

CSR IMPACT ASSESSMENT OF ULTRATECH CEMENT LTD



2021-2022
SUMMARY REPORT

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Executive Summary

Globally, there is growing consumer awareness and a need for sustainability-driven brands that put a premium on quality. At the Aditya Birla Group, reaching out to underserved communities is part of their DNA. The Group believes in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face and working towards making a meaningful difference to them. UltraTech Cement Limited (UTCL) is a part of Aditya Birla Group, it fully subscribes to this policy.

UTCL’s CSR governance is under the purview of the CSR Committee appointed by the Board, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR Committee oversees the development and implementation of a companywide CSR programs. It formulates and recommends the CSR policy, CSR activities and expenditure, and monitors the CSR activities. Every Manufacturing Unit has a CSR Cell. Every Company has a CSR Head, who reports to the Group Executive President & Group Head – CSR, Legacy Documentation & Archives at the Centre. At the Company, the Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the projects is on the various Unit Heads and CSR teams. A robust implementation structure, monitoring process and a team of professionals is in place at the units. To measure the impact of the work done, a social satisfaction survey / audit is carried out by an external agency.













All projects / programmes are placed before the CSR committee. The modalities of execution and the implementation schedules are presented to the Board. The Board reviews the annual action plan, which includes resource requirements and allocation across interventions and locations. Importantly, the impact assessment study is also reviewed by the Board. The decision regarding taking up CSR activities shall vest with the Board of Directors of the Company within the ambit of the Act and CSR Rules.

UltraTech Cement Limited – UTCL’s Impact report of the CSR projects 2020-21 has been independently undertaken by Tata Institute of Social Sciences. The

study included an evaluation of the interventions that were launched by UTCL as a part of their corporate social responsibility initiative. This report briefly brings the project details - input, output, outcome, and impact (where applicable). The projects or programs or activities undertaken by UTCL are in adherence with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII to the Companies Act, 2013. TISS has developed the CEEERS framework for this Impact Assessment Study, which has been adapted from the OECD and NITI Ayog framework. Based on this framework the assessment has been designed to collect the data from beneficiaries and other stakeholders.

UTCL's contribution toward Sustainable Development Goals

The Sustainable Development Goals (SDGs) of the United Nations are unique, to promote prosperity while protecting the planet. While the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks for the achievement of the 17 goals. UTCL acknowledges the relevance and critical importance of the 17 SDGs to end poverty, protect the planet, and ensure prosperity for all. UTCL is committed to sustainable production and consumption and look forward to aligning the sustainability strategy to the SDGs.

Focus Areas	SDGs Impacted
Education and capacity building	
Health Care	
Infrastructure Development	 
Sustainable Livelihood	    
Social Inclusion	  

Introduction

Corporate Social Responsibility is a model of corporate self-governance that encourages corporations to work with their communities and invest in their social, economic, and ecological growth. Along with being a statutory mandate enshrined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, it is also an opportunity for corporations to create an impact beyond their commercial mandate.

The performance of a corporation's CSR endeavours is appraised by their impact. The quantity and quality of impact created by CSR activities indicate how successful a corporation has been in understanding the needs and challenges of the communities affected by its work, addressing these needs and challenges, and fostering positive change for the communities. The practice of impact assessment provides corporations with a systematic framework to undertake such an evaluation and recalibrate its future CSR practices if necessary.

Recognizing the significance of impact assessment for steering CSR practices, in 2021, the Ministry of Corporate Affairs introduced amendments to Section 135 of the Companies Act, 2013 and the Companies (CSR) Rules 2014, making CSR impact assessment mandatory for companies with minimum average CSR obligation of Rs. 10 crores or more in the immediately preceding 3 financial years as well as for companies that have CSR projects with outlays of minimum Rs. 1 crore and which have been completed not less than 1 year before undertaking impact assessment. "The intent is to encourage companies to take considered decisions before deploying CSR amounts and assess the impact of their CSR spending. This not only serves as feedback for companies to plan and allocate resources better but shall also deepen the impact of CSR."

UltraTech Cement Ltd.'s (UTCL) CSR has been cognizant of the relevance and necessity of impact assessment for its CSR practices. The company's CSR policy clearly emphasises the need for regular impact assessments through independent parties in order to critically assess, and if necessary, alter its CSR initiatives. In the spirit of the recent amendments to the law and the company's

internal ethos which prioritises meaningful community engagement and development, the following impact has been undertaken.

UTCL has been committed to community development long before the introduction of formal CSR laws in India. With projects ranging back as long ago as 2004, the company's community development initiatives have embodied the spirit of its CSR policy which seeks to undertake a trusteeship approach towards serving underprivileged communities around its units.

Social Vision

"To actively contribute to the social and economic development of the communities in which we operate. In so doing, in sync with the United Nations Sustainable Development Goals, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index." (Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development).

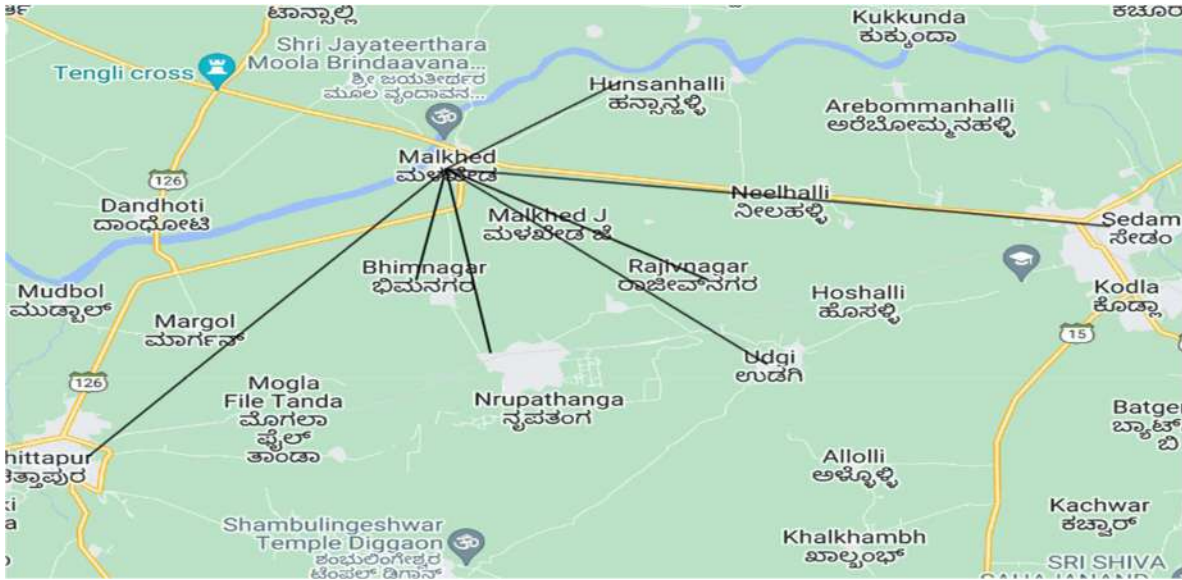
Source: UltraTech Cement Ltd. (2023). *Corporate Social Responsibility Policy*

Methodology of Assessment

A mixed method approach was used for this assessment as it ensures that all the processes, outcomes, and impact associated with initiatives undertaken are captured comprehensively.

Locations

UTCL has been working across 24 locations, of which this Impact Assessment study was conducted for 3 units across 3 states - i) Rajashree Cement Works (RCW) in Malkhed, Kalaburagi, Karnataka; ii) AP Cement Works (APCW), Anantapur, Andhra Pradesh; and, iii) Hirmi Cement Works (HCW), Baloda Bazar, Chhattisgarh.



Glimpse of Data Collection from Malkhed, Karnataka

Sampling

	Quantitative	Qualitative
No of Beneficiaries	101	50
External Stakeholders	NIL	31
Internal Stakeholders	NIL	19

Limitations

The impact assessment has attempted to cover all the activities and interventions across 3 locations. Time was a major constraint since there was limited time to cover the vast range of interventions.

Analysis of CSR Performance

Beneficiaries of UltraTech CSR in FY 2021-2022

Within the three locations targeted for this assessment, UTC has been able to touch the lives of 2,07,520 beneficiaries in 2021-2022.

Health initiatives reached the maximum number of beneficiaries 1,04,188 (50%). This vertical includes initiatives surrounding preventive & curative health care, support to Public Health Centres (PHCs), support to ramp up hospital infrastructure to strengthen the fight against Covid-19, providing emergency ambulance services, support to Jal Jeevan Mission and multi-dimensional health programmes.

Infrastructure Development initiatives reached 57,348 (28%) numbers of beneficiaries. This vertical included initiatives like the construction of CC & BT roads in nearby areas, erection and installation of led street lights, cleaning & repair of drains in the village, repair and maintenance of assets created by the previous CSR interventions etc.

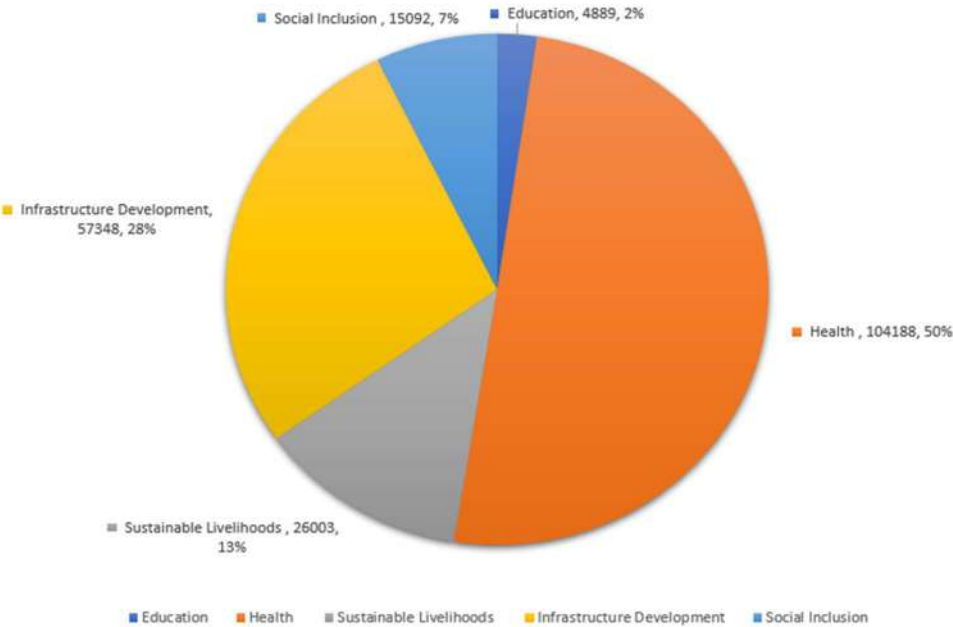
Sustainable livelihood projects benefitted 26,003 (13%) numbers of beneficiaries. Major livelihood interventions ranged from farm-based services

to non-farm livelihood support. Watershed management projects, solid waste management, income generation training programmes such as (computer classes, tailoring classes, capacity building of SHGs etc), vaccination drives for cattle, and providing livelihoods infrastructure such as sprinklers, drip irrigation, fodder development programmes etc are some of their major activities conducted in 2021-2022.

Social Inclusion activities reached 15,092 (7%) numbers of beneficiaries. Activities in this vertical majorly included promotion of art & culture in the locality, supporting district administration to make district-level programmes more vibrant, promoting rural sports, and branding of CSR activities carried out by the Ultratech CSR team.

The interventions related to Education have reached 4,889(2%) numbers of beneficiaries. Education is a significant indicator of human development. Some of the major activities within this vertical included support to Aditya Birla Public School, providing teachers training, education support programmes through (I-Teach, Vidya Volunteers, providing uniforms notebooks books etc), operating & supporting ITI, school infrastructure development and miscellaneous activities such as interschool sports competition etc.

Graphs 1: Distribution of Beneficiaries



CSR Budget Utilisation by UltraTech CSR in FY 2021-2022

In FY 2021-2022, a total of Rs. 1121.68 Lakhs was allocated for CSR activities across different verticals out of which Rs. 896.14 Lakhs (80%) was utilised in the 3 assessment locations. This is visualised in Graph 2.

For education-related interventions, a total of Rs. 371.71 Lakhs was allocated, of which Rs. 363.49 Lakhs (98%) was utilised in FY 2021-2022.

For health-related interventions, a total of Rs. 199.90 Lakhs was allocated out of which Rs. 132.94 Lakhs (67%) was utilised in FY 2021-2022.

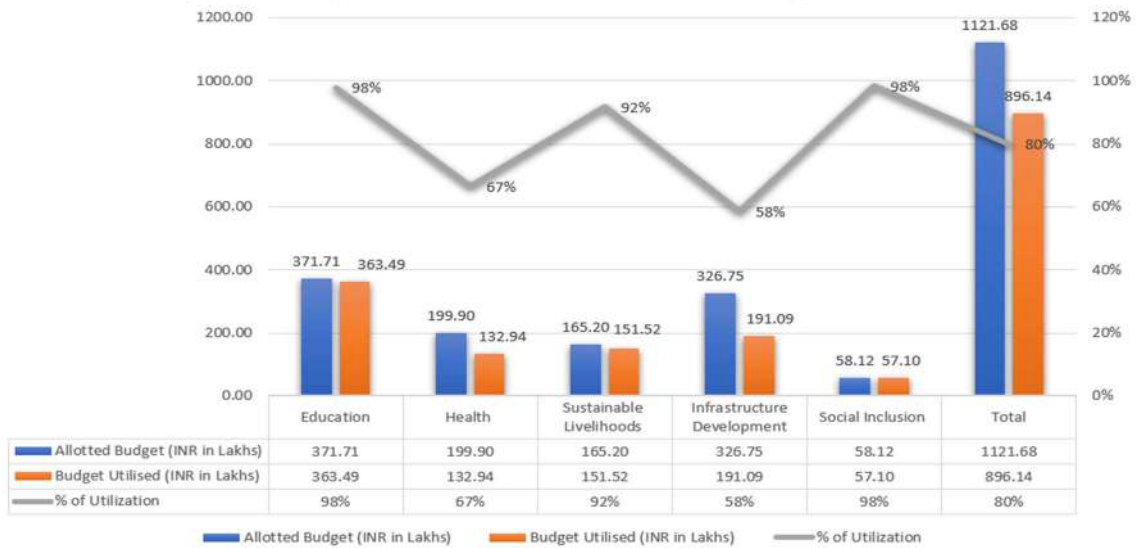
For sustainable livelihoods-related interventions, a total of Rs. 165.20 Lakhs was allocated, of which Rs. 151.52 Lakhs (92%) was utilised in FY 2021-2022.

For infrastructure development-related interventions, a total of Rs. 326.75 Lakhs was allocated out of which Rs. 191.09 Lakhs (58%) was utilised in FY 2021-2022.

For social inclusion-related programmes, a total of Rs. 58.12 Lakhs was allocated, of which Rs. 57.10 Lakhs (98%) was utilised in FY 2021-2022.

In FY 2021-2022, a total of Rs. 9400.21 Lakhs was allocated for CSR activities across different verticals out of which Rs. 9400.21 Lakhs (100%) was utilised in 24 locations covering more than 17 Lakh population in 507 villages. This is visualised in Graph 2.1.

Graphs 2: Budget Allotted vs Utilised & % of Budget Utilization



Graphs 2.1: Budget Allotted vs Utilised & % of Budget Utilization



Source: Data provided by Corporate CSR team & Site CSR teams of assessment sites

Impact Score Matrix for CSR Activities Implemented in FY 2021-2022

UTCL excels in multiple areas including education, health, sustainable livelihoods, infrastructure development, and social inclusion. These sectors demonstrate a high level of coherence, effectiveness, efficiency and relevance of CSR interventions, indicating the successful implementation of programs and initiatives. UTCL interventions ensuring that they are aligned with the needs and priorities of the community. Additionally, UTCL's focus on equity & sustainability is commendable, however there is room for improvement and a conscious effort is needed to ensure long-term viability and positive impact in these sectors.

Thematic Analysis of CSR Interventions

Education

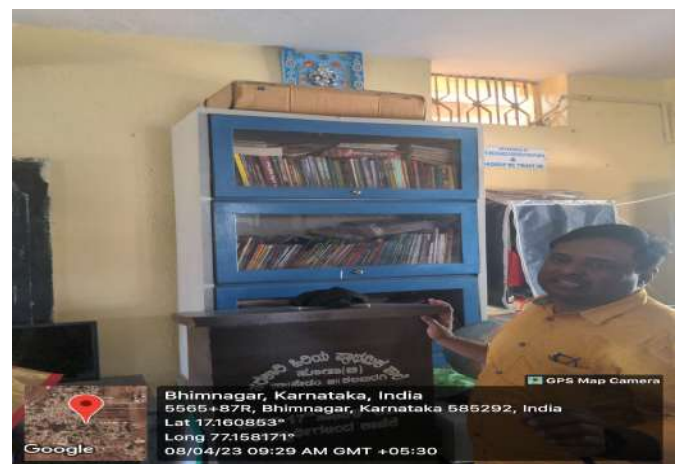
For communities situated in distant mining districts, quality education that is available within their vicinity is a dire need. Government schools are under-resourced and private schools are expensive and few in number. UTCL's initiative to start its own institutes and skill development courses and its continued support to government schools and Anganwadis is a relevant exercise in line with the pulse of the community. Kagina Private Training Institute administered by RCW is a vibrant example of a CSR endeavour where the needs were assessed holistically and the proposed solution was relevant to all the stakeholders in the community. The institute addresses not only the community's need for stable employment and skill training but also the needs of the industries in the area that are in regular need of skilled /technical trained personnel.



Kagina Private Training Institute, Malkhed

One student noted “...there are ITIs in Sedam too but I preferred to come here. It is closer to home, it is helping me learn a skill, and a company that can employ me for that skill is also at my doorstep”. In other words, not only does the initiative produce skilled workers, but it does so in a socio-economic environment capable of absorbing them, addressing multiple stakeholders needs in the process.

Education and skill development activities have a cumulative positive impact on the communities’ health and economy. Investing in skill development, particularly of young individuals, fosters economic opportunities for typically marginalised groups and empowers them to participate in the development of their own communities. This also diversifies income for families relying on seasonal vocations like agriculture and masonry and increases their financial stability.



CSR Education Initiatives in Govt Schools

Health

The initiatives on health have also had a multi-faceted impact on the communities in care of UTCL. The COVID-19 Pandemic and the limited availability of advanced medical facilities in the areas make regular medical CSR interventions a relevant endeavour. UTCL Hospital extends free consultation, diagnostics, medicines, and assists in artificial limbs in specialized health camps. It facilitates drinking water supply along with Integrated watershed management there has been significant improvement in drinking

water availability, similar initiatives in future shall strengthen it further as the area under study is drought prone.



Health Infrastructure provided by UTCL

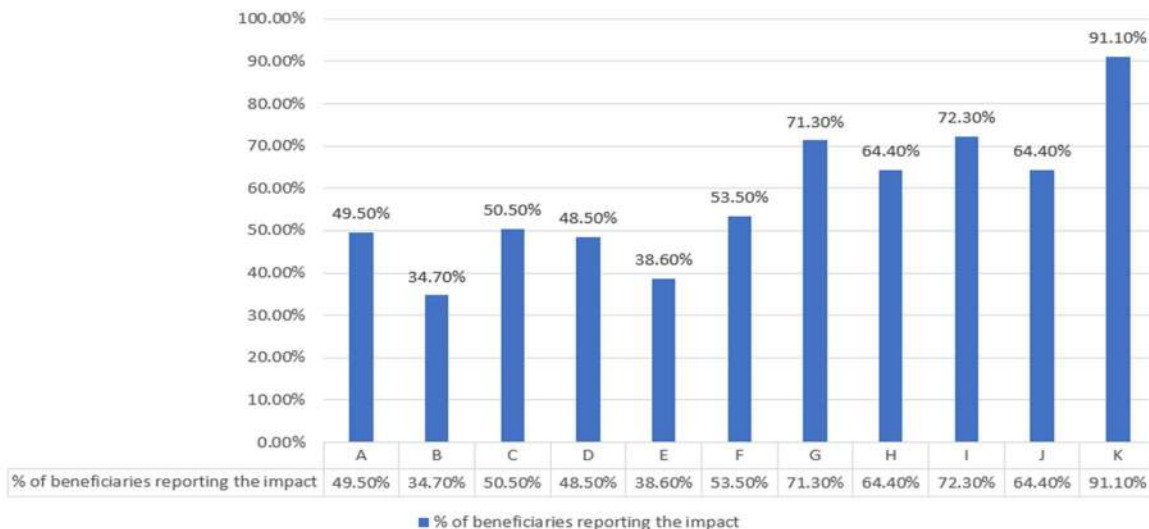
Availability of clean drinking water has significantly increased in communities since UTCL's intervention and has improved the overall well-being of entire village populations at large. The beneficiaries feel that there has been significant improvement in quality of water as less people are suffering from diarrhoea and stomach infections.

Sustainable Livelihoods

Health and Education needs and challenges are critically tied to livelihood opportunities in the communities. Majority of UTCL’s beneficiaries rely on more traditional forms of livelihoods like agriculture and masonry which can often be seasonal in nature. During the COVID-19 pandemic and its aftermath, many lost their regular means of income. To combat this, initiatives such as sewing classes, roti-making and snack selling ventures, solid waste management, and computer classes have been supported by UTCL to foster alternative income opportunities.

CSR activities focusing on reinforcing agrarian livelihoods are significant to the communities as they foster financial stability by establishing new techniques in existing vocations or alternative employment opportunities which diversify and stabilise income generation. A stellar example of such an initiative has been the Watershed Management Programme implemented in Udagi. This programme increased access to much needed support in soil management, water conservation, reduction of soil erosion, improvement of natural vegetation, increase in yield and diversified income sources by supporting non-farming activities as well. Graph 3 highlights the percentage of beneficiaries impacted by various aforementioned interventions of the Watershed Management Programme (code guide for graph provided in Annexure A).

Graph 3: % of Beneficiaries Impacted by WMP





Vocational Initiatives introduced by UTCL

The non-farming facet of the programme has empowered many SHGs in the community and has increased women's capacities for financial independence by providing individual loans to foster independent business ventures like kirana shops, cattle rearing and so on. Many of these initiatives have filled the gaps in the local milieu where national livelihoods interventions have not been able to reach. According to the survey conducted by the TISS team, 92% of the respondents stated that they have no access to any other government services for this activity.

These activities also are in line with national priorities which emphasise 'atmanirbharta' (self-reliance). They also target the fulfilment of SDG 1 - No poverty and SDG 8 - Decent Work and Economic Growth. UltraTech's internal CSR policy also places a special emphasis on sustainable livelihoods. Its CSR endeavours in this domain are in line with ecological and economic sustainability and financial independence for marginalised groups emphasised in its policy.

CASE STUDY

SANJANA, 16

Sanjana (name changed to protect privacy) was only 16 years old when she lost her father. Along with the grief, Sanjana and her family also had to reel with the loss of income and livelihood, having lost their sole breadwinner. It fell on Sanjana's very young shoulders to make something of herself to support her family. With the financial support provided by UTCL's CSR initiative, she was able to enrol at Metro computers and complete a 6-month course in basic computer training. After she completed her schooling, this additional skill helped her get a data entry job in Hyderabad where she earns enough to support herself and family. Today, she is enrolled in an undergraduate course. She continues to visit Malkhed

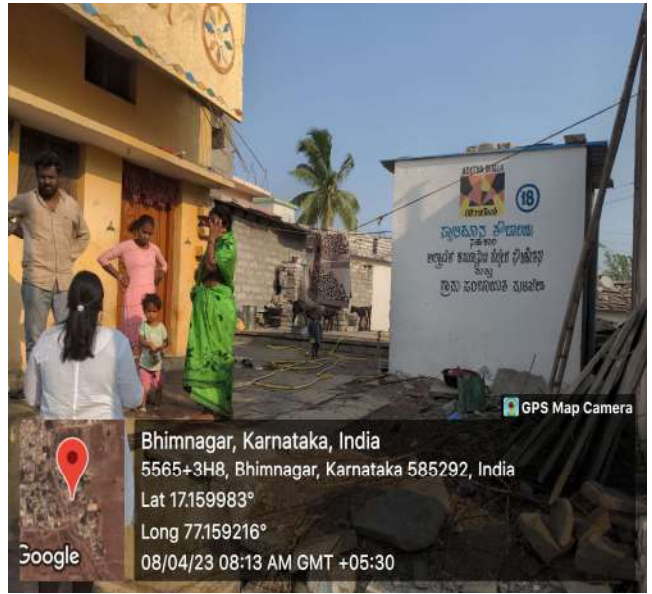




Check Dam constructed under Watershed Management Programme

Infrastructure Development

Construction and maintenance of public infrastructure is another one of the more pressing needs emerging from the communities. Being situated in remote areas, the need for durable infrastructure is essential for easily accessing other resources and services, particularly those linked to health and education. In other words, infrastructure development can serve dual roles - making existing areas habitable and/or increasing access to those areas where more resources are available. UTCL's infrastructure development has served both roles. Construction of roads has made travel easier, particularly to access hospitals, schools, and places of work. Construction of toilets, installation of LED lights, and construction of drains has improved safety and sanitation in project-affected areas and enhanced quality of life.



Pond Rejuvenation and Construction of Individual Toilets



Road Construction

CASE STUDY

Anup, 37

Anup (name changed to protect privacy) is the sarpanch of a village situated near Baloda Bazar cement factory. Up until a few years ago, the connectivity to his village was poor. He had pursued all regular routes for expediting construction of essential infrastructure like roads and installation of street lights in his village but to no avail. All his efforts seemed to be in vain until he heard of UTCL's efforts at infrastructure development in a neighbouring village. He saw good quality infrastructure being developed in these villages at a fraction of the time it took government bodies to undertake these projects. In a letter, he petitioned his case to the CSR section head. He received an immediate response and an assurance that his requests for his community will be fulfilled. Within a year, the company completed constructing a road as well as installing street lights in his village. The quality of the work was good and there was an outpouring of support for these projects from his community. Since the completion of the project, he claims that safety in his village has increased, the rate of accidents has gone down, and people have an easier time traveling in and out of the village. He is certain that this infrastructure will create more opportunities for his village in the coming years.

Way Forward

Ultratech Cement has been engaged in CSR even before the law came into effect. It is remarkable that from an inherent sense of obligation and duty, it has been engaged in improving the lives of people in and around the cement plants of UltraTech. For instance, the people of Bijinahalli (in Malkhed) mentioned that for the last 40 years the company has been providing amenities and services to the community. From the cement roads to organising the much-needed vaccination camp for the livestock, the village has benefited immensely from the CSR activities. In many instances, CSR has undertaken path breaking initiatives like solid waste management project (in Malkhed) which is a demonstration to the district administration and has inspired the local gram panchayat to create a similar facility in their village.

The field team has been instrumental in enhancing the welfare of the community. However, to ensure inclusivity and further improve the effectiveness and sustainability quotient of the impact created through these interventions, UTCL may consider the following approaches:

1. Emphasis on Equity

The villages where Ultratech implements its programmes still see the existence of social inequalities like gender, caste and class differences in terms of development indicators and resource management. UltraTech, while designing the CSR initiatives can keep this in mind and design the activities for equitable growth of society.

2. Strengthening Participation

Ultratech Cement has the opportunity to enhance the sustainability of impact created, through strengthening its participatory approach and establishing mechanisms for continued active participation of the community. For example, after providing for community-based assets, the local panchayat may carry out the maintenance of the same to ensure sustainability of the same.

3. Capacity building

The CSR interventions have scope for improvement by ensuring that they build capacities and empower the communities. For instance, providing an artificial limb is a necessity to enhance capacity of differently abled. However, a feedback mechanism may be instituted to understand how the usability of artificial limbs could be enhanced and the same may be shared with the manufacturers to address the problems if any, or for an improvement in design.

4. Linkages and collaboration

Networking and convergence with Government and Non-Government organisations will increase outreach and ensure sustainability of the interventions.

5. Documentation and Reporting

It is an excellent practice to maintain records in regional language and in registers. In addition, maintaining a centralised CSR MIS will enable all units to store key information about all CSR activities in a uniform and systematic manner. This will promote inter-unit knowledge sharing.

List of Annexure

Annexure A: Code Guide to Graph 3

SI No	Thematic Area	Thematic Code	% of beneficiaries impacted by WMP
1	Adopt new soil, water and/or crop management techniques	A	49.50%
2	Increased vegetative cover	B	34.70%
3	Reduced soil erosion	C	50.50%
4	Improved agricultural yield	D	48.50%
5	Improved natural vegetation	E	38.60%
6	Increased non-farm-based livelihood opportunities	F	53.50%
7	Improved livelihoods performance/ lifestyle	G	71.30%
8	Improved monthly income	H	64.40%
9	Positive impact on day-to-day life	I	72.30%
10	Diversified income sources	J	64.40%
11	Equal opportunity for participation	K	91.10%

