



UltraTech Cement Limited

Taking concrete action for a sustainable future

Stock code: BSE: 532538 | NSE: ULTRACEMCO | Reuters: UTCL.NS | Bloomberg: UTCEM IS/UTCEN LX

01

ESG
Strategy

02

Environment

03

Social

04

Governance

GLOSSARY

MNT – Million Metric Tons, **LMT** – Lakh Metric Tons, **MTPA** – Million Tons Per Annum, **MW** – Mega Watts
CY – Current Year period, **LY** – Corresponding period Last Year, **FY** – Financial Year (April-March)

Massive opportunity in sustainable construction



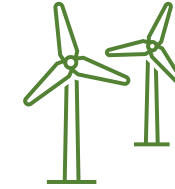
- World population projected to reach 10 bn by 2050
- India to be most populous country by 2023
- Urban population to grow more than double by 2050



- India is poised to grow at 7- 8% over the next decade and be the third largest economy by 2030
- Globally USD 15 trillion investment infrastructure sector by 2030



- Growing need of sustainable built environment
- More than 70% of built environment to be constructed in India in coming decades
- Consumer preference to shift towards sustainable construction



- Global focus on Net Zero Carbon, Circularity and Nature
- India's commitment to Net Zero by 2070

UltraTech is poised to grab this opportunity in Sustainable construction

Our sustainability playbook

Care for nature

Decarbonisation

Circularity

Water positive

Biodiversity

Care for society

Community outreach

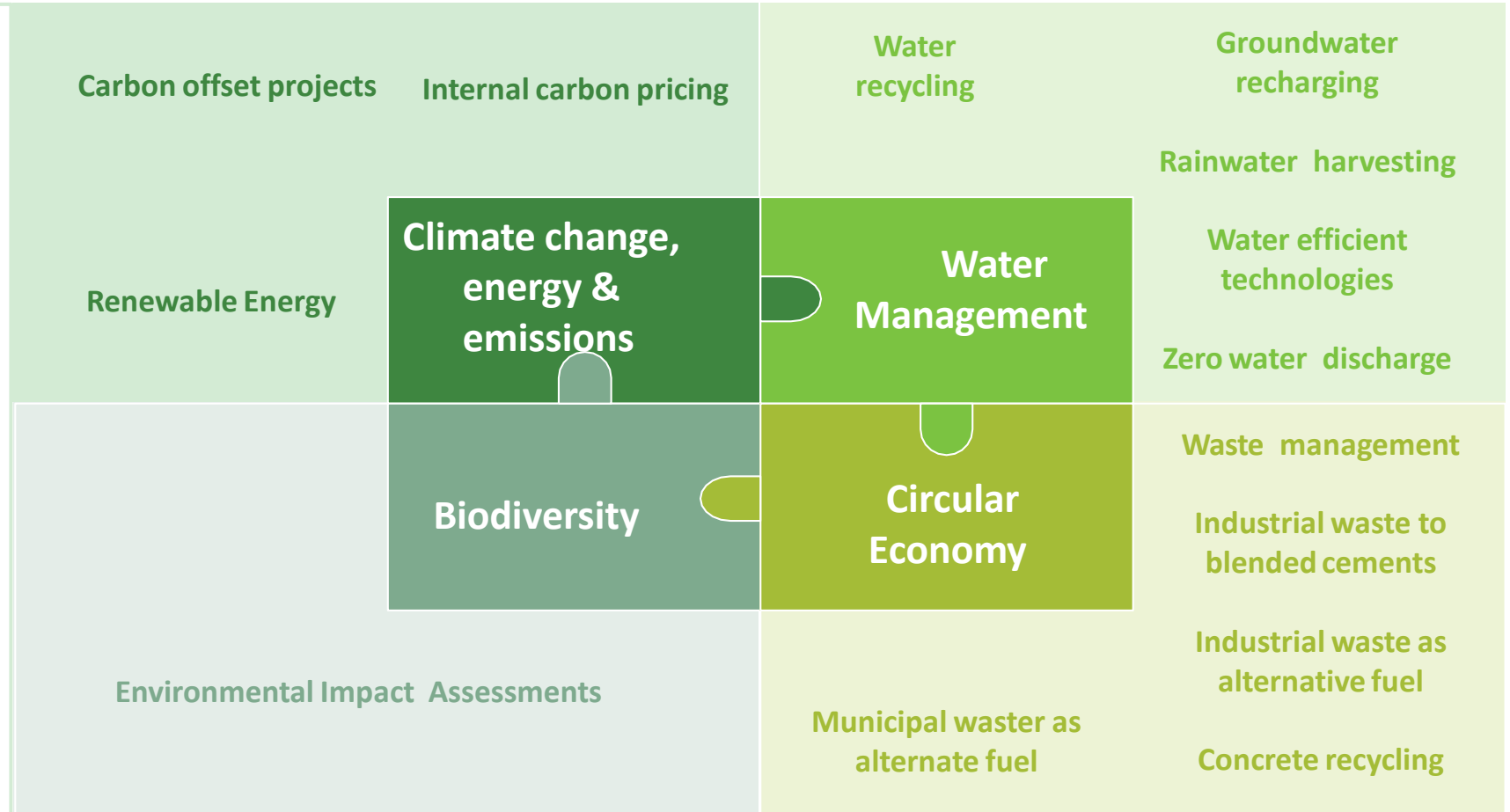
Employee well being &
diversity

Sustainable supply
chain

Customer centricity

UltraTech: ESG Strategy

- Aligned with UN SDGs
- Identifying opportunities and future-proofing the business
- Meaningful and measurable progress on stakeholder's relevant issues



Sustainability is at our core

UltraTech: ESG journey

2005-2009



Awareness

- Adoption of Global Reporting Initiative (GRI) framework
- Published first GRI Sustainability report
- Registered Carbon credits projects with UNFCCC

2010-2019



Management

- first Business Responsibility Report (BRR)
- Response to Carbon Disclosure Project
- Doubling Energy Productivity commitment (#EP100)
- Became Water positive
- First Biodiversity management plan
- Adoption of Internal Carbon Price (ICP)

2020-2022



Leadership

- Issued Sustainability linked bonds
- Targets aligned to SBTi validated
- Committed to Net Zero Carbon
- Committed to 100% RE under #RE100
- Committed to No-Net Loss on biodiversity
- Disclosing to TCFD framework

Bold environment targets

Net Zero Carbon by 2050

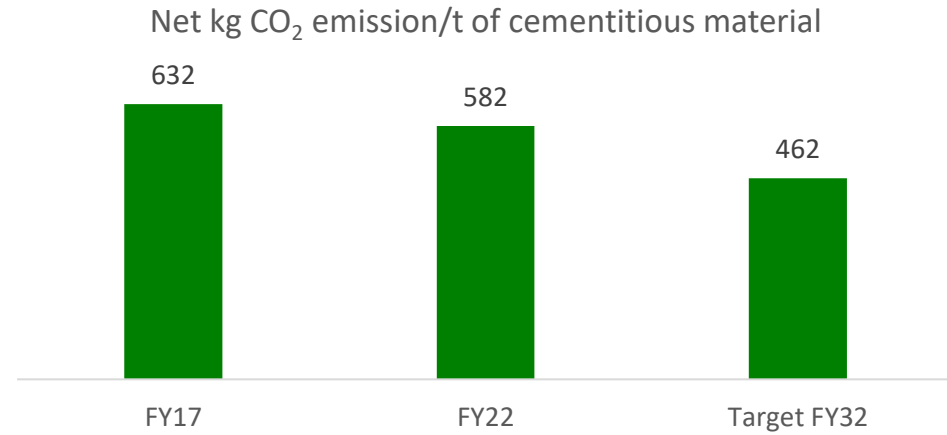
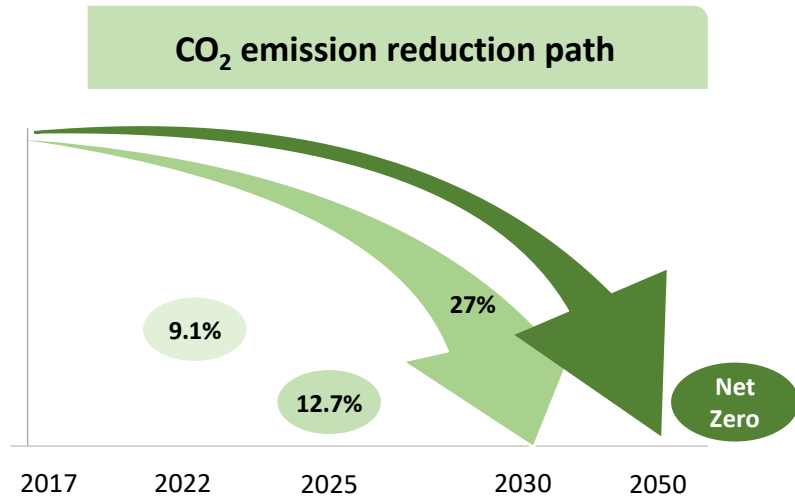
100% RE by 2050

No Net Loss by 2050

5 times Water positive by 2024

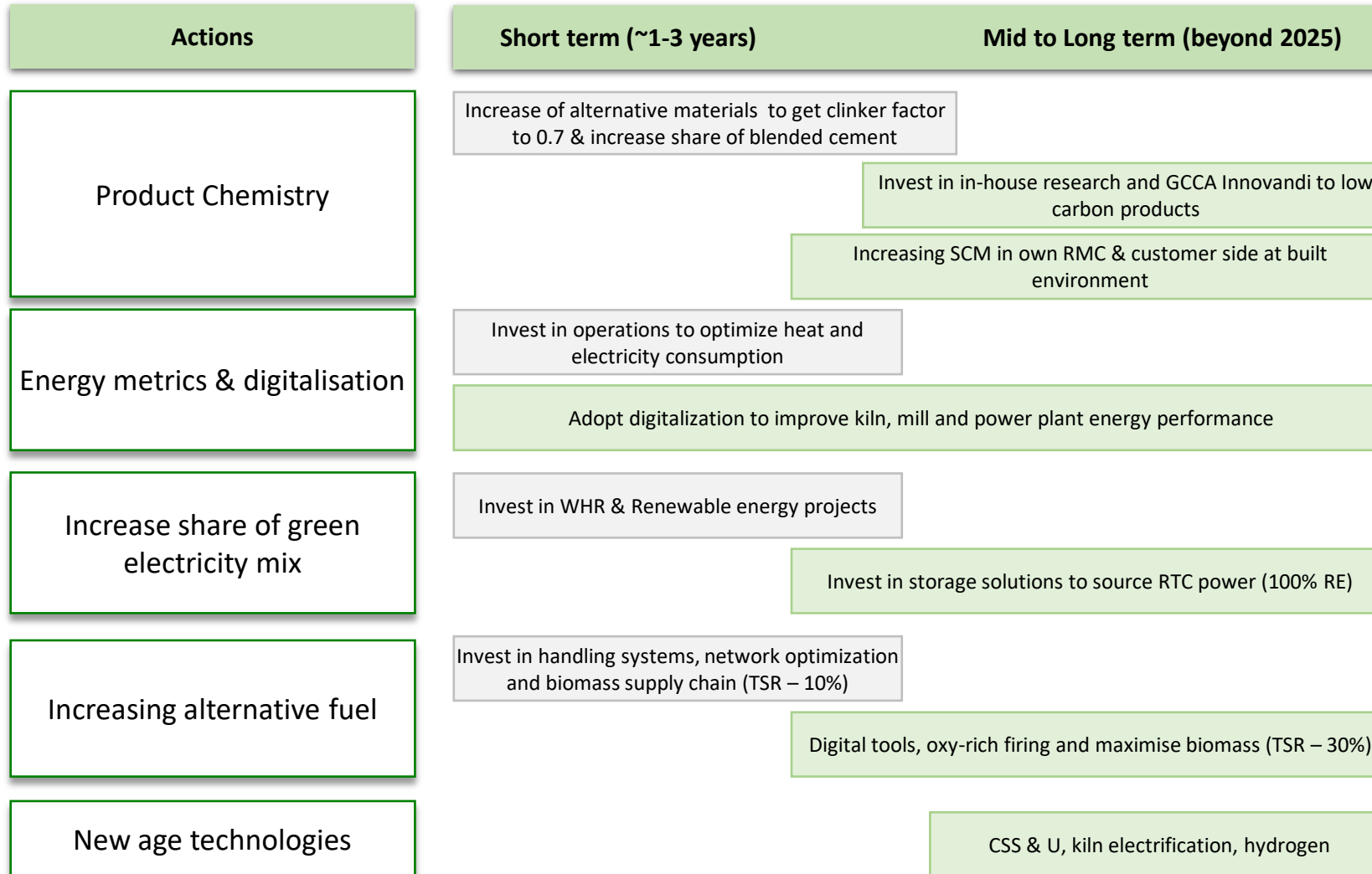


Decarbonisation



Accelerating our decarbonisation trajectory

Action plan



Electrification of cement kiln heating process using Coolbrook's ***Roto Dynamic Heater (RDH)*** technology with a potential to eliminate up to 30% of CO₂ emissions from fossil fuel burning in cement manufacturing.



UltraTech to leverage transformational technology for reduction of CO₂ emissions in cement manufacturing

Targets

- To become 5 times water positive by 2024
- Maintain WASH score above 1.8



Action plan

- Demand reduction measures (air cooled condenser, low flow fixtures etc.)
- Invest in rainwater harvesting and recharge initiatives (both plant and community)
- Increase efficiency of Sewage treatment plants (STP)
- Increase recycle, reuse initiatives
- Install water treatment plants, sanitation facilities
- Alternative water source for sites with high physical climate risk

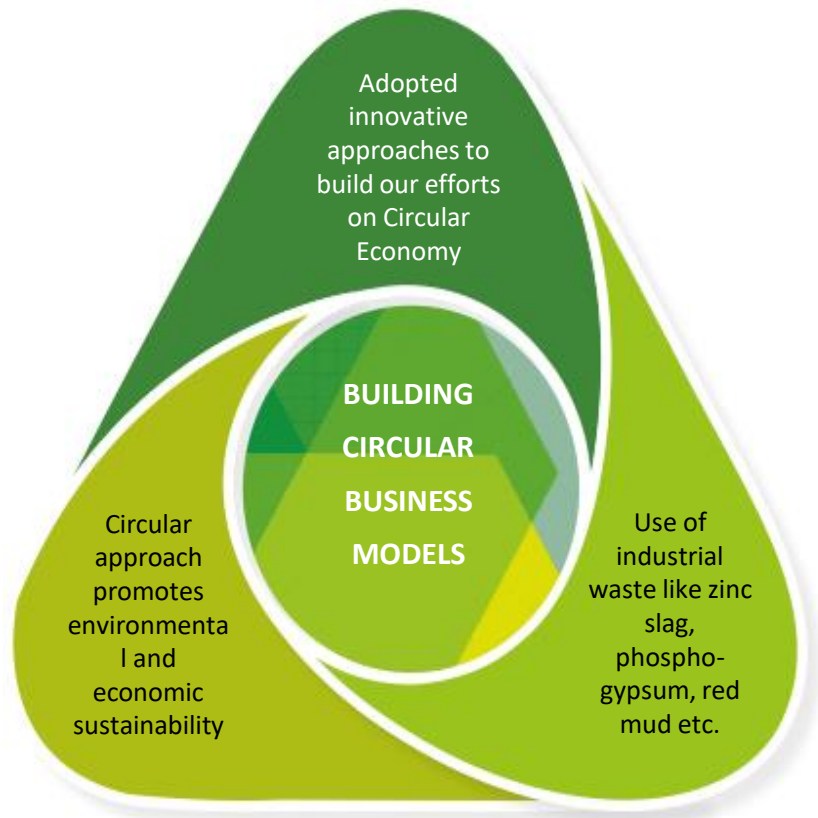
Impact

73 million m³
water returned
to nature

80% sites
already water
positive

WASH score of
1.85+

Circularity driven business growth



10+ Million tCO₂

Avoided every year due to utilization of waste material

19.12%

Recycled materials used, of total raw materials used

150+ Million tonnes

Industrial waste utilized as raw material Over the decade

2.3 Times Plastic Positive

We consume 2.3 times more plastic than we ship as packaging.

Reddipalayam Cement Works achieves 25% AFR Utilization

Our Integrated unit Reddipalayam Cement Works (RDCW), has been using AFR since 2003. RDCW team is now able to achieve consistent TSR of up to 25% and is 16.25 times plastic positive. The overall operations reduces 2,250 tonne CO₂/annum, thus reduces overall carbon footprint.

Zero discharge RMC plant



- Technology is fully-automated and enables the plant to be real zero discharge with no water and solid waste.
- This eliminates the cost of waste disposal and recycling material generated out of the said process.
- The partial substitution of sand, fly ash, and water makes it a sustainable business proposition.

Biodiversity

Targets

- No Net Loss by 2050
- Complete biodiversity assessment for all integrated sites by 2024



Biodiversity management

- Adopted GCCA guideline on biodiversity & nature
- Partnered with IUCN & other partners to create a scientific and systematic approach towards biodiversity management.
- All the sites of UltraTech have been assessed for potential biodiversity-related features through the Integrated Biodiversity Assessment Tool (IBAT).

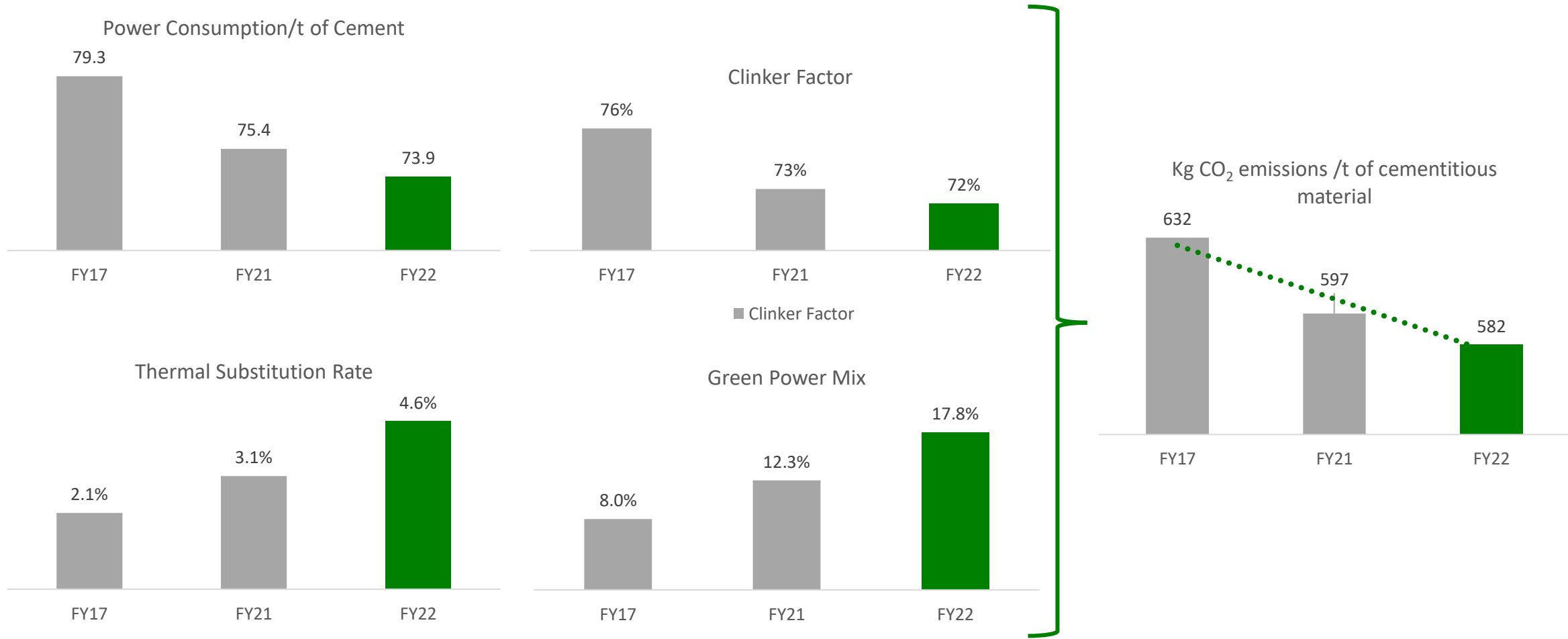
Impact

10 sites have
biodiversity
management
plans

2859 Floral
species found
across sites

1936 Faunal
species found
across sites

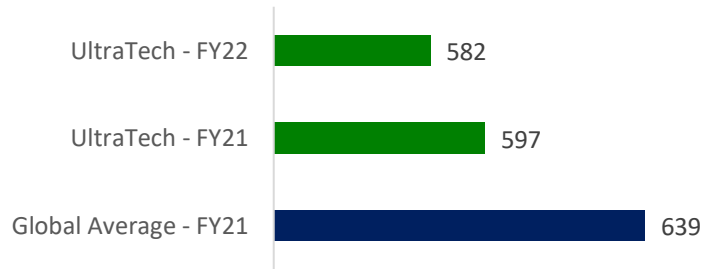
Progress so far



Continuous measures and improvement across the operations helping in reducing CO₂ emissions

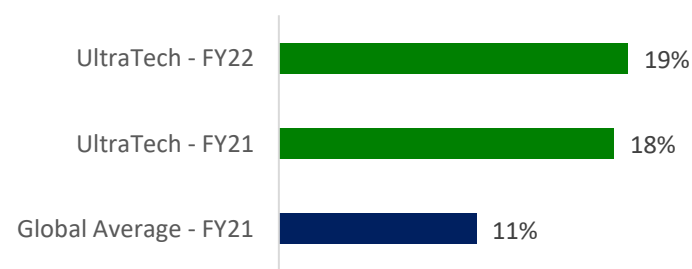
UltraTech on the global charts

CO₂ emissions/t of cementitious material



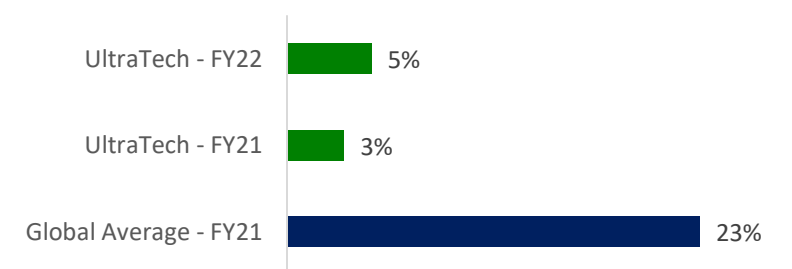
Lower CO₂ emission/t compared to global peers

ARM %



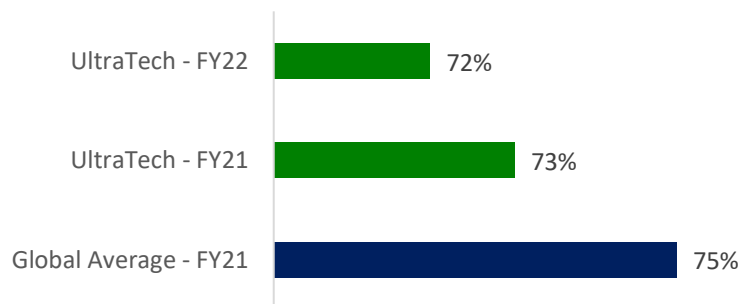
Consumes higher alternative raw material

TSR



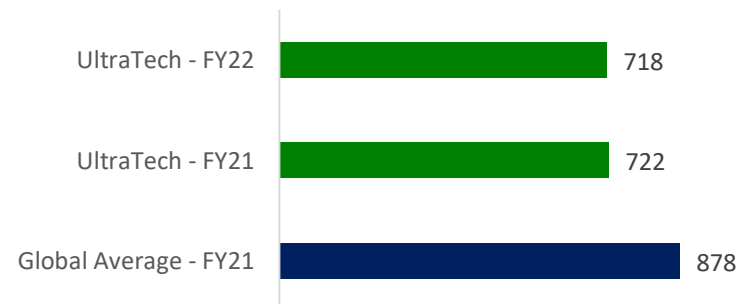
Catching up with global peers

Clinker Factor



Lower clinker factor than global peers even higher contribution to infrastructure

Heat Consumption



Better operating assets on energy metric

Increase in TSR despite challenges:

- lack of proper waste collection legislation
- Capital costs for waste processing facilities
- higher waste transportation costs

Efforts recognised



Ranked 7th globally in
Construction material
category

“ESG Way” series*

UltraTech scored 72.7 and in
1st quartile in the sector



A- rating - Water Disclosure
B rating - Climate Disclosure
A rating - Supplier Engagement

“ESG Gauge” compendium*

UltraTech scored 61 and amongst
the top quartile in the sector

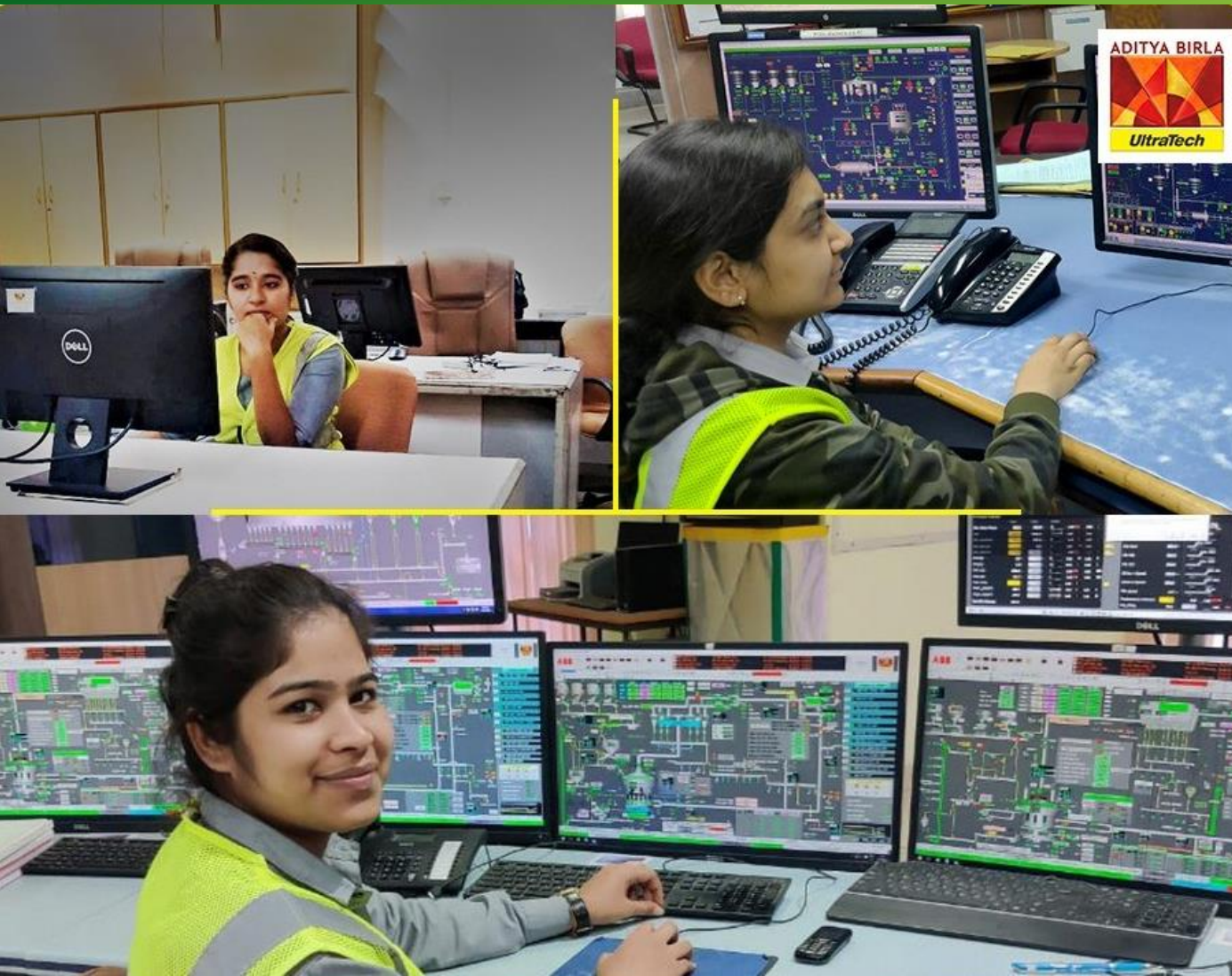


Overall ESG Score – 2.2

GS Sustain*

Global Governance Rank: 52

Social



Social targets

10% Gender diversity by 2025

Assess 100% critical supplier by 2025

Sustainability awareness session of 25% of tier 1 suppliers by 2025

Social value creation

Focus areas for community efforts

EDUCATION AND CAPACITY BUILDING

2 4

INFRASTRUCTURE DEVELOPMENT

8 9 11

HEALTHCARE

3

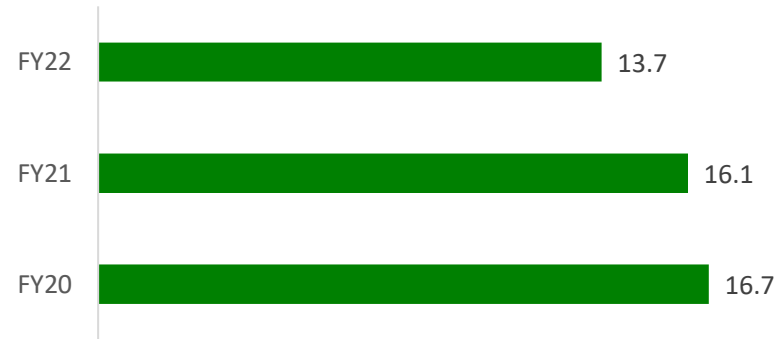
SOCIAL REFORM

5 10 10

SUSTAINABLE LIVELIHOODS

1 5 8 9 10

Community project spent (million USD)



Our outreach

47	16	24
Locations across India	States	Districts
1.6	39	507
Million beneficiaries	Blocks	Villages

Business level goals: By 2025 in 300 villages



- Reduction in poverty from 25% to 5% (vis-à-vis the currently measured – people living on less than USD 2 a day)



- Reduce malnutrition in children under 5 years of age to less than 5%
- Halve percentage of anemic women aged 15-49 years
- Increase farm productivity by 50%



- Ensure access to quality essential primary health services
- Zero Infant and Maternal Mortality (IMR & MMR)



- Ensure 100% enrolment and zero dropout rate



- Open Defecation Free (ODF) villages
- Access to safe drinking water in less than 30 min walk (round trip)

Building a sustainable supply chain



Onboarding



Sustainability high risk & critical supplier identification



High risk & critical supplier ESG assessment



Supply chain risk minimization & Sustainability performance

ESG integration into Supply chain



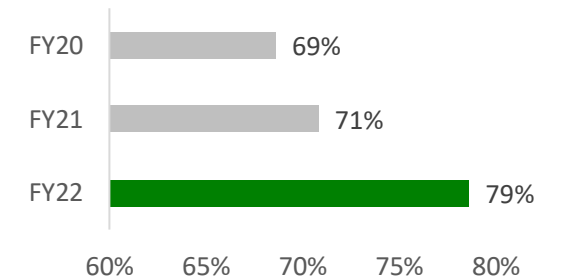
Sustainable Supply chain performance

KPI	Target	Status
New suppliers to be screened for ESG Criteria	Continuous	Done
Assessment of critical suppliers	100% by 2025	Completed in FY22
Coverage of Tier 1 suppliers through sustainable supply chain awareness sessions	25% by 2025	Achieved 6% in FY22

Developing a local supply chain ecosystem

Focus locally, even when operating from some of the remotest areas of the country. Responsible sourcing on our part also creates major gains for the communities around us as it creates employment and business opportunities and contributes locally.

Procurement from local suppliers



11.2%

Contracts are from MSME suppliers

Customer centricity

Product Stewardship



70+ various building material products certified under green label



Life Cycle Assessment (LCA) & Environment Product Declaration (EPD) completed for four type of cement



Atul Tunnel, Rohtang

Estimated reduction of 4 Million tons of CO₂ emissions over its lifetime.



Pimpalgaon-Nashik-Gonde Road

Estimated reduction of 6 Million tons of CO₂ emissions over its lifetime.



Sadar Double bridge, Nagpur

Estimated reduction of 1.1 Million tons of CO₂ emissions over its life.



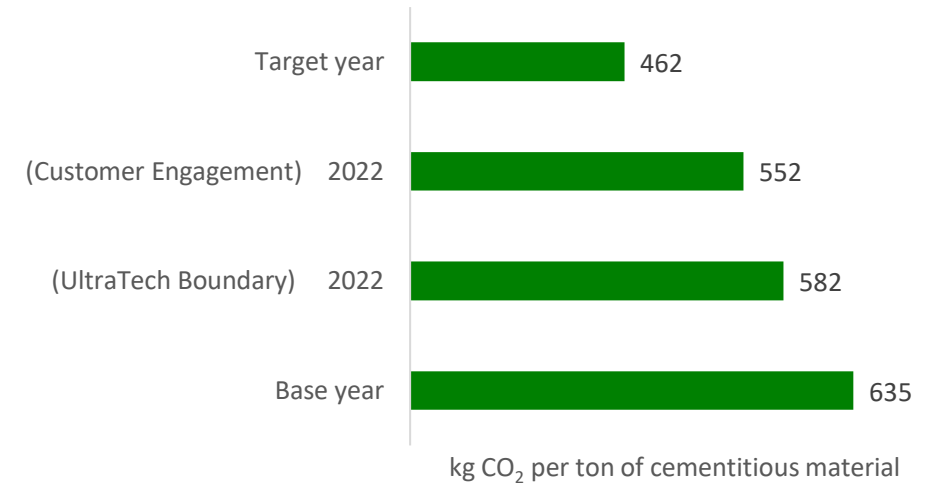
Signature Delhi bridge

Estimated reduction of 10 Million tons of CO₂ emissions over its life.

Deep carbon reduction achieved by engaging with customers

Active value chain engagements with customers for reducing climate emissions. On extending the boundary further downstream and evaluating the carbon footprint reduction, primarily by mixing supplementary cementitious material within the ready-mix concrete. Over the years UltraTech has developed this approach by influencing consumption of industrial waste in form of supplementary cementitious material (SCM).

The carbon intensity stands at 551.86 kg CO₂/tonne cementitious materials and has resulted in achieving 15.06% of Scope 1 intensity target against the target value of 27% by 2032.



Employee development



Enhancing diversity and inclusion through four-pronged approach

Infrastructural support

Gender Intelligence

Safe Environment

Women – friendly policies

- ### Diverse workforce
- Women represent 2.56% of our workforce. (Target 10% by 2025)
 - Our workforce is comprising of 10 nationalities

Innovation culture



Idea session

Ideas received

350+

Ideas presented

200+

Implementations

250+



I love my UltraTech

My mike my idea

Best practices session

Presenters

110+

Best practices shared

1,000+

Implementations

8,300+

Human rights management plan



Our in-house Human Right Due Diligence (HRDD) contains

78

Potential abuse

38

Human rights

100%

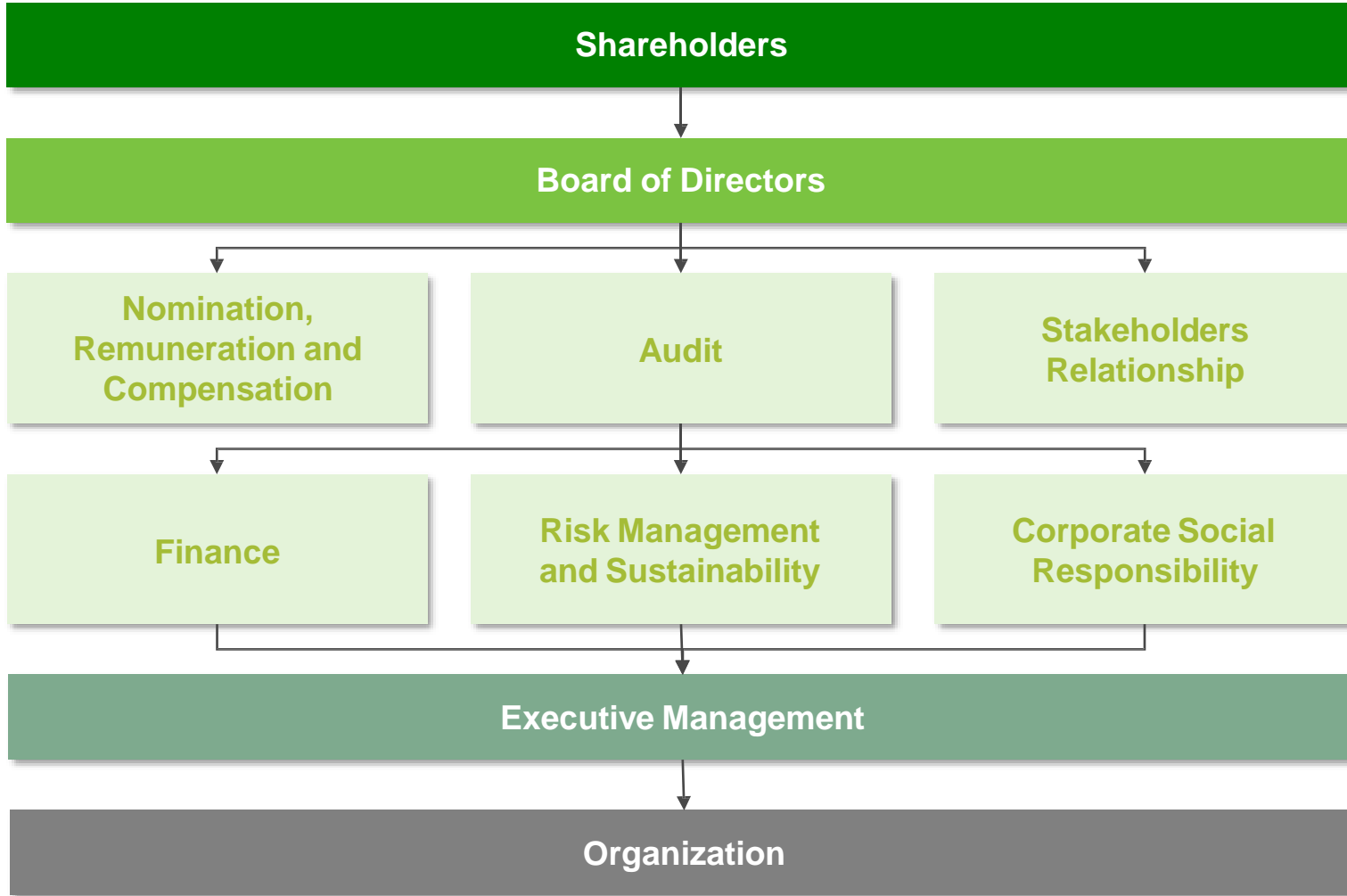
Sites assessed

Celebrating diversity with a difference

2 'All-women' RMC plant in India
More to come



Governance: Board effectiveness



Independent Directors	50%
Woman Directors	30%
Board Attendance	>95%
Committee Attendance	100%

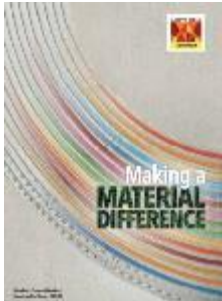
Average tenure of the Directors on our Board - ~9 years

Governance: Policies governing our business

1. Sustainability Policy
2. Code of Conduct
3. Tax Policy
4. Policy on Related Party Transaction
5. Whistleblower Policy
6. CSR Policy
7. Board Diversity Policy
8. Dividend Distribution Policy
9. Internal Audit Charter
10. Anti-Corruption and Bribery policy
11. Anti-Harassment and discrimination policy
12. Supplier Code of Conduct
13. Human Rights Policy
14. Safety Policy
15. Occupational Health Policy
16. Energy and Carbon Policy
17. Water Stewardship Policy
18. Biodiversity Policy
19. Stakeholder Engagement Policy
20. Cyber security policy

Disclosures

GRI report



- One of early adopter of GRI framework
- First report published in 2007
- Publishing GRI report for last 15 years

BRR/BRSR



- First BRR disclosure made in 2013
- This year made first BRSR disclosure

CDP



- Made first climate disclosure in 2013
- Climate disclosure made for last 9 years
- Made first water disclosure

TCFD



- Completed study against TCFD framework
- Report will be published in this year

Integrated Reporting



- This year published our first integrated report

Have disclosure aligned to all global frameworks

Disclaimer



Statements in this ‘presentation’ describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in governmental regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, due to any subsequent development, information or events, or otherwise.

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