Some of the Company’s BPD products are also listed in the Indian Green Building Council Directory of green products in a category of energy efficiency and low emitting materials. White Cement, Wall Care Putty, Textura & Level Plast have been recognised by Indian Green Building Council (“IGBC”) for use in Green Building.

The Company is focusing on different options to reduce its carbon footprint and other emissions such as replacing traditional fuels with alternative fuels, improving energy efficiency of its products, using clinker additives, implementing Waste Heat Recovery Systems (“WHRS”) whichever possible. This will eventually reflect in lower carbon footprint of its products (GPC, PPC etc).

The Company has also taken initiatives for educating its stakeholders about the sustainable aspects of its products. For each such product, provide the following details in integrated with our SAP system. A reverse auction of comparative charts and the release of orders is of comparative charts and the release of orders is

procurement practices and selection criteria by the Company are focused on protection of environment, societal interest and cost effective procurement seeking resources efficiency, improving the quality of product, and services and ultimately optimising the cost. The criteria for procurement of equipment are based upon resource efficiency, mainly comprising of but not limited to energy efficiency, fuel efficiency, emission control etc. The impact of product / services being procured is considered over its whole life cycle i.e. from cradle to grave, including giving due weightage to the disposal aspect also, e.g. E-waste/hazardous waste is disposed of in an environmental friendly manner and no compromise, whatsoever, is made on the same. As regard social aspect, the emphasis is made on ethical issues at the time of vendor evaluation stage itself. The vendor registration form of the Company requires its potential vendors to specify their commitment on the following social aspects:

1. Child Labour
2. Forced and Compulsory Labour
3. Health and Society
4. Working Hours
5. Statutory compliances

The Company believes that sustainability in logistics may be achieved by using less polluting and less fuel consuming transport options or selecting vendors who are close to the manufacturing locations. The Company imports fuel in bulk size vessels with full cost advantage of freight. This consumes lesser fuel as compared to smaller size shipment in terms of per ton of material shipped. The Company also maps the Polypropylene (“PP”) bags suppliers across the country to minimise the distance between supplier plants and Units across the country. The Company also encouraged and empowered its PP bag suppliers to achieve 9001:2008 certification. E-procurement has made our sourcing process more effective and efficient. The Company has consistent in sourcing and procurement.

Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably?

Also, provide details thereof, in about 50 words or so.

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8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?

<table>
<thead>
<tr>
<th></th>
<th>Safety</th>
<th>Skill upgradation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Employees (Management)</td>
<td>96%</td>
<td>93.8%</td>
</tr>
<tr>
<td>Permanent Women Employees</td>
<td>96%</td>
<td>90.6%</td>
</tr>
<tr>
<td>Casual / Temporary / Contractual Employees</td>
<td>99%</td>
<td>86.4%</td>
</tr>
<tr>
<td>Employees with Disabilities</td>
<td>100%</td>
<td>88.2%</td>
</tr>
</tbody>
</table>

**Principle 4 – Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

1. Has the Company mapped its internal and external stakeholders? Yes/No
   Yes, the Company has mapped its internal as well as external stakeholders.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? The Company has identified the disadvantaged, vulnerable and marginalised stakeholder’s viz. communities around its manufacturing Units and its workers / contractual workers.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.
   The Company’s endeavor to bring in inclusive growth are channelised through the Aditya Birla Centre for Community Initiatives and Rural Development.
   Several initiatives such as health care, education, infrastructure, watershed management, safe drinking water and sanitation, sustainable livelihood, self-help groups and income generation etc. are extended to the Company’s contract workers and people living near to the Company’s manufacturing Units.
   The Company has adopted safety as a culture. It has engaged employees at all levels – whether employees, contractors, suppliers or the community and has taken a structured approach, through leadership involvement, in order to bring about a culture change that views safety as non-negotiable.

**Principle 5 – Businesses should respect and promote human rights.**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others? The Company has a Human Rights Policy which is also applicable to its subsidiaries.
2. How many stakeholder complaints have been received in the last financial year and what percent was satisfactorily resolved by the management? No complaints were received during the last financial year.

**Principle 6 – Businesses should respect, protect and make efforts to restore the environment.**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others? The Company’s policy on Safety, Health and Environment extends to its subsidiaries as well.
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please hyperlink for webpage etc.
   The Company has taken long-term target to reduce CO2 emission intensity by 25% from 2005-06 levels by 2021. To achieve this it has developed a roadmap focusing on key areas such as further reducing specific energy consumption (the Company is one of the best in the industry in terms of specific thermal energy consumption), increasing the flyash utilisation rate, increasing the thermal substitution rate, increasing the share of power from renewable energy sources and from WHRS. Currently the installed WHRS capacity stands at 118 MW which is expected to increase to 145 MW. The Company has committed to EP100 to double the energy productivity by 2035 from 2009-10 levels. The Company has also adopted an internal carbon price of US$ 10/ton of carbon emissions. Please refer to the sustainability reports for more details at: https://wwwูลtratechcement.com/about-us/sustainabilityoverview
3. Does the Company identify and assess potential environmental risks? Y/N
   The Company follows a structured risk management approach which encompasses identifying potential risks, assessing their impact, mitigating them through taking timely action and continuous monitoring. The Company uses various tools such as Aqueduct India Water Tool, Integrated Biodiversity Assessment Tool (IBAT) to assess the potential water and biodiversity risks arising out of its operations and takes necessary actions to mitigate the same. The Company will also be using the recently launched GeoSust Tool developed by the Group Sustainability Cell to identify climate change related risks for its operations.
   The Company has already completed biodiversity assessments at 5 of its Integrated Units and have taken a target to complete the assessment by 2024 for all its Integrated Units.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? Yes, the Company has two registered projects under Clean Development Mechanism (CDM).
   • use of alternative fuels at Reddipalayam Cement Works, Tamil Nadu.
   • Waste Heat Recovery ("WHR") based power generation at Andhra Pradesh Cement Works – Tadipatri, Andhra Pradesh. Five others WHR projects are registered.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
   As the largest cement producer in India, the Company continuously strives to play a key role in finding effective and responsible ways to preserve the environment. The Company has also taken a lead by becoming a founding member of Global Cement & Concrete Association ("GCCA") and will play a key role in defining the sustainable construction landscape. The Company has a thermal substitution rate of 3.7% which is achieved by using alternate waste materials. The Company has an installed capacity of 118 MW of WHRS and 27 MW under execution. The Company’s installed renewable energy capacity stands at 3.73 MW and bilateral Group captive capacity is more than 95 MW. This has been possible through a myriad of energy conserving measures implemented at various Units. The Company is continuously striving to increase its renewable energy share.
6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? Yes.
   The emissions / waste generated by the Company are within the permissible limits given by Central Pollution Control Board / State Pollution Control Boards.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.
   No such cases are pending at the end of the financial year.

**Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   a. Global Cement & Concrete Association ("GCCA").
   b. Confederation of Indian Industry ("CII").
   c. Federation of Indian Chambers of Commerce and Industry ("FICCI").
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the breadth areas i.e. drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
   The Company continuously advocates the use of eco-friendly mining practices, use of alternative fuels, energy conservation and construction of concrete roads.

**Principle 8 – Businesses should support inclusive growth and equitable development.**

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.
   The Company has specified issue based development projects in pursuit of its policy on inclusive growth and equitable development. These cover education and capability enhancement, basic healthcare, women empowerment, sustainable livelihood and natural resource management, basic infrastructure and social reforms.
2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures/any other organisation?

The Company’s social projects are carried on under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development. Need based collaborative partnerships are formed with the government agencies, district authorities, village panchayats, NGOs and like-minded stakeholders for its CSR initiatives. The Company also engages with the CII and FICCI in its social activities.

3. Have you done any impact assessment of your initiative?

To measure the impact of the work done, a periodic social satisfaction survey / audit is carried out by an external agency.

4. What is your Company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company has spent an amount of ₹ 124.51 crores on its CSR activities during 2019-20 on education, women empowerment, sustainable livelihood, infrastructure development, COVID-19 etc.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Prior to the commencement of projects, a baseline study of the villages is carried out. The study methodology includes participatory rural appraisal also and encompasses various parameters such as health indicators, literacy levels, sustainable livelihood processes, population data, and state of infrastructure, among others. From the need identified development initiatives are framed which are then discussed with the community. From the data generated a 1-year plan and a 5-year rolling plan is developed. Projects are assessed under the agreed strategy and are monitored on a quarterly basis. Wherever necessary, midcourse corrections are carried out.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

18 cases of customer complaints / consumer cases were pending as at the end of FY 2020.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company displays only product information as mandated by Bureau of Indian Standards.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

The Company had filed appeals against the orders of the Competition Commission of India (“CCI”) dated 31st August, 2016 and 19th January, 2017. Upon the National Company Law Appellate Tribunal (“NCLAT”) disallowing its appeal against the CCI order dated 31st August, 2016, the Hon’ble Supreme Court has, by its order dated 5th October, 2018, granted a stay against the NCLAT order. Consequently, the Company has deposited an amount equivalent to 10% of the penalty amount. The Company, backed by a legal opinion, believes that it has a good case in both the matters and accordingly no provision has been made in the accounts.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

The Company carries out a brand health study regularly (thrice a year) across urban and rural markets. The study is conducted by a globally renowned research agency - Ipsos India Private Limited, for tracking performance of brands on various metrics across multiple segments (consumers, influencers and channel partners). It also conducts a Customer Loyalty / Net Promoter Score (“NPS”) study once in 2 years with the Key Account (B2B) customers. The latest round of the NPS study is currently on. Dun & Bradstreet Information Services India Pvt. Ltd. is the agency engaged for the NPS study.

Birla White carried out Top Down NPS study amongst retailers, BHI study amongst end consumers in FY20 to better understand its target customers viz. retailers, painters and individual house builders. Birla White also carried out other researches like concept study, application study for new products.

Performance Indicators

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt / EBITDA</td>
<td>0.06</td>
<td>0.04</td>
<td>0.07</td>
<td>0.03</td>
<td>0.06</td>
</tr>
<tr>
<td>Net debt / Equity</td>
<td>0.16</td>
<td>0.01</td>
<td>0.02</td>
<td>0.06</td>
<td>0.63</td>
</tr>
<tr>
<td>ROCE (%)</td>
<td>12.0</td>
<td>12.8</td>
<td>9.7</td>
<td>8.9</td>
<td>11.2</td>
</tr>
<tr>
<td>Normalised EPS (in ₹ per share)</td>
<td>12.2</td>
<td>11.7</td>
<td>8.7</td>
<td>7.2</td>
<td>10.2</td>
</tr>
<tr>
<td>Market Cap (in crores)</td>
<td>108.6</td>
<td>93.6</td>
<td>88.6</td>
<td>88.6</td>
<td>109.8</td>
</tr>
</tbody>
</table>

UltraTech Cement Limited
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