UltraTech Cement Limited

Sustainability-Linked Financing Framework

June 2026

Disclaimer

This Sustainability-Linked Financing Framework (the "**Framework**") is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by UltraTech Cement Ltd ("**UltraTech**") and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by UltraTech Cement Ltd as to the fairness, accuracy, reasonableness, or completeness of such information.

This Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Framework.

No representation is made as to the appropriateness of any sustainability-linked financing in respect of fulfilling environmental and sustainability criteria of prospective investors.

Contents

About UltraTech 4
UltraTech's Sustainability Approach 5
UltraTech's Sustainability Governance 7
UltraTech's Sustainability Goals 8
Sustainability-Linked Financing Framework 10
Pillar 1: Selection of Key Performance Indicators (KPIs) 11
Pillar 2: Calibration of Sustainability Performance Targets (SPTs) 13
Pillar 3: Financial Characteristics 17
    Fallback Mechanisms 17
Pillar 4: Reporting 18
Pillar 5: Verification 19
    Pre-issuance verification 19
    Post-issuance verification 19
Framework Review and/or Amendment 19

About UltraTech

UltraTech Cement Ltd ("**UltraTech**") is the cement flagship of the Aditya Birla Group. Apart from India, UltraTech's business operations span the UAE, Bahrain, and Sri Lanka.

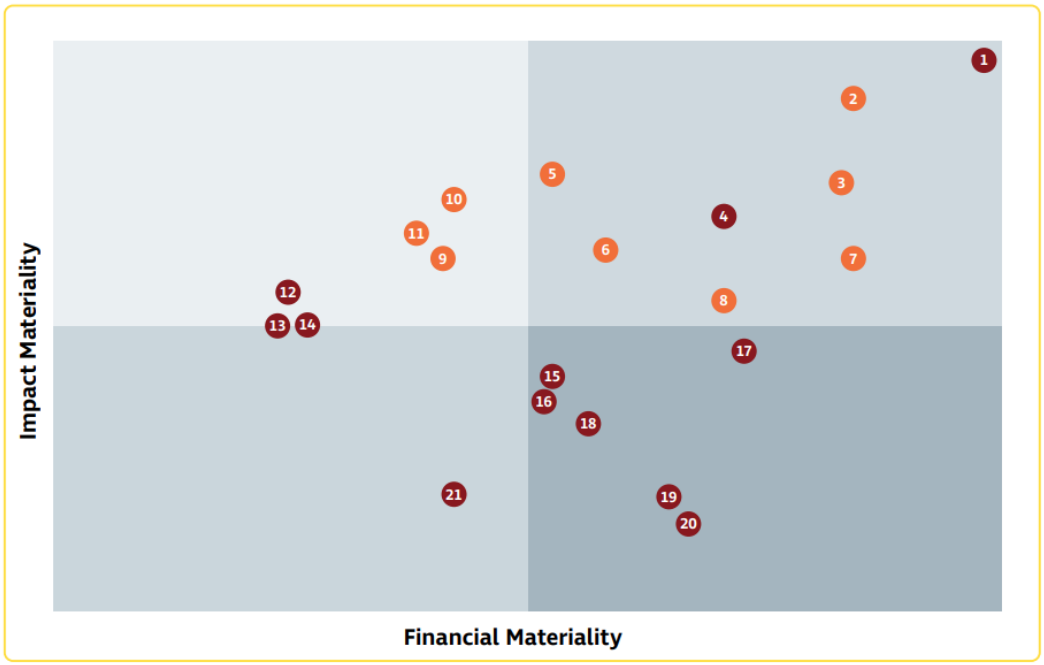
The company is the largest cement company in the world by sales volume and capacity (excluding China). With the acquisition of The India Cements Limited and merger of Kesoram Industries' Cement Business alongside greenfield and brownfield expansions, UltraTech's consolidated grey cement capacity is 205.5 MTPA (including overseas capacity) as of 17th April 2026. UltraTech is also one of the largest manufacturers of white cement in India with capacity of 3.5 MTPA UltraTech operates with an extensive infrastructure of 35 integrated manufacturing units, 36 grinding units, 1 clinkerization unit, 465 RMC units, 10 bulk packaging terminals, and 5 jetties.

UltraTech's Building Products business offers scientifically engineered products for modern construction needs, while its UltraTech Building Solutions (UBS) initiative provides a comprehensive solution for individual home builders. UBS is 5300+ stores India's first multi-category retail chain for home builders, supporting them through every stage of construction.

A founding member of the Global Cement and Concrete Association (GCCA), UltraTech is aligned to the GCCA Climate Ambition 2050 and the Net Zero Concrete Roadmap. The company has adopted tools such as the Science Based Targets Initiative (SBTi) and Internal Carbon Price to drive decarbonization and has set ambitious goals through EP100 and RE100. The company is water positive and plastic negative in its operations. In 2021, UltraTech became the first Indian company to issue dollar-based sustainability-linked bonds.

UltraTech's Sustainability Approach

Since FY2023-24, UltraTech has revamped its Materiality Assessment and adopted the Double Materiality process per international standards and aligning it with Risk Assessment procedures. This approach, guided by the Global Reporting Initiatives (GRI), the Sustainability Accounting Standards Board (SASB), Integrated Reporting (IR), and the European Sustainability Reporting Standard (ESRS), includes broader stakeholder engagement. It provides insights on both external impacts on society and the environment, and internal impacts on UltraTech's financial performance and brand value. The company prioritizes sustainability and transparent governance to minimize impact and create long-term value for stakeholders.



Risk Opportunity

Environmental

- 15 Biodiversity & Land-use
- 16 Climate Change Adaptability
- 2 Circularity/Sustainable Material Innovation
- 3 Sustainable Products
- 7 Energy Management & Efficiency
- 4 GHG Emissions

Social

- 18 Land Acquisition
- 9 Diversity and Inclusion
- 12 Community Well-being & Development
- 21 Indigenous People & Local Communities
- 14 Fair Compensation
- 13 Labour Management

Governance

- 17 Business Ethics and Corporate Governance
- 19 Emerging Regulations
- 8 Sustainable Supply Chain (Local sourcing)
- 10 Research and Development
- 11 Employee well-being & development
- 1 Health and Safety

Operational

- 20 Cybersecurity
- 5 Customer Centricity
- 6 Technology Transformation

Sustainability principles are embedded in every aspect of our business, including product development, risk management, and stakeholder interactions to promote impactful decision-making. UltraTech ensures continuous communication with employees and partners to align on its sustainability vision and actions. Creating value across the 6 capitals with robust governance is fundamental.

Capitals	UN SDGs aligned
Financial capital	
Manufactured capital	
Intellectual capital	
Human capital	
Natural capital	
Social and relationship capital	

UltraTech's Sustainability Governance

UltraTech emphasizes strong governance to steer climate change actions and create long-term stakeholder value. The company's efforts to embed sustainability in all business groups continue to receive strong support from the Board of Directors and senior management.

It has established a robust governance framework to shape climate change and sustainability strategies for driving related actions, addressing risks and opportunities, and ensuring accountability. This framework consists of a Board-level Risk Management and Sustainability Committee, chaired by an independent director and includes executive directors.

- The Board of Directors oversees climate-related risks and opportunities, ensuring alignment with strategic objectives.
- The Chief Sustainability Officer (CSO) works closely with the Board-level committee and the respective Unit-level committees as well as teams, in the implementation and review of the climate performance of the Company.
- The Risk Management and Sustainability Committee is responsible for integrating climate-related considerations into the company's risk management, strategic planning processes, execution of the company's climate strategies, and periodic monitoring and review.

The committee meets half-yearly to oversee progress against climate change related targets and commitments and to review developments in external environment and climate-related risks and opportunities. Topics of discussion and review include, but are not limited to: Net Zero commitment, GCCA climate ambition, Renewable energy targets, Science-Based Target initiative (SBTi), and Water Positivity targets.

UltraTech's Sustainability Goals

UltraTech Cement has adopted several commitments that shape the trajectory of the company's climate action. The initiatives below demonstrate UltraTech's commitment to sustainability and its efforts to drive positive environmental impact across all aspects of its operations.

- **Decarbonization:** UltraTech has set target with the SBTi near term goal, this is in line with the broader Net Zero trajectory for the sector globally, by 2050. In the interim, the company aims to reduce Scope 1 emissions by 34.57%, and Scope 2 by 70.7% by 2035 from the baseline of 2025. These interim targets have been updated from the previously 2°C-aligned targets to now aligned with the more ambitious 1.5°C scenario pathway. The company is in advanced phase of validating its updated 1.5°C aligned target with SBTi.

- **Energy Management:** UltraTech is committed to optimizing plant operations through efficient energy management. UltraTech successfully achieved its EP100 commitment of doubling energy productivity in 2024 from the baseline of 2010, well ahead of the 2035 target year and has been continuously maintaining the same since then. The company will continue to leverage advanced technologies and foster a culture of innovation to enhance energy efficiency.

- **Renewable Energy:** As part of the RE100 initiative, UltraTech aims to source 100% of its electricity from renewable sources by 2050. In the interim, the company aims to achieve 85% green energy usage in its total mix by FY2030. The current share of green energy is 36.87% (last quarter of FY2026), of which 1.39 GW is renewable energy capacity and 414 MW is Waste Heat Recovery System (WHRS) capacity. Compared to FY2025, UltraTech has increased renewable energy capacity by 36% and WHRS capacity by 18% in FY2026.

- **Circular economy:** Circular economy initiatives focus on recycling, reusing, and extending the life of resources such as raw materials, energy, water, waste, and packaging. Examples include using industrial, agro waste, and Municipal Solid Waste (MSW) as alternative fuels and raw materials or increasing recycled content in cement packaging. Almost all waste is reused or recycled, with biomedical waste being incinerated. UltraTech conducts regular waste assessments and engages third-party auditors. The company continuously strives to reduce waste through awareness programs and employee training. In FY2026, 24.18% of its total input material was recycled material.

- **Water Stewardship:** Understanding the critical importance of water, UltraTech has implemented a robust water stewardship policy focused on conservation and management, with extensive efforts to invest in water-pro products. In 2026, the company conserved 143 million cubic meters of water through improving facilities in water-scarce regions and ensuring more water is replenished than withdrawn. As of FY2026, UltraTech has become 5.8 times water positive. Company's water management efforts encompass areas within the unit premises as well as beyond the fences i.e. within the communities.

- **Biodiversity and Land Use:** UltraTech is dedicated to responsible resource stewardship, integrating biodiversity considerations into its operations. The company follows a 'No Net Loss' approach, ensuring projects have a neutral or positive impact on biodiversity. In 2019, UltraTech committed to conducting biodiversity risk and impact assessments at all its integrated units by end of 2024. As of March 2025, UltraTech has met the target and completed assessments across all 24 integrated units in India.

- **Responsible Mining:** Recognizing the importance of sustainable raw material use, UltraTech employs advanced technology and data management to explore deposits efficiently. The company blends high-grade and low-grade limestone to maximize resource utilization and adheres to sustainable development practices in mining.

- **Supply Chain Management:** UltraTech's sustainable supply chain framework encourages sustainable sourcing and engages suppliers in adopting sustainable procurement practices. As of March 2025, the company has met its targets to screen 100% of critical suppliers for ESG criteria and provide ESG awareness training sessions to 25% of its Tier 1 suppliers by 2025.

Sustainability-Linked Financing Framework

In August 2024, UltraTech launched its Sustainability-Linked Financing Framework. In 2026, the Framework is updated to reflect the following changes:

- Recalibration of targets post integration of production data and decarbonization efforts following the realized impact of UltraTech's acquisition of The India Cements Limited and Kesoram Industries' Cement Business in 2025.
- Enhanced ambition to support 1.5°C scenario pathway, as validated by SBTi.
- Inclusion of innovations, technological advancements and operational excellence in UltraTech's decarbonization strategies.
- Alignment with evolving market standards and best practices for sustainable finance.

UltraTech may, under this Sustainability-Linked Financing Framework (the "**Framework**"), issue instruments including bonds, loans, or related hedging instruments whose financial characteristics are linked with sustainability performance targets. Through this Framework, UltraTech aims to provide clear transparency on financing and refinancing activities that support the company's transition to a low-carbon, climate-resilient economy and long-term value creation.

This Sustainability-Linked Financing Framework has been developed in accordance with the relevant international principles and guidelines listed below (collectively, the "**Principles**"), to ensure that its sustainability-linked instruments meet international markets' best practices:

- Sustainability-Linked Bond Principles ("SLBP")[1], published by the International Capital Markets Association ("ICMA") in June 2024.
- Sustainability-Linked Loan Principles ("SLLP")[2], published by Loan Markets Association ("LMA") / Loan Syndications and Trading Association ("LSTA") / Asia Pacific Loan Markets Association ("APLMA") in March 2025.

The Framework adopted the following five pillars, in line with the SLBP, and SLLP, along with recommendations to obtain a Second Party Opinion ("SPO") report:

- Pillar 1: Selection of Key Performance Indicators (KPIs)
- Pillar 2: Calibration of Sustainability Performance Targets (SPTs)
- Pillar 3: Bond/Loan characteristics
- Pillar 4: Reporting
- Pillar 5: Verification

Prior to issuing bonds or any other debt instruments whose financial characteristics are linked with SPTs that are based on this Framework, UltraTech will select at least one of the following SPTs, which are core, relevant, and material to UltraTech's business.

[1] https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/

[2] https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/

Pillar 1: Selection of Key Performance Indicators (KPIs)

Following UltraTech's Sustainability Goals, the KPIs selected under this Framework represents key issues to UltraTech's core sustainability and business strategy.

KPI	Definition and Scope	Rationale for the selection
KPI 1: Scope 1 CO2 emissions per tonne of cementitious product (kgCO2/t.cem)	**Definition** This KPI represents Scope 1 emissions intensity from UltraTech's operations, measured in kgCO2/tonne of cementitious product (kgCO2/t.cem)) and calculated using the Cement CO_2 protocol. **Scope and Boundary** Scope 1 emissions are defined according to the Cement CO_2 protocol, published by the Global Cement and Concrete Association (GCCA) [3] . The Cement CO_2 Protocol stands as a pivotal guidance document for calculating carbon emissions in cement manufacturing and enjoys widespread adoption worldwide. Cement manufacturers globally rely on this standard for consistent measurement and management of carbon emissions. The GCCA is an international industry association representing 80% of the world's concrete industry outside of China. Scope 1 emissions consider direct CO2 emissions related to the production of cement and clinker, including on-site captive power production, owned vehicles, and equipment. The boundary covers all our manufacturing units both India and Overseas.	In FY2024-25, Scope 1 CO2 accounts for approximately 84.7% of UltraTech's total carbon emissions, whereas Scope 2 makes up for 2.0% and Scope 3 makes up 13.3%. Addressing emissions coming from Scope 1 emissions is where the most material and relevant climate change mitigation impact can be achieved for the cement industry. This KPI is recognized as a core KPI under the ICMA Sustainability-Linked Bond Principles' KPIs Registry for the Construction Materials – Cement sub-sector. The KPI seeks to address the following SDGs:

[3] Cement CO2 Protocol - Internet Manual (cement-co2-protocol.org)

KPI 2: Green Energy Consumption (%)	**<u>Definition:</u>** The KPI measures the percentage of Green Energy Consumption from Waste Heat Recovery Systems (WHRS') and Renewable Energy sourced from Solar & Wind (RE'). UltraTech calculates its green energy mix by substituting the percentage share of green energy from its total energy consumption. **<u>Scope and Boundary</u>** The scope of the KPI covers UltraTech's all manufacturing units. Sourcing of Renewable energy can be from both onsite Renewable energy and purchased Renewable energy. Green energy includes renewable energy sources such as solar, wind, and power generated from waste heat recovery system ("WHRS").	At an operational level, cement production is energy intensive. Efficient energy management including maximizing the use of green energy is crucial for optimizing plant operations and a complementary step for UltraTech to deliver its medium term and long term decarbonization targets. Increasing share of green energy will not only contribute to Scope 2 emissions reduction, but it will also be replacing the energy currently sourced from captive thermal power plant, thus directly contributing reduction in Scope 1 GHG emissions. The KPI is in line with UltraTech's commitment to Climate Group's RE100 initiative. As part of this commitment, UltraTech targets to meet 100% of its electricity requirement through renewables sources by 2050. The KPI seeks to address the following SDGs:

Pillar 2: Calibration of Sustainability Performance Targets (SPTs)

Alignment with UltraTech's Sustainability Strategy

UltraTech has set the following SPTs for its KPIs:

SPT 1: Scope 1 emissions, measured in kg CO2 per ton of cementitious material (kg CO2/t.cem), should be equal to or lower than 393, by 31 March 2035, a reduction of 34.57% from a March 2025 baseline.

Baseline: 2025

	Baseline	SPTs									
KPIs	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**	**FY 2032**	**FY 2033**	**FY 2034**	**FY 2035**
KPI 1: Scope 1 GHG emissions intensity of UltraTech (kg CO2/t.cem)	599	585	570	556	541	527	500	473	447	420	393
Percentage Change	-	-2.60	-5.02	-7.43	-9.84	-12.25	-16.77	-21.18	-25.62	-30.08	-34.57

*Target Observation Dates: 31 March 2035. UltraTech will report on the SPT on the Target Observation Date no later than 30 June following this date.

- UltraTech has set an overarching 10-year target to achieve a 34.57% reduction in Scope 1 GHG emissions intensity by 2035 from a revised 2025 baseline, which is being validated by the Science Based Targets initiative (SBTi). UltraTech's proposed targets are consistent with the global effort to limit temperature rise below the 1.5°C threshold as agreed as part of the Paris Agreement. UltraTech has also aligned to the GCCA's Net Zero target by 2050.

Strategy to Achieve the SPTs

UltraTech's strategies and initiatives to reduce Scope 1 emissions include:

1. **Reducing operational GHG footprint:**

1.1. **Energy Efficiency Program:** UltraTech focuses on ensuring that new cement plants are commissioned without coal-based captive power. In addition, new cement plants are designed with initiatives for achieving high levels of operational efficiency. Some of these initiatives include implementation of WHRS, solar power, modification in coolers to achieve low heat equipment, dry ash system, etc.

One example of energy efficiency initiative is in clinker cooling operations, where UltraTech modifies high-speed cooler fans that consume significant electrical energy. By modifying the fan inlet geometry, UltraTech has successfully reduced the fan inlet velocity profile and minimized frictional losses, which ultimately led to a decrease in power consumption and CO2 emissions during operations.

In case of acquisitions, focused efforts are directed towards bringing the lowest carbon intensity at par with UltraTech's levels through retrofits with latest technologies.

1.2. **Green Energy Consumption:** UltraTech is directing focused efforts toward increasing its green energy mix, which includes waste-to-heat recovery systems (WHRS) and renewable energy (Solar and Wind). As of FY2026, UltraTech has 1.39 GW of renewable energy and 414

MW of WHRS, and it has achieved 36.87% electricity substitution with green energy. UltraTech is working on the target to achieve 85% green energy mix in its energy consumption by FY2030.

1.3. **Alternative Fuel Resources:** Usage of alternative fuels in cement kilns serves two purposes – effective waste management disposal and displacement of solid fuel (coal, petcoke) consumption. Municipal solid waste and agricultural waste are utilized as fuel sources across all integrated cement plants. Hazardous waste from automobiles, refinery and pharmaceuticals industries is also used as fuel. In some plants, spent carbon, organic residue, distillation residue, bottom sludge and cotton waste are also utilized. As a result, in FY2025, UltraTech managed to reduce the consumption of solid fuel by 6.6%.

1.4. **Alternative Raw Materials**: By incorporating industrial by-products as alternative raw materials, UltraTech reduces its reliance on natural limestone. These by-products (slag, fly ash, gypsum, etc.) are used in various cement blends which are more eco-friendly, including PPC, PSC and PPC Super. As of FY2025, UltraTech has used 49.83 million tonnes of alternative raw and recycled materials, comprising 24.18% of total usage.

1.5. **Internal Carbon Pricing (ICP):** Internal carbon pricing is an effective tool to internalize the cost of carbon, and to factor the risk associated with emitting greenhouse gases. UltraTech has implemented an internal carbon pricing mechanism with a defined shadow price of USD 30 per tCO2e. ICP is applied in all CAPEX decisions across the company. CAPEX proposals submitted to senior management for approvals are standardized and consist of return-on-investment calculation with and without ICP. This has helped in accelerating adoption of low carbon technologies and levers.

2. **Reducing GHG emissions with products**: UltraTech looks for opportunities to apply scientific knowledge and R&D capability to develop innovative low-carbon products. The company has been exploring new cement products with lower clinker ratios that reduce carbon emissions. New Sustainable Product Development Initiatives include:

    - **Green Concrete**: Developed using high amounts of Supplementary Cementitious Materials (SCMs) (45-60% fly ash, up to 70% slag), reducing carbon footprint and enhancing durability.

    - **Low Water Requirement Concrete**: Designed to require minimal or no water curing, improving structural durability and saving water, especially critical in water scarce regions.

    - **Water-repellent cement**: Designed to provide enhanced protection against dampness, minimizing the need for repairs and prolonging the lifespan of structures.

    - **Ultra-High-Performance Concrete:** Designed to have ultra-high strength properties, improved crack resistance properties and very low porosity, which imparts excellent resistance against aggressive environments and hence, enhanced durability.

3. **Adopting new technologies for decarbonization:** UltraTech is constantly exploring the use of new technologies to accelerate the decarbonization of its operations. For example, UltraTech recently collaborated with UCLA's Institute for Carbon Management to pilot the Zero Carbon Lime (ZeroCAL) technology to eliminate up to 98% of emissions from limestone decomposition, an emission-intensive step in cement production. Through the partnership, UltraTech will be the first company globally to implement the ZeroCAL process at scale, marking a significant milestone towards decarbonization. Aditya Birla Group's R&D center 'Aditya Birla Science and Technology Company Private Limited', serves the research needs of the Group and has a team of multi-disciplinary experts working on applied research projects. In addition, UltraTech is also a key member and representative of the steering committee of 'Innovandi' – the Global Cement and Concrete Research Network. Lastly, as a founding member of the Global Cement and Concrete Association (GCCA), UltraTech is exploring and piloting the CCU technologies

through the GCCA consortium to find economical and technical viable options to achieve Net Zero by 2050.

SPT 2: Increase green energy consumption from WHRS and solar and wind power to 85% by 2030, and 100% in 2050.

Baseline: 2025

	Baseline	SPTs				
KPIs	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2030**	**FY 2050**
KPI 2: Green energy consumption from WHRS and solar and wind power (%)	27.8%	36.87%	45%	55%	85%	100%

* Targets are to be observed in 4th quarter of the respective financial year, which is January to march of respective calendar year.

- UltraTech has announced its commitment to Climate Group's RE100 initiative at Climate Week NYC 2021. As part of this commitment, UltraTech targets to meet 85% of its electricity requirement through renewables sources by 2030, and 100% by 2050.

- As an interim target, UltraTech aims to increase its total energy share to 85% by FY2030.

Strategy to Achieve the SPTs

To achieve this SPT, UltraTech has adopted a holistic approach towards reducing the use of fossil fuels and increasing the use of green and renewable energy. This includes leveraging emerging technologies to reduce reliance on thermal energy in manufacturing operations, committing to no further investments in thermal power capacity, and replacing fossil fuels with waste heat recovering system, increasingly investing in solar power generation for captive usage, and PPA with renewable energy partners. The company now has 1.81 GW of Green Energy capacity, including 1.39 GW of renewable energy and 414 MW of WHRS, achieving 36.87% electricity substitution by green energy in 2026. A well-defined roadmap to increase Green Energy share to 85% by 2030 has been laid down by UltraTech.

- UltraTech is tying up captive capacities located within the same state of UltraTech plants and wheeling power through state grids. Further tie-ups of 1.38 GW through solar, wind and hybrid projects of bigger capacities through within states as well as inter-state ISTS network will be implemented over the next 2 years. Regarding WHRS, an additional 140 MW capacity including new greenfield projects is being implemented over the next 2 to 3 years.

- UltraTech has also tried to tackle the issue of uneven supply of renewable energy through hybrid projects with energy storage solutions. To date, UltraTech has managed to tie up a 31 MW project along with battery storage capacity of 19 MW on a pilot basis. UltraTech has also finalized another 245 MW on battery storage capacity along with its upcoming projects in 5 states. UltraTech is continuously exploring battery storage solutions to get additional round-the-clock power and will be aggressively pursuing more projects to meet its 2030 target.

- Until FY2028, in terms of expenditures, investments into renewable energy alone would be approximately USD200 million (of which, approximately 1/2 expenditures have been spent), while the total investment in WHRS would be approximately USD740 million (of which, approximately 3/4 expenditures have been spent). The total value of renewable energy assets by then is estimated to reach USD2500 million.

Barrier to the Achievement of both SPTs:

Potential barriers for the company to achieve its targets could include but are not limited to the following factors:

1. **Raw Material and Fuel Cost and Availability**: Increasing logistics costs, reduced availability of raw materials like slag or fly ash and securing alternative fuels to replace fossil fuels could impact production and costs. For example, as coal-based power will be phased out in India, the industry will have to find alternative to fly ash blended cement for reducing the emissions from the process of limestone calcination. Alternatives like clay-based and composite cement present opportunities to reduce clinker ratio but require thorough exploration and development of standards.

2. **Technological Innovation and Scaling**: Many emerging technologies that UltraTech is exploring, such as carbon capture, utilization, and storage (CCUS), hydrogen, and kiln electrification, are not yet ready for commercialization at scale. Developing and scaling up these technologies takes time, and unexpected changes in the direction of technology can add to the complexity and cost.

3. **Uneven supply of renewable energy**: One major challenge with renewable energy is uneven supply (peak in mid-day and lowest in night), while UltraTech's requirement is consistent because of continuous running plants. UltraTech has tried to tackle this challenge with energy storage solutions.

4. **External Events and Market Conditions**: Factors such as the cyclical nature of the construction sector, dependency on other sectors like energy, fluctuating raw material prices, inflation, geopolitical conflicts, regulatory changes, and other external events such as could adversely affect operational capacity, supply chains, international operations, and overall demand for products and services.

Pillar 3: Financial Characteristics

The debt instruments issued under this Framework have a sustainability-linked feature that will result in a coupon adjustment, or a margin adjustment, or a premium payment, or additional covenants to UltraTech if the performance does not achieve the stated SPT(s). The relevant KPI, SPTs, their respective calculation methodologies, performance observation dates, step-up margin amount or the premium payment amount, as applicable, will be specified in the relevant documentation of the specific transaction, noting that for loans, UltraTech will commit to specify the annual targets in the relevant transaction documentation for each year of the loan term. In instances where this is not appropriate due, exceptions to the annual frequency of SPTs will be discussed and agreed between UltraTech and the lender(s).

UltraTech will notify the investors or its lenders of the KPI/ SPT performance as soon as possible and in any event no later than 30 June of the relevant applicable Target Observation Period. If for any reason the KPI cannot be calculated, observed, or reported in a timely and satisfactory manner (as defined in the instrument's documentation), the defined bond or loan characteristic change will be triggered as if the SPT was not met. For sustainability linked loan transactions, the margin adjustment would be assessed annually and would apply for the corresponding adjustment period only for the life of the corresponding loan.

For the avoidance of doubt, if the selected KPIs have achieved their respective SPTs, and reporting and verification for all the SPTs have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of any security issued by UltraTech under this Framework shall remain unchanged.

Fallback Mechanisms

The KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any instruments issued under this Framework, regardless of any changes to UltraTech's sustainability strategy, or any significant or structural changes. This includes any changes relating to the company's general sustainability targets and ambitions or changes in applicable benchmarks or industry standards.

The relevant documentation of any SLL or SLB may stipulate that the SPTs and/or the historic values of KPIs may be subject to recalculation based on specific circumstances, such as changes in the calculation methodology or significant changes in UltraTech's corporate structure (e.g., acquisition, divestiture, mergers, insourcing or outsourcing).

Any recalculation or pro forma adjustments to be outlined in the transaction's specific documentation. Such recalculation or pro forma adjustments will have to be verified and approved by an independent External Reviewer as detailed in the relevant documentation.

Pillar 4: Reporting

UltraTech will communicate to lenders or investors on the audited performance of the relevant KPIs and SPTs for the relevant target observation period and related financial impact on an annual basis or as specified in the relevant documentation of the sustainability linked instruments. UltraTech will, on an annual basis, include the progress performance in the appropriate section in UltraTech's Sustainability Report (or other reports that may officially replace UltraTech's Sustainability Report in the possible future). Such report will be easily accessible and publicly available on UltraTech's website, and the information will at least, but not limited to, include:

- Up-to-date information on the performance of the selected KPIs for relevant the target observation period, including the baseline where relevant.
- A verification assurance report relative to the SPT outlining the performance of the KPIs against the SPTs; and
- Any other relevant information which may enable investors to monitor the progress of the selected KPIs.

Information will also include when feasible and possible: a qualitative or quantitative explanation of the contribution of the main factors, e.g., including M&A activities, behind the evolution of the performance/KPIs on an annual basis; illustration of the positive sustainability impacts of the performance improvement; and/or any re-assessments of KPIs and/or restatement of the SPTs and/or adjustments of baselines or KPI scope.

Pillar 5: Verification

Pre-issuance verification

UltraTech has appointed an independent sustainability advisory firm, S&P Global Rating to review the Framework's alignment with the relevant Principles and provide a Second Party Opinion ("SPO") report accordingly. The SPO report will be made available on UltraTech's website.

Post-issuance verification

On an annual basis, UltraTech will seek independent and external verification of the performance level for the stated KPI by the Assurance Provider. Assurance Provider means any qualified provider of third-party assurance or attestation services appointed by UltraTech, who will provide a verification assurance report in the form of a "Limited Assurance". The verification of the performance of the KPI, along with the Assurance Provider's verification report, will be made publicly available on UltraTech's website.

Framework Review and/or Amendment

UltraTech may review this Framework from time to time, including (but not limited to) its alignment to updated versions of the relevant Principles as and when they are released, with the aim of adhering to best practices in the market. UltraTech may also review this Framework in case of material changes in the perimeter, methodology, and in particular KPI and/or the SPT's calibration.

Such review may result in this Framework being updated and amended. The updates may be subject to the approval of a Second Party Opinion provider prior to the release. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Verifier. The updated Framework, if any, will be published on UltraTech's website and may replace this Framework.

For the avoidance of doubt, this updated and/or amended Framework shall not have an impact on those Sustainability-Linked Bonds or Sustainability-Linked Loans or any other debt instruments whose financial characteristics are linked with sustainability performance targets, that were previously launched or issued prior to the update and/or amendments.