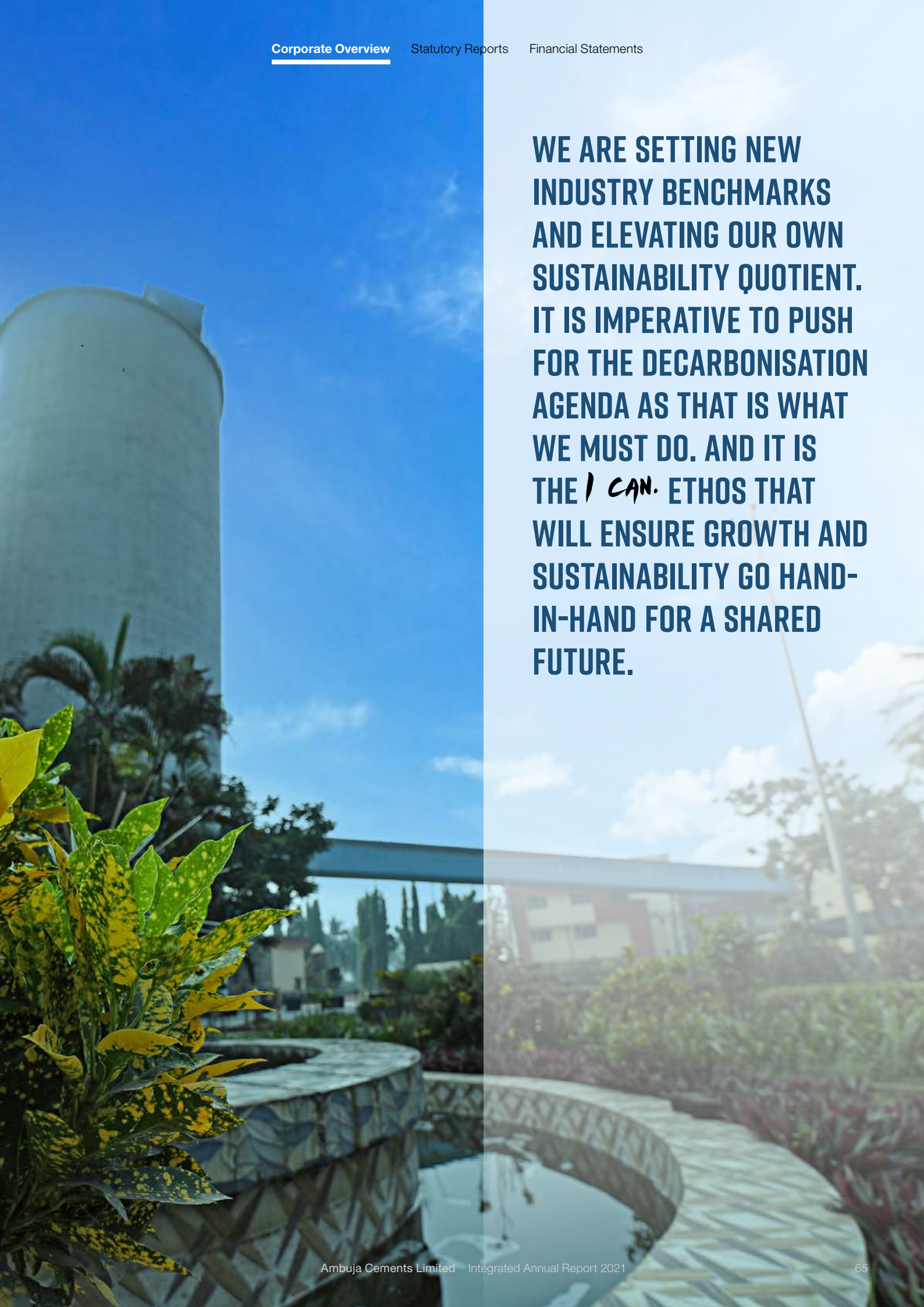
76%
Safe kms through TAC

CONCRETE STEPS TO REDUCE CARBON FOOTPRINT

Climate action is no longer an option but a time-bound imperative to limit global warming to well below 2°C. In line with the Holcim Group's Net Zero pledge, we are integrating sustainability into the organisational culture, prompting our people to come up with concrete measures to reduce carbon emissions and lower energy intensity; and increase the share of clean and renewable energy.

Sensing the urgency to combat climate change, we have developed 2030 carbon emission reduction targets, validated by the Science Based Targets initiative (SBTi). We have also partnered with Carbon Disclosure Project (CDP) India's SBTi Incubator Program to put in place a decarbonisation roadmap.

We are also enriching the low-carbon building materials value chain with innovative green solutions, such as Ambuja Kawach that has 30% lower carbon footprint as compared to OPC products and Ambuja Buildcem that uses fly ash to produce high strength Portland Pozzolana Cement (PPC) while conserving natural resources. Ambuja Cool Walls replaces clay brick walls with pre-cast concrete inbuilt with a special heat barrier technology that keeps houses 5°C cooler during summers and warmer in winters.



WE ARE SETTING NEW INDUSTRY BENCHMARKS AND ELEVATING OUR OWN SUSTAINABILITY QUOTIENT. IT IS IMPERATIVE TO PUSH FOR THE DECARBONISATION AGENDA AS THAT IS WHAT WE MUST DO. AND IT IS THE I CAN. ETHOS THAT WILL ENSURE GROWTH AND SUSTAINABILITY GO HAND-IN-HAND FOR A SHARED FUTURE.

CAPITAL-WISE PERFORMANCE

NATURAL CAPITAL

We understand that we can play a significant role in promoting sustainable development and limiting climate change. We have stringent controls in place to ensure that we manufacture sustainably through prudent resource allocation, energy saving initiatives, efficient waste management and adoption of technologies that reduce our carbon imprint. We are increasingly using waste derived raw materials, waste derived alternative fuels and evolving our product mix to create greener products.

STAKEHOLDERS IMPACTED

- Dealers
- Employees
- Government and regulatory authorities
- Suppliers
- Community

MATERIAL ISSUES ADDRESSED

- Biodiversity
- Sourcing of water
- Land acquisition for mines and new operations
- Relocation and rehabilitation (post mine closure)
- Circular economy
- CSR
- Sustainable supply chain
- Compliance with regulatory requirements
- Customer satisfaction
- Energy efficiency
- GHG emissions and climate change
- Other air emissions
- Waste management

KEY RISKS ADDRESSED

- Environment and sustainability

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

CLIMATE AND ENERGY

Developments and key initiatives

- Maximise usage of alternative fuels and mineral component in cement
- Expanding solar panel farms, waste heat recovery system
- Accelerating green solutions
- New technologies that help in reducing carbon footprint

KPIs

2.2 KG
reduction in CO_2 emission per tonne of cement

3%
reduction in Specific Thermal Energy Consumption

WATER AND NATURE

- Higher use of recycled water and rainwater harvesting
- Develop innovative products that reduce water usage for our customers

8X
water positive

63%
clinker factor

CIRCULAR ECONOMY

- Partnering for clean India through Geocycle

8.6 MT
of waste co-processed

3.5X
plastic negative

CAPITAL-WISE PERFORMANCE >> NATURAL CAPITAL

OVERVIEW

We associate with various regional and global bodies to implement our sustainability objectives, particularly those related to the environment. In 2020-2021, we participated in a pilot project on Natural Capital Accounting and Valuation of Ecosystem Services-Business Accounting Pilot Case (NCAVES) with UN Statistics Division (UNSD) based on which a case study has been published by the UN (https://seea.un.org/content/business-and-natural-capital-accounting-case-study-ambuja-cement-india). The project was supported by the European Union.

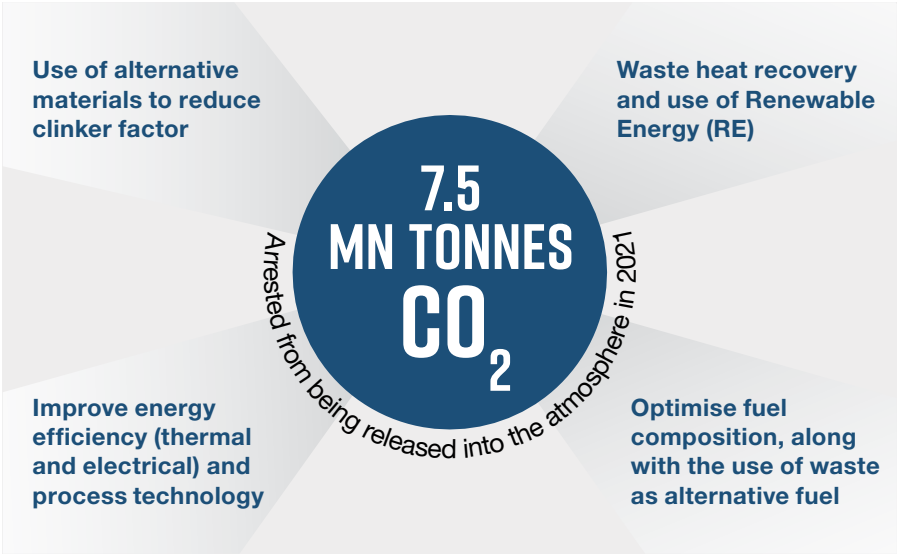
We continue to invest in improving our environmental performance, which results in significant cost savings. During 2021, we spent ~ ₹31 crore towards climate change resilience, including environmental protection, energy efficiency, compliance management, etc., which led to savings of ₹5 crore.

At the end of 2021, three cases involving environment-related issues were pending in different courts. No significant fines or penalties (>$10,000) were incurred in 2021. No formal grievance about environmental impact had been filed through the various grievance mechanisms during the reporting period. Through our advocacy and action, we intend to ensure that climate change measures are integrated into national policies, strategies, and planning.

CLIMATE AND ENERGY

Carbon emission

Aware of the cement industry's contribution in GHG emissions globally, we have undertaken a four-pronged strategy to reduce our carbon emission.

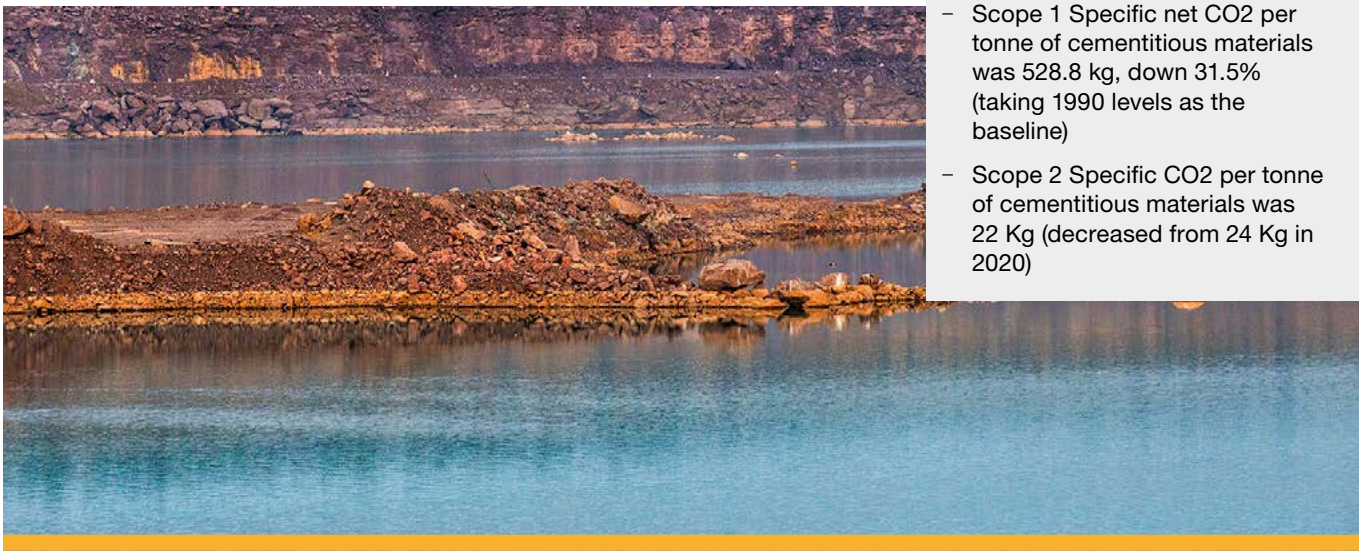


In alignment with World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI) CO2 protocol, we monitor and report our emissions from all manufacturing locations. We disclose our environmental performance as per CSI and GRI guidelines and annually in the Carbon Disclosure Project (CDP) and Dow Jones Sustainability Index (DJSI).

Our Scope 1 emissions include direct emissions from owned or controlled sources, including emissions due to fuel combustion in kilns or from onsite energy generation and clinker production. Scope 2 emissions are associated with purchased electricity from grid. Scope 3 emissions include other indirect GHG emissions, including emissions from purchased products and services, fuel and energy-related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel and employee commuting among others.

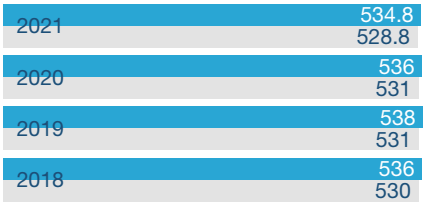
Performance in 2021

- Scope 1 Specific net CO2 per tonne of cementitious materials was 528.8 kg, down 31.5% (taking 1990 levels as the baseline)
- Scope 2 Specific CO2 per tonne of cementitious materials was 22 Kg (decreased from 24 Kg in 2020)

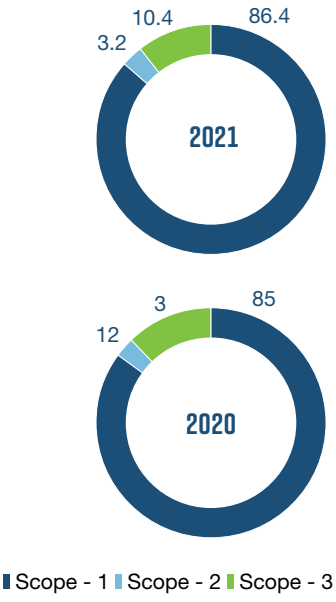


SCOPE 1: ABSOLUTE GROSS CO_2 EMISSIONS INCLUDING ONSITE POWER GENERATION (MILLION TONNES CO_2)

SPECIFIC SCOPE 1 EMISSION: ABSOLUTE GROSS CO_2 EMISSIONS INCLUDING ONSITE POWER GENERATION (MILLION TONNES CO_2)



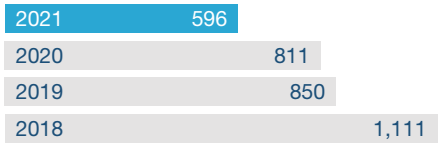
SCOPE-WISE EMISSION (%)



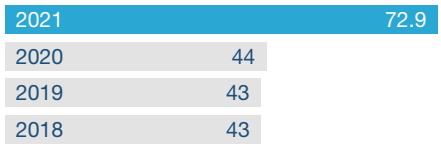
Other emissions

Our manufacturing process does not emit any ozone depleting substance (ODS). The ODS data covers only core processes and not the administrative facilities, which include office buildings, staff quarters among others at plants and offices. The installed continuous monitoring systems across our plants help us monitor NOx, dust/particulate matter and any other significant emissions from our ten kilns or raw mill stacks. Real-time display of this data, except for data on captive power plants and other stacks, is made available on the website of the regulatory agencies. Further, we have invested in Selective Non-Catalytic Reduction (SNCR) systems, new Electro-Static Precipitators (ESPs) and baghouse modifications, reinforcing our commitment towards emission minimisation.

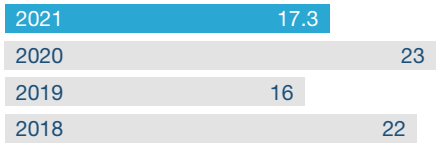
AVERAGE NO_x SPECIFIC CONCENTRATION (GRAMME PER TONNE OF CEMENT)



AVERAGE SO_x SPECIFIC CONCENTRATION (GRAM PER TONNE OF CEMENT)



AVERAGE DUST SPECIFIC CONCENTRATION (PER TONNE OF CEMENT)



Energy management

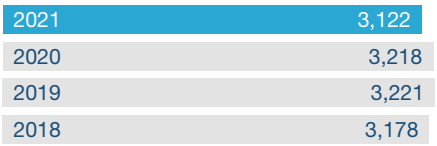
We are undertaking measures to reduce our energy intensity across the cement value chain and have implemented ISO 50001:2011 standards to augment our energy management system. We are working relentlessly to increase the share of renewables such as solar, biomass, and wind in the energy mix. We are using alternative fuel and raw material (AFR) and waste heat recovery to increase our energy efficiency. We use waste derived raw materials like fly ash, slag, and waste gypsum etc. in our manufacturing process, which has resulted in lower clinker factor. We have also optimised our processes for use of low-grade limestone and waste derived alternative fuels. We are proud to have set new benchmarks in the industry in energy use.

Performance in 2021

As a percentage of total operating cost, energy cost stood at 30% against 24% in 2020. About 63% of our power requirements are met through captive energy sources.

- Thermal energy efficiency stood at 3,122 MJ/tonne clinker as against 3,218 MJ/tonne clinker
- Electrical energy consumption stood at 73.94 kWh/tonne of cement against 77.05 kWh/tonne of cement
- Alternative Fuel (AF) in the kilns helped achieve a TSR of 5.1% of the total thermal energy vis-à-vis 4.2% the previous year

SPECIFIC THERMAL ENERGY CONSUMPTION (MJ/TONNE OF CLINKER)



A detailed list of various energy efficiency measures taken are listed in the Annexure – VI (Page 152), and also available on ambujacement.com/investors/annual-reports

Renewable energy

Renewable energy remains a key factor for reducing our carbon footprint.

2.7%

Share of renewables in total power generation in 2021 (1.4% in 2020)

Performance in 2021

- The Rabriyawas unit in Rajasthan started sourcing solar-based power through Power Purchase Agreement (PPA) (project capacity of ~ 5.14 MW)
- WHR power generation of 441 kWh lakh units in 2021 as against 355 KWh lakh units in 2020

CAPITAL-WISE PERFORMANCE >> NATURAL CAPITAL

OPERATIONAL RENEWABLE ENERGY PORTFOLIO OF AMBUJA CEMENT

30 MW
Coal and biomass-based power plant at Ropar, Punjab

7.5 MW
Wind power station at Kutch, Gujarat

330 KV
Solar power station at Bhatapara, Chhattisgarh

55.14 KWP
Rooftop solar PV project at Gurgaon office

6.5 MW
WHR based power generation system at Rabriyawas, Rajasthan

We use biomass at the captive power plants as well. Along with renewable energy certificates, the power cost optimisation strategy also helps us add value to power sourcing and be compliant in renewable purchase obligations.

THERMAL ENERGY FROM ALTERNATIVE FUELS (TJ)

2021	2,963
2020	2,818
2019	3,479
2018	3,546

WATER AND NATURE

Water is among the key pillars of our Sustainable Development Plan 2030. Our dry process of cement production requires significantly less water than other processes. And now, our products are helping minimise the use of water in construction. Our steadfast efforts in ensuring water efficiency enabled us to turn 8x water positive in 2021.

Five of our plants are located in water scarce regions and we comply with all water related regulatory requirements. At our plants, we are maximising the use of recycled water that has been treated at our effluent treatment plants as well as reverse osmosis plants. Recycled water is also used for dust suppression and gardening, along with other purposes.

At the community level, we have undertaken water conservation and rainwater harvesting projects under the aegis of the Ambuja Cement Foundation (ACF), our CSR arm (Details can be found on page 80 & 81 of this report).

Performance in 2021

- Total volume of water withdrawn for all our operations increased 5.17% to 6.1 million cubic metres (million m^3) from 5.8 million m^3 in 2020 due to over 16% increase in cement production
- However, we significantly reduced specific freshwater withdrawal (operational) to 58 litres per tonne of cement produced (77 litre in 2020)
- Total net freshwater consumption marginally declined from 4.27 million m^3 in 2020 to 4.13 million m^3 in 2021
- Few locations discharge wastewater through septic tank soak-pit but total discharge (24,168 m^3) is less than 0.4% of our total water withdrawal

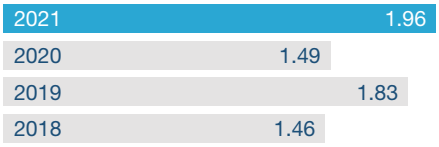
15%
Of total water withdrawn was recycled in 2021 (15% in 2020)

Our water sustainability risk assessment framework has been developed in association with the International Union for Conservation of Nature (IUCN). It considers business/ company risks as well as the basin risk, covering various risk aspects and identifying units with water stress.

This assessment also uses the World Business Council for Sustainable Development (WBCSD) Global Water Tool. Scenario analysis to identify the potential impact on operations has also been conducted using country Specific India Water Tool. True Value assessment for water interventions in 2021 indicated a contribution of ₹1,544 crore.

SURFACE WATER CONSUMPTION (MILLION M³)

HARVESTED WATER CONSUMPTION (MILLION M³)



GROUND WATER CONSUMPTION (MILLION M³)

WATER RECYCLED (MILLION M³)

UNMATCHED FEAT

1st ever by any cement company in the World, Ambuja Cement has been recognised for its leadership in Water Security 2021 by CDP, the global environmental non-profit, and secured a place on its prestigious 'A List' for tackling water sustainability. This achievement reaffirms our will to remain committed to addressing water scarcity in the future and contributing to the establishment of a sustainable tomorrow. The three initiatives – concrete mix proportions, modular curing, and rainwater harvesting – helped us save ~70 million litres of water, and promote sustainable construction initiative. We will continue to advocate for environmentally-friendly solutions by actively taking part in such initiatives.

Biodiversity management

Our biodiversity policy is part of the Group's Quarry Rehabilitation and Biodiversity Directive. We adhere to Indian national regulations and are a signatory to the India Business and Biodiversity Initiative (IBBI) of the Confederation of Indian Industry (CII), and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). We also partner with organisations/ industry associations like Global Climate Change Alliance (GCCA) for biodiversity-related policy management, assessment and reporting guidelines.

As part of our Sustainable Development Plan 2030, we are committed to achieving 'Positive Change in Biodiversity' (net positive impact) by 2030. For all our sites, we carefully classify our ecological assets and maintain a biodiversity inventory. We also assess the net positive impact through set KPIs every three years. For measuring this, we have implemented a new baseline biodiversity assessment at our sites through a Biodiversity Indicator and Reporting System (BIRS) developed by experts from the International Union for Conservation of Nature (IUCN). BIRS assessments were conducted in 2017, 2019 and 2020.

We are in the process of implementing mitigation hierarchy for our biodiversity management and conservation efforts which includes three key elements: avoid, minimise and restore. We avoid undertaking operations near any of the World Heritage Sites and IUCN Category I-IV protected areas. Our operating sites are not located adjacent to indigenous peoples' territories.

We plant trees on the overburden and area around the mines and on the mine lease boundaries, which helps reduce dust pollution and promotes the absorption of carbon emissions and preservation of regional biodiversity. We regularly train our team members working closely with communities to ensure minimal impact on the biodiversity. Our overburden/interburden or waste material is disposed of separately in non-mineralised zones through an excavator-dumper-dozer combination as per the approved mine plan. Progressive mine closure plans are available as per statute for all locations.

BIRS score

(SITE BIODIVERSITY INDEX ON A SCALE OF 1-4)

Units	2019-20	2016-17
Ambujanagar, Gujarat	1.9	1.7
Darlaghat, Himachal Pradesh	2.1	2.1
Rabriyawas, Rajasthan	2.3	2.1
Maratha Cement Works, Maharashtra	2.1	2.0
Bhatapara, Chhattisgarh	1.9	1.7

Protected areas

Protected areas like the Majathal Sanctuary and Darlaghat Conservation Reserve (both in Himachal Pradesh) are situated within 10 km of our mining/ plant operations at Darlaghat. The Gir sanctuary lies within 10 km of a mining site at Ambujanagar, Gujarat. We have prepared a wildlife conservation plan for key species, approved by the state government, for Darlaghat. Biodiversity Action Plan (BAP) for all our five plants with mining sites is being implemented.

CAPITAL-WISE PERFORMANCE >> NATURAL CAPITAL

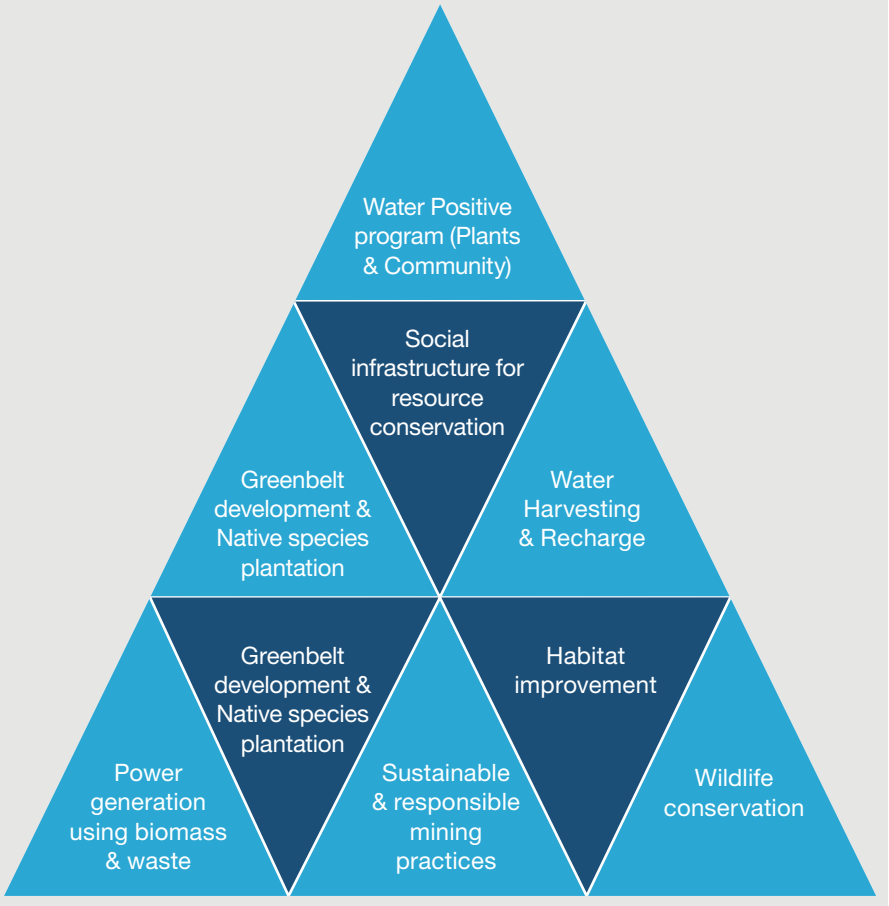
We continuously monitor biodiversity and set protection and action priorities for species like IUCN red data list and regional threatened species list. We conduct periodic ecological study on species and habitats through our local partners such as the Gujarat Institute of Desert Ecology (GUIDE), university experts and research institutions to identify the causes of decline in species and take corrective measures.

Key aspects of our biodiversity management

Partnering with local experts and forest department to develop comprehensive biodiversity action plans with regional measurable targets across sites, and act on the outcomes of our assessment

- Improving degraded habitats across sites through targeted habitat management plans
- Working closely with the community to adequately manage the planted and rehabilitated areas and partnering for the management of any other adjoining offset areas
- Turning regenerated areas into natural habitats by adopting new forestry practices
- Carrying out mining operations and raw material transportation only during the daytime near protected areas
- Providing mine tippers with a multi-cap covering system to avoid spillage of material during transportation

FOCUS AREAS



PROMOTING A CIRCULAR ECONOMY

Through the Holcim brand, Geocycle, and the waste management arm of Ambuja Cement, we have emerged as a pioneer in the industry in effectively utilising waste in kiln co-processing.

Geocycle India is part of the global Geocycle network and has four dedicated pre-processing facilities with installations for blending liquids, shredding solids and sludge and homogenising waste before it is co-processed sustainably at five locations. Through Geocycle, we co-process waste from other industries in our kilns as alternative fuel, thus promoting a circular economy and reducing the use of coal, which, in turn, results in natural resource conservation and GHG mitigation. Geocycle has already developed 14 co-processing facilities across India around AFR storage areas, feeding arrangement, and laboratories that support both ACC and Ambuja Cement. During the year under review, we co-processed ~3.7 million tonnes of alternative fuels, substituting 5.1% of total thermal energy.

5.1%

Thermal substitution rate (4.2% in 2020)

ACCELERATED APPROACH IN NEXT THREE YEARS TO TRIPLE TSR TO 15%, WITH KEY PLANTS ABOVE 20% TSR

- Market approach driven by footprint expansion of municipal solid waste across key markets leveraging Swachh Bharat Abhiyan and the Smart City campaign
- Associated with 65+ cities for managing legacy waste through urban mining; 250,000+ tonnes of plastic used as alternative fuel across plants
- Drive advocacy efforts on recognition of co-processing at par with recycling, and stakeholder interaction for inclusion of landfill tax and guidelines on the usage of chlorine dust in the cement manufacturing process

CO-PROCESSING WASTE IN CEMENT KILNS

Completely decomposes waste through high temperatures and long residence time

Recovers energy and recycles mineral value of waste, if any

Leaves no residue

Leads to conservation of natural resources

Reduces greenhouse gas emission

Offers local waste management solution

Saves public funds

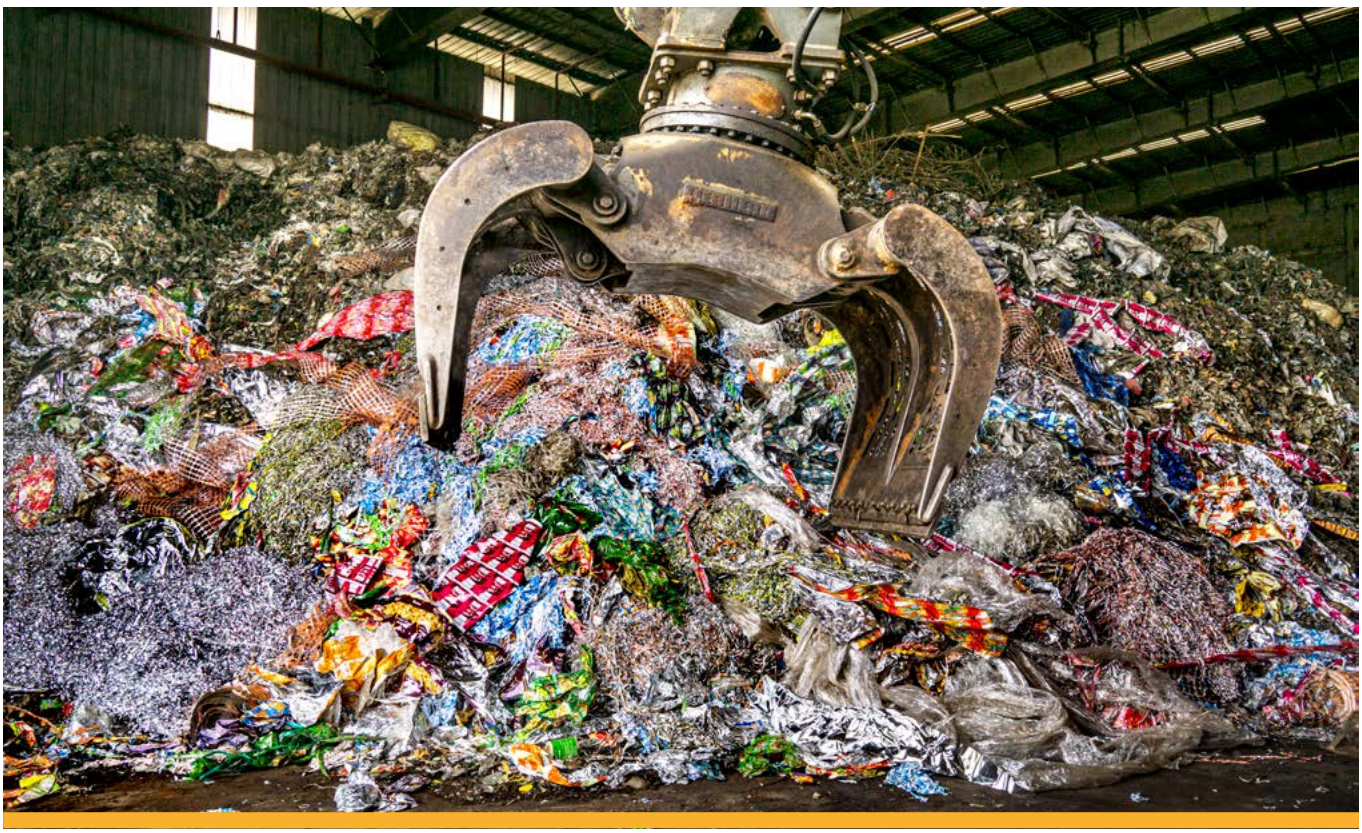
Promotes a circular economy

Performance in 2021

- We consumed ~2.8 lakh tonnes of alternative fuels (AF) in kilns and ~0.9 lakh tonnes of AF in our captive power plants against 1.9 lakh tonnes and 0.9 lakh tonnes in 2020, respectively. This resulted in a TSR of 5.1% of the total thermal energy against 4.2% in 2020
- We consumed ~8.6 million tonnes of waste-derived alternative raw materials like fly ash, slag, phosphogypsum in the manufacturing process against 7.3 million tonnes in 2020
- Our incremental use of fly ash; water harvesting and recharge projects; agro-based livelihood creation; and use of AFR resulted in net positive contribution to the environment and society to the tune of more than ₹2,000 crore in 2021 compared to ~₹750 crore in 2012

Further, with Geocycle, we are expanding our footprint across key markets for managing Refuse Derived Fuel (RDF) and EPR (Extended Producer Responsibility) plastics through the following ways:

- Tie ups with municipalities of Tier 1 cities and villages near the plants
  - RDF: Utilise 1.2 million tonnes of RDF by 2025
  - EPR plastic waste: 300 kilo tonnes by 2025
- Complex waste and LFP waste: Market mapping and agreement in progress with key industry players. Spent potlining waste usage in January 2022.



Partnering for clean India

Geocycle Bubble Barrier

- 2022 : 3 projects in the pipeline : Varanasi on river Ganga, Gujarat on river Vishwamitri, Himachal on River Beas
- 10 additional bubble barriers to be set up by 2025

Cleaning up airports and ports

- Dry waste collection and co-processing from airports, ports, customs

Leave Behind no Waste Initiative #LBnW

- Ambuja and ACC partnership with BCCI for post match clean up across stadiums during T20 series

Community Clean Up

Direct sourcing of biomass from farmers at Rabriyawas

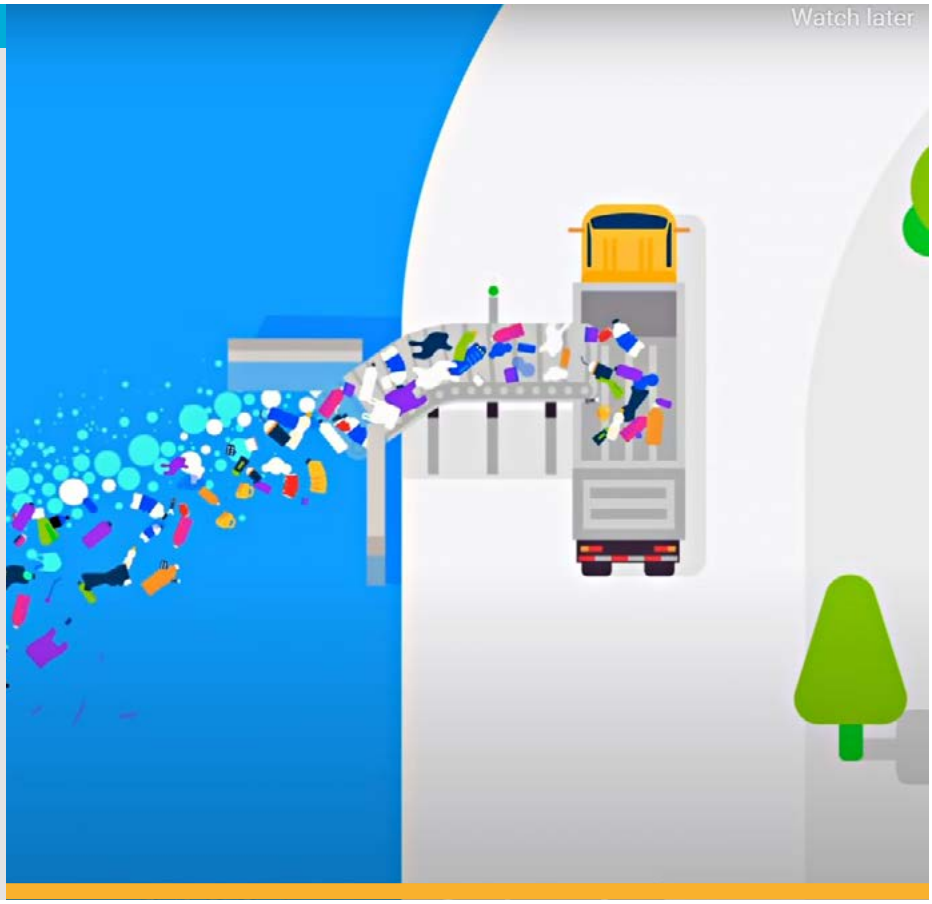
- Reduction in open burning of agricultural waste
- Sustainable source of alternative fuel

Project #BHOOMI

- Municipal solid waste and plastic waste management of villages and towns near plants

PUTTING A BARRIER

Plastics in our water bodies are causing irreversible damage to the environment and thus public health. That is why Holcim brought two cement giants of India to solve this problem. What emerged can be termed as the lightest approach from two corporate heavyweights: a bubble curtain. Through the bubble barrier technology, channelised bubbles push plastics to a collection point, after which they are ecologically co-processed in cement plants. This pilot project at the Mantola canal in Agra is expected to remove 2,400 tonnes of plastic, with more cities slated to receive their own bubble barrier. The initiative is in line with the government's Swachh Bharat initiative, and a big step towards realising our vision of a better tomorrow.



WHEN A STREAM OF POSITIVITY FLOWS, EVERY DROP MATTERS

Water has been the key focus area for us ever since inception. Our efforts have been acknowledged with the latest recognition we received for leadership in water security in CDP 2021 with the best-ever 'A' score. Globally, Ambuja is the only cement company to have achieved this feat.

With growing water stress over the past few decades, Ambuja has been addressing water scarcity issues especially in our communities where erratic rainfall and inadequate irrigation coverage has increased groundwater usage in farming, leading to steadily depleting water beds.

This is what was being faced by local residents of over 50 water-stressed villages in Rajasthan and Maharashtra who realised that the only way out was to tackle this issue head-on. Their local representatives (panchayats) approached Ambuja's CSR arm, the Ambuja Cement Foundation to provide a viable plan with technical knowhow.

First, a detailed site study was conducted in partnership with ATE Chandra Foundation, which revealed 17 defunct water bodies could be restored once the pits were cleaned and desilted. Community members stepped in with tractors and excavators and these volunteers successfully unearthed over 1,66,000 cubic metres of silt that was spread over agricultural land.

Water storage capacity expanded by 166 million litres and 550 tube wells recharged. With the immense benefit staring them in the face, the villagers readily shouldered 75% of the project cost. The arrival of monsoons gave a fresh lease of life to the water bodies and rejuvenated the villages.

IT IS INNUMERABLE EFFORTS LIKE THIS FOR THE SUSTAINABLE CONSUMPTION OF NATURAL RESOURCES THAT HAS ENSURED US A PLACE IN THE SUN. TODAY, AMBUJA CEMENT IS THE ONLY COMPANY TO BE CERTIFIED OVER EIGHT TIMES WATER POSITIVE - AMPLY DISPLAYING THE I CAN. SPIRIT TO SYSTEMATICALLY SHAPE OUR DESTINY AND CREATE A SHARED PROSPEROUS FUTURE.

CAPITAL-WISE PERFORMANCE

SOCIAL CAPITAL

At Ambuja Cement, the community is considered the primary stakeholder of the Company. Our holistic community development initiatives are implemented under our CSR arm – Ambuja Cement Foundation (ACF) – which engages at the grassroots level to assess community needs and priorities so that our intervention is evidence-based and effective.

STAKEHOLDERS IMPACTED

Community

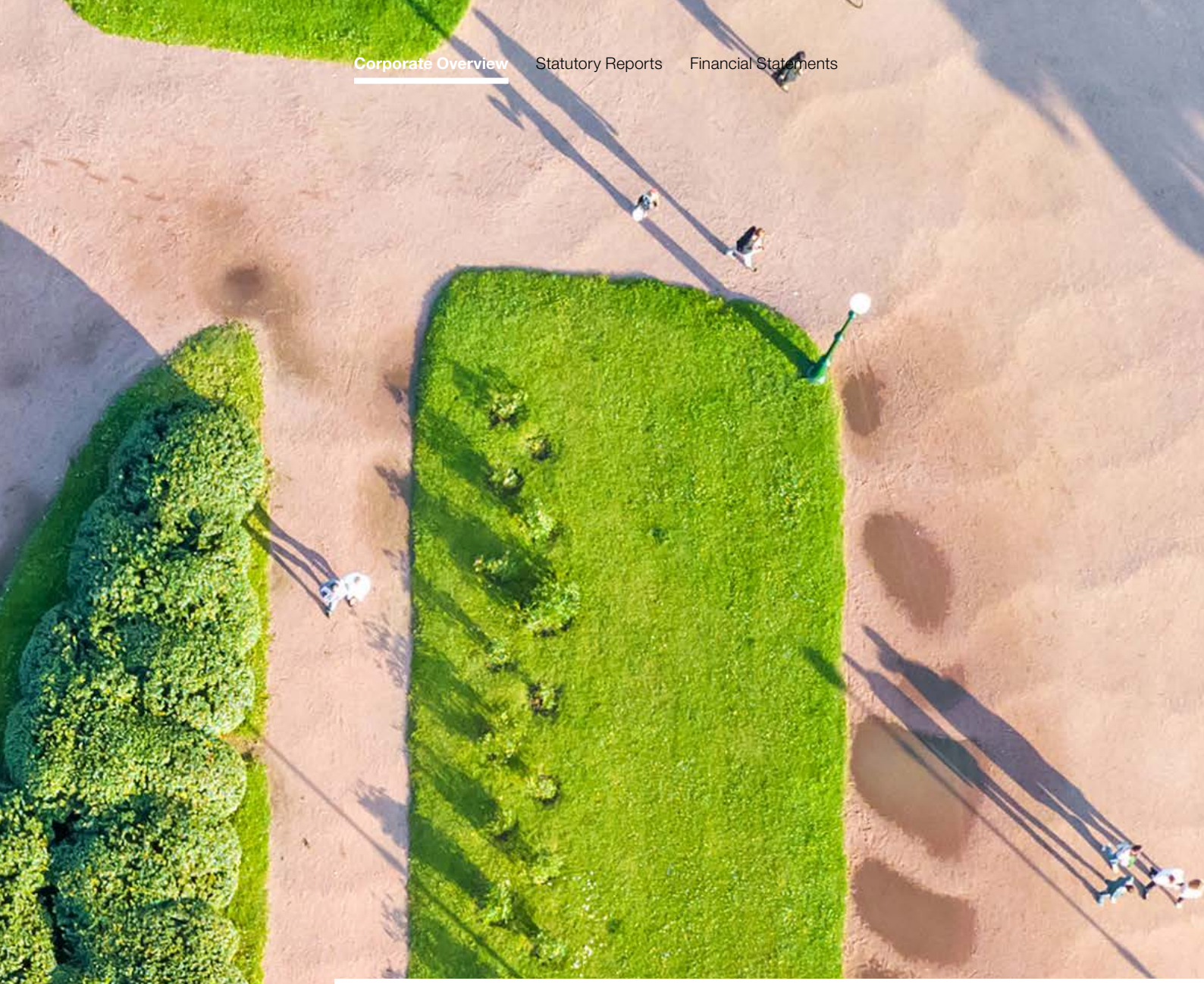
MATERIAL ISSUES ADDRESSED

- CSR
- Health and safety
- Human rights
- Code of conduct
- Transparency and corporate governance
- Economic impact
- Public policy and advocacy

KEY RISKS ADDRESSED

- Environment and sustainability
- Maintaining market position
- Water availability
- Licence to operate

SDGS IMPACTED



Value creation at a glance

FOCUS AREAS

COMMUNITY SUPPORT

Developments and key initiatives

- ACF continued to focus on its key intervention areas while supporting national efforts in countering the COVID-19 pandemic

KPIs

₹64.41 CRORE
spent on CSR activities In CY2021

2.8 MILLION
lives touched In CY2021

CAPITAL-WISE PERFORMANCE >> SOCIAL CAPITAL

OVERVIEW

At ACF, we harness the power of collaboration—among communities, governments (at the state and central levels), NGOs and corporates—to promote inclusive development. We strongly believe that for a business to prosper, it is essential to foster the prosperity of the communities within which it operates. Our community-specific interventions start well before we secure land for our operating sites and we remain keenly involved in the holistic development of the lives of the people in and around our areas of operation. Our aim is to maximise people's participation in community development by creating village-level institutions, and to invest in capacity building to ensure that the implemented projects are self-sustaining.

APPROACH TO CSR

Our CSR activities are governed by our Sustainability and Corporate Responsibility Committees with Independent Directors at the helm. Our well-formulated CSR Policy lays down in detail our CSR objectives and work in accordance with Schedule VII of the Companies Act, 2013.

Our community initiatives are carried out across 11 states around our manufacturing sites. Besides, we run the following projects:

- Five English-medium schools, under the Ambuja Vidya Niketan Trust, that provide quality education
- A multi-speciality hospital at Ambujanagar under the Ambuja Hospital Trust
- Our dedicated data management and research cell monitors the progress of projects and conducts mid-course evaluation to understand if the projects are being implemented correctly and are creating value for the community. All mature projects are subject to evaluation and impact assessment. External consultants and institutions support us in carrying out impact assessment of critical projects.

In 2021, despite the challenges created by the pandemic, we continued with our community interventions in the designated areas while undertaking other initiatives to safeguard the communities against coronavirus and participating in the immunisation programme rolled out by the government.

Our social intervention areas

- Water Resource Management
- Agro-based livelihood
- Skill-based livelihood
- Health and sanitation
- Women empowerment
- Education

COMMUNITY ENGAGEMENT TO MAXIMISE IMPACT

We have consciously focused on partnering with the community to ensure that the interventions were community-led. This is essential to amplify the impact of all development projects. We require the communities to invest in the initiatives, through financial support or in-kind contributions, to ensure that they come to value these projects and they themselves become agents of change. Keeping this objective in mind, we have organised farmers' clubs, farmer producers' organisations, women's federations, water-user groups, village development committees among others. ACF also focuses on developing village-level leaders for effective on-ground execution of the projects. Deloitte was engaged to conduct an impact assessment of core (mining) villages in Rabriyawas, Rajasthan. The study highlighted the positive change in terms of water availability, improved livelihoods and overall growth.

WATER RESOURCE MANAGEMENT

Water conservation has been of paramount importance to Ambuja Cement since the beginning of its operations. We are enabling communities to face challenges such as water scarcity by promoting water conservation, ensuring adequate availability of clean and safe drinking water, water quality testing and encouraging judicial water use through the use of sprinklers and micro irrigation system.

Partnering with like-minded organisations, corporates and government institutions, our water conservation initiatives have helped transform the scenario in some of the critically water-starved areas of the country. We ensure that no water source or protected area (nationally or internationally) is disturbed by water withdrawal. We ensure sustainable withdrawal, water efficiency, water harvesting and groundwater recharge to help maintain water tables.

We have developed a water sustainability risk assessment framework in association with the International Union for Conservation of Nature (IUCN) to understand business risks as well as the basin risk, and identify units with water stress. This assessment also uses the WBCSD Global Water Tool. Two of our plants are in water scarce regions. We comply with all regulatory requirements on water.

Our water conservation initiatives have led to our inclusion in the 'A' list of CDP, which is a testimony to our commitment to our sustainability mission. We are the only company in the world to have achieved this feat.

Key highlights 2021

- Developed and revived 159 water harvesting and recharge structures with cumulative storage capacity of 59.73 million m3. This includes village ponds, check dams, 'khadins' and farm ponds
- Renovated and strengthened 205 drinking water sources and supported 773 households with construction of Rooftop Rainwater Harvesting Systems (RRWHS)
- Developed 940 Ha of watershed through water and soil conservation initiatives
- Water quality testing encouraged in 67 core villages across ACF locations
- Facilitated by ACF, 2,281 households in 12 villages received tap water connections under the Jal Jeevan Mission in Ambujanagar

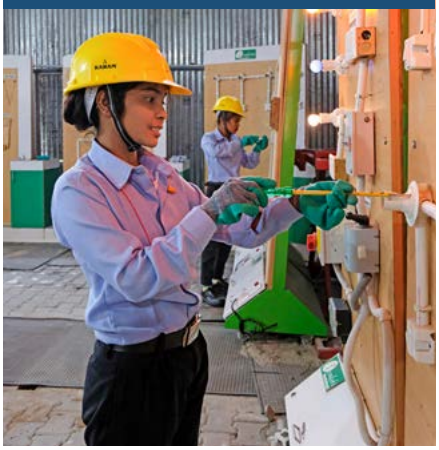
AGRO-BASED LIVELIHOOD INITIATIVES

Through our Agro-Based Livelihood Initiatives, we are building farmers' capacities, introducing science-based farming practices and encouraging enhanced use of technology. The initiatives are being implemented in 17+ locations across nine states, covering more than 2 lakh farmers. Besides, we are also encouraging projects related to animal husbandry including dairy, poultry, aquaculture, goat farming among others. Better Cotton Initiative (BCI) remains a core interest, which now covers 1.73 lakh farmers. During the pandemic, we extended these initiatives by offering insurance opportunities to individuals who had lost their regular source of income.

Key highlights 2021

- 18,886 households of small and marginal farmers and landless families benefited through intervention in vegetable cultivation, fishery, goatery and poultry-based enterprises
- Continued to strengthen 17 Farmer Producer Organisations with a total membership of ~8,000 farmers
- Better Cotton Initiative (BCI) remains the largest program with an overall reach of 1.73 lakh farmers through 5,228 farmer groups in 1,451 villages
- Focused on farmers' capacity building, reaching out to 2.20 lakh farmers; 54,263 farmers trained under Integrated Crop Management
- Conducted 1,500 demonstrations on different aspects of crop production to help farmers gain more understanding and knowledge
- Planted 9,00,000 trees of a target of 1 million trees in Chandrapur under plantation and horticulture projects
- Entered a new partnership to support 10,000 farmers for organic farming

SKILL-BASED LIVELIHOOD INITIATIVES



The Skill & Entrepreneurship Development Institutes (SEDI) is an initiative of ACF which aims to provide youth with training, employment and business opportunities to help them achieve their aspirations in life and lift their families out of poverty. Currently, we have more than 35 SEDI centres active in 10 states across the country. We continue to partner with other organisations including corporates to train SEDI students and provide them with placements.

Sattva Consulting undertook an impact assessment study of SEDI, highlighting the best practices of the peer organisation along with benchmarking.

Key highlights 2021

- Set up three new centres in Una, Lucknow and Udaipur
- SEDIs trained 6,462 young adults and placed 4,104 of them, at a placement rate of 63%
- Expansion of funding partners and renewal of certification partner, National Skill Development Corporation (NSDC)

81,200+
Youths trained through SEDI till date

CAPITAL-WISE PERFORMANCE >> SOCIAL CAPITAL

HEALTH AND SANITATION

This remained a core focus area, given the adverse impact of the pandemic on public health. During the year, we widened the scope of our intervention and included mental health under the ambit of our health-related initiatives. Besides, malnutrition also emerged as an important area of action.

12,800+
Women and adolescent girls benefited through the Menstrual Hygiene Management Program

Key highlights 2021

- Our village health functionaries *(Sakhis)* helped expand our Maternal and Child Healthcare (MCH) interventions in villages, reducing maternal deaths, neo-natal mortality, still births and helped institutionalised delivery rate to reach 97% in our impact villages
- Initiated 9 community clinics and mobile medical units with the support of village panchayats and village development committees, reaching 3,672 beneficiaries. Specialty camps organised for 6,157 beneficiaries
- ACF had been among the first to initiate HIV/AIDS prevention measures for truckers through its Health Care Centres (HCC). In 2021, 55,075 truckers were reached across 4 locations
- Initiated mental health interventions in 4 locations covering 101 villages
- Installed 3 napkin-making units in village institutions for biodegradable sanitary napkins, and enabled menstrual hygiene management and income generation for women members of SHGs
- Extended malnutrition program to 100 anganwadi centres
- Initiated a focused programme inducting village leadership to deal with rise of non-communicable diseases, especially hypertension and diabetes; programme reached 97,000 people in 167 villages
- Treated 31,245 patients in Ambujanagar Multispeciality Hospital

CARING FOR THE TRUCKER COMMUNITY

Truckers are a major stakeholder at Ambuja Cement, with ~ 6,000 truckers entering and exiting our plants every day. Ensuring their health and safety is a matter of high priority for us.

Long and irregular work hours, extended periods of stay away from their families, challenging road conditions and stress affect the physical and mental well-being of truckers. Through frequent camps, vulnerability to sexually transmitted diseases, Non-Communicable Diseases (NCDs) and poor eye-sight emerged as common health risk indicators. Under its health program, ACF, along with its partners, has been focusing on the health and general well-being of truckers, holding frequent health camps and awareness sessions to inculcate responsible behaviour among the community. Truckers were also a major component stakeholder group for its initiatives during the pandemic and vaccination drive.

In Bhatapara, ACF has tied up with the government hospital to conduct HIV/AIDS screening camps on a quarterly basis at the truck yard. Through awareness sessions and frequent meetings the truckers union and transport association encourage their truckers to visit these camps. This awareness creation has led to truckers freely coming forth to get tested and are incorporating lifestyle changes.

WOMEN EMPOWERMENT

Women play a critical role in inclusive development and, thus, national progress. We focus on empowering rural women and initiated projects like drinking water supply and health and sanitation and engage them in social and economic activities to ensure overall rural prosperity.

Key highlights 2021

- ACF promotes women led Self Help Groups (SHGs) to build capacity in managing accounts, credit rotation and income generation. During the year under review, 207 new SHGs were promoted, taking the total to 2,970 SHGs, with a membership of 35,099 women managing a total corpus of ₹27.14 crore
- Established 3 new federations, taking the total to 8, and supported them in governance and operations
- ACF assisted 525 SHGs to apply for the COVID Sahay loan and received ₹4.26 crore as livelihood support
- Trained women in tailoring under the livelihood enhancement programme; 4,52,000 face masks were made and sold to health authorities, medical stores and even to Ambuja Cement
- Strengthened micro-enterprise initiatives across 17 locations, where income generating skills such as tailoring, mask-making, pickle-making, sanitary pad-making, cleaning and hygiene product marketing etc. are taught to women
- Around 368 women are engaged as Sakhis, 9,527 in various income generating activities and 115 as Pashu Swasthya Sevikas (Para vets)

EDUCATION

Apart from improving school infrastructure, we focus on programmes aimed at enhancing access to quality education in the locations where we operate. To make learning more engaging and interesting we are helping introduce teaching aids in classes and building capabilities of students and teachers. Ambuja Manovikas Kendra (AMK), a school for specially-abled students, caters to 134 children. During 2021, 106 of them were enrolled under regular schooling programme, 10 under home-based rehabilitation and 18 at the skill development centre.

Our ‘Make India Play’ programme is gaining traction in schools. We believe that sports plays an important role in the development of the country’s youth.

Key highlights 2021

- Promoted capacity building in physical education for the staff of 62 schools
- Set up four mini science labs in Rabriyawas, Ambujanagar, Darlaghat and Bhatapara
- Established libraries in Ambujanagar and Darlaghat
- Initiated water quality testing in schools at three locations; the reports were shared with the school management committee for follow up
- Students of AMK were honoured by the Punjab State Government for Best Sportsperson with Disability; AMK Principal awarded Best Individual Working with People with Disabilities

CAPITAL-WISE PERFORMANCE >> SOCIAL CAPITAL

CONTINUING SUPPORT DURING THE PANDEMIC

With the pandemic still impacting the lives and livelihoods of communities across the country, we continued to provide multi-pronged support. This included building public awareness of Do's and Don'ts, as well as promoting the government's immunisation drive. We trained community members as COVISainiks to volunteer in activities to combat the pandemic and assist the local health system. We also undertook various initiatives to support individuals who lost their jobs due to the lockdowns.

Key highlights 2021

- Trained 6,347 people as COVISainiks; 2,576 are currently volunteering at hospitals and community clinics
- Distributed 2,200 COVID-19 kits to volunteers and frontline workers across ACF locations during October to December 2021
- Received appreciation certificate from the Department of Health & Family Welfare Office of CMO, Solan district, for our efforts to promote vaccination
- Invested resources in setting up 6 oxygen plants
- Provided 204 vaccine carrier boxes to Community Health Clinics and other institutions at various locations
- ACF supported the public healthcare system by supplying 460 oxygen concentrators and 130 oxygen cylinders in 2021
- ACF supported 250 vaccination camps conducted by Ambuja Cement; 12,535 vaccinations done for Ambuja Cement employees and their families; 9,008 truckers vaccinated and 10,229 third-party vaccinations achieved

2.7 MILLION
Community members from ACF villages were vaccinated

MAKING POSITIVE IMPACT AT MARWAR

ACF has been actively engaged in the socio-economic development initiatives in villages around our plant at Marwar since 2005, when we began talks for acquiring land for our operations. The area is a water stressed region and thus water resource management was a priority. ACF began by reviving one of Marwar's major ponds, Lakholav, which is the community's lifeline and the main source of water. ACF is also working on other initiatives in the region such as skill-building, health and sanitation, promotion of rural infrastructure and women empowerment to improve the socio-economic status of the communities.

ACF today works in **12 core villages of Marwar, reaching out to 35,000 people** directly or indirectly through its CSR initiatives.

ACHIEVEMENTS

- ACF certified Great Place To Work in the Non-Profit & Charity Organisation category
- Won the 3rd ICC Social Impact Awards 2021 for women empowerment and healthcare
- Organised a virtual round-table on 'Gender Equality in Manufacturing' with GRI, South Asia. Speakers and panellists included leaders from the manufacturing industry and UN representatives

WE BUILT A DARPAN (MIRROR) THAT REFLECTS CAPABILITIES

Contractors are a critical bridge in our relationship with customers and other stakeholders, especially Individual House Builders (IHBs). Their onsite presence is crucial as they are responsible for project execution and managing men (labour), materials and method (construction practices). However, most contractors do not have formal training for the job and even lack office space to conduct their business in an organised manner.

"Why can't we develop a one-stop platform for contractors' business needs?" asked a team member overseeing our engagement with them. To turn the idea into a reality, the technology team got to work. And an app was born, Ambuja Darpan, which mirrored the contractor's needs as it provided round-the-clock access to tools for running their business efficiently and showcasing their capabilities. The multilingual app was equipped with a live compass, Vaastu tips, event calendar, product guide and an Ambuja dealer locator, among other tools.

The popularity of this app has grown multi-fold. And the Ambuja Abhimaan programme that pro-actively engages over 60,000 key contractors has now empowered them with the Darpan app.

UNDERSTANDING THE NEEDS OF THIS CRITICAL STAKEHOLDER, EMPOWERING AND ENABLING THEM TO CHART THEIR OWN SUCCESS STORIES, IS A REFLECTION OF THE QUINTESSENTIAL I CAN. SPIRIT THAT IS EMBODIED WITHIN THE FABRIC OF THE ORGANISATION.

CAPITAL-WISE PERFORMANCE

RELATIONSHIP CAPITAL

Our relationship capital relates to the intangible value inherent in our ties and shared commitments with our business partners, consumers and other external stakeholders. We ensure quality products reach our customers through our deep distribution network, catering to their diverse needs and also provide them value-added services that help them build sustainable, resilient structures.

STAKEHOLDERS IMPACTED

- Suppliers
- Dealers
- Government and regulatory authorities
- Construction professionals

MATERIAL ISSUES ADDRESSED

- Procurement practices
- Sustainable supply chain
- Green supply chain (logistics and transport)
- Compliance with regulatory requirements
- Marketing communication and reputation

KEY RISKS ADDRESSED

- Maintaining market position
- Competition

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

CUSTOMERS

Developments and key initiatives

We continued to drive customer value through innovation, responsible products, engagement initiatives and good customer service

KPIs

₹89.25 CRORE
Advertisement and Promotion (A&P) spend in CY2021

DISTRIBUTORS

Strengthen distributor connect with various initiatives

1,850
Dealers added in 2021

4,200
New retailers onboarded in CY2021

SUPPLIERS

Focus on local suppliers

92%
local procurement

₹11,975 CRORE
paid out to 8,312 suppliers in CY2021

CAPITAL-WISE PERFORMANCE >> RELATIONSHIP CAPITAL

OVERVIEW

An enduring relationship with our business partners, suppliers and contractors and channel partners are essential to retain our competitive edge in the market, extend our reach across geographies into new markets and capitalise on emerging opportunities in the industry. Equitable contracts, collaboration and information sharing are necessary for maintaining the agility of our supply chain. As a customer-centric company, it is equally important for us to meet our customers' present and emerging needs, and growing expectations related to the sustainability of our processes, products and practices. Our brand reputation as well as business sustainability hinge on the trust and loyalty we inspire among these key stakeholders.

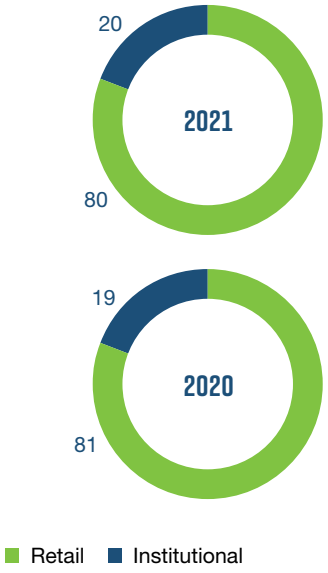
To execute market specific strategies, we focus on the following:

- Creating synergies between all our resources, external partners and consumers
- Driving change in purview of our stakeholders' needs and wants
- Analysing the potential threats and opportunities for 360-degree value creation
- Ensuring continuous skill-building of all our business partners and contractors for their long-term business growth

CUSTOMER CAPITAL

It is our goal to become the best retail construction brand in India, but we also understand that given India's diversity, multifarious strategies are required to serve our wide customer base. We ensure that all our customers get equal and complete focus. Hence, we have different dedicated teams for both our segments—Trade and B2B. We cater to Individual House Builders (IHBs), institutional projects, commercial projects, mass housing, infrastructure projects (roads, dams, bridges etc.).

CUSTOMER SEGMENT (%)



We relentlessly work towards creating a product portfolio that provides superior strength and quality and provides hassle-free construction for our customers across the country with diverse climatic conditions. Our base product is a premium offering with superior strength. Additionally, we have a special products category that provide additional benefits to our consumers. For example, strong and cohesive concrete (Ambuja Plus, Compocem in East) or and water repellent (Ambuja Kawach) properties.

By ensuring lower lead time, additional technical services support and product demonstration, we have been able to improve acceptance for our special products. Our on-ground branding and digital marketing efforts have also improved the pull factor for these products. During 2021, we reported substantial increase in the special products volume against that in 2020 by both push and pull levers.

Our core value proposition for our customers is our product and services offerings for every stage of the construction process. In line with this, we have introduced the 'Ambuja Certified Technology' campaign to present Ambuja Cement as the go-to solution for all construction needs by promoting the use of right products, right services and right techniques during construction.

AMBUJA CERTIFIED TECHNOLOGY HOUSE

We will continue to strengthen the products and solutions portfolio under the umbrella of Ambuja Certified Technology. We aspire to establish ourselves as the most sustainable construction brand in India and will be looking to add more green products to our portfolio. We would also like to penetrate our rural and semi-urban segments further and capture all the white spaces in existing markets using our technical services, ATL and BTL activities along with digital marketing. We are planning to launch one sustainable product under the ECOPlanet category and create more value for our customers.

CUSTOMER SUPPORT AND SATISFACTION

Our unmatched product portfolio, superior customer servicing philosophy and an always-available culture help ensure highest level of customer satisfaction. We systematically measure customer satisfaction through our engrained channels and continuously improve our services to help them build structures that are more resilient, resource-efficient and cost-effective.

We measure brand equity by conducting brand health studies on individual customers. The satisfaction level of dealers is evaluated using the Net Promoter Score (NPS) methodology. We also have an internal system of getting feedback from the market through virtual means.

Product quality complaints raised through toll-free number (1800 22 3010) printed on all cement bags are managed through a customer complaint handling system.

CAPITAL-WISE PERFORMANCE >> RELATIONSHIP CAPITAL

Flagship projects using Ambuja cement products

Border Roads organisation (BRO)- Rohtang Tunnel	Dhaulasidh Hydro project
Border Roads organisation (BRO)- Leh Manali highway	HPCL-L&T jetty project (Chara Gujarat)
Rishikesh Karan Prayag tunnel project (RVNL- Rail Vikas Nigam Ltd)-Megha Engineering, Navyuga, Max Infra	Bagodara Vasad highway project
Pandoh-Takoli road project – HP	Daman Sea wall and sea link
Srinagar Airport- E5 infrastructure	Ahmedabad Metro
Zojila Tunnel J&K	Bhayla to Bagodra highway
Holi Bajoli dam project - HP	Mumbai Metro
Jammu Ring road project	Nagpur Metro
Pakul dam project - Jammu	Mumbai Trans harbour link
Silkayara Barkot tunnel - Uttarakhand (4 Dham project)	Mumbai Coastal road project
Ramban Banihal Qazigund road tunnel project, Jammu	Samruddhi Mahamarg- Mumbai Nagpur expressway
AIIMS Bilaspur, AIIMS BHATINDA, AIIMS Awantipura, AIIMS Jammu	IIT Patna
IIT Ropar, IIT Jammu	Nalanda University
IIM Jammu	Medical College, Ambikapur, Chattisgarh
Thermal Power plant Khujra	Joka Esplanade Metro Project
War Memorial Ambala	Kolkata Police Training Academy, Shibpur
	University of Health Science, Salt Lake
	IIT Kharagpur
	Minerva Lokhandwala -Mahalakshami Race course -Mumbai (under construction)

CUSTOMER ENGAGEMENT

It has been our endeavour to delight all our customers by offering the highest quality of services and products. We have been strengthening our relationships with architects, engineers, contractors and masons to enhance the experience of our end consumers.

The past two years needed an extraordinary approach to stay engaged with our customers as the pandemic made physical interactions difficult. We organised several mental and physical well-being sessions for our external stakeholders, employees, and their families to tide over these tough times. We also organised several virtual bonding activities with our channel partners and families. We have come up with focused mobile and web applications for each of our major external stakeholders, and we keep adding new features to these apps periodically based on the feedback from them. We also remain connected with customers through digital platforms by conducting virtual meets. For influencers, we have the Ambuja Abhimaan platform, with a holistic approach towards strengthening relationships.

Other customer engagement initiatives:

- To revitalise our brand and strengthen its positioning, we developed a mother-brand TVC 'Deewar 2' starring Boman Irani and Vinay Pathak, which was aired in September 2021 on major national and regional channels. Post campaign research indicated high recall, engagement and enjoyability. The digital campaign was a huge success and garnered over 2 crore+ views. It was rated among the top 10 most-seen ads
- To boost our sales efforts and build saliency, we launched our 10-second 'Giant' TV commercial in December 2021. The TVC went on air on leading national and regional news channels in Rajasthan, Gujarat, Maharashtra and Punjab
- In order to leverage the power of cricket to develop a deeper connect

with people, we partnered with Board of Control for Cricket in India (BCCI) as their official sponsor. We made heavy on-ground presence through branding on perimeter boards, ropes, sight screens, and backdrops among others. Along with BCCI and Geocycle, we embarked on collecting and recycling waste generated in the cricket stadiums and used it as alternative fuel in our plants

- We also engaged with stakeholders through festival/event specific films. During 2021, we developed four occasion-based films – for the New Year, Diwali, Independence Day and Republic Day. Each film generated 50 lakh+ views on digital platforms

33,665
New contractors enrolled on Abhimaan in 2021

43,000+
Sites provided with value added services

53,000+
Customers connected through digital platforms during the lockdown

DEEPENING OUR MARKET REACH

To improve our reach, we appoint dealers and retail stockists who help us deepen our market penetration. We nurture our channel partners, providing them with quality products, strong influencers' network, varied on and off ground branding activities, onsite value-added services and a talented sales team. Our supportive system, ethical business practices and continuous efforts to deepen our relationships with our external partners have helped us stand out amongst competition.

We organise several virtual and physical meetings and events throughout the year for our channel partners and their families. In addition, our frontline team works closely with them to help them grow their business and support them in delivering the best-in-class services to end consumers.

300
New channel partners added in 2021

SUPPLIER ENGAGEMENT

We engage with our suppliers through issues concerning health and safety, contractor safety management, sustainable procurement, anti-bribery and anti-corruption directives, third-party due diligence and automation in SAP-Ariba. We encourage our business partners to imbibe our corporate values and demonstrate good corporate citizenship and follow sustainable practices. The Sustainable Procurement Initiative (SPI) includes a thorough assessment of our suppliers, who are mapped as per SPI guidelines on high, medium or low risk parameters.

In 2021, we engaged with 8,312 Tier-I suppliers and prioritised potential high-risk suppliers based on three categories – Anti-Bribery and Corruption (ABC), sustainable development and contractor health and safety. Suppliers who make up 80% of the allocated total spend are classified as critical. 1,095 suppliers were identified as 'critical' among the total Tier-I suppliers. The top three categories of critical suppliers include production service providers (including manpower contractors), facilities service providers and logistics service providers.

We introduce our suppliers to our Code of Business Conduct for Suppliers commonly known as Supplier Code of Conduct (SCC), and obtain their consent to follow the Code, which sums up our expectation from them in all procurement dealings. The SCC covers standards specified in Social Accountability Standard SA 8000 and EMS ISO 14001. We intend to undertake capacity building for our supplies so that they have their own sustainable procurement policy.

LOCAL SUPPLIERS (NOS.)

2021	8,243
2020	7,597
2019	8,260
2018	7,792

WE NEED TO KEEP SOME SILOS INTACT, WITH TEAMWORK

Cleaning a 21,800 MT capacity silo in two weeks could seem like a Herculean task for most; however, not to our team from Bhatapara. Cleaning silos is integral to the efficient management of a plant's inventory and supply chain and imperative to be accomplished despite any external challenges or roadblocks.

First, 18 contract workers were hand-picked for this job. Each health and safety protocol was extended to them as they entered the silo. Every move was manned by an expert emergency team trained to manage any crisis. A drone monitored movement and adequate levels of air supply maintained through a designated unit. Advanced equipment such as pneumatic whipping and cardox blasting were deployed under expert surveillance.

Precise planning, inspirational teamwork, deployment of advanced technology and swift decision by the senior leadership ensured a single-minded focus to complete the entire exercise in a record-breaking 11 days.

THIS SUCCESS STORY HAD A RIPPLE EFFECT – IT INSPIRED OTHER TEAMS FROM DADRI AND AMBUJANAGAR PLANTS TO EMULATE THE PROCESS. OUR BHATAPARA TEAM LED THE WAY IN DEMONSTRATING HOW THE EMBODIMENT OF THE I CAN. SPIRIT COULD DWARF ANY CHALLENGES, THANKS TO A SHARED COMMITMENT BY AN AMAZING TEAM.

CAPITAL-WISE PERFORMANCE

HUMAN CAPITAL

The Ambuja Cement team of 10,463 employees (including third-party contractual employees) is our most valuable asset, which propels the Company forward through their competencies, skills, and knowledge. We provide our people a supportive and safe working environment while promoting inclusivity and diversity at the workplace.

STAKEHOLDERS IMPACTED

Employees

MATERIAL ISSUES ADDRESSED

- Health and safety
- Employee training
- Gender equity
- Labour issues
- Attrition and retention rate
- Code of Conduct

KEY RISKS ADDRESSED

- Talent acquisition and retention
- Health and safety

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
EMPLOYEE HEALTH AND SAFETY	Implement and monitor stringent health and safety measures across operations to ensure safety of people	**99%** employees vaccinated **101.8 MILLION** safe on-site man hours In CY2021
DEVELOPING THE TALENT POOL	Leveraging the digital ecosystem for employee learning and development, and leadership pipeline	**8** hours on average of training imparted per employee
EMPLOYEE ENGAGEMENT	Focus on e-learning	**64** e-learning courses

CAPITAL-WISE PERFORMANCE >> HUMAN CAPITAL

OVERVIEW

Our Human Resources function is closely aligned with the overall business strategy and plays an important role in its execution. We recognise the importance of well-trained and motivated employees in achieving our goals.

We are aiming to become more inclusive and therefore the promotion of gender diversity has been one of the key features of our talent strategy. From setting a specific target to improve women's participation in the workforce for the next three years to implementing programs and policies that improve worker diversity, we have clear objectives to improve worker engagement and build trust.

We have a 'Zero Tolerance' policy towards any kind of discrimination and harassment at the workplace based on the applicable laws and our internal directives.

TOTAL EMPLOYEES (NOS.)

2021	4,723
2020	4,923
2019	5,068
2018	5,058

TALENT MANAGEMENT

- Under the 'People for Tomorrow' initiative under the Cement Industrial Framework, we are developing a talent pool across units. This ensures we do not have any talent gap across functions while giving employees the opportunity to acquire skills and progress their careers
- For our Marwar greenfield project, we successfully utilised our in-house talent. Employees across units were transferred to this site in various roles, enabling knowledge exchange and a deepening sense of camaraderie. We are also readying a talent pool that we will tap into for various upcoming projects
- A need was felt for a more targeted program to enable employees to acquire new skills so that they could assume new roles and make use of the opportunities opening up within the organisation. Hence the concept of 'Saksham' was envisioned. The core intent of the program is to make people 'samarthvan' or able by providing them equal opportunities for their holistic development. Saksham has been rolled out at multiple units with the enthusiastic participation of employees

EMPLOYEE ENGAGEMENT

Given the persisting uncertainties on account of the pandemic, we focused on promoting employee engagement in activities that their families could also participate in. Under the banner of 'Umang', a host of activities were organised, such as 'I Can Talent Hunt', that led to the discovery of capable dancers, singers and other talents among participating adults and children. There was also the 'I Can Dream Project', which, along with motivational and informative sessions like the ones of financial planning, boosted the morale of the workforce. Other such activities are planned for the future.

TALENT ACQUISITION

We have had a healthy flow of talent as a result of lateral movements and campus hires. During the year, we hired 342 new employees, 9% are women.

INDUSTRIAL RELATIONS

Healthy industrial relations have been our hallmark. We signed wage settlements across five units over the past one year. There was no loss of man-days or stoppage of work during the negotiations. While working within the framework of the Cement Manufacturers' Association Wage Board agreement, we have been able to maintain adequate performance-based differentiation for our units. Disciplinary actions have also been conducted seamlessly as per laid down policies and procedures of the organisation.

EMPLOYEE BENEFITS

In purview of the health crisis, we have launched a plethora of policies, support plans and mechanisms to ensure employee well-being and security. The Business Resilience Team launched its four-pronged action plan that included Crisis Management as well as Awareness & Communication. Our COVID-specific policies included leave, medical expenses for employees and family. Sparsh provided counselling and mental health support while outsourced agencies such as Health Spring, provided medical kits, vaccination support and tele counselling. Unfortunately, we also lost colleagues during the pandemic. An internal survey registered 90% employee satisfaction on the support provided by the Company during the pandemic.

As per Company policy, women employees are entitled to maternity leave for a continuous period of 26 weeks, or opt for two 13-week segments to cover the pre-natal and post-natal period as per convenience. During 2021, three women employees availed of maternity leave; two of them remained employed for the rest of the year after resuming work, and one is still on leave.

We are an equal opportunity employer providing equal remuneration for women and men. We aim to reach gender diversity of 10% in management workforce by 2025. The ratio of the average basic and total salary of women to men is 1.17:1 and 1.14:1, respectively management level roles and 1:1 for the entry level average total salary, considering all locations of our operations.

We have recognised trade unions affiliated to INTUC/AITUC/BMS, representing blue collar employees at different locations. Ambuja Cement respects freedom of association and allows its employees to join an independent trade union. Out of our total permanent workforce ~30% employees are covered by collective bargaining agreement.

LEARNING AND DEVELOPMENT

At Ambuja Cement, Learning & Development is an integral part of our people strategy. Since the pandemic, the ACC ACL Leadership Academy (AALA) has leveraged the digital ecosystem to expedite the learning process through virtual instructor-led master classes. Short, customised web sessions have also been used for

targeted groups which were coached on functional and leadership aspects. We also have dedicated learning programs for successor development, promoting the safety culture and for performance management among others. Numerous on-the-job training programs at the unit-level were designed and implemented with the help of internal faculty, subject matter experts and functional leaders.

ASPIRE

During the year, we launched Aspire, our successor development program for grooming talent for Plant Head positions through a blend of technical, business and leadership modules. The program includes both on-the-job functional tasks, assignments and mentoring by senior leaders in manufacturing. The training journey culminates in a cross-functional capstone project set by the Chief of Manufacturing. Each participant gets the opportunity to present his/her project to the Managing Director.

In addition to the Aspire program, the year saw us conduct a large sales training initiative with all Branch Heads on new dealer appointment. The training consisted of three modules and covered 261 Sales Managers. It was run through a 'Train the Trainer' mode, whereby nine Regional Sales Heads were trained to lead the modules.

A special program was designed in partnership with the Global Sales Excellence team to develop Regional Sales Office (RSO) Heads as Sales Coaches. The program not only imparted coaching skills through peer coaching sessions, but also the opportunity to practice these skills during the intervening sessions. The training covered 62 Regional Sales Heads and consisted of four modules.

AALA also created content for 128 micro learning modules on its Learning Experience platform and 64 e-learning courses in the areas of Sales & Marketing, H&S, Compliance and Success factors among others.

Diversity and Inclusion has been a long-term goal for the Company, and acts as a sustainability lever for business. AALA organised sensitisation programs for 65 senior leaders in Manufacturing and Sales, promoting conversations that reflected on bias at work, on building inclusive practices and action plans to promote gender diversity in the organisation.

SUPER ASSISTED INTELLIGENT LEARNING (SAIL)

Our L&D sessions utilised the online meeting platform, along with the in-house learning experience platform, Super Assisted Intelligent Learning (SAIL). SAIL is an application which works not only as a repository for programmes conducted, but also for content creation, curation and e-learning.

A total of 676 training programmes were conducted during 2021 including physical and virtual sessions on modules relevant for management and personal development

Throughout the pandemic, AALA has worked very closely with the Business Resilience Team and curated programs to establish meaningful connect with employees. It organised 12 webinars on COVID-19 and its management, mental well-being and resilience, covering a total of 4,511 employees, of which 1,882 were from Ambuja.

EMPLOYEE RETENTION (%)

2021	91.2
2020	94
2019	89
2018	88

3%
Share of women employees

10%
Targeted share of women employees by 2025

PLANT-SPECIFIC PROGRAMMES

We run some specific programmes to achieve consistent operations and standard maintenance within the plant along with operators, engineers and technicians for sustainable high performance.

Programme objective

- Consistently achieve operational and maintenance targets by having reliable operators, engineers and managers who perform well and in a safe manner
- Achieve sustainable high performance in our plants
- Standardised maintenance within Holcim Group standards on operation and safety

CAPITAL-WISE PERFORMANCE >> HUMAN CAPITAL

HEALTH AND SAFETY

In the midst of an ongoing pandemic, our commitment towards safeguarding the health of our people and ensuring safety at the workplace has been further stepped up. The Business Resilience Team has worked proactively to safeguard our people, putting in place a set of dynamic guidelines that evolved with the situation. As a result, more than 99% vaccination (both doses) has been achieved for our employees, dependants and workers. In a challenging environment, we continued to keep sustainability at the heart of our operations, and ensured this through necessary emphasis on better H&S performance.

The year saw substantial improvement of this performance, demonstrated by the fact that we had zero onsite and offsite fatalities in all our operating units. Till date, we have achieved 101.8 million safe manhours in our operating plants without any major accident. During the year, we also reduced our Lost Time Injury Frequency rate (LTIFR) by 24% and Total Injury Frequency Rate (TIFR) by 21% vis-à-vis 2020.

While we worked towards making our sites safer, we also took significant steps in to reduce manual handling across the country through the installation of automatic conveyor systems at seven of our largest warehouses.

Focus on frontline safety

Our strategy in 2021 was to sustain performance with a focus on frontline safety. The journey was planned under six pillars i.e. Onsite Safety, Zero Harm Culture, Systems & Processes, Control of Health Risks, Road Fatality Reduction and Environmental Excellence. The actual output was assured through a strong governance and assurance system that reviewed deliverables on a monthly basis.

ONSITE SAFETY

- Further improve leading indicators- Hazards/ near misses/Visible Personal Commitments (VPCs)
- Focus on frontline implementation - Key lessons
- Strengthen job risk -Tool Box Talk and Permit to Work
- Ensure silo cleaning capability and process compliance
- Step up on electrical safety and work at height compliances
- Step change – safety culture at mines and wagon loading
- Better onsite vehicles and traffic safety (all plants)
- Zero tolerance for non compliance – consequence management

ZERO HARM CULTURE

- Visible frontline safety leadership – Boots on Ground (BOG)
- Review We Care, simplify and revitalise
- Strengthen behaviour-based safety
- Critical Control Management for 8 Priority unwanted event (PUEs) across ACL
- Improve and sustain housekeeping standards across all plants
- H&S competency – frontline (supervisors, workmen)
- Shop Floor H&S compliance – Don't walk past, H&S Rules, Use of tools

SYSTEMS & PROCESSES

- Digital transformation:
  - Training Management System
  - Long working integration with H&S app
  - Hazard reporting in iCare 2.0
- Unit Scorecard roll out for better assurance
- Robust implementation of occupation health procedures – ergonomics, asbestos, hearing conservation and vibration
- Pre-startup safety review and Health & Safety Management System implementation at Marwar

CONTROL OF HEALTH RISKS

- COVID-19 Compliance
- Fugitive emission control plan implementation
- Emergency Response Capability and Capacity – General medical response, COVID, WAH, CS
- Qualitative risk assessment for hazardous substance across all plants
- Industrial hygiene – Verification survey at 4 plants, noise control plan validation across ACL
- Reduce manual handling – conveyors at 15 large warehouses (15% of total volumes handled)

ROAD FATALITY REDUCTION

- >95% controlled fleet monitoring through compliant in-Vehicle Monitoring System (iVMS)
- >95% controlled fleet drivers InCab assessed
- Robust Reward & Recognition and consequence management implementation for truck drivers
- Minimum vehicle specifications compliance:
  - 100% load carriers with seat belts with >95% 3 point seat belts for controlled fleet
  - >95% Site Underwrite Protection Device (SUPD) and Rare Underrun Protection Device (RUPD) (controlled fleet)
- Greater focus on two and four wheeler safety

ENVIRONMENTAL EXCELLENCE

- Establish a systematic scheme / baseline for management of spillage/leakages of oils, lubricants, chemicals across plants related to:
  - Monitoring & Control
  - Engineering measures in transport, handling storage, processing or disposal
- Competency development of relevant personnel to prevent / control spills, leakages of oils, chemicals, etc. at critical locations
- Monitoring incidents and review of site-specific spill response plans for future improvements [Integrated Management System (IMS) integration, training record and inventory control

CAPITAL-WISE PERFORMANCE >> HUMAN CAPITAL

Safety journey highlights

- Safety Compliance Weeks conducted every quarter, focused on mandatory safe behaviours on the frontline
- Extending our successful behaviour-based program to another two units, covering all large plants (50% of total locations)
- Focused approach on improvement of safety culture as also H&S competency at mines
- Training and competency enhancement through a digital training management system, which led to an increase in training manhours by 55%
- Greater visibility of leadership teams on the frontline through a 'Boots on Ground' program, which was supported by an interactive digital app
- Program on critical controls so that no unwanted occupational injuries/incidents occurred around our highest risk areas; now formally verified on a quarterly basis
- Increased coverage of in-vehicle monitoring systems for the fleet of trucks used to carry our goods and enhancement of the capacity of In-Cab (Defensive Driving) assessors; each plant now has 1-2 assessors as per need
- Timely sharing of lessons learnt from incidents, supplemented by fair consequence management (both positive and negative reinforcement)
- Efficient execution of environment-related deliverables across the Company

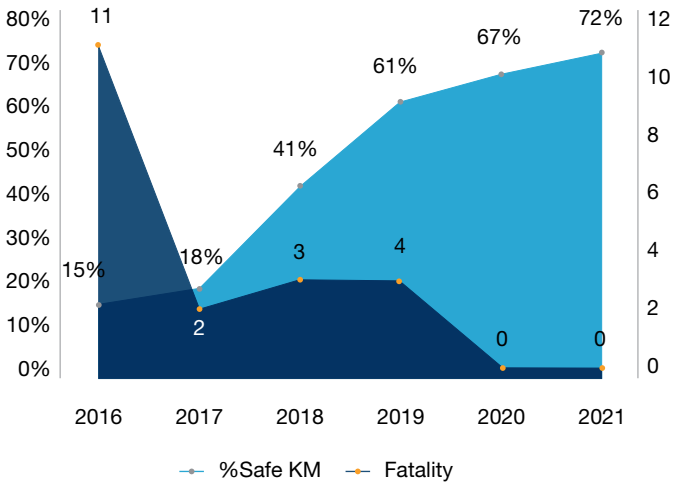
6,228
InCab assessments done in 2021

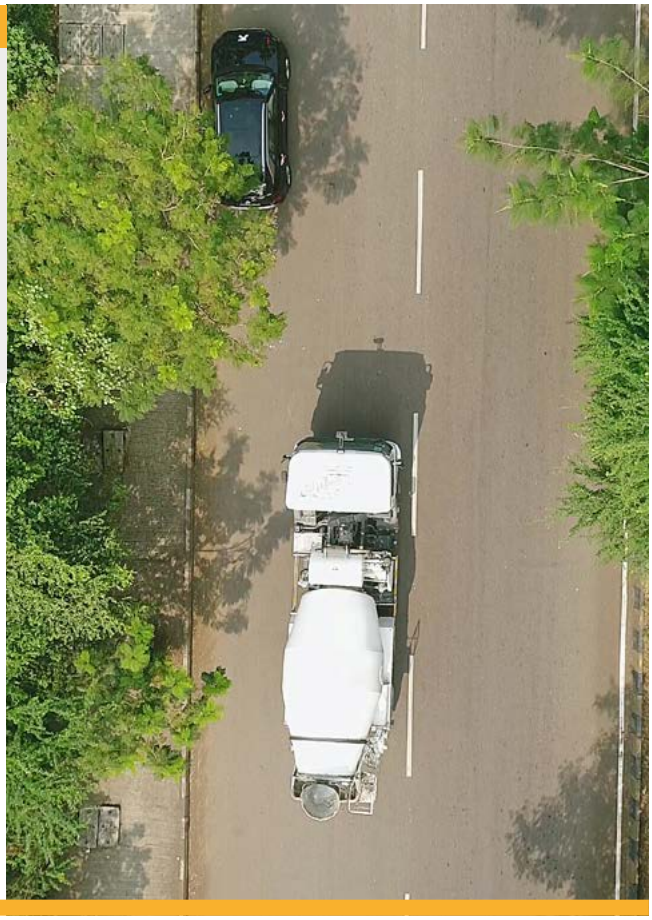
1,597
iVMS installations

34.7%
Reduction in offsite incidents with 67% lesser injuries through better monitoring and training

Safe journey

We have achieved two consecutive years zero road fatality. This was possible due to relentless efforts and passion of the teams involved for the past 5 years across all the sites of Ambuja Cement. We continued our focus around skill development and driving behaviour management based on critical inputs from TAC, backed up with consistent work around strengthening the process and lead measures. We moved from a meagre 14% Safe Km in 2016 to over 72% in 2021, achieved through driver behaviour management and learnt skills being applied while driving.





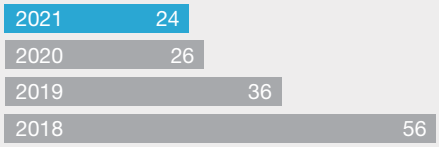
Outcomes

- 7 manufacturing units achieved Zero Harm in 2021
- 24% reduction in LTIFR against 2020
- 21% reduction in TIFR against 2020
- 21.20% increase in leading indicators vis-à-vis 2020
- Total injuries reduced by 23% over the years
- 6,228 In-Cab assessments and 1,597 iVMS installations made

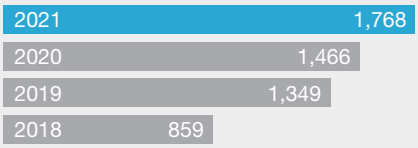
78,976
hours of safety trainings in CY 2021

While we have delivered an excellent H&S performance in line with our values and long-term sustainability development goals, we are conscious of the need for continued commitment and efforts to better this performance. Our plan for this is in place and preparations are also in full swing to achieve the goals.

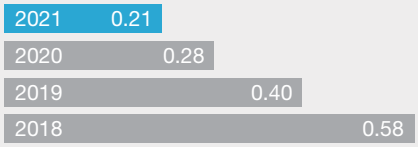
LOST TIME INJURY AND MEDICAL TREATMENT INJURY (NOS)



NEAR MISS MAPPING (NOS)



LOST TIME INJURY FREQUENCY RATE (PER MILLION HRS)



GOVERNANCE

UPHOLDING A CULTURE OF ACCOUNTABILITY

We are guided by a strong value system and take pride in being a responsible corporate body that has consistently built upon its solid foundation of oversight. By abiding with the established laws and regulations, and ingraining a culture of compliance, accountability and ethical conduct across the organisation, we are upholding the best interests of our stakeholders.

Our business is underpinned by our adherence to high ethical standards and best practices in corporate governance. As a public company, we are committed not merely to guarantee consistent profitability to our shareholders, but also contribute to the economic growth of the nation by performing with integrity and in strict compliance with public laws and regulations. We are, at the same time, committed to work in the best interests of our stakeholders, which include not only our business partners, and employees but also the larger society we impact through our operations.

The Board of Directors at Ambuja Cement provides leadership to the Company, ensures that it delivers shareholder value, provides oversight and guides the management and approves the strategic objectives of the Company. Above all, it ensures that the Company is able to remain true to its obligations to the stakeholders and function in a sustainable way. The Board executes its duties in a way that involves careful risk considerations so that the Company is able to remain viable in the long term.

Our Board comprises of 15 Directors, 1 Executive and 14 Non-executive Directors, including 5 Independent Directors.

The Board supervises the performance of the Company and takes decision on its strategies while reviewing various aspects of its operations that includes, but is not limited to, risk management, sustainability and stakeholder relationship, among others. The Board holds regular meetings to review and give its opinion on various matters. The active involvement of the Board is evident from the fact that meeting attendance was 94% during 2021.

Ambuja Cement is the first company in the country to involve Board-level participation for compliance, with a committee formed specifically for this purpose and chaired by an Independent Director.

The senior management of the Company regularly updates the Board on key matters that concern and impact the business. At a special meeting every year, Board members are required to review and approve the business plan for the next year and give its feedback, which is addressed while drawing up the final plan. The Audit Committee and the Board also review and approve every related-party transaction. We seek the approval of the shareholders whenever necessary.

More than 46% of the Board members have been associated with the Company for five years or more. The average tenure of the Board during 2021 was six years.

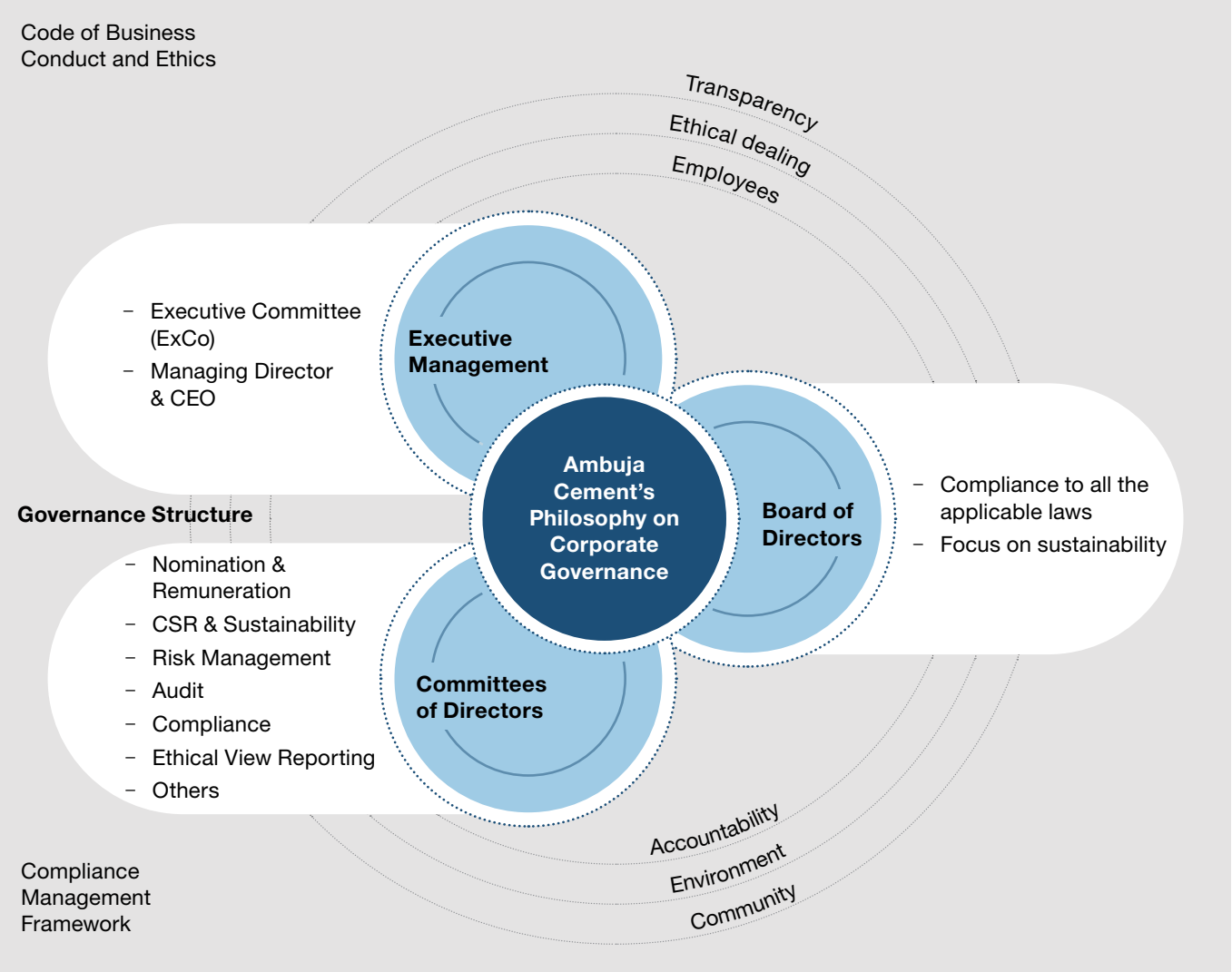
The senior management of the Company ensures that the Directors are regularly familiarised and updated on business processes and key activities. Interaction with the Holcim management is undertaken regularly and the Directors updated about the best practices and key events at the Group level. Details about the familiarisation programme can be accessed on the Company website at https://www.ambujacement.com/Upload/PDF/Familiarization-Programme-for-Independent-Directors.pdf.

A key matter that involves the Board is succession planning. Under the aegis of the Board, the Nomination and Remuneration Committee drives the succession planning process for the Company.

All related-party transactions are entered into on an arm's length basis and are compliant with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. No materially significant related party transactions, having potential conflict with the interests of the Company at large, have been made by our Promoters, Directors and key managerial personnel among others. The details of the process to manage related-party transactions are provided on page 243 and those of transactions with related parties are provided in the financial statements that form part of the Annual Integrated Report 2021.

The Board ensures that the Company adheres to Environment, Social and Governance (ESG) parameters under various Board committees. It seeks regular updates on the functioning of each project and other specific updates.

GOVERNANCE FRAMEWORK



VALUES, ETHICS AND INTEGRITY

The Board of Directors at Ambuja Cement has laid down a holistic Ethical View Policy (EVP) (akin to the Whistleblower Policy) and Anti-Bribery and Corruption Directive (ABCD) as an extension of its Code of Business Conduct and Ethics, which covers the Directors, employees and relevant stakeholders of the Company. Our policy of Zero Tolerance towards corruption and bribery ensures fair and transparent business dealings. These policies play a critical role in eradicating the risks of fraud, corruption and unethical business practices across our business value chain.

The Audit and Compliance Committees of the Board keep a stringent watch on the implementation and maintenance of ABCD and this is periodically reviewed by the Board. During 2021, we received 37 complaints, of which 13 complaints were pre-assessed, but did not warrant further investigation. About 22 complaints were investigated and concluded and 2 complaints are still under investigation. The investigated cases were mainly of the nature of kickbacks/favours from vendors (13%), violation of the Code of Conduct (55%) and non-Code of Conduct-related (32%). The financial impact of these cases was insignificant and caused no damage to the Company.

We have a vigil mechanism for disclosure and for avoiding conflict of interest in all our dealings that covers the Board of Directors and all employees across levels.

A more detailed review can be found in the Corporate Governance Report, forming part of this Integrated Report.

PREVENTION OF SEXUAL HARASSMENT (POSH)

We have a comprehensive POSH policy, which is overseen by the Chief Financial Officer (CFO). We practice a policy of Zero Tolerance towards any misconduct, particularly of sexual harassment. Any reported incident is investigated with due attention and appropriate decisions are taken based on the outcome of the investigation. During the year under review, we received one POSH-related complaint and it has been resolved.

INVESTOR GRIEVANCE

The Stakeholders' Relationship Committee is responsible for managing investor grievances, and is assisted by the registrar and share transfer agent of the Company. We had no pending complaints at the beginning of the year; and received 30 new complaints during the year. At the end of the reporting period, all complaints were addressed. Based on the nature of the queries/ complaints, we usually take seven days to a month to resolve investors' complaints.

AWARDS AND ACCOLADES

RECOGNISED ACROSS PLATFORMS

The awards and recognition received during the year are testament to our efforts to create a difference in the industry.

Awards received during the year

1. ‘Best Mobile Loyalty Program’ for our contractor loyalty program, ‘Ambuja Abhimaan’, at the Customer Fest Leadership Awards Show 2021, under the Customer Loyalty category and ‘Best Use of Influencer Marketing’ in the B2C Content Marketing category at the MINT Marketing Summit 2021

2. ‘DSIJ 2021 CFO Award’ in Best Women CFO category for our Chief Financial Officer (CFO), Rajani Kesari, for demonstrating exceptional calibre and making remarkable contribution to Ambuja’s growth in 2020

3. CII 3R Award under the category of Excellence in Managing Municipal Solid Waste’ for Geocycle India for undertaking various projects to collect and co-process segregated municipal solid waste and plastic waste across the country

4. Punjab State Awards in Disability Sector 2021 for Ambuja Manovikas Kendra; ‘Best Individual Professional’ award for Ms Anupama for working for the cause of persons with disabilities 2021 and ‘Best Sportsperson with Disability - 2021 (Female Category) for Ms. Priya Devi

5. Two awards for Ambuja Cement Foundation (ACF) at the ICC Impact Awards 2021 by the Indian Chamber of Commerce (ICC) recognising the Foundation’s exemplary work in community development in Sankrail and Farakka, West Bengal

6. ‘Best Cement Brand – East’ award by Times Business Awards 2021 for Ambuja Cement for contributing significantly towards the growth and development of West Bengal

7. Gold Award in Training Excellence 2020 for Cement Excellence Manufacturing – (Techport) – Asia by Apex India Foundation, a non-profit that recognises excellence in various fields including in manufacturing

8. ICAI Awards for Excellence in Financial Reporting 2020-21 “Plaque” for category – Manufacturing and Trading Sector (Turnover equal to ₹3,000 crore or more) by the Institute of Chartered Accountants of India

9. ICAI International Sustainability Reporting 2020-21 “Plaque” for category – ICAI International Award on Climate Change

10. Audit World Summit 2022:
    1. Best Internal Audit team of the year in ‘Manufacturing’ Sector
    2. Audit Visionary Leader of the year – Mr. Prabhakar Mukhopadhyay
    3. Woman Audit Leader of the year – Ms. Vrinda Nai

Recognition

1. **Ambuja Cement ranked 5th globally for consecutive second year by the internationally renowned Dow Jones Sustainability Index (DJSI) in the construction materials category, the only Indian company to be among the top five in the sector**

2. **Ambuja Cement recognised for leadership in corporate sustainability by global environmental non-profit CDP, securing a place on its prestigious 'A List' for tackling water security. Globally, Ambuja is the only cement company to have achieved this feat**

3. **Ambuja Kawach, the high-quality water-repellent cement brand of Ambuja Cement, became the first cement brand from India to be endorsed globally by the 'Solar Impulse Efficient Solution' label, a recognition of the Company's innovative product that protects the environment in a profitable way**

4. **Listed in GRIHA's (Green Rating for Integrated Habitat Assessment) green product catalogue for our blended cement; inclusion accelerated by the Company's commitment towards achieving Net Zero by 2050**

5. **11 operating mines of Ambuja Cement awarded 5-Star rating at the 5th National Conclave on Mines & Minerals 2021 for their efforts in implementing the Sustainable Development Framework (SDF)**

6. **Ambuja Cement Foundation (ACF) team in Dadri, Uttar Pradesh, felicitated by the Rotary Club for its outstanding contributions towards Water, Sanitation and Hygiene (WASH) initiatives over the years at the Rotary CSR Awards 2021**

GRIHA Council

This is to certify that the products of

"Ambuja Cements Ltd."

Ambuja Cement (PPC), Ambuja Plus (PPC),
Ambuja Compocem (Composite Cement- PCC), Ambuja Kawach (PPC/PCC)

(under typology PPC and Innovation (Environmental Product Declaration (EPD))

have been included in the GRIHA Product Catalogue under the following categories:

GRIHA v.3 criterion: 15 & 34;
GRIHA v.2015 criterion: 19 & 31;
GRIHA v.2019 criterion: 19 & 30
& SVAGRIHA: 11

These products can be used in GRIHA & SVAGRIHA registered projects to meet the GRIHA & SVAGRIHA norms, respectively. This is valid only for the products which have been mentioned above.

The certificate for the above mentioned products is valid from
10th December 2021 – 9th December 2023

Sanjay Seth
Chief Executive Officer

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Economic Performance & Value Creation									
Net Sales	₹ crores	201-1	8.1,8.2		10,977	11,353	11,175	13,794	
Direct Economic value generated	₹ crores	201-1			11,602	12,094	11744	14,185	
Payments to providers of capital	₹ crores	201-1			380	381	3,657	1,342	
Payments / Benefit to governments (taxes)	₹ crores	201-1			473	81	465	1,092	
Direct economic value distributed	₹ crores	201-1			10,403	10,894	13,448	13,210	
Economic Value Retained (=Economic Value generated - Economic value distributed)	₹ crores	201-1			1,199	1,200	(1,704)	975	
Operating costs	₹ crores	201-1			9,465	9,519	8,725	10,757	
Suppliers			**9.1.2, 9.3.32, 12.7.1, 10.7**		**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Number of Suppliers				√	7,874	8,359	7,681	8,312	
Number of local (Indian) suppliers		204-1		√	7,792	8,260	7,597	8,243	
Number of foreign suppliers				√	82	99	84	69	
% of suppliers identified as "High Risk" (for sustainability criteria aligned with Supplier Code of Conduct)		308-1, 308-2, 414-1, 414-2		√	7%	6%	7%	5%	
Number of Suppliers screened through Self Assessment Questionnaire (social, environmental aspects)				√	553	518	518	441	
Total suppliers assessed during the year				√	767	1,548	1,547	1,095	
No. of Suppliers with non compliance				√		96	116	165	
No. of suppliers with action plan				√		72	62	81	
No. of suppliers showed performance improvement				√		58	56	47	
Monetary value of payments made to suppliers	₹ crores			√	9,395	9,479	8,708	11,975	
Proportion of spending on local suppliers	%			√	96	98	92	92	
Expenditure on Raw Materials				√	-	-	-		
Imported	%			√	3%	6%	3%	0%	
Indian	%			√	97%	94%	97%	100%	
Expenditure on Spares					-	-	-	-	
Imported	%			√	11%	18%	32%	10.4%	
Indian	%			√	89%	82%	68%	89.6%	
Government relations				√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Political contribution	₹ crores	415-1, 201-1			Nil	Nil	Nil	Nil	
Total monetary value of financial assistance received from governments (grants, tax, reliefs and other finance benefits)	₹ crores	201-4 (a)			234	205	48	3	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Customer Satisfaction									
Overall Net Promoter Score (NPS)	%			√	54%	59%	79%	81%	
Data coverage (e.g. as % of revenues, customers, etc.):	%			√	NA	30%	65%	63%	
Environmental Performance					**2018**	**2019**	**2020**	**2021**	**Target 2021**
Number of plants (Cement, Grinding plants)	#			√	13	13	13	14	
Plants certified by 3rd party for ISO:14001 EMS	#			√	13	13	13	13	
Environmental investments	₹ crores	307-1		√	102	118	31	154	
Savings, cost avoidance, income, tax incentives, etc.	₹ crores			√	153	31	5	21	
Number of plants/quarries reporting non-compliance cases	#			√	Nil	Nil	Nil	Nil	
Fines or penalties paid for environmental non-compliances	₹				0	0	0	0	
Clinker Production Details			**8.4.1, 12.2**	√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Clinker Produced	Tonnes			√	1,56,75,998	1,53,16,910	1,41,58,685	1,74,00,911	
Clinker Consumed	Tonnes			√	1,58,08,639	1,55,29,918	1,43,77,385	1,63,08,019	
Limestone-Own mines	Tonnes			√	2,24,12,489	2,20,49,486	2,00,84,455	2,50,47,566	
Limestone Purchased	Tonnes			√	12,77,131	5,68,709	6,81,933	3,07,131	
Total Limestone	Tonnes			√	2,36,89,620	2,26,18,195	2,07,66,388	2,53,54,697	
Clay & Shale	Tonnes			√	5,34,998	5,70,698	6,16,836	7,36,159	
Silica corrective (Sandstone, Silica sand, Bed Material, China Clay)	Tonnes			√	1,46,371	84,074	82,335	85,797	
Gypsum used in Kiln Raw Mill (SO3-provider)	Tonnes			√	12,113	1,272	11,081	37,861	
Iron correctives (Iron ore, Iron scales, Laterite, Blue dust, Mill scales, LD Sludge, Tailing Waste)	Tonnes			√	2,12,172	2,24,672	1,65,588	2,05,228	
Alumina correctives (Bauxite, Flyash, Red ocre, Brown ocre, Low silica laterite)	Tonnes			√	1,56,880	2,12,648	1,96,682	2,90,624	
Bottom/Bed ash	Tonnes			√	27,293	13,599	18,703	22,807	
Cementitious Material produced	Tonnes			√	2,41,92,935	2,37,12,206	2,20,52,855	2,69,75,680	
Cement Produced	Tonnes			√	2,43,25,576	2,39,25,304	2,22,71,555	2,58,82,788	
OPC	Tonnes			√	24,27,930	26,28,100	22,87,536	27,53,041	
Blended (PPC and Composite)	Tonnes		9.4, 9.5, 12.2, 12.4	√	2,18,97,646	2,12,97,204	1,99,84,019	2,31,29,747	
Total Gypsum Consumption	Tonnes			√	11,44,383	12,82,712	13,82,839	17,42,899	
Natural Gypsum	Tonnes			√	7,09,570	7,95,359	9,61,902	13,41,655	
Synthetic & Phospho Gypsum	Tonnes			√	4,34,813	4,87,353	4,20,937	4,01,311	
Flyash/Chemical Additives	Tonnes			√	61,52,996	69,17,638	63,14,501	76,16,856	
Slag	Tonnes			√	95,343	1,82,498	2,81,879	2,06,015	
Total Raw Materials Used	Tonnes			√	5,57,66,446	5,45,43,703	5,03,21,341	6,14,47,692	
Total Recycled Raw Materials used	Tonnes			√	69,84,154	78,55,910	71,16,411	85,36,826	
% of Materials used that are Recycled Input Materials	%			√	12.52%	14.40%	14.14%	13.89%	

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Alternative Material Rate	%			√	31.60	31.70	31.50	32.00	
Clinker factor (average % of clinker in cement)	%		9.3,9.4	√	64.99	64.91	64.55	63.01	
Share of Sustainable Products	%	301-2		√	90%	89%	90%	89%	
Revenue from Sustainable Products	%		12.5.1	√	92	89	89.5	89.5	
Sustainable Solutions Provided					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Instant Mix Proportion	No. of sites				36,647	43,433	14,721	14,824	
Modular Curing System	No. of sites				9,078	7,714	2,391	1,994	
Rain Water Harvesting System	No. of sites				282	893	253	100	
Water Saved (Credit) at Customer Sites	m3				2,38,200	2,22,760	68,598	49,600	
CO_2 emissions			**9.4.1, 12.2.2, 13.1**	√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Total **Scope 1** Direct emissions (Absolute gross: cement & onsite power generation)	Tonnes of CO2	305-1, GCCA		√	1,48,49,220	1,45,23,738	1,34,05,629	1,61,80,247	1,62,00,000
Total **Scope 2** Indirect Emissions from Imported Electricity	Tonnes of CO2			√	5,39,597	5,51,219	5,37,403	6,01,907	6,10,000
Total **Scope 3** emissions	Tonnes of CO2	305-3		√	19,32,218	19,73,623	17,55,911	19,38,531	
Number of Plants included in Scope-3 emissions				√	13of13	16of16	16of16	16of16	
CO2 from Alternate Fossil Fuel									
Biomass (kiln & non-kiln fuels)	Tonnes of CO2			√	1,76,348	1,56,599	1,26,038	1,80,010	
Other Alternate Fossil Fuels	Tonnes of CO2			√	1,52,876	1,67,498	1,42,687	1,61,658	
Specific Absolute emissions (Scope-1)	(kg CO2/t cement)			√	614	613	608	600	
Specific CO2 from CPP	(kg CO2/t cement)			√	77.9	74.8	71.6	65.0	
Specific Gross CO_2 emissions (Scope-1)	(kg CO2/t cement)	305-4, CSI		√	536	538	536	534.8	
Specific Net CO_2 emissions (Scope-1)	(kg CO2/t cement)	GCCA		√	530	531	531	528.8	
Reduction in Net CO_2 per tonne of cementitious product (Scope-1) relative to base year 1990	%	305-5		√	31.4%	31.3%	31.2%	31.5%	
Specific CO_2 emissions (Scope-2)	(kg CO2/t cement)			√	22	23	24	22	
Other atmospheric emissions		**305-7**		**√**	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Number of kilns reporting				√	9	9	9	10	
Coverage rate of CEMS (for dust, NOx, SOx)		GCCA		√	98	99	99	99	
SOx emissions	Tonnes	GCCA		√	1,029	1,031	974	1,966	1,200
NOx emissions	Tonnes	GCCA		√	26,886	20,150	17,888	16,073	22,000
Dust emissions	Tonnes	GCCA	11.6.2	√	530	371	507	466	500
Average Mercury (Hg) emissions	Tonnes			√	0.014	0.014	0.019	0.009	0.015
Average SOx specific concentration	g/tonne cement			√	42.5	43	44	72.9	
Average NOx specific concentration	g/tonne cement			√	1,111.3	850	811	595.8	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Average Dust specific concentration	g/tonne cement			√	21.9	16	23	17.3	
Energy									
Direct /Thermal Energy Consumption		**302-1**	**12.2**						
Kiln Fuel Consumption									
Coal	TJ			√	14,439	15,869	18,261	37,652	
Petrol coke	TJ			√	32,534	30,741	25,323	13,765	
Diesel oil	TJ		7.1,7.2	√	81	83	78	92	
Alternative fossil and mixed fuels	TJ		7.1,7.2	√	1,904	2,032	1,494	2,071	
Biomass fuels	TJ			√	895	613	406	714	
Non-Kiln Fuel Consumption					-	-	-		
Coal	TJ			√	13,395	14,823	14,402	14,781	
Petrol coke	TJ			√	3,296	1,658	1,295	750	
(Ultra) heavy fuel, bitumen	TJ			√	40	35	82	15	
Diesel oil	TJ			√	713	678	611	12	
Alternative biomass fuels	TJ		7.1, 7.2	√	748	834	917	893	
Total Energy consumption from Fossil and other fuels	TJ			√	68,044	67,368	62,869	70,745	
	MWh			√	1,89,01,043	1,87,13,323	1,74,63,736	1,96,51,445	
Direct Energy Consumed from Wind & Solar Power Generation	Crore Units (Kwh)			√	0.94	0.97	1.76	1.99	
	MWh			√	9,400	9,700	17,581	19,910	
	TJ			√	34	35	63	72	
Electricity Purchased/ Imported (Indirect Energy) (excl. Corp & mktg offices)	Crore Units (Kwh)			√	59	60	58	66	
	MWh			√	5,85,278	5,99,151	5,84,167	6,61,437	
	TJ			√	2,107	2,157	2,103	2,381	
Total Direct & Indirect Energy Consumption from all sources	TJ			√	70,185	69,560	65,036	73,198	
	MWh			√	1,94,95,721	1,93,22,174	1,80,65,485	2,03,32,792	1,83,19,459
Total Power Generation	MWh			√	13,28,759	12,92,962	11,72,722	13,30,346	
WHR Power	MWh			√	31,461	35,317	35,538	44,125	
Renewable Energy Generation	MWh		7.2, 7.3	√	9,432	9,888	16,611	35,264	
RE Certificates Purchased	MWh			√	0	65,506	0	1,89,910	
Total RE Consumed (Purchased or Generated)	MWh			√	9,432	75,394	16,611	2,25,174	
% of RE in total power generation	%			√	0.7%	0.8%	1.4%	2.7%	
% RE in total energy consumed	%			√	0.0%	0.4%	0.1%	1.1%	
Total installed RE capacity	MWh		7.3, 13.2	√	29.39	29.39	34.53	34.53	
Power and fuel expenses	Crore ₹			√	2,549.69	2,586.42	2,251.91	3,421.01	
Thermal energy efficiency	MJ/ton clinker	302-3	7.3, 9.4, 13.2	√	3,180	3,221	3,218	3,122	3,200
	KCal/Kg of Clinker			√	760.0	769.9	769.1	746.2	
Electrical energy efficiency	Kwh/ton cement	302-3	7.3, 9.4, 13.2	√	76.63	77	77	74	
Energy intensity based on Turnover	MWh/Cr				1,776	1,702	1,617	1,474	
LDO consumption	(Ltr/T of Clinker)			√	0.13	0.141	0.136	0.141	
Co-processed Waste (AF used)	Tonnes in lakhs		12.5	√	2.9	3.1	2.8	3.7	

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Thermal Substitution Rate (% thermal energy from alternative fuels)	%	301-2		√	5.61	5.36	4.17	5.13	
Biodiversity and resources conservation			**15.1.1, 15.2.1, 15.5.1**	√					
Total number of quarries			15.3.1	√	10	10	10	14	
Total land disturbed	Ha	304 (1,3), MM1		√	1,607	1,618	1,719	1,966	
Total rehabilitated area	Ha			√	154	164	169	200	
Total land disturbed but not yet rehabilitated as presently used for working	Ha			√	832	716	1,550	1,732	
Approved mining plans of local authorities (% sites)	%	304-1		√	100	100	100	100	
% of sites with quarry rehabilitation plans in place	%	"304-3, GCCA"		√	100	100	100	100	
Number of biodiversity-sensitive sites				√	2	2	2	2	
Number of biodiversity-sensitive sites with Biodiversity Action Plans in place		GCCA		√	2	2	2	2	
Number of IUCN Red List species	Critically Endangered			√	1	1	1	1	
	Endangered			√	1	1	1	1	
	Vulnerable			√	3	4	4	8	
	Near Threatened			√	4	21	23	24	
	Of Least Concern			√	175	175	175	222	
Water					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Water Withdrawal		303-1	6.1,6.3, 6.6		-	-	-		
From groundwater	m3			√	23,08,324	21,33,706	17,59,402	17,39,842	
From surface water	m3			√	17,80,853	19,22,975	19,61,615	19,61,067	
From harvested rainwater	m3			√	14,64,778	18,28,799	14,93,686	19,58,135	
3rd party purchase/municipal water	m3			√	7,02,667	6,27,449	5,99,880	4,53,977	
Total Water Withdrawn	m3			√	62,56,622	65,12,930	58,14,583	61,13,021	
Recycled Water (from STP/ ETP/RO Reject etc.)	m3	303-3	6.3,14.1.1	√	9,20,043	9,74,101	8,64,554	9,42,165	
% of sites with water recycling	%				100	100	100	100	
% of water recycled	%			√	15%	15%	15%	15%	
Total water discharge	m3	306-1		√	51,872	63,939	48,831	24,168	
Total Net Freshwater Consumption	m3			√	47,39,972	46,20,191	42,72,066	41,30,718	45,00,000
Water Balance Index				√	6	8	8	8	
Specific Operational Fresh Water withdrawal	lit/t cement			√	63	68	77	58	
% of sites in water stressed area	%			√	23	30.7	39	39	
Outbound Logistics / Dispatches					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Sea (Bulk Cement Ships)	Mil. Tonnes			√	3	3	3	3.1	
Railways (railway/Rake)	Mil. Tonnes			√	6	6	5	6	
Road (Trucks & Bulkers)	Mil. Tonnes			√	15	15	15	17	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Total	Mil. Tonnes			√	24	24	22.2	26	
Sea	%			√	12%	13%	12%	12%	
Rail	%			√	25%	24%	23%	23%	
Road	%			√	63%	63%	66%	65%	
Road Direct Dispatch	%			√	57%	55%	60%	57%	
Lead Distance	Kms				283	276	278	248	
Waste management and recycling					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Hazardous waste generated	Tonnes	306-2	12.4.2	√	511	646	326	382	
Non-hazardous waste generated	Tonnes			√	3,83,200	4,14,287	3,42,071	3,92,501	
Total Waste disposed	Tonnes		11.6.1	√	73	45	24	54	100
Waste reused/recycled/sold				√	3,83,638	4,14,888	3,42,374	3,92,829	
Waste Mgmt System Data Coverage (%)				√	100	100	100	100	
Co-processed Waste (AF used)	Tonnes in lakh			√	2.9	3.1	2.8	3.7	
Plastic Wastes Co-processed	Tonnes			√	69,082	94,570	83,138	1,26,095	
HDPE Plastic bags used for cement packaging	Tonnes			√	32,008	34,839	33,368	35,677	
Plastic Negative Index = Plastic Wastes Coprocessed/Plastic packaging bags				√	2.2	2.7	2.5	3.5	
Total Waste Derived Resource consumed (Flyash, slag, AF,AR,Syn/phospho gypsum)	million tonnes			√	7.9	8.7	8.2	8.6	
Social Performance					2018	2019	2020	2021	TARGET 2021
Employment practices			**9.2.2**	√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Number of Permanent Employees		102-8		√	5,058	5,068	4,923	4,723	
Management staff				√	3,536	3,562	3,416	3,370	
Non-Management staff				√	1,522	1,506	1,507	1,469	
Male				√	4,940	4,943	4,798	4,586	
Under 30 years of age				√	452	415	414	329	
30-50 years of age				√	3,486	3,248	2,968	2,971	
>50 years of age				√	1,002	1,280	1,416	1,286	
Female		405-1		√	118	125	125	137	
Under 30 years of age				√	36	36	39	47	
30-50 years of age				√	72	78	73	77	
>50 years of age				√	10	11	13	13	
Female-Top management level			5.1.2	√	2	3	3	3	
Female-Senior management level				√	3	1	1	3	
Female-Middle management level				√	22	21	22	26	
Number of temporary/ contractual/casual Employees		102-8		√	5,995	6,392	6,057	6,177	
Male				√	5,972	6,364	6,030	6,151	
Female				√	23	28	27	26	
Number of Employees with Disability		405		√	21	6	11	10	
New employee hires		401-1	8.3, 8.9	√	376	555	142	342	
Male < 30 years				√	189	243	48	125	

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Male 30-50 years				√	159	265	72	176	
Male >50 years				√	11	13	9	9	
Female < 30 years				√	13	19	7	23	
Female 30-50 years				√	4	15	6	8	
Female >50 years				√	0	0	0	1	
Employee turnover (%)		401-1		√	12.36	10.8	6.36	8.76	
Notice given for operational changes				√	1 month	1 month	1 month	1 month	
Employee Engagement Score				√	NA	NA	NA	NA	
Employee grievance procedures in place				√	Yes	Yes	Yes	Yes	
Anonymous grievances submission				√	Yes	Yes	Yes	Yes	
No. of training programs conducted (Total)				**√**	**12,096**	**457**	**702**	**676**	
Top Management Level				√	68	16	30	29	
Senior Management Level				√	956	105	150	151	
Middle Management Level				√	5457	164	238	236	
Other org. levels (FML & Wage Board)				√	5615	172	284	260	
Hours of training per employee	**hrs / employee**	**404-1**		**√**	**18.05**	**6.3**	**11**	**8**	
Top Management Level	hrs / employee			√	2.68	7	5	4	
Senior Management Level	hrs / employee			√	5.44	14	13	8	
Middle Management Level	hrs / employee			√	4.28	17	13	9	
Other organisational levels (FML & Wage Board)	hrs / employee			√	5.65	4	11	11	
Ratio of % increase in annual total compensation for the highest-paid individual to the median % increase in annual total compensation for all employees				√	17.85	-1.36	0	1.2	
Ratio of Management level salary (Base) (Female:Male)						1.01	1.17	1.36	
No. of employees who opted parental leave					7	8	7	3	
No. of employees who resumed office after parental leave					6	6	6	2	
No. of employees who are still on parental leave					1	2	1	1	
Health and Safety			**8.1,8.2**		**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
% of workforce represented by committees.	%	403-1		√	100	100	100	100	
% Plants with joint health and safety committees	%	403-1		√	100	100	100	100	
Plants certified with OHSAS 18000				√	All	All	All	All	
Safety training Hours (Total)	Hours			√		93,409	71,726	78,976	
Directly Employed (own and subcontractors)	Hours			√		9,657	9,482	18,322	
Indirectly employed (3rd party service providers)	Hours			√		11,506	19,168	27,484	
Drivers	Hours		3.6, 11.2	√		72,246	43,076	33,170	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Total Fatalities		403-2		√	5	4	0	1	
Employee Onsite				√	0	1	0	0	
Employee Offsite				√	0	1	0	0	
Contractor Onsite				√	2	0	0	1	
Contractor Offsite				√	2	1	0	0	
Third parties				√	1	1	0	0	
Lost-time injury frequency rate (LTIFR)	#/million Hrs.	403-2		√	0.58	0.40	0.28	0.21	
LTIFR Employee	#/million Hrs.			√	0.64	0.52	0.33	0.08	
LTIFR Contractor Onsite	#/million Hrs.			√	0.54	0.34	0.25	0.26	
Directly employed (Own & subcontractors onsite)				√	0.64	0.52	0.33	0.08	
Indirectly employed (3rd party service providers on site)				√	0.54	0.34	0.25	0.26	
Lost-time Incident Severity Rate (LTISR)				√	44.09	13.21	10.75	14.43	
LTI & MTI				√	56	36	26		
Occupational Diseased	Nos.	403-2		√	0	0	0	0	
Occupational Illness Frequency Rate(OIFR)	number/ million work hrs.			√	0	0	0	0	
Community involvement					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Community investments (Benefit to communities)	₹ Crore	201-1		√	53.46	62.57	53.97	64.41	
Net New Direct Beneficiaries in the year	Number				3,07,997	1,66,967	1,13,301		
Total number of beneficiaries in the year	Millions	203-1 413-1	11.2	√	2.4	2.6	2.7	2.8	
Stakeholder engagement at local level:-Stakeholder dialogues, Need assessment. Stakeholder involvement in CSR planning, Community advisory panels, Community engagement plan.	% of sites	102-43		√	100	100	100	100	
Employee Volunteering									
Total Hours	Hrs				1,832	1,044	229	2,826	
Paid Working Hours	Hrs				1,035	788	181	2,826	
Monetary value of Paid Working Hours	₹ million				0.29	0.22	0.05		
Public Policy					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Contribution/spending to trade/commerce/industry associations and initiatives	₹ million				1.9	1.1	0.73	8.7	

All figures include ACL's Standalone financial results. For some environmental parameters, offices & cement transportation terminals are not covered.

TUV INDIA
TUV NORD GROUP

Independent Assurance Statement

Sustainability Assurance Service

Introduction and Engagement

Ambuja Cements Limited (hereafter 'ACL' or 'the Company') engaged TUV India Private Limited (TUVI) to conduct the independent Non-Financial assurance of Integrated Report (hereinafter 'the Report'), which includes "reasonable assurance" of ACL Sustainability information for the applied reporting period, 1st January to 31st December 2021. The remote verification was conducted in January and February 2022 for the Bhatapara plant, Chhattisgarh and ACL, Head Office, Mumbai together with a desk review carried out for all other ACL sites within the reporting boundary.

Scope, Boundary and Limitations of Assurance

The scope of the Sustainability assurance includes following

- Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the Report over the reporting period;
- Review of the policies, initiatives, practices and performance described in the Report;
- Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards;
- Verification of the reliability of the GRI Standards Disclosure on environmental and social topics;
- Specified information was selected based on the materiality determination and needs to be meaningful to the intended users;
- Confirmation of the fulfilment of the GRI Standards, in accordance with the "Comprehensive" option;

The reporting boundary is based on the internal and external materiality assessment. The reporting aspect boundaries are set out in the Report covering the sustainability performance of the ACL encompassing below sites.

Integrated Cement Plants with limestone mines: *1. Ambujanagar (Gujarat) 2. Darlaghat (Himachal Pradesh) 3. Maratha Cement Works (Maharashtra) 4. Rabriyawas (Rajasthan) 5. Bhatapara (Chhattisgarh) 6. Marwar (Rajasthan)*

Grinding Stations: *1. Roopnagar (Ropar) (Punjab) 2. Bathinda (Punjab) 3. Sankrail (West Bengal) 4. Roorkee (Uttarakhand) 5. Farakka (West Bengal) 6. Dadri (Uttar Pradesh) 7. Nalagarh (Himachal Pradesh) 8. Magdalla (Surat) (Gujarat).*

Bulk Transportation Terminals: *1. Muldwarka (Gujarat), 2. Surat (Gujarat), 3. Panvel (Maharashtra), 4. Mangalore (Karnataka), and 5. Kochi (Kerala)*

During the assurance process, TUVI did not identified any limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of the Sustainability Verification.

Verification Methodology

The Report was evaluated against the following criteria:

- Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the GRI Standards and AA1000AS Version 3 along with AA1000 AP (2018);
- Application of the principles and requirements of the GRI Standards, in accordance with the "Comprehensive" option;

During the assurance engagement, TUVI adopted a risk-based approach, concentrating on verification efforts on the issues of high material relevance to ACL business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows and controls. In doing so:

- TUVI reviewed the approach adopted by ACL for the stakeholder engagement and materiality determination process. TUVI performed the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;
- TUVI verified the Sustainability -related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- TUVI examined and reviewed the documents, data and other information made available by ACL Limited for the reported disclosures including the disclosure on Management Approach and performance disclosures;
- TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the ACL during the remote assessments
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability related policies, as described in ACL Report;
- TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Opportunities for Improvement

The following is an extract from the observations and opportunities for improvement reported to the management of ACL and are considered in drawing our conclusions on the Report; however, they are generally consistent with the Management's objectives. Opportunities are as follows:

- The addition of new plant of Marwar, will lead to increased market share of ACL. ACL can develop benchmark for GHG emissions, to meet the SBTi based corporate level targets;
- The preliminary TCFD study was performed in 2017; efficiency level, technology measures, market share have varied. The latest review of financial risk aligned with TCFD requirements may be performed in near future;
- ACL level program to install flow meters should be reviewed to improve the accuracy of monitoring of treated water quantities;
- The existing supplier records AVETA gets overwritten with time, this limitation needs improvement;
- ACL can further improve waste related disclosures by reviewing the GRI disclosure requirements following the GRI 306 2020.

Conclusions

In our opinion, based on the scope of this assurance engagement, the disclosures on Sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and performance disclosures, and meets the general content and quality requirements of the GRI Standards Comprehensive option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements for in accordance with the "Comprehensive" option. ACL refers to general disclosure to report contextual information about ACL while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: ACL followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements in accordance with the "Comprehensive" option.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics) and 400 series (Social topics); These Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. *TUVI is of the opinion that the reported material topics and Topic-specific Standards that ACL used to prepare its Report are appropriately identified and addressed.*

On the basis of the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the Type 2 moderate level assurance engagement was not prepared, in all material topics, in accordance with the "Comprehensive" option. Sustainability reporting guidelines, or that the Sustainability information is not reliable in all material respects, with regards to the

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reporting criteria.

ACL procedures on the prospective information, such as targets, expectations and ambitions, disclosed in the Sustainability Information are at discretion of organization. This assurance statement has been prepared in accordance with the terms of our engagement. Type 2 moderate level assurance engagement with respect to sustainability related data involves performing procedures to obtain evidence about the sustainability information. TUVI has evaluated below requirements in context of GRI Standards along with assurance of the scope 1, 2, 3, GHG emission of ACL.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity: Stakeholder identification and engagement is carried out by ACL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering topics that are internal and external to the ACL range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of ACL. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on ACL policies and management systems including governance. In our view, the Report meets the requirements.

Impact: ACL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with Holcim Guidelines, GRI, WBCSD Cement Protocol, GCCA and CDP as part of its policy framework that include Environmental Policy, Sustainability Policy, Climate Change Mitigation Policy, Corporate Social Responsibility Policy etc. ACL reports on sustainability performance to Board of Directors, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability related issues. ACL has established non-financial KPIs aligning with Holcim targets, CDP, GCCA and WBCSD. ACL completed the process of establishing contemporary goals and targets against which performance will be monitored and disclosed periodically.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the management of ACL. The management of the ACL is responsible for the information provided in the Report as well as the process of collecting, analyzing and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by ACL in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by ACL are complete and true.

TUV's Competence and Independence

TUVI is an independent, neutral, third-party providing Sustainability services, with qualified environmental and social assurance specialists. TUVI states its independence and impartiality with regard to this assurance engagement. In the reporting year, TUVI did not work with ACL on any engagement that could compromise the independence or impartiality of our findings, conclusions and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this Assurance Statement. TUVI maintains complete impartiality toward any people interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

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Place: Mumbai, India
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www.tuv-nord.com/in

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