

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L26940MH1936PLC002515
2. **Name of the Company** : ACC Limited
3. **Registered address** : Cement House
121, Maharshi Karve Road
Mumbai – 400 020
4. **Website** : www.acclimited.com
5. **E-mail ID** : brr.info@acclimited.com
6. **Financial year reported** : January 1, 2020 to December 31, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code wise)**

Group	Class	Sub-class	Description
239	2394	23941 & 23942	Manufacture of clinker and cement

8. **List three key product/ services that the Company manufactures/ provides (as in balance sheet)**
The Company manufactures different varieties of cement viz., Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement and Ready Mix Concrete (RMX).
9. **Total number of locations where business activity is undertaken by the Company**
 - i. **Number of international locations** : Nil
 - ii. **Number of national locations** : 17 Cement Plants, 80 Ready Mixed Concrete Plants and 26 offices, including Registered Office, Regional Offices and Sales Office
10. **Markets served by the Company** : Across all markets in India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid-up capital (INR)** : ₹187.79 Crore
2. **Total turnover (INR)** : ₹13,486.83 Crore
3. **Total profit after taxes (INR)** : ₹1,414.94 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**
The Company's total spending on CSR is 2.05% of the average profit after taxes in the previous three (3) financial years.
5. **List of activities in which expenditure in 4 above has been incurred**

Livelihood

 - a) ACC DISHA: for youth employability
 - b) ACC Swavlamban: focusing on women empowerment and livelihood
 - c) ACC LEISA: for farmer's livelihood – Low External Input Sustainable Agriculture (LEISA)

Education

 - d) ACC Vidya Utkarsh: improving quality of education in government schools
 - e) ACC Vidya Saarathi: student scholarships

Water, Sanitation, Health & Hygiene (WASH)

- f) ACC Arogyam: preventive, promotive and curative healthcare
- g) ACC Sampurna Swachhata: working towards open defecation free villages

Conservation of Environment

- h) ACC Sanrakshit Paryavaran: solar, biodiversity and soil & water conservation

Promoting Local Arts and Culture

- i) ACC Drona: to promote rural sports and traditional Indian culture

Others

- j) Affordable housing

SECTION C: OTHER DETAILS**1. Does the Company have any subsidiary company/companies?**

The Company has four (4) subsidiaries:

- ACC Mineral Resources Limited
- Bulk Cement Corporation (India) Limited
- Lucky Minmat Limited
- Singhania Minerals Private Limited

2. Do the subsidiary company/ companies participate in the BR initiatives of the parent company, If yes, then indicate the number of such subsidiary company(s)?

Business Responsibility initiatives of the parent company have been adopted by Bulk Cement Corporation (India) Limited. While Singhania Minerals Private Ltd is operational, the remaining two (2) subsidiaries are inoperative.

3. Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]

Relief work for families affected by super cyclone 'Amphan' in West Bengal was carried out by ACC Trust under CSR initiative. ACC's local cement dealers and Carry and Forward Agents had joined in the initiatives along with Sales Unit officials volunteered during this COVID-19 pandemic and helped the Company to reach out more than 5,000 affected families.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION**1. Details of Director/Directors responsible for BR**

Details of the Director/Directors responsible for implementation of the BR policy/policies

Director Identification Number (DIN): 08699523

Name: Mr. Sridhar Balakrishnan

Designation: Managing Director and Chief Executive Officer

Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Mr. Rajiv Choubey
3	Designation	Chief Legal Officer & Company Secretary
4	Telephone Number	(022) 4159 4222
5	E-mail ID	brr.info@acclimited.com

Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1:** Businesses should conduct and govern themselves with ethics, transparency and accountability
- P2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3:** Businesses should promote the well-being of all employees
- P4:** Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5:** Businesses should respect and promote human rights
- P6:** Businesses should respect, protect and make efforts to restore the environment
- P7:** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8:** Businesses should support inclusive growth and equitable development
- P9:** Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	Stakeholder engagement and									Customer relations
		Business ethics	Product responsibility	Well-being of employees	CSR	Human rights	Environment	Public policy	CSR	CSR	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	
1	Do you have a policy/policies for...	Y	Y The policy is embedded in the Company's quality and environment policies, which <i>inter alia</i> relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR Policies and other various HR practices	Y	N	Y	N	
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	Y	-	
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y Bureau of Indian Standards (BIS)	Y	Y This policy conforms to Guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-	Y This policy conforms to the Ministry of Environment, Forest and Climate Change (MoEF) guidelines of Corporate Environment Responsibility under EIA Notification 2006	-	Y Policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-	

Sr. No.	Questions	Business ethics		Product responsibility	Well-being of employees		Stakeholder engagement and CSR		Environment	Public policy	CSR	Customer relations
		P1	P2		P3	P4	P5	P6				
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	-	N	Y	-	Y	-	Y	-	Y	-
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	At Executive Committee Meetings	Y	-	Y	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	*	-	-	***	-	**	-	-	-	***	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	Y	-	Y	-	Y	-
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	-	Y	-	Y	-	Y	-

Sr. No.	Questions	Stakeholder engagement and CSR									
		Business ethics	Product responsibility	Well-being of employees	Stakeholder engagement and CSR	Human rights	Environment	Public policy	CSR	Customer relations	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	The Company has a redressal mechanism to address product related complaints i.e. customer complaint portal	Y	Y	-	Y	-	Y	Y	
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	The implementation of the policy is subject to an independent Audit by the Statutory Auditors and also has an oversight mechanism from the parent Company	N	Y	-	Y	-	Y	-	

* www.acclimited.com

** https://www.acclimited.com/assets/new/new_pdf/Corporate_Environment_Policy.pdf

*** www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf

2(a) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	The Company has a track record of pioneering achievements, long experience and leadership position which has benefited the cement industry at large in initiating dialogue with government. However, no need for a formal policy has been felt.	-	The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has customer grievance redressal system.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the business responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

3 to 6 months

Does the Company publish a BR or Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

Yes, the Company has been publishing its Sustainability Report annually since 2007 (www.acclimited.com/sustainable). Since the Financial Year ended December 2019, the sustainability disclosures became a part of the Integrated Annual Report and can be accessed at www.acclimited.com/investor-relations/financial-annual-results.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company considers Corporate Governance as an integral part of responsible management. The Company has a Code of Business Conduct (along with Anti-Bribery and Corruption Directive) and a vigil mechanism, named as Ethical View Reporting Policy that has been approved by the Board of Directors. These are applicable to all Directors and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption Directive and the Ethical View Reporting Policy also extend to the Company's business partners, including vendors/ service providers/ customers. The Company as part of JV compliance framework of the LH Group, has encouraged JV partners to adopt the best practices with respect to ethics, transparency and governance. The Code is available on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 123 complaints under the Ethical View Reporting Policy, out of which 108 complaints (88%) were resolved and the balance 15 complaints are under various stages of investigation and completion.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to three (3) of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

i. **Blended cements:** Cements, where clinker, an intermediate product, is partially replaced and blended with solid industrial wastes like fly ash and slag to manufacture blended cements. On one hand such replacement results in extending the mine life and saving of natural limestone and at the same time helps in reduction of CO₂ emissions. ACC manufactures three (3) types of blended cements i.e. Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cements. In 2020, out of the total cement produced, ~90% was blended cements.

Use of fly ash and slag in manufacture of blended cement has also helped thermal based power plants in disposing fly ash as a solid waste and thereby addresses an environment concern. Similarly, slag generated from steel plants has been used by the Company which helped disposal of solid waste in a safe manner.

ii. **Co-processing services:** For more than a decade now, the Company is on the forefront of providing waste management solutions to stakeholders, communities and industries. Under the brand name of 'Geocycle', the Company has provided a safe and sustainable solution for safe disposal of 0.57 million tonnes of waste in 2020, which otherwise would have been disposed of on landfills and dumpsites. Through the co-processing technology, the Company provides a 'Zero Landfill' solution that doesn't create any additional emission and in addition avoids soil contamination, water and air pollution coming from landfill sites, recovery of energy and minerals from the waste materials.

Two examples of projects/services rendered to different stakeholders in different regions

- **Plastic Free Agra Mission (Kymore)**

Using the first-of-its-kind 'Geocycle Bubble Barrier' concept, Geocycle India launched the 'Plastic Free Agra' Mission in the Agra city in February 2020. This project was under the aegis of the United Nations Environment Programme ('UNEP') in line with its initiative of 'Air Pollution Control Plan of Agra'. Geocycle India in collaboration with UNEP India and Agra Municipal Corporation successfully implemented a pilot project by collecting the non-recycled plastic waste from the drain (near Taj Mahal) leading to Yamuna River. The plastic waste from Agra city, along with the plastic waste collected from the drain was segregated into recyclable and non-recyclable. Further, the non-recyclable plastic waste was transported and co-processed at one of the ACC plants.

Additionally, the project was also traced through using a digital platform to ensure zero leakage of the plastic waste throughout the disposable process.

- **Sustainable Solution for a Clean and Green Kerala (Madukkarai)**

Clean Kerala Company Limited, owned by the Government of Kerala, is formed with an objective of ensuring hygiene management of the State by adopting innovative, scientific and proven technology, adhering to the concept of active participation of the public and private sectors. The Company aims to oversee and ensure comprehensive waste management in the state through the Haritha Keralam mission. Geocycle signed a Memorandum of Understanding (MoU) with Clean Kerala Company for disposing non-recyclable plastic waste. The waste collected through the Haritha Keralam mission, segregated by Kudumbashree waste workers (a poverty eradication and women empowerment community), and stored at different Resource Recovery Centres (RRCs) across the state, was co-processed in one of the Company's cement plants. With a deep commitment towards sustainability and supporting the mission, co-processing of waste contributes towards a regenerative and circular economy by closing resource cycles.

- iii. **Green Building Centres:** This is an initiative to facilitate low-cost housing development in India, by promoting sustainable building materials, building techniques and locally trained workforce. Local entrepreneurs set up these centres by entering into a franchisee arrangement with ACC to make these sustainable products and services. The Green Building Centres have positively impacted the climate, water and nature as well as the communities at Large. The impact on the environment can be easily measured by reduction in CO₂ emission, fertile topsoil conservation and utilisation of waste materials. The Company assisted in setting up 43 new Green Building Centres to bring the total number of Green Building Centres to 187 by the end of December 2020.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

- i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain

	Current year (January – December 2020)	Previous year (January – December 2019)
Consumption per unit of production		
Electrical Energy (kWh/Tonnes of cement)	80.65	79.64
Thermal Energy (K Cal/kg of clinker)	742	748
CO ₂ Emissions (kg CO ₂ /Tonnes of cementitious material)*	493	512

*From this year onwards, the Company is reporting specific CO₂ emissions in kg/T of cementitious materials instead of per T of cement.

- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

While the Company does not collect information from the customers on energy and water, it manufactures many sustainable products which helps the customers in reducing energy and water consumption during the use/construction phase. The Company's ACC Gold cement with water repellent property requires a comparatively lower water for curing post construction phase, which helps to conserve water. The Company's product such as Insulocrete is a thermal insulating concrete which helps maintain inner temperatures of buildings thereby reducing cooling/heating costs during the use phase of buildings. Some of the Company's concrete products like permacrete is a pervious concrete which allows easy percolation of water through it into the soil below, hence recharging ground water and avoiding wastage through storm water runoffs. The Company's concrete products like insulating concrete/ thermocrete and fly ash/ slag based Green Building Centre products will reduce energy intensity in the use phase of the built environment.

3. 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.

The Company seeks to engage in long-term relationships with the suppliers. It adheres to international standards such as ISO 14001 (Environment Management System) and ensures compliance to the local and national laws and regulations. The Company has a procedure in place for sustainable sourcing of energy, water and transportation. It is also increasing the usage of Alternate Fuel and Raw Materials (AFR) year-on-year to decrease dependency on traditional fuel, i.e. coal.

The Company has engaged Avetta, a leading global consultant in Supplier Qualification. As a result, it has qualified contractors into various counts related to sustainable procurement such as Health and Safety (H&S), Labour, Environment, Bribery and Corruption. The Company prefers to engage with Avetta certified suppliers and supplier performance is ascertained on a periodic basis. Avetta also covers the Company's primary road transporters operating from plants. Evaluation through Avetta encourages safe transportation in line with the Company's goal of ZERO HARM.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company is currently working with ~2,300 Small and Medium-sized Enterprise (SME) and Micro, Small & Medium Enterprise (MSME) vendors across the country. The services taken from these vendors fall into categories like housekeeping, painting, catering, small repair works, technicians, welders, transportation and stationery, food and vegetable suppliers. Special consideration is always provided for these vendors in terms of payment for their goods and services made on priority. The vendors are trained on various aspects like safety inside and outside the plant. The employees of vendors also undergo periodic health checks. The Company has always worked on overall development of these vendors and support their employees in areas like education, employment etc. Some of these vendors have expanded their operations to other locations of the Company as well and indeed with other corporate and social entities in the country.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so.

Cement manufacturing does not generate any process-related waste. However, there are ancillary activities like maintenance, housekeeping etc. that generate waste materials like oil-soaked cotton waste, steel scrap, used oil, used filter bags, electrical waste like used bulbs, batteries and others. Sometimes wastes like oil-soaked cotton, used oil, used filter bags are co-processed in the kilns (where Company has permissions), remaining quantum of these waste and other wastes like electrical, electronic waste and steel scrap are sold to the authorised recyclers. For hazardous waste, the relevant returns are filed to the respective regulatory authorities from time to time. Apart from this, the Company also co-processes waste materials generated by other industries or municipalities (segregated municipal waste) in its kiln. It uses flyash, waste from thermal power stations and slag, waste from the steel industry as a substitution of clinker in cement manufacturing.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate total number of employees

Sr. No.	Category of Employees	Number of Employees
1.	Management staff	3,669
2.	Shop floor associates	2,732
Total		6,401

2. Please indicate total number of employees hired on temporary/ contractual/ casual basis

Sr. No.	Category of Employees	Number of Employees
1.	Third-party Full-time Employees	6,442
2.	Casual employees	0
Total		6,442

3. Please indicate the number of permanent women employees

Number of permanent women employees: 244

4. Please indicate the number of permanent employees with disabilities

Number of permanent employees with disabilities: 12

5. Do you have an employee association that is recognised by the Management?

Yes, there are recognised trade unions affiliated to various central trade union bodies. The Company's shop floor associates are members of their respective unions.

6. What percentage of permanent employees are members of this recognised employee association?

Approximately 43% of permanent employees are members of recognised employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sr. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	1	1
3	Discriminatory employment	0	0

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

A.	Permanent employees	:	100%
B.	Permanent women employees	:	100%
C.	Casual/ temporary/ contractual employee	:	100%
D.	Employees with disabilities	:	100%

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 stakeholders through materiality matrix as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders with the help of Participatory Rural Appraisal tool-based village micro plan and secondary socio-demographic data of the community.

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.

Yes, all CSR interventions of the Company are purposed to target the disadvantaged, vulnerable and marginalised stakeholders. For instance, the Company's education projects are largely focused on government schools situated in remote rural pockets of India. The scholarship initiative of the Company named Vidya Saarathi targeted disadvantaged students who needed financial support to pursue their dreams of higher education.

The Company continues to run an Anti-Retroviral Therapy (ART) centre to support people affected by HIV / AIDS through medical treatment and counseling. It has also supported patients by organising them in Self-Help Groups (SHGs) and running programmes that help develop life skills. Besides, the Company provides nutrition support to HIV-infected people, as well as their family members, alongside providing quality education to school-going children of these families.

Rainwater harvesting structures created in villages across plant locations to make water available in non-monsoon season for irrigation and drinking purpose. It has also helped recharging of defunct bore wells. In association with government's Integrated Child Development Services (ICDS), eradication of malnutrition project has helped children at Anganwadi centres near to plants.

The Company responded promptly, providing relief to families affected by the super cyclone "Amphan", which caused widespread damage in Eastern India, especially in West Bengal. With the support of cement dealers and Carry and Forward Agents (CFA) along with the Sales and Marketing team of ACC, 5,160 families were provided relief kits and ration.

During the COVID-19 pandemic, the Company joined hands with the district administration near plant locations and reached out to 6.83 Lakh people. Dry ration and cooked food were provided as immediate relief to stranded workers. ACC Trust-supported SHGs stitched and distributed 4 Lakh+ cotton masks. Sanitisation was carried out among communities near the plants. Mass scale awareness drives in communities were conducted on the usage of masks, social distancing and the importance of hand washing. The Government Hospitals of Maharashtra were provided seven (7) ventilators to keep patients safe. Frontline health workers were provided hand gloves, sanitisers and masks. As many as 265 employees volunteered from various departments of the Company voluntarily served communities in need during the pandemic.

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 /Non-Governmental Organisations (NGOs)/ Others?

All aspects of the human rights are in-built and covered under the Code of Business Conduct as well as in various human resource practices/policies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy pertaining to Principle 6 cover only the Company or extends to the group/ joint ventures/ suppliers/ contractors/ NGOs/ others?

The Company's Corporate Environment Policy, pertaining to Principle 6, extends to cover the Company and its subsidiaries.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyper-link for webpage etc.

Yes, the Company is committed to reduce CO₂ emissions and has identified five (5) key levers to achieve the CO₂ reduction:

- Clinker substitution by making blended cements
- Alternative Fuel and Raw Materials ('AFR')

- Thermal and electrical energy efficiency
- Waste Heat Recovery System (WHRS)
- Newer technologies and renewable energy through own assets as well as Open Access

This information is available in the Company's webpage: www.acclimited.com/sustainable/environment-and-energy

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks at plant level as well as corporate level. Potential environmental risks also form a part of Business Risk Management Model and Materiality analysis where all business-related risks are identified and their mitigation strategies and plans are worked upon. For details, please refer to the Business Risks and Opportunities section of the Annual Report.

4. Does the Company have any project related to Clean Development Mechanism ('CDM')? 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 three (3) registered projects under the CDM and Environmental Compliance Report (Validation and Verification Reports) have been filed and Certified Emission Reductions Reports were issued. Due to the prevailing market mechanisms of CDM, the Company has not pursued this mechanism during 2020 and has not filed any environmental compliance report (validation and verification reports).

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyper-link to web page etc.

Yes, the Company has made significant strides in attaining energy efficiency in its cement plants/ captive power plants by following initiatives:

- Three (3) wind farms – one each in Maharashtra, Tamil Nadu and Rajasthan with total capacity of 19 MW
- Solar power procurement through open access
- Waste Heat Recovery System (WHRS) at Gagal Cement Works
- Waste pre-processing and co-processing in cement plants
- Solar photovoltaic plant of 5.35 MWp at Jamul Cement Works, Chhattisgarh and 380 kWp Solar PV at Kymore mines
- Various energy efficiency improvement initiatives in operations

Details on the above initiatives can be seen at the link: www.acclimited.com/sustainable/environment-and-energy

6. Are the emissions/waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB)/State Pollution Control Board (SPCB) for the financial year being reported?

Yes, the emissions/waste generated by the Company was all within the permissible limits given by CPCB/SPCB with occasional exceedances.

7. Number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Few of our plants received show cause notices from CPCB/SPCB. However, all notices were addressed accordingly by the end of the year 2020.

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 chambers of association? If yes, name only those major ones that your business deals with.

Yes, the Company is a member of:

1. Cement Manufacturing Association
2. Confederation of Indian Industries (CII)
3. Federation of Indian Chambers of Commerce and Industry (FICCI)

4. Federation of Indian Mineral Industries (FIMI)
5. National Safety Council (NSC)
6. Swiss India Chamber of Commerce
7. Global Cement and Concrete Association (GCCA) India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company actively works with above associations and advocate in the following broad areas which impact the Cement Industry:

1. Sustainable mining practices
2. Extended producers responsibility and safe management of plastic waste
3. New environmental regulations
4. Co-processing of municipal and industrial hazardous and non-hazardous wastes
5. Use of recycled waste materials (construction and demolition waste) in cement and concrete
6. Manufactured sand and aggregate from industrial waste
7. RPO-REC regulations for cement and power plants, PAT regulations
8. Green energy status for WHRS
9. Development of new product standards for low-carbon cement and concrete products
10. Environment product declaration and green pro-label of products
11. Green buildings
12. Flyash-based, pre-fab building materials
13. Promotion 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.

Yes, the Company has specific programmes/ initiatives/ projects in pursuance of its CSR policy (Reference: www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf)

All sections in the host communities are engaged by the Company for developing their village micro plans through participatory methods of planning. Individual projects are thereafter designed to address various needs of the host communities as per the priority expressed by the communities. Conscious efforts were made to prioritise women-headed, landless and small and marginal land-holding families. Special drive for exclusive skilling of women and ensuring half of the scholarship of higher education goes to girls has been ensured. HIV+ and differently able beneficiaries are specially tracked within all social and business measures.

Implementations of these projects are thereafter monitored by the representatives of the villagers at all locations and course corrections measures are suggested by them if needed. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR Interventions i.e. planning of CSR projects and process monitoring. The CSR project participants include the disadvantaged, vulnerable and marginalised sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

- a) Sustainable livelihood
- b) Quality of education
- c) Water, Sanitation, Health & Hygiene (WASH)

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structure/ any other organisation?

The Company's CSR projects are implemented through in-house CSR department, ACC Trust, corporates, academic and government institutions.

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

After conducting social audit of CSR projects for five (5) consecutive years, the Company has decided to do it every alternate year to provide enough room for necessary actions on ground. The next round of social audit is due in December 2021.

4. What is the Company's direct contribution to community development projects – Amount in INR and details of the projects undertaken?

The Company spent an amount of ₹32.33 Crore on development projects as mentioned below:

Sr. No.	Focus Areas	Expenditure (₹ in Crore)
1	ACC DISHA: for youth employability	3.95
2	ACC Swavlamban: focusing on women empowerment and livelihood	1.81
3	ACC LEISA: for farmer's livelihood – Low External Input Sustainable Agriculture (LEISA)	6.18
4	ACC Vidya Utkarsh: quality of education in government schools	4.69
5	ACC Vidya Saarathi: student scholarships	1.27
6	ACC Arogyam: preventive, promotive and curative healthcare	5.91
7	ACC Sampurna Swachhata: towards open defecation free villages	2.78
8	ACC Sanrakshit Paryavaran: solar, biodiversity and soil and water conservation	2.97
9	ACC Drona: to promote rural sports and traditional Indian culture	1.00
10	Affordable housing	0.20
11	Overheads	1.57
Total		32.33

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

Yes, all the community development initiatives of the Company are implemented through participatory approach. The portfolio of CSR projects is drawn from need assessments done by third parties through participatory rural appraisal method based micro plan. A Community Advisory Panel (CAP), comprising different stakeholders from community representatives and opinion leaders of the community i.e., functional at ACC plant locations, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and sustainability are the criteria that are built in CSR initiatives from the start by creating community managed organisations. Women Self Help Groups were federated into registered federation, Farmers Producer Organisation were also registered to get development initiative successfully adopted by the community. Community contribution is always a priority as it ensures continuance of the project through self-governance model.

Community management principles and institutional building measures are in-built in all the CSR projects from need assessment stage to impact assessment at the end. Capacity building and institutional sustainability are integral part of all CSR projects.

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 2020?

A total of 1,241 complaints were received from customers in 2020, out of which 33 (accounting for 2.66%) were pending as of December 31, 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)

No, the Company only displays information as mandated by local laws. No additional information is being provided on the cement bags. However, the Company has obtained Environment Product Declaration (EPD) for all its cement and concrete products. Cement EPD can be viewed at www.environdec.com/Detail/?Epd=13228

and Concrete EPD can be viewed at www.environdec.com/Detail/epd1116. All cement products of the Company are CII Greenpro certified. The above certifications are the first of its kind in the Indian cement Industry.

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

- a) The Builders Association of India ('BAI') had filed a complaint in July 2010 before the Competition Commission of India ('CCI') alleging anti-competitive behavior on the part of major cement manufacturers including the Company. The CCI investigated the matter and post which an order was passed against the cement manufacturers and a penalty of ₹1,147.59 Crore was levied on the Company. The CCI order was challenged by the Company before the National Company Law Tribunal ('NCLAT'), who vide its judgment dated July 25, 2018, dismissed the appeal of the Company. The Company preferred an appeal before the Hon'ble Supreme Court of India against the NCLAT Order/judgment. The Hon'ble Supreme Court vide its Order dated October 5, 2018, has admitted the Company's Civil Appeal and ordered for continuance of the same interim orders passed by NCLAT towards stay on the demand subject to continuance of deposit of 10% of the penalty amount.
- b) On a complaint filed by the Director General (Supply & Distribution), Department of Civil Supplies, Government of Haryana, CCI registered a case of alleged anti-competitive behavior (allegations of bid rigging) against cement companies including the Company. The CCI vide order dated January 19, 2017 imposed a penalty of ₹35.32 crores. The Company has filed an appeal in NCLAT against the above order and the appeal is pending before NCLAT.
- c) On complaints received from BAI and other persons, the CCI vide order dated July 1, 2019 has ordered an investigation against the cement companies and has asked the office of Director General ('DG') to submit its report. The Company received the intimation for the first time in December 2020 and has responded to the Request for Information received from the office of DG. Currently the matter is with the CCI and no order has been passed.

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

The Company carries out consumer survey and satisfaction survey from time to time based on its commercial needs.