



# ESG Factbook

## UltraTech Cement Limited

FY 2023-24



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# About UltraTech

UltraTech Cement Limited, the cement flagship company of the Aditya Birla Group, is India's largest and world's third largest cement producer, excluding China. With a consolidated capacity of 154.86 million tonnes per annum (MTPA) of grey cement production, it also produces white cement and ready-mix concrete. With recorded net revenue of USD 8.4 billion in financial year 2023-2024, the Company's business operations span UAE, Bahrain, Sri Lanka and India through 25 integrated units, 1 white cement unit, 3 wall care putty units, 33 grinding units, 8 Bulk terminals and 5 jetties.

Company's grey cement products include Ordinary Portland Cement, Portland pozzolana cement, Portland Blast Furnace Slag cement and Composite Cement. With 300+ Ready Mix Concrete (RMC) plants across the country, UltraTech is the largest manufacturer of concrete in India. UltraTech is the ultimate 360 degree building materials destination, providing an array of products ranging from grey cement to white cement, from building material to building solutions and assortment of ready-mix concrete catering to various needs and applications of new age construction. Being a part of the Aditya Birla Group, the Company is committed to Group's vision to become a leading Indian conglomerate for sustainable business practices across its global operations. The Company is continuously striving to improve its performance in the areas of carbon emissions, energy productivity and efficiency, water management, waste management, biodiversity, safety, resource conservation etc. Additionally, the Company is founding member of Global Cement and Concrete Association (GCCA) and has aligned with the Roadmap for Net Zero Concrete by 2050. We are also committed to No Net Loss of Biodiversity, RE100, EP100, Carbon Pricing Leadership Coalition, Science Based Targets initiative (SBTi) and Taskforce for Climate related Financial Disclosure (TCFD) as part of its efforts to accelerate the adoption of low carbon technologies and processes throughout its value chain to effectively reduce its carbon and overall environmental footprint.

# **ENVIRONMENT**

## Environment Management System

As a responsible corporate, UltraTech strives to create a positive environmental footprint at each step of its value chain. We have a Corporate Environment Policy applicable across our operations, offices, products and services, subsidiaries with full operational control and directly owned distribution and logistics channels. The policy is endorsed by our Board of directors, with its implementation overseen by Board-level Risk Management and Sustainability (RMS) Committee.

The environmental management system (EnMS) at 79% of our production sites have ISO 14001 certification. Our EnMS enables us to monitor return on environmental investments. Details of our environmental spent and savings across our operations, for the reporting year FY 2023-24 for UltraTech (Standalone) are summarized below:

Capital investment (INR)	2,11,29,47,484
Savings, cost avoidance, income etc. (INR)	34,38,00,000

To ensure robust implementation and timely completion of our targets, all our environment and sustainability related targets, including but not limited to climate-change related metrics, circularity, process efficiency, energy reduction, safety, risk-management are linked to executive pay. The performance-linked pay matrix of our Chief Technical and Sustainability Officer (CTSO) has more than 40% weightage assigned to aforesaid sustainability targets. Similarly, other executives have relevant sustainability targets assigned in their pay structure.

## Waste Management

At UltraTech, we have adopted circularity across our operations. Cement production, inherently, is not a waste intensive process. In cement and concrete production, through process optimization, internal audits and capacity building of employees and workers, we have been able to reduce our waste generation to a minimum amount possible in any industrial process. The waste generated in cement production is recycled in an eco-friendly manner. As the waste generation has already been reduced to minimum quantity, we do not have further targets and programs for waste reduction. Our operations also include power generation through in-house thermal power plants (TPPs), limestone mining and Sewage Treatment Plants. Fly ash, rejected screening material and sewage sludge generated from these operations respectively, is a resource to us and is reused within our operations.

## Water Management

For more than a decade, UltraTech has been implementing water conservation initiatives across its operations and local communities near manufacturing sites. The initiatives have enabled UltraTech to become 5 times water-positive across its operations. We conduct regular trainings for our employees on water efficiency programs. In the reporting year, we have reduced our specific water consumption by 9%.

To ensure water security at sites, we have undergone risk assessments related to water availability and water quality with future projections, across our operations, supply chain, and product-use phase. We continuously engage with local and National level regulatory authorities and government bodies to foresee upcoming regulatory changes, and assess and prepare for any potential risk which may arise from these regulations. The risk assessment has been conducted at watershed, enabling us to gauge the potential impacts on not only our operations, but local communities as well. The mitigation measures have been devised accordingly.

**Product Stewardship**

Product sustainability is a key focus area at UltraTech. Through extensive research and innovation, we aim to reduce our product environmental footprint. We have conducted life cycle assessment (LCA) for 4 of our cements and published their Environmental Product Declaration (EPD). We have received GreenPro certification for 70 of our products. Our low carbon products – blended cements (Portland Pozzolana Cement, Portland Slag Cement and Composite Cement), are produced by blending 20% - 50% supplementary cementitious materials (SCMs) with clinker. As compared to 92% clinker in Ordinary Portland Cement (OPC), blended cements have as low as 35% of clinker content, resulting in low embodied carbon in these cements.

Not only we produce blended cements at our units, we also encourage our direct key customers (B2B), to blend the OPC sourced from us with SCMs at their project sites, within statutory norms, enabling them to reduce the carbon footprint of their buildings.

The highlights of our product stewardship initiatives for FY 2023-24 are as follows:

Revenue through GreenPro certified products	61.0%
Revenue through Blended Cements	69.2%
Avoided emissions through low carbon products (Own operations)	1,97,14,158.46 tCO <sub>2</sub>
Avoided emissions through low carbon products (third-party)	56,50,75,132 tCO <sub>2</sub>

**Biodiversity Impact Assessment**

*Process*

Biodiversity Impact Assessment at units are carried out by application of impact assessment matrices prescribed by Aditya Birla Group Technical standards and Guidance Note. The impact assessment process consists of two steps:

**1. Identification of Impacts**

The impacts on biodiversity attributes are identified and evaluated considering the types and magnitude of industrial operation. The ABG Sustainability Framework, Guidance Note: Biodiversity Impact and Risk Assessment, defines 28 impacts in 9 broad categories as mentioned below:

1. Impacts on Forest and other Land Resources
2. Impact on Water Resources
3. Impacts on Ground Water – Pollution
4. Impacts of new structures due to industrial operations i.e., waste dump
5. Impacts of Dust and Noise Pollution
6. Effects of Vehicular Movements on Faunal Groups
7. Impacts on Threatened and Unique Biodiversity
8. Impacts of Labor Force
9. Impacts on Wildlife Corridor

## **2. Categorization of impacts using impact matrix**

After the impact identification with description, the evaluation of likelihood of the impact and potential of mitigation is documented in a biodiversity impact matrix. The biodiversity impact matrix is a tool to measure impact based on the mixture of likelihood of expected impacts of the possibility of mitigation. It plots Likelihood of Impacts on the Y-axis and Potential of Mitigation on X-axis. Likelihood of Impacts is further broken down into three components: Almost Certain/Likely; Moderately Likely and Unlikely. Similarly, the Potential of mitigation is also broken down into four components: Irreversible; Difficult to Mitigate; Can be mitigated by interventions; and can be Reversed Naturally.

### *Scope of Assessment*

Integrated units and surrounding areas are assessed for impact on biodiversity. We conduct biodiversity impact assessments for each operational site within a 10 km radial buffer zone around the core area (mine lease area). The study area is systematically divided into 5 x 5 km grids. We have assessed 15 sites using this consistent approach, ensuring thorough evaluation of ecological impacts within the 10 km radius.

### **Biodiversity related risks identified**

1. Loss of forest land impacting the biodiversity value (floral and faunal) of the project area by direct loss of habitat
2. Noise and associated ground vibration impact the lower vertebrate mainly the ground dwelling reptiles and small mammals
3. Change the normal behavior in the form of restricting the movements, feeding, resting and breeding activities of major faunal groups of the project area.

### **Mitigation Actions**

12 of our assessed sites have implemented comprehensive Biodiversity Management Plans (BMPs) for mitigation of identified risks and impacts. UltraTech have undertaken several

initiatives to minimize our impact on biodiversity. Here are examples of these initiatives across different categories of the mitigation hierarchy:

**Avoidance:**

- Avoid operational activities in close proximity to World Heritage areas and IUCN Category I-IV protected areas
- Avoid operating in critical habitats and ecologically sensitive areas
- Avoid the introduction of any new potentially invasive, non-native species and seek to eradicate these within our operational sites (Refer to: Biodiversity Policy)
- Preserving ecosystems: Ensuring that existing ecosystems are protected from disturbance and creating awareness around.
- Maintaining noise levels below 85 dBA: Mitigating the impact of noise pollution on wildlife.

**Minimization:**

- Developing green belts to restore mined areas and to reduce impacts and promote biodiversity.
- Establishing nurseries to meet sapling requirements.
- Creating check dams to counter erosion and preventing soil erosion and habitat degradation.
- Constructing rainwater harvesting structures to improving water availability.
- Developing butterfly gardens to attract butterflies: Enhancing local biodiversity and supporting pollinators.

**Restoration/Rehabilitation:**

- Storing and conserving water in mined-out pits and restoring water resources.
- Establishing bird nests and additional green spaces to enhancing habitats for birds and other wildlife.
- Initiating apiculture (beekeeping) within plant and colony areas for habitat enhancement.

## **Sustainable Supply Chain**

UltraTech has implemented a sustainable supply chain program to screen and assess its suppliers on ESG criteria. We have developed an extensive framework for assessing ESG parameters of the associated suppliers, with Board-level oversight for its implementation. The framework is in alignment with SMETA 4-pillar and GCCA's guidelines on sustainable supply chain. We have identified screening KPIs on the basis of commodity-specific, sector-specific and geography-specific risks. The framework is largely tailored around pillars of governance (policies and



disclosures), environment (emissions, waste and resource efficiency), and social (safety and CSR expenditure). The progress made in the reporting year, FY 2023-24, is summarized below:

<b><i>Supplier Screening</i></b>	<b>FY 2023-24</b>
Total number of Tier 1 suppliers	15415
Total significant suppliers in Tier 1	134
% of total spend on significant suppliers in Tier 1	54.23
Total significant suppliers non-Tier 1	0
<b><i>Coverage and progress of supplier assessment program</i></b>	
Total unique suppliers assessed via desk/on-site assessment	88
% unique significant suppliers assessed	65.57
Number of suppliers assessed with substantial actual/potential negative impact	18
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	100
Number of suppliers with substantial actual/potential negative impacts that were terminated	0
<b><i>Coverage and progress of suppliers with corrective action plans</i></b>	
Total number of suppliers supported in corrective action plan implementation	18
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100
<b><i>Coverage and progress of suppliers in capacity building programs</i></b>	
Total number of suppliers in capacity building programs	125
% of unique significant suppliers in capacity building programs	93.28

<b>Other Environment KPIs</b>	<b>FY 2023-24</b>
Direct mercury emission (metric tonnes)	0.46
Production of cementitious material (metric tonnes)	11,82,90,735

**SOCIAL**

## Diversity and Inclusion

UltraTech promotes diversity and inclusion throughout its operations. It facilitates harmony within workforce of varied genders, castes and nationalities.

A few of our diversity and inclusion metrics are summarized below:

KPI	Value in FY 24
<b>Gender Pay Analysis</b>	
Mean gender pay gap (% difference between men and women pay)	20.02
Median gender pay gap (% difference between men and women pay)	24.58
Mean bonus gap (% difference between men and women pay)	22.37
Median bonus gap (% difference between men and women pay)	17.91
<b>Workforce based on Nationality</b>	
<i>India</i>	
Share in total workforce (%)	99.290
Share in all management position (as % of total management workforce)	99.731
<i>Sri Lanka</i>	
Share in total workforce (%)	0.427
Share in all management position (as % of total management workforce)	0.187
<i>Bangladesh</i>	
Share in total workforce (%)	0.093
Share in all management position (as % of total management workforce)	0.008
<i>Bahrain</i>	
Share in total workforce (%)	0.042
Share in all management position (as % of total management workforce)	0.016
<i>Pakistan</i>	
Share in total workforce (%)	0.042
Share in all management position (as % of total management workforce)	0.000
<i>Unites Arab Emirates</i>	
Share in total workforce (%)	0.034
Share in all management position (as % of total management workforce)	0.016
<b>Freedom of Association</b>	
Employees represented by an independent trade union/ collective bargain agreement (%)	29%

## **Employee Development**

Employees are the key assets to our Company. It hosts multiple programs, and provides several learning and growth opportunities to its employees and workers.

The key employee development programs are summarized below:

### ***Emerge - Development Journey Program for Department Heads***

UltraTech Cement Ltd. is the No. 1 Cement producer in India and as an industry leader. UltraTech has doubled its capacity in four years between 2016 to 2019. Going forward, the company is also expanding through greenfield projects. It is very crucial that in our manufacturing units, we focus on productivity increment, process improvement, innovation and continuous cost optimization. Also, the company needs cultural & organizational assimilation of a large population of employee base. Enhancing the capabilities of our employees with high pace growth becomes important priority for the business to sustain the business growth. The Department Heads are an important layer of employees in the manufacturing units. They are the bridge between the Unit Leadership and Frontline Engineers & Section Heads. It is imperative that we invest in these employees to have the future-ready Unit Leadership. We have identified the employees at the Department Head level to make them ready for the next role i.e., Function Head / Project Head / Grinding Unit Head. The program is based on 70:20:10 learning model and focusses on developing technical, functional, behavioral and leadership competencies of the employees. EMERGE is a 12 months long journey program divided into 2 levels - Business Skills and People Skills.

**Impact:** The major advantage of the program has been internal talent pipeline versus cost of external hire. Through this program careers of 15% of the Emerge participants have moved to elevated/wider roles, leading to a financial saving of 2 crores INR.

Besides the tangible benefits of the program, other aspects catered by the program served are:

- Retention of HIPOs (High Potentials)
- Building aspiration in the Department Heads through visibility of career development

program

**FTEs participating in the program:** 27%

### ***Next STEP***

The Next STEP program was initiated to enhance the functional and behavioral competencies of our Channel Relationship Managers (CRM) and Territory Managers Technical Customer Solutions (TMTCS). This initiative is designed to increase the sales team's productivity, which, in turn, provides opportunities for faster career growth by developing essential skill sets. The program

also aims to empower participants to address customer queries with greater confidence, represent UltraTech effectively in the market, and align more closely with business objectives.

The program's learning objectives focus on differentiating our company, products, and competition, utilizing the FAB (Features, Advantages, Benefits) technique of selling, and employing technical selling tools. It also emphasizes building and managing a channel partner network, presenting UltraTech products effectively during sales calls, dealer meets, training sessions for masons and contractors, developing lasting relationships with channel partners and managing internal stakeholders.

The business objectives are to enhance productivity through increased sales and network growth, drive demand, improve ease of doing business, boost channel partner and influencer engagement, retain employees, and build a strong bench of next-level sales talent.

The Next STEP program follows the ACE framework, a three-fold design comprising Accelerator, Catalyst, and Enabler modules, each lasting two days. The Accelerator module focuses on functional skills such as network management and improving sales and conversion rates. The Catalyst module emphasizes goal ownership, customer centricity, becoming a trusted advisor, and fostering accountability and ownership. The Enabler module enhances personal effectiveness through improved communication, planning and prioritizing, presentation skills, and storytelling.

**Impact:** In the financial year 2023-24, we conducted 157 batches of the Next STEP covering 414 employees across India. This initial phase led to increased momentum in the zones, setting a strong foundation for Q1 of 2024-25 with six batches in the first month alone. The program received an average feedback score of 4.7 out of 5, with participants sharing positive testimonials that highlight the learning and business impact of these initiatives. Some notable feedback includes helping dealers understand their profitability, analyzing dealer balance sheets to demonstrate their benefits from UltraTech, and improvements in listening skills that led to increased trust and career advancements.

**FTEs participating in the program:** 20%

## **Performance Appraisal and Management**

The performance appraisal process at UltraTech involves following stages:

- Goal Setting, that focusses on setting your goals and objectives which cascade from business and sustainability targets set for the year,
- Mid-Year Reflection (MYR), a pit-stop to reflect on past six months, seek feedback and plan for the next six months,

- Self-Evaluation at the end of the year, to self-reflect on the impact created and values exhibited during the year,
- Annual Review Conversation, a dedicated time for a meaningful discussion between manager and employee to discuss the impact, HOWs of performance and development needs, including measuring the impact created beyond the agreed goals/objectives and value reflection – analyzing individual alignment with 5 values of Aditya Birla Group (Integrity, Passion, Commitment, Seamlessness and Speed)
- Manager Evaluation, to assess performance of team member based on the impact created and ‘How’ part of goal achievement.

There is real-time feedback exchange through *PingMe* – an online tool for feedback sharing and manager-employee conversations throughout the year.

Apart from individual performance, the pay matrix also incorporates team and business unit performance.

## **Employee Well-being and Safety**

We have multiple employee support and well-being programs, aiming to enhance both physical and mental well-being of employees.

### *Employee Wellness Programs*

UltraTech values the proverb ‘Health is Wealth’ and makes it part of its employee care. Various measures spanning from mental health to physical well-being is taken for the benefit of employees.

#### **Mental Health:**

"Life Unlimited" is an Employee Assistance Program (EAP) for employees in India.

It provides counselling support to address and resolve issues that are important for employee and their family. This is free and confidential service available, via, Email and Telephone. A face-to-face interaction can also be sought in case of need. Services include:

- 100 Counsellors in India
- Toll free number to reach out the counsellors
- 24X7 counselling facility
- 24 hours response time to counselling query
- Special requests like regional language requirements, gender, location specifications are taken care.
- If an employee feels that he or she needs to speak with a counselor urgently, then the urgent cases are taken care of within 4 hours.
- 42 locations available for face-to-face counselling

**Stress:**

We understand that environmental conditions and other non-controllable things in life can lead to stress in our people. We have launched various initiatives to de-stress our people. We have conducted self-awareness survey for the people to make them aware of the level of stress they are in. This step serves as diagnostic system. Post this step, we conduct various sessions which involves Yoga and interventions at regular intervals to minimize stress and keep our people live stress free and 'happy on the go'

**Health Initiatives:**

Various activities as sports for the employees and their family members are conducted on regular basis both at various units and Head office. Gym is also present at locations to help employees maintain their fitness post work. At various units, in company clubs, gym is available for family members as well. Playground made specifically for various sports as Cricket, Football etc. is present at various units, which is available for employees and their family members. UltraTech aspires to do a holistic development of its employees and their family members as together they make a happy and healthy community.

**Work conditions:**

UltraTech has adopted to modern working conditions suited to Gen Z and millennials. We have adopted flexible working hours at our head office and also Work from Home facility is present. This has helped many young mothers and other people to work conveniently from their home. This has led to effective productivity while providing ample opportunity to discharge their home related responsibilities.

**Family Benefits:**

Maternity Leave: Every woman is entitled to 26 weeks maternity leave (leave with pay) and additional maternity leave option is up to 60 days leave which can be availed through advance leave or previously accumulated leaves.

Paternity leave: Non primary giver can avail this leave for 5 working days in maximum of two troughs.

Child adoption benefits: Any person who have adopted a child is eligible for following benefits,

- 1) Child adoption leave
- 2) Additional maternity leave
- 3) Child Care leave
- 4) Phase back program
- 5) Healthy pregnancy program
- 6) Transition Guidance

Childcare leave: Eligible women can avail 5 days Child Care leave per year to take care of the child during his / her illness. It can be availed till the child turns 2 years old.

## Safety

Our Company has robust safety management systems, with effective implementation of our Safety and OHS Policies. 95% of our operational sites are ISO 45001 certified. We have detailed incident investigation procedures in place. As soon as an incident is reported, the site safety team identifies the level of threat associated with incident as per our internal guidelines. For high-risk category, the site head appoints an investigation team to collect facts and determine underlying causes. Based on the investigation insights, corrective and preventive actions are identified along with systems to be strengthened, which are communicated and implemented across operations by Corporate Safety Team.

## Other Social Indicators/Metrices

Description	FY 2023-24
<b>Employee Turnover Rate</b>	
Total (%)	10.68
Voluntary (%)	9.05
<b>Employee Engagement Rate</b>	
Employee Engagement Rate (% employees with top level of satisfaction)	93
Employees who responded to the survey (%)	98
<b>Training and Development</b>	
Average hours per FTE of training and development	19
Average amount spent per FTE on training and development	1,145 INR
<b>Human Capital Return on Investment</b>	5.27 INR
<b>New Hiring</b>	
Total number of new hires	3105
% of open positions filled by internal candidates	46%
<b>Employees in International Operations (Subsidiaries)</b>	
UltraTech Cement Middle East Investments Limited – UAE and Bahrain	424
UltraTech Cement Lanka (Pvt.) Limited – Sri Lanka	103



## **Stakeholder Engagement**

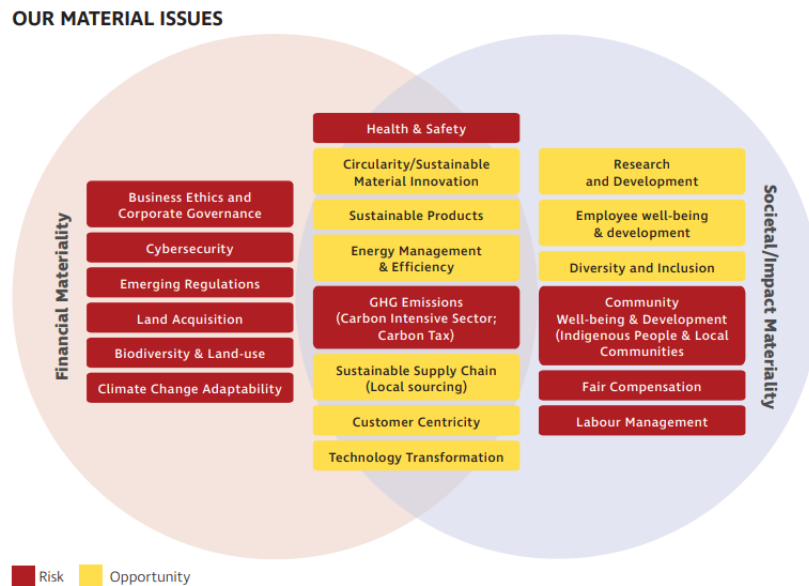
The Aditya Birla Group technical guidance as well as the UTCL Stakeholder Engagement Policy inform operating procedures across all our locations for applicable projects. The policy is endorsed by our Board of Directors, with its implementation overseen by Board-level Corporate Social Responsibility (CSR) Committee. Locally, the Unit head maintains overall responsibility. To ensure adequate coverage, the Unit head is connected with departmental heads (HR, Technical and Mines) who are responsible for carrying out engagement with different local stakeholder, along with local CSR teams that directly interact with end beneficiaries and local NGOs to ensure operational efficiency of locally implemented community projects. The Community concerns are pre- assessed through the participatory appraisal process in consultation with the community and gauging their basic needs. We recourse to the participatory rural appraisal mapping process.

We have various channels through which local and other stakeholders may provide their feedback or report grievances. Some of these channels include direct grievance/feedback reporting through Company's website, our 24\*7 phone helpline, dedicated mail channels etc. The local CSR helplines numbers are advertised within the communities, where the grievances and feedbacks can be reported in regional languages. Community members may also share their concerns directly to our local CSR Teams available at offices at plant locations. We also conduct periodic community engagement sessions to assess and address the needs of the community. The community members are provided regular trainings across our operation locations regarding the feedback mechanisms available to them. The redressal status for each registered grievance is periodically tracked for resolution.

# **GOVERNANCE**

## Material Issues for External Stakeholders/Environment

This reporting year, through a rigorous double materiality assessment involving a wide-range of external and internal stakeholders, we have been able to identify the topics of material, impacting both our business and our external stakeholders/environment or society at large.



Summarized below are the key material topics with impact on external stakeholders/environment:

### ***Circular economy***

This year, having partnered with various companies and Municipal Corporations, we have utilized 5.41 lakhs tonnes of agro-waste and 5.43 lakhs tonnes of MSW as alternative fuels in our kiln operations and captive power plants. This operation not only saves the amount of GHGs from getting emitted in the atmosphere but also impacts other environmental factors. Land use and biodiversity of the adjoining areas are some of the impacts mitigated by the diverting wastes from landfill.

### ***Environmental impact:***

- As per EPA (<https://www.epa.gov/report-environment/wastes>) Municipal solid waste landfills are the third-largest source of human-related methane emissions in the U.S., accounting for 15.5 percent of these emissions in 2021. Methane is one of several non-CO<sub>2</sub> gases that contribute to global climate change. Methane gas is released as wastes decompose, and emissions are a function of the total amount and makeup of the wastes as well as management facility location, design, and practices. Gas emissions can be affected by recycling and changing product use. For example, increased recycling of

municipal solid waste reduces the amount of waste sent to landfills while also conserving natural resources (e.g., timber, water, and minerals) and preventing pollution by reducing the need to collect new raw materials.

- With DEFRA GHG conversion factors 2023, we have estimated that 0.6 million tonnes of CO<sub>2</sub>e is prevented from getting emitted in the atmosphere.

### ***Sustainable supply chain***

At UltraTech, while we aspire to become sustainable in our entire network of supply chain, we have started with tier 1 suppliers to begin with. We encourage tier 1 suppliers to do the same in their own tier 1 suppliers thus creating a nuclear like reaction to cover the entire gamut of supply chain. We mainly focus on the following:

1. Assessment of critical suppliers on ESG criteria
2. Screening of new vendors on ESG criteria
3. Procurement from local suppliers

While we have partners with third party for points 1& 2, UltraTech takes special interest in increasing and/or maintaining the share of procured material from local suppliers. This has numerous social benefits which is part of our ESG drive for the business. Snapshot of progress on procurement from local suppliers is:

<b>Year</b>	<b>Procurement from local suppliers (% of total)</b>
FY 24	71.38
FY 23	55

Social benefits as understood from International Labour Organization document titled ‘GOOD PROCUREMENT PRACTICES AND SMEs IN GLOBAL SUPPLY CHAINS: what do we know so far? A literature review’ following potential benefits has been highlighted:

- Supporting the local economy: Local procurement can create jobs, apprenticeships, and work placements, and distribute income. It can also help develop communities.
- Improving product quality: Local suppliers can provide fresher, higher-quality products that meet ethical standards.
- Reducing environmental impact: Local procurement can reduce carbon emissions by shortening the distance products need to travel. Shorter supply chains can also help reduce supply chain risks and lead times, which can be useful for urgent requests.
- Community empowerment: Local sourcing often involves engaging with small and medium-sized businesses (MSMEs) in the area. Collaborating with local suppliers empowers these businesses and strengthens the community's economic resilience.
- Cultural and social considerations: Local sourcing shows respect for the cultural values, traditions, and customs of the community. It demonstrates that the company is sensitive

to local needs and preferences. This cultural alignment can improve the company's reputation and foster a stronger social license.

Thus, UltraTech continues to boost the local economy while making the entire supply chain sustainable.

## Emerging Risks

Research by World economic Forum has released global risk report, highlighting the need for various corporations and governments to take note of the risks in short and long term. UltraTech being an agile company, responds to the risk report by identifying the top emerging risks and adopt an enterprise-wide approach to analyze and create optimal risk mitigation plans.

Top 2 identified emerging risks:

Name of risk	Category	Description with respect to company business	Impact on company business	Mitigation measures
Extreme weather events	Environment	UltraTech has a wide presence across India and offshore. Many of these units are situated in the areas which have potential to be impacted by extreme weather events such as cyclone, extreme heat, water scarcity etc.	<ol style="list-style-type: none"> <li>1. Hinderance in business continuity</li> <li>2. Loss of structure, inventory, etc.</li> <li>3. Impact on productivity</li> </ol>	UltraTech partnered with third party to understand the physical risk associated with climate change for our units. Deep dive was done at one unit to have holistic understanding of the impacts and counter measures to be taken. Various design and infrastructure related changes are being worked out. Details of the same is present in IR, page 60, in the box titled 'Physical risk assessment'.

Natural resource shortage	Environment	<p>UltraTech with its production capacity of 152.7 MTPA, it requires a lot of natural raw material. In FY 24, it used 123.55 million tonnes of natural raw material. With the increase in the production capacity of our company and cumulative increase in production across the globe, there is huge pressure to meet the raw material required. Given the finite nature of the natural material and associated environmental &amp; societal impact associated with the extraction and processing of the same, it is one of the major long-term risks considered by UltraTech.</p>	<ol style="list-style-type: none"> <li>1. Shortage of virgin material for production</li> <li>2. High cost of procurement</li> <li>3. Unavailability/limited availability of quality raw material due to over exploitation</li> <li>4. Forced change in technology/equipment to meet changing requirement with available synthetic material/low grade raw material</li> </ol>	<p>UltraTech has taken a goal to increasingly use the waste from other industries as fuel or raw material. We are also working towards utilizing the MSW by partnering with various Municipal corporations to source and finally incinerate them in our kilns. This year we have used 20.85% recycled input material of the total input material in cement production. We have also co-processed 1.58 million tonnes of waste in our kilns and thermal power plant. We have a current thermal substitution rate of 5.12% which means we have used waste material to substitute coal in our thermal requirements.</p>
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## Contribution to trade associations and other bodies

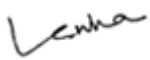
<b>Contributions to Trade Associations</b>	<b>FY 2023-24 (INR)</b>
Cement Manufacturers' Association	2,71,32,000
Global Cement and Concrete Association - Global	2,23,43,687
INNOVANDI - Global Cement and Concrete Research Network	8,54,35,24
GCCA INDIA PVT LTD	8,00,000
Confederation of Indian Industry	3,79,500
<b>Total</b>	<b>5,91,98,711</b>
<b>Other Contributions</b>	<b>FY 2023-24 (INR)</b>
Contributions to Local, regional or national political campaigns / organizations / candidates	Nil
Contributions for Lobbying, interest representation or similar	Nil
Charitable Contributions	Nil

To,  
Ultratech Cement Limited  
'A' Wing, Ahura Centre, 1<sup>st</sup> Floor,  
Mahakali Caves Road, Andheri (East), Mumbai-400093

**Review Statement on Materiality Assessment and Sustainable Supply Chain data in the ESG Factbook for the financial year 2023-24.**

We have reviewed the process adopted by the Company for the determination of material topics as per the requirements of Global Reporting Initiative's (GRI) Standards, 2021. Additionally, we carried out a review of the data pertaining to Sustainable Supply Chain disclosed in the ESG Factbook for the period 1<sup>st</sup> April 2023 through 31<sup>st</sup> March 2024.

Based on the scope of our review, nothing has come to our attention that causes us not to believe that the materiality process and outcome, and the data pertaining to Sustainable Supply Chain reported in the ESG Factbook, are fairly reliable.



Indra Guha  
Partner | Sustainability & ESG  
Business Advisory Services

Gurugram, Haryana  
31 July 2024