Driving growth through SDGs

Sustainability Report 2019-20
APPROACH TO REPORTING

This report is in accordance with the requirements of the Global Reporting Initiative, GRI Standard: Core.

The report presents information organised around our priorities and key areas of interest to our stakeholders. It covers our performance for the period 1st April 2019 to 31st March 2020. The economic indicators presented in the report are based on the data that forms a part of UltraTech’s Annual Report.

The report scope and boundary covers all operations of UltraTech Cement Limited including manufacturing locations, subsidiaries and bulk terminals across India, Sri Lanka and the Middle East. There has been a change in the reporting boundary with the sale of Bangladesh Cement Plant. The ready-mix concrete (RMC) plants operated by the Company for specific customers, within their premises on a temporary basis, have not been included. More than 75% of our operations are covered under environment and social reporting. There has been no restatement of data.

The report is assured by independent external auditor, Ernst and Young Associates LLP. following due diligence and their assurance statement is part of this report.

WE ARE LISTENING

Your feedback, enquiries and suggestions on any aspect of our sustainability performance are welcome.

Email: utcl.sustainability@adityabirla.com

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Phone: +91 22 669 17800, +91 22 669 28109

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Business sustainability is our topmost priority – Growth to us is valuable when it helps us achieve sustainable impact for the development of all our stakeholders.

This encompasses for us the ways in which to create increasingly innovative products for our consumers that lower our carbon footprint across the board – production, manufacturing, usage and disposal. It includes enabling communities around our manufacturing facilities, our network partners and our workforce to support us in our commitments towards shared value creation. It includes progressively embracing global best practices that allow us to act as a thought leader by setting appropriate benchmarks for the industry at large.

The result of our strong commitment to sustainability is that we map our contributions to the United Nations Sustainable Development Goals (UN SDGs). It is a commitment that we continue to strengthen.
Inside the report

Climate change, energy and emissions
Water management
Biodiversity

Our priorities
Stakeholder engagement
Value creation model
Global megatrends
Risk management

Message from the Chairman
UltraTech at a glance
The year in review
Business continuity during COVID-19 pandemic
Awards and recognition

About UltraTech
The largest manufacturer of grey cement, white cement and concrete in India

4 Message from the Chairman
6 UltraTech at a glance
10 The year in review
12 Business continuity during COVID-19 pandemic
14 Awards and recognition

Sustainability Strategy
As a member of the Aditya Birla Group, strong and clear commitments to sustainability pervade our actions across all the levels of our organisation

16 Message from MD
18 Sustainability strategy
22 Sustainability roadmap

How We Create Value
We are assessing what is material to our business and driving thought leadership with our actions for enhancing value

24 Our priorities
26 Stakeholder engagement
30 Value creation model
32 Global megatrends
36 Risk management

Environment Protection
Always inculcating best practices for environmental performance through a blend of technology and industry partnerships

42 Climate change, energy and emissions
46 Water management
48 Biodiversity
Circular Economy
We approach our operations and products from a circular economy perspective, aiming at resource conservation and helping society close the loop

52 Reducing and redirecting waste towards low carbon economy

Our People
Providing safe workplaces and ensuring employee health are founding blocks for the Company

60 Occupational health and safety
67 Enriching our human capital

Role in the Society
We focus on taking everyone along in our growth journey helping communities become self-reliant

74 Advancing the holistic wellbeing of the society

Our Business and Governance
Our increasingly innovative and sustainable products are a reflection of our commitment to our values

82 Economic performance
83 Corporate governance
84 Responsible supply chain
86 Product stewardship

90 Annexure 1 - Sustainability Scorecard
97 Annexure 2 - GRI Content Index
101 Annexure 3 - Independent Assurance Statement
MESSAGE FROM THE CHAIRMAN

A holistic vision to innovate, build and preserve

DEAR STAKEHOLDERS,

At the Aditya Birla Group, our sustainability vision is to be the leading Indian conglomerate for sustainable business practices across our global operations. Our cement business, UltraTech, has consistently demonstrated its commitment to contribute to this vision. The progress made during this financial year has been yet another testament to its commitment.
UltraTech achieved the unique milestone of enhancing its cement manufacturing capacity to over 100 million tonnes per annum, becoming the third-largest cement player globally (excluding China). UltraTech already has the distinction of being the largest manufacturer of grey cement, white cement and concrete in India. Every additional tonne of capacity that we build in our growth journey, exponentially increases our responsibility to contribute towards a sustainable world.

UltraTech is committed to making a meaningful impact for all its stakeholders and has aligned its sustainability strategy to the United Nations Sustainable Development Goals (SDGs). The Company has made rapid strides in its sustainability journey in FY 2019-20 and is on target to achieve its stated commitments.

UltraTech has made significant progress in its commitment to reduce its CO₂ emissions intensity by 25% by FY 2020-21 from the base year of FY 2005-06. We have already reduced our CO₂ emissions intensity* by 19%. The Company has made commendable progress similarly in other areas. Renewable energy consumption has increased by more than 50% as compared to the previous financial year. It is heartening that the Company has been certified as being 2.81 times water positive and 2.11 times plastic positive. These efforts are reflected in the recognition accorded to the Company. UltraTech has been ranked among the top 10 companies globally on the Dow Jones Sustainability Index in the Construction Materials category.

The battle against the COVID-19 pandemic is turning out to be the defining test for this generation. It is a test of our resilience to stay strong and face unprecedented challenges with courage and conviction. It is a test of businesses to be creative and innovative to survive, reboot and thrive. We must harness our collective creativity to envision new opportunities and business needs that may emerge post this crisis. At UltraTech, we are exploring new opportunities of technology absorption, reengineering business models, identifying new products, developing new routes to market, and rethinking supply chain models. This will not only help us to deliver superior products and services to delight our customers but also enable us to build a more sustainable business.

Kumar Mangalam Birla
Chairman
UltraTech Cement Limited

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*Includes only Scope 1 emissions
Who we are

UltraTech Cement is an Indian building materials’ company offering grey cement, white cement, ready mix concrete (RMC) and a host of building products & solutions.

OUR PORTFOLIO

CEMENT

CONCRETE
Ready-mix concrete (RMC) and a range of value-added concrete varieties designed to address typical application requirements.

BUILDING PRODUCTS
Aerated Autoclaved Concrete (AAC) blocks and dry mix products comprising tiles adhesives, repair products, waterproofing products, industrial and precision grouting solutions, plasters and masonry products.

BIRLA WHITE CEMENT
White cement, wall care putty and white cement-based products.

BUILDING SOLUTIONS
2000+ retail outlets providing products, services and solutions for home builders to build their dream homes.

*By InterBrand in their latest “Best Indian Brands 2019” report.
Our Vision
To be the leader in building solutions.

Our Mission
Deliver superior value to our stakeholders on the four pillars of: Sustainability, Customer-centricity, Innovation and Team Empowerment.

Subsidiaries

UltraTech Nathdwara Cement Limited
Dakshin Cements Limited
Harish Cement Limited
Gotan Limestone Khanij Udyog Private Limited
Bhagwati Limestone Company Private Limited
UltraTech Cement Lanka (Pvt.) Limited
UltraTech Cement Middle East Investments Limited
PT UltraTech Mining Indonesia
PT UltraTech Investments Indonesia
OUR PRESENCE

We endeavour to deliver high-quality products and services to delight our customers in their construction needs.
Map is used for representation purpose only.
Sustainability highlights 2019-20

ENVIRONMENT PROTECTION

Among the few cement companies conducting Life Cycle Assessment for its products – completed for major product categories

2.81 times Water Positive
Returns twice the amount of water consumed, to the community

19%
Reduction in carbon emissions compared to baseline year FY 2005-06

EP 100
Joined the global EP100 initiative, committed to improving energy productivity
On track to achieving its EP100 commitment before the target year

Committed to Science Based Targets

Participating in World Resources Institute (WRI) Carbon Market Simulation

CIRCULAR ECONOMY

0.36 Mn Tonnes
Industrial waste used as fuel

15.74 Mn Tonnes
Alternative materials used for production of cement

2.11 times Plastic positive

Read more on Page 42

Read more on Page 50

UltraTech Cement Limited
GREEN PRODUCTS

UltraTech has received Green Pro certification from Confederation of Indian Industry’s (CII) Indian Green Building Council for its Portland Pozzolana Cement and Composite Cement products.

GreenPro Certified
- 2 Plants for manufacturing of Building Products, with 19 products each
- RMC plants with 6 products – Litecon, Freeflow Plus, Ultratech Plus, Pervious Concrete, Hypercon, and DuraPlus

COMMUNITY

Corporate Social Responsibility programmes in 16 states and 502 villages in India

₹125 Crore
Investment for CSR

16 Lakhs
People benefited through our community development programs

Read more on Page 80

Read more on Page 72
The impact of the COVID-19 pandemic is unprecedented, unique and perhaps unparalleled in recent human history. It is affecting everyone worldwide and every aspect of our daily lives: workplaces, social interactions, family life, communities, and businesses. UltraTech has emerged stronger and well prepared in the wake of the ongoing COVID-19 pandemic. UltraTech has managed the crisis with a sharp focus on operational efficiencies.

At UltraTech, our business leaders led the response with timely precautions and creating business continuity plans, focused first and foremost, on ensuring the safety of our people. We are adapting to newer ways in all walks of our lives. We have been increasingly working with digital technologies to help us collaborate more effectively. We recognise the need to ensure business as usual and are working with experts to achieve this for our customers, our people and our partners in the value chain.

UltraTech Action

The COVID-19 outbreak and the lockdown that followed led to complete shutdown of our cement plants across India for a month, from March-end 2020. At the end of the lockdown, companies were permitted to start operations in a phased manner. We continued our engagement with the regulatory authorities to acquire all relevant permissions within a short period of time to resume operations. Despite non-availability of workmen for operations, we were able to normalise our production with full focus on health and safety of employees and people working with us. Our strong distribution channels supported our sales. We also started selling our products.

A safe exit strategy from the lockdown was important for the company. We formulated a robust Standard Operating Procedure (SOP) to ensure social distancing and other measures to control the spread of the disease. A cross-functional team of experts deliberated on the information available, towards the creation of the safest course to take for various business operations to cover manufacturing plants, offices, mines, colony, truck yards and guest houses. It is in line with government guidelines and covers precautions, disinfection procedures along with do's and don’ts at the workplace.

Our teams across the country have responded in unique ways. One such effort was to conduct a four-day virtual conference ‘KarmNaad’ starting 4th April 2020, driven by our leadership team, for our manufacturing team. The key message of the conference was to ‘Think Strategically, Communicate Persuasively and Act Decisively’.

The sessions covered various themes including leadership in a crisis, insights on how companies can bounce back faster, fostering collaboration and also driving a culture of resilience. It covered panel discussions by cluster heads, unit heads, and young team members. The conference created 30 enriching hours of engagement in which more than 2,500 employees across 55 locations participated remotely. The lockdown period was utilised in engaging our employees and capacity building.

SAFE LOGISTICS IN CHALLENGING TIMES

While a vast majority of people work remotely, the logistics sector has to be on the move. They must perform their duties in the face of threats to their health and wellbeing. We greatly appreciate their commitment and their initiative, in support of which the following steps were taken:

- Strict social distancing at transporters and logistics offices.
- Provision of masks, hand gloves and sanitisation kits to drivers and transporters.
- Provision of hand sanitisers and soaps for drivers, transporters, and employees at relevant locations.
- Regular thermal screenings of drivers and other partners entering the truck yards and plants.
- Regular sanitisation at relevant locations such as driver rest rooms, transporter offices, truck yard, etc.
- Provision of packed food to drivers for their onward journeys.
- Spreading awareness among drivers and transporters:
  - Regular audio announcements and posters in local languages at the truck parking yards.
  - Everyday Tool Box Talk with drivers and transporters using our Public Address systems.
- Use of Arogya Setu app was made mandatory for everyone.
Committed to deliver, together in the spirit

Our Hotgi Cement Works grinding unit in Solapur District of Maharashtra was shut down on 21st March 2020 as per government orders. The district was declared as a ‘red zone’ for COVID-19 positive cases rising in the first week of April. All movement was halted until the next week, when the government allowed the highway construction work to be resumed.

Our plant serviced the demand, with our teams coordinating with the authorities for approvals. Bringing in manpower, however, was a challenge with our employees located 15 kms away. The authorities granted us a four-hour relaxation for the movement required, which enabled us to bring in nine members from our core team along with a few contract workers from the nearby villages to the site.

The core team inspected the plant for a range of readiness parameters and began operations the same night. Our employees showed exemplary commitment to their work, even when faced with limited resources at their disposal.

REGULAR MAINTENANCE FOR EFFECTIVE CONTROL

The Cochin bulk cement terminal was shut down for a month, as per the government guidelines. We continued to manage our operations so that starting up would not be a problem. We aerated the cement silos every 3rd day and maintained checking up of the equipment. We worked to ensure the cleaning and sanitisation of the plant, to bring back normalcy in operations.

We leveraged technology to stay connected with each other and to keep abreast of the market conditions.

We continued to interact with the team regularly, working proactively with various external and internal agencies to obtain requisite permissions. After a month of the lockdown, we resumed our operations, progressively increasing dispatch and adhering to all guidelines of COVID-19 and UltraTech SOP.

EARLY RESUMPTION OF OPERATIONS

While we halted operations post-lockdown at our plants, we had continued providing emergency services such as water and power. As we started planning to resume operations later, the challenge cropped up of obtaining the requisite permissions from the administration.

Gujarat Cement Works and Sewagram unit were the first two plants to start the packing plant operations and dispatch with all the COVID-19 precautions in place.

We followed government guidelines strictly on utilising only internal manpower as outsiders were not allowed into the village, despite challenges.

Support for our supply chain partners

Manufacture of packing bags is labour-intensive and many of our packing vendors fall under the MSME category. Most of these vendors in North, West and South of India engage migrant labour on a large scale. Due to the COVID-19 lockdown, vendors struggled to keep their units running.

Ramp up of despatches post lockdown has been much higher than estimated earlier. In the face of the sudden increase in demand, they found it extremely challenging to arrange for bags needed for packaging. We stepped forward to support our vendor partners by arranging for more than 1.6 Crore bags to pack 8 Lakh Metric Tonnes of cement at a very short notice.

Self-compacting concrete to help our customers become self-reliant

The post-COVID19 scenario is riddled with challenges for our customers due to the non-availability of manpower. This is because a lot of labour has moved back into villages. Our customers are facing challenges in carrying out construction work. UltraTech’s Freeflow Plus Concrete provides a solution.

It has a unique self-compacting feature, spreads faster than the regular concrete, and allows complicated, intricate, & elegant designs without leaving voids. This ready-mix concrete product, produced using high-quality ingredients, helps to avoid defects such as segregation & honeycombing, while ensuring durability. It also provides superior surface finish and strength.
Recognition for our sustainability efforts

**SUSTAINABILITY REPORT**

UltraTech’s Sustainability Report for FY 2018-19 was awarded ‘Platinum’ in the materials category and recognised as the ‘Most Engaging Report Worldwide’.

**HEALTH & SAFETY**

Awarpur Cement Works (ACW) Naokari Limestone Mine was recognised with the Rio-Tinto Health & Safety Excellence Award 2018-19, organised by Federation of Indian Mineral Industries (FIMI).

Baga Cement Works, our integrated unit in Himachal Pradesh, was conferred with Greentech Safety Award 2019 for their exceptional safety performance.

Rajashree Cement won ‘Unnatha Suraksha Puraskara’ awarded by the National Safety Council - Karnataka Chapter, for ‘Best Management Systems and Safety performance’ during the years 2017 and 2018.
ENVIRONMENT


Baga Cement Works was conferred the Golden Peacock Environment Management Award 2019 under the cement sector category for sustainable environment management in and around the plant.

COMMUNITY

Birla White unit in Kharia received the ‘Best CSR Practice Award’ 2019, in cement sector, at the CSR Summit and Awards organised by UBS Forum.

Birla White was conferred the Golden Peacock Award for Corporate Social Responsibility (CSR), for the project “Health for all”, under the cement sector.


Sidhi Cement Works honoured with the CSR Community Initiative Award under the ‘Education’ category at the India CSR Leadership Summit & Awards 2019.

Vikram Cement Works was conferred the Award for ‘Excellence in CSR activities’, under the ‘Large Enterprise’ category, by Madhya Pradesh Chambers of Commerce & Industry (FMPCCI).
MESSAGE FROM MD

Delivering and leading by example

DEAR STAKEHOLDERS,

This financial year marked several important milestones for our Company, both financial and non-financial. UltraTech became the only cement company outside of China to have a capacity of more than 100 million tonnes in a single country. This milestone was achieved post the merger of the cement business of Century Textiles & Industries Ltd. with our Company. We are now the third-largest player globally in the cement industry (excluding China). This increase in capacity and scale in turn brings additional responsibility on the organisation to sharpen its focus on driving growth in a sustainable manner.
UltraTech has taken significant strides in its sustainability journey during FY 2019-20. We are proud to be ranked among the top 10 companies globally on the Dow Jones Sustainability Index ranking under the ‘construction material category’.

The building materials sector is resource-intensive, having footprints across the value chain. The performance on climate change and circular economy will define the path of growth for our sector. For UltraTech sustainability is a business approach to create long-term value by taking into consideration how we as an organisation operate in the ecological, social, and economic environment. Sustainability performance at UltraTech is periodically reviewed by our Risk and Sustainability Committee, which constitutes members of our Board of Directors.

As the founding member of the Global Cement and Concrete Association (GCCA), UltraTech has played an instrumental role in launching GCCA India operations. UltraTech is a part of ‘Innovandi’ – the Global Cement and Concrete Research Network project run by GCCA, with an objective to accelerate global collaboration on cement and concrete innovation as an important step for the sector in taking climate action.

We have strengthened the sustainability committee structure at all our units to ensure a robust governance mechanism for driving sustainability performance. To drive product stewardship we have adopted Life Cycle Assessment (LCA) and GreenPro Ecolabel certifications.

UltraTech has set a target to reduce its CO₂ emissions intensity by 25% by FY 2020-21 from the base year of FY 2005-06. We have already reduced our CO₂ emissions intensity by 19%. Our renewable energy consumption has increased by more than 50% as compared to the previous financial year. We have achieved 60% of our target of doubling energy productivity by FY 2034-35, with FY 2009-10 as the base year. This is a commitment made by UltraTech as a member of EP100.

We are continuously working towards increasing the usage of alternative raw materials and fuels in our cement manufacturing process. Fly ash and slag as alternative materials constitute 17.2% of our total raw material usage, while municipal waste converted into alternative fuel contributes to 3.7% of our energy requirement.

On the social responsibility front, we are working in 502 villages in proximity to our plants, touching more than 1.6 million lives. More than 80 of these villages have already transformed into model villages. With the COVID-19 pandemic significantly impacting livelihoods, our teams in 50 manufacturing plants across India stepped up to provide relief to impacted people by providing meals, grocery packets, masks, sanitisers and PPE kits.

This sustainability report showcases our efforts in implementing the Sustainable Development Goals (SDGs) through our policies, strategies, processes and targets. As the global pandemic continues, we as an organisation are committed to ensuring the safety of all our people. UltraTech will continue to do what is necessary to keep the pandemic at bay in the best interest of its people and the society at large.

Kailash Jhanwar
Managing Director,
UltraTech Cement Limited
Futuristic today for a sustainable tomorrow

The need to build for tomorrow drives us towards our value creation goals. Our efforts are geared to fulfil the Group’s sustainability vision: ‘The Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations’.

The Group has been a signatory to the United Nations Global Compact since 2003, driving thought leadership on sustainability at home and overseas.

UltraTech adheres to the Aditya Birla Group’s Sustainability Framework. Its three strategic pillars of Responsible Stewardship, Stakeholder Engagement and Future Proofing define our areas of focus. These guide our value creation goals, to be served by strategic planning and execution.
SUSTAINABILITY FRAMEWORK

Sustainability is an integral part of all our business operations at UltraTech. We have pursued this agenda for years and it is now a part of the way our core business functions. In the process, we have ended up shaping the sustainability agenda for the industry as a whole.

The three pillars of our framework enable us to systematically apply our sustainability thinking to everything from product development and innovation to our internal systems and external relationships, as well as our management of risks. The implementation allows for purpose-driven and meaningful decision-making. We also ensure to empower our people with the skills and knowledge they need to transform our aspirations to meaningful actions.

Each pillar is underpinned by policies, technical standards and programmes of activity to guide our leadership teams. Aditya Birla Group has implemented 17 policies and 40 technical and 17 management standards for the group. Also, 70 Guidance Notes and over 700 e-learning courses have been made available. These are peer reviewed and assured by third parties for alignment with the international standards that we follow. These include: IFC Performance standards; OECD Guidelines; United Nations Principles for Responsible Investment; United Nations Global Compact (UNGC); United Nations Guiding Principles for Business and Human Rights; US OSHA standards; United States National Institute for Occupational Safety and Health (NIOSH); American Conference of Governmental Industrial Hygienists (ACGIH); International Standards Organisation, International Labour Organisation Standards; Alliance for Water Stewardship Standard; World Resources Institute (WRI) – Aqueduct, US Environmental Protection Agency (EPA).

Similarly, we focus on the measurement of our sustainability data through the use of relevant IT-enabled tools. We map our progress against the Group's Sustainability Framework.

3 PILLARS OF THE GROUP SUSTAINABILITY FRAMEWORK

RESPONSIBLE STEWARDSHIP

Addresses our policy-making framework at large, comprising technical and management standards for product innovation and development, aligned to the global best practices.

STRATEGIC STAKEHOLDER ENGAGEMENT

Focuses on strengthening our relationships with our key stakeholders, both internally and externally. Also recognises the need to drive action on ESG issues through proactive engagement with global and industry bodies across areas for more effective partnerships.

FUTURE PROOFING

Here, we proactively identify and study emerging market trends driven by the changing needs of our key stakeholders. We embed the best practices in sustainability to strategically transform our business while minimising risks and finding new opportunities to create impact.
Sustainability governance structure

Our top management is closely involved in driving the key aspects of our actions on sustainability; their responsibilities in this regard are closely mapped to the larger objectives and key result areas. The structure ensures adherence, implementation and monitoring.

ENSURING STRONG GOVERNANCE IS ACTIVE AT 2 KEY LEVELS

**BOARD LEVEL**

UltraTech has a Board-level Risk Management and Sustainability Committee, comprising the Vice Chairman, Managing Director, Chief Finance Officer among others. Key responsibilities of the committee include:

- To drive the implementation of sustainability roadmap across business functions and verticals
- To set targets and identify various business risks (including climate change risk) and recommend action plans. The committee meets quarterly to discuss the work done and strategise the way forward
- Implementing our strategies and monitoring our progress on sustainability is done by integrating all our functions in the process, right up to our manufacturing units, which have their respective Unit Sustainability Committees. These are led by the respective Unit Heads, to ensure that sustainability thinking permeates throughout
- Sustainability performance like Health & Safety, energy performance, alternate fuel and water positivity are also part of our executive compensation targets

**UNIT LEVEL**

A two-way approach is followed with Goals and Targets flowing between the Corporate and the unit. The Unit Head-led Sustainability Committee implements targets given by the Corporate Sustainability Committee and also identifies areas for improvement specific to the site.

- It constitutes of all the function heads including Technical, Process, Thermal Power Plant, Mines, Health & Safety, Human Resources (including ER, IR and Admin), Environment, Civil and CSR functions, Sustainability, Self-Assessment Questionnaire (SAQ) coordinators and is chaired by the Site Manager. SAQ Coordinators are the identified executives responsible for implementing Group Sustainability Targets within UltraTech
- The committee meets quarterly. The convener of the meeting is the Functional Head (Technical) with support of Sustainability coordinators at the plant
UltraTech’s ranking on DOW JONES SUSTAINABILITY INDEX sees 4x jump

In FY 2019-20, UltraTech was ranked among the top 10 companies on the Dow Jones Sustainability Index (DJSI) under the ‘Construction Material’ category globally. The Company’s ranking this year has improved four-fold, from 15 to 59.

The score is based on evaluation against 25 criteria across Economic, Environment, and Social dimensions. The scorecard covers ESG criteria and includes the Company’s sustainability performance, both in absolute and relative terms, compared to the industry average.

As many as 2,900 companies were assessed by RobecoSAM based on evaluation questionnaires and in-depth research based on publicly available information.
UltraTech’s Sustainability Roadmap clearly defines our key targets mapped to our priorities, and we allocate resources to achieve the same.

### OUR LONG-TERM SUSTAINABILITY TARGETS AND ACHIEVEMENTS

<table>
<thead>
<tr>
<th>CLIMATE CHANGE, ENERGY AND EMISSIONS</th>
<th>WATER MANAGEMENT</th>
<th>BIODIVERSITY</th>
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<tbody>
<tr>
<td><strong>Targets</strong></td>
<td></td>
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<tr>
<td>• Reducing carbon intensity by 25% by 2021 from FY 2005-06 level</td>
<td>• Become 4 times water positive by 2024</td>
<td>• Complete biodiversity assessment for all integrated plants by 2024</td>
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<tr>
<td>• 25% electricity to be met through combination of Renewable Energy + Waste Heat Recovery Systems by 2021</td>
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<tr>
<th>Achievements so far (FY 2019-20)</th>
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<tbody>
<tr>
<td>• UltraTech has reduced carbon emission intensity by 19.14%</td>
<td>• We are 2.81 times water positive</td>
<td>• We have completed biodiversity assessments for five integrated units</td>
</tr>
<tr>
<td>• 12% of our electricity consumption was met through combination of Renewable Energy including waste heat recovery systems</td>
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</table>
### Sustainability Strategy

#### Targets

<table>
<thead>
<tr>
<th>HEALTH AND SAFETY</th>
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<tbody>
<tr>
<td>• Zero Fatality by 2024</td>
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<td>• Lost Time Injury Frequency Rate (LTIFR) &lt;0.25 by 2024</td>
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<table>
<thead>
<tr>
<th>TRANSPARENCY, CORPORATE GOVERNANCE AND ETHICS IN BUSINESS</th>
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<tbody>
<tr>
<td>• Supply Chain: Identification of supplier base critical to business</td>
</tr>
<tr>
<td>• New suppliers to be screened for ESG criteria every year*</td>
</tr>
<tr>
<td>• Assessment of critical suppliers by 2025</td>
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<tr>
<td>• Coverage of tier 1 suppliers through sustainable supply chain awareness sessions by 2025</td>
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<table>
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<tr>
<th>PRODUCT STEWARDSHIP</th>
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<tbody>
<tr>
<td>• Complete IGBC green certification of all blended cements</td>
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<tr>
<td>• Complete Life Cycle Assessment studies</td>
</tr>
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#### Achievement 2019-20

<table>
<thead>
<tr>
<th>HEALTH AND SAFETY</th>
</tr>
</thead>
<tbody>
<tr>
<td>• This year we reduced our LTIFR to 0.17 with one fatality</td>
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<table>
<thead>
<tr>
<th>TRANSPARENCY, CORPORATE GOVERNANCE AND ETHICS IN BUSINESS</th>
</tr>
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<tbody>
<tr>
<td>• 148 critical suppliers were identified for conducting sustainability assessment</td>
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<table>
<thead>
<tr>
<th>PRODUCT STEWARDSHIP</th>
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<tbody>
<tr>
<td>• Received GreenPro certification for five cement products</td>
</tr>
<tr>
<td>• Completed Life Cycle Assessment for four types of cement</td>
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</tbody>
</table>

*As of now, only new suppliers registered with the corporate procurement cell will be screened.*
Materiality

We regularly assess issues material to our business and stakeholders, and ensure driving thought leadership through our actions.

The starting point of a well-orchestrated Sustainability journey, is a robust materiality assessment. It is important to identify the potential environmental, social and governance issues that could affect our business and bring in stakeholders’ insight which informs our company strategy, targets, and reporting on a periodic basis.

In FY 2018-19, a comprehensive materiality assessment exercise was conducted with multiple internal and external stakeholders (senior management team, employees, customers, suppliers, investors, trade bodies, associations).

The aim was to have an updated list of material issues relevant to a larger stakeholder group and keep up with an ever evolving business environment. Our engagement presented 22 topics of which nine material topics were identified for our Company. These were then mapped with the relevant Sustainable Development Goals (SDGs) to have a more focussed approach towards implementation.

<table>
<thead>
<tr>
<th>Stakeholders’ expectations</th>
<th>Medium</th>
<th>High</th>
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<tbody>
<tr>
<td>Local Sourcing/ Local Vendor Development</td>
<td>Human Rights</td>
<td>Regulatory and Statutory Compliance</td>
</tr>
<tr>
<td>R&amp;D and Innovation</td>
<td>Supply Chain Management</td>
<td>Transparency, Corporate Governance and ethics in business</td>
</tr>
<tr>
<td>Community Engagement (CSR)</td>
<td>Biodiversity</td>
<td>Health and safety</td>
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<tr>
<td>Water Management</td>
<td>Product Stewardship</td>
<td>Climate Change, Energy and Emissions</td>
</tr>
<tr>
<td>Employee well-being</td>
<td>Health and safety</td>
<td>Economic value and Business Performance</td>
</tr>
<tr>
<td>Raw Material Security and Circular Economy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Category: Internal External Internal and External
Material aspects and UN SDGs

We identify our priorities through a comprehensive assessment involving different internal and external stakeholders and these are the basis of our targets. Nine topics are material for our business and through these, we contribute to the UN Sustainable Development Goals.

<table>
<thead>
<tr>
<th>Our Priorities</th>
<th>UN SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMIC VALUE AND BUSINESS PERFORMANCE</td>
<td></td>
</tr>
<tr>
<td>TRANSPARENCY, CORPORATE GOVERNANCE AND ETHICS IN BUSINESS</td>
<td></td>
</tr>
<tr>
<td>PRODUCT STEWARDSHIP</td>
<td></td>
</tr>
<tr>
<td>RAW MATERIAL SECURITY AND CIRCULAR ECONOMY</td>
<td></td>
</tr>
<tr>
<td>CLIMATE CHANGE, ENERGY AND EMISSIONS</td>
<td></td>
</tr>
<tr>
<td>WATER MANAGEMENT</td>
<td></td>
</tr>
<tr>
<td>HEALTH AND SAFETY</td>
<td></td>
</tr>
<tr>
<td>EMPLOYEE WELL BEING</td>
<td></td>
</tr>
<tr>
<td>COMMUNITY ENGAGEMENT</td>
<td></td>
</tr>
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*How We Create Value*

GRI 102-47

Sustainability Report 2019-20
Holistic approach, collaborative way

Stakeholder engagement is a key pillar of sustainability framework of the Aditya Birla Group. We maintain a close connect with our network partners and our employees while actively partnering with international organisations, government bodies and NGOs, to understand pressing concerns for the industry.

As a result, regular stakeholder engagement is integrated into our value creation model. Our commitment to regular and transparent disclosures is key to growing our stakeholders’ trust in our brand.

Each of the sustainability aspects require identification and prioritisation of stakeholders related to the material aspects e.g. Energy and Carbon, Water, Air Emissions, Human Rights etc. Periodic engagement with the identified stakeholders is conducted. We have identified and prioritised our stakeholders in the following order:

- Stakeholders that can influence or impact our business directly/indirectly
- Impact of our activities on stakeholders
- Stakeholders identified by different business functions
- Stakeholders categorised as important/critical by our peers

<table>
<thead>
<tr>
<th>Stakeholder Engagement</th>
<th>Engagement tools and platforms</th>
<th>Core issues</th>
</tr>
</thead>
</table>
| Industry Associations, CEO-led Organisations, International Commitments | • Meetings  
• Participation in governance bodies  
• Website  
• Sustainability Report  
• Workshops  
• Projects | • Cement & Concrete Sustainability  
• Circular Economy  
• Health and Safety  
• Climate Change and Energy  
• Social Responsibility  
• Environment Preservation  
• Energy Efficiency  
• Supply chain |
| Shareholders, Lenders and Investors | • Annual report and regulatory filings  
• Annual General Meeting  
• Shareholder meetings and presentations  
• Carbon Disclosure Project Report  
• Sustainability Report  
• Business Responsibility Report  
• Dow Jones Sustainability Index (DJSI) disclosures  
• Grievance redressal  
• One-on-one meetings, investor conferences, investor calls | • Financial performance  
• Annual performance, Progress Plans and New Projects  
• Change in governance structure  
• Disclosure on our carbon Performance  
• Triple bottom line performance  
• Addressing concerns  
• Clarity on business direction  
• Long-term sustainability strategy |
| Government and Regulatory Authorities | • Annual report and regulatory filings  
• Meetings on government directives and policy development  
• Facility inspections  
• Regular meetings | • Ethical business conduct  
• Regulatory Compliance  
• Environmental stewardship  
• Safety  
• Project Approvals  
• Adherence to Statutory Norms |
OUR ENGAGEMENT APPROACH
Six key aspects of our stakeholder engagement process

INFORMATIVE
Disclose key information timely and honestly

DESCRIPTIVE
Communicate comprehensively to provide a holistic picture

INTERACTIVE
Identify stakeholder concerns through regular feedback to get multi-lateral view points

COLLABORATIVE
Encourage active collaborations with stakeholders and set the priorities accordingly

PROACTIVE
Identify and address concerns before they escalate

INCLUSIVE
Ensure that every stakeholder considers themselves to be a part of the company’s progress

Key engagements
At UltraTech, we are proud to be shaping the global discourse on sustainability concerns and their solutions. We are the founding member of the Global Cement and Concrete Association (GCCA), which takes over from the WBCSD Cement Sustainability Initiative (CSI). The GCCA brings cement manufacturers together on a common platform to engage and interact, and contribute innovative solutions for industry-wide implementation.

UltraTech is also part of the EP100 since 2018, an initiative that converges global energy-smart companies committed to the efficient use of energy, lower greenhouse gas emissions and extensive responsibility across operations and UltraTech has committed to doubling its energy productivity by 2035, as against the FY 2009-10 levels.

Key engagements
We are focused on driving operational efficiency to maintain profitability. We share our profits with our investors through dividends and bonuses from time to time. Shareholders are encouraged to share their observations and concerns either at the Annual General Meeting or through email correspondence.

We engage with our shareholders and investors by keeping them informed about the Company’s performance through Financial Results, Investor Updates, Annual Reports, Sustainability Reports and more. Our Investor Grievance Cell and Shareholders’ Grievance Committee report to our Board of Directors. The committee oversees the process of satisfactory redressal of investors’ complaints, if any, and recommends measures for overall improvement in the quality of investor services.

Key engagements
UltraTech is fully compliant with applicable laws and regulations and strives to take proactive initiatives in its operations.

We engage with government bodies and regulatory agencies regularly through various departments across the plants and at the corporate level.
**EMPLOYEES**

**Engagement tools and platforms**
- Organisational health survey
- Employee health check-ups
- Employee volunteering activities
- Employee grievance redressal
- Intranet, Annual Report, Sustainability Report
- Employee Reward & Recognition schemes
- Employee satisfaction survey
- DISHA - Quarterly CXO Dialogue

**Core issues**
- Health and safety
- Career growth and progression
- Competitive salary
- Work-life balance
- Building camaraderie
- Regular sharing of company information
- Employee motivation
- Employee involvement
- Diversity & Inclusion
- Learning and Development
- Performance management

**CUSTOMERS AND DEALERS**

**Engagement tools and platforms**
- Company website
- Product campaigns
- Satisfaction surveys
- Dealer meets
- Grievance redressal
- Customer oriented initiatives
- Feedback surveys
- Webinars
- Customer grievance mechanism

**Core issues**
- Product information
- Product benefits and features
- Product quality and feedback
- Timely availability and customer satisfaction
- Building relationships and trust
- Product and service innovations
- New product development

**SUPPLIERS AND CONTRACTORS**

**Engagement tools and platforms**
- Contract procedures and project timelines
- Facility inspections
- Review meetings
- Vendor interaction meets
- Feedback forms
- Annual performance report
- Annual stakeholder meets
- Supplier grievance mechanism
- Vendor on boarding

**Core issues**
- Timely payments
- Compliance with company laws
- Unbiased treatment
- Adherence to Service Level Agreements
- Business security and growth
- ESG topics
- Sustainability risks

**LOCAL COMMUNITY**

**Engagement tools and platforms**
- Community need assessments
- Disaster management workshops
- Community visits
- Satisfaction surveys
- Meetings with community representatives
- Awareness campaigns

**Core issues**
- Identification of focus areas
- Mitigation of emergencies
- Building relationships
- Improving living standards
- Direction and deployment of resources
- Awareness on social issues

**ARTICLES PUBLISHED BY MEDIA AND NGOs**

**Engagement tools and platforms**
- One-on-one interactions
- Direct contact during activities
- Social surveys

**Core issues**
- Transparency
- Timely information on future plans
- Support to social causes
- Identification of areas of collaboration
- Disclosure on compliance
Key engagements

Our employees are our assets. We invest in empowering our employees through a number of initiatives. Our leaders endeavour to build a close network with their teams and create an environment of open dialogue, respecting the culture and uniqueness of the regions where we operate.

Employee satisfaction survey ‘Vibes’ is conducted on a biennial basis to gather employee feedback and views. This year we had a striking employee response rate of 98%, which underscored our collective commitment to our shared purpose: to build a great workplace and great work culture. The assessment was divided into eight dimensions including: engagement index, alignment, employer brand, agility core, development and career, manager effectiveness, performance culture, on-boarding. We have a dedicated intranet website which enables employees to view the latest updates covering business decisions, performance, health and safety incidents, achievements and best practices are shared over this platform. There’s also a Ping Me feature for team leaders to share their feedback.

Key engagements

We are a customer-centric organisation which takes pride in collaborating with all our customers, from channel partners to the end consumer, in order to better understand their needs.

Delivering quality service is a top priority and we engage with our customers through several initiatives such as Individual Home Builder Meet, Expert Testing Van and more.

We also conduct regular customer satisfaction surveys which allow our customers to share their valuable feedback with us.

**Individual Home Builder Meet:** This is a unique initiative that enables to connect us with a larger group of customers who intend to build their own houses.

**Expert Testing Van:** Our Expert Testing Van facilitates doorstep delivery of technical assistance to ensure quality and consistency in concrete at the construction site itself, at no extra cost. The van is manned by a qualified and trained civil engineer.

Suitable training programmes are also conducted for engineers, channel partners (dealers and retailers), builders and contractors. We organise visits to our manufacturing plants as a part of this initiative. The aim is to share knowledge regarding the cement manufacturing process - from raw material selection to packaging. This helps people understand and appreciate the importance of quality as they see various quality control measures and quality assurance systems that are in place.

Key engagements

We consider our suppliers and contractors as partners in our growth journey. Our supply chains are a part of our sustainability agenda and therefore, driving operational efficiency and working with partners who share our values is a priority for us.

We have developed a comprehensive construction manual to benefit our partners involved in construction by helping to deliver a quality project with greater efficiency.

Key engagements

Since inception, we have believed that enhancing the ecological and social capital around us is the key to sustained business growth. We engage closely with communities around our manufacturing facilities and look for opportunities to support them to become more self-reliant. Dedicated CSR teams reach out to them, guided by our CSR policy. We regularly undertake Community need assessments, implement various community development interventions, disaster management workshops and stakeholder engagement programmes designed to strengthen relations, build trust with communities, and create positive changes in the lives of many. We conduct trainings for masons each year, through seven-day skill building workshops that combine theory and practice. To conduct these, we partner with institutions involved in vocational skilling.

At the end of the training, masons must clear a proficiency test to win certificates. During the year, 42,950 masons attended our trainings, including 3,950 women masons.

Key engagements

We recognise media as an important stakeholder and consider briefing them as one of our prime responsibilities with regard to transparency. We interact with media, which includes briefings, with a view to put forth the management’s perspectives on various industry issues in the public domain.

Our process of media engagement involves advertisement of the Company’s quarterly and annual performance results in prominent newspapers, issuing of detailed press releases every time the Board meets, and more.
Sustainable growth and transformation

INDICATOR AND KEY INPUTS OF FY 2019-20

HUMAN CAPITAL
- 19,205 Total employees
- ₹ 2,509 Cr Total employee salaries, wages and expense
- 20.47 hrs Average training conducted per employee

FINANCIAL CAPITAL
- ₹ 1,843 Cr Net capex
- ₹ 52,282 Cr Net fixed assets (including CWIP and capital advances)
- ₹ 527 Cr Net working capital
- ₹ 13,981 Cr Raw materials and fuel cost

SOCIAL AND RELATIONSHIP CAPITAL
- ₹ 125 Cr Spent on CSR projects
- 53,364 CSR Voluntary Hours
- 3,329 Customer complaints resolved

INTELLECTUAL CAPITAL
- ₹ 24.96 Cr Total capital spend on R&D
- Life cycle assessment conducted for 4 products

MANUFACTURING CAPITAL
- 114.8 MTPA installed capacity
- 59 Physical assets including manufacturing plants and bulk cement terminals

NATURAL CAPITAL
- 6.83 Million tonnes Limestone consumption
- 1764.67 TJ Energy from WHRS
- 427.73 TJ Renewable energy
- 718.42 Kcal/Kg of Clinker
  Specific energy consumption
- 190 Litres Water consumption/tonne of cementitious material production*
- 76 Million tonnes Natural raw material procured

*excluding colony & horticulture
At UltraTech, our value creation goals take inspiration from the Group’s mission ‘To deliver superior value to our customers, shareholders, employees and society at large’. Over the years, our brands have become a hallmark of excellence, quality and reliability. Our customer value proposition goes beyond the promise of quality: it resides within the larger stakeholder value proposition that we continue to deliver on.

### Key Value Drivers

- **Innovate and excel**
  A culture of product and process innovation is reflected in the launch of premium products, improvements in capacity utilisation, clinker to cement blending ratio and focus on development of new products and processes with reducing carbon footprint.

- **Cost advantage**
  Leveraging procurement and other economies to enhance cost-effectiveness.

- **Supplier of choice**
  A value proposition that extends beyond the product. We create our niche with superior product quality, customised grades and application assistance.

- **Sustainable growth**
  A growth journey with planet preservation at the core.

- **Robust people practices**
  Our employees are central to our business, driven by passion to outperform, commitment to innovate as well as safety.

- **Responsible corporate citizenship**
  We work in the villages surrounding our manufacturing plants. Needs of the community drive our efforts in corporate social responsibility. We aim to enrich lives we touch.

- **Focus on value creation**
  The Company addresses the quality conscious and premium cement consumer. Our innovative products deliver superior value across various price points.

### Value Created, Value Shared FY 2019-20

#### Human Capital
- 3,589 tonnes/FTE** Employee Productivity
- 6.20% Attrition rate
- 0.17 Lost time Injury rate/million man hours (Directly employed)

#### Financial Capital
- ₹ 201.61 Earnings per Share
- ₹ 4175.94 Cr Net Revenue
- ₹ 9,930.11 Cr EBITDA
- ₹ 5814.84 Cr Profit after Tax
- 11.21% Return on Capital Investment

#### Social and Relationship Capital
- Customer Satisfaction Score of 64
- 1.6 Million People benefiting from our community investments

#### Intellectual Capital
- 2 New products developed

#### Manufacturing Capital
- 71% capacity utilisation of installed capacity (Excluding Binani and Century Cements)
- 75.20% Clinker factor (clinker/cement)

#### Natural Capital
- 632.76 Specific GHG emissions’ (Kg CO2 per tonne cementitious material)
- 3.70% thermal substitution rate
- 17.20% Alternative raw material rate
- 14.06% Water recycled
- ₹ 65.36 Cr Environment expenditure

*Includes Scope 1 and 2
**FTE - Full time employees
Megatrends impacting the global cement sector

OPERATING ENVIRONMENT
Infrastructure is a fundamental need of every civilised society. As such, there exists great potential globally for the cement and concrete industry to grow. As one of the largest manufacturers of cement and concrete, and being an integrated producer of building materials, we foresee enormous opportunities over the mid- to long-term. This growth is expected to be driven mostly by the growing population in developing countries as well as demographic change in the developed countries.

The rise in emissions and the resultant rise in global temperatures will remain the chief concerns around this growth. However, the cement and concrete industry is also steadily growing its contributions to the circular economy, pursuant to the leading sustainability trends that are gathering momentum the world over.
As a key component of concrete, cement is an integral part of our everyday lives. In fact, it is the second-most consumed product globally after potable water, and it is used in almost everything we build—from houses to cityscapes to dams. Being in the business of cement and concrete, we foresee demand growth year on year.

Globally, the cement consumption volume is expected to grow at a CAGR of 2.96%, to touch 4.42 billion tonnes in 2021, challenges such as the COVID-19 pandemic notwithstanding. Globally, while economic growth has taken a major hit, the outlook for infrastructure sector continues to be positive. Construction activity is expected to increase in the developed countries across Europe as well as in the USA.

MARKETS IN WHICH WE OPERATE

INDIA
- According to the Economic Survey 2018-19, India has a target of becoming a $5-Trillion economy by FY 2024-25, which translates to 8%+ cement demand growth in the foreseeable future.
- India’s cement industry is the second largest in the world, accounting for ~10% of global production.

ASIA PACIFIC
- Slower yet resilient economic growth will support demand in the region for building materials in 2020. The region’s need for infrastructure and more housing will underpin long-term demand, as per S&P Global ratings Industry Top Trends 2020.

UAE AND THE MIDDLE EAST
- Industry leaders in the UAE engineering and construction companies are optimistic about the growth prospects and expect a 6-10% growth in the next year, according to KPMG Construction Survey UAE findings August 2019.
- The top challenges related to capital construction projects are project financing, time overruns and cost overruns.

Developing economies, expected to shrink by 0.7% in 2020, should be able to bounce back to 5.3% growth in 2021, as per ‘World Economic Situation and Prospects as of mid-2020’ report published by the United Nations. Factors aiding this rebound will mainly feature government initiatives undertaken to boost growth, which will fuel infrastructure demand. The society’s march towards urbanisation is set to continue with 68% of the global population projected to live in urban areas by 2050, up from 55% currently, as per the UN.

As 90% of this will take place in Asia and Africa, UltraTech, with its expanding capacities and growing recognition for its sustainability agenda, is well-poised to capture these opportunities.
MEGATRENDS DRIVING GROWTH

POPULATION GROWTH AND CHANGING DEMOGRAPHICS

Global population is projected to grow to 9.7 billion by 2050. The accompanying rate of urbanisation is pegged at 66%, up from 47% in 2000. This projected rise is expected to be highly concentrated in just a few countries, viz. India, China and Nigeria which will account for 35% of this population growth and the number of urban dwellers they will have added would be nearly 416 million, 255 million and 189 million respectively, as per UN Department of Economic and Social Affairs.

The infrastructure sector will play a major role in facilitating this shift. At UltraTech, we believe that the Indian government’s strong focus on infrastructure development will continue to drive opportunities. In the Union Budget 2020, the Government of India has launched ₹102 Lakh Crore infra projects besides providing about ₹1.70 Lakh Crore for transport infrastructure and accelerating highways construction.

Cement contributes significantly to India’s industrial production and is part of the eight core industries in the country. Over the past decade, cement has achieved a 9% CAGR in India and has outpaced the average GDP growth of 7%. Similarly, UAE engineering and construction sector projects 6-10% growth and the Asia Pacific region forecasts consistent growth for the sector.
TECHNOLOGY

The manufacturing sector as a whole is seeing a major shift towards technology adoption driven by automation through Artificial Intelligence and Machine Learning, including robotic process automation and so on. It will bring in a fresh wave of efficiency in production and help further improve the performance on health and safety.

It has also been observed that with widespread use of technology, the entry barriers to the industry have and will come down to a greater extent, yet it has the downside of increased vulnerability of operations due to lapses in cyber-security.

As a vertically integrated company, UltraTech is focused on optimising the cement-concrete industry while working across a range of building materials and services. We are working to bring in technology to augment the talent and experience within our organisation.

ENVIRONMENT AND REGULATORY CONCERNS

The cement and concrete manufacturing industry is a highly regulated one as it is highly resource-intensive. There is global focus on sustainability today as climate change, pollution and increasing imbalance in biodiversity as well as depleting health of our populations as a result are increasingly under the spotlight.

Thus, going forward, regulatory oversight is expected to increase in many ways, chiefly through more stringent emissions standards, energy efficiency and environmental footprint of the operations.

As a result, manufacturers are increasingly investing in technology to develop products and processes that enable them to achieve these goals. In today’s scenario, this capability comprises a strong competitive edge in the industry.

UltraTech is acting as a visionary leading the sustainability narrative for the industry at large, by co-founding GCCA among several other initiatives. We are one of the few players to have committed to LifeCycle Assessments of our products. We are committed to Science-based Targets Initiative and have received GreenPro certification for five of our products and LCA for four of our products; we are also using alternative raw materials as well as energy sources to improve our performance on efficiency.
Assessing emerging risk and preparing to mitigate

UltraTech follows a structured risk management approach to continuously monitor and assess potential risks. It has a multi-disciplinary company-wide risk identification, assessment, and management process. Stakeholder Engagement forms a critical component of our risk management framework.

Businesses focused on long-term sustainability must contend with risks by ensuring a proactive approach to risk management and mitigation. At UltraTech, these efforts are led by our Risk Management and Sustainability Committee of the Board. The Committee defines risk mitigation strategies. The Company Secretary acts as the Secretary to the Committee.

RISK PROCESS & CULTURE

Risk management at UltraTech is comprised of risk identification, mitigation, action plan and review. The process enables us to capture both business and location level risks. The senior managers of respective functions have a process to identify, develop mitigation plan and review their risk register. Similarly, each Unit Head at respective location has a defined process of risk management. They do a thorough review of the process every quarter and the report is shared with the Corporate Risk team.

The Secretarial team also aggregates the risk from business teams and operations team. The summary of the risk management process is presented to the Board level Risk committee. The Risk Management Committee oversees the risk management processes to analyse the risks more deeply and to define risk mitigation actions where necessary. The risk horizon considered includes long-term strategic risks, short to medium-term risks as well as single events. Our team also benchmarks risk management process against best practices in the sector.

UTCL's Risk management committee has a reward system for encouraging employees towards risk identification and reporting. Senior executives work to achieve a set of risk related KPI and targets, based on which their performance and compensation are evaluated. As per their role, line managers have a defined set of risk management objectives. This includes risk related to Health & Safety, sustainability, Energy security, Legal and business continuity.

There are various online and classroom training programmes in order to create awareness among employees about risk identification and mitigation. Some of the aspects covered include: Code of Conduct, Health & Safety, Logistics safety, Cyber security, Environmental, Legal etc.

Using various mediums, each employee is actively encouraged to provide feedback on identified potential risks. We have a mechanism in place that allows employees to skip the chain of hierarchy and report on potential risks anonymously. Apart from this, managers are constantly made aware of the benefits of being receptive to employee feedback on risk reporting.
RISK ANALYSIS

UltraTech has conducted risk assessment using Strengths, Weakness, Opportunities and Threats (SWOT) analysis, deliberating and finalising risks in consultation with every unit’s functional team and quarterly monitoring.

During FY 2019-20, a comprehensive and holistic risk analysis exercise was conducted. 50 impact cards were created containing externalities and factors that could pose a risk to our business. A one-day workshop was conducted where all the departmental heads deliberated on the impact cards, and decided upon the impact on business from each of the risks and the corresponding mitigation plan.

The risks were rated by likelihood of their occurrence and impact on the business, to arrive at a final rating for all the risks. Our way forward is to put in place the processes and plans for mitigating these risks.

KEY BUSINESS-LEVEL RISKS:

- Pandemic & linked disruptions in Global markets
- Economic environment and market demand
- Inflation and cost of production
- Legal and compliance
- Financial and accounting risks
- Environment and sustainability
- Information Technology risks
- Talent management
EMERGING RISKS AND MITIGATING ACTIONS

We have identified two emerging risks which form a part of the overall business risks. These risks could impact our business in the next three to five years and it is imperative that we take actions to stay ahead of the situation.

RISING GHG EMISSIONS

Stricter regulation like limiting GHG emissions and other pollutants like SOx, NOx, PPM levels, restriction on usage of fossil fuels, adhering to India’s and group level INDCs for meeting global 1.5 degree scenario.

Mitigating actions

In order to reduce our carbon emissions we are working towards reducing our clinker factor, adding low carbon products to our product portfolio, increasing the share of renewable energy.

To reduce our PM levels we are upgrading our electrostatic precipitators with bag house filters and adopting Selective Non-Catalytic Reduction (SNCR) for abating NOx emissions at some locations.

SECURING CRITICAL RESOURCES

Scarcity of natural resources such as limestone, unavailability of fuels for production, stricter government regulations on consumption of fuel, can hamper normal business processes in the long run, by affecting the supply chain.

Mitigating actions

In order to mitigate these challenges, we continually expand the blended cement portfolio and utilise even the low-grade limestone. We also use alternative fuels and materials from other industries to enhance use of existing resources. Lower quality fuels are also utilised as additives to high quality fuels, at our plants. We participate and secure fuel through auction, and import high grade resources to supplement existing ones. Further, we are diversifying vendor base across geographies, consistently.
SENSITIVITY ANALYSIS AND STRESS TESTING FOR FINANCIAL RISKS

The risk management strategy identifies our exposure to risks, helps to measure and evaluate the financial impact, as well as arrive at mitigation strategies. With the objective to minimise risks arising from uncertainty and volatility of foreign exchange fluctuations, an elaborate financial risk management mechanism through adoption of tools like sensitivity analysis and stress testing has been put in place.

These tools help to measure impact of these risks on the financial health of the company. They help to decipher the business environment by continuously tracking, assessing, analysing and forecasting global and domestic economic trends and policies.

SCENARIO ANALYSIS FOR CLIMATE CHANGE AND WATER RISKS

We continuously monitor emerging sustainability risks like climate and water. Our Group has developed a proprietary tool GeoSust which provides a comprehensive analysis on future scenarios for Climate and Water. Assessments have been carried out for all our manufacturing locations using this tool and the output provides variables that are fed into the scenario analysis.

The tool provides useful data-sets for Climate and Carbon 2050 scenario which help us to understand the physical and transition risk related to climate change. GeoSust tool also helps to monitor long-term water risk for 2030 and 2050 timeframe and these data are used as input in the sensitivity analysis and stress testing. Based on these a robust mitigation and monitoring plan is prepared for these sites that helps us to future proof our business.

We undertook a detailed study to determine the price of carbon which needs to be internalised in our business decision-making. Three long-term scenarios were developed which have the potential to impact our business.

- National Regulatory Scenario
- Introduction of Emission Trading Scheme and
- Science Based Target

We used various input parameters such as country, sector growth, change in customer demand, technology adoption, change in regulations, inflation and more to develop these three scenarios for 2030 and 2040. We had applied sensitivity analysis to various parameters like price of fuel, calorific value, product mix, price of electricity, renewable energy, WHR and AFR. We also analysed the different product mix and technology adoption to understand the impact on profitability for these scenarios and related outcome of stress testing. Our long-term climate strategy has been developed taking into consideration these inputs.
Our products are distinguished by a strong commitment to sustainability, that is integrated in our entire value chain. Our process of product innovation and development is driven by the need to consume as few resources as possible while ensuring the highest quality. This has led to us enjoying a position of leadership both in the market as well as in sustainability, globally. Going forward, our focus will be on customer-centric innovation as well as increasing our contribution to the circular economy.

E R Raj Narayanan,
Business Head and Chief Manufacturing Officer
Climate change, energy and emissions

As one of the world’s largest cement companies, UltraTech has a key role to play in enabling the transition to a low carbon economy. We have been a responsible player, leading with our climate change mitigation strategy. We have developed a strategic long-term plan for GHG emissions reduction linked to planned business growth.

In 2018, UltraTech launched its Energy and Carbon Policy. It set out our commitments to reduce our energy consumption and carbon footprint over the product lifecycle. The Board-level Sustainability Committee is in charge of taking our agenda for climate change mitigation forward and the Managing Director is responsible for driving its implementation.

We have also done an internal mapping of climate change risks & opportunities as per recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

Life cycle assessment has been carried out for our products to understand the associated carbon emissions throughout the value chain.

The contribution to Global Warming Potential of UltraTech’s product from highest to lowest emission intensity is Ordinary Portland Cement (OPC), Pozzolana Portland Cement (PPC), Pozzolana Slag Cement (PSC) and Portland Composite Cement (PCC). This study serves as the basis for efforts to identify hotspots and reduce carbon footprint of our products over the lifecycle.

CLIMATE CHANGE MITIGATION STRATEGY

STRATEGY

Reducing operational GHG footprint
- Internal Carbon Price
- Energy efficiency
- Alternate Fuel Resources
- Renewable energy
- Waste Heat Recovery
- Green Buildings
- R&D and Innovation

Reducing GHG emissions with our products
- Life Cycle Assessment of products
- Development of new low carbon footprint products with low clinker factor
- Recycling concrete

Carbon offset and Carbon Capture
- Carbon offset projects in community
- Evaluate Carbon Capture through Industry partnerships

IMPACT

- USD 10/tonne CO₂ adopted as Internal Carbon Price (ICP)
- 3 Lakh+ Metric tonnes of hazardous and non-hazardous wastes from other industries are utilised in kilns as substitutes for fossil fuel
- 99 MW Renewable Energy capacity installed
- 118 MW Waste Heat Recovery capacity installed. Utilising the heat released from the system for the generation of electricity for our own operations.

- Life cycle assessment completed for 4 UltraTech products
- Xtralite-AAC blocks, Readiplast are some of the new products developed, which have a lower carbon footprint
- More than 2,000 tonnes of recycled materials utilised in RMC

- UltraTech is one of the founding members of GCCA India chapter
- Part of Global Cement and Concrete Research Network’s (GCCRN) Project Innovandi to drive and support global invocation with actionable research
Our target is to reduce our carbon emissions by 25% by 2021, from FY 2005-06 level. We have managed to achieve 19.14% reduction so far.

**INTERNAL CARBON PRICE**

Internal carbon price is a monetary value we assign to each tonne of CO2 emissions. While weighing business decisions, their impact on the environment is captured in terms of monetary value through this procedure. It is a tool to measure carbon emissions associated with our business investments including all capital expenditures. We have commenced valuation of carbon emissions with the introduction of shadow price of USD 10 /tonne CO2.

**CARBON OFFSET PROJECTS IN COMMUNITY**

As many as 132 biogas-based cooking plants are installed in the communities around our plants. These have helped us to save close to 2,400 tCO2 per annum since the last four years.

**INTEGRATED REPORT**

Integrated with our sustainability efforts, we have started the internal carbon pricing. This will help in making informed decisions on what we invest in and how we operate. We have also commenced valuation of carbon emissions with the introduction of shadow price of USD 10 /tonne CO2.

**EFFICIENCY IN ENERGY USE**

At UltraTech, we are committed to improving energy efficiency and reducing our carbon footprint. We have implemented several initiatives to reduce our energy consumption, including the installation of energy-efficient equipment and the use of alternative energy sources.

**GLOBAL CEMENT AND CONCRETE ASSOCIATION (GCCA)**

Global Cement and Concrete Association (GCCA) is a voluntary, CEO-led global programme initiated by leading cement companies under the WBCSD umbrella, until FY 2018-19 when the CSI was discontinued and GCCA global was launched. Global Cement and Concrete Association India took over the work of the Cement Sustainability Initiative (CSI) India. Launched on 2nd July 2019, GCCA India focuses on driving the sector’s sustainability efforts. UltraTech is a founding member of GCCA Globally and India chapter. UltraTech Chief Sustainability Officer (CSO) is Co-Chair for the GCCA global working group - Good Practices and Benchmarking and chairing its India Working Group - Water, Biodiversity and SDGs.

One of the early adopters of climate positive practices, we contributed to the CSI’s ‘Getting the Numbers Right’ programme to measure the CO2 levels produced by the cement industry. Over the years, we have been proactively measuring our carbon footprint as per the CSI CO2 protocol and providing disclosures through the Carbon Disclosure Project (CDP). This year we have also participated in the Dow Jones Sustainability Index (DJSI).

**UltraTech GHG EMISSIONS**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Thousand tCO2</th>
<th>* Includes Captive Power Plant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>47,952</td>
<td></td>
</tr>
<tr>
<td>Scope 2</td>
<td>1,315</td>
<td></td>
</tr>
<tr>
<td>Scope 3</td>
<td>5,376</td>
<td></td>
</tr>
</tbody>
</table>

* Includes Captive Power Plant
REDUCING DEPENDENCE ON ROAD TRANSPORT

Our Star Cement Plant in the UAE has installed a long-belt conveyor (a belt, upon which materials move from one place to another) to efficiently transport limestone from captive quarry to the processing plant. With this, we have managed to sidestep the need for ferrying limestone by road, which would have required nearly 170 trucks.

The long-belt conveyor is 997m long with multiple elevations and curvatures to avoid intermittent transfer points & is covered with a hood for its entire length. This technology ensures 100% reliability of the belt and is a more eco-friendly alternative to transportation by road. It also eliminates fugitive dust emissions throughout the length of the belt.

The conveyor belt has helped us to reduce our CO₂ emissions by 1,130 MT annually by reducing the consumption of diesel by 380 kiloliters (KL). Benefits of using this technology are reduction in carbon footprint, fugitive emissions and potential number of accidents.

CASE STUDY

INVESTING IN GREEN BUILDINGS

The Company is taking efforts to convert its existing facilities into Green Buildings and enhance their efficiency through better lighting, rainwater harvesting, composting, solar installation etc. The Research & Development building at Birla White Kharia Unit, Rajasthan, has been certified with Indian Green Building Council (CII IGBC) ‘Gold’ rating, awarded after a rigorous assessment.

The green building approach was implemented with a host of sustainable practices and solutions to reduce the environmental impact. The building has a 50 KW solar power plant installed on its rooftop, which generates enough electricity to power the entire building. We are undertaking periodic energy consumption assessments, audits for water usage, installation of energy efficient LED lights and environmental awareness displays. Further, green building design provides an integrated approach considering life cycle impacts of the resources used.

Adoption of this approach has resulted in significant savings of energy and water, improved air quality as well as health & satisfaction levels of the occupants. We have used latest technologies to ensure the efficient use of natural resources like building materials, water, and energy, with minimal generation of non-degradable waste.

The first step will be to add more capacity to the already installed RE capacity which now stands at 99 MW. We are investing further into generating energy through waste heat recovery systems (WHRS).

Our WHRS capacity stands at 118MW taking up the total energy generation from WHRS to 10% of total power consumption.

We have set ourselves a target of sourcing 25% of our power from renewable energy (RE) sources by 2021. We have utilised around 119 million units from renewable sources and around 10% of our power requirement is from WHRS. Our current contribution from RE sources comes to 12% - a number we are looking to more than double in less than two years.

INCREASING SHARE OF RENEWABLE ENERGY

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Our WHRS capacity stands at 118MW taking up the total energy generation from WHRS to 10% of total power consumption.
We have identified energy management as a continuous area of improvement for the Cement industry as a whole and not just at UltraTech. As a result, we are increasingly conscious of the need to improve our energy productivity.

Our energy productivity roadmap enables us to maintain specific focus on using emerging technologies, work on evolving our product mix, energy mix and carbon pricing to achieve our targets.

UltraTech is part of EP100, a global leadership initiative bringing together a growing group of energy-smart companies devoted to doubling its energy productivity since 2018.

Adoption of digital technologies is imperative to achieve optimal energy efficiency. At UltraTech, we are setting benchmarks for the industry in this area. We evaluated the latest digital solutions for implementation at Rajashree Cement Works (RCW) unit, Karnataka.

Expert Optimiser, a computer-based system for controlling, stabilising, and optimising industrial processes has been installed & implemented for the Kiln, Calciner, Cooler, one Raw Mill, and one Cement Mill at the manufacturing facility.

The system mimics the actions of the operator and implements them in an autopilot mode. Thus, enabling the systems to function with a ‘best operator’ performing at its optimum for 24 hours a day, every day.

The potential benefits include:

- Higher output
- Lower fuel consumption in kilns and furnaces
- Better and greater consistency of quality in general
- Reduced grinding costs due to energy savings
- Reduced key variables standard deviation

The technology helped us to achieve 2% savings on electrical consumption, 1% savings in heat, and 0.6% heat rate improvement in the captive power plant. These will help in meeting the Perform, Achieve, & Trade (PAT) targets and reduction of overall carbon footprint of the plant.
Water management is an integral part of our operations. Recycling water, rainwater harvesting, recharging of groundwater and employing water efficient technology is a standard across our manufacturing sites. We are 2.81 times water positive and are chasing an ambitious target to raise this to being four times water positive by 2021.

Being 2.81 times water positive means we return more than twice the water we consume, to the community. This is achieved through ground water recharge, rainwater harvesting, converting mine pits to reservoirs, checkdam construction & desilting of ponds for storage of water. Water conservation efforts at our facilities help reduce our water consumption at plants and mines along with water reuse and recycling efforts.

All our facilities are adhering to zero water discharge. We are also conducting rigorous independent studies on watershed mapping, aquifer quality and impacts of groundwater recharge in and around our plants. Integrated watershed management projects around some of our facilities are underway.

We have a well-defined water stewardship policy governing our efforts in this direction. As part of Aditya Birla Group Sustainability framework, all our sites have adopted and implemented Technical Standard on Water management. As a result all our sites have implementation plan to manage risks related to water.

We follow a structured risk management approach to identify and manage risks related to water availability and quantity. We have adopted tools such as GeoSust, Aqueduct etc. to analyse the risks related to water availability for each of our locations.

We prepare Water Risk Mitigation Plan (WRMP) for all our sites.

The key steps of evaluation process are:
• Generic Water Situation Assessment
• Local source Vulnerability Assessment (site specific)

Thus, we track and monitor groundwater levels and water quality around our plants. We employ methods such as groundwater recharge, rainwater harvesting, converting of mine pits into reservoirs, construction of check dams and desilting of ponds for storage of water.

We lay great emphasis on monitoring the evolving water landscape through hydrological studies and water risk assessments as well as oversight on the evolving regulatory aspects. Our Corporate Environment Cell continuously scans the scenario to prepare insights that are circulated to our locations in the form of reports.

We track and monitor water-related risks at the local level in terms of regulatory changes and potential changes in the price structure. Our decision-making process factors these in.

We also engage with external stakeholders. We actively work with communities, NGOs, government agencies and various external partners for conducting these assessment studies in water stressed regions and try to estimate the potential stakeholder conflicts that may arise due to droughts, impacting our operations.
**COMPREHENSIVE APPROACH TO LONG-TERM WATER SECURITY**

We undertook a detailed assessment at our Birla White plant in Rajasthan, an exercise aimed at finding a solution for long-term water security. We used the GeoSust Tool to identify risks related to climate change and carried our water risk mapping and assessments. The inputs thus collected were incorporated into our short- and long-term business and production planning.

**ENHANCING WATER CONSERVATION & BIODIVERSITY**

At Nagpur Cement Works, one of our grinding units in Maharashtra, the Company took steps to conserve water and enhance biodiversity in the area. Rainwater harvesting pond and ground water recharge pits were constructed within the unit.

The unit not only focused on the in-plant solutions but also extended its water conservation activities outside its premises. Deepening work for five ponds as well as drains was carried out in the nearby villages, in collaboration with the Jalyukt Shivar Yojana, an initiative of the Maharashtra state government.

As a result of this initiative, groundwater in the unit premises has been recharged to the tune of 3,20,289 cubic meters. Also, the rainwater harvesting pond has now become a boon for the endangered species of Siberian migratory birds, which visit this region during the summer months. This has enhanced the biodiversity in the area.

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**CASE STUDY**

**ENHANCING RAINWATER HARVESTING CAPACITY**

Vikram Cement Works, integrated cement manufacturing unit has exemplary water management in Khor and Suwakheda areas of Madhya Pradesh.

The topography of the area along with soil conditions, led to drainage of 90% of the rainwater and only 10% could infiltrate into the sedimentary terrain. The remaining water runs out into rivers. Here we have developed water harvesting system through our mine pit in order to conserve water.

The project was aimed at collecting the run-off water from the mining lease area in a pit. It was an efficient method that allowed for huge quantities of rainwater to be harvested.

Harvesting rainwater with used mines:

- The whole limestone excavation area has been divided into four blocks – Khor, Suwakheda-1, Suwakheda-2 and Suwakheda-3.
- Mine planning and operation has been modified for maximum extraction of mineral from lower benches.
- Mineral is extracted from a part of the area and working is reached up to its maximum depth. This contributes to the water storage capacity of the lower most benches.
- The lower branches are being expanded by transferring water from Suwakheda-3 to Khor, Suwakheda-1 and Suwakheda-2.
- This expansion, in turn, will help in the accumulation of rainwater in the lower benches.

85 Lakh m³ of water is harvested in the mine area, at Vikram Cement plant.
We recognise that our businesses can influence the local ecology of the areas where we operate and that we have an important role to play in protecting the fragile ecosystems around us.

Mining is a key activity for us, carried out for sourcing raw material. We work in remote, challenging terrains and as a result, we are sensitive to the ecological needs of these locales. We are always working to ensure that our activities cause minimum disturbance. Our focus goes well beyond mitigation and into proactive conservation of natural habitats and their biodiversity.

**BIODIVERSITY ASSESSMENT**

Protecting biodiversity is a key priority for us as we undertake operations at mining sites or plan new projects. Environmental Impact Assessments (EIAs) are conducted for all new projects and expansions. We implement our biodiversity management plans across our facilities and mines.

We are also committed to No Net loss which is in line with our Group Biodiversity Policy. We have completed biodiversity assessments for five of our integrated plants till date and plan to do so at all our integrated facilities by 2024. It covers assessment of flora, fauna, Ecologically Sensitive Areas (ESAs) and corridors, ecosystem service review, community/stakeholders conservation initiatives, biodiversity maps, biodiversity index & ecosystem services.

The outcome of biodiversity assessment helps us in developing the management plan for our sites. We make efforts to help in conservation of the habitat, species and ecosystem.

**EMISSION REDUCTION STRATEGY**

**NOx**
- Raw mix, coal residue and process optimisation
- Burner management & replacement
- Installation of Low NOx burners at most of the units
- Installation of low NOx calciners for new plants
- Modification in old calciner technology for low NOx feature
- Installation of Selective noncatalytic reduction (SNCR) at some plants

**SOx**

Installation of flue-gas desulphurisation technology to manage the SOx emissions.

**Dust**

**Fugitive emissions:**
- Increasingly building covered sheds for material storage.
- Installing closed conveyor belts for transfer.
- Paved roads inside facility.

**Stack emissions:**
- Modern abatement technologies such as filter systems
- Ensure regular maintenance of equipment at our manufacturing operations.
- Upgradation of all existing electrostatic precipitator with bag house
UltraTech has carried out Biodiversity assessment at Rajashree Cement Works unit in Karnataka. The study was spread over three seasons in the core area which includes the plant, the mine and the colony, as well as the buffer area, which is the area within 10 km radius of the facility.

The components of the study involved Ecological Assessments, Biodiversity Impact Assessment and Ecosystem Services Review. The study revealed the ‘Priority Ecosystem Services’ for the unit, which are freshwater, maintenance of air quality and habitat.

Bearing this in mind, a Biodiversity Management Plan (BMP) was formulated. Five strategies were included and each consists of action plans and corresponding activities that need to be undertaken. Ambitious targets have been set for 2025, to be achieved through implementation of the strategies thus formulated.

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>ACTION PLAN</th>
</tr>
</thead>
</table>
| I - Biodiversity and Conservation Awareness | • Awareness in core and buffer areas  
• Road safety awareness in the area  
• Collaboration with local biodiversity management committees |
| II - Habitat creation and conservation | • Green belt assessment & development  
• Invasive species management  
• New viewpoint plan  
• Waterhole creation |
| III - Mine restoration | • Securing bench faces  
• Plantation on benches |
| IV - Rainwater harvesting | • Set up of Rainwater collection and storage system |
| V - Biodiversity monitoring | • Wildlife census |

We are committed to responsible mining. At our Sewagram unit, we work in accordance with approved mining plan and have adopted multi-pit mining for blending low-grade & high-grade limestone. Where soft limestone is available, eco-friendly surface miners with in-built water injection systems for dust suppression are deployed.

During FY 2019-20, an area of nearly 5.16 hectares in our mining areas was brought under plantation. Nearly 11,400 saplings of vernacular species were planted exceeding our target. Regular water sprinkling is done on mine haul road, for dust suppression.

Digitisation for mineral conservation is done along with various efforts to enhance the life of the mine. Resource estimation & mine production planning is done with the help of mine planning software. Top soil/overburden is directly used for plantation purposes. Mining is strictly restricted to above water table.

Computer Aided Deposit Evaluation (CADE) is used for detailed exploration of mining leases for evaluation of quantity of mineral. Block Modelling & Integration of CADE with Group-wise Data Mine Software is being done. Slice Plans are prepared to maintain critical parameters like $\text{SO}_3$, Cl, MgO & CaO in the feed. Robust sampling mechanism is maintained at mines to ensure quality of the material. Continuous monitoring is done by Cross Belt Analyzer (CBA) and we endeavour to maintain zero waste mining.
Sustainability is core to the Group. At UltraTech, a strong sustainability mindset pervades across the organisation. It is a matter of pride for us to be able to take our actions and our learnings to the world through various forums we are associated with. For us, sustainability encompasses our business and not the other way round. We are committed to continuing with lifecycle assessment of our products, increasing our contributions to the circular economy, working closely with partners, associates and communities to enhance our impact.

Arvind Bodhankar, Chief Sustainability Officer
Reducing and redirecting waste towards low carbon economy

Circular economy ensures that the process of production wastes nothing. Waste that is produced is either redirected or returned into the system for use elsewhere. We are a key link in the circular economy; enhancing material value by utilising waste produced at other sources – industrial and municipal.

UltraTech has consistently scaled up its contributions to circular economy over the past few decades. We are working to reduce the consumption of primary materials in our manufacturing process through various innovations; recycling waste as well as by-products from other industries by using it as alternative raw material or as a fuel source.

At UltraTech, we use fly ash, a by-product from coal-fired power stations and slag, which results from the production of iron ore, for clinker replacement.

Similarly, we use industrial by-products and waste materials, including municipal waste as alternative fuel source used to fire the kilns. These efforts directly contribute to circular economy.

WE HELP IN CLOSING THE LOOP
WASTE MANAGEMENT

We focus on reducing waste at the source; we also ensure to dispose of it in a responsible manner. We map our waste inventory on a regular basis and send it to authorised recyclers for recovery and disposal. We are utilising fly ash, a by-product of the energy production process at our captive power plants, to blend with cement. As a result, it reduces the amount of natural resources required per tonne to produce the cement, as well as GHG emissions.

CASE STUDY

INCREASING FLY ASH UTILISATION FOR CLinker PRODUCTION

We are utilising unburnt pet coke ash from the thermal power plant for the production of White Cement Clinker. The boiler at Birla White TPP, Rajasthan, is designed to fire multiple types of fuels - 1. 100% F-grade Indian coal 2. 100% Lignite 3. 80% pet coke & 20% F-grade coal.

Various options were considered for meeting the technical challenges posed by the use of pet coke in the boiler as it would require considerable amount of modification to use pet coke. Another challenge was to re-use the ash generated from the burning of pet coke which could not be treated as waste owing to its high calorific value. The team understood the importance of using this ash as kiln fuel and optimised various processes followed by relevant trials. Additional equipment was installed to produce the following results:

- **Reduced CO₂ emission levels to the tune of 13,457 tCO₂ per annum on account of using ash in calciner kilns**
- **Increased pet coke mill production**
- **Reduced power consumption of pet coke mill by 6.96 kWh/MT**
- **Increased whiteness of clinker by approx. 1.0 on the Hunter Whiteness scale**

100%

Fly ash generated in the power plants at our manufacturing facilities is utilised for manufacturing cement.
USING INDUSTRIAL WASTE TO PRODUCE BLENDED CEMENTS

We produce several types of blended cements: PPC (Portland Pozzolana Cement), PSC (Portland Blast Furnace Slag Cement), PPC Super and Composite cement. We use waste materials from other industries in the process of production. This includes fly ash, slag, gypsum to replace the naturally occurring limestone.

<table>
<thead>
<tr>
<th>Recycled material used by weight</th>
<th>(thousand tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly Ash</td>
<td>Slag</td>
</tr>
<tr>
<td>Recycled material of our total raw material used</td>
<td></td>
</tr>
<tr>
<td>17.2%</td>
<td>6.4%</td>
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<tr>
<td>Increase in recycled materials, compared to the previous year</td>
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</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18</th>
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<th>2019-20</th>
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<td>12,839</td>
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<tr>
<td>Slag</td>
<td>767</td>
<td>727</td>
<td>582</td>
</tr>
<tr>
<td>Gypsum</td>
<td>914</td>
<td>1,245</td>
<td>1,069</td>
</tr>
<tr>
<td>Others</td>
<td>96</td>
<td>180</td>
<td>1,144</td>
</tr>
</tbody>
</table>

CASE STUDY

USE OF COPPER SLAG IN MANUFACTURING CEMENT

At UltraTech, our work towards circular economy involves usage of the waste produced by other ABG companies. As a result, we evaluated the use of industrial by-products for cement production.

We started utilising copper slag, a waste material from the Group’s Birla Copper unit in India, in the manufacture of cement. We transport our copper slag from the plants in India to UAE, which is then used to substitute iron ore in the manufacturing process.

Industrial waste disposal is a major concern, with limited facilities available for processing it. Untreated waste is detrimental to the quality of our natural resources and the environment. With this initiative, we have mitigated this threat to the environment.
CO-PROCESSING BY USING INDUSTRIAL WASTE AS ALTERNATIVE FUEL

Co-processing is one of the key steps in reducing the demand on natural resources, pollution as well as waste materials landing up in a landfill. The process is especially relevant when dealing with waste materials that cannot be reused. This is one of the key ways in which we have adopted thermal substitution during the most energy-consuming stage of cement and concrete production.

UltraTech currently uses different types of waste such as industrial waste, municipal solid waste and agricultural waste across all its cement plants as sources of fuel and raw material. We are also using hazardous wastes from the automobiles, refinery and pharmaceutical industries as fuel. We utilise spent carbon, organic residue, distillation residue, bottom sludge and cotton waste in some of our plants. Thus, we contribute to reduction of carbon footprint.

We have been an early proponent of co-processing in India, developing support infrastructure since 2005. All our processes are in line with regulatory norms for co-processing. We have a strong team of qualified professionals and state-of-the-art laboratories, responsible for waste analysis and handling of waste at our manufacturing sites.

We have also installed extensive shredding systems to help utilise varieties of industrial waste. Careful monitoring of emissions along with latest pollution abatement technologies complement the process.

Apart from being more environmentally friendly, co-processing offers the following advantages:

- High flame temperature inside the kiln results in complete destruction of harmful pollutants through trapping of heavy metals, sulphur and other pollutants within the clinker structure.
- Absence of residual waste
- The quality of cement produced is not impacted
- Self-cleaning combustion gas due to the alkaline atmosphere

1,04,986 Thousand tonnes of industrial waste has been utilised by UltraTech, through the decadal period between 2010 and 2020.
USE OF MUNICIPAL SOLID WASTE AS ALTERNATIVE FUEL

UltraTech is supporting municipal corporations of the country by helping to reduce the waste headed for landfills. For emerging economies like India, municipal solid waste poses a major challenge not only of resources required for processing it, including the space it occupies, but also that of hygienic disposal.

Our first initiative in municipal solid waste processing began in 2007 at our first dedicated processing facility in Jaipur. The facility converts the waste into refuse derived fuel pallets, which are compressed, clean and free of odour. These pallets are fed into cement kilns for fuel recovery.

We are carrying out similar operations across Tamil Nadu, Rajasthan, Karnataka, Gujarat and Andhra Pradesh. We have tie-ups with 35 municipal corporations across the country and are in discussion with several others. This initiative also complements the ‘Swachh Bharat’ campaign by the Government of India.

20,000+ tonnes of municipal solid waste has been used as alternate fuel at our plants

1,46,426 tonnes of non-recyclable plastic waste has been used as alternate fuel at our plants
CONCRETE RECYCLING

UltraTech was among the first cement companies in India to have adopted concrete recycling in its plants right since inception in 1998.

Concrete recycling deals with recycling of concrete rubble resulting from demolished concrete structures. Also, concrete produced by RMC plants may not be fully utilised at customer sites; a small portion always remains unutilised in the transit mixer, which needs cleaning before it can be used for the next cycle.

We became the first company in India to adopt the ‘baton wash’ technology in 2011. It helps to reclaim residual concrete and slurry water during cleaning of transit mixers and plant mixers. It also separates solid materials from water.

Slurry water thus discharged from the ‘baton wash’ is partially reused in concrete production. It separates solid material over 0.15 mm diameter from the water through a spiral system rotating inside an inclined drum. Slurry water is discharged from the recycling system into storage tanks and is then reused in new concrete production. UltraTech has 62 such recycling plants across India.

18.08 Thousand tonnes of recycled material has been utilised by our RMC business, using the Baton Wash Technology, over last 5 years.
It is our endeavour to continuously improve the understanding of our sustainability agenda among our employees to drive more ownership in its implementation. Project Jagruti launched this year is a systemic intervention in this direction. We covered more than 650 employees this year and will cover more employees as we move ahead. This is a critical enabler in our efforts to embed sustainability into our business operations through employees who are committed and passionate about sustainability.

We have made good progress on other aspects of our sustainability agenda on the people front. We are an equal opportunity employer and have been making conscious efforts to drive diversity and inclusion at the workplace in a holistic manner. We are delighted with the increasing number of women talent joining and successfully contributing in newer areas of our operations such as mining. We have had similar success in our ongoing endeavour to constantly enhance the skills of our employees across all levels. This not only improves the employee productivity but more importantly enhances their employability quotient.

Ramesh Mitragotri,
Chief Human Resources Officer
UltraTech has devised a comprehensive framework for ensuring health and safety of our people. It is based on the Company’s core values that are inspired by the Group’s emphasis on always putting our people first. This approach is fundamental to all our business operations.

It is our central aim to ensure that our people are safe and secure in performing their duties at work, and feel supported in terms of health, hygiene and well-being. We have created a robust safety governance system which comprises processes that help ensure no aspect of safety is overlooked. All issues are addressed diligently and in a timely manner. Our world-class safety culture is based on our safety goals of Zero Harm, Zero Injuries and Zero Excuses.

A CULTURE OF SAFETY

The Occupational Health and Safety (OH&S) Board, chaired by our Managing Director, is the highest governing body in charge of reviewing the Company’s performance on safety and providing guidance for improvement. Supporting it are the apex committees at each Unit, headed by the respective Unit heads. These apex committees are supported by eight sub-committees. The eight sub-committees headed by the respective manufacturing cluster heads and corporate function heads at Board-level. They work constantly to shape and drive the Company’s safety culture.

Responsibilities under our Safety Governance Structure are distributed across members of the Board to senior members of our workforce at our manufacturing plants. This serves to create an inclusive culture of safety wherein we understand that safety is everybody’s responsibility. The decisions thus taken at the Board-level are implemented by the Senior leadership team from Line functions, which is the cutting edge of our safety management systems. Our safety management system is comprehensive, comprising of 26 critical standards, 20 procedures and 12 guidelines for all our facilities.

We follow a ‘zero tolerance’ policy for safety breaches. We conduct business with only those vendors who qualify across all of our stringent safety parameters. Health and Safety Key Result Areas (KRAs) form a part of evaluation process for executive committee members.

0.25
Target LTIFR for FY 2020-21
ENSURING ‘ZERO HARM’

At UltraTech, our interventions to ensure ‘zero harm’ are bucketed under three different types of measures categorised as: Leading, Proactive and Corrective.

LEADING INTERVENTIONS

These efforts help in identification of concern areas regularly and build capability for continuous systems enhancement to reduce incidents at facilities.

Capability building through TtT (Train the Trainer)
More than 300 employees across all units including the newly acquired Century and Binani manufacturing facilities have been made champions of 15 safety standards through ‘Train the Trainer’ programme. The programme helps to create awareness about the details of the safety standards to be followed. Our trainers further impart training to our employees and contract workers.

Auditing safety performance
We conduct surprise safety audits at our manufacturing facilities, carried out via third-party experts using pre-determined protocols. Scoring is done based on well-defined criteria. This exercise helps us to continually evaluate our practices to identify gaps in our safety governance systems and resolve issues at our manufacturing sites. It also helps to ensure that everyone understands the importance of ensuring safety and that no one takes the matter lightly.

Restricting mobile phone usage
Mobile phone usage, as per several studies has been known to cause distractions, which can result in untoward incidents. Thus, at all our units, the usage of mobile phones and smartphones is banned for all employees and contract workers.

CASE STUDY

SAFETY, THE CENTRAL THEME OF OUR CULTURE

At UltraTech, we run themed safety campaigns each month, based on the leading and lagging indicators of our performance on safety witnessed over the previous year. A comprehensive dashboard of themes is thus prepared and approved by the OH&S Board. Action items under these themes are outlined for execution, and campaigns are designed. Our campaigns are all-encompassing, designed to include not only our employees but also our contract workers and transporters.

We host awareness events at our facilities and use a variety of mediums to engage with our people, from audio messaging to 3D animations and posters, among others such as skits and plays, focused toolbox talks, safety observation rounds, walk-through surveys. These campaigns are extended to the neighbouring community with participation of school children and villagers.
The Aditya Birla Group Sustainability cell has developed ‘INSPIRE’, our flagship leadership safety development programme. It was conceptualised to help strengthen our culture of safety and inspire a safety-first mindset across our workforce.

The programme is based on the premise that our safety performance as a Company is strongly influenced by the beliefs and values shared by our top leadership. It is an outcome of management systems dedicated to the cause and commitment of leadership.

It comprises training modules that equip leaders with tools and benchmarked best practices to ensure consistency across operations, thus enabling the Group to move towards its Zero Harm target. The INSPIRE program has introduced a train-the-trainers element as well.

Day-long training programmes are organised for the top leadership team. They are trained to lead with behavioural changes by honing their skills in:

- Leading cultural change
- Using a risk-based strategy to make informed decisions
- Understanding the requirement to integrate processes, people and assets into capable management systems
- Creating responsibility and accountability within their teams
- Improving their team’s overall competency through training and motivation

INSPIRE engages colleagues at different managerial levels by exposing them to bespoke programmes. Middle management participates in a three-day programme while there is a five-day course for executives and supervisors.

PROACTIVE INTERVENTIONS
We pro-actively identify and eliminate any probable risks of accidents at our manufacturing facilities by engaging with employees and contract workmen through various interventions.

Safety Training imparted during FY 2019-20

<table>
<thead>
<tr>
<th>Employees (man hours)</th>
<th>Contractor employees (man hours)</th>
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<tbody>
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<td>1,82,949</td>
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Safety observations
For us at UltraTech, each employee is our mascot of safety. Job safety observations are a continuous process, in which all of us are encouraged to participate. Managers work to identify the counts of safe and unsafe actions or conditions in a given work area over a specified period of time to understand the gaps and people’s behaviours. It helps us mitigate risk occurrence. During FY 2019-20, employees made 7,00,000 safety observations across all units to rectify ‘at risk’ behaviour and reinforce positive safety behaviour at workplace.

Risk identification and elimination
Use of various kinds of waste as Alternative Fuel and Raw Materials (AFR) ups our contribution to the circular economy. However, it does not come without specific risks associated with certain kinds of hazardous waste, mitigating which is a priority for us. We make focused efforts to make sure that our employees know how to handle hazardous waste and that we eliminate the risks associated with it. For this, experts are roped in to conduct Hazard and Operability (HAZOP) studies at all our facilities. They also make recommendations, which are then implemented and reviewed regularly by the OHS Board.
Enhancing incident investigation

The main aim of incident investigation is to get to the root of a problem and to devise solutions for it. We have introduced a tool for effective incident investigation, developed by experts in incident facilitation, root cause analysis and corrective actions. The safety professionals stationed at our facilities have been trained in using this tool for quality investigations into Lost Time Injury Incidents, among others.

CASE STUDY

SAFETY AUDITS AT ALL OUR MANUFACTURING FACILITIES

Safety audits are key to maintaining our standards on occupational health and safety. Each of our cement manufacturing units is covered by Second Party Safety Audits (SPSA), conducted periodically to help identify any deficiencies that may have crept into the safety governance system at the units. It also helps to identify opportunities for improvements needed therein.

In FY 2019-20 SPSAs were conducted at 40 manufacturing facilities covering 18 integrated units, 20 grinding units, Birla White plants - Kharia & Katni. The process evaluated three key elements: Safety management system, Legal compliance and effectiveness of UltraTech workplace safety standards including mines safety standards (wherever applicable).

110 line managers from various units were trained for SPSA protocol and general audit technique. Surprise audits were conducted at the facilities and the process was monitored centrally, to ensure independence and consistency. Each and every audit report submitted by audit team has been reviewed thoroughly by the corporate safety and leadership teams. Areas of improvement have been zeroed in based on the findings from these audits.

Compliance status of significant findings is reviewed at the OH&S Board meetings. A detailed analysis (standard-wise, cluster-wise, and significance-wise) of all the findings has been shared with all facilities, a majority of which have been addressed through corrective and preventive actions.

Arc flash injury elimination

We have successfully eliminated injuries resulting from arc flash, by making the use of rated arc-flash resistant suits mandatory when entering our load centres and sub-stations.
CORRECTIVE ACTIONS
These efforts help in continuous evaluation of our systems and processes to reduce recurrence of incidents.

Structural stability assessment
We are conducting structural stability assessment at all our facilities. To do this, a core team has been trained. This team not only conducts the assessment but also takes corrective actions. The team’s work is monitored and reviewed by the OH&S Board once every two months. During FY 2019-20, all of the highest priority recommendations raised by the team have been completed across all units to ensure that all structures remain safe.

Prevention of incident recurrence and compliance tracking
Learning from an incident is critical to the ability to control future incidents and manage the aftermath effectively. Therefore, we make sure to share any serious incident findings along with recommended actions taken to handle it, across all facilities through RCN (Red Corner Notice). Unit incident investigation sub-committee is accountable for ensuring compliance of recommended actions; the status of compliance is obtained through monthly safety reports from each unit.

Continuous evaluation of PPE and upgradation
We are continually enhancing the quality and type of PPE (Personal Protective Equipment) we provide to our employees. These are evaluated with respect to quality, protection factor and suitability, based on inputs received from facilities. The evaluation results in upgradation, done in close coordination with vendors.

Consequence management
We follow a policy of zero tolerance towards individuals or groups that choose unsafe behaviour. If at-risk behaviour or reckless decision-making is identified as the root cause of an incident during investigation, we apply the consequence management approach to it. Disciplinary actions are taken, which are directly linked with their performance appraisals through our Enterprise Resource Planning (ERP) software. There is also a system of rewards linked to safety performance, which recognises the efforts that people make to enhance safety.

Application of data analytics
We use data analytics to provide insights about safety at the facilities based on safety observations and near misses. Result of analysis with granularity (section/area wise, contractor-wise, standard-wise etc.) are made available to the facilities to enable them take corrective actions with a focused risk-based approach.

CASE STUDY
USING DRONES FOR SAFETY SURVEILLANCE
After the acquisition of Binani manufacturing plants in 2018, we made a series of efforts to inculcate UltraTech’s safety culture at the facilities. These include gate meetings, safety contacts, conducting ‘Train the Trainers’ programme, subsequent training to employees on standards and more. The objective was to affect a culture change that reflects the standards set and followed by UltraTech.

In August 2019, however, the unit had to undergo a major shut down. The safety systems were as yet basic and the management was strongly committed to ensuring no unexpected incidents took place when additional ~800 people were to work there for more than a fortnight. Monitoring them was going to be a herculean task at various levels, the plant as well as the pre-heater.

We had an out-of-the-box idea: to deploy drones for safety surveillance. In a first for the cement industry in India, we planned and executed drone flights with the help of service providers, while all the activities were monitored by our safety department at the ground level on a computer screen.

The exercise proved extremely effective and helped us to monitor and rectify various observations related to:

- Housekeeping
- Safety violation related to work at height
- Non-compliance related to PPEs
- Unsafe position
- Use of tools & equipment

Though drones had various limitations like being unable to manoeuvre inside the equipment and not being able to take inside pictures, it helped us to have an incident-free shutdown while proving to be an effective new tool for safety surveillance.
PROMOTING SAFE LOGISTICS

At UltraTech, we maintain a truly expansive logistics network to support the huge volumes of raw material and cement that must be transported across various areas of the country. Our commitment to the goal of Zero Harm means we continue to work with our transport partners to prevent road accidents.

Truck parking yard management and maintenance guidelines are implemented across all facilities. These target safe operations and hygiene at truck parking areas. We are conducting Hazard Identification and Risk Assessment (HIRA) workshops for logistics team leaders across facilities. During the year, 71 employees took part in HIRA workshops.

Further, one-day logistics safety workshop too has been organised for the road coordinators at our plants across all zones.

We conducted logistics safety review for 26 facilities during the year to assess the on-ground implementation of safety guidelines and practices. Gap analysis of implementation of road & driving safety standard is conducted and actions are taken to implement recommendations. A risk assessment completed for logistics operations along with maintaining risk register.

HEALTH AND SAFETY FOR TRUCKERS

Good training is extremely important in order to ensure safety on roads. We take care to train our drivers to adopt safe practices while driving and have created driver training rooms with relevant infrastructure at 15 of our manufacturing plants. We drive measures for enhancing their awareness and on-road safety, having trained more than 8,000 drivers this year in defensive driving.

We are introducing Seat Belt Convincer, a device that provides a live demonstration for wearing a seat belt while driving, to underscore the importance of wearing one. Wearing a seat belt while driving reduces the risk of death during accidents by 75%. Sewagram is our first facility to use this device with great success.

CELEBRATING ROAD SAFETY WEEK 2020

We are committed to becoming a more aware workforce regarding all aspects of safety. We observe Road Safety Week across all plants each year. Engaging truck drivers is core to our success in this area as the study of incident trends has shown the driver’s behaviour as a central cause in more than 80% of road accidents in India.

KEY THEMES FOR ROAD SAFETY WEEK FY2019-20:

- Overview on importance of road safety
- Vehicle management & journey risk management, on-ground field visit
- Defensive driving techniques
- Community engagement
- Health camp & awareness sessions for drivers

HEALTH CHECK-UPS FOR DRIVERS

Our drivers are also extended support in the form of health check-ups and consultations at our Occupational Health Centres set up across all of our facilities. We also encourage transporters to ensure that all of their dedicated fleet drivers are provided annual health check-ups. During FY2019-20, we have helped more than 9,000 truck drivers to undergo medical check-ups through medical camps organised at our facilities.

>60,000

People were sensitised during the Road Safety Week towards road safety, including truck drivers and transport partners.
PROMOTING SAFETY IN READY MIX CONCRETE PLANTS

We are India’s largest producer of concrete, with 108 Ready-Mix Concrete (RMC) plants located strategically across the country and presence in 36 cities. We engage nearly 6,000 people (directly and indirectly) for manufacturing and delivery at site.

The RMC industry faces high attrition levels of skilled workforce due to laborious nature of work, dynamic conditions at the worksites and its fragmented nature resulting in low safety awareness. These are intrinsic challenges that we are addressing proactively by inculcating UltraTech’s culture of safety and awareness. All our RMC sites are covered under UltraTech Safety Standards for management of safety. As a part of this, we train our people regularly in established safety protocols.

We apply our Train the Trainer module for our workforce here; defensive driving training for drivers of the Transit Mixers; an animated training module is used to help our concrete workers at the pour site safely use concrete pump. Use of arc flash suits is mandated too. Our senior leadership members conduct surprise audits at the RMC plants with regularity.

THE FOCUS ON OCCUPATIONAL HEALTH

At UltraTech, we have a dedicated Board-level Occupational Health (OH) sub-committee to drive the focus on Occupational Health across the organisation. It is chaired by a Unit Head and is represented by our team of doctors at our manufacturing facilities, as well as by members from the sustainability cell, corporate safety and corporate HR. The sub-committee oversees execution and implementation of various measures in the relevant focus area across all of our facilities.

We have implemented three occupational health procedures along with a Health Index. We run campaigns to sensitise our employees on various occupational health aspects. Self-assessment is a part of the process, which is conducted annually. It is based on the Group questionnaire used to evaluate facilities on occupational health management, first aid and emergency medical care, management of HIV/ TB/ Malaria at workplace.

We are regularly conducting qualitative and quantitative exposure assessment (QLEA & QNEA respectively) and aligning medical examinations accordingly. The recommendations therefrom are implemented across facilities. Apart from these we are offering Hepatitis B vaccination to medical staff and first aiders and conducting Ergonomic assessments too.

Actions taken for ensuring occupational health:

- Availability of certified doctors at units
- Typhoid vaccination for food handlers
- Utilisation and upkeep of Hospital Management Software at units
- At least one AED (Automated External Defibrillator) made available to recover any patient who has sustained heart attack / electric shock.
- Availability of type C or type D ambulances
- Compliance to PME and if any occupational illness found
- Availability of MSDS at health centers

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Enriching our human capital

UltraTech employs the best talent in the industry and is recognised as among the best employers in the country. It is an honour to have some of the best minds work and grow with us. We facilitate growth of our human capital through well-defined career pathways while ensuring diversity of talent and backgrounds helping to enrich our strengths as an organisation.

As such, UltraTech plays an important role in harbouring and nurturing some of the industry’s best talent, which is key to enhancing the country’s knowledge pool. We work to ensure that our people feel motivated, safe and secure as well as empowered to carry out their work in the best manner possible.

The Aditya Birla Group-wide ‘One HR’ policy is our guide and our strategic framework for enrichment of our human capital. It encompasses employee engagement, employee health and wellness, talent management, change management, organisation effectiveness and among other aspects. A structured labour management system is in place to ensure fairness and propriety. This is in adherence to the Group policy on Human Rights, in line with the principles laid down by the United Nations Global Compact.

**EQUAL OPPORTUNITIES**

We are an equal opportunity employer and merit is the basis for recruitment and growth within the Company. We have a diverse group of employees with an array of experience, demographics and skill sets. We continue to hire people based on their potential and train them on knowledge and skills. We prefer to hire from the local communities where we operate. This has a cascading effect on prosperity and well-being amongst local communities and helps us embrace local cultures.

**GENDER DIVERSITY**

We recognise that gender diversity adds significant value to a Company. We operate in an industry that is largely male-dominated and hence, we make conscious efforts to induct more women into our workforce and provide them with the support they need to progress. We enable women to work at our operations including plant sites and mining operations, which is made possible through our four-pronged approach to change the representation of women in our workforce.

We have a policy of zero tolerance towards any form of sexual harassment and conform to the Group policy on prevention of sexual harassment at workplaces. We have received zero grievances during FY 2019-20, as per our special Complaints Committee that has been set up at our Unit, Business and Group Levels.

**4 PRONGED APPROACH TO CREATE DIVERSE WORKFORCE**

- **Infrastructural support**
  - Comprehensive infrastructure guidelines for uniform experience
  - 93% Infrastructure implementation score

- **Safe environment**
  - Prevention of Sexual Harassment (POSH) e-learning & face to face awareness
  - 98% E-learning coverage
  - 62% Face to face coverage

- **Gender intelligence**
  - Employees & manager Sensitisation on their roles
  - 50% Employees covered

- **Women friendly policies awareness**
  - Continuous awareness drive

Manufacturing plants have women taking independent charge of Central Control Room (CCR) operations, which is the soul of continuous cement production. We are developing a Women Squad.
EMPLOYEE ENGAGEMENT

We rely on continuous and consistent engagement with our employees to drive common goals and collective action to achieve these. Our 360-degree approach ensures employees are motivated to contribute to organisational success and we capture feedback to assess issues as they develop, addressing them proactively through a number of channels. Vibes is our employee engagement survey conducted to facilitate our people to share their workplace experiences. During FY 2019-20, the survey was conducted and we had a 98% employee participation rate. The results of the survey show that leaders set goals consistent with the Company vision and business is prepared for anticipated changes.

ENHANCING OUR POTENTIAL

At UltraTech, we maintain a comprehensive view of growth and development of our employees at the professional as well as individual level, as both contribute to excellence in business operations. We provide access to a range of opportunities that include learning & development, leadership platforms, competitive remuneration, fair appraisals and stimulating career development options. Our career development process is uniform and deeply engaging, the operating core of which is meritocracy and our drive to build leadership.

Our 'Employee-first' philosophy further supports homegrown talent by providing our internal talent the first right to apply for any open position within the organisation, over external candidates. It is a Group-wide effort, and we encourage inter- and intra-business movements. It also leads to greater assimilation and exchange of knowledge. This is also achieved by our ‘2x2x2 Philosophy’, as per which every employee must work across two businesses, two functions (or sub-functions) and two geographies for a broader understanding of our operations and the synergies required among teams.

CASE STUDY

650+

Employees are trained in sustainability aspects from across the 23 integrated units over a period of 2 months.

CASE STUDY

Meritocracy@UltraTech

At UltraTech, the Annual Compensation Review or the appraisals process is comprehensive and transparent. It factors in parameters like self-assessment, supervisor assessment, business performance, employee performance, market information and variable pay.

SUSTAINABILITY TRAINING FOR EMPLOYEES

Project Jagruti is our way of inculcating a culture of sustainability across all the levels at UltraTech. Launched on 7th January 2020 at Kotputli Cement Works, the project has completed its first phase.
SUStAinABILITY Meet 2019
Possibilis was conducted on 20\textsuperscript{th} and 21\textsuperscript{st} November 2019 at UltraTech Training Centre in Chittorgarh, Rajasthan. The Sustainability Meet was organised for the employees from different units for imparting training on sustainability vision, strategy and trends. Possibilis means Infinite Possibilities and this was also the theme of the sustainability meet. Experts from Ernst & Young, ERM, IUCN, ISC, and ThinkStep were involved to apprise them on the latest developments. UltraTech's Sustainability and CSR Roadmap along with material issues were discussed at length.

5
Leadership sessions + 1 Panel discussion + 5 Industry expert sessions and 1 Expert Group were conducted.

70+
Sustainability coordinators from 32 locations attended the event.
Margdarshan is our multi-pronged, capacity-building programme under which Seniors provide training and mentorship in various identified areas of knowledge to new entrants like Field Level Engineers (FLE) over a period of 6-8 months. Its core focus is in building and strengthening technical expertise across the organisation. It has a unique positioning in the national context as technical expertise in cement manufacturing industry is highly valued and skills in these areas are scarce.

Therefore, this platform advances in achieving its objectives based on the knowledge transfer from an experienced senior to their junior team members. Thus, these skills are tried and tested, validated by experience, and extremely valuable from an operational standpoint.

Its phase-I was about creating a favourable culture of technical learning while phase-II, which is currently underway, is centered on achieving technical excellence. This has helped us create a pool of technically sound professionals which in turn will contribute towards operational excellence.

The framework of Margdarshan is inspired by ancient Indian knowledge systems. Under this, the roles and responsibilities are clearly defined and roles derive their names based on the characters of the Mahabharata, for instance, Drona, Arjun and Parshuram.

**Arjun:** Under Margdarshan framework, our junior employees, generally the FLEs who have been in the system for a year or two and exhibited the potential to learn and grow are our Arjuns.

**Drona:** People who are responsible for transferring technical skills and knowledge to Arjuns are our Dronas. These are section heads with an experience of 10+ years. A Drona may also be the supervisor or reporting officer of the employee identified as Arjun.

**Parshuram:** Senior resource and subject matter experts (SME) who have the knowledge and experience to validate the technical expertise of Drona are our Parshurams.

**CASE STUDY**

A PLATFORM FOR INDIA’S NEXT WAVE OF EXCEPTIONAL PROFESSIONALS

UltraTech organised the fourth edition of IndiaNext on 18th October 2019, in Mumbai, along the theme of ‘Village 2057”. It emphasised the making of our villages progressive and self-sufficient. Shortlisted after a rigorous assessment process, the participants were set the task of identifying a model village listed under the ‘Gram Swaraj Abhiyan’ having a pressing architectural, planning or infrastructural issue.

A 13-member jury panel of eminent personalities critically evaluated their solutions and eventually identified the winner in each category. The participants were assessed based on their analysis of the social, structural, spatial and economic parameters and further used this to design under three categories - individual house or multi-family housing, community facility and infrastructural facility.

The winning entry ‘Aqueous Communes’ provided a replicable model solution for flood resilient homes, a ‘Community facility’ - an effective concept for a community centre where people could interact amongst themselves and discuss growth alternatives, and other such solutions. With each passing day, we see the spirit of innovation taking a stronger hold over our young professionals. We aim to give this imagination a solid ground to land.
HUMAN RIGHTS DUE DILIGENCE

UltraTech conducted Human Rights Due Diligence during the year as per our Human Rights Standard on the lines of the United Nations’ guiding principles on business and human rights, the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s (ILO) declaration on fundamental principles and rights at work.

As per the Group’s Human Rights Standard we have developed an in-house Human Rights Due Diligence (HRDD) Tool which is used to identify the probability of occurrence and the possible consequences due to risks leading to human rights abuse on employees, suppliers and contractor personnel. This tool has listed 78 Potential Abuses corresponding to 36 Human Rights that pertain to a business setup. The due diligence process is conducted with the aim of accurately identifying:

- Any human rights likely to be directly affected by ABG site activities
- Any rights holders (suppliers, contractor workmen, contract manufacturers) whose human rights could be or are affected by the site’s operations or wider activities
- Any human rights concerns of key stakeholders, such as customers, local community or wider society, in relation to the site’s operations or wider activities and
- Any potential for (real or perceived) complicity in human rights violations by the site.

This tool helps each ABG site to follow a process to identify the specific human rights violation issues for which actions should be taken to minimise the impact. This is achieved through an iterative, due diligence process and appropriate remedy. It also guides units to the next steps, which include assigning attribution levels, defining leverage in support of any preventative or remedial action and periodic review of the whole process.

Each ABG site has a cross-functional team (HRDD team) who is responsible for completion of this tool. The team should mandatorily include personnel from Human Resources, Procurement, Operations, Maintenance, Sustainability, Legal, Corporate Social Representative and Risk departments. The units can decide on the inclusion of people from other departments.

Each ABG Site has to complete the process and develop action plans corresponding to each Potential Abuse. The completed process and action plans are then uploaded as a response to the Human Rights Management SAQ on Enablon, our internal governance software. Out of the total manufacturing units, 8 of our integrated units have SA8000 certification in place as part of the HRDD process.
Our Vision is to actively contribute to the social and economic development of the communities in which we operate. In doing so, we aim to build a better, sustainable way of life for the weaker sections of the society and raise the country’s Human Development Index.

Mrs. Rajashree Birla, Chairperson
The Aditya Birla Centre for Community Initiatives and Rural Development
Advancing the holistic wellbeing of the society

We focus on taking everyone along in our growth journey as an organisation, by helping communities around us become self-reliant. Our Corporate Social Responsibility activities are concentrated in 502 villages located around our manufacturing locations across the country. Of these, 80 villages are recognised as model villages.

Most of our plants are based in remote areas including tribal belts, home to some of the most vulnerable and underserved populations. Our aim is to enable these communities to experience the benefits of all-round development using a participatory model to action the transformation.

The Aditya Birla Centre for Community Initiatives and Rural Development is the community development arm for the Group. All our community projects/programmes are in line with the Companies Act, 2013. The process begins with collectively evaluating the needs of the community, based on which we set priorities together. We then partner them in driving focused implementation efforts.

To take the Group’s vision forward, we have framed UltraTech CSR Policy, with social responsibility at the very core of our business value creation. We work in tandem with government agencies development schemes, which foster inclusive growth.

### FOCUS AREAS FOR COMMUNITY EFFORTS

- **Education and capacity building**
- **Healthcare**
- **Infrastructure development**
- **Social reform**
- **Sustainable livelihoods**

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### Investing in community development

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EDUCATION AND CAPACITY BUILDING

We work to enhance education and knowledge by supporting formal and informal schooling in the communities. We provide tools for quality elementary education and scholarships for meritorious students; support education for girl children by providing facilities to bring them to school and are transforming schools into model schools.

Poverty forces children to skip education and take up work. In order to keep these students in school, they are provided with midday meals. We are sponsoring midday meals and have also set up kitchens at several schools. Along with this, we are providing transport facilities for students. Libraries have been set up in villages across our areas of operation. Facilities such as school transport and other support systems continue, benefiting 52,000+ students.

We run a Smart Class Computer Project 'Utkarsh' in collaboration with the State Government of Rajasthan in Kharia Khangar. It has benefitted 22,000+ children. A similar initiative is taken at Khor covering 550 children across five schools.

Over 1,274 children from schools have been accorded scholarships. We conduct Shala Praveshotsav campaign to provide technical support, study materials, school bags and uniforms to school children.

Also at various locations, we run six-monthly computer literacy programmes attended by 3,866 students. We also extend support to 162 Anganwadis with more than 5,312 children enrolled.

CASE STUDY

CAREER COUNSELLING FOR STUDENTS

We undertook to help students of Reddipalayam village in Ariyalur district of Tamil Nadu by launching a career counselling programme. The programme is aimed at enabling Class 10 students, who would be appearing for the public exam, to make better career choices more confidently.

As many as 1,459 students and 59 teachers from various schools within 40 km radius in Ariyalur Taluk have attended the two-day programme. The inaugural address was delivered by the Ariyalur District Collector and Superintendent of Police and the sessions featured six eminent speakers in FY 2018-19.

Our teams visit the schools and assess the Class 10 students as well as inform them about the way forward. A consolidated list is then handed over to the Chief Education Officer. This is followed by a focused group discussion with the Heads of the various schools. Based on the discussions, the recommendations for academic year 2020-21 have been passed on to the CEO to offer the courses as per the students’ interests.
HEALTHCARE

We provide consistent and quality healthcare through our hospitals, primary healthcare centers, and mother and child care projects within communities around our manufacturing facilities. We hold medical camps and immunisation programmes regularly, as well as help immunise children against polio.

We extend healthcare for treating disabilities, such as cleft lip surgery and cochlear implant surgery for children, which have a life-changing impact, and providing artificial limbs for the physically challenged. We are working with the Vision Foundation of India to provide medical help to the nearly blind. We provide support for carrying out cataract surgeries. We conduct preventive healthcare programmes for awareness about HIV / AIDS for.

We are also working to make villages open defecation-free by joining hands with the local governments to set up toilet facilities.

To provide healthcare facilities, we held 248 rural medical and awareness camps and 48 speciality camps. Health check-ups were conducted for ailments such as malaria, diarrhoea, diabetes, hepatitis, arthritis, skin diseases, gynaecological disorders and cardiac related issues. Our rural mobile medical van services complemented these efforts. More than 1,52,000 villagers availed of our healthcare services.

The Company has eight hospitals. These are located at Khor (Madhya Pradesh); Shambhupura and Kharia Khangar (Rajasthan); Kovaya, Jafrabad and Sewagram (Gujarat); Rawan (Chhattisgarh) and Malkhed (Karnataka). More than 64,000 underserved patients were treated at our hospitals.

At our eye camps 12,064 persons were treated and 2,632 intraocular operations were performed. The teams also distributed 4,453 spectacles among senior citizens.

At dental check-up camps and school health camps majorly organised in the locations near Kharia Khangar, Awarpur (Maharashtra), Tadipatri (Andhra Pradesh), Malkhed, Khor, Kovaya, Reddipalayam (Tamil Nadu), Dankuni (West Bengal), Shahjahanpur (Uttar Pradesh) and Hirmi (Chhattisgarh) 5,423 persons were treated.

At blood donation camps, we garnered 1,776 donors in Ginigera (Karnataka), Jafrabad, Kovaya, Khor, Hirmi, Kharia Khangar and Reddipalayam.

Furthermore, we treated 3,340 people through alternate therapies i.e. Yoga, Homeopathy and Ayurveda at Hirmi, Kovaya and Jafrabad.

MOTHER AND CHILD HEALTH CARE

We extend mother and child healthcare facilities for antenatal and post-natal care, mass immunisation, nutrition and escort services for institutional delivery.

In collaboration with the District Health Department, our mother and child healthcare project served 13,122 women. Over 1,24,439 children were immunised against polio, BCG, DPT and Hepatitis-B across the Company’s Units.


Our intensive motivational drive towards responsible family raising, led to 1,473 villagers going in for planned families across 16 locations.
INFRASTRUCTURE DEVELOPMENT

Infrastructure is a key enabler for provision of essential services in any society. Therefore, we support communities with housing facilities, safe drinking water, health and hygiene and renewable source energy. Across the country, we have helped build community halls, school blocks, playgrounds, approach roads, installed solar lights, water harvesting structures, hand pumps, facilitated village drainage systems; deeply impacting the society.

In solidarity with the Green Energy movement, we continue to maintain 124 biogas plants at Jafrabad, Kovaya and Neemuch.

Our multidisciplinary teams at Tonki, Khariya, Bela, Kotputli, Sambhupura, Kovaya, Jafrabad and Sewagram have helped survey, design and create water harvesting structures. These cater to a 7,500 population in the coastal districts of Amreli and Bhuj (Gujarat) and an additional 3,200 in the semi-arid regions of western and eastern Madhya Pradesh, Rajasthan and Maharashtra. These structures are designed to distress irrigation, support water recharge in wells, drinking water for cattle and other animals, reduce salt ingress through ground water recharge.

CASE STUDY

SAFE DRINKING WATER AND SANITATION

We have installed 27 Reverse Osmosis (RO) plants in Awarpur, Kharia Khangar and Kotputli, and Tadipatri. These provide safe drinking water to 31,000 villagers. Additionally, this year we have dug bore wells, installed overhead tanks and pipelines to supply potable water to the community. These projects were done in collaboration with local community members.

In line with the Swachh Bharat Abhiyan, 500 individual toilets and sanitation facilities at 100 schools have been set up and 44 villages under our programmes have achieved the Open Defecation Free (ODF) status as a result of our intervention.

SOCIAL REFORM

We engage with communities in order to help enhance social cohesion and well-being. We recognise this as the cornerstone of our development as a nation. We run awareness programmes to advocate and support dowry-less marriages and widow remarriages. We also run de-addiction campaigns espousing basic moral values and gender equality.

Yet another aspect of our work includes bringing in social reform through behavioural changes. We work with communities on issues such as child labour, illiteracy, child marriages, the marginalisation and abuse of the girl child and women, alcoholism and poor hygiene, among others. Our social cultural programmes which include sports and celebration of national events, touched more than 2,98,620 people.
These programmes help create sustainable livelihood opportunities for people, implemented through Self-Help groups (SHGs). These SHGs run small scale businesses, in a manner that supports the sustainability of natural resources. Our programmes cover women empowerment, skill enhancement and vocational training, agriculture development, animal husbandry, soil and water conservation, watershed development and agro-forestry. Through these programmes we are impacting nearly 1,00,000 people.

Apart from this, we focus on skill development for urban youth. Through our setup of Multi Skill Multi Sector Training Centres, we provide short-term training programmes in hospitality, computers, electronics, electrical repair, cosmetology, etc. We also run an Applicators Training Programme in Rajasthan, which provides special training to masons and others in the construction sector.

In a collaborative project with the Confederation of Indian Industries and Sector Skills Council – Pradhan Mantri Kaushal Vikas Yojana (PMKVY), we run skills centres to provide training in automobile repairing, electrical services, IT enabled services, beauty and wellness, BPO, retail sales, garment designing, courier services and logistics.

In Reddipalayam village of Tamil Nadu, we impart training in tailoring to young girls who have completed their school education and are not keen on continuing their studies. The training is aimed at helping them to become self-reliant and facilitating them to earn money while working from home.

The six-month course is conducted five days weekly, with theoretical and practical lessons. We began the project in FY 2016-17 and has successfully trained 31 batches with 520 women till date. Of these, as many as 363 women have either picked up work with textile industries or started their own businesses at home.

During FY 2020-21, 20 women candidates aged between 16 and 35 years were selected and trained from the surrounding villages. The trained students have started their own tailoring shops and some have obtained jobs in textile mills.
MoDel VillAgeS

We are engaged in creating model villages in rural India. This is a transformative project for which we have chosen 300 villages out of the 3,000 villages with which we are associated. We aim to help the villages become self-reliant in every aspect, over a five-year timeframe, and move out of the ‘below poverty line’ status. So far, more than 80 villages in India’s hinterland have already reached the level of model villages. These are located in Tamil Nadu, Karnataka, Chhattisgarh, Maharashtra, Gujarat, Madhya Pradesh and Rajasthan.

HELPING FARMERS BOOST HARVEST

To boost agricultural and horticultural activities and help farmers reap a rich harvest, we reach out to 26,000 farmers across UltraTech’s operations. Farmer training programmes enable them to be in sync with the most modern agricultural practices and include demonstration plots, soil testing, providing quality seeds, tutoring them in inter-cropping, field visits to the Rishi Vigyan Kendras and more. We have set up demonstration plots in wastelands for practicing method demonstration in horticulture and pasture. Given that this requires low input farming, small farmers are much benefited.

We promote farmers’ clubs for networking and knowledge. Alongside, procuring healthy milch cattle, organising veterinary camps, artificial insemination are part of our endeavours that have and continue to make a remarkable difference to the life of farmers.

MODEL VILLAGES

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ANIMAL HUSBANDRY

This year 53,400 animals were immunised in veterinary camps and a large number were artificially inseminated for improved milk yielding breed. This has raised the milk output and consequently there has been a surge in the income of the farmers. BAIF and the JK Trust have been our project partners in the cattle breeding project for Kovaya, Jaffrabad, Wanakbori, Khor and Hirmi. At all other locations we collaborate with the Government services available. Over 18,200 cattle owners have been the beneficiaries. Additionally, our fodder support programme in collaboration with the Panchayat in the drought prone areas of Sewagram (Gujarat), caters to the entire populace in 14 villages and Gaushalas at Kharia.
We see ourselves as an enabler: helping to build a better world by providing strong foundations, both metaphorically and literally. While our innovative products are helping to drive sustainability focus through consumer choices, our thought leadership is influencing stewardship of sustainability issues globally. Through strong focus on ESG, we are influencing long-term value creation and development at large. Our contribution to UN Sustainable Development Goals is extremely important to us and helps guide our efforts. Our performance is driven by results-oriented action, and for us, sustainability encompasses business.

Atul Daga,
Whole Time Director and Chief Financial Officer
Economic performance

Our increasingly innovative and sustainable products are a reflection of our commitment to the Aditya Birla Group values. Our holistic performance has led to UltraTech’s growth and evolution as a building solutions provider. We have taken care to build a brand that is seen as a mark of excellence, reliability and responsibility.

We have succeeded in building great value for our end-consumer and all other key stakeholders alike, backed by our strong focus on products that perform; products that delight our customers. Led by a brand that they trust.

We have continued to enhance this trust by taking all the steps necessary to ensure sustainable business and sustainability at large. Thus, business at UltraTech is led by good, proactive governance. This has enabled us to deliver on value-accretive growth over decades of performance.

₹ 414.76 Billion

total turnover for FY20

FINANCIAL DASHBOARD FOR FY 2019-20
Corporate governance

The cornerstone of our sound and proactive corporate governance practices is our pursuit of excellence in everything we do. Our decision-making across the board is driven by strategic foresight planning and implementation. This approach ensures that we go beyond our financial performance, and work to contribute to the development and empowerment of our society as a whole.

CODE OF CONDUCT

Formulation and fair implementation of the right processes go a long way in establishing a value-based organisational culture. At UltraTech, a uniform and comprehensive Code of Conduct applies to the entire workforce across designations. Our norms and various organisational policies are aligned with it. The Company website hosts a copy of the Code of Conduct, which is updated regularly. These measures provide our employees the right direction towards healthy conduct and help foster an ethical work culture and make us a conducive place to work.

Dedicated communication channel available for grievance redressal which is also audited by KPMG. We have also developed an online module on the Code of Conduct which will be soon launched to employees create more awareness. The Code of Conduct covers 100% of our employees across all our operations.

BOARD DIVERSITY

The governance system at UltraTech derives its strength from our Board of Directors, whose role is to promote the long-term success of the business for the benefit of its shareholders through sustainable development practices.

It reviews and approves corporate strategies which are reflected in UltraTech’s business plans, projects, annual budgets and capital expenditure. Our Board comprises 9 Directors, including three women directors. The 9-strong Board includes 1 Managing Director, 1 Whole Time Director, 3 Non-Executive Directors and 4 Independent Directors. The average tenure of a board member is around 7.9 years.

Under the Board are formed various sub-committees to implement the Board’s decisions as per its strategic priorities aimed at protecting and furthering the interests of the Company’s key stakeholders. Headed by Independent Directors, these sub-committees maintain continuous oversight of key business functions through rigorous reviews of the implementation of policies and procedures.

Read more in UltraTech Annual Report 2019-20

UltraTech Board Committees:

- Audit Committee
- Stakeholder Relationship Committee
- Risk Management and Sustainability Committee
- Nomination, Remuneration & Compensation Committee
- Finance Committee
Responsible supply chain

At UltraTech, our efforts are concentrated on ensuring that our supply chain keeps evolving into a more responsible and sustainable one. We value our network of suppliers and contractors who carry out their operations in alignment with our vision on Sustainability.

Aditya Birla Group’s Supply Chain and Procurement Policy is aimed at building a supply chain that sustains business and is resilient with regard to risks. We work in close collaboration with our suppliers, who play an important role in imparting strength to our supply chain and making it efficient.

We have a supplier code of conduct in place which needs to be adhered to by all our suppliers. The vendors we choose to work with are selected based on robust criteria to ensure ethical, healthy work practices on their end. We assess them for issues such as Child Labour, Forced & Compulsory Labour, Health & Safety, Environment Management, Working Hours, Statutory compliances among others. The process of monitoring and evaluation is carried out regularly even after the vendors are on-boarded. Further, we prioritise local vendors over others in order to encourage responsible sourcing.

We have developed a Sustainable Supply Chain Framework for working with our suppliers and extending our sustainability efforts and expectations to them. It sets our vision, policy and codes. This specifies the steps to be taken for having sustainable procurement practices. We have created a methodology for engagement, evaluation and disclosure of supplier’s sustainability efforts.

SUPPLIER RISK ASSESSMENT AND MANAGEMENT

The company’s risk management system addresses the ‘future-proofing’ component of the Group Sustainability Framework. The Company identifies, prioritises risks and develops mitigation strategies to tackle risks across the value chain including those posed by locations and operations of our suppliers.

For supplier risk assessment, we have adopted a two-step process comprising self-assessment by suppliers and site audits. Our self-assessment questionnaire comprises questions regarding holistic business information including those concerning operations, human resource management, and sustainability. Self-assessment is administered at the time of the on-boarding of the suppliers. The supplier is contracted after conducting due-diligence to minimise the supply chain risks. Site audits are conducted by third-party having expertise in sustainability and EHS audit regularly.

IDENTIFICATION OF CRITICAL SUPPLIERS

The criteria for shortlisting critical suppliers are:

1. Value for money
2. Volume of supplies
3. Reliability
4. Non-substitutability
5. Technological capabilities

TARGETS FOR INCULCATING SUSTAINABILITY IN SUPPLY CHAIN

<table>
<thead>
<tr>
<th>KPIS</th>
<th>TARGET</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>New suppliers to be screened for ESG criteria**</td>
<td>100%</td>
<td>Continuous</td>
</tr>
<tr>
<td>Assessment of critical Suppliers</td>
<td>100%</td>
<td>2025</td>
</tr>
<tr>
<td>Coverage of tier 1 suppliers through sustainable supply chain awareness sessions</td>
<td>25%</td>
<td>2025</td>
</tr>
</tbody>
</table>

* Identified from the Corporate Procurement Active Vendor List
** As of now, only new suppliers registered with the corporate procurement cell will be screened
CASE STUDY

ADOPTION OF INDIA’S FIRST INDIGENOUS DRY BULKER

Exhibiting the spirit of ‘One ABG’, UltraTech’s trusted logistics partner M/S Prakash Supply Chain Solutions has adopted dry bulker for cement transportation. This is India’s first indigenous dry bulker and the move, which took place on World Environment Day, 5th June 2019, signifies a collaboration between the two companies.

It is a greener alternative to the bulker normally in use and is also the first such bulker, especially for cement, sold by Hindalco. Used for carrying cement, fly ash, food grains, PTA powder, and alumina, it can carry ~10% more in quantity than the regular bulkers.

This dry bulker is a vehicle that uses aluminium, which is safe, durable, efficient and cost-effective, and contributes towards reduction of emissions. Aluminium is fully recyclable and at the end of its life, it gives more value, thus helping contribute to circular economy as well. Moreover, it is corrosion-free and easier to maintain.

Assuming this step can be replicated across our logistics network, UltraTech is looking at moving 3,00,000 fewer trucks. Thus, reducing costs, usage of fuel as well as emissions.

DEVELOPING A TRULY LOCAL SUPPLY CHAIN

Supply is a major focus area towards delivering on our commitments to sustainability. We procure a majority of our raw materials and other essentials 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 helps to improve the financial indicators of the local economy.

68.63% Procurement from local suppliers

CASE STUDY

TRIBAL WOMEN OF GUJARAT SUCCEEDING AT RETAIL SALES

Our marketing team at UltraTech has pioneered a novel way to enable rural communities to grow as a progressive society. We launched an initiative aimed at improving the quality of life of families by providing avenues for the women to be engaged in economic value generation.

On 28th June 2019, we inaugurated a building material (cement & construction material) selling retail counter at Jesingpura Village in the Tapi district of Gujarat. The counter is run exclusively by 12 tribal women, who are part of one of the active Sakhi Mandals (Self-Help Groups) in the village.

Rolled out in association with the DRDA (District Rural Development Agency), Tapi District, through ‘Mission Mangalam’ under the ‘Mukhyam Mantri Gramodaya Yojna’, it is helping to further financial inclusion goals too.

Our team in Surat, Gujarat, has since June 2018, trained 135 women from various self-help groups in masonry and plaster work. The groups were initially screened by the DRDA and are now working independently. These women now enjoy a greater decision-making capacity at home and at the community level.

Assisted by our logistics partner, M/S Prakash Supply Chain Solutions, the women have now acquired the know-how of masonry and plaster work. They are now able to build houses and sell cement and construction material in their respective communities.
Product stewardship

We build. And we help others build using our products and our services. Any economy aiming to grow would need to build. The performance of the cement sector is, therefore, a barometer to the growth of the country’s economy. At UltraTech, our focus is to build with responsibility. It moves us to challenge ourselves and innovate to solve problems our customers are facing in a world that is increasingly conscious of the impact on environment, the planet at large and the people living on it. This is what makes us leaders.

At UltraTech, our Research and Development is devoted to exploring new ways of sustainable product development, environment preservation and responsible use of resources. It is our constant endeavour to improve the quality of our products and develop new ones, especially with an aim to reduce our ecological footprint.

The Technology Innovation & Knowledge Management Centre drives technological innovation which extends beyond conventional cost management outcomes. With a team of more than 50 scientists and engineers, it focuses on raw mix, process improvements, clinker cement conversion ratio and the use of cost-effective hard-to-burn fuels.

We are closely engaged with the Aditya Birla Science and Technology Company Private Limited (ABSTCPL), the corporate research and development centre for the Group. It caters to the research needs of the Group multi-disciplinary experts working on applied research projects. Our active collaboration works in mineral securitisation, process debottlenecking and predictive studies, based on natural and non-renewable resource preservation, energy conservation and improved product durability.

Over the years, we have developed and manufactured various blended cements using waste materials such as fly ash, slag, calcined clay, rice husk ash, helping to reduce the consumption of limestone - a natural resource. It also aids in waste minimisation.

INNOVATION IN READY-MIX CONCRETE

Innovation in Ready-Mix Concrete is based on a four-pillar approach. At Level 1 we involve all our employees to do Kaizen, which are small innovative ideas that one can do at their workplace to make it efficient and we encourage exchange of these ideas across plants. Level 2 is to work with the technology suppliers to bring in improvements in the existing equipment by replacing or improving upon them. We provide customised products for clients looking at specific properties, at Level 3. And finally, we have Level 4 for unique innovative solutions which can achieve patents.

₹ 24.96 Crores

Invested in Research and Development
With our pan-India presence, we are partnering the country in nation building by providing 360-degree construction solution to millions of Indians through our portfolio of 60+ high quality & sustainable Products & Solutions including Cement, Value Added Concrete & Building Products. As a responsible leader, we continue to connect with thousands of our stakeholders ‘digitally’ in our pursuit of creating a sustainable future. We are passionately driving Digital Transformation initiatives by building next-gen capabilities like AI/ML to increase our contribution to circular economy and lead the change for the global cement & concrete industry.

Vivek Agrawal, Chief Marketing Officer
OUR APPLICATION-SPECIFIC PRODUCTS

UltraTech Rapid is designed to achieve high early strength and hence facilitate early stripping time. It can be used for repairs at busy traffic areas like roads, airports and runways in large projects as it increases the speed of construction.

UltraTech Duraplus is a multi-featured concrete with dampness protection and long-term durability for residential and building construction.

UltraTech Pervious offers numerous environmental, structural and economic benefits. It is an excellent alternative to expensive storm water management methods, ideal for pavements, alleys, driveways, parking areas, sidewalks etc.

UltraTech Litecon is a light weight concrete, possessing excellent workability and can be placed in any desired shape. It also provides excellent heat and sound insulation as well as better fire resistance than ordinary concrete.

UltraTech Aquaseal is an innovative waterproofing solution produced by introducing special additives. It resists extreme hydrostatic pressure and seals static hairline cracks.

UltraTech Décor is a coloured, textured and imprinted concrete available in a variety of colours and shades.

Ultra-High Performance Concrete (UHPC) with compressive strength 120-150 MPa and flexural strength 22-25 MPa as first in the country, commercial solution for thin structural elements and building facades.

CASE STUDY

CUSTOMISED CONCRETE SOLUTIONS FOR SUSTAINABLE CONSTRUCTION

Structural lightweight concrete is a new product developed to provide a sustainable and fireproof alternative for composite construction. This is a high performance concrete with a focus on sustainability, developed for one of our client - D Y Patil University & Afita Construction. This product also received an award under the category ‘Innovation to Drive Sustainability’ at the Economic Times Innovation awards held in Mumbai.

GREEN PRODUCTS AWARDED CII GREENPRO CERTIFICATION

At UltraTech, a major focus on product stewardship is through innovation to further our sustainability goals. We want to make products that take less energy to produce, produce less waste and deliver better quality and performance to ensure we maximise impact with minimal use of resources, FY 2019-20 at UltraTech has seen several developments in this direction.

Three of our plants have secured the GreenPro Certification by the Confederation of Indian Industry’s (CII) Indian Green Building Council. Our Ready-Mix Concrete plants - the Medchal plant in Hyderabad, Pawne plant in Navi Mumbai and Wagholi plant in Pune are now GreenPro certified. The process of certification is based on a lifecycle approach and is key to enabling market transformation by enabling the end customer to identify the ‘green-ness’ of the product.
UltraTech customers can bank on being provided access to our Mobile Concrete Laboratories – a means to extend onsite technical assistance to ensure quality and consistency in making concrete. Each Mobile Concrete Laboratory is manned by a qualified and trained civil engineer, who tests the raw materials used in construction on-site and advises the customers about the right methods for producing quality concrete.

Our Mobile Concrete Laboratories are an industry-first initiative that was launched 15 years ago, and have had an extremely successful run throughout, leading us to take steps to improve the offering.

During FY 2019-20, our Mobile Concrete Laboratory got an overhaul with a host of value-added services fueling customer delight. In addition to the existing material testing services, the new improved version of Mobile Concrete Laboratory is equipped with an LCD screens to display best construction practices videos and a dedicated shelf to showcase the wide range of UltraTech’s building products.

The laboratory also provides information about our products and services such as water proofing, tile fixing, crack filling, ready-to-use material for plastering etc. It also shows the masons and contractors how to ensure the method of application is correct, as this has a bearing on the effective performance of the products. We explain these to the masons through videos and sample demonstrations.

CASE STUDY

AN ARRAY OF GREEN PRODUCTS

UltraTech is conferred GreenPro certification for UltraTech RMC products Litecon, Freeflow Plus, Ultratech Plus, Ultratech Plus, Pervious Concrete, Hypercon, and DuraPlus. These products are special as their sustainable production processes bring down cement usage, reduce CO₂ emissions, conserve energy and preserve natural resources. These products will bear the GreenPro label for being environment friendly throughout their lifecycle.

CASE STUDY

REACHING OUT TO THE CUSTOMER ON-SITE

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This chapter provides our sustainability performance over time.

### OUR BUSINESS

<table>
<thead>
<tr>
<th>Economic Value Generated</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>FY 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross value of operations</td>
<td>388.86</td>
<td>451.17</td>
<td>507.27</td>
</tr>
</tbody>
</table>

#### Economic Value distributed

<table>
<thead>
<tr>
<th>Operating costs</th>
<th>227.73</th>
<th>271.2</th>
<th>263.17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt taxes including excise / VAT / Income Tax / Other levies</td>
<td>90.41</td>
<td>99.49</td>
<td>114.02</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18.47</td>
<td>20.96</td>
<td>27.02</td>
</tr>
<tr>
<td>Employees welfare and community development</td>
<td>18.1</td>
<td>20.41</td>
<td>25.09</td>
</tr>
<tr>
<td>Payment to lenders</td>
<td>12.33</td>
<td>14.64</td>
<td>19.86</td>
</tr>
<tr>
<td>Proportionate dividend to shareholders</td>
<td>3.05</td>
<td>3.16</td>
<td>3.75</td>
</tr>
<tr>
<td>Total economic value distributed</td>
<td>370.1</td>
<td>429.86</td>
<td>452.91</td>
</tr>
</tbody>
</table>

#### Economic value retained

| Retained earnings for reinvestment / modernisation | 18.76 | 21.34 | 54.35 |
| Financial assistance received from the Government | NIL | NIL | NIL |
| Benefits received under State Investment Promotion | 3.112 | 4.454 | 4.056 |

### PEOPLE

#### EMPLOYEE DETAILS

<table>
<thead>
<tr>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of employees</td>
<td>14176</td>
<td>19646</td>
</tr>
<tr>
<td>Attrition</td>
<td>5%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Training hours per employee</td>
<td>15.9</td>
<td>18.1</td>
</tr>
</tbody>
</table>

#### EMPLOYEE DISTRIBUTION BY ROLE AND GENDER

<table>
<thead>
<tr>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>Permanent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Managers</td>
<td>620</td>
<td>12</td>
</tr>
<tr>
<td>Executives</td>
<td>9579</td>
<td>201</td>
</tr>
<tr>
<td>Workers</td>
<td>3730</td>
<td>6</td>
</tr>
<tr>
<td>Non-Permanent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trainees</td>
<td>141</td>
<td>3</td>
</tr>
<tr>
<td>Retainers</td>
<td>38</td>
<td>1</td>
</tr>
<tr>
<td>Fixed term employees</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Contract Labour</td>
<td>22387</td>
<td>658</td>
</tr>
</tbody>
</table>
### EMPLOYEE DISTRIBUTION BY AGE

<table>
<thead>
<tr>
<th>Age</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>1702</td>
<td>9681</td>
<td>2793</td>
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<tr>
<td>30-50</td>
<td>1941</td>
<td>13679</td>
<td>4026</td>
</tr>
<tr>
<td>&gt;50</td>
<td>1681</td>
<td>13424</td>
<td>4100</td>
</tr>
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### EMPLOYEE DISTRIBUTION BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent employees</td>
<td>13718</td>
<td>19108</td>
<td>18846</td>
</tr>
<tr>
<td>Trainees</td>
<td>122</td>
<td>122</td>
<td>122</td>
</tr>
<tr>
<td>Retainers</td>
<td>41</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Fixed term employees</td>
<td>67</td>
<td>0</td>
<td>99</td>
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<tr>
<td>Contract Labour</td>
<td>22695</td>
<td>31292</td>
<td>30687</td>
</tr>
</tbody>
</table>

### EMPLOYEE TURNOVER BY AGE, GENDER AND REGION

<table>
<thead>
<tr>
<th>Age</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>FY 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>173</td>
<td>177</td>
<td>196</td>
</tr>
<tr>
<td>30-50</td>
<td>266</td>
<td>700</td>
<td>672</td>
</tr>
<tr>
<td>&gt;50</td>
<td>437</td>
<td>283</td>
<td>337</td>
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<tr>
<td>Gender</td>
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<tr>
<td>M</td>
<td>848</td>
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<tr>
<td>Region</td>
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<tr>
<td>Within country</td>
<td>864</td>
<td>1129</td>
<td>1184</td>
</tr>
<tr>
<td>Outside country</td>
<td>12</td>
<td>31</td>
<td>21</td>
</tr>
</tbody>
</table>

### NEW EMPLOYEES HIRED BY AGE, GENDER AND REGION

<table>
<thead>
<tr>
<th>Age</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>FY 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>395</td>
<td>515</td>
<td>424</td>
</tr>
<tr>
<td>30-50</td>
<td>441</td>
<td>767</td>
<td>546</td>
</tr>
<tr>
<td>&gt;50</td>
<td>17</td>
<td>53</td>
<td>34</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>835</td>
<td>1290</td>
<td>922</td>
</tr>
<tr>
<td>F</td>
<td>18</td>
<td>45</td>
<td>82</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within country</td>
<td>838</td>
<td>1307</td>
<td>993</td>
</tr>
<tr>
<td>Outside country</td>
<td>15</td>
<td>24</td>
<td>11</td>
</tr>
</tbody>
</table>
### AVERAGE TRAINING HOURS PER EMPLOYEE PER YEAR

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>Total</td>
</tr>
<tr>
<td>Leaders</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Managers</td>
<td>24</td>
<td>40</td>
<td>64</td>
</tr>
<tr>
<td>Executives</td>
<td>18</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>Workers</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

### SAFETY PERFORMANCE

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of fatalities per 10,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost Time Injuries (LTIs) per million man hours</td>
<td>0.36</td>
<td>0.34</td>
<td>0.43</td>
</tr>
<tr>
<td>Indirectly employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Fatalities</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Lost Time Injuries (LTIs) per million man hours</td>
<td>0.32</td>
<td>0.31</td>
<td>0.19</td>
</tr>
<tr>
<td>Number of Fatalities (Third Party)</td>
<td>3.00</td>
<td>3.00</td>
<td>0</td>
</tr>
</tbody>
</table>

### MATERNITY LEAVE

<table>
<thead>
<tr>
<th>Category</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees who took Maternity leave</td>
<td>15</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Employees who returned to work after maternity leave ended</td>
<td>14</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Employees returning from maternity leave in previous financial year</td>
<td>10</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Employees who took maternity leave in previous financial year &amp; were employed for 12 months after return</td>
<td>6</td>
<td>12</td>
<td>6</td>
</tr>
</tbody>
</table>
ENIRONMENT

ENVIRONMENT PERFORMANCE - CEMENT

Material Consumption

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural raw materials</td>
<td>Million Tonnes</td>
<td>65.47</td>
<td>80.42</td>
<td>75.77</td>
</tr>
<tr>
<td>Associated materials</td>
<td>Thousand Tonnes</td>
<td>55.92</td>
<td>68.45</td>
<td>85.74</td>
</tr>
<tr>
<td>Semi manufactured goods</td>
<td>Thousand Tonnes</td>
<td>9.10</td>
<td>7.28</td>
<td>8.45</td>
</tr>
<tr>
<td>Packaging materials (Plastic and paper bags)</td>
<td>Thousand Tonnes</td>
<td>65.98</td>
<td>77.87</td>
<td>76.47</td>
</tr>
</tbody>
</table>

Recycled Materials used by Weight

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly ash</td>
<td>Thousand Tonnes</td>
<td>9022</td>
<td>13363.17</td>
<td>12939.46</td>
</tr>
<tr>
<td>Slag</td>
<td>Thousand Tonnes</td>
<td>767</td>
<td>727.26</td>
<td>582.59</td>
</tr>
<tr>
<td>Waste Materials as gypsum (Also includes Chemical and Marine Gypsum)</td>
<td>Thousand Tonnes</td>
<td>914</td>
<td>1245.49</td>
<td>1069.51</td>
</tr>
<tr>
<td>Other industrial wastes</td>
<td>Thousand Tonnes</td>
<td>96</td>
<td>179.62</td>
<td>1143.69</td>
</tr>
<tr>
<td>Recycled material used</td>
<td>Thousand Tonnes</td>
<td>10799</td>
<td>15515.53</td>
<td>15735.25</td>
</tr>
<tr>
<td>Percentage of recycled materials used</td>
<td></td>
<td>14.16%</td>
<td>16.2%</td>
<td>17.2%</td>
</tr>
</tbody>
</table>

Direct Energy Consumption - for Production

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal and Lignite</td>
<td>PJ</td>
<td>36.95</td>
<td>35.18</td>
<td>44.62</td>
</tr>
<tr>
<td>Petcoke</td>
<td>PJ</td>
<td>85.13</td>
<td>111.64</td>
<td>106.89</td>
</tr>
<tr>
<td>Waste Fuel</td>
<td>PJ</td>
<td>4.57</td>
<td>6.36</td>
<td>5.80</td>
</tr>
<tr>
<td>Others (Includes Diesel oil, furnace oil, LDO and other fuel)</td>
<td>PJ</td>
<td>0.20</td>
<td>0.30</td>
<td>0.16</td>
</tr>
<tr>
<td>Mining and Transportation</td>
<td></td>
<td>0.96</td>
<td>1.65</td>
<td>1.96</td>
</tr>
</tbody>
</table>

Direct Energy Consumption - for Captive Power Plant

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal and lignite</td>
<td>PJ</td>
<td>23.70</td>
<td>43.58</td>
<td>52.02</td>
</tr>
<tr>
<td>Pet coke</td>
<td>PJ</td>
<td>21.79</td>
<td>7.95</td>
<td>2.97</td>
</tr>
<tr>
<td>Others (Includes Diesel oil, furnace oil, LDO and other fuel)</td>
<td>PJ</td>
<td>0.66</td>
<td>0.42</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Renewable Energy Produced

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Heat Recovery System</td>
<td>TJ</td>
<td>1205.06</td>
<td>1458.46</td>
<td>1764.67</td>
</tr>
<tr>
<td>Wind Energy</td>
<td>TJ</td>
<td>6.37</td>
<td>6.11</td>
<td>5.81</td>
</tr>
<tr>
<td>Solar Energy</td>
<td>TJ</td>
<td>16.72</td>
<td>54.65</td>
<td>41.13</td>
</tr>
</tbody>
</table>

Indirect Energy Consumption

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity purchased</td>
<td>TJ</td>
<td>2223</td>
<td>4042</td>
<td>3744</td>
</tr>
<tr>
<td>Electricity purchased - renewables</td>
<td>TJ</td>
<td>125</td>
<td>220</td>
<td>381</td>
</tr>
</tbody>
</table>
### Alternate Fuel Rate

<table>
<thead>
<tr>
<th>Parameter</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Alternative Fuel Rate (% of thermal energy consumption)</td>
<td>3.60</td>
<td>3.90</td>
<td><strong>3.7%</strong></td>
</tr>
</tbody>
</table>

### Energy Intensity

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific thermal energy</td>
<td>kcal/kg of clinker</td>
<td>707.36</td>
<td>712.85</td>
<td><strong>718.42</strong></td>
</tr>
<tr>
<td>Specific electrical energy</td>
<td>kWh/ ton of cement</td>
<td>76.9</td>
<td>78.9</td>
<td><strong>79.8</strong></td>
</tr>
</tbody>
</table>

### Total Water Withdrawal

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface water</td>
<td>Million m³</td>
<td>5.40</td>
<td>7.38</td>
<td><strong>5.44</strong></td>
</tr>
<tr>
<td>Ground water</td>
<td>Million m³</td>
<td>2.84</td>
<td>4.23</td>
<td><strong>3.80</strong></td>
</tr>
<tr>
<td>Rainwater</td>
<td>Million m³</td>
<td>6.28</td>
<td>8.80</td>
<td><strong>9.45</strong></td>
</tr>
<tr>
<td>Water from municipality</td>
<td>Million m³</td>
<td>0.27</td>
<td>0.34</td>
<td><strong>0.33</strong></td>
</tr>
<tr>
<td>Water recycled and reused</td>
<td>% of water withdrawn</td>
<td>12.98</td>
<td>13.03</td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>

### Biodiversity

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of saplings planted</td>
<td>Number</td>
<td>202027</td>
<td>314208</td>
<td><strong>256495</strong></td>
</tr>
<tr>
<td>Saplings survival rate</td>
<td>%</td>
<td>83</td>
<td>85</td>
<td><strong>85</strong></td>
</tr>
</tbody>
</table>

### GHG & ODS Emissions

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct CO₂ (Includes CPP)</td>
<td>Thousand tCO₂/year</td>
<td>39296</td>
<td>51268</td>
<td><strong>47952</strong></td>
</tr>
<tr>
<td>Indirect CO₂ (external power)</td>
<td>Thousand tCO₂/year</td>
<td>625.59</td>
<td>1208.76</td>
<td><strong>1314.58</strong></td>
</tr>
<tr>
<td>Total use of ODS</td>
<td>Equivalent tonnes</td>
<td>0.295</td>
<td>0.317</td>
<td><strong>0.292</strong></td>
</tr>
<tr>
<td>Scope 3 emissions</td>
<td>tCO₂/year</td>
<td>4794493</td>
<td>5879313</td>
<td><strong>5376354</strong></td>
</tr>
<tr>
<td></td>
<td>Million tonnes CO₂/year</td>
<td>4.79</td>
<td>5.88</td>
<td><strong>5.37</strong></td>
</tr>
</tbody>
</table>

### Specific GHG Emissions - Cement

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Direct GHG Emissions*</td>
<td>kg CO₂ per tonne of cementitious material produced</td>
<td>625.7</td>
<td>618.87</td>
<td><strong>613.76</strong></td>
</tr>
<tr>
<td>Specific Indirect GHG emission</td>
<td>kg CO₂ per tonne of cementitious material produced</td>
<td>11</td>
<td>16</td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>

### Other Air Emissions

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPM</td>
<td>Tonnes/year</td>
<td>3835</td>
<td>5547.78</td>
<td><strong>4282.64</strong></td>
</tr>
<tr>
<td>SOx</td>
<td>Tonnes/year</td>
<td>17725</td>
<td>26020.79</td>
<td><strong>18771.88</strong></td>
</tr>
<tr>
<td>NOx</td>
<td>Tonnes/year</td>
<td>64007</td>
<td>96904.03</td>
<td><strong>71517.20</strong></td>
</tr>
</tbody>
</table>

### Waste Disposal

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste (solid)</td>
<td>Tonnes</td>
<td>475.83</td>
<td>872.39</td>
<td><strong>714.53</strong></td>
</tr>
<tr>
<td>Hazardous waste (liquid)</td>
<td>Tonnes</td>
<td>738.65</td>
<td>930.45</td>
<td><strong>928.19</strong></td>
</tr>
<tr>
<td>Non-hazardous waste (solid)</td>
<td>Thousand Tonnes</td>
<td>1101.45</td>
<td>706.18</td>
<td><strong>554.46</strong></td>
</tr>
</tbody>
</table>

*Excludes Captive Power Plant
## ENVIRONMENT PERFORMANCE - RMC
### Material Consumption

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural raw materials</td>
<td>Million Tonnes</td>
<td>6.86</td>
<td>7.29</td>
<td>6.91</td>
</tr>
<tr>
<td>Associated materials</td>
<td>Thousand Tonnes</td>
<td>0.03</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>Semi manufactured goods</td>
<td>Thousand Tonnes</td>
<td>1053.88</td>
<td>1092.04</td>
<td>1063.17</td>
</tr>
</tbody>
</table>

### Direct Energy Consumption for Concrete Production

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal, lignite, petcoke and waste fuel</td>
<td>PJ</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others (Includes Diesel oil, furnace oil, LDO and other fuel)</td>
<td>PJ</td>
<td>0.023</td>
<td>0.022</td>
<td>0.019</td>
</tr>
</tbody>
</table>

### Direct Energy Consumption - for DG Sets

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others (Includes Diesel oil, furnace oil, LDO and other fuel)</td>
<td>PJ</td>
<td>0.016</td>
<td>0.015</td>
<td>0.013</td>
</tr>
</tbody>
</table>

### Indirect Energy Consumption

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity purchased</td>
<td>TJ</td>
<td>32.97</td>
<td>33.52</td>
<td>32.66</td>
</tr>
</tbody>
</table>

### Recycled Materials used by Weight

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fly ash</td>
<td>Thousand Tonnes</td>
<td>247.42</td>
<td>248.16</td>
<td>246.44</td>
</tr>
<tr>
<td>Slag</td>
<td>Thousand Tonnes</td>
<td>98.13</td>
<td>101.14</td>
<td>92.69</td>
</tr>
<tr>
<td>Silica Fume</td>
<td>Thousand Tonnes</td>
<td>0.69</td>
<td>1.00</td>
<td>1.39</td>
</tr>
<tr>
<td>Other industrial wastes (recycled material from Baton Wash)</td>
<td>Thousand Tonnes</td>
<td>4.45</td>
<td>3.36</td>
<td>2.51</td>
</tr>
<tr>
<td>Recycled material used</td>
<td>Thousand Tonnes</td>
<td>350.68</td>
<td>353.67</td>
<td>343.03</td>
</tr>
</tbody>
</table>

### Total Water Withdrawal

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface water</td>
<td>Million m3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ground water</td>
<td>Million m3</td>
<td>0.41</td>
<td>0.45</td>
<td>0.43</td>
</tr>
<tr>
<td>Rainwater</td>
<td>Million m3</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Water from municipality</td>
<td>Million m3</td>
<td>0.70</td>
<td>0.73</td>
<td>0.69</td>
</tr>
<tr>
<td>Water recycled and reused</td>
<td>% of water withdrawn</td>
<td>3.14</td>
<td>1.89</td>
<td>2.60</td>
</tr>
</tbody>
</table>

### Waste Disposal

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste (solid)</td>
<td>Tonnes</td>
<td>8.73</td>
<td>5.22</td>
<td>1.71</td>
</tr>
<tr>
<td>Hazardous waste (liquid)</td>
<td>Tonnes</td>
<td>0.46</td>
<td>0.82</td>
<td>1.27</td>
</tr>
<tr>
<td>Non-hazardous waste (solid)</td>
<td>Thousand Tonnes</td>
<td>64.54</td>
<td>63.8</td>
<td>64.49</td>
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</table>
### Biodiversity

<table>
<thead>
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<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of saplings planted</td>
<td>Number</td>
<td>2630</td>
<td>1437</td>
<td>2284</td>
</tr>
<tr>
<td>Saplings survival rate</td>
<td>%</td>
<td>81%</td>
<td>82%</td>
<td>85%</td>
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</table>

### Energy Intensity

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
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</thead>
<tbody>
<tr>
<td>Specific thermal energy</td>
<td>GJ/100 m³ concrete produced</td>
<td>2.01</td>
<td>1.85</td>
<td>1.76</td>
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</tbody>
</table>

### GHG & ODS Emissions

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Units</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct CO₂</td>
<td>Thousand tCO₂/year</td>
<td>2.91</td>
<td>2.88</td>
<td>2.35</td>
</tr>
<tr>
<td>Indirect CO₂ (External power)</td>
<td>Thousand tCO₂/year</td>
<td>7.53</td>
<td>7.64</td>
<td>7.31</td>
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### Specific GHG Emissions - RMC

<table>
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<th>Parameter</th>
<th>Units</th>
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<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Direct GHG Emissions</td>
<td>kg CO₂ per m³ of concrete produced</td>
<td>0.81</td>
<td>0.76</td>
<td>0.64</td>
</tr>
<tr>
<td>Specific Indirect GHG emission</td>
<td>kg CO₂ per m³ of concrete produced</td>
<td>2.47</td>
<td>2.01</td>
<td>2.01</td>
</tr>
</tbody>
</table>
ANNEXURE 2

GRI content index

This report has been prepared in accordance with the GRI Standards (Core) option.

<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>DISCLOSURE</th>
<th>DESCRIPTION</th>
<th>PAGE NUMBER / REFERENCE LINK</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 102: GENERAL DISCLOSURES 2016</td>
<td>GRI 102-1</td>
<td>Name of the organisation</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-2</td>
<td>Activities, brands, products, and services</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>GRI 102-3</td>
<td>Location of headquarters</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-4</td>
<td>Location of operations</td>
<td>8-9</td>
</tr>
<tr>
<td></td>
<td>GRI 102-5</td>
<td>Ownership and legal form</td>
<td>1, 6, 7</td>
</tr>
<tr>
<td></td>
<td>GRI 102-6</td>
<td>Markets served</td>
<td>6, 8, 9</td>
</tr>
<tr>
<td></td>
<td>GRI 102-7</td>
<td>Scale of the organisation</td>
<td>8-9</td>
</tr>
<tr>
<td></td>
<td>GRI 102-8</td>
<td>Information on employees and other workers</td>
<td>30-31</td>
</tr>
<tr>
<td></td>
<td>GRI 102-9</td>
<td>Supply chain</td>
<td>84-85</td>
</tr>
<tr>
<td></td>
<td>GRI 102-10</td>
<td>Significant changes to the organisation and its supply chain</td>
<td>84-85</td>
</tr>
<tr>
<td></td>
<td>GRI 102-11</td>
<td>Precautionary principle or approach</td>
<td>40, 42, 46, 48</td>
</tr>
<tr>
<td></td>
<td>GRI 102-12</td>
<td>External initiatives</td>
<td>10, 11, 43</td>
</tr>
<tr>
<td></td>
<td>GRI 102-13</td>
<td>Membership of associations</td>
<td>43</td>
</tr>
<tr>
<td>STRATEGY</td>
<td>GRI 102-14</td>
<td>Statement from senior decision-maker</td>
<td>4-5, 16-17</td>
</tr>
<tr>
<td></td>
<td>GRI 102-15</td>
<td>Key impacts, risks, and opportunities</td>
<td>36-39</td>
</tr>
<tr>
<td>ETHICS AND INTEGRITY</td>
<td>GRI 102-16</td>
<td>Values, principles, standards, and norms of behaviour</td>
<td>6, 7, 18</td>
</tr>
<tr>
<td></td>
<td>GRI 102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>83</td>
</tr>
<tr>
<td>GOVERNANCE</td>
<td>GRI 102-18</td>
<td>Governance structure</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td>STAKEHOLDER ENGAGEMENT</td>
<td>GRI 102-40</td>
<td>List of stakeholder groups</td>
<td>26-29</td>
</tr>
<tr>
<td></td>
<td>GRI 102-41</td>
<td>Collective bargaining agreements</td>
<td>90-91</td>
</tr>
<tr>
<td></td>
<td>GRI 102-41</td>
<td>Identifying and selecting stakeholders</td>
<td>26-29</td>
</tr>
<tr>
<td></td>
<td>GRI 102-43</td>
<td>Approach to stakeholder engagement</td>
<td>26-29</td>
</tr>
<tr>
<td></td>
<td>GRI 102-44</td>
<td>Key topics and concerns raised</td>
<td>26-29</td>
</tr>
<tr>
<td>REPORTING PRACTICE</td>
<td>GRI 102-45</td>
<td>Entities included in the consolidated financial statements</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>GRI 102-46</td>
<td>Defining report content and topic Boundaries</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-47</td>
<td>List of material topics</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>GRI 102-48</td>
<td>Restatements of information</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-49</td>
<td>Changes in reporting</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-50</td>
<td>Reporting period</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-51</td>
<td>Date of most recent report</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-52</td>
<td>Reporting cycle</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>Inside of Cover</td>
</tr>
<tr>
<td></td>
<td>GRI 102-55</td>
<td>GRI content index</td>
<td>97-101</td>
</tr>
<tr>
<td></td>
<td>GRI 102-56</td>
<td>External assurance</td>
<td>102-103</td>
</tr>
<tr>
<td>GRI 200: ECONOMIC PERFORMANCE</td>
<td>GRI 201-1</td>
<td>Direct economic value generated and distributed</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>GRI 201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>36-39</td>
</tr>
<tr>
<td></td>
<td>GRI 201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>GRI 201-4</td>
<td>Financial assistance received from government</td>
<td>90</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>DISCLOSURE</td>
<td>DESCRIPTION</td>
<td>PAGE NUMBER / REFERENCE LINK</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>GRI 202: MARKET PRESENCE</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>8, 9, 67</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>67</td>
</tr>
<tr>
<td>GRI 203: INDIRECT</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>74</td>
</tr>
<tr>
<td>ECONOMIC IMPACTS 2016</td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>74-79</td>
</tr>
<tr>
<td>GRI 204: PROCUREMENT</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>84</td>
</tr>
<tr>
<td>PRACTICES</td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>85</td>
</tr>
<tr>
<td>GRI 205: ANTI-CORRUPTION</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>205-1</td>
<td>Operations assessed for risks related to corruption</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>205-2</td>
<td>Communication and training about anti-corruption policies and procedures</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>205-3</td>
<td>Confirmed incidents of corruption and actions taken</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td>GRI 206: ANTI-</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td>COMPETITIVE BEHAVIOR</td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td>206-1</td>
<td>Legal actions for anti-competitive behaviour, anti-trust, and monopoly</td>
<td>83, UltraTech Annual Report 2019-20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>practices</td>
<td></td>
</tr>
<tr>
<td>GRI 300: ENVIRONMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERFORMANCE</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>301-1</td>
<td>Materials used by weight or volume</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td>301-2</td>
<td>Recycled input materials</td>
<td>54, 93</td>
</tr>
<tr>
<td>GRI 301: MATERIAL 2016</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>42, 45</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>42, 45</td>
</tr>
<tr>
<td></td>
<td>302-1</td>
<td>Energy consumption within the organisation</td>
<td>93, 95</td>
</tr>
<tr>
<td></td>
<td>302-2</td>
<td>Energy consumption outside of the organisation</td>
<td>93, 95</td>
</tr>
<tr>
<td></td>
<td>302-3</td>
<td>Energy intensity</td>
<td>94, 95</td>
</tr>
<tr>
<td></td>
<td>302-4</td>
<td>Reduction of energy consumption</td>
<td>45</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>DISCLOSURE</td>
<td>DESCRIPTION</td>
<td>PAGE NUMBER / REFERENCE LINK</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>-------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>GRI 303: WATER AND EFFLUENTS</strong></td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>46-47</td>
</tr>
<tr>
<td></td>
<td>303-2</td>
<td>Management of water discharge-related impacts</td>
<td>46-47</td>
</tr>
<tr>
<td></td>
<td>303-3</td>
<td>Water withdrawal</td>
<td>94-95</td>
</tr>
<tr>
<td></td>
<td>303-4</td>
<td>Water discharge</td>
<td>94-95</td>
</tr>
<tr>
<td></td>
<td>303-5</td>
<td>Water consumption</td>
<td>94-95</td>
</tr>
<tr>
<td><strong>GRI 304: BIODIVERSITY 2016</strong></td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>48-49</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>48-49</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>48-49</td>
</tr>
<tr>
<td></td>
<td>304-1</td>
<td>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td>
<td>48-49</td>
</tr>
<tr>
<td></td>
<td>304-2</td>
<td>Significant impacts of activities, products, and services on biodiversity</td>
<td>48-49</td>
</tr>
<tr>
<td><strong>GRI 305: EMISSIONS</strong></td>
<td>103-1</td>
<td>Explanation of the material topic and its boundary</td>
<td>42, 43, 48</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>42, 43, 48</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>42, 43, 48</td>
</tr>
<tr>
<td></td>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>43, 94, 96</td>
</tr>
<tr>
<td></td>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>43, 94, 96</td>
</tr>
<tr>
<td></td>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions</td>
<td>43, 94, 96</td>
</tr>
<tr>
<td></td>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>94, 96</td>
</tr>
<tr>
<td></td>
<td>305-5</td>
<td>Reduction of GHG emissions</td>
<td>94, 96</td>
</tr>
<tr>
<td></td>
<td>305-6</td>
<td>Emissions of ozone-depleting substances (ODS)</td>
<td>94, 96</td>
</tr>
<tr>
<td></td>
<td>305-7</td>
<td>Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</td>
<td>94, 96</td>
</tr>
<tr>
<td><strong>GRI 306: EFFLUENTS AND WASTE</strong></td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>46, 53</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>46, 53</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>46, 53</td>
</tr>
<tr>
<td></td>
<td>306-1</td>
<td>Water discharge by quality and destination</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>306-2</td>
<td>Waste by type and disposal method</td>
<td>94, 95</td>
</tr>
<tr>
<td></td>
<td>306-3</td>
<td>Significant spills</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>306-4</td>
<td>Transport of hazardous waste</td>
<td>Not Applicable</td>
</tr>
<tr>
<td><strong>GRI 307: ENVIRONMENTAL COMPLIANCE</strong></td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>307-1</td>
<td>Non-compliance with environmental laws and regulations</td>
<td>27</td>
</tr>
<tr>
<td><strong>GRI 400: SOCIAL DIMENSION</strong></td>
<td><strong>GRI 401: EMPLOYMENT</strong></td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
</tr>
<tr>
<td></td>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>401-1</td>
<td>New employee hires and employee turnover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>401-2</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>401-3</td>
<td>Parental leave</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>DISCLOSURE</td>
<td>DESCRIPTION</td>
<td>PAGE NUMBER / REFERENCE LINK</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>-------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>60-66</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>403-1</td>
<td>Occupational health and safety management system</td>
<td>60-66</td>
</tr>
<tr>
<td></td>
<td>403-2</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>62-63</td>
</tr>
<tr>
<td></td>
<td>403-3</td>
<td>Occupational health services</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>403-4</td>
<td>Worker participation, consultation, and communication on occupational health and safety</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>403-5</td>
<td>Worker training on occupational health and safety</td>
<td>60-66</td>
</tr>
<tr>
<td></td>
<td>403-6</td>
<td>Promotion of worker health</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>403-8</td>
<td>Workers covered by an occupational health and safety management system</td>
<td>60-66</td>
</tr>
<tr>
<td></td>
<td>403-9</td>
<td>Work-related injuries</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>403-10</td>
<td>Work-related ill health</td>
<td>92</td>
</tr>
<tr>
<td>GRI 404: TRAINING AND EDUCATION</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>68-70</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>68-70</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>68-70</td>
</tr>
<tr>
<td></td>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>68-70</td>
</tr>
<tr>
<td></td>
<td>404-3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>68-70</td>
</tr>
<tr>
<td>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td>405-2</td>
<td>Ratio of basic salary and remuneration of women to men</td>
<td>68</td>
</tr>
<tr>
<td>GRI 412: HUMAN RIGHTS ASSESSMENT</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>412-1</td>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>412-3</td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>84</td>
</tr>
<tr>
<td>GRI 413: Local Communities 2016</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programmes</td>
<td>74-79</td>
</tr>
<tr>
<td>GRI 419: SOCIO-ECONOMIC COMPLIANCE</td>
<td>103-1</td>
<td>Explanation of the material topic and its Boundary</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>103-2</td>
<td>The management approach and its components</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>27</td>
</tr>
</tbody>
</table>
Independent assurance statement

INDEPENDENT ASSURANCE STATEMENT

The Board of Directors and Management
UltraTech Cement Limited
Mumbai, India

Ernst & Young Associates LLP (EY) was engaged by UltraTech Cement Limited (the 'Company') to provide independent assurance on its annual Sustainability Report (the 'Report') for the Financial Year 2019-20.

The development of the Report is based on the Global Reporting Initiative (GRI) Sustainability Reporting Standards ('GRI Standards'); its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company’s overall performance, except for the aspects mentioned in the scope below.

Scope of assurance
The scope of assurance covers the following aspects of the Report:

► Data and information related to the Company's sustainability performance for the period 1st April 2019 to 31st March 2020;
► The Company’s internal protocols, processes, and controls related to the collection and collation of sustainability performance data;
► Verification of sample data and related information through consultations at the Company’s Head Office in Mumbai, physical verification of data for Apr 2019 to Nov 2019 and desk review of data for Dec 2019 to March 2020 for the following manufacturing locations:
  ▪ Integrated Units:
    - Balaji Cement Works
    - Reddipalaiyam Cement Works
    - Baga Cement Works
    - Dhar Cement Works
  ▪ Grinding Units:
    - Roorkee Cement Works
    - Arrakonam Cement Works
    - Bageri Cement Works
    - Nagpur Cement Works
  ▪ Ready Mix Concrete (RMC) Units:
    - Navi Mumbai, Pawne
    - Navi Mumbai, Kalyan
    - Pune, Manjri
    - Surat, Maçculla
    - Surat, Baleshwar
    - Bangalore, K R Puram
    - Bangalore, Bommasandra
    - Delhi, Lalkuan
Review of data on a sample basis, at the above-mentioned manufacturing locations, pertaining to the following General Disclosures and Specific Disclosures of the GRI Standards:

- General Disclosures: Organizational Profile (102-1 to 102-13), Strategy (102-14, 102-15), Ethics and Integrity (102-16, 102-17), Governance (102-18 to 102-39), Stakeholder Engagement (102-40 to 102-44) and Reporting Practice (102-45 to 102-56)
- Specific Disclosures:
  - Social Topics: Employment (401-1, 401-3), Occupational Health and Safety (403-1, 403-2), Training and Education (404-1), Local Communities (413-1).

Limitations of our review
The assurance scope excludes:

- Operations of the Company other than those mentioned in the ‘Scope of Assurance’;
- Aspects of the Report and data/information other than those mentioned above;
- Data and information outside the defined reporting period i.e. 1st April 2019 to 31st March 2020;
- The Company’s statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
- Review of the Company’s compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters;
- Data and information on economic and financial performance of the Company.

Assurance criteria
The assurance engagement was planned and performed in accordance with the International Federation of Accountants’ International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a ‘Limited’ level of assurance (as set out in ISAE 3000) on reporting principles, as well as conformance of sustainability performance disclosures as per GRI Standards.

What we did to form our conclusions
In order to form our conclusions we undertook the following key steps:

- Interviews with select key personnel and the core team responsible for the preparation of the Report to understand the Company’s sustainability vision, mechanism for management of sustainability issues and engagement with key stakeholders;
- Interactions with the key personnel at the Company’s manufacturing plants to understand and review the current processes in place for capturing sustainability performance data;
- Physical audits and desk reviews at the Company’s corporate office and manufacturing locations as mentioned in the ‘Scope of Assurance’ above;
- Review of relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period;
- Review of select qualitative statements in various sections of the Report.
Our Observations
The Company has demonstrated its commitment to sustainable development by reporting its performance on economic, environmental and social aspects in the Sustainability Report. The Report has been developed as per the GRI Standards - Core and includes a description of the stakeholder engagement process, materiality analysis and the key material topics. Data reported for some indicators under review underwent change as part of the assurance process. There is scope for improving the internal data controls, documentation management and method of calculation and/or estimation for the said indicators.

Our Conclusion
On the basis of our reviews carried out as per ‘Limited Assurance Engagement of ISAE 3000’, nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the GRI Standards and the Companies reporting principles and criteria’s.

Our assurance team and independence
Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics\(^1\) for Professional Accountants. EY’s independence policies and procedures ensure compliance with the Code.

for Ernst & Young Associates LLP,

Chaitanya Kaila
Partner
24-07-2020
Mumbai

\(^1\) International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. This Code establishes ethical requirements for professional accountants. The guidance related to network firms was updated in July 2009.