



Sustainable Development Report 2014

ACC Limited





Contents

1.0 Foreword	02	4.0 Our Roadmap	
2.0 Organisation and Strategy		4.1 Journey So Far	72
2.1 Organisation Profile	06	4.2 The Road Ahead	73
2.2 Financial Highlights	08	5.0 Annexures	
2.3 Corporate Governance	10	5.1 Assurance Statement	76
2.4 About the Report	15	5.2 GRI G4 Content Index	79
2.5 Strategy and Stakeholder Engagement	17	5.3 UN Global Compact Linkage	96
2.6 Risks and Opportunities	20	5.4 Corporate Memberships	97
3.0 Materiality Aspects		5.5 Awards in 2014	99
3.1 Compliances	24	5.6 Glossary	101
3.2 Employee Well-being	26		
3.3 Occupational Health and Safety	32		
3.4 Products and Services	35		
3.5 Energy	37		
3.6 Effluents and Waste	41		
3.7 Responsible Selling and Customer Care	42		
3.8 Anti-Corruption	47		
3.9 Water	49		
3.10 Emissions	51		
3.11 Materials	54		
3.12 Supply Chain	56		
3.13 Economic Performance	59		
3.14 Biodiversity	61		
3.15 Public Policy	63		
3.16 Local and Indigenous Communities	65		

About Us

ACC Limited is among India's foremost manufacturers of Cement and Ready Mixed Concrete with a countrywide spread of factories and sales offices. ACC was established in 1936 and is acknowledged as a pioneer and trendsetter in cement and concrete. The quality of its products and customer services make ACC the most preferred brand in the Indian cement industry.

ACC has undertaken social volunteering practices almost from its inception, its earliest initiatives in community development dating back to the 1940's, while the first formal Village Welfare Scheme was launched in 1952. The communities living around most of its cement plants comprise the weakest sections of rural and tribal India with little access to basic amenities. Together with its countrywide network of employees and associates, ACC has always stepped forward to assist the authorities in times of national disasters to provide immediate life-saving emergency relief as well as more valuable long-term responses.

Among the first companies in India to include environment protection as a corporate commitment, it is recognized for best practices in environment management at its plants and mines. ACC has joined hands with its industry peers to develop and adopt a technological roadmap for effective action against climate change via a transition path that pursues continued contributions towards a halving of global CO₂ emissions by 2050.

Over the years the company has been felicitated several times for its community development achievements, crisis relief assistance, fair business practices and sustainable development by eminent bodies such as CII, FICCI, Council for Fair Business Practices and PHD Chamber. In the last two consecutive years, ACC was ranked as India's Most Admired Company in the cement sector by Fortune India and Hay Group India.



The report is prepared "In accordance" with the "Comprehensive" option of GRI G4 Guidelines and is externally assured by M/s Emergent Ventures India

1.0 | Foreword

“On the sustainability front, we remain deeply committed to maintain our best-in-class status while enriching our people and safety processes and building a green supply chain.”



I am pleased to share highlights of our sustainability performance in 2014 in each pillar of the triple bottom line framework.

ECONOMIC

Macro-environment: Although 2014 began on a lackluster note with sluggish industrial production, the economy picked up to end the year with growth of ~5 per cent from 4.7 per cent in the preceding year, while inflation slowed down. The new government that came in place in mid 2014 ushered in perceptible improvement in the overall business sentiment in the country, particularly with regard to accelerating the pace of infrastructure development.

Performance Highlights: In 2014, the company's consolidated income rose by 5 per cent while consolidated profit after tax was up by 6.6 per cent. Selling prices of cement improved by 4 per cent. Our range of premium cement products and customer excellence activities gained ground. Individual House Builders continued to be the largest customer segment in cement and hence enjoyed a high focus. The thrust on logistics excellence was also maintained.

Ready Mixed Concrete business performed well during the year with a focus on sale of value added products that widened our customer footprint and helped register further improvement in profitability. We take pride that ACC Concrete has been supplier to many new landmark projects in the country including major infrastructure projects such as expressways, metro rail, airports, stadia, large townships and other iconic structures.

Jamul Project: The Jamul Project in Chhattisgarh, comprising a new state-of-the-art clinkering line of capacity 2.79 million tonnes per annum is expected to be commissioned in December 2015; the new grinding facility of 1.10 million tonnes at Jamul will be commissioned in early 2016. The new grinding unit of 1.35 million tonnes at Sindri, which is part of this project, will be ready in early 2016.

PEOPLE

Safety: Rigorous and concerted efforts

were continued to maintain the highest safety standards in all our operations. However, we report with sadness that the company suffered the loss of four invaluable lives during the year. No harm anywhere to anyone associated with ACC remains the company's top priority. The “Surakhsha Laher” programme initiated in the previous year was continued with the launch of its second and third waves. These included measures to build leadership and line ownership, improve bottom up communication, engage more closely with operators, contractors' employees and other third party personnel and the implementation of safety initiatives with a view to close gaps identified in audit assessments. Special efforts were made to ensure that contractors were aligned with the company's objectives to ensure 'Zero Harm'. Emergency Medical Response capabilities at our plants & mines were further improved. The Company's Logistics Safety Improvement Programme won acclaim from Holcim as Regional Award Winner for South Asia. The programme has various ongoing interventions such as imparting defensive driving training to drivers, vehicle inspection, and segregation of pedestrian and vehicular traffic inside plants.

CSR: ACC's welfare and development schemes continued to benefit the community around the company's plants and mines through activities including health care, education, vocational guidance, sustainable livelihoods, and women's empowerment. Sanitation received enhanced attention with support from Holcim. Knowledge building also received special attention. Consistent with previous levels of commitment we spent ₹ 27.45 crore on CSR in 2014 meeting the “2% of net profit recommendation for CSR expenditure prescribed in the Companies Act 2013”.

ENVIRONMENT

Environment & Energy: Efforts to achieve our on-going commitments of the Low Carbon Technology Roadmap for the Indian Cement Industry under the umbrella of the Cement Sustainability Initiative (CSI) in India continued to yield

positive results. CO₂ emissions per tonne of cement fell to 526 Kg CO₂/tonne of cement from 538 Kg CO₂/tonne of cement in the previous year which is one of the lowest in industry.

We achieved further reduction in thermal and electrical energy and in specific water consumption. A Sustainability Development road map was developed for the period 2014-2017 with a spotlight on reducing CO₂ emissions, thermal and electrical energy intensity and water consumption. The road map also addresses the enhancement of the thermal substitution rate through increased use of non-fossil fuels.

AFR: Our Alternative Fuels and Resources (AFR) programme has now come under the umbrella of Holcim's Geocycle banner. In addition to our existing co-processing initiatives, new waste pre-processing platforms were commissioned at Wadi and Kymore which serve to enhance the co-processing capability in these plants. This will help us increase the use of alternative fuels through the co-processing of hazardous and non hazardous industrial wastes, municipal solid wastes and bio-mass.

Policy: Significant policy changes and other factors impacted our business with regard to environmental performance and costs. Certain regulatory changes relating to renewal of mines and deemed mining rights, led to limestone mining operations being temporarily suspended at two of our plants in the latter part of the year. This impacted clinker production necessitating purchases and stock transfers at higher cost. Inadequate supply of fly ash due to under-utilization of power plants was another constraint on power plants of which the production of low carbon fly ash based blended cements was restricted; without this constraint, we could have further improved our CO₂ emissions performance.

The New Environment Rules being contemplated in August 2014 have some challenging standards for particulate and gaseous emissions. However, we are well prepared to address these changes by making necessary capex investments

& process changes as well as fuel mix optimization with more Pet coke and alternative fuels.

Amidst this, we welcome the positive impacts of two policy shifts. The first is government's intention to build highways with concrete. This augurs well for cement and ready mixed concrete industries, both of which have under-utilized capacities in the country. It also makes techno-economic sense as concrete is a more durable road-building material besides having a lower carbon footprint than bitumen. The other is introduction of Composite cements, the standards for which are still at a draft stage awaiting formal acceptance. This new grade of cement will enable the industry to blend fly ash and slag simultaneously and thus produce green cement with low carbon footprint.

ORGANISATION

Awards: ACC was felicitated with a bouquet of awards conferred by reputable institutions for achievements in areas as diverse as safety, manufacturing excellence, environment management and communications. Of these I single out two. For the second consecutive year, ACC was ranked first among "India's Most Admired Companies" in Cement Sector in the Fortune India - Hay Group Survey. The company's Annual Report for 2013 won the Gold Shield from the Institute of Chartered Accountants of India for "Excellence in Financial Reporting", the country's highest honour in this category.

Holcim in Transition: In April 2014, our promoter group Holcim Limited and Lafarge S.A. announced their intention to combine the two companies through a merger of equals to create the most advanced company in the global building materials industry. As an important next step in the merger process, it was necessary to obtain regulatory clearances in various jurisdictions around the world. Accordingly, Holcim and Lafarge made an application before the Competition Commission of India (CCI) in July 2014 seeking approval for the proposed merger of the two groups which are both active

in India - Holcim through two locally listed subsidiary companies (namely, ACC Limited and Ambuja Cements Limited) and Lafarge S. A. through its subsidiary companies. CCI approved the merger application, subject to compliance with certain conditions including a package of asset divestments comprising one cement plant and one grinding unit of Lafarge in Eastern India. In India, CCI's final approval for the merger is pending subject to these divestments.

Change of Guard: In August 2014, I took over the baton from Mr Kuldip Kaura who had been CEO & Managing Director of the company since 2010. His tenure at ACC was particularly notable for the Institutionalizing Excellence programme that led to several innovative initiatives. I have immense respect for this organization and all that it stands for. While strengthening our customer excellence initiatives, I am also committed to take the company's sustainability agenda forward to maintain our position of best-in-class.

Outlook: In 2015, we foresee a modest but steady revival of the Indian economy with improving trends in all sectors particularly in infrastructure, housing and construction sectors. This is likely to have a positive impact on demand for cement. We hope to benefit from this growth in future with the increased capacity available to us post Jamul project. We also aim to keep a strong focus on cost reduction and customer excellence initiatives to notch an improved performance and remain focused on communities, CSR, energy efficiency & continue our efforts in these areas. On the sustainability front, we remain deeply committed to maintain our best-in-class status while enriching our safety and people processes, and building a green supply chain. As always we are grateful to receive the valuable feedback, suggestions and support of our stakeholders.



Harish Badami
CEO & Managing Director

Organisation and Strategy



-
- 2.1 Organisation Profile
 - 2.2 Financial Highlights
 - 2.3 Corporate Governance
 - 2.4 About the Report
 - 2.5 Strategy and Stakeholder Engagement
 - 2.6 Risks and Opportunities
-

2.1 | Organisational Profile

“A strong focus on sustainable development and an urge for conservation of natural resources is assimilated into all phases of our value chain from prospecting for raw materials and mining right up to sales and distribution”



A Strong Foundation

This is a company born out of an unparalleled merger of ten cement companies in 1936. Two published books chronicle the founding and growth of 'The Associated Cement Companies Limited' (renamed as ACC Limited in 2006) up to its seventy-fifth year. ACC's founders were large business groups of repute that practiced high standards of governance. The ownership structure changed significantly in 1999 when the Tata Group exited as promoters and were succeeded by Gujarat Ambuja Cement Limited. In 2005, ACC came to be associated with the Holcim Group of Switzerland. ACC is a subsidiary of Holcim (India) Private Limited and an ultimate subsidiary of Holcim Limited which held 50.3 % of the company's equity at the close of 2014.

Pan India Reach

The registered and corporate office is located in the iconic Cement House in Mumbai. A network of 17 cement plants, 50 Ready Mixed Concrete plants, 21 sales offices, a large technical services campus with a learning academy, a bulk handling terminal and numerous zonal offices add up to give the company a nationwide footprint. The ACC family is equally vast, made up of a 9000 strong workforce and around 9000 dealers who reach out to lakhs of customers through nearly 50,000 retailers. ACC's operations are confined to India, which is in itself the world's second largest market for cement.

Leadership

ACC is a professionally managed Company with a majority of its Directors being Independent Directors. August 2014 saw a change of guard in ACC when outgoing Chief Executive Officer

and Managing Director, Mr Kuldip Kaura, was succeeded by Mr Harish Badami. In 2014 the structure comprised three autonomous geographical regions - north, east and southwest - each of which was assigned distinct profit accountability and decentralised decision-making.

Iconic Brand

ACC is recognized as the cement that was used to build some of the country's finest masterpieces, among the most enduring of which are Mumbai's Marine Drive and the massive Bhakra Dam. Yet it is also the most preferred brand of cement used to construct homes for the masses of India in its cities, towns and villages. Millions of both modest and plush homes dotted across the country stand as solid testimony to the iconic status of ACC as a people's brand, based on the trust it has earned from generations of satisfied customers. Individual Home Builders across the country contribute a predominant share of the company's sales through its vast trade network. The company also caters to the cement and concrete requirements of the large growing market segment comprising institutional, commercial and infrastructural projects.

Setting Trends

ACC built India's first indigenous cement plant at Chaibasa in Jharkhand in 1947 and years later in its platinum jubilee year, the company proudly commissioned the world's largest plant at Wadi in Karnataka. A large expansion project in eastern India is even now under way. The company was first in India to launch commercial distribution of Bulk cement and Ready Mixed Concrete, two value added solutions that have changed the pace of large construction projects in the country. ACC

led the industry in producing Portland Slag Cement and Portland Pozzolana Cement, both environment-friendly blended cements that gainfully utilize industrial wastes from steel plants and from thermal power stations. Its innovative efforts in research and product development continue to make several breakthroughs in cement and concrete.

A Green Agenda

A strong focus on sustainable development and an urge for conservation of natural resources is assimilated into all phases of our value chain from prospecting for raw materials and mining right up to sales and distribution. The company has set for itself challenging standards in safety, quality, energy efficiency, clean mining, emissions control and environment management. ACC offers solutions for waste management to several industrial organizations and corporations through co-processing of wastes in its cement kilns.

A Social Volunteer

The company has a long tradition of practicing a range of social volunteering activities, forging partnerships with the communities around its operations to improve their living standards. These include welfare and development schemes in rural health, adult literacy, primary education, vocational guidance, livelihood creation, irrigation, animal husbandry, cottage industries and women's empowerment. Well-managed schools at all ACC plants that are open to children from the neighbouring communities are often considered the best in the district. The company has adopted seven government-run technical schools and the operation of

two technical institutes for students from remote places. Notable among other contributions are two treatment centres for patients of HIV/AIDS.

Techport

This is the successor of a group that was established in our Thane campus in 2006 as a centre of excellence to provide a range of technical services and solutions under one roof to ACC Limited and its group company Ambuja Cements Limited. The role of Techport was enhanced during the year to make it the Regional Manufacturing Support Organization (RMSO) in Holcim's global network catering to Holcim group companies in India, Sri Lanka and Bangladesh. In this new set-up, Techport is now accountable for driving technical standards and performance for Holcim plants in South Asia, sharing responsibility for manufacturing performance and successful CAPEX implementation. In doing so, it leverages some of the best practices, strengths and achievements in

manufacturing of Holcim's South Asian group companies.

Geocycle

The company has followed a robust programme for the use of Alternative Fuels and Resources (AFR) which utilizes wastes - industrial, municipal and agricultural wastes. This is recognized as an activity that can contribute significantly to the cause of climate change mitigation and sustainability. In 2014 this activity was integrated with that of Ambuja Cements Limited and housed under the Geocycle banner of Holcim.

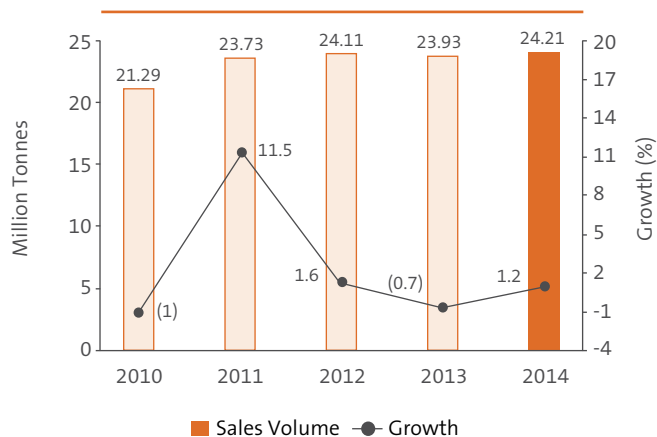
AALA

The ACC-ACL Leadership Academy (AALA) located in ACC Thane complex integrates the learning and development initiatives of ACC and Ambuja Cements Limited. In addition to Technical Training, the centre pursues training, Workforce Development, Leadership Development, Procurement and Sales & Marketing.

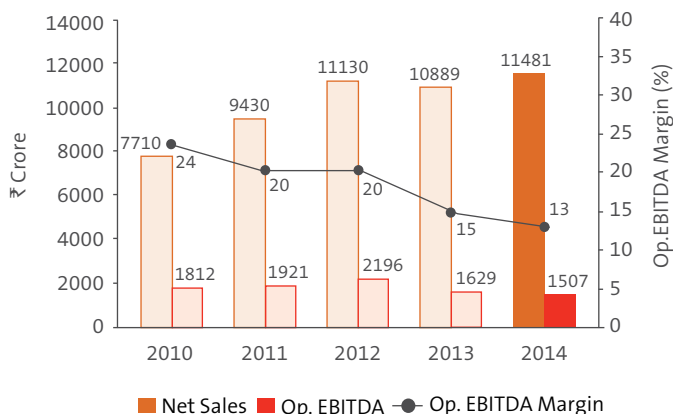


2.2 | Financial Highlights

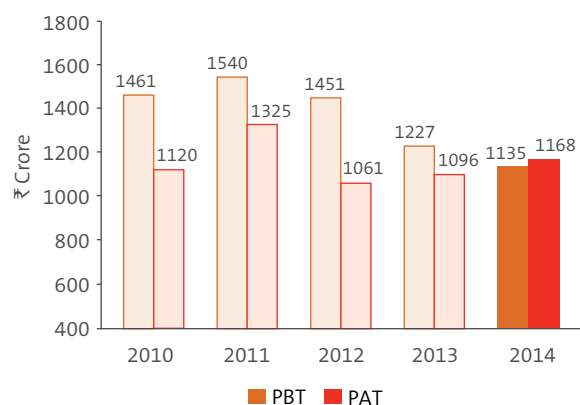
SALES VOLUME & GROWTH



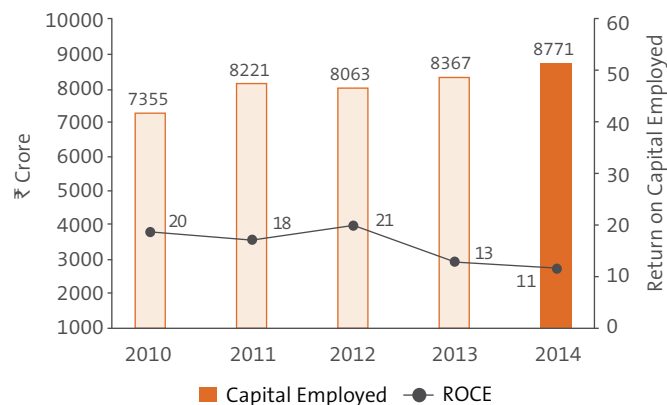
NET SALES, OPERATING EBITDA & OPERATING EBITDA MARGIN



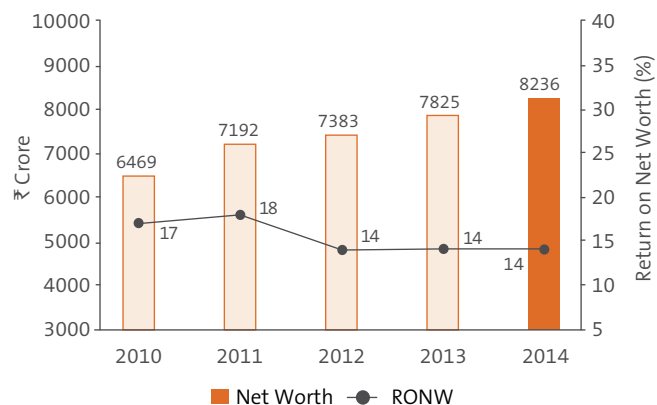
PROFIT BEFORE TAX & PROFIT AFTER TAX



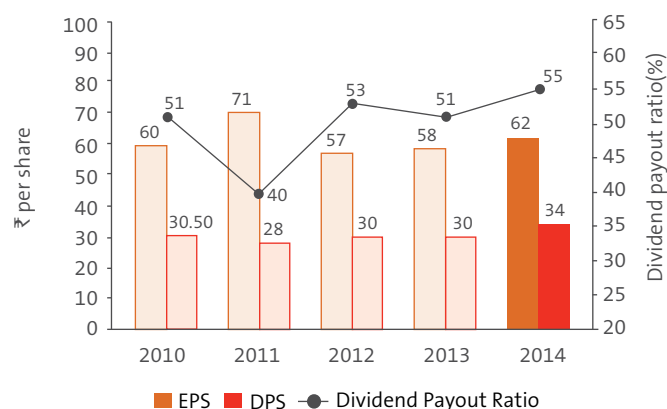
CAPITAL EMPLOYED & RETURN ON CAPITAL EMPLOYED



NET WORTH & RETURN ON NET WORTH

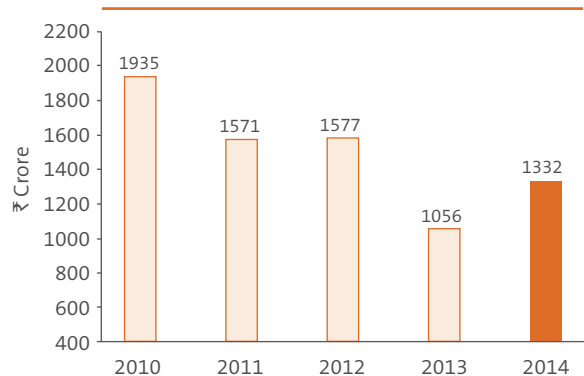


DIVIDEND PER SHARE, EARNING PER SHARE AND DIVIDEND PAYOUT RATIO*

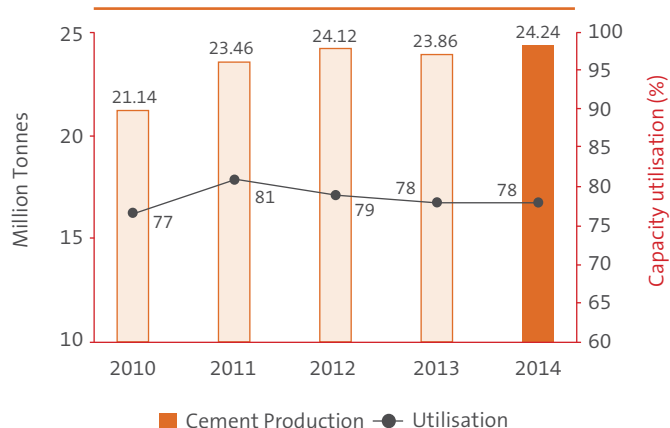


*Dividend payout ratio is calculated without considering dividend distribution tax

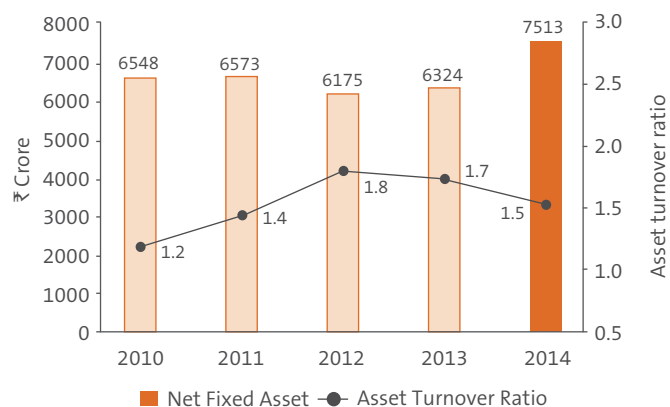
NET CASH GENERATED FROM OPERATIONS



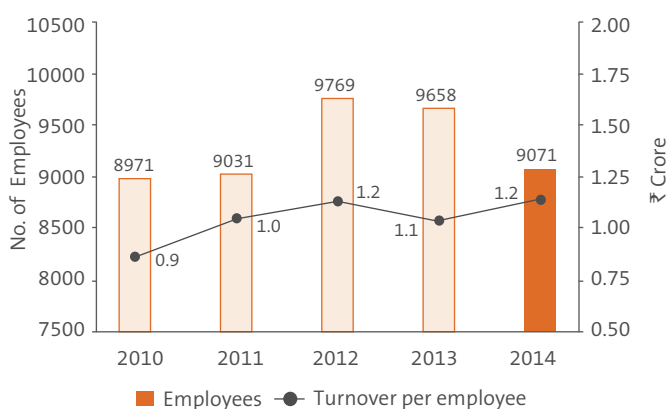
CEMENT PRODUCTION & CAPACITY UTILISATION



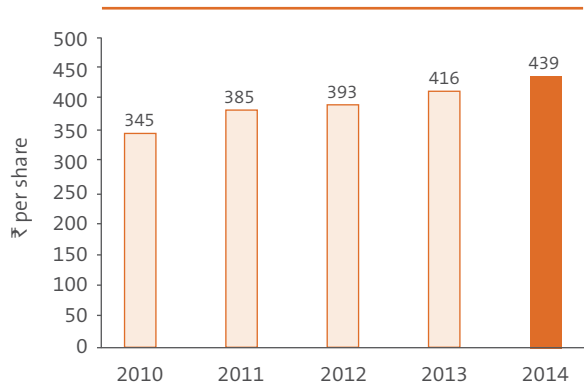
NET FIXED ASSETS & ASSET TURNOVER RATIO



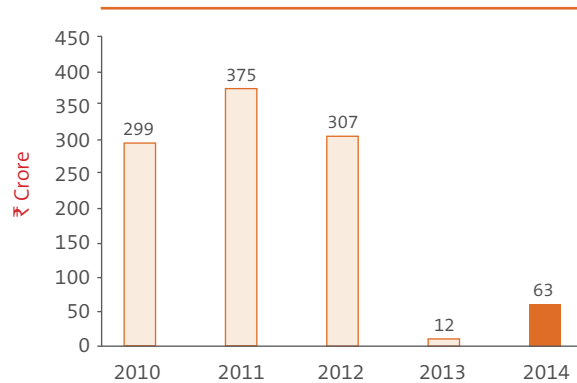
EMPLOYEES AT THE YEAR END & TURNOVER PER EMPLOYEE



BOOK VALUE PER SHARE



VALUE ADDED STATEMENT



Source: ACC Annual Report 2014 pg nos. 14 - 15

2.3 | Corporate Governance

“Years before Corporate Governance guidelines became applicable to listed companies, ACC’s Board foresaw the need to establish committees to address key issues concerning its own conduct and the integrity of the company’s internal control systems.”

Since its incorporation in 1936, ACC has been imbued with a corporate philosophy based on sound business ethics, fair dealings with all its stakeholders and the good values of care for society and the environment. Over the years, it has come to be respected in the industry for its exemplary conduct characterized by a professional style of Management and a principled process of demonstrating corporate citizenship. In addition, the Company has fostered an enduring sense of belonging among its employees and associates who recognize the equal opportunities the company provides to everyone, regardless of differences.

All this was possible because of the vision of its founders and early leaders who put in place transparent systems for effective strategic planning, sound financial and risk management, well-organized people development and stakeholder engagement. Years before Corporate Governance guidelines became applicable to listed companies ACC’s Board foresaw the need to establish committees to address key issues concerning its own conduct and the integrity of the company’s internal control systems.

GOVERNANCE & ORGANIZATION STRUCTURE

ACC is professionally managed and its overall functions are supervised by its Board of Directors. Day to day management of the company is entrusted to the Chief Executive Officer & Managing Director (CEO&MD). Since 2006, the organization structure has followed an arrangement of autonomous geographical regions which comprised North, East and South-West regions each led by a chief executive with profit accountability and decentralised decision-making on most matters. The three pillars of sustainability are overseen by different executives who report directly to the Chief Executive Officer. (A new organization structure came to be adopted in April 2015.)

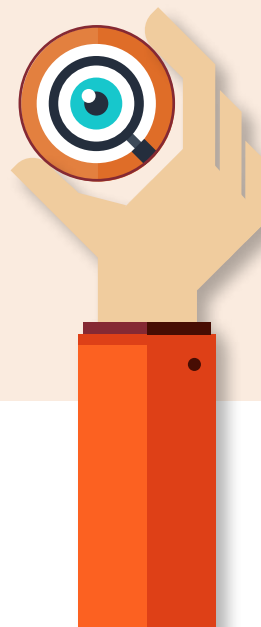
Chief Executive Officer and Managing Director:

The Chief Executive Officer and Managing Director (CEO & MD) is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees. The regional chief executives and all major functional heads namely, procurement, projects,



Our Vision

To be one of the most respected companies in India; recognized for challenging conventions and delivering on our promises.



finance, human resources, OH&S, environment, CSR, Legal, Secretarial & Compliance, Commercial and Corporate Communications report directly to the CEO & MD with clear segregation of duties.

Executive Committee (ExCo): At the corporate level, the CEO & MD is supported by the Executive Committee (ExCo) made up of the regional chief executives and corporate functional heads who assist the CEO & MD in overseeing implementation of key business processes and day-to-day operations of the company within the strategic policies as laid down by the Board. The ExCo deals with annual planning & budgeting, monthly performance reviews, discussion and resolution of important business issues and serves as an effective platform for brainstorming, ideation and consultation where targets are set and discussed. Various business challenges are also discussed and decisions taken within the framework of the strategic policies laid down by the Board.

Chief Executives at Regions: Each region is managed by a Chief Executive who is responsible for the overall business and for day-to-day management of operations within the regions. He is supported by a Director Sales and a Director Logistics who look after sales and logistics functions respectively within the region. Each region has Sales Units with Area Offices with clearly defined territories. Each region also has regional heads for the functions of finance, customer services, human resources and CSR. These individuals have dotted line reporting to the respective corporate functional heads as well.

Director Plant: Each cement plant and grinding unit is headed by a Director Plant who is responsible for operation and maintenance and all other functions relating to day-to-day management of the plant, including local issues and compliances as applicable. The Director Plant reports to the Chief Executive of his respective Region.

Concrete Business: This business, led by a Chief Executive, functions as an autonomous division and is supervised by the Chief Commercial Officer. It is also organized into four different regions that oversee the operations of concrete plants and sales of concrete.

only whole-time executive Director. The role, responsibility and accountability of the Board of Directors are well defined and they enjoy the unfettered freedom to express their views on all matters placed before them for deliberation and consideration. The Directors are selected based on a judgment of their expertise in areas of relevance to the company and their ability to advise on matters of organizational strategy or those concerning economic, environment and social aspects. The Board sets high standards for corporate behaviour and ensures compliance with laws and regulations.

COMMITTEES OF DIRECTORS

BOARD OF DIRECTORS - As on February 3, 2015	
Mr N. S. Sekhsaria Chairman Mr Bernard Terver Deputy Chairman Mr Harish Badami CEO & MD Mr Bernard Fontana Mr Shailesh Haribhakti	Mr Aidan Lynam Mr Sushil Kumar Roongta Mr Ashwin Dani Mr Farrokh K. Kavarana Mr Vijay Kumar Sharma Mr Arunkumar Ramanlal Gandhi Mrs Falguni Nayar

BOARD OF DIRECTORS

Made up of eminent professionals of known integrity and repute, ACC's Board of Directors strives to achieve high standards of corporate governance. The Chairman of the Board of Directors is an Independent Director. A majority comprises Independent Directors and there is an Independent lady Director as required under the Companies Act, 2013. The Chief Executive Officer and Managing Director of the company is the

The Board has constituted committees to allow it a more focused view of some seven facets of business. These are the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee, Compliance Committee and Capex Committee. Each of these Committees has its own specific mandate and terms of reference. ACC's Stakeholders'



STAKEHOLDERS' RELATIONSHIP COMMITTEE

The "Shareholders'/Investors' Grievance Committee" was renamed by the Board as the "Stakeholders' Relationship Committee" in compliance with provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement. The three member Committee specifically addresses and safeguards the interest of investors, conducts review and redressal of all complaints and grievances faced by investors and holders of securities including in matters such as issue of duplicate share certificates, transfer/transmission of shares and to approve and monitor dematerialization of shares.

NOMINATION AND REMUNERATION COMMITTEE

Earlier in existence as the "Compensation Committee", it was renamed thus in compliance with Section 178 of the Companies Act, 2013. Its terms of reference inter alia include identifying and selecting candidates for appointment as Directors, Independent Directors, Key Managerial Personnel and other senior management positions and their succession planning. The five member committee formulates and reviews the requisite policies for such selection and appointment and also reviews the performance of Directors and senior management employees based on criteria approved by the Board. It also reviews the overall remuneration of the Board of Directors and Senior Management.

The remuneration of senior management would be aligned directly or indirectly with Key Result Areas (KRA) related to environmental and social objectives. The Directors receive

Relationship Committee was set up in 1962 as the Share Committee, and was later renamed as Shareholders'/Investors' Grievance Committee. The Audit Committee was constituted as far back as 1986 while the Nomination and Remuneration Committee was founded in 1993.

AUDIT COMMITTEE

Five directors with financial knowledge make up the Audit Committee of the company, four of who are Independent Directors. Its chairman is an Independent Director. The Committee acts as a link between statutory auditors, internal auditors and the Board of Directors. The committee assists the Board in fulfilling its responsibilities

of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Its terms of reference conform to guidelines of the Listing Agreement with Stock Exchanges read with the Companies Act, 2013. The Committee has a self assessment process. The subject of sustainability is not formally placed before the Audit Committee as an essential input to assess the company's performance except in the event of any major compliance issues which would be brought to the attention of the Compliance Committee and/or the Board.

remuneration as per relevant provisions of The Companies Act. The remuneration is approved by the Board based on the recommendation of the Nomination & Remuneration Committee and is subject to the approval of the shareholders. Details of this are also mentioned in the Annual Report for the information of shareholders and others.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

This committee with four Directors formulates and reviews the CSR Policy so as to indicate activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. It monitors the progress and provides guidance on various CSR activities undertaken by the Company.

RISK MANAGEMENT COMMITTEE

This Committee was constituted in April 2014. It puts in place a robust risk management process that identifies, monitors, reviews and minimizes risks while also identifying business opportunities on an annual basis. This Committee's main duties are to assist the Board in assessing the different types of risk including those which may relate to aspects of sustainability to which the company is exposed, as well as to oversee risk management as performed by the executive management and ensure it is in line with local legal requirements and SEBI guidelines. The committee has four members, two of who are independent.

COMPLIANCE COMMITTEE

The Compliance Committee, a non-mandatory initiative, plays an important role in ensuring zero tolerance to any form of non compliance. It reviews compliance with the provisions of

Competition Law, Corporate Laws and other applicable statutes, rules and regulations. The committee assesses the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the Courts of law that may significantly affect the Company. The team also monitors the status of significant legal cases filed by and against the Company. Any major compliance issue concerning sustainability would be brought to the attention of the Compliance Committee and/or the Board.

CAPEX COMMITTEE

The Capex Committee was constituted to review the technical and financial viability of large projects and in particular the Jamul Project which is now nearing completion. It is not a mandatory committee and meets only to examine proposals involving major capital expenditure.

RELATED PARTY TRANSACTIONS

The company has a policy concerning Related Party Transactions which is approved by the Board and uploaded on the Company's website. We have a manual with Standard Operating Procedures that helps identify, track, monitor and deal with such transactions. Accordingly all Related Party Transactions are referred for approval to the Audit Committee and the Board. All related party transactions entered into during the financial year 2014 were verified to be on an arm's length basis and in the ordinary course of business. No materially significant related party transactions were made with either the Directors, Key Managerial Personnel or with any other designated persons that may have a

potential conflict with the company's interests.

INTERNAL AUDIT

ACC has a robust Internal Audit process. The Internal Audit department is empowered to function independent of the executive management. The Chief Internal Auditor reports directly to the Chairman of the Audit Committee of the Board of Directors.

INTERNAL CONTROLS

The Internal Control System is commensurate with the size, scale and complexity of the Company's operations. There is a formal system of internal control testing which examines the effectiveness of process design and operational effectiveness to ensure the reliability of financial and operational information and all statutory and regulatory compliances. A strong monitoring and reporting process enables a high order of financial discipline and accountability. Its business processes are performed on SAP-ERP and SAP-HR platforms. Similarly there are sound controls for other functions.

CORPORATE POLICIES

Essential to our approach to good governance are well-stated codes and policies that guide management and employees to demonstrate conduct of a manner that is aligned with goals of the company and that of our promoter group. We have in place policies for key focus areas beginning with an umbrella policy on Sustainable Development and other areas such as Energy, Environment, Corporate and Social Responsibility which have been reviewed and signed by the CEO & MD. These are reproduced here. In addition to these we also have policies for other areas such as Occupational Health and

Safety (OH&S), Alternative Fuels and Resources (AFR) and Quality among others.

MANAGING SUSTAINABILITY

The sustainability function is overseen by the CEO & MD who is a member of the Board. Any major compliance issues relating to sustainability would be brought to the attention of the Compliance Committee and/or the Board. The company has developed and adopted well-defined policies for key areas of business particularly those defining its sustainable development agenda. The policies are reviewed to reflect enhancements in contemporary practices and conduct. They are made widely visible internally to employees and to the external public and stakeholders. A Sustainable Development Council (SD Council) headed by the CEO & MD, with representatives from key functions, drives the corporate sustainability agenda and reviews its implementation. SD Council members directly engage with key stakeholders in their respective functions and share the stakeholders' concerns on sustainability issues with the SD Council from time to time.

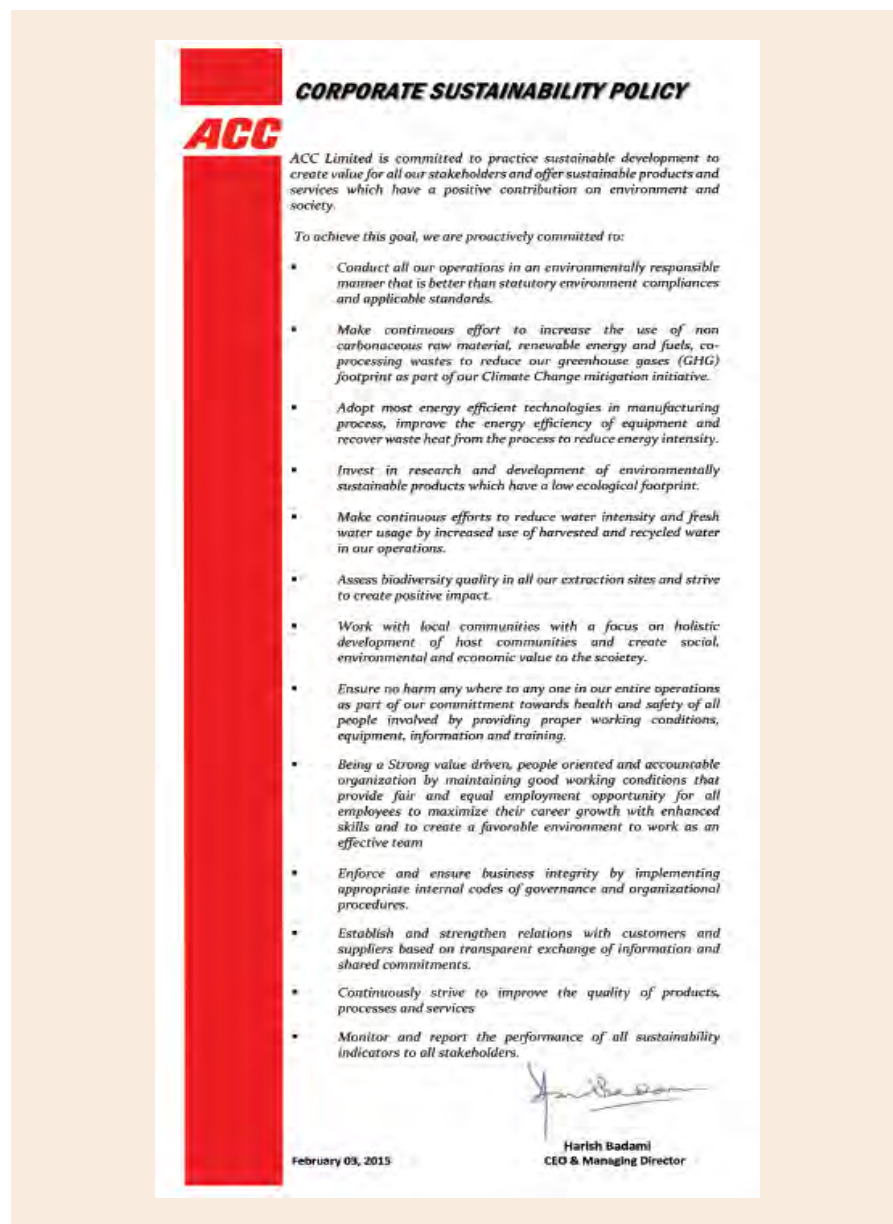
A core group of this council monitors progress and advises the council on overall target setting and reporting, including review of the annual sustainable development report. Plants also have local level councils to monitor implementation of their sustainability goals. Responsibilities of various processes including material aspects are clearly assigned to specific functional departments. In most cases these are further integrated into the company's performance management system spilling into individual job descriptions

and targets in a manner that motivates employees to make efforts to achieve these targets and thus ensure good sustainable practices.

In 2014 several issues relating to sustainability were reported to the Board through the respective committees or functional heads and acted upon based on the advice received. These included matters relating to the Competition Law, CSR, Mining leases

and mining operations, CAPEX, progress of the Jamul expansion project, coal blocks, AFR and Corporate Governance matters.

Details of the company's Corporate Governance practices, structure and policies are available on its website at www.acclimited.com/newsite/cg.asp



2.4 | About the Report

“We note with pride that last year we were among the first Indian companies to publish its Sustainable Development Report for 2013 based on the then newly introduced GRI G4 guidelines”

This is the company's 8th annual Sustainable Development report, the fifth in print, reviewing performance in the calendar year 2014 (January to December) which is also the reporting period for the company's financial year.

We note with pride that last year we were among the first Indian companies to publish its Sustainable Development Report for 2013 based on the then newly introduced GRI G4 guidelines. This report, is also based on GRI G4 guidelines but “in accordance” with the Comprehensive option, the highest level for such reports.

The report covers all operations of the company including our mines, cement and Ready Mixed Concrete plants. ACC has five subsidiary companies which are not covered in the scope of this report and which together have no significant financial impact on the company's operations. These include Bulk Cement Corporation (India) Limited (BCCI), which comprises a bulk cement terminal at Kalamboli near Mumbai. BCCI handled about 1 million tonnes of cement in 2014 which was distributed in the Mumbai region. ACC Mineral Resources Limited (AMRL) was established to pursue the development of coal blocks but the activity had to be suspended in 2014 following their cancellation by the Supreme Court. A detailed account of this can be found on pages 29 and 36 of the Annual Report 2014. The three other subsidiaries viz. Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited, are limestone deposit companies and were not operational during the year.

In the last exercise, we undertook a comprehensive engagement with

stakeholders to identify their major interests and concerns with regard to key aspects of our sustainability process. We have retained those insights as remaining valid in respect of this reporting process as well. While reporting on issues or aspects identified as being material to the company, we refer specifically to the series of activities performed in the course of sourcing, producing and delivering products and services to customers and stakeholders. Thus our value chain comprises of suppliers, mines, cement and concrete plants, captive power plants, logistics, marketing and distribution channels and corporate, regional and sales offices.

Aspect Boundaries: Of the sixteen issues identified as material aspects, five aspects are largely internal. These include compliances, employee well-being, OH&S, water and bio-diversity. Four aspects namely, Responsible selling and Customer care, supply chain, public policy and Local & Indigenous communities are largely external. The boundaries of the remaining aspects are both internal and external.

The sequence of chapters in this report now specifically includes individual chapters on each of the key material aspects that were identified and prioritized by our stakeholders in the sustainability materiality analysis conducted last year as comprising issues of material concern for the organization. This format offers the opportunity to provide special focus to these material aspects in terms of the opportunities and risks they pose and the actions we are taking in relation to them. We feel this format also helps sustainability reporting to transition



from “in accordance” Core towards “in accordance” Comprehensive. In the Foreword and first chapter viz. Organisation Profile of this report, we have mentioned certain changes concerning a change in leadership position and the role of Techport and Geocycle. The Foreword explains developments on the merger of our promoter Holcim Limited with Lafarge S.A. at the global level. Other than these there were no other significant changes during the reporting period that affected the size and scale of the organization, its

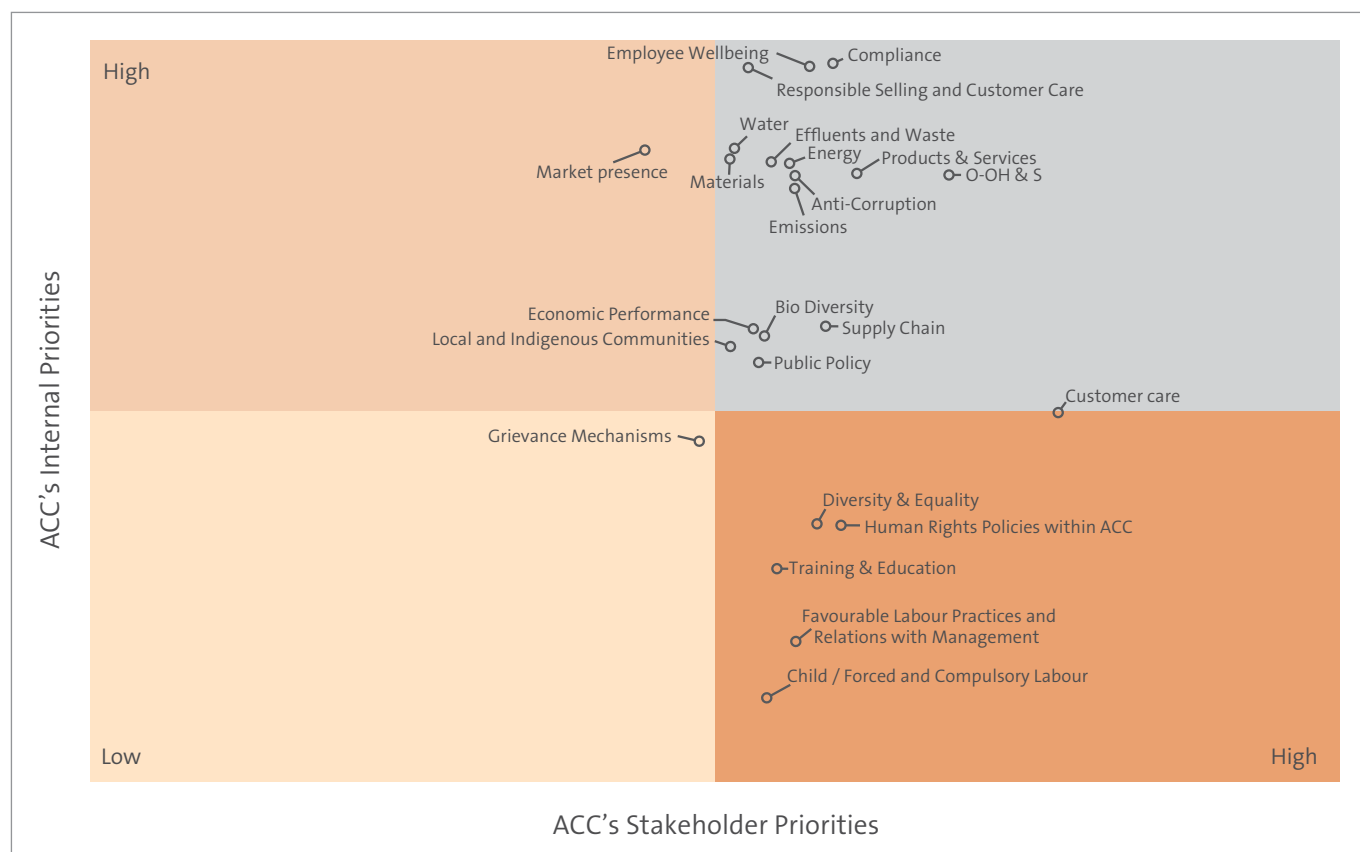
structure, ownership or its supply chain.

The report has been developed and drafted in-house by a team from the company’s Environment & Energy Conservation Cell (EECC) and Corporate Communications Department (CCD). No consultant or external advisory service was engaged for the purpose. Input and Data collation was undertaken primarily by EECC while CCD was involved in developing, editing and producing the finished report. All images, tables and charts have been internally sourced,

except where specifically so indicated. The report is designed by Wyatt Communications and printed at New Thacker’s Press, Mumbai on recyclable paper.

This report is externally assured by M/s Emergent Ventures India.

It has been our endeavour to provide information that is as accurate as possible to make our disclosures reliable and transparent and thus enhance the value of our reporting.



2.5 | Strategy and Stakeholder Engagement

“Our approach to defining our sustainability agenda has been pragmatic as it recognizes the integral role played by stakeholder participation in it”

OUR IMPACT

India's cement industry is the world's second largest. It is also among the most valuable and largest organized industrial sectors in the country which makes sizeable contributions to the national economy by way of taxes, duties and royalties. Apart from the construction industry, it impacts many other sectors being a large user of Indian railways and the road transport system. Cement and concrete industries offers direct and indirect employment to a large number of people.

Cement and concrete together have a considerable environmental impact. Concrete, the most widely used building material, is composed of cement, water and mineral aggregates together with certain additives and steel reinforcements. Concrete is believed to be the world's second most consumed product per capita after water. Cement production is a continuous process that is energy and

mineral intensive. Large quantities of limestone are mined, pulverized and burnt at high temperatures in a colossal rotating kiln to be converted into clinker, an intermediate product. This is then ground with gypsum to make cement Ordinary Portland Cement or inter-ground with Fly Ash or slag to make blended cements. Coal is the most commonly used fuel to source thermal energy. Most of the electricity requirement of our cement plants is generated by captive coal-based thermal power stations.

While both cement and concrete involve extractive processes, what sets them apart from other building materials is the often proved fact that concrete has the lowest average embodied carbon and energy as compared to most other building materials. Concrete is likely to remain as the most viable building material, with no comparable substitute visible on the near horizon. India's cement industry is in the forefront



EMPLOYEES	TRADE UNIONS	CUSTOMERS	CHANNEL PARTNERS
VENDORS	SHAREHOLDERS	GLOBAL PARTNERS	INFLUENCERS
GOVERNMENT	REGULATORY AUTHORITIES	LOCAL COMMUNITY AROUND PLANT	EMPLOYEES' FAMILIES
SOCIAL WORKERS / NGO'S	CONSULTANTS & ADVISORS	COMPETITORS	INDUSTRY
MEDIA	NATIONAL COMMUNITY	GLOBAL COMMUNITY	FUTURE STAKEHOLDERS

among its global peers in terms of the proactive role it plays in reducing its carbon footprint. On its part, ACC vies for the distinction of being best-in-class on all three dimensions of the triple bottom line framework.

OUR STAKEHOLDERS

The term ACC Parivar is common parlance in the company to refer to all those who feel a sense of belonging to it. Being a leading member of the cement and concrete industry we have a pan-India footprint, reaching out to a very large population of stakeholders of diverse ilk across the country. Nearest to us is of course our workforce comprising permanent employees, contract and third party workers and trade unions. The community that lives in the vicinity of our plants and mines is important to us as are our customers. Each year the company touches the lives of lakhs of Indians who purchase our cement and concrete through the company's vast network of dealers and retailers.

OUR APPROACH TO SUSTAINABILITY

Over the last several years we have progressively embedded Sustainability into the company's business agenda beginning with the organizational vision. Our approach to defining our sustainability agenda has been pragmatic as it recognizes the integral role played by stakeholder participation in it. We began the process by adopting the principle of materiality wherein we identified issues seen as critical because of their direct financial impact on the organization as well as from their environmental and social impacts. The company's performance management system is also itself arranged to address the larger requirements of attaining a good balance in the Triple Bottom

Line framework. The commitment to the cause is strengthened by fixing accountability to functions and individuals through a process of breaking down company level goals related to sustainability into departmental and individual targets for managerial staff. The material issues were revisited in 2013-2014 whilst preparing the last report and also form the basis of this reporting cycle.

Our overall approach is to make simultaneous and steady progress on all three dimensions of the Triple Bottom Line. On the economic front our primary pursuits are achieving organization improvements through initiatives in the area of customer excellence and measures in better financial management.

Among environmental objectives, our thrust continues to be on practicing strict conservation of mineral and

energy resources, improving clinker factor, reduction of CO₂ emissions, attaining higher levels of energy efficiency, pushing for higher usage of Alternative Fuels and Resources to increase the thermal substitution rate and promoting greener technologies like waste heat recovery and wind energy.

On the social front, the safety of our employees and all our stakeholders is among the primary pursuits along with the endeavour to improve the quality of life for the communities around our operations.

OUR ENGAGEMENT

We engage closely with stakeholders in all key pillars of management. ACC's workforce remains motivated. Effective engagement with them means regular and meaningful interactions with employees at all levels and with trade unions.



As explained heretofore, in preparing our Sustainable Development Report 2013 we had conducted a comprehensive engagement with a wide selection of our key stakeholders that led to a joint prioritization of issues material to the organization. The principles of that engagement with key stakeholders were described in detail in Chapter 2.4 of our Sustainable Development Report 2013.

Our CSR agenda is supported by the cooperation of Community Advisory Panels that are made up of representatives from within local communities who take ownership in identifying, implementing and evaluating development schemes and measures. Wherever needed, we seek the participation of NGOs to enrich the quality of our delivery systems.

Vendors, dealers and retailers play

an important role in our value chain and contribute substantially to our ultimate success in achieving customer satisfaction. We interact actively with Industry, Trade Associations and Government.

We recognize that communication is an important aspect of engagement. We communicate what we do directly to our key stakeholders, using direct and indirect reporting systems that inform them of what they need. Simultaneously we seek feedback and suggestions to help us make continuous improvements in the quality of our services. The aim of sustainability reporting is to build a strong chain of accountability within the organisation. Securing external assurance further helps enhance accountability.

The success of our business strategy has been in how we have been able to

realign and transform the organization through engagement with principal stakeholder groups. In doing so, we seek to be recognized as a leading champion of sustainable development - not only in the cement industry but on a wider domain.

EMPLOYEES

We have a rich practice of engaging with employees in several different ways using multiple channels and platforms on a wide range of topics concerning the organization and its environment. Plant workers meet with local management at gate meetings where OH&S and manufacturing best practices are shared. The intranet portal has an interactive section that encourages open discussion on any issue. The CEO & MD conducts interactive webcasts. In addition, employee volunteering is encouraged particularly in the fields of education, cleanliness and plantation.



2.6 | Risks and Opportunities

“Among the most important in this regard would involve regulations that in turn could pose direct and indirect influences on emission levels, manufacturing process, technology, use of raw materials, fuel and product specifications.”

The company has a sound mechanism in place to address and manage business risks. The Business Risk Management (BRM) framework helps identify, manage, monitor and mitigate risks. Risks are identified, discussed and monitored centrally by top management at the Corporate level as well as at regional levels. The process also includes the identification of opportunities that may arise in this context. The Board is kept apprised of risks and opportunities. A Risk Management Committee of the Board was constituted in April 2014, pursuant to the requirement of Clause 49 of the Listing Agreement. Details of this Committee and its terms of reference are available on pages 77-78 of the Annual Report 2014. This committee is kept apprised on an annual basis of matters relating to key business risks identified in this chapter. Minutes of the Risk Management Committee are sent to the Board. Risks involving major financial impacts are also reported to the Board.

Some of the significant business risks that have been identified pertain to the areas of energy and fuels, project management, competition, compliance and Occupational Health and Safety. These risks are discussed in detail at different levels in the organization together with appropriate solutions and actions for their mitigation. The framework uses different risk models to help in identifying risks, their trends, exposure and an analysis of their potential impacts at an overall Company level as also for the individual business segments of Cement and Ready Mixed Concrete. All these are then integrated and compiled into a detailed annual business plan indicating specific action points. The key business risks identified by the Company and its mitigation plans are described here.

CLIMATE CHANGE RISKS

Climate change is seen as being quite likely to have direct and indirect impacts on the business of cement and concrete. Among the most important in this regard would involve regulations that in turn could pose direct and indirect influences on emission levels, manufacturing process, technology, use of raw materials, fuel and product specifications. Other risks could be physical ones such as relating to the availability of natural resources such as water. Estimating the overall financial impact of climate change can be complex although we have attempted to make estimates in different contexts. Some of these risks and the opportunities they present as also the financial impacts are variously described in the relevant chapters on material aspects that follow.

PROJECTS RISKS

Project management is critical for cement companies. Cement manufacture is highly capital intensive in nature. Expansion is necessary for a company to maintain its market share, especially in an industry that enjoys good prospects for growth. The compound annual growth rate (CAGR) in cement over the next five years is expected to be of the order of 7 per cent. It is worth noting that the gestation period of cement projects is quite long; in the execution of large projects which are highly capital intensive in nature, there could be exposure to time and cost overruns. To mitigate these risks, the Company has strengthened its project management team as well as its project accounting and governance framework. For large project sites a separate organization structure has been put in place with defined roles and accountability.

COMPETITION RISKS

Cement industry continues to witness the entry of several new players including foreign cement producers while many of the existing players adopt inorganic growth strategies. This makes the industry a highly competitive business. Increased competition manifests itself through increased pressures particularly on all aspects of sales and marketing, sourcing and costs of critical raw materials and on availability and remuneration of skilled manpower. To mitigate these risks, the Company has been leveraging on its expertise, experience and its created capacities to increase market share, enhance brand equity/visibility and enlarge product portfolio and service offerings. It would also leverage on its Infrastructure, Commercial and Institutional Sales team to offer value to large customers.

OH & S RISKS

India's cement industry is labour intensive. The cement manufacturing process by itself has significant impacts on safety and health matters. Hence the safety of employees and workers assumes overriding importance to the company. In the last five years the company has strengthened its approach to tackling this risk in ways involving high levels of engagement with employees and workmen through continuous and intensive training programmes at all Plants and mines. The coverage of safety has been extended in the supply chain to include the logistics function with warehouses, distribution points and sales offices. The overarching aim is to inculcate a strong and spontaneous safety culture among all employees and stakeholder groups in the supply chain. The subject

of Occupational Health & Safety has been accorded line responsibility and accountability. In view of its high priority, there is usually no limit to financial allocations on safety oriented projects.

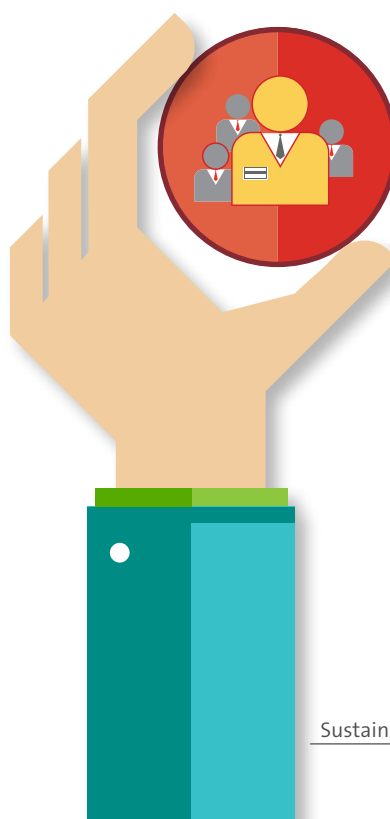
ENERGY RISKS

Cement production is an energy and resource intensive continuous process that requires consistent supply of thermal and electrical energy. Energy forms a large chunk of total production costs with coal being the main fuel for kiln operations as well as for captive power generation. In order to secure regular supply of coal, the company had been pursuing the development of its own coal blocks till their allocation was cancelled by the Hon'ble Supreme Court in September 2014. Apart from measures to improve efficiency parameters, the company is also addressing these risks in several ways including by increasing the use of alternative fuels and resources through co-processing in order to enhance thermal substitution of coal, the use of

pet coke, waste heat recovery for captive power generation and the use of wind energy. We note that this is a slow and gradual process.

NON COMPLIANCE RISKS

As a responsible organization, we are mindful that it is mandatory and non-negotiable to ensure compliance with various laws and regulations relevant to us relating to environment management, labour matters, product requirements, health & safety and competition law. Shortfalls in compliance can involve considerable financial and other risks besides loss of reputation. Complying with a wide gamut of laws in a frequently changing regulatory regime is a daunting responsibility that is challenging, requires resources and calls for regular training and awareness programmes for our executives. We are guided in this respect by the Business Risk Management mechanism that we have in place together with the advice of the Compliance Committee.



Materiality Aspects



-
- 3.1 Compliances
 - 3.2 Employee Well-being
 - 3.3 Occupational Health and Safety
 - 3.4 Products and Services
 - 3.5 Energy
 - 3.6 Effluents and Waste
 - 3.7 Responsible Selling and Customer Care
 - 3.8 Anti-Corruption
 - 3.9 Water
 - 3.10 Emissions
 - 3.11 Materials
 - 3.12 Supply Chain
 - 3.13 Economic Performance
 - 3.14 Biodiversity
 - 3.15 Public Policy
 - 3.16 Local and Indigenous Communities
-

3.1 | Compliances

“As a responsible organization, we are deeply conscious that compliance with all applicable laws and regulations is mandatory and non-negotiable, besides involving considerable financial and other risks”

Compliance is important to us as an essential safeguard of the invaluable corporate reputation we have earned over decades of conducting business with integrity and in a fair manner. As a responsible organization, we are deeply conscious that compliance with all applicable laws and regulations including those pertaining to environmental, labour, product liability, health & safety and competition law matters, is mandatory and non-negotiable, besides involving considerable financial and other risks. Accordingly all senior executives and management staff are made aware of the demands of applicable laws and regulations.

The company's leadership ensures that all operations at our plants (cement, mines, captive power & Ready Mixed Concrete) and by the organization as a whole meets internal performance parameters that are invariably more stringent than statutory requirements. Compliance with norms and regulations is monitored and reviewed in periodical meetings of top management. During the year under review there was no incidence of significant monetary fines or non-monetary sanctions or disputes with regard to above referred laws and regulations.

No cases were brought against the company through the invocation of any national or international dispute mechanisms.

There are no significant material orders passed by Regulators or Courts which would impact the Company and its future operations. The status of the matter relating to the case concerning the complaint filed before the Competition Commission of India (CCI) by the Builders Association of

India against ACC and other cement manufacturers is described in detail on page 39 paragraph 28 of the Board's Report & MDA in the Annual Report 2014.

Limestone Mining: Mining operations at two of our cement plants were temporarily suspended during the latter part of the year as a result of certain regulatory changes relating to renewal of mines and deemed mining rights. This impacted clinker production at these plants and necessitated purchase of clinker and stock transfers from longer leads which in turn increased the cost of production. These developments have been reported in detail in the Board's Report and MDA of our Annual Report 2014 on pages 29-30.

Fair Competition: Through the Value Creation in Competitive Environment (VCCE) programme, we organized training sessions to build awareness among relevant employees for conducting business in a fair manner and upholding the interests of consumers. The accompanying chart captures various initiatives and programmes in the area of VCCE conducted in 2014.

Legal Training : The Legal Department organizes Legal Training every alternate year at Plants. These conducted by Veda Legal Resources Private Ltd, Coimbatore. The duration of the training program in each plant is two days, during which applicable statutes, rules and regulations falling under various heads are covered. These include industrial relations; contracts; commercial laws, finance and tax; environmental health and safety related laws, local and municipal laws; mining laws; relevant electricity laws governing the operation of captive power plants.

VCCE (Value Creation in Competitive Environment) Programme 2014	
VCCE Initiative	Status
Implementation of Dawn Raid Guidelines, Fair Competition Training (FCT) - Face-to-Face Training Program covering FCD and VCIP Manuals.	Th The status of the VCCE Program - FCT and Dawn Raid Guidelines presentation were made in the Regions to address Relevant employees in October and November 2014.
Fair Competition Reviews (FCR)	As a part of the VCCE Program, ACC conducted Fair Competition Reviews (FCR) bi-annually, using the services of our solicitors M/s Amarchand Mangaldas who conducted interviews with the regional Chief Executives, Director (Sales), SU Heads and one Area Officer/In-Charge from each Region.
Fair Competition Review Report (FCRR)	The last Fair Competition Review Report dated September 20, 2014, was submitted by M/s Amarchand Mangaldas to Holcim Regional Legal Counsels as instructed by Corporate Legal.
FCT e-Learning Tool Test	FCT e-Learning Tool was circulated to Relevant Employees who were imparted face-to-face Fair Competition Training in 2013 and to those remaining in 2014. They were required to access the tool through the ACC Hub. Of 803 designated employees, 609 employees participated have submitted the Fair Competition Compliance Certification to the Legal Department.

The legal training covered relevant employees from all cement plants on a department-wise basis considering the nature of assignments, roles and responsibilities of the employees. The training programme had to be put on 'hold' for two months due to certain corrective measures that had to be taken by the Trainers as advised by us. Thus 13 out of 15 plants could be completed during the year with training for the remaining two being re-scheduled to early 2015. In all we had 47 participants from 13 Plants.

Legal Actions : There are five pending instances of legal actions taken against the company for Anti-Competitive Behaviour and monopoly practices. The company has presented its defence before the relevant authorities to explain its stance in respect of the case. It may be noted that we have not made any financial provisions in our books for fines and penalties based on the advice of our auditors that we have a strong case in our favour.



3.2 | Employee Well-being

“The HR Excellence journey which was started in 2012 as part of the companywide ‘Institutionalizing Excellence’ programme has since become a new way of working at all Plants”

KEY INITIATIVES

Our endeavor is to become a “Great Place to Work For” in the eyes of employees and other stakeholders. With this in mind, we started various people-oriented initiatives to seek increased engagement and satisfaction among people. The HR Excellence journey which was started in 2012 as part of the companywide ‘Institutionalizing Excellence’ programme has since become a new way of working at all Plants.

We have foreseen the importance of having a skilled and motivated workforce in coming years as the

company prepares itself to meet the challenges of growth in the cement industry. We will need to be ready with employees, who are skilled, able to multi task, face stiff competition and ensure higher productivity. Thus, our focus for 2014 was to build a competitive workforce across levels and functions.

ACC’s large workforce is made up almost equally of Management Staff comprising professionals in various disciplines assisted by a dedicated workforce of shopfloor and office associates making a total of 9,071 people. The table below provide details of the break-up of employees by age and gender.

Age Group (years)	Male	Female	Total
Less than 30	1751	195	1946
30-50	3777	117	3894
More than 50	3166	65	3231
Total	8695	376	9071

The company has enjoyed some stability in the numbers of its workforce in the last few years, with relatively low rates

of attrition as compared to its peers. The overall employee turnover ratio during the year was 4 per cent.

Employee Turnover 2014 (Age yrs)	Male	Female
Less than 30 years	150	34
30-50 years	158	3
More than 50 years	98	3

Attritions during the year were partly met through fresh recruitment, most of

whom were young employees as evident in the numbers below.

New Hires 2014 (Age yrs)	Male	Female
Less than 30 years	108	7
30-50 years	58	3
More than 50 years	7	0

EMPLOYEE BENEFITS AND WELFARE

The total employee benefits expense in the year 2014 was ₹ 747 crores representing about 6.4 per cent of revenue from operations. The ratio of the annual total compensation for the organization's chief executives in 2014 to the median annual total compensation for all other employees was 91. The ratio of the percentage increase in annual total compensation for the organization's chief executives to the median annual total compensation for all employees in the same year was 1.8. It may be noted here that the year 2014 saw a transition with a new CEO&MD assuming office in August. The ratios indicated here are based on the total remuneration received by both individuals.

The company has several schemes that provide for the general welfare of full-time employees and their families. These cover education, healthcare, retirement benefits, loans and financial assistance. Employees in our cement plants are provided furnished and unfurnished accommodation within our townships, based on their entitlement. ACC townships have excellent schools which are often the best in the district and provide subsidized education for children of employees. Each township has a well-equipped health care centre with qualified medical staff and facilities. Employees are eligible to apply for loans and financial assistance for various purposes such as marriage, education, purchase of assets and residential premises.

Temporary and part-time employees do not receive retirement benefits, medical insurance, leave; loan subsidies and certain perquisites and allowances.

Women employees are entitled to avail maternity leave of sixteen weeks taken either continuously or in two tranches of eight weeks each prior to and post the expected date of delivery. The leave of absence does not in any way prejudice their career and service interests. We have not had any instance of a woman employee not returning to work after her maternity leave. The facility of such leave is not open to men.

All senior management employees are hired locally, that is, within the country. In fact a predominant share of shopfloor and office associates non-management staff at most of our operations is drawn from the host community itself or from its vicinity. Our remuneration is consistently higher than the stipulated minimum wage levels at all locations. The ratio of the standard entry level wage compared to the local minimum wage is 2.88:1.

RETIREMENT

As per the company's policy, an employee retires on superannuation

after reaching the age of 60 years. Retirement benefits for full-time employees comprise amounts received under leave encashment, provident fund scheme, Officers' Superannuation Fund, gratuity, additional gratuity as per entitlements, as also any amounts due under the National Pension Scheme where the employee had opted to be a member. All permanent employees are entitled to the afore-mentioned benefits as per the company's policies. All retirements schemes are in compliance with statutory requirements. The employee receives advance notice of retirement one year ahead of the date of retirement. This is meant to alert the employee to make necessary plans for retirement. While no specific training is imparted to enhance prospects of the employee's post-retirement employability, there is a practice of providing advice on health and on investing the retirement benefits gainfully.

The company provides for all these retirement benefits during the course of employment of each permanent



employee and these dues are settled accordingly as applicable. A detailed explanation is provided in paragraph xv titled Employee Benefits on page 132 of our Annual Report 2014.

PEOPLE PROCESSES

The company has clearly stated guidelines for all major people processes such as recruitment, separation, career advancement, performance appraisal, professional and employee ethics and code of conduct. Above all the company's people policies and processes enshrine equal opportunities to all and non-discrimination with regard to gender, caste, creed, ideology or other opinion, whether social, political or religious. Consequently ACC employees belong to different ethnic, cultural and religious backgrounds from all parts of the country.

Our Human resource management system provides due processes for employee consultation and participation in organizational development and policy formulation. At our plants and mines, there are recognized trade unions affiliated to various central trade union bodies. About 60% of permanent employees are members of recognized employee associations.

During the year the company did not receive any complaints relating to child labour, forced labour, involuntary labour, sexual harassment, human rights abuse or discriminatory employment.

PERFORMANCE MANAGEMENT SYSTEM

ACC's Performance Management System (PMS) works on-line through the intranet portal called "Accelerate" to which all Management Staff are given access. The PMS process begins

annually with Self Target-Setting by the employee. The online PMS sheet is divided into three parts .i.e.; Business Bucket, Safety Bucket and Individual Bucket. KPIs and Targets for the first two buckets are uploaded centrally based on role profiles. Individual KPIs are entered by employees themselves; these are reviewed online by the immediate manager and reviewer, checked and then accepted for implementation. There is a mid-term performance review between the appraiser and employee. At the year end, the employee is required to undertake a self-appraisal and a Development Dialogue discussion which are reviewed by the appraiser and reviewer for performance against KPIs and the employee's developmental needs which form key inputs for learning and development in the ensuing year. All permanent employees undergo appraisal and career development reviews.

The PMS in ACC is comprehensive and designed to provide ample opportunities to reward good performance, develop and motivate others and retain good talent within the Company through Performance Linked Incentives, Letters of Appreciation, Special Increments, Instant awards, Promotions, Nominations to external training programmes in India and abroad, public felicitation and appreciation. Employees who display functional expertise, competence and aptitude are deputed to receive Train the Trainer facilitation and thus leveraged to become Trainers themselves.

LEARNING & DEVELOPMENT

The ACC-ACL Leadership Academy (AALA) located in the ACC Thane complex is an effort in seeking synergies in learning from the integration of the learning and development initiatives of ACC and its sister company Ambuja Cements Limited. AALA conducts technical training as well as training in Workforce Development, Leadership Development, Procurement and Sales & Marketing. Courtesy AALA, we have a robust Learning and Development architecture that provides development solutions for each level of employees, including 'First Time Manager' skills. With business growth in mind, the training agenda pursued by the company in the last three years has revolved around building capability and leadership skills to make the organization 'future ready'. Accordingly a structured framework was created to develop people across all cadres so that they are aligned to changing business requirements and better able to drive growth initiatives. In addition, there are on-boarding centers and on-the-job training for fresh graduates and graduate engineer trainees. Due emphasis is also given to upgrade the skills of Shop Floor Associates, who constitute a major part of our workforce.

The following tables indicate the average hours of training per year per employee by gender and training in different functional areas.

Category	Average Training (Hours Per person per year)
Management Staff	58 hours
Non-management staff	53 hours

Average hours of training per year per employee	Male	Female
Technical skills	8.44	11.35
Health and safety	10.90	7.22
Management	18.96	11.66
Non-Technical skills	4.19	6.06
Sustainability	0.12	0.04

All management staff are required to study the company's code of conduct as a matter of self-training. While there is no specific training on Human Rights related issues, certain aspects are covered in the code of conduct and during orientation of new recruits. Security personnel also undergo specific training relevant to their scope of work. While certain aspects of human rights form part of this training, the subject of human rights is not specifically addressed.

Sustainability is also seen as an important subject in respect of training. Managerial personnel from relevant functions are deputed to attend selected training programmes conducted by reputed organisations such as CII and TERI on different aspects of sustainable development. Members of the SD Council and its core group also attend such programmes.

BUILDING A CAPABLE SALES AND MARKETING TEAM:

We launched the "Competency Mapping & Development Plan for Sales force" with an objective to identify critical functional skill gaps in the existing sales force and enhance their competence through planned development interventions that would enable them to handle and overcome tough competition in the market. This initiative comprised of the following steps:

1. Understanding the challenges prevalent in the cement market & the difficulties faced by our current Sales force
2. Developing a functional competency framework & validation of the same by Functional Head.

Channel Strategy and Development

Influencer Management and Business Development (New customer)

Customer Management (existing customers)

Promotion Management

Pricing Strategy

Business Planning, Forecasting and Financial Acumen

People Skills & Communication

Product Knowledge

3. Skill - Gap Analysis of targeted employees ,with clear denotation of skill levels through colour-coding as shown below (RED : Competency Gap exists ; YELLOW: Competency is as per expected levels; GREEN : Competency is above expected levels)

Name	Channel Strategy and Development	Influencer Management and Business Development (new customer)
Amit	1	0
Sunil	0	2.0
Akash	-1	0
Pratik	0	1

4. Creating a individual roadmap for Competency Development based on identified Competency gaps of targeted employees

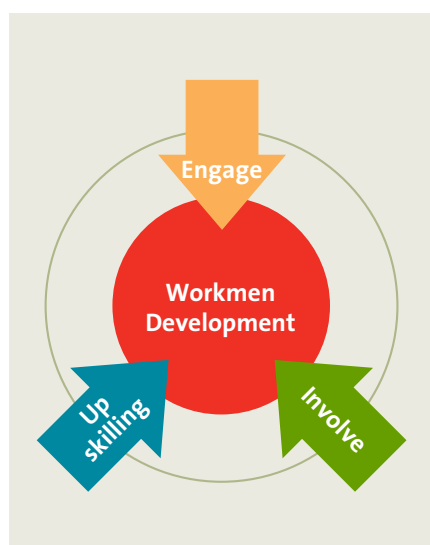
KEY MILESTONES ACHIEVED:

1. The initiative was first launched in the South Region, wherein 78 employees (from Sales & Customer Services) have undergone the Functional Skill Gap Analysis. 21 CSOs have already been covered in a program on “Product knowledge” at Regional Office Bangalore.



BUILDING SHOPFLOOR CAPABILITY

We launched a “Workmen Development Program” to bring our Shopfloor Associates into the fold of the Excellence journey and make them more capable and multi-skilled. This programme was meant to improve skill sets and mindset of Shopfloor Associates using the simple model shown here.



Engage: Focused Group Discussions with workmen to understand current engagement issues

Involve: Involve all the technically skilled Workmen and Supervisors in improvement projects. Identify Coaches / Facilitators to support the projects

Upskill:

- Training on problem solving and QC tools
- Mindsets and behaviors workshops
- Vocational training based on skill gap analysis - Basic, Advance & Expert

BUILDING CAPABILITY OF ENTRY LEVEL ARTISANS:

- We have upgraded SMTI curriculum to Swiss/ German VET Model
- This is a two year residential course with mix of in-plant training and theory.
- In order to adapt it to international standards, we consulted VDZ for various options to improve our technical capability institute.
- The Institute has been revamped in terms of hostel facilities, library and workshop



RESULTS

Total: 2857 SFAs				
Details	Mindset	FGD	WS	Technical Skills
Target	2857	2857	2018	2288
Covered	1236	1617	839	742

LEARNING BY DOING - PROJECTS:

In 2014 we focused on developing people through “Learning by Doing” and deploying employees on projects. Here is an overview of this initiative.

- Involvement of employees in small IE, improvement projects

- The concept of project-based learning @ ACC is to encourage on-the-job learning for employees across various levels.
- Create platforms to see their work/ listen to them
- Celebrating and encouraging good projects through rewards

Sr No.	Region	Total Number of Projects in H1	Total Number of Projects completed in H1	Total Number of Forums conducted in H1
1	North	249	167	37
2	East	209	112	72
3	West	131	44	21
4	South	323	133	29



3.3 | Occupational Health and Safety

“

We recognize our stakeholders in this respect to comprise Employees, Contractors, Transporters and all visitors to our site

”

OH&S VISION

Our vision for Occupational Health & Safety is an all-embracing one - “No harm to anyone associated with ACC”. OH&S is an essential part of our sustainability agenda.

We recognize our stakeholders in this respect to comprise Employees, Contractors, Transporters and all visitors to our site. We engage with these groups through frequent and regular meetings, Toolbox talks, Briefings and Training programmes. At our plants, gate meetings are conducted by members of the leadership team on the 1st of every month with the aim to engage with all stakeholders and impart messages of safety awareness and preparedness and ongoing safety initiatives of the company. On their part employees and contractors’ personnel on site participate in safety meetings with enthusiasm.

OUR OH&S VISION

“NO HARM ANYWHERE TO ANYONE ASSOCIATED WITH ACC”

“NO HARM” means:

- No fatalities
- No disabling Injuries
- No Lost Time Injuries
- No Medical treatment Injuries
- No First Aid Injuries
- No Occupational Illness

“ANYONE” means:

- Employees
- Contractors personnel on site
- Ready-mix drivers on job
- Third party contractors on site
- Visitors to ACC site



SAFETY COMMITTEES

There are formal joint management-worker health and safety committees at every plant which typically cover the entire workforce representatives in the plant. The topics covered in formal agreements with trade unions include personal protective equipment (PPE) and the adherence to safety rules and requirements of the

company. Contractors are also invited to participate in safety committee meetings held every month. Contractors are provided with induction training and are also involved in tool box talks before the start of work. The concerns raised during the joint meeting of management and workers are recorded and acted upon.

Employee Fatalities (Nos.)	Fatality rates	Contractor fatalities	Third Party Fatalities	Employee Lost Time Injury	Employee Lost Time Injury Frequency Rate	Employee Lost Working Days
1	0.049 (Employees only)	0	3	11	0.5	911

SURAKSHA LAHER INITIATIVES

Suraksha Laher 2 and Suraksha Laher 3 initiatives were launched as a follow-up to the Surakhsha Laher initiative which was launched in the previous year. Suraksha Laher 2 was meant to give a special focus to fatality prevention by building line ownership, raising OH&S competencies and creating forums to enhance communication. The “Suraksha Samvad” forum was set up to improve bottom-up communication. This is a sort of safety dialogue in which all concerns related to the work area are noted. These are then suitably addressed with appropriate actions by plant management. This programme succeeded in engaging all levels of Shop Floor Associates (SFA) and the company’s contractors in the identification and closure of hazards. Another major contribution of Suraksha Laher 2 was the OH&S Leadership Training Program aimed at improving OH&S capabilities of Middle Management level employees. The Zone

ownership structure was reviewed and further enhanced to improve visible leadership. Suraksha Laher 3 revisited the implementation of some important fatality prevention elements (FPEs) such as working at heights, isolation and lockout with a view to close the gaps identified during audit assessments.

CONTRACTOR SAFETY MANAGEMENT

During the year the company set up Communities of Practices (CoP) and Centres of Excellence to address specific safety issues. Contractor Safety Management (CSM) was singled out as an important pillar of safety. With regard to contractor safety, two key areas of focus were identified and appropriately addressed. These included Facility Management for the contractors’ employees and Equipment, Tools & Material Management. The former was addressed by providing adequate welfare facilities for contract labour such as washrooms with bathing



facilities, rest rooms, availability of drinking water etc. A second programme saw that tools used by contractors were safe. The process of screening of contractors was made more stringent to ensure they are at all times aligned with the corporate OH&S vision of ensuring ‘Zero Harm’.

LOGISTICS SAFETY

In the last few years, logistics safety has been included in the company’s safety agenda in a significant way to ensure safety within plant premises as well as on the road. Accordingly we implemented various planned interventions viz. Defensive Driving training for drivers, vehicle inspection at plants, segregation of pedestrian and vehicular traffic inside plants, a campaign for seat belt usage aimed at truck drivers, installation of GPS in dedicated trucks in a phased manner for journey monitoring. MoUs were signed with on logistics safety with our authorized road transporters,

engagement sessions with truck drivers and felicitating safe drivers. A programme for improving safety in cement warehouses was initiated. ACC was felicitated as Holcim's Regional Award Winner for South Asia/ASEAN in recognition of its Logistics Safety Improvement Programme.

OCCUPATIONAL HEALTH

In 2014, the Emergency Medical Response (EMR) capabilities in mines were further improved. Each mine site now has an ALS ambulance, stretchers, Automated External Defibrillator (AEDs) units and proper first aid facilities. At each plant we have also ensured that more than half of the shift supervisors have been trained in basic life support techniques. A total of 2000 shift supervisors received such training. The company's OH&S aided by our medical officers conducted routine programmes highlighting health risk factors among employees and their families.

During the year under review, there were no instances of workers identified with high incidence or high risk of diseases related to their occupation.

Safety in the workplace is every person's responsibility. Every Manager carries the extra responsibility to ensure all employees including contract employees are fully trained in working safely and responsibly at all times.

Harish Badami

- CEO & Managing Director

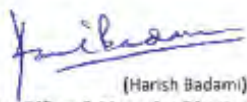
ACC LIMITED

Occupational Health and Safety (OH&S) Policy

Our OH&S Vision is 'No Harm Anywhere To Anyone Associated With ACC', be it our employees, contract personnel, visitors and the community at large. To fulfill this vision we apply relevant OH&S Rules, standards and directives, define organizational accountabilities, provide necessary resources and training, measure performance for continuous improvement and minimize risk arising out of our operations. While doing so we ensure that :

- Annual OH&S plans are established and OH&S targets are set as an integral part of our site business plan
- Appropriate reporting and assurance tools to monitor, benchmark and improve the OH&S performance continuously are in place.
- Comply with all applicable legal and other requirements covering Occupational Health & Safety.
- Managers provide right OH&S management systems & are accountable for managing our OH&S performance.
- Every employee and contractor personnel is responsible to work safely in order to ensure safety of self and other colleague at the workplace.
- Managers are responsible to carry out risk assessments of all operations and regularly review and update the risk register
- Employees and contract personnel are trained under capability building programme and empowered to recognize and report all hazards, unsafe acts / conditions & incidents in their workplace.
- Employees and contract personnel are consulted and encouraged to participate in correction of hazards and implementation of lessons learnt from incidents.
- The policy and performance dialogue is organized with stakeholders and public.

Demonstrated OH&S commitment and performance are key criteria for good leadership in ACC & they form basis for reward and recognition of our personnel, processes and systems.


 (Harish Badami)
Chief Executive Officer & Managing Director

Dated: 15th September 2014

Cement House, 121, Maharshi Karve Road, Mumbai - 400020



3.4 | Products and Services

“We take pride in offering the best quality and packaging in our range of cement and Ready Mixed Concrete. For us quality implies exceeding base statutory standards or the specifications sought by the customer”

ACC principally supplies Portland Cement in bags and bulk and Ready Mixed Concrete to markets across most of India. All products of the company are sold under the overall umbrella brand name ACC. The brand name ACC is synonymous with cement and enjoys a high level of equity in the Indian market mainly because of the high quality standards we maintain and the service provided to customers by an extensive network of about 9000 dealers that makes ACC cement available countrywide through a chain of over 50,000 sales outlets. ACC leads the industry in the manufacture of environment-friendly blended cements namely Portland Slag Cement and Portland Pozzolana Cement that utilize industrial wastes such as slag from steel plants and fly ash from thermal power stations. The role of blended cements in reducing CO₂ emissions, and ACC's leadership in promoting these cements is well recognized by environmentalists.

An important aim of our customer-centric approach is to enrich the customer experience and to enhance customer value. We take pride in offering the best quality and packaging in our range of Cement and Ready Mixed Concrete. For us quality implies exceeding base statutory standards or the specifications sought by the customer. The varieties of cement manufactured by us comply with our own internal norms which are more stringent than the requirements of the relevant Bureau of Indian Standards namely in respect of 43 Grade Ordinary Portland Cement (IS 8112- 1989), 53 Grade Ordinary Portland Cement (IS 12269-1987), Portland Pozzolana Cement (IS 1489-Part 1) and Portland Slag Cement (IS 455-1989). In the concrete business we are guided by two codes namely IS 456: 2000, Plain and

Reinforced Concrete- Code of Practice (Third Revision), (Reaffirmed 2005) and IS 4926: 2003, Ready-Mixed Concrete- Code of Practice (Second Revision), 2003. None of the products manufactured by us is either banned or disputed.

CEMENT

We manufacture four types of cements for general construction viz. 43 Grade Ordinary Portland Cement, 53 Grade Ordinary Portland Cement, Portland Pozzolana Cement and Portland Slag Cement. These are packed in 50 kilogram bags made of polypropylene (PP).

Apart from these generic products, we also offer 'Premium' products that are supplied in better quality packaging viz. Paper bags, Laminated PP bags and Ad Star Bags. These premium products, meant for certain recommended applications, are generally superior in terms of performance parameters such as early strength and durability.

The largest group of customers we serve are end consumers made up mainly of individual home builders across the country. We also serve other groups that comprise industrial, infrastructure



Premium Products

ACC F2R -
Premium PSC Cement

ACC Plus+ -
Premium PPC Cement

ACC Concrete+ -
Premium PPC Cement

ACC Coastal+ -
Premium PSC Cement

ACC Gold -
Premium PPC Cement

and commercial projects and entities that use cement as raw material such as concrete product makers and Ready Mixed Concrete plants.

ACC's countrywide network of dealers and retailers, our channel partners, plays a vital role in reaching out to customers to achieve the successful sale of our cement and provide primary customer care and service. Channel partners contribute over 80 per cent of the sales of our cement business. They are in turn serviced and managed by an energetic sales force located in sales offices, area offices and districts. Sales to key customers from consumers that comprise industrial, infrastructure and commercial (ICI) and other large buyers are managed directly by a specially designated sales team. Customer Service teams in our regional and sales offices in turn assist us in providing technical assistance and information to others in the supply chain comprising masons, contractors, architects, and engineers.

READY MIXED CONCRETE

The concrete business has blossomed in the last few years team, developing customer oriented value-added products and services, enhancing quality and successfully widening its customer base. The concrete product range now includes a wide range of one-stop solutions for customers comprising as many as nineteen products for different applications, all tailored to meet specific customer requirements from small basic requirements up to higher grades of concrete to build the country's tallest structures. The Ready Mixed Concrete team manages most of its sales directly to buyers and end-users without the use of intermediaries. But unusually for a typical B2B genus, the team has also sought to make forays into the retail segment by leveraging the company's

vast and competent cement sales network.

ENVIRONMENTAL IMPACT

Earlier in this report we have explained the environmental impact of cement and concrete in the sense that while both involve extractive processes, concrete is proven to have lower average embodied carbon and energy as compared to most other building materials. We reiterate that for the present nature and order of construction activity today, concrete is likely to remain as the most viable building material. It is a matter of pride that the Indian cement industry has a lower carbon footprint than its peers in the world while ACC has been acknowledged as being among the most sustainable companies in India. Within the different varieties of cement, blended cements contribute the lowest specific emissions of CO₂. Blended cements utilize slag and Fly Ash that are essentially waste pollutants from the steel industry and thermal power stations. The quantity consumed of these materials is reported in chapter 3.11. ACC has been an industry leader with a predominant share of its total production comprising of blended cement. Value-added products such as

Bulk cement and Ready Mixed Cement also demonstrate a higher degree of environment-friendliness.

ECONOMIC IMPACT OF CEMENT

The cement industry is known to foster several positive impacts on the economy and society. Per capita cement consumption is often regarded as an indicator of economic and human development. A cement plant is typically a powerful engine that drives economic and social development in its neighbourhood. Cement industry offers vast employment opportunities, both direct and indirect to the host communities where it is located and to the larger workforce. Cement and concrete give rise to numerous ancillary businesses, in addition to the multifarious partnership opportunities available in its entire value chain. Cement is a leading contributor to the national and state exchequer as well as to municipal and local bodies. It is also a source of revenue to public utilities and undertakings such as power companies and railways. ACC has made valuable contributions in nation building and continues to do so in supplying quality building materials necessary for the growth of India's housing and infrastructure development sectors.



3.5 | Energy

“ Overall the company achieved a reduction of 0.52 per cent in specific thermal energy and a reduction of 0.53 per cent in specific electrical energy during 2014 as compared to the preceding year ”



Cement manufacture is an energy intensive process with power and fuel accounting for around 20 per cent of our total expenditure. Hence we keep a constant focus on minimizing and optimizing energy consumption. During the year, many energy conservation initiatives involving process optimization, as well as equipment up gradation were carried out across ACC plants. Communities of Excellence (CoE) worked continuously to

benchmark and evaluate opportunities to achieve energy improvement across the manufacturing process as well as logistics activities. Overall the company achieved a reduction of 0.52 per cent in specific thermal energy and a reduction of 0.53 per cent in specific electrical energy during 2014 as compared to the preceding year. Details of energy consumption are captured in the following table.

CEMENT MANUFACTURING UNITS

Energy Consumption	Unit	2014	2013	2012
Coal + Pet Coke consumption in Kiln	TJ	45,466	46,577	46,933
Diesel Oil consumption in Kiln	TJ	55	62	52
Alternative Fossil fuels* consumed in Kiln	TJ	634	603	164
Alternative Bio-mass consumed in Kiln	TJ	216	342	396
Diesel Oil consumption for Onsite vehicle movement	TJ	434	474	563
Fuels for drying of raw materials	TJ	1,288	1,398	1,124
Coal for onsite power generation	TJ	20,342	21,831	24,602
Diesel Oil consumption for Onsite power generation	TJ	15	78	32
Biomass for Onsite Power generation	TJ	116	136	42
Specific power consumption upto and including clinker production	KWH / Tonne of Clinker	70.69	71.21	73.39
Specific power consumption upto and including cement grinding	KWH / Tonne of Cementitious Material	81.45	81.78	85.37
Specific power consumption including cement grinding, colony, auxiliaries	KWH / Tonne of Cementitious Material	83.70	83.92	87.75
Specific total power consumption including cement grinding, colony, auxiliaries & packing	KWH / Tonne of Cementitious Material	86.02	86.08	90.01
Specific thermal energy consumption	GJ / Tonne of Clinker	3.05	3.066	3.076
Electricity Energy Purchased	MWH / Annum	637,696	544,201	606,200
Energy consumption outside the organization**	TJ	7504	8657	8708

* As per WBCSD protocol, alternative fossil fuel comprises waste oil, waste tyres, plastics, solvents, impregnated saw dust etc.

** Considered diesel as fuel consumed in transportation and calculated from Scope 3 emissions, Specific energy consumption includes only energy inside the organisation



READY MIXED CONCRETE UNITS

Energy Consumption	Unit	2014	2013
Diesel consumption in RMX unit	TJ	33	34
Electricity Energy Purchased	MWH / Annum	2947	3780
Energy consumption outside the organization*	TJ	352	175

* Considered diesel as fuel consumed in transportation and calculated from Scope 3 Emissions

AWARDS

In a record feat of three times in a row, the Thondebhavi plant in Karnataka was awarded a Merit certificate for Energy conservation for 2013-14 by the Bureau of Energy Efficiency (BEE) of the Government of India. The Kudithini plant also in Karnataka was adjudged as 'Excellent Energy Efficient unit' by the Confederation of Indian Industry (CII) while Jamul, Lakheri, Bargarh and Thondebhavi Plants were shortlisted as Energy Efficient plants.



ENERGY CONSERVATION MEASURES

Plans and schemes to achieve energy conservation and efficiency were undertaken in all significant areas of the cement manufacturing process and in our captive power plants. Some of the major activities in energy conservation are listed below:

Plant	Energy Conservation Projects	Annual Savings (TJ)
Kymore	Replaced existing Grid Rotot Resistance (GRR) controls by installation of Medium Voltage Variable Speed Drive (VSD) for Bag House Fan Line-2	3.54
	Recuperation efficiency improvement by Horse shoe modification in cooler	41.48
	Replaced Line-1 preheater fan with energy efficient fan	5.05
	Kiln-2 Kiln string fan efficiency improvement by impeller cone modification	0.41
	Replacement of 225kw De-watering pump with 110kw De-watering pump & motor	0.96
	Auto Control of common header pressure of Boiler Feed Pumps (BFPs)	0.43
	Cooler compartment modification with Control Flow Gate (CFG) to Reduced Fall Through (RFT) conversion in both Kiln 1 & Kiln 2	7.83
Jamul	Installation of VSD for Calciner Compressor, Forced Draft fans, bag filter fans, CPP pumps and CPP cooling tower - (total 12 nos)	3.15
	Installed 2 Nos Automatic Power Factor Controller (APFC) panels to improve power factor	1.35
Wadi II	Installation of APFC panels for improving power factor	0.03
	Installation of Slip Power Recovery System (SPRS) in Raw mill 2 Fan.	0.07
Gagal	Replacement of Vertical Mill Pre-grinder (AVMP) 5 Separator fan with efficient fan.	1.17
	Conversion of Pneumatic to mechanical feeding of dry fly ash	4.02
	First chamber shortening of Cement Mill-3 & Replacement of Double wave liner with UVL Liner	7.23
Tikaria	Installation of Mist cooling system in place of existing mechanical cooling tower of Cement Mill.	0.31
	Modification in water circulation line of Pre-grinder (PG) circuit to stop the complete cooling tower along with circulation pump of PG circuit.	0.83
Chaibasa	Installation of new (derated) Positive Displacement (PD) blower in kiln coal firing Blower with modification of pipe line	1.56
	Installation of VSD in calciner firing Blower with modification of pipeline	1.33
	Reduction of specific energy of RVRM by changing Roller liner and Table liner	2.38
Bargarh	Commissioning Energy Efficient Blower for coal firing blower	1.67
	Commissioning of VSD for separator vent bag filter in cement mill 3, Horizontal Press Grinder (HPGR) 2 fan	1.56
	Commissioning of VSD for cooling water pumps & cooling water fans	2.3
Madukarai	Automation of Hydrocyclone for Ball Mill throughput improvement	2.8
	Boiler Feed Pump - conversion from Medium Voltage (MV) drive to Low Voltage (LV) Drive and installation of VSD	0.49
	Replacement of reciprocating compressor with Screw compressors for Instrument air and as conveying	0.58
Lakheri	Commissioned Rotascale for Fly Ash feeding system	0.47
	Medium Voltage Variable Frequency Drive (MVVFD) for Raw Mill 2 Fan	4.47
	Regarding of grinding media in CM 6	5.7
	VSD for Calciner Firing & Kiln Firing PD Blower	0.57
	Improvement in Separator efficiency by replacing its blades	0.72
	Rota scale in calciner coal firing	2.97
	Arresting radiation losses by replacing damaged brick lines, dip tube in calciner preheater	1.66

GREEN POWER

We have three wind energy farms located in Tamil Nadu, Rajasthan and Maharashtra. During the year, these stations cumulatively generated 32.5 Million Units of green power.


Wind Power Generated (in Million kWh)	2014	2013	2012
Tamil Nadu	17.70	18.12	24.20
Rajasthan	11.53	11.02	14.63
Maharashtra	3.26	3.39	3.50

The wind energy plants units helped the company meet all of its Renewable Purchase Obligation (RPO) Non-Solar for the Madukkarai Plant in Tamil Nadu and the Lakheri Plant in Rajasthan. In Maharashtra we were issued renewable energy certificates (RECs) besides meeting the needs of the Thane complex and part of the requirement of the bulk cement terminal in Kalamboli.

Our products are meant for acting as a binding material in construction and as an application for external finish. Thus reduction of energy requirement of products and services is not applicable.

WASTE HEAT RECOVERY


A Waste Heat Recovery System (WHRS) at Gagal, which became fully operational in the beginning of the year, produced 46.64 Million kWh of electrical energy and helped enhance the plant's energy security by reducing its dependence on costlier grid power.



CORPORATE ENERGY POLICY

In its endeavor to achieve sustainable development, ACC Limited strives to be the leading cement manufacturer with the lowest energy intensity - both thermal and electrical. The company is committed to:-

- Explore use of most energy efficient technologies in all our operations
- Adhere to all applicable statutory compliances related to energy.
- Continually improve energy efficiency of the process and the equipment.
- Develop and manufacture energy efficient products with least usage of natural resources by substituting with alternative fuels and raw materials.
- Implement recovery of process waste heat for utilization in power generation, drying, heating and cooling requirements.
- Make concerted efforts to minimize the usage of fossil fuels in our operations as well as progressively increase the use of renewable energy to reduce the company's overall Carbon footprint.
- Promote and inculcate a culture of efficient use of energy among internal stakeholders by reducing, recycling and reuse of all forms of energy.



Harish Badami
CEO & Managing Director

February 03, 2015

3.6 | Effluents and Waste

“
The only significant generation of effluent is of the domestic kind in our residential colonies
”

The process of cement manufacture does not generate any significant effluent or wastes. As such the process does not involve the use of water or liquids as a direct input. As described elsewhere in this report, we have a robust practice of co-processing wastes from other industries as alternative fuels in our kilns.

However, water is consumed in indirect applications such as cooling equipment and material, in dust suppression, and for horticulture and gardening in plant, mines and residential townships. Most of our plants are equipped with closed circuit cooling water systems that maintain the consumption of fresh water to minimal levels.

The only significant generation of effluent is of the domestic kind in our residential colonies. This effluent is

treated in sewage treatment plants and reused wherever possible. We do not discharge any process effluent outside our premises and our operations do not affect any water bodies and related habitats.

Though the main process of cement manufacture yields no waste, there is an incidence of waste generated in operations such as maintenance and housekeeping. Details of these wastes segregated into hazardous and non-hazardous are indicated in the table alongside. Of this, the hazardous waste is mostly sold to authorized recyclers or co-processed in our cement kilns wherever we have authorization to do so. Non-hazardous waste is sold to third party recyclers. We do not handle any hazardous waste listed under Basel convention Annex I, II, III & VIII.

Hazardous Waste

Details	Unit	2014	2013	2012
Waste Oil	Litres	211,673	136,312	108,848
Grease	Kgs	Nil	4,160	16,950
Non Hazardous Waste				
Steel Scrap ¹	Tonnes	17,900	14,486	11,077
Others ²	Tonnes	6,397	2,579	5,559
Fliter Bags	Nos	75,730	41,377	33,063

Note: 1. Steel Scrap includes castings, waste steel, MS drums, wrapper scrap, iron scrap, grinding balls, HC lining plate, table liner, HC grinding media, etc. 2. Others includes waste cement bags, conveyor belts, wood, copper, plastic bags, electrical cables, empty glass bottles, aluminum, tyre, paper, PVC drums, HDPE wrapper, etc.

We have a spill management system in place to minimize the impact in event of any spills. However there were no significant spills recorded during the year. Most of the used bags out of the bagged cement sold by us to customers is invariably put to other use by the end user either by recycling the used bags for other reuse on construction sites, or reconditioned for other use such as roof thatching material or just disposed as scrap. We have not found it viable to make any effort to reclaim this used packaging material.



3.7 | Responsible Selling and Customer Care

“
The Group Vision
is translated into a
detailed Customer
Charter that is
captured into a
small pocket-sized
booklet which is
carried by each
one of our sales
force
”

CUSTOMER EXCELLENCE

Our Group Vision for Customer Excellence is “to be the most customer focused company with the highest customer loyalty in our industry; to create more value for our customers and higher and sustainable returns for our company”. We refer here to external customers. Earlier in this report we have identified External Customers primarily as end-users of our products, the large majority of them being individual home builders followed by B2B customers. The next tier of customers is the group of channel partners - our dealers and retailers. We also include influencer groups among customers - these are masons, contractors, engineers and architects.

The Group Vision is translated into a detailed Customer Charter that is captured into a small pocket-sized booklet which is carried by each one of our sales force. The charter addresses the Commitments towards External Customers, Philosophy, Behaviour, Policies and Processes that must be demonstrated by the organization, particularly those in sales, logistics, production and other core functions.

CUSTOMER COMMITMENTS

Three fundamental commitments ensure that we remain focused on the customer in everything we do:

- We are easy to do business with
- We keep our promises
- We create value

The customer is seen as representing the most valued among our stakeholders. The charter requires that the customer must see and experience value in everything we do to fulfill his or her needs at every stage, in every transaction and in every interface.

OUR PHILOSOPHY

The Customer excellence philosophy is simple and enunciated in three simple objectives:

- Consistently meet highest product quality standards
- Consistently serve, support and seek feedback from end-consumer
- Consistently develop and upskill our channel partners and influencers



OUR BEHAVIOUR

The foremost behaviour we must demonstrate and achieve is to provide a safe and secure environment which ensures zero harm to customers and the communities we deal with, beyond the boundaries of our plants and establishments. Equally important is the commitment to imbibe a customer centric approach by ensuring we give the customer three offerings:

- Superior products
- Superior logistics
- Superior service

Our customer-centric approach is designed to enrich the customer experience, enhance customer value and ultimately embody the brand ACC.

The next significant element in customer excellence is the need to develop and support the business of our Channel Partners. Our success depends on what we do to enable their growth and productivity. ACC's vast network of dealers and retailers, our channel partners, contributes over eighty per cent of our business and plays an equally vital role in the continued success of our brand equity.

ENRICH CUSTOMER EXPERIENCE

It is our endeavour to work in a manner such that the customer perceives value in all that we do to fulfil his needs in every interface with us. It is this that creates a special customer experience which we strive to enhance. Again, our customer denotes every partner in our supply chain right up to the end user. The customer-centric approach is designed to enrich the customer experience and enhance customer value. We reach out to engage with them in

different ways. With a product like ours it is also vital that we offer the adequate technical support.

Superior Query Handling & Measurement Tools

Elaborate practices of conducting customer satisfaction and measurement surveys and other tools used to engage with customers and assess their perceptions help obtain invaluable decision-oriented feedback. All frontline sales personnel are required to participate in "A day with the Customer" at a retail counter where they observe in-store consumer behavior from the moment a customer enters till the actual purchase is concluded. This gives insights into the buying process. Robust Customer relationship management (CRM) systems used by

our sales team are effective in managing customer transactions, queries and other interactions. The unique and informative 5Ps survey conducted by frontline personnel is a method to obtain feedback from end-consumers on their expectations and experience with our product, packaging, pricing, promotion and placement. Information derived from this process is compiled and processed using a tool called "Net Promoter Score" which segregates customers in three categories i.e., "Detractors, Passives and Promoters". Analysis of their responses suggests the measures needed to convert customers into the category of Promoters. We use NPS to measure channel partners' satisfaction and obtain feedback on their experience and perceptions across all operational parameters. The NPS score we clocked in 2014 was 52.

Clean Bag project

Our Clean Bag project is based on the belief that cement bags create an enduring impression in the customer's mind. We define a "Clean" bag as one that not only looks appealing but also carries the correct weight, is dust free and sturdy enough to withstand multiple handling without any unseemly damage in the journey to the end user. It is a tough task that involves a host of improvements from the plant to the customer. A clean bag signifies concern for all stakeholders.



COMPLAINT HANDLING

There is a multi-nodal system for logging and handling complaint with provision for targeted cycle closure. We track the resolution of issues and complaints through Loop closures through the Customer Complaint System.

TECHNICAL & CUSTOMER SERVICES

We engage with each group of customers, supply chain members and influencers to impart product knowledge and appropriate skill development. Individual Home Builders are offered Technical Services by our Customer Service teams from basic visits to give knowledge to more customized and fee-based services like site mix concrete design, concrete testing at site and site supervision. We conduct regular Consumer Camps and family level meets for the customers in addition to distributing product literature and informative pamphlets on good construction practices. In 2014, our sales offices interacted with 3000 individuals in family meets while 30,000 attended our consumer camps. Our Customer Service teams also connect with construction engineers and contractors through a mix of engagements such as technical training programmes, seminars and plant visits. In 2014, we conducted such training for 8000 persons while 500 persons made visits to our cement plants.

PRODUCT RESPONSIBILITY

As responsible manufacturers we see it as being obligatory to ensure that our products are safe at every stage of their use and life-cycle. Cement and concrete and the raw materials associated with them do not by and large have any safety or health hazards associated with

them. In this regard assessments were carried out to evaluate health and safety impacts in the areas of raw material sourcing, production, packaging, distribution, sales and marketing. The assessments indicated that we do have systems and procedures in place to comply with safety requirements and rectify violations. Also we have consequence management policy in place to address violations if any.

GREEN BUILDING CENTRES

These are in fact hubs located in smaller towns or semi-urban clusters that promote and sell low cost building materials, components and accessories that are made locally by local people using simple technologies which may be either indigenous to the region or transferred to local entrepreneurs. In other words, these centres promote construction activity which is affordable and environment-friendly in nature and should not be confused to suggest anything concerning green labels or certification.

ACC Green Building Centres have been our response to filling the wide gap that exists in the hinterlands of the country, particularly in rural India, relating to the consistent availability of building materials, skilled manpower, know-how and good construction techniques that are affordable, eco-friendly and sustainable. In addition these centres create livelihoods in several trades, provide opportunities to open numerous localised businesses, generate avenues to develop micro-entrepreneurships and engage with local communities in forging partnerships with local and other bodies interested in pursuing a common cause. Finally it helps in growing the market for cement, thus

Pioneers in Promoting Affordable Habitats

Being pioneers in cement and concrete, we have from our very beginning nurtured a passion to improve promote and introduce best construction practices in the country. Our participation to this end has been direct by way of delivering quality products and indirectly by supporting the greater cause of nation-building and helping the masses to achieve a better quality of life. In the early years civil engineers of our division, Concrete Association of India, vigorously promoted low cost construction design suggestions, methods and best practices for the benefit of customers in the hinterlands outside metropolitan India. This was followed up with publications like The Indian Concrete Journal and other literature distributed by us. Our technical service personnel demonstrated best construction practices including conservation of cement and other building materials.

A vast number of people in semi-urban and rural India are still homeless or living in inferior structures of uncertain quality and durability. This is both a social well-being and welfare issue as also one that poses an incalculable burden on economic development.

In 2011, we signed an MoU with the Industrial Design Centre of IIT Bombay to facilitate a research

study on Sustainable Construction and affordable habitats that was expected to suggest innovative approaches to construction technology and appropriate designs suitable to Indian habitats. The final report recommended designs for affordable houses in urban and semi-urban/rural contexts.

The company did not pursue actual pilot construction as there were reservations about the scalability and resources involved. Instead the study generated ideas for more practical possibilities - such as engaging with a larger group of stakeholders in smaller towns to explore the efficacy of a hub & spoke model in which individual structural components of houses (beams, roofs, tiles, windows and doors) are manufactured at one centre that makes pre-assembled and prefabricated elements that are then distributed to customers through networks of vendors. It was felt that such a model would be more impactful as it creates opportunities for micro-entrepreneurship and other livelihoods as also encourage the use of local materials and local techniques. Our role was envisaged to be that of guide, consultant and facilitator with partnerships with like-minded organisations in training, developing local talent, quality assurance and testing.

opening up a new customer segment. The centres provide a range of needs hitherto not available in these places in the same measure:

- easy-to-make and easy-to-use locally produced and affordable construction products
- know-how and training to make and use these products
- testing facilities to monitor product quality
- promote Do-It-Yourself business with machinery and equipment to enable locals and end-users to make these products locally by themselves

- share guidelines, tips and designs for use and application of a range of building components such as fly ash bricks, roofing, tiles and other affordable products

Overall ACC Green Building Centres serve as “one-stop shops” for affordable housing and construction solutions. The first few centres opened in 2013 in select locations in the states of Uttar Pradesh, Madhya Pradesh, Maharashtra, and Rajasthan. More centres were opened in 2014, bringing the total to 13 by year-end. The company has plans to establish seventeen more centres in 2015.



A notable development in this regard has been the singular role played by women's self-help groups in managing and promoting Green Building Centres. The first such experience was in Alwar, Rajasthan. The Alwar Green Building centre is managed by a women's SHG

that is 'manned' by a team of capable women led by a remarkable woman who together promote the sale of green and affordable building materials such as bricks, blocks, tiles and house building components. The centre has become a benchmark and role model to inspire

other women. The Alwar and other centres have also impressed executives from Holcim's CSR and Sustainable construction streams who have seen how this concept can be applied elsewhere in the developing world.

OUR CUSTOMER CHARTER

Desirable behavior	Our customer needs	Description /Customer commitment	Measurement Tool
Zero Harm	A Safe & Secure environment	No compromise on safety of self, employees, channel, contractors, customers & the communities with whom we interact	<ul style="list-style-type: none"> Safety Moment and Briefing Safety reports
Customer Centric Approach	<ul style="list-style-type: none"> Quality Products/ Packaging On-time & In-Full Delivery Query Handling and Issue Resolution 	<ul style="list-style-type: none"> Our products/packaging will exceed BIS standards and/or meet agreed customer specifications We promise to deliver on time & in full Multi-nodal complaint logging and handling system and targeted cycle closure in place 	<ul style="list-style-type: none"> 5P's feedback survey NPS Loop closures for complaint through CCS (Customer Complaint "System") Easy ACCESS
Develop and Support the business of our Channel Partners	<ul style="list-style-type: none"> Professional Behavior Transparency in our dealings Channel Up-skilling & Training 	<ul style="list-style-type: none"> Prompt, Professional and Transparent behavior of our officers leading to highest satisfaction Channel development through training <ul style="list-style-type: none"> - Grow Business, Margin - Handle and engage consumers/influencers - Skill development - Product knowledge - Technical expertise & Service offerings 	<ul style="list-style-type: none"> NPS Easy ACCESS Number of channel training programs
Enrich Customer Experience	Value creation through Demonstrably Differentiated Products & Services	<ul style="list-style-type: none"> Continue to develop & market demonstrably differentiated products in Cement and Concrete Offer Value Based Services to address different needs of consumers Continuously provide knowledge sharing platform to create awareness about products, services and new construction technologies 	<ul style="list-style-type: none"> New Product Development Customer Service Best Practices

3.8 | Anti-Corruption

“The company’s rules and code of conduct make it emphatically clear that there is zero tolerance for corruption of any kind. This is essential to ensure fair dealings with all our stakeholders”

The company prides itself in maintaining high standards of business dealings and employee conduct which form the bulwark of its corporate governance leading directly to shape the company’s reputation. The company’s rules and code of conduct make it emphatically clear that there is zero tolerance for corruption of any kind. This is essential to ensure fair dealings with all our stakeholders.

OUR STAKEHOLDERS

The Legal Department engages with all units, departments and functions of the company to offer advice in different kinds of situations with legal implications providing them support in litigation and documentation as well as advice and training on Legal matters and VCCE. Through these interventions the company seeks to instill a high level of awareness among employees for matters concerning Legal Compliance and discouraging Anti Competitive behaviour.

CODE OF BUSINESS CONDUCT AND ETHICS

A Code of Business Conduct and Ethics approved by the Board of Directors, including an Anti-Bribery and Corruption Directive (ABCD), is made applicable to members of the Board and all management staff alike. The code describes the desired conduct in respect of all business dealings with particular reference to matters relating to conflicts of interest, bribery and corruption, integrity of accounting and financial reporting, fair competition, corporate social responsibility, concern for occupational health and safety, sustainable development practices, the use of licensed software, email and internet connectivity and external

communications. Refresher training programmes are held on a regular basis in these areas. Management staff covered by the Code of Business Conduct and Ethics and the ABCD are required to submit a certificate of compliance on a periodic basis. The coverage in this regard of relevant personnel was near 100 per cent.

Donations: The company’s Code of Conduct with specific reference to Anti-Bribery and Corruption Directives has a clear policy on Donations which stipulates that “ACC only makes charitable donations that are legal and ethical under local laws and practices and that are in accordance with the Community Plan of the Company.” The policy further debars employees from making any contributions to political parties or individuals in order to secure political or commercial influence.

There is a safeguard in respect of trading in the company’s securities by way of a “Code of Conduct for Prevention of Insider Trading”. This requires compliance of members of the Board and designated employees in certain sensitive functions.

We have a Helpline specifically addressing issues concerning ethics and corruption. It works round the clock and encourages anyone associated with the company with a grievance relating to matters of ethics to report them

FRAUD RISK MANAGEMENT

Over the years, the company has fostered a culture of integrity based on unhindered and forthright communication and disclosure. It is the company’s resolve that all employees have access to the resources and information at all times necessary to

enable the right decision each time. In 2009 a “Whistle Blower Policy” was instituted in ACC by the name “Fraud Risk Management” (FRM) policy and a Fraud Risk Management committee was constituted with a view to create a fearless environment that would embolden employees, associates and others who work on our behalf to know their rights and responsibilities to report any instance they may experience or come across of unethical behaviour, actual or suspected fraud or transgression of the Company’s Code of Business Conduct & Ethics or the local laws. The committee reviews all complaints and investigations and takes appropriate action in respect of all cases concerning suspected fraud, financial misdemeanour or misconduct that are brought to its notice via channels such as e-mail, Helpline or in writing. The FRM policy is available for reference by any stakeholder on the company’s website, www.acclimited.com. In 2011, in a significant move, the company decided to outsource management of all communication channels of the FRM system (Email, Toll Free Phone, Post Box and Fax) to an external agency to ensure confidentiality independent of the company. The system assures complainants that their identity will be kept strictly confidential. The FRM function is handled by a team of professionals who are specially trained in compliance matters. The FRM policy was meant to make it widely known to all that ACC is a company that maintains the highest ethical standards and whose management has an approach for “Zero Tolerance to Fraud, Corruption and Bribery”.

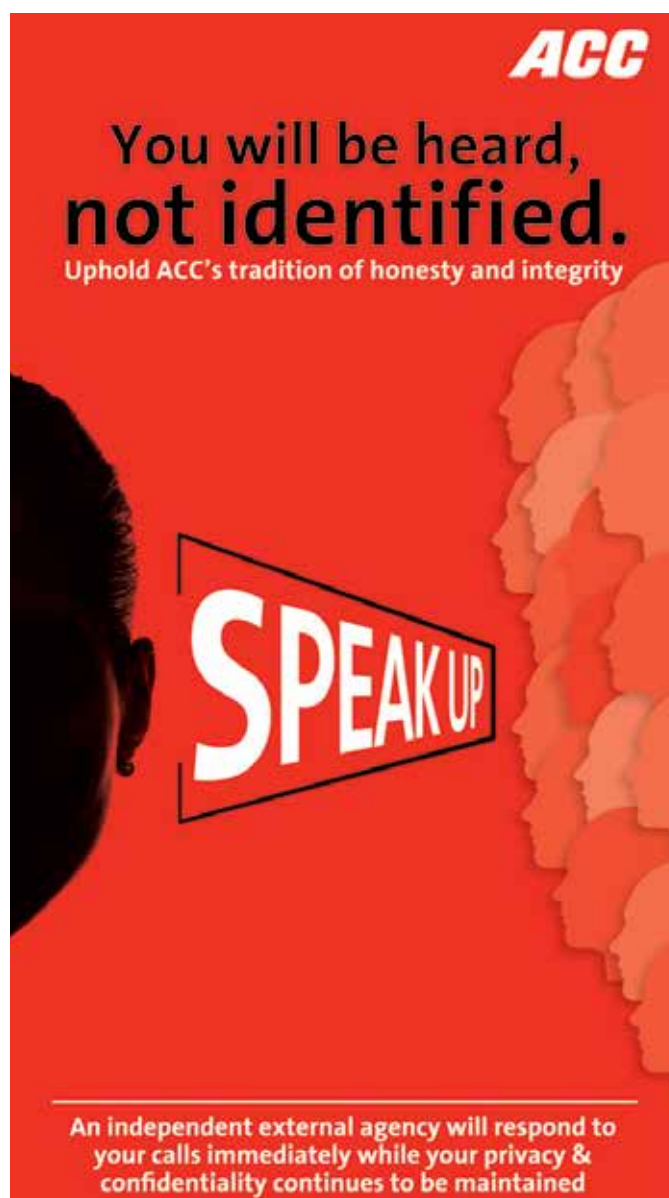
CORRUPTION-RELATED RISKS

The Internal Audit Department

periodically assesses corruption-related risks through regular internal checks, based on a well-structured approach to the subject of risk assessment. Vital inputs in this assessment are identification of all potential areas of fraud risk, the probability of occurrence of frauds and their likely impact on the organisation, its business and relationships with stakeholders. This process comes up for close scrutiny and

validation by external auditors. The Board’s Audit Committee also reviews the adequacy and efficacy of our internal control systems in this regard.

The Company received 83 complaints under the Fraud Risk Management Response mechanism, out of which 47 were resolved and the balance 36 complaints are under various stages of investigation and completion.



3.9 | Water

“Water consumption at some of our plants is already self-sustaining based on supply of harvested rain water throughout the year. At some of our locations we share harvested rain water with the local communities for use in their domestic and agricultural purposes”

We aim to make all our plants attain Zero Process Waste Water Discharge status, wherever possible and viable, using aggressive water conservation measures. We subscribe to the view that water conservation is not only about saving water but goes beyond that to involve changing the way people think about water use and developing a new way of doing business where water conservation takes centre stage in planning. Accordingly we encourage sharing and adopting best practices, as well as rewarding innovation.

In order to pursue continuous improvement in our overall water performance and to address water-related risks, the company has adopted the following two water conservation strategies:

- (1) the treatment, recycling and reuse of waste water thus reducing fresh water intensity by reducing the demand for water in process and non-process needs
- (2) the adoption of rain water harvesting in all plants, mines, colonies, community areas.

Other initiatives taken under water management include the recycling of water filter plant backwash, increasing

the recycle of waste water and maximizing its reuse, stopping the leakage and overflow of domestic water in plant and colony and minimizing the blow down of cooling tower in captive power plants.

The water management initiative also includes the installation of Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) in all ACC plants.

To strengthen the drive for reducing specific water consumption, the company has initiated the installation of automated water measurement systems to capture meaningful information about water performance relating to water withdrawal and water consumption. This will help identify the potential areas of water conservation, areas of leakages and ways to improve water performance.

Water consumption at some of our plants is already self-sustaining based on supply of harvested rain water throughout the year. At some of our locations we share harvested rain water with the local communities for use in their domestic and agricultural purposes. During the year 2014, no water sources were significantly affected by our water withdrawal.



Quantity of water withdrawn for our cement manufacturing

Source of Water*	Unit	2014	2013	2012
Surface Water	Million M ³	6.15	7.92	8.18
Harvested Rain Water	Million M ³	8.46	7.08	8.16
Municipal Water Supplies	Million M ³	0.043	0.09	0.05
Ground Water	Million M ³	1.16	1.57	1.34

* Partial quantities are based on meter reading where available while the rest is calculated based on the pump capacity and running hours

Quantity of water recycled & reused from our cement manufacturing

Water Treated and Reused*	Unit	2014	2013	2012
Total Quantity of Water Treated and Reused Annually	%	8.25	11.91	13.15
Total Quantity of Water Treated and Reused Annually	Million M ³	1.30	1.98	2.33

* Calculated based on the pump capacity and running hours

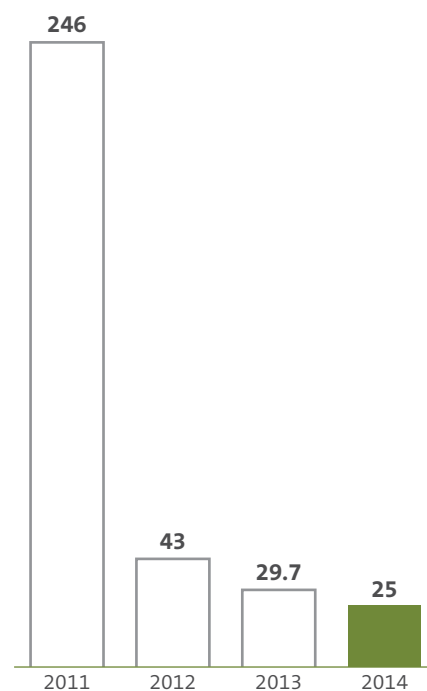


CASE STUDY

ACC Thondebhavi Reduces Process Water Consumption

ACC Thondebhavi Cement Works, the youngest plant in the ACC family, has the most modern technology in place. The process parameters here have been optimized further to eliminate the use of water in the grinding process. The Vertical Rolling Mill (VRM) at Thondebhavi is the only one from Loesche that does not require much water in the process of grinding clinker. Specific water consumption of the plant has drastically decreased due to this initiative. Our efforts in this regard have been well appreciated and felicitated.

Specific Water Consumption (lts/tonne of cement)



3.10 | Emissions

“ We have been monitoring carbon dioxide (CO₂) emissions closely for over a decade and have been participants in the Carbon Disclosure Project CDP since 2010 ”

We are very conscious of the fact that the cement industry is among the biggest emitters of carbon dioxide (CO₂), a greenhouse gas that has a critical role in climate change. We have been monitoring carbon dioxide (CO₂) emissions closely for over a decade and have been participants in the Carbon Disclosure Project CDP since 2010.

As an essential partner of the Cement Sustainability Initiative (CSI) in India which is a member-led programme of the World Business Council for Sustainable Development (WBCSD), ACC honours its commitment to make continued efforts to achieve the time

bound targets of the Low Carbon Technology Roadmap for the Indian Cement Industry leading to the years upto 2050.

The Technology Roadmap identifies five key levers that can contribute to reduction in CO₂ emissions:

- Alternative Fuel and Raw Materials (AFR);
- thermal and electrical energy efficiency;
- clinker substitution;
- waste heat recovery (WHR); and
- newer technologies.



ACC continued to show improvements on all these CO₂ levers. An increase in the use of alternative materials has led to a corresponding increase in thermal substitution rate. We have an on-going thrust on improving the clinker factor through increased production of blended cements which enables clinker substitution. We have controlled the consumption of specific thermal and electrical energy. Our wind energy farms remained active through the year and we launched a new power plant based on waste heat recovery at Galgal, both of which

served to promote the use of renewable energy.

Earlier our Bargarh plant in Odisha was chosen as a pilot site for a detailed energy audit to be carried out as part of the Technology Roadmap. The first phase was completed in the previous year while the second phase of the initiative was concluded in 2014. Most of the recommendations arising out of this study were implemented and shared across other plants which helped control specific energy as well as CO₂ emissions.

As a result of various initiatives, we were able to reduce ACC's overall specific net CO₂ emissions excluding onsite power generation down to 526 Kg CO₂/Tonne of cement in 2014 from 538 Kg CO₂/tonne of cement in the previous year. During the year 2014, ACC realized 8,43,190 CERs for its Blended Cement Project under Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC).

Scope wise CO₂ emissions

CO ₂ Emissions (Tonnes)	Cement		RMX	
	2014	2013	2014	2013
Scope-1*	14705732	15143788	2468	2655
Scope-2**	622877	508805	2888	2671
Scope-3***	855583	641504	26078	12989

* Includes CO₂ emissions from captive power plant and calculated using WBCSD CO₂ protocol

** Calculated by using CM Emission factor - CO₂ Baseline Database for the Indian Power Sector - V10 - Dec 2014 by Central Electricity Authority

*** Calculated based on assumptions & approximation used to club vehicles to the distance brackets. Categories of Employee commute, transportation of heavy machineries installed in different plants, business travel and courier emissions have not been considered

The following table shows CO₂ emissions reduction achieved due to the implementation of various measures

in the areas of thermal and electrical energy and on account of clinker factor improvement.

Overall CO₂ Reductions Achieved (Scope 1 & 2)

Parameter	Unit	2014	2013	2012
On Account of Thermal Savings ¹	Tonnes of CO ₂	23359	30077	65260
On Account of Electrical Savings ²	Tonnes of CO ₂	2680	94923	13804
On Account of Clinker Factor Improvement ³	Tonnes of CO ₂	Nil	6903	200872

Note: (1) CO₂ emission reductions on account of thermal energy is calculated by using simple mathematical equation. (2) CM Emission Factor (CO₂ Baseline Database for the Indian Power Sector - V 10 - Dec 2014 - by Central Electricity Authority) was used for calculating the CO₂ emissions on account of electrical savings. (3) CO₂ emission reductions on account of clinker factor improvement is calculated by using the thumb rule that for 1% improvement in clinker factor there is reduction of 7.5 Kg CO₂/Tonne of Cement



We implemented various initiatives and measures to improve the environmental performance of our plants and surroundings. ACC reduced specific kiln stack dust emissions per ton of cement by ~23 per cent as compared with last year. This was possible as a result of the up-gradation of various air pollution control equipment and regular maintenance. Apart from that, various measures were implemented across

all operations to control fugitive emissions by installing dust extraction and dust suppression systems wherever possible.

ACC's Kiln stacks dust emissions and Continuous Ambient Air Quality Monitoring Stations (CAAQMS) data was uploaded on the websites of the Central Pollution Control Board (CPCB) and some State Pollution Control Boards.



Emissions*	Unit	2014	2013	2012
NOx	gm / Tonne of Clinker	1663.91	1873.31	1772.86
	gm / Tonne of Cement	1044.05	1218.98	1136.05
	Tonnes	25304.29	29079.78	27393.77
SO ₂	gm / Tonne of Clinker	196.71	163.7	111.39
	gm / Tonne of Cement	123.43	106.52	71.38
	Tonnes	2991.49	2541.22	1721.24
Dust	gm / Tonne of Clinker	41.66	52.25	64.92
	gm / Tonne of Cement	26.14	34	41.6
	Tonnes	633.59	811.02	1003.11

* The emissions reported are based on Kiln stacks only

The manufacturing process of Cement and Ready Mixed Concrete does not involve the emission of any ozone depleting substances.

ENVIRONMENT PROTECTION EXPENDITURES

We have invested in various environment protection activities such as air pollution control equipments, up-gradation of pollution control measures,

emission monitoring systems, water monitoring systems, dust suppression systems, rainwater harvesting systems, green belt development, environmental training and awareness, road sweeping machines etc.

No formal grievance had been filed about environmental impacts through grievance mechanisms during the reporting period.

Details	Unit	2014	2013	2012
Environmental Expenditure	₹ In Million	1114	1575	1476.49

Whenever new regulations/compliance requirements are foreseen, financial provisions are made to address those compliance issues. Continued lobbying

and advocacy efforts are also made as found appropriate. There is an internal mechanism to review compliances from time to time.

3.11 | Materials

“With the support of our strong internal R&D team, we implement various measures to conserve natural resources by way of utilizing low quality limestone, by improving the clinker factor and by using alternative raw materials in the manufacturing process”



CEMENT PRODUCTION

The major raw material in the cement production process is limestone which is sourced from captive limestone mines at each of our cement plants. Other raw materials used in cement include iron ore, bauxite, laterite and gypsum which are sourced externally. Most cement in India is delivered in bags of 50 kg each and sold through trade channels. A smaller share is sold in bulk to large

users. With the support of our strong internal R&D team, we implement various measures to conserve natural resources by way of utilizing low quality limestone, by improving the clinker factor and by using alternative raw materials in the manufacturing process. All these efforts have helped us reduce the ecological footprint and carbon footprint of our cement business and thus lead us on the journey towards making green cement.

The material consumed by us in the manufacture of all varieties of cement in the last three years is as shown below:

Raw Material (million tonne)	2014	2013	2012
Limestone	20.84	22.13	22.07
Gypsum	1.19	1.16	1.18
Alternative raw materials	0.16	0.14	0.24
Slag	2.84	2.79	2.44
Fly Ash	4.40	4.38	4.35
Additives	0.014	0.016	0.017
Others (bauxite, iron ore etc.)	2.30	1.56	1.50
Lubricating oil (Tonnes)	488	488	813
Grease (Tonnes)	201	176	226
Weight of bags consumed (Tonnes)	32149	30292	31969
% recycled material used	23.29	22.72	22.09

CONCRETE PRODUCTION

Ready Mixed Concrete is manufactured in a batching plant according to a predetermined mix and then delivered in transit mixers within range of certain

distances and duration. Concrete by itself is a blend of cement, water, aggregates and certain additives. The materials consumed in Ready Mixed Concrete operations in the last two years were as below:

Raw Material (Tonnes)	2014	2013
Cement	402445	445201
Slag	31456	21924
Fly Ash	108975	99998
Additives	5197	4983
Lubricating Oil	34.78	11.99
Grease	8.89	6.6

USE OF RECYCLED / WASTE MATERIALS

ACC is acknowledged as a pioneer in the gainful use of slag and Fly Ash to make superior blended cements. Going beyond this, the company has in the last several years had a noteworthy practice of using various other recycled and waste materials as Alternative Fuels & Resources (AFR) and has been offering total solutions for waste management through co-processing of wastes in its cement kilns. These include industrial, municipal and agricultural wastes. In 2014 this practice was brought under Holcim's global Geocycle banner. We gainfully utilize considerable quantities of wastes from a wide range of industries. This includes wastes such as red mud, ETP sludge, iron sludges, mill scale etc. Our role as a waste manager of hazardous and non-hazardous industrial, agricultural and municipal wastes is already being recognized by pollution control boards, regulatory bodies and industrial waste generators. This practice is identified as an important lever in reducing CO₂ emissions. It helps conserve natural energy and mineral resources that are otherwise utilized in the manufacture of cement. It also supports the environment by reducing pollution and cutting the amount of wastes otherwise going to landfills or incinerators.

RESOURCE EFFICIENCY

We have aspired to move towards greater resource efficiency through continuous improvements in our existing system and processes. This has been an important goal for the company which received focused attention since 2012 as part of the 'Institutionalizing Excellence' programme and through other initiatives such as 'Innovate to Excel' and implementing state of the art technologies.

Quality audits are regularly conducted by our Quality & Product Development (Q&PD) team at all ACC Plants to evaluate quality parameters at each stage of the manufacturing process from mining to packing. Analysis data made available by the Laboratory information management system (LIMS), now commissioned and used in all ACC Plants, enables better control of variances and thereby achieving consistency of desired quality parameters. At each stage of production, bringing in consistency in operations results in consistency of the performance of the manufactured product in applications. This also results in reduction in consumption of natural resources like limestone, iron ore, bauxite, laterite and gypsum. Laboratory information (LIMS) facilitates effective quality management at each stage of production.

QUALITY CONTROL & PRODUCT DEVELOPMENT

The consistency of process quality parameters is monitored at each plant by Q&PD at every stage of the production process using the method of Statistical Process Control (SPC) and Cpk values of the Process Capability Index. This helps reduce process variability and improve consistency of the Product quality while benefiting by way of conserving natural raw Materials and reduction in power and energy consumption.

Under this initiative, sectional developmental projects are taken up each year by engineers from process, production, maintenance and quality functions from each plant. These projects relate to achieving several benefits namely - process improvements, reducing variability in

process quality parameters, reduction in power & thermal energy consumption, reduction in diesel and lube oil consumption, consistency in the weight of cement bags, reducing the coefficient of variation of cement compressive strengths etc. The total validated savings from these projects in 2014 on an annualized basis was around ₹ 63 crores though many of the projects had intangible benefits. Each year the project leaders for this exercise are trained by the Mahindra Institute of Quality, Nashik in the areas of statistical process control methodology and the use of problem solving tools to achieve the objective of the developmental Projects.

In recent years product development efforts of Q&PD has helped in the launch of special high performance premium brands like F2R, Concrete+, Coastal+, ACC Plus+ and ACC Gold for specific market segments for application in certain specific climatic conditions to achieve improved performance and durability of products. Currently work is under way to develop products for a dry mix mortar for tile fixing application and other application Oriented dry mix Mortars .

ACC's in-house Q&PD team has developed cement additive combinations which have been successfully rolled out to all ACC Plants. The use of these in-house developed cement additives in grinding of Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) have enabled substantial reduction in the Clinker factor of these varieties which reduced from about 62 per cent to 59 per cent in PPC and from about 42 per cent to 38 per cent in PSC across ACC in the last two years.

3.12 | Supply Chain

“Procurement and supply operations involve a large group of multi-disciplined personnel. It is thus important to ensure efficiency and transparency in our operations”

The supply chain process of a manufacturing company constitutes a major part of its operating cost. Apart from being a prominent cost centre, our supply chain operations involve many key internal and external stakeholders who are affected by the company. Procurement and supply operations involve a large group of multi-disciplined personnel. It is thus important to ensure efficiency and transparency in our operations.

Our corporate and plant procurement department ensures that it assesses and contracts suppliers whose practices comply with the criteria of SA8000 and ISO 14000 standards. We have clauses pertaining to Corporate Social Responsibility (CSR) and Occupational

Health and Safety (OH&S) which are included in the Purchase Orders/Agreements. We encourage our suppliers to take up “Self-Assessment” based on a checklist integrating SA8000, environmental management and legal compliance requirements. About 600 existing suppliers (about 5.3% of all suppliers) have been screened through this process. (Further breakdown of the analysis of the results of the screening of these 600 suppliers are not shared in this report.) In cases where suppliers are not able to meet these minimum requirements, we engage in a dialogue with them and adopt mechanisms to help improve our suppliers’ standards. In cases of persistent non-compliance or obvious violation, we decide to terminate these relationships.

Details	Nos. engaged	Amount spent in (INR Crores)
Total no. of suppliers	11314	11067.84
Indian suppliers (Local)	11220	10232.17
International suppliers	94	835.67

Our operations are well connected with the Manufacturing Units and Sales Units spread across the country. We have local procurement teams in place to take care of everyday purchases. The Central Procurement Organisation (CPO) located at the Head Office engages in high value purchase of various commodities such as Coal, Raw Materials (Gypsum, Iron Ore and Bauxite etc.), Capex Items, Steel and various other essential Services. Most of the requirements for above categories from Individual Units are directed to CPO and purchases are carried out centrally.

CONTRACTUAL AGREEMENT OF COMPLIANCE

All our Purchase Orders and Supply or Service Agreements incorporate different clauses related to Safety, Environment Management and Corporate Social Responsibility. We have started the implementation of Sustainable Procurement through the Supplier Code of Conduct which is meant to provide a clear summary of ACC’s expectations from suppliers in all procurement dealings. Transparency and accountability have to be strictly adhered to in all procurement activities.

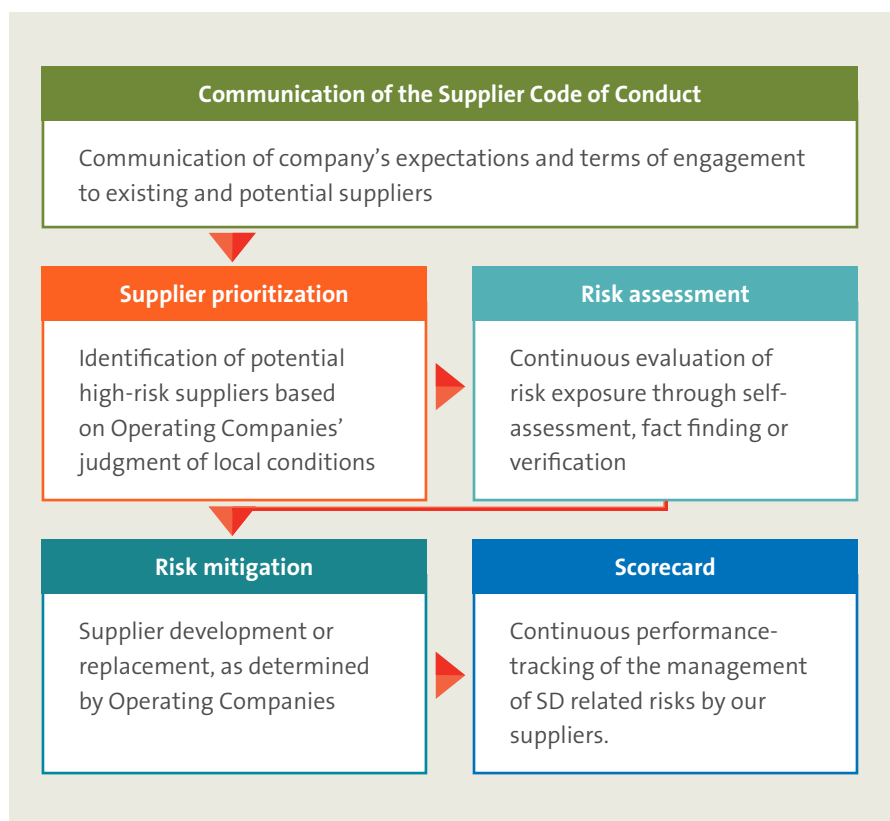
Suppliers are expected to adhere to nine listed standards in addition to complying with local and national laws and regulations.

- Occupational Health and Safety (OH&S)
- Working Conditions
- Freedom of Association and Non-retaliation
- Forced Labour
- Child Labour
- Non-Discrimination
- Environmental Regulatory Compliance
- Management of Environmental Impacts
- Bribery and Corruption

RESPECTING HUMAN RIGHTS

At ACC, we are highly conscious of respecting human rights. At our operations as well as in our supply chain we have ensured all measures towards the same. Respecting the rights of women, preventing child labour or any other forms of forced labour and non-discrimination are among the areas of focus for us. We have put in place systems and measures for ensuring that the labour engaged by all our vendors/contractors is governed by the Contract Labour (R&A) Act and mechanisms to report any grievance of human rights violation. During the last year, no cases of human rights violation (viz. incidences of child labour, forced or compulsory labour, overtime without pay etc.) were recorded in our operations.

The typical steps involved in supplier selection are as follows:



ENVIRONMENTAL PRINCIPLES IN PROCUREMENT

Contractual agreement of Compliance:

All agreements with Suppliers, such as purchase orders, purchase agreements, service agreements and frame agreements have to refer to the Supplier's compliance with SA8000, environmental management and legal compliance requirements. With its signature or order confirmation, the supplier accepts and agrees to adhere to these requirements. In the reporting period, more than 5% of our new suppliers have been screened using environmental criteria. This was done on the basis of self-declarations by suppliers.

SUPPLIERS AND VENDORS

We have a vendor base of more than 11,000 suppliers spread across the country including reputed manufacturers and trusted brand names, usually the leading 3-4 vendors of their particular industry segment who are technically and financially sound and have the intrinsic capacity to supply material of desired quality and on time. For our vendor base, we prefer vendors who demonstrate good corporate citizenship and promote sustainable development. The vendors meet our requirements as per our specifications and supply the required materials on time.

We treat our vendors as business associates. All of them are treated

with respect and dignity. Adequate care is taken to ensure transparency in procurement processes. Our procurement policy has a clearly defined code of practice for procurement conduct and encourages fair and open competition in markets.

We engage with our suppliers to build synergy and long term relationships with them. To ensure that our suppliers understand and comply with our requirements, we conduct trainings for them on aspects of ethic, anti-corruption and anti-bribery. These sessions, each of which covers close to 50 suppliers, are conducted for high-risk high-spend suppliers across all our areas of operation at regional level. In the last year we conducted 6 such training sessions. There are regular interactions with vendors through telephone, virtual conferences, e-mail or in person as and when required.

During the year under review, the key concerns identified were regarding quality, quantity and sometimes the payments issue. We have a Supplier Relationship Helpdesk that takes up matters with the concerned plants as soon as possible and resolves it.

In 2014, Holcim engaged a Global Consultant PICS, to assist in the qualification of existing Vendors and new Vendors in various aspects pertaining to OH & S, HR, Legal, Environmental & Ethical Issues as defined in our Supplier Code of Conduct. It is proposed to implement the same in 2015 and we expect to cover 5 per cent Vendors who fall in the high-risk high-spend category and account for 50 per cent of procurement by value (excluding Government Spend) to be assessed for sustainable practices.

While preference is given to vendors who demonstrate good governance and sustainability practices, we are still presently in a preliminary stage of such assessments and our procedures do not incorporate systems for rewarding or incentivizing good performance in this regard. Our standard agreements incorporate clauses that seek to allow us to audit suppliers and their products & services, though not specifically for social criteria. The impact of termination of vendors on any account would be assessed on a case-to-case basis.



3.13 | Economic Performance

“To this end the company seeks to ensure that all operations are geared towards achieving high levels of operating performance with cost competitiveness while building for growth by enhancing its asset base. This forms an important dimension of enhancing overall corporate reputation”



VISION OF VALUE CREATION

Our Group vision inspires us to be a customer-centric organization following the guiding principles of a Customer Charter that requires us to remain focused on the customer and demonstrate value in everything we do for our customers by way of superior products, superior logistics and superior service. We are also motivated by a conviction that shareholders comprise among our most important group of stakeholders. Critical in addressing the needs of both these groups is how we formulate and implement a strategy that creates value for shareholders and investors as well as value for our clients. To this end the company seeks to ensure that all operations are geared towards achieving high levels of operating performance with cost competitiveness while building for growth by enhancing its asset base. This forms an important dimension of enhancing overall corporate reputation. Simultaneously the company also strives to create value for its other stakeholder groups by pursuing plans that have a positive impact on the environmental and social dimensions of the Triple Bottom Line framework which together to make a balanced approach to sustainable.

Details of economic value generated and distributed are presented in Chapter 2.2 along with performance highlights of the organization.

FINANCIAL ORGANISATION

The finance function harmonises and integrates the company's place within its global context in the Holcim group. Its primary role is financial transaction accounting, its management and reporting as also ensuring various compliances through control systems.

Our Vision

“To be a
‘VALUE CREATOR’
and
‘BUSINESS PARTNER’
by providing analytical
insights & support to
business and to achieve
overall excellence in
Finance & Controlling”

Financial management plays an instrumental role in providing essential information that indicates how business is performing, information on adherence to budgets, variance analysis and information for cost control. The function offers valuable insights to facilitate strategic decision-making, identify benchmarks and opportunities where synergies can be sought with the overall business plan. The function also makes an essential contribution to the risk management process to help identify and monitor risks.

The finance function is well organized to offer clear role descriptions and deliverables. Over the past few years, the function has followed an aspirational blueprint for transformation with significant change management efforts to help it meet various transitions and complexities in terms of operations, policies and procedures and technologies. As a result it has shifted to acquire a proactive culture that enables reporting in quicker time and support business with an enhanced ability to raise real time alerts.

FINANCIAL REPORTING

The Annual Report at ACC is serious business. The company's Annual Report for 2013 received the prestigious Gold Shield from the Institute of Chartered Accountants of India which brought with it the accolade of "Excellence in Financial Reporting". ACC's Annual Report for 2008 had also won the Gold. Continuing this tradition, the report for 2014 is recognized as a benchmark. It was completed in a record time of just less than 18 days and meets most of the new requirements prescribed in the Companies Act 2013. It seeks to be complete and unabridged without seeking recourse to exemptions from disclosures available in relevant sections of the Companies Act. The entire report, its style of presentation, introductory profile, illustrations and the map of ACC's network were lauded by the company's shareholders at the 78th Annual General Meeting. Several companies requested the company for assistance and guidance in bringing out such a publication.

FINANCIAL ASSISTANCE

In 2014, financial incentives and subsidies amounted to:

	Amount ₹ (Cr.)
Sales Tax subsidy, being capital in nature	96.91
Excise duty exemption, being capital in nature	260.00
Royalty Incentive	25.00
80IA Power	70.00
80IA rail	59.31
80IC	0.51

As such government grants and subsidies are recognized when there is reasonable assurance that the

conditions attached to them will be complied, and grant/subsidy will be received. Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset. Other than this, the company did not receive any financial assistance from government during the year.

ENHANCING CUSTOMER VALUE

Our major customers comprise individual home builders and small users followed by industrial, infrastructure and commercial projects and units such as concrete batching plants and concrete product makers who use cement as raw material. A vast network of channel and supply chain partners supported by other groups like masons, contractors, architects, and engineers together help us to reach out and service our end consumers.

We follow a group Customer Charter that leads us towards becoming more customer-centric. The charter demands that we remain focused on the customer in everything we do such that we can demonstrate that:

- We are easy to do business with
- We keep our promises
- We create value

The Customer Charter sets three simple objectives for us to follow:

- Consistently meet highest product quality standards
- Consistently serve, support and seek feedback from end-consumer
- Consistently develop and upskill our channel partners and influencers

Foremost in the charter is the demand that we provide a safe and secure environment which ensures zero harm to customers and the communities we deal with, beyond the boundaries of our plants and establishments.

CUSTOMER CENTRIC APPROACH

This is a philosophy that is designed to enrich the customer experience and enhance customer value at every stage, in every transaction, in every interface. In adopting this approach we are required to demonstrate value in everything we do for our customers by way offering Superior products, Superior logistics and Superior service.

CAPITAL EXPENDITURE

The company is responsive to the needs of making adequate provisions to earmark resources for incurring capital expenditure for business growth as well as investments needed to cut GHG emissions and mitigate the impact of climate change.



3.14 | Biodiversity

“There is an incidence of four species that fall in the IUCN Red List of Threatened Species and national conservation list species that have habitats in areas affected by our organization’s operation”

The long standing expertise we have accumulated over the years in mining and geology has given us a deep appreciation and respect for the variety of life on the planet. We understand how vital it is to have sound practices of mines rehabilitation and protecting valuable ecosystems and biodiversity. There is an incidence of four species that fall in the IUCN Red List of Threatened Species and national conservation list species that have habitats in areas affected by our organization’s operation.

As such we do not have mining leases, active mining sites and plants that are located in close proximity to areas that are protected or have high biodiversity value. This is corroborated by a biodiversity risk assessment carried out at all our mines during the year which confirmed that there was minimal impact on biodiversity as a result of our operations and also that none of our mining sites adjoins a protected area or one of high biodiversity value.

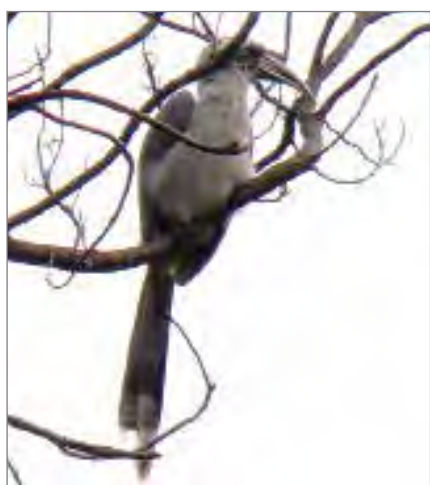
All our mining operations are carried out as per the mining plans dully approved by Indian Bureau of Mines (IBM). Alongside regular mining operations, quarry rehabilitation is accorded utmost priority and practiced vigourously throughout the active life of the mine with various measures in environmental and biodiversity conservation.

Our impacts are largely those resulting from mining operations which include the erosion of top soil, damage to trees and vegetation, noise and dust pollution. We have comprehensive plans that address all these issues at our plants and mines. Going beyond this, we also take active steps to create and enhance the green belt in and around



our operations. Each of our mining sites has a time-bound rehabilitation plan for implementation in a phased manner.

In 2014 we took up membership of two biodiversity networks viz. the Indian Business Biodiversity Initiative (IBBI) of Confederation of Indian Industry (CII) and the Leaders for Nature (LfN) initiative of the International Union for Conservation of Nature (IUCN). We have indicated our agreement with



their charters and are in the process of implementing some associated initiatives.

Several capacity building programs were organized at all manufacturing locations to generate awareness about biodiversity and sensitize employees and others about the importance of biodiversity conservation. Several biodiversity conservation programmes have also been initiated and implemented across all the Company's plants and mines.

Afforestation, tree plantation and green belt development are taken seriously at all of our cement plants. We have a long tradition of engaging employees, their families, our associates and local communities in participating in wide-spread tree plantation programmes. Such programmes are extended to cover areas in the vicinity of our plants for the benefit of the local community. Each of our plants and mines proudly showcases its own unique effort in this respect. In 2014, an estimated 1 lakh trees were planted in this way.



Biodiversity related activities at a few ACC plants

Kymore: 28500 saplings of energy and ornamental varieties were planted in the township, mines and surrounding villages bringing the total plantation since its inception to 6.24 lakh saplings.

Kymore Green Hills Project: Kymore continued to plant saplings in this project jointly with Madhya Pradesh State Forest Department bringing the cumulative number up to 1.0 Lakh saplings. Expected survival rate reported is about 40%.

Narmada River Bank Plantation: Kymore Works planted 5000 saplings of fruits trees at a cost of ₹ 10.2 lakhs on the river banks at Ghughara Water Fall near the famed Bheda Ghat in Jabalpur in September 2014 under the direction of the Chairman, Madhya Pradesh Pollution Control Board, Bhopal.

Damodhar: 1000 trees were planted by employees on World Environment Day.

Kudithini: 2000 trees planted around the campus.

Thondebhavi: Two thirds of the total land area of 120 acres owned by ACC in this location has been cultivated exclusively for green belt development. This serves as a green cover around the plant that protects the habitat.

3.15 | Public Policy

“...we take public positions on several areas of interest not only at times to serve our own interests but also to serve our industry, stakeholders and the general public at large”

As a large manufacturer of cement and concrete with a countrywide footprint, we take public positions on several areas of interest not only at times to serve our own interests but also to serve our industry, stakeholders and the general public at large. Our viewpoints are expressed in different ways as appropriate to the cause and to the stakeholders involved. These may be through comments and articles in print media, public seminars organized by trade associations and chambers of commerce and face-to-face meetings with stakeholders. In all these instances we represent ourselves and do not engage lobbyists. Here is a selection of some causes where we do step out to be heard.

GOOD CONCRETE PRACTICES

We share our expertise in the realm of cement and concrete technology by efforts to spread awareness of best practices in the application of concrete and construction among masons, contractors and engineers. This is done through lectures, seminars, mason training meets and coverage in trade publications and the Indian Concrete Journal.

CONCRETE ROADS

Five years ago we joined hands with the Cement Division of the Confederation of Indian Industry (CII) to promote cement concrete as superior material for building roads and to share the rich experiences of central and state governments, corporations and municipalities and rural road authorities. Since then we have held regular seminars and awareness programmes in state capitals where we also invited other stakeholders. Most of these events were successful. Ultimately the efforts proved to be very satisfying when the central government announced that cement would be the preferred material for all future road projects.

WASTE MANAGEMENT AND ALTERNATIVE FUELS

ACC leads its peers in the promotion of co-processing industrial, agricultural and municipal waste in cement kilns. These wastes serve as effective alternatives to fossil fuels/raw materials and in the process co-processing is demonstrated as a superior and more environment-friendly means of waste disposal. Our efforts at lobbying and



promotion in this regard are undertaken in accordance with policies of the Ministry of Environment, Forests and Climate Change, central and state pollution control boards and other regulatory bodies. We interact closely with the India chapter of the Cement Sustainability Initiative (CSI), NGOs and activists. CII, FICCI and Bombay Chamber of Commerce & Industry (BCCI) are other platforms that often invite us to participate in matters concerning sustainability. We interact with waste generators to present the case for co-processing of wastes, thus offering them a safe and viable means of waste disposal. From time to time our representatives speak at trade and other industry platforms and write articles in trade and national media. All of this is an on-going effort.

CLIMATE CHANGE

We play an active role in highlighting the effects of climate change and mitigating those impacts in close association with the India chapter of the Cement Sustainability Initiative. We willingly participate in all initiatives in this respect of the Ministry of Environment, Forests and Climate Change, central and state pollution control boards and other regulatory bodies. We also work closely on energy optimization and other issues with the Bureau of Energy Efficiency of the Government of India. CII, FICCI and BCCI are very active in promoting climate change mitigation and we participate whole-heartedly in these events.

GOVERNMENT POLICIES ON TAXATION

We share our views of the impact of taxation and other aspects of government policy with government as also via platforms offered by industry

bodies such as CII, FICCI, other chambers and trade bodies.

OTHER CAUSES

ACC is often invited to lend its voice on themes of wide interest such as sustainable development, sustainable construction, Green buildings Affordable and low cost construction, CSR and community development. We champion the cause of Sustainable construction. We regularly play an advocacy role on public causes such as health and safety.

POLITICAL CONTRIBUTIONS

ACC has had a history of being apolitical at all times at the Central and state levels. The company does not offer support of any kind, whether financial or non-financial, direct or indirect, to promote political causes



3.16 | Local and Indigenous Communities

“The rural communities around many of our plants comprise the underprivileged sections of rural India with limited access to basic amenities. Tribal people also form part of our neighbourhood”

Local communities represent the most vulnerable section of our stakeholders. Many of them were the original owners of the land now in our possession. They are the host communities in the vicinity of our cement plants and mines, most of which are located in remote and backward rural regions. The rural communities around many of our plants comprise the underprivileged sections of rural India with limited access to basic amenities. Tribal people also form part of our neighbourhood. We have a long history of undertaking a range of activities meant to raise the quality of life and living conditions of the underprivileged and weaker sections in the vicinity of all our plants and mines. As neighbours we recognize the inter-dependence in our roles and relationships. We see their aspirations to achieve a better quality of life and the role we can easily play in making this possible.

The company actively assists them in identifying prioritizing and meeting their developmental aspirations through periodic needs assessment surveys. A detailed action plan is developed in consultation with the local communities that addresses the needs assessed in surveys. The implementation of these plans is then continuously monitored to ensure that they respond to the needs expressed by the communities. We engage with them through our CSR Plant Coordinators, specially appointed Community Advisory Panels, like-minded NGOs and local bodies. We assess their needs and grievances through structured and site-specific Impact Assessments (conducted once in three years) and Stakeholder Engagement Surveys, conducted annually at all locations. The site-specific impact assessments include various

issues such as dust, water, noise, human rights etc. These are brought to the attention of plant management and acted on suitably.

Community engagement is vital to social development. The Community Advisory Panel (CAP) are specially selected representatives from the local community, local bodies, Government, NGOs and opinion leaders; the CAP thus ensures greater involvement and takes ownership of the project. The CAP participates in identifying needs of local development, support in project formulation and monitoring of the projects implemented.

We engage with the community to enhance literacy, provide primary education and preventive healthcare and assist in improving the community environment with proper facilities to create sanitation and village development. We also engage with them in creating sustainable livelihoods and impart vocational guidance with skill-sets to enhance their employability and income generation. ACC's CSR initiatives focus on holistic development of host communities and create social, environmental, and economic value for the society.

In 2014, ACC's community development initiatives reached out to nearly half a million people living in over 150 villages around our cement plants with a variety of schemes. ACC spent a total of ₹ 27.45 crore on CSR activities in 2014. This represents 2.018 per cent of the company's net profit in the last three years. Wherever possible, ACC availed the opportunity of working in partnership with Government, NGOs and academic institutions in the area.

A. PROVIDING EDUCATION FOR SOCIETY'S FUTURE

The company's initiatives in respect of education benefited 29,161 children in neighborhood communities. ACC has established schools at all its locations, where children of employees and those from surrounding communities are provided good quality education. Management of these schools is outsourced to reputed educationists like the DAV or the best locally available institution, thereby ensuring that the schools maintain high standards of education. Since most plants are situated in remote hinterlands, the ACC schools are at once the most accessible and invariably among the best in the region. The schools are supported by providing funds and infrastructure for initial construction, meeting a part of the teachers' salaries and upgradation activities. Apart from an ongoing subsidy support to schools with which ACC has an agreement, support is also extended to other government schools in the vicinity. Meritorious students from weaker sections of the community are encouraged through the grant of scholarships.

29,161 students received quality education in the plants' neighborhood schools while about 504 meritorious students from weaker sections of society were awarded scholarships so that they could continue with their education. Smart classes and interactive kiosks were offered to children in 26 rural schools in a bid to keep pace with modern methods of learning available in city schools. The "ACC ki Ladli" Project was successful in ensuring that more than 750 girl children were able to renew education.

In 2014 the company supported 504 meritorious students from weaker sections of the community; through grant of scholarships for continuing their education. Support is also provided to poor learners by way of coaching classes. Technology aided Education initiatives such as smart classes, interactive kiosks, implemented at several ACC locations for enhancing quality of learning benefitted school children. The company continued to support seven Government-run Industrial Training Institutes (ITI) under a Public Private Partnership scheme (PPP) in a joint initiative with the Ministry of Labour and Employment, Government of India. The company's support focuses on enhancing the skills and employability of the students passing out of these institutes by upgrading the quality of education offered there.

ACC runs two technical training institutes of its own, both of which enjoy considerable reputation as centres providing technical training. The Sumant Moolgaokar Technical Institute (SMTI) at Kymore was first established in 1949 to train young men in specialized trades to become artisans, foremen and first line supervisors. It had its own independent curriculum and certification. Since 2008 the institute works with a revised objective of complementing the education received by engineering diploma trained candidates.

B. SUPPORTING SUSTAINABLE COMMUNITY DEVELOPMENT

The thrust in this respect is promoting health, women's empowerment and creating livelihoods.

Promoting Health

Health being one of the prime concerns of the community and critical for general well being of company stakeholders, significant initiatives were undertaken in this domain. ACC's health initiatives mainly focus on preventive health of the community. Active awareness campaigns are undertaken to enhance communities understanding about various disease prevention and healthy ways of living. Regular preventive health support to the community is reached out through health camps and mobile health vans. Most of these plant sites are situated in remote parts of the country, with little access to adequate healthcare and medical services. The company supports the local administration in promoting national health campaigns on important issues such as malaria, prevention and immunization and DOTS. In addition to regular support to the ACC hospitals, support was also extended to various government Primary Health Care centers and Community Health Care centers. Our health and nutrition initiatives benefited more than 1 lakh people.

Special initiatives in healthcare and nutrition are taken for women and children in coordination with Health authorities. Communities are mobilized to participate in programmes for immunisation, anti natal care, post natal care and birth spacing methods. IFA tablets were provided to prevent anemia among pregnant mothers and adolescent girls. Other support activities included health and accidental insurance for SHG members and drivers in the company's supply chain, subsidized ambulance facility to villagers for their emergency needs and subsidized hospitalization of villagers.

Support to Anganwadis

Anganwadis are an integral part of the “Integrated Child Development Scheme” (ICDS) that plays a vital role in rural areas for overall development of children as well as support to pregnant and lactating mothers. ACC provided support to 134 Anganwadis that are serving our host communities. This has led to better supply and use of government’s medicine supplies which has direct impact on infant mortality and maternal mortality. Support to 134 “anganwadi centers” meant that ~8,000 children could get access to better health and nutrition.

HIV/AIDS

ACC was among the first companies in the corporate sector in India establish to treatment centres to combat the national scourge of HIV/ AIDS, recognized as being of India’s major public health issue. In 2007 we set up two Anti Retroviral Treatment centres for patients of HIV/AIDS in two states suffering the country’s highest prevalence of the disease. The company established the ACC Ayushman Trust at Wadi in Karnataka and the ACC CMC Trust for Infectious Diseases (ACTFID) at Vellore in Tamil Nadu in association with Christian Medical College.

During the year, centres for awareness, prevention and treatment of Sexually Transmitted Infections (STI) were established at Gagal in Himachal Pradesh and Tikaria in Uttar Pradesh. In all 3042 HIV/AIDS affected persons were supported through counselling, testing and treatment through Anti Retroviral Therapy (ART) and STI Centers.

Women’s empowerment

A variety of initiatives is pursued to promote skill building and income

generating schemes for local women groups. Women SHG are imparted relevant training in their selected livelihoods and supported in the establishment of micro-enterprises. Members of these SHGs were provided training for group cohesiveness, book-keeping, product development, marketing of the products, market linkages, bank linkages and exposure to best practices in SHG functioning;. Some of these groups have initiated their own micro enterprises.

ACC AHEAD (Association for Health, Education and Development), the volunteering wing of the company’s ladies clubs at all plants, set up in 2008, continued to support social volunteering and community programmes with special emphasis on empowering women. The group has been successful in creating livelihood opportunities for numerous community women in the areas of tailoring, embroidery, knitting, making masala, pickles, fancy bags, gloves and in making disposable cups and plates.

Livelihood and Employability

ACC believes in empowerment of people and assisting them in sustainability of their livelihood, as that will make the community self reliant and increase their self respect. Under its employability initiatives, company supported placement linked training of youth from poor families in the host community.

A total of 4405 unemployed youth received skill development training programmes in partnership with specialized NGOs, which helped them get job placements in various manufacturing and service sector enterprises. The Company supported

the formation of 486 Self Help Groups (SHGs) and in their strengthening through structured training activities.

C. BUILDING INFRASTRUCTURE FOR LIVEABLE NEIGHBOURHOODS

ACC plays a vital role in facilitating the creation and maintenance of basic infrastructure around all its operations such as roads, safe drinking water, deepening of ponds, repairs to schools, anganwadi and other community amenities. Company makes every possible effort to make these basic necessities available to our neighborhood communities.

Wherever needed, NGO partners join in to ensure quality execution of the projects. Efforts are also taken to bring benefits of government schemes for the welfare of village communities. Each plant contributed in creation of water harvesting structures and installation of hand pumps for drinking water, excavation of ponds and water bodies for irrigation and other water uses.

Sanitation

Special initiatives to promote sanitation among neighboring communities were undertaken. Construction of household toilets contributed as a step in strengthening rural sanitation. We have actively participated in forums on Public Health & Education to join the national effort in this regard. The Company has developed four affordable prototypes of toilets through the Green Building Centres. We have also led the Sanitation Committee of the Confederation of Indian Industry (CII) to promote the sanitation initiative of Government of India. In coming years we aim to contribute significantly in this important area

Snapshot of Community Development Initiatives in 2014

Total number of villages covered	154
Total population covered	457359
Total number of children reached through education initiatives	29161
Number of schools reached through education initiatives	114
Number of meritorious students supported with scholarships	504
Number of schools with 100% sanitation	169
Number of schools introduced to e-learning initiatives	26
Number of schools provided with internet connection	5
Number of teachers and teaching assistants trained	127
Number of libraries operationalised in community schools	50
Number of Household Sanitation Units constructed	540
Number of villages supported through initiatives for achieving Nirmal Gram status	19
Number of people benefitted through drinking water initiatives	57686
Number of people benefitted through excavation of ponds	17510
Number of Borewells repaired and recharged	362
Number of Rain Water Harvesting structures created	89
Number of youth benefitted through placement linked employability programs	4405
Number of women having membership of NABARD 'A' level rated SHGS	4355
Number of SHGs brought at NABARD's 'A' level rating	410
Number of new SHGs formed	486
Number of Anganwadi centres Supported	134
Number of Children benefitted through ACC supported Anganwadis	7986
Number of General and Special Health Camps conducted	287

A detailed report of our CSR activities is available on page 43 in Annexure A to the company's Annual Report for 2014.



ACC LIMITED

Corporate Social Responsibility Policy

Our aim is to be one of the most respected companies in India, delivering superior and sustainable value to all our customers, business partners, shareholders, employees, and host communities.

Our CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- Uphold and promote the principles of inclusive growth and equitable development
- Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programs
- Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index
- Collaborate with like minded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals
- Interact regularly with stakeholders, review and publicly report our CSR initiatives

A handwritten signature in black ink, appearing to read "Kuldip Kaura".

Kuldip Kaura
CEO & Managing Director

May 3, 2013

Our Roadmap



4.1 Journey So Far

4.2 The Road Ahead

4.1 | Journey So Far



Our performance with regard to the goals we had set for ourselves in respect of Sustainable Development can be summed up simply as “On the right track”.

Target 2017	Current Status
CO₂	
Reduce specific CO ₂ emissions by 35% as compared to 1990	We have reduced specific CO ₂ emissions to 526 kg CO ₂ /Tonne of cement in 2014 which around 32%
Thermal Substitution Rate	
To achieve Thermal Substitution Rate of 10%	We have achieved 2.46 % of thermal substitution rate in 2014
Water	
Reduce specific water consumption for manufacturing of cement by 10% as compared to 2012	We have reduced specific water consumption by 17% in 2014 for manufacturing of cement as compared to 2012
Specific Total Energy Intensity (MTOE per Tonne of Cement)	
To reduce by 3% as compared to 2013	Reduced by 1.35 %
CSR	
To continue to improve our CSR footprint Focus on inclusive business projects like sanitation etc.	Our various CSR initiatives impacted nearly 0.5 million people during 2014

4.2 | The Road Ahead

“While the global merger may have little or no structural impact on our organization, the post merger scenario may well require internal alignments that will become necessary within the larger group. This may lead to shifts in some of our focus areas.”

We expect the organization will face a busy season with transitions of different kinds in the coming months and year. The most imminent of these is the global merger of our parent company Holcim Limited with Lafarge S.A. which was completed in mid-July 2015. While the global merger may have little or no structural impact on our organization, the post merger scenario may well require internal alignments that will become necessary within the larger group. This may lead to shifts in some of our focus areas. Beyond that we also foresee increased alignments with our sister company Ambuja Cements Limited in terms of seeking greater synergies and economies of scale in some functional areas.

We do not expect these transitions to impact our thrust on any aspect of sustainable development. On this front we will continue to mirror Holcim's Sustainable Development Ambitions 2030. In fact it is quite possible that we may see heightened importance in this area. As of now we will be guided by the on-going sustainability road-map we have already charted for ourselves for the years leading to 2017. Beyond that we are mindful of the Long-term Technology Roadmap of the Cement Sustainability Initiative which we have pledged to follow in the years leading to 2030.

There are strong signs that the national economy will follow a distinctive upward trend, though initially at a modest pace. Encouraged by this we also see better days ahead for the construction sector, for the cement industry and for ourselves. With additional capacity close to materialization, we feel better equipped to participate in this growth.

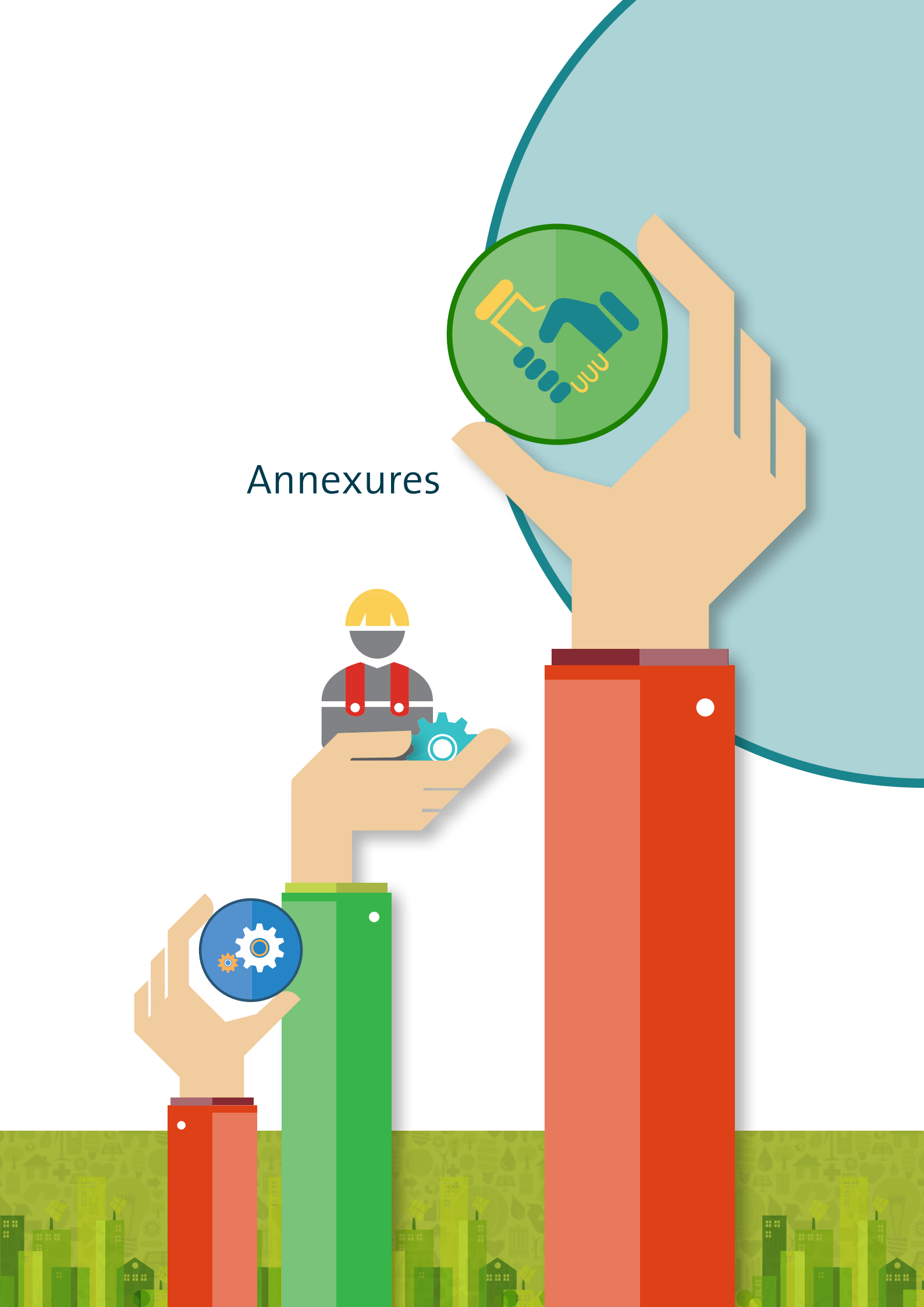
We aim to continue with efforts to maintain leadership status in respect of our environmental performance. We are mindful of the Environment (Protection) (Fifth Amendment) Rules, 2014 announced in August 2014 which introduced certain new emission standards for the cement industry.

On the people front our prime attention will be on the safety of our employees and all those associated with us. We will also continue our trust with host communities with ongoing initiatives to upgrade their quality of life.

Above all, we retain the aspirations expressed in our Corporate Vision statement, “To be one of the most respected companies in India; recognized for challenging conventions and delivering on our promises”

Area	Target - 2017
CO ₂	To reduce specific CO ₂ emissions by 35% as compared to 1990
Thermal Substitution Rate	To achieve Thermal Substitution Rate of 10%
Water	To reduce specific water consumption for manufacturing of cement by 10% as compared to 2012
Specific Total Energy Intensity (Metric Tonne of Oil Equivalent (MTOE) per Tonne of Cement)	To reduce by 3% as compared to 2013
CSR	To Continue to improve our CSR footprint Focus on inclusive business projects like sanitation etc.

Annexures



5.1 Assurance Statement

5.2 GRI G4 Content Index

5.3 UN Global Compact Linkage

5.4 Corporate Memberships

5.5 Awards received in 2014

5.6 Glossary

5.1 | Assurance Statement

INDEPENDENT ASSURANCE STATEMENT



ACC Ltd. has commissioned Emergent Ventures India Private Ltd. (EVI) to undertake an independent assurance of its Sustainable Development Report of 2014. The assurance process has been conducted in accordance with AA1000AS (2008). The assurance principles of Inclusivity, Materiality and Responsiveness, as outlined in AA1000AS (2008) and GRI G4 guidelines have been used as criteria against which the report has been evaluated.

The intended users of this assurance statement are the readers of ACC Sustainable Development Report 2014. The management of ACC is responsible for engagement with its stakeholders, identification of material issues and the collection and presentation of the information contained in the report. In performing the assurance activities, EVI's responsibility is only to the management of ACC and in accordance with the terms of reference agreed with the company. We do not therefore accept or assume any responsibility to any third party for decisions, whether investment or otherwise, based on this assurance statement.

SCOPE OF ASSURANCE

EVI has been engaged by ACC to express the assurance opinion on whether the information contained in the ACC's Sustainable Development Report presents, in a fair manner, the material aspects with regard to the company's sustainability performance for 2014. The scope of the assurance includes the following:

1. Review of the ACC Sustainable Development Report for detecting any anomalies between the information given in the report and relevant source data/information;
2. Review of the level of adherence to Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and to the principles of Materiality, Inclusivity and Responsiveness as set out in the AA1000AS (2008);
3. Review of claims and data streams to determine the level of accuracy of statements in the report, and the reliability of specified sustainability performance information, as required for a Type 2 moderate level of assurance as set out in the AA1000AS (2008);
4. Execution of an audit trail of claims and data streams to determine the level of accuracy in collection, transcription and aggregation carried out by ACC for preparation of the report;
5. Evaluate the information disclosed in the report, both General and Specific standard disclosure, "In-Accordance – Comprehensive" reporting requirements set out as per the GRI G4 Guidelines.

OUR APPROACH

The assurance process was planned and carried out from: February – August 2015. Our conclusions are based on physical site visits, the review of processes & practices for identification and collation of relevant information, report content and performance data, which included a review of the stakeholder engagement and materiality determination process undertaken by ACC during 2013 as well as on interaction with senior management of ACC. Further our observations with respect to processes and systems in place, interaction with respective departments and different stakeholders of ACC has formed the basis of our assurance on the principles of Inclusivity, Materiality and Responsiveness required for assurance under AA1000AS (2008).

We undertook the following key steps:

1. **Site Visits:** The EVI team visited a representative set of ACC's facilities comprising of cement and concrete business unit at the Chanda Cement Works in Chadrapur Dist. and Bluemoon RMX unit in Mumbai respectively.
2. **Interviews:** In addition to interviewing data owners at the cement and concrete business units, EVI also visited ACC's Corporate and Head Office in Mumbai and Thane and conducted interview with the company's top management across different functional lines to understand the process, policies and practices relating to ACC's sustainability performance.
3. **Data Verification:** We verified the robustness of data management systems, information flow and controls and performed sample based review of the mechanisms for implementing the company's sustainability related policies and plans, as described in the report.

LIMITATIONS AND EXCLUSIONS

1. Scope of assurance is limited to the boundary defined in the report and the period covering 1st January 2014 to 31st December 2014.
2. Assurance is relied on the documentation/information maintained by the company or provided to the company by another third party.

3. The scope of assurance does not cover the statements in the report that describe companies approach, strategy, aim, expectation, aspiration or beliefs or intentions.

CONCLUSION

Based on the approach adopted by EVI, as described above, we are of the opinion that the Sustainable Development Report of ACC for the calendar year 2014 is presented fairly in all respects and confirms to the GRI G4 "In Accordance – Comprehensive" disclosure criteria.

Following GRI G4 disclosure criteria have been reviewed:

- **General Standard Disclosures:** We are of the opinion that the information provided under the "General Standard Disclosures" meets the reporting requirements of "In Accordance – Comprehensive" criteria
- **Specific Standard Disclosures:** We are of the opinion that the information provided under the "Specific Standard Disclosures" meets the reporting requirements of "In Accordance – Comprehensive" criteria. It also covers the Generic Disclosure on Management Approach (DMA) and Performance Indicators disclosure for the identified material aspects as given below:

Economic <ul style="list-style-type: none"> - Economic Performance: EC1 to EC4 - Market Presence: EC5 to EC6 - Indirect Economic Impacts: EC7 to EC8 - Procurements Practices: EC9 	Environment <ul style="list-style-type: none"> - Materials: EN1 to EN2 - Energy: EN3 to EN6 - Water: EN8 to EN10 - Bio-diversity: EN11 to EN14 - Emissions: EN15 to EN21 (EN20 excluded) - Effluents & Waste: EN22 to EN26 - Products & Services: EN27 to EN28 - Compliance: EN29 - Overall: EN31 - Supplier Environmental Assessment: EN32 to EN33
Social	
Labor Practices and Decent Work <ul style="list-style-type: none"> - Employment: LA1 to LA3 - Labor/Management Relations: LA4 - Occupational Health & Safety: LA5 to LA8 - Training and Education: LA9 to LA11 - Supplier Assessment and Labor Practices: LA14 to LA15 	Human Rights <ul style="list-style-type: none"> - Investment: HR1 to HR2 - Non-discrimination: HR3 - Freedom of Association and Collective Bargaining: HR4 - Child Labor: HR5 - Free or Compulsory Labor: HR6 - Security Practices: HR7 - Indigenous Rights: HR8 - Assessment: HR9 - Supplier Human Rights Assessment: HR10 to HR11 - Human Rights Grievance Mechanism: HR12
Society <ul style="list-style-type: none"> - Local Communities: SO1 to SO2 - Anti-corruption: SO3 to SO5 - Public Policy: SO6 - Anti-competitive Behaviour: SO7 - Compliance: SO8 - Supplier Assessment for Impact on Society: SO9 to SO10 	Product Responsibility <ul style="list-style-type: none"> - Customer Health & Safety: PR1 to PR2 - Product and Service Labelling: PR3 to PR5 - Marketing Communications: PR6 to PR7 - Customer Privacy: PR8 - Compliance: PR9

In our opinion, ACC Sustainable Development Report 2014 gives an appropriate representation of the sustainable development initiatives undertaken by the company. ACC has built processes that allow them to identify the material aspects of the company, collect performance data and report the information in adherence to the principles of GRI G4 reporting guidelines.

Our observation on the adherence of the three principles under AA1000AS (2008) is as follows:

Inclusivity: We have not come across any material evidence that would lead us to conclude that ACC has not applied the principle of inclusivity in engaging with its stakeholders. Different departments engage regularly with their relevant stakeholders through multiple engagement channels.

Materiality: ACC has determined material aspects pertinent to its business and stakeholder expectations. Based on our scope of work and the activities undertaken for the purpose like interactions and observations, we have not come across any material aspect of sustainability performance that has been excluded from the report.

Responsiveness: Based on our observation, interviews and documentation we believe that ACC has applied the principle of responsiveness with respect to its stakeholders. We have not come across any material evidence that would lead us to believe that responsiveness principle is not being applied in dealing with the stakeholders.

Observations and Recommendations

Without affecting our overall conclusions on the sustainability report, we would like to bring to notice the following observations and recommendations for the report:

- Stakeholder Engagement and Materiality determination, although carried out during the 2013 reporting cycle, should be an on-going process for every reporting period. This will help ACC in consolidating any changes to the stakeholder's concerns and identifying the risks and its implications;
- As ACC matures in its sustainability journey, more focus is required to establish an robust and comprehensive system to address the supply chain material aspect covering the labour practices, human rights, society and environmental aspects;
- In our opinion, the company should also look at covering the subsidiary companies under the scope of its reporting;
- ACC may choose to develop a system to communicate its key sustainability performance disclosure on the company's website for the benefit of its stakeholders.

For Emergent Ventures India Private Ltd.



Atul Sanghal
Business Head
Emergent Ventures India Private Ltd.
Gurgaon, 01st September 2015



AA1000
Licensed Assurance Provider
000-96

5.2 | GRI G4 - In Accordance “Comprehensive” - Content Index

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-1	Statement from the most senior decision-maker of the organization	2-3	1. Foreword	Fully	Yes (pgs 76-78)
G4-2	Description of key impacts, risks, and opportunities	20-21	2.6 Risk and Opportunities	Fully	Yes (pgs 76-78)
G4-3	Name of the organization.	6-7	2.1 Organisation Profile	Fully	Yes (pgs 76-78)
G4-4	Primary brands, products, and/or services.	35-36	3.4 Products and Services	Fully	Yes (pgs 76-78)
G4-5	Location of organization's headquarters.	6-7	2.1 Organisation Profile	Fully	Yes (pgs 76-78)
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	6-7	2.1 Organisation Profile	Fully	Yes (pgs76-78)
G4-7	Nature of ownership and legal form.	6-7	2.1 Organisation Profile	Fully	Yes (pgs 76-78)
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	6-7	2.1 Organisation Profile	Fully	Yes (pgs 76-78)
G4-9	Scale of the reporting organization.	6-7, Back Cover	2.1 Organisation Profile	Fully	Yes (pgs76-78)
G4-10	Total workforce by employment type, employment contract, and region, broken down by gender.	26-31	3.2 Employee Well -being	Fully	Yes (pgs76-78)
G4-11	Percentage of employees covered by collective bargaining agreements.	26-31	3.2 Employee Well -being	Fully	Yes (pgs76-78)
G4-12	Organization's supply chain.	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-13	Significant changes during the reporting period regarding size, structure, or ownership.	6-7	2.1 Organisation Profile	Fully	Yes (pgs76-78)
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	20-21	2.6 Risks and Opportunities	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	6-7	2.1 Organisation Profile	Fully	Yes (pgs 76-78)
G4-16	Memberships in associations (such as industry associations) and/or national/ international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	97-98	5.4 Corporate Memberships	Fully	Yes (pgs 76-78)
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents.	8-9	2.2 Financial Highlights	Fully	Yes (pgs 76-78)
G4-18	Process for defining report content.	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-19	Identify all the material aspects in the process for defining report content	23	3 Materiality Aspects	Fully	Yes (pgs 76-78)
G4-20	Report the Aspect Boundary within the organization	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-21	Report the Aspect Boundary outside the organization	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	--		No restatements	Yes (pgs 76-78)
G4-23	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-24	List of stakeholder groups engaged by the organization.	17-19	2.5 Strategy & Stakeholder Engagement	Fully	Yes (pgs 76-78)
G4-25	Basis for identification and selection of stakeholders with whom to engage.	17-19	2.5 Strategy & Stakeholder Engagement	Fully	Yes (pgs 76-78)
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	17-19	2.5 Strategy & Stakeholder Engagement	Fully	Yes (pgs 76-78)
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	23	3 Materiality Aspects	Fully	Yes (pgs 76-78)
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided.	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-29	Date of most recent previous report (if any).	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-30	Reporting cycle (annual, biennial, etc.)	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-31	Contact point for questions regarding the report or its contents.	104	Feedback Form	Fully	Yes (pgs 76-78)
G4-32	Table identifying the location of the Standard Disclosures in the report.	79-95	5.2 GRI G4 Content Index	Fully	Yes (pgs 76-78)
G4-33	Policy and current practice with regard to seeking external assurance for the report.	15-16	2.4 About the Report	Fully	Yes (pgs 76-78)
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4 - 35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for Economic, Environmental and Social topics and whether the post holders report directly to the highest governance body	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-38	Report composition of the highest governance body	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-39	Report whether the chair of the highest governance body is also an executive officer	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-40	Report the nomination and selection process for the highest governance body and criteria used for nominating including: -Whether and how expertise and experience relating to economic, environmental and social topics are considered -Whether and how stakeholders are involved	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-41	Report process for the highest governance body to ensure conflicts of interest are avoided and managed	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-42	Report the highest governance body's and senior executives' roles in the development, approval and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of Economic, Environmental and Social topics	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-44	Process for evaluation of the highest governance body's performance wrt governance of economic, environmental and social topics (report frequency and if the assessment is self or independent) Report action taken in response to evaluation of performance of highest governance body	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the body's role in implementation of a due diligence process Report whether stakeholder consultation is used to support the highest governance body's identification and management of above mentioned impacts, risks and opportunities	20-21 & 10-14	2.6 Risks and Opportunities, 2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management process for economic, environmental and social topics	20-21 & 10-14	2.6 Risks and Opportunities, 2.3 Corporate Governance	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	20-21 & 10-14	2.6 Risks and Opportunities, 2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-49	Report the process for communicating critical concerns to the highest governance body	20-21	2.6 Risks and Opportunities	Fully	Yes (pgs 76-78)
G4-50	Report the nature and total number of concerns that were communicated to the highest governance body and the mechanisms used to address and resolve them	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-51	Report remuneration policies for the highest governance body. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executive's economic, environmental and social objectives	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-52	Report the process for determining the remuneration. Report relationship with remuneration consultants (if applicable)	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-53	Report how stakeholders' view are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country to significant operations to the median annual total compensation for all employees (Excluding the highest-paid individual) in the same country	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-55	Report the ratio of % increase in annual total compensation for the organization's highest-paid individual in each country to significant operations to the median annual total compensation for all employees (Excluding the highest-paid individual) in the same country	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-56	Report the ratio of the increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees.	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Economic Performance	59-60	2.2 Financial Highlights, 3.13 Economic Performance	Fully	Yes (pgs 76-78)
G4-EC1	Direct economic value generated and distributed	8-9, 59-60	2.2 Financial Highlights, 3.13 Economic Performance	Fully	Yes (pgs 76-78)
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	20-21	2.6 Risks and Opportunities	Fully	Yes (pgs 76-78)
G4-EC3	Coverage of the organization's defined benefit plan obligations	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-EC4	Financial assistance received from government	8-9, 59-60	2.2 Financial Highlights, 3.13 Economic Performance	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Indirect Economic Impacts	65-69	3.16 Local and Indigenous Communities	Fully	Yes (pgs 76-78)
G4-EC7	Development and impact of infrastructure investments and services supported	65-69	3.16 Local and Indigenous Communities	Fully	Yes (pgs 76-78)
G4-EC8	Significant indirect economic impacts, including the extent of impacts	65-69	3.16 Local and Indigenous Communities	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Procurement Practices	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Materials	54-55	3.11 Materials	Fully	Yes (pgs 76-78)
G4-EN1	Materials used by weight or volume	54-55	3.11 Materials	Fully	Yes (pgs 76-78)
G4-EN2	Percentage of materials used that are recycled input materials	54-55	3.11 Materials	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Energy	37-40	3.5 Energy	Fully	Yes (pgs 76-78)
G4-EN3	Energy consumption within the organization	37-40	3.5 Energy	Fully	Yes (pgs 76-78)
G4-EN4	Energy Consumption outside the organisation	37-40	3.5 Energy	Fully	Yes (pgs 76-78)
G4-EN5	Energy intensity	37-40	3.5 Energy	Fully	Yes (pgs 76-78)
G4-EN6	Reduction of energy consumption	37-40	3.5 Energy	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-EN7	Reduction of Energy Requirement of product and services	37-40	3.5 Energy	Not Applicable	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Water	49-50	3.9 Water	Fully	Yes (pgs 76-78)
G4-EN8	Total water withdrawal by source	49-50	3.9 Water	Fully	Yes (pgs 76-78)
G4-EN9	Water Sources significantly affected by withdrawal	49-50	3.9 Water	Fully	Yes (pgs 76-78)
G4-EN10	Percentage and total volume of water recycled and reused	49-50	3.9 Water	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Biodiversity	61-62	3.14 Biodiversity	Fully	Yes (pgs 76-78)
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	61-62	3.14 Biodiversity	Fully	Yes (pgs 76-78)
G4-EN12	Direct and indirect impacts on biodiversity	61-62	3.14 Biodiversity	Fully	Yes (pgs 76-78)
G4-EN13	Habitats protected or restored	61-62	3.14 Biodiversity	Fully	Yes (pgs 76-78)
G4-EN14	Total number of IUCN Red list species and national conservation list species with habitats in affected areas	61-62	3.14 Biodiversity	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Emissions	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-EN18	Greenhouse gas (GHG) emissions intensity	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-EN20	Emissions of ozone-depleting substances (ODS)	51-53	3.10 Emissions	No ODS are emitted	Yes (pgs 76-78)
G4-EN21	NOX, SOX, and other significant air emissions	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Effluents and Waste	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-EN22	Total water discharge by quality and destination	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-EN23	Total weight of waste by type and disposal method	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-EN24	Total number and volume of significant spills	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-EN25	Weight of transported, exported and treated waste deemed to be hazardous and percentage of transported waste shipped internationally.	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-EN26	Identify the size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and run-offs	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Products and Services	35-36	3.4 Products and Services	Fully	Yes (pgs 76-78)
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	35-36	3.4 Products and Services	Fully	Yes (pgs 76-78)
G4-EN28	Percentage of products sold and their packaging material reclaimed	41	3.6 Effluents and Waste	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Compliance	24-25	3.1 Compliances	Fully	Yes (pgs 76-78)
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	24-25	3.1 Compliances	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-DMA	Generic Disclosures on Management Approach - Overall	23	3 Materiality Aspects		Yes (pgs 76-78)
G4-EN31	Total environmental protection expenditures and investments by type	51-53	3.10 Emissions	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Supplier Environment Assessment	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-EN33	Significant and actual negative Environmental impacts in the supply chain and actions taken	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Employment	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA1	Total number and rates of new employee hires and employee turnover by age, group, gender and region	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA3	Return to work and retention rates after parental leave, by gender	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Labour/Management Relations	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Occupational Health and Safety	32-34	3.3 Occupational Health and Safety	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-LA5	Percentages of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	26-30	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	32-34	3.3 Occupational Health and Safety	Fully	Yes (pgs 76-78)
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	32-34	3.3 Occupational Health and Safety	Fully	Yes (pgs 76-78)
G4-LA8	Health and safety topics covered in formal agreements with trade unions	32-34	3.3 Occupational Health and Safety	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Training and Education	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA9	Average hours of training per year per employee by gender, and by employee category	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Supplier Assessment for Labour Practices	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Child Labour	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR2	Total Hours of employee trainings on human rights policies or procedures concerning aspects of human rights that are relevant to operations including the percentage of employees trained	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-HR3	Total number of incidents of discrimination and corrective actions taken	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Forced or Compulsory Labour	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Supplier Human Rights Assessment	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR11	Significant actual and potential negative human right impacts in the supply chain and actions taken	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-HR12	Number of Grievances about Human rights impacts filed and resolved through formal grievance mechanisms	27-31	3.2 Employee Well-being	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Local Communities	65-69	3.16 Local and Indigenous Communities	Fully	Yes (pgs 76-78)
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	65-69	3.16 Local and Indigenous Communities	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-SO2	Operations with significant actual and potential negative impacts on local communities	65-69	3.16 Local and Indigenous Communities	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Anti Corruption	47-48	3.8 Anti-Corruption	Fully	Yes (pgs 76-78)
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	47-48	3.8 Anti-Corruption	Fully	Yes (pgs 76-78)
G4-SO4	Communication and training on anti-corruption policies and procedures	47-48	3.8 Anti-Corruption	Fully	Yes (pgs 76-78)
G4-SO5	Confirmed incidents of corruption and actions taken	47-48	3.8 Anti-Corruption	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Public Policy	63-64	3.15 Public Policy	Fully	Yes (pgs 76-78)
G4-SO6	Total value of political contributions by country and recipient/beneficiary	8-9,59-60	2.2 Financial Highlights, 3.13 Economic Performance	Fully	Yes (pgs 76-78)
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	24-25	3.1 Compliances	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Compliance	24-25	3.1 Compliances	Fully	Yes (pgs 76-78)
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	24-25	3.1 Compliances	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Supplier Assessments for Impact on Society	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-SO10	Significant actual and potential impacts on society in the supply chain and actions taken	56-58	3.12 Supply Chain	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Customer Health and Safety	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Product and Service Labeling	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-PR3	Type of Product and Service information required by the organisation procedures for product and service information and labeling and percentage of significant product and service categories subject to such information requirements	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-PR5	Results of surveys measuring customer satisfaction	42-46	3.7 Responsible Selling and Customer Care	Fully	Yes (pgs 76-78)
G4-PR6	Sale of banned or disputed products	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)

General Standard Disclosure	Standard Disclosure Title	Page Number (or Link)	Cross Reference of Report Sections	Whether reported Fully or Partially (Reasons for omissions if any)	External Assurance
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type and outcome	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach - Customer Privacy	42-46	3.7 Responsible Selling and Customer Care	Fully	Yes (pgs 76-78)
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	42-46	3.7 Responsible Selling and Customer Care	Fully	Yes (pgs 76-78)
G4-DMA	Generic Disclosures on Management Approach	10-14	2.3 Corporate Governance	Fully	Yes (pgs 76-78)
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	35-36	3.4 Products and services	Fully	Yes (pgs 76-78)

5.3 | UN Global Compact Linkage

ACC signed the United Nations Global Compact in 2006. The table below lists the ten principles of the UNGC and indicates the relevant chapter of this report where the organisation's activity with respect to each principle is addressed. To that extent, this table and the report also serve as a Communication on Progress (COP) required to be disclosed by signatories of the UNGC.

Serial No.	Principle	Chapter
Human Rights		
1	Businesses should support and respect the protection of Internationally proclaimed human rights; and	3.2, 3.12
2	Make sure that they are not complicit in human rights abuses	
Labour		
3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;	3.2, 3.12
4	The elimination of all forms of forced and compulsory labour;	
5	The effective abolition of child labour; and	
6	The elimination of discrimination in respect of employment and occupation	
Environment		
7	Businesses should support a precautionary approach to environmental challenges;	3.11, 3.5, 3.9, 3.14, 3.10, 3.6, 3.4
8	Undertake initiatives to promote greater environmental responsibility; and	
9	Encourage the development and diffusion of environmentally friendly technologies	
Anti-Corruption		
10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.8

5.4 | Corporate Memberships

		Name of the Organization	Issues of our interest addressed during the year	Benefits to the business due to this membership
		National Safety Council (NSC)	<ol style="list-style-type: none"> Quarterly newsletter on Safety, safety posters on topics of interest to us. Specialized safety trainings at plants. 	<ol style="list-style-type: none"> Learnings from the technical papers of safety chronicle Concessional rates offered for participating in the trainings Concessional rates in application fees for safety awards
		British Safety Council (BSC)	Monthly Safety Guidebook on technical safety issues, Safety Management Magazine and theme, posters on safety issues which are useful to our business.	Substantial reduction on BSC Trainings, qualification, advisory and audits; Discount on BSC Publications
		Bombay Chamber of Commerce & Industry	Awards, Exposure in OH&S and AFR	This is a premier institution and its membership assists for espousing the cause/s of the Industry before the State Govt. and other fora and is also useful for projecting ACC's Corporate Image. These are Mumbai based well established chambers having multiple activities and initiatives. They have separate committees representing different functions and Company could nominate its executives.
		Indian Merchants' Chamber	Awards and seminars	
		Council for Fair Business Practices	Awards	To support the cause of fair business practices
		The Institute of Company Secretaries of India - centre for Research & Training	Company Affairs	The membership is beneficial because we receive important publications/journals on various matters relating to Corporate laws and they also conduct workshops/seminars on Company Law
		Bombay First	Visibility as a leading organization in Mumbai	Aimed at orderly development of the city by generating involvement and interaction of various stratas of society
		Employers' Federation of India	Issue of common interest.	Employee related issues
		Bombay Management Association		Is a premier association of Management

Name of the Organization	Issues of our interest addressed during the year	Benefits to the business due to this membership
Confederation of Indian Industry (CII)	Seminars and Conference on Cement and Concrete	A premier institution that assists in espousing causes of Industry before State/Central Govts. and other platforms. Useful in promoting concrete roads and advancing Corporate Image.
Federation of Indian Chambers of Commerce & Industry (FICCI)	Seminars and Conferences on industry related issues	A premier institution that assists in espousing causes of Industry before State/Central Govts. and other platforms. Useful for projecting ACC's Corporate Image.
PHDCCI, Delhi	Awards, use of venue	Common platform for members to take up various issues
Indian Roads Congress	Promotion of concrete roads	Platform for promoting the use of concrete roads
Indian Geological Congress	Issues related to mining	Latest development in the field of Geology
Federation of Indian Mineral Industries	Issues related to mining	Interface between Government and mining companies. Regular feedback on recent amendments in law/policy
The Energy & Resources Institute (TERI) Business Council for Sustainable Development	Issues related to Sustainable Development	Important platform to address issues relating to sustainable development and promote leadership in environmental management, social responsibility, and economic performance
Swiss Indian Chamber of Commerce, India	As part of a Swiss group	Useful platform for information
Indian Green Buildings Council	Issues relating to Green Buildings & Sustainability	Useful platform for information

5.5 | Awards in 2014



- ACC ranked as **India's Most Admired Company** in the Cement Sector in the Fortune Hay Group India survey
- **ACC wins 5th CII National HR Excellence award 2014**, Commendation Certificate.
- **ACC wins Trusted Brand Award** from Reader's Digest
- **ACC wins EPC World Awards 2014 for "Outstanding Company in the Cement sector"**, in the Construction category.
- **Public Relations Society of India Award** to CSR Newsletter, Together for Communities and Green Building Materials Centres as the best project in Sustainable Development
- **ACC wins Smart Green Initiative Award** at Green Cities Forum 2014
- **CII-ITC Sustainability Award** for Excellence in Environment Management to ACC Thondebhavi.
- **India Manufacturing Excellence Award 2014**, Platinum category to ACC Lakheri, Gold to ACC Gagal by Frost & Sullivan and Economic Times
- **National Energy Conservation Award 2014**: Certificate of Merit in Cement Sector to ACC Thondebhavi from Bureau of Energy Efficiency, Govt. of India.
- **Safety Award from Directorate of Industrial Safety & Health & National Safety Council**, Tamil Nadu chapter to ACC Madukkarai
- **15th National Award for Excellence in Energy Management** by CII to ACC Kudithini - Excellent Energy Efficient Unit and to ACC Jamul, Bargarh, Lakheri and Thondebhavi for Energy Efficient Units.
- **National Safety Council**, India, Safety Award for 2013 to ACC Damodhar
- **CSR Impact Award 2014** to ACC Lakheri by Indian Institute of Corporate Affairs
- **National Energy Conservation Award 2013**: Certificate of Merit in the Cement Sector from Bureau of Energy Efficiency, Government of India to ACC Thondebhavi
- **First Prize in Energy Conservation and Innovation in Energy Conservation** to ACC Jamul by New Management Association and National Institute of Technology
- **Golden Peacock Environment Management Award-2014** to ACC Gagal from Institute of Directors
- **CII GreenCo Rating Gold to ACC Kymore and Silver to Kudithini at GreenCo Summit 2014** by Confederation of Indian Industry
- **First Pt. Madan Mohan Malviya Award** to ACC Gagal for Best CSR Practices in Education, 2014
- **Golden Peacock National Quality Award 2014** to ACC Thondebhavi from Institute of Directors, India

- **Green Manufacturing Excellence Award 2014** to ACC Chanda, Lakheri, Sindri, Tikaria and Wadi in Challengers category by Frost & Sullivan
- **Green Manufacturing Safety Excellence & Believers Award** to ACC Lakheri and first runner up to ACC Wadi by Frost & Sullivan.
- **Earth Care Awards** instituted by JSW Foundation and The Times of India to ACC Kymore for Excellence in Climate Change Mitigation & Adaptation in category 'Green House Gases Emission Reduction in Industries'
- **Federation of Indian Chambers of Commerce & Industry (FICCI)** CSR Corporate Citizen award to ACC Thondebhavi for exemplary innovation in promoting CSR
- **Confederation of Indian Industry (Southern Region) Award** to ACC Kudithini in appreciation of efforts rendered in Environment Health and Safety Practices and Policies for 2013
- **Karnataka State Safety Award** - first prize - to ACC Kudithini from Government of Karnataka



5.6 | Glossary



Absolute Gross Emissions - Total amount of CO₂ emissions from cement production activities

Absolute Net Emissions - Gross CO₂ emissions minus credits for indirect savings such as by use of alternative waste materials as fuel.

ACC AHEAD - Association for Health, Education and Development, a social volunteering initiative of members of ACC's Ladies Clubs and spouses of ACC employees

ACC Cement Technology Institute (ACTI) - the company's institute in Chhattisgarh which offers specialized technical training to young engineering graduates.

Alternative Fuels and Resources (AFR) - Inputs derived from waste streams contributing energy and/or resource recovery

Bag House - Air pollution control equipment that removes particulates from flue gas released in manufacturing processes

Biodiversity - Refers to the variety of life on earth - the different animals, plants and micro-organisms, their genes and the ecosystems of which they are a part.

Biodiesel - It is a domestically produced, renewable fuel that can be manufactured from vegetable oils, animal fats, or recycled restaurant grease for use in diesel vehicles.

Blended Cement - Hydraulic cements consisting essentially of an intimate and uniform blend of ordinary Portland cement with either slag or fly ash

Business Risk Management Process (BRM) - A process in ACC to help identify various risks and opportunities associated with our business.

Captive Power Plants (CPP) - Power plants including Generation Sets, normally established by an industry to meet its own power requirements.

Carbon Footprint - The total set of greenhouse gas emissions caused by an organization.

Castor - A type of tree which produces the castor bean that yields castor oil. This oil is one of hard oils, where the oil content in the seed is relatively high. Castor oil's numerous chemical derivatives are "renewable sources, bio-degradable and eco-friendly.

CDM - Clean Development Mechanism, a flexible scheme provided in the Kyoto Protocol that assists countries and business entities in achieving compliance with their quantified emission limitation and reduction commitments.

Cement - a building material made by grinding calcined limestone and clay to a fine powder. It acts as a binding agent when mixed with sand, gravel or crushed stone and water to make concrete.

Cement Sustainability Initiative (CSI) - a global group of 24 major cement producers set up under the World Business Council for Sustainable Development for the pursuit of issues concerning sustainable development in the cement sector.

CEMS - Continuous Emissions Monitoring Systems

CER - Certified Emission Reduction, a type of tradable carbon credit issued in lieu of emission reduction achieved by projects qualifying under the Clean Development Mechanism (CDM)

CII - Confederation of Indian Industry, a non-government, not-for-profit, industry-led and industry-managed organization that facilitates dialogue with industry and government

Clinker - An intermediate product in cement manufacture that is produced by sintering and fast-cooling ground limestone

Clinker Factor - The percentage of clinker in cement

Community Advisory Panel (CAP) - A group of persons selected to represent the target community whose views are considered as being representative of the community in matters concerning its social needs and development schemes

Community Needs Assessment - A systematic process to acquire an accurate understanding of a community's needs and priorities in the context of its economic and social development

Concrete - A building material produced by mixing cement, water and aggregates comprising sand and gravel or crushed stone.

Co-processing - The act of adapting an existing industrial process in a single combined operation, whereby certain so-called 'waste' materials may be put to use as alternative fuel or raw material in cement kilns, dryers and captive power plants

Corporate Social Responsibility (CSR) -

In a wider context the term indicates the commitment of business to contribute to sustainable development, working with various stakeholders like employees, their families, the local community and society at large to improve their quality of life. We generally use this term to refer specifically to community development and engagements.

Central Pollution Control Board (CPCB) -

A statutory organisation under the Ministry of Environment and Forests responsible for maintaining national standards under a variety of environmental laws, in consultation with zonal offices, and local governments.

Critical Incident - An incident (Independent of the outcome eg: Near Miss, FAI, MTI, LTI) which had the potential to cause serious injuries (single fatality, multiple fatalities) or to cause substantial property damage or loss (eg: fire, explosions, geotechnical or structural failures).

Dolochar - A waste material generated in sponge iron industry used as a substitute fuel for coal used in captive power plants.

DRT - the company's Disaster Response Team

Eco-Efficiency - Reduction in the resource intensity of production, i.e. the input of materials, natural resources and energy compared with the output: essentially, doing more with less.

Employee Lost Time Injury - A work-related injury after which the injured person cannot work for at least one full shift/full working day.

Employee Lost Time Injury Frequency

Rate - refers to the rate of occurrence of workplace incidents that result in an employee's inability to work the next full work day. Calculated as the number of lost-time injuries within a given accounting period relative to the total number of hours worked in the same accounting period.

Employee Lost Working days - Those days on which, because of occupational injury or illness, the employee was away from work or limited to restricted work activity.

Environmental Impact Assessment

(EIA) - An assessment of the possible impacts that a proposed project may have on the environment, consisting of the environmental, social and economic aspects.

FICCI - Federation of Indian Chambers of Commerce and Industry, an association of business organizations in India

Fly Ash - Waste particulate residue from thermal power plants or incineration plants

Focus Group - A form of qualitative research, which involves interviews and interaction with a representative sample of community or population segment

Fossil Fuels - Non-renewable carbon-based fuels like coal and oil etc

Fraud Risk Management (FRM) Policy -

The policy under which reviews are done and appropriate actions are taken in cases of suspected fraud or misconduct in the company.

Geocycle - The brand name under which Holcim offers sustainable solutions for waste management.

Global Reporting Initiative (GRI) - An International framework recommended for reporting progress against Sustainable Development. In May 2013, GRI released the fourth generation of its Guidelines - G4. This report is based on G4 guidelines.

GPS - Global Positioning System

Green Building - A Building which uses less water, optimizes energy efficiency, conserves natural resources, generates less waste and provides healthier spaces for occupants, as compared to a conventional building.

Greenhouse Gases - Gases that absorb and emit radiation within the thermal infrared range of the earth's atmosphere.

Human Development Index (HDI) - A composite statistic of life expectancy, education, and income indices used to rank countries into four tiers of human development.

IUCN - The International Union for Conservation of Nature, an international organisation working for natural resource conservation.

Industrial Training Institute (ITI) - Government-run Training institutes which provide post-school technical training.

Infant Mortality Rate (IMR) - The death rate during the first year of a child's life.

INR - The Indian rupee also denoted as Rs. or ₹

Jatropha - A genus of plants and trees whose fruit and seeds contain oil which serves as a replacement of fossil fuels. They are amenable to bio-diesel production.

Kiln - Large rotating cylindrical industrial oven used in the manufacture of cement clinker. In this report, "kiln" always refers to a rotary kiln. A cement kiln is believed to be among the largest moving machines.

Limestone - A sedimentary rock composed of calcium carbonate used as the main input in cement manufacture.

Material Aspects - those aspect or subjects that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.

Materiality - Topics or aspects and indicators that reflect the organization's significant economic, environmental, and social impacts or that would substantially influence the assessment and decisions of stakeholders. According to GRI guidelines, Materiality is the threshold at which an issue or indicator becomes sufficiently important that it should be reported.

Mother Mortality Rate (MMR) - Maternal mortality ratio is the number of women who die during pregnancy and childbirth, per 100,000 live births.

MT - Metric Tonne

MW - Megawatt, a unit of power equal to one million watts

NOx - A generic term for Nitrogen oxides, usually refers to it as an air pollutant.

Occupational Health and Safety (OH&S) - Policies and activities to promote and secure the health and safety of employees, subcontractors, third parties and visitors.

Ordinary Portland Cement (OPC) - Cement made by inter-grinding clinker and gypsum.

Order Execution Time (OET) - The total time taken to execute an order.

Perform Achieve Trade (PAT) Scheme - A trading scheme aimed to reduce energy consumption in industries across India using market oriented mechanisms. The scheme is designed and implemented by the Bureau of Energy Efficiency (BEE), under the Ministry of Power, India.

Profit After Tax (PAT) - It is the net profit earned by the company after deducting all expenses like interest, depreciation and tax.

Personal Protective Equipment (PPE) - Protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.

Pet Coke - Petroleum coke which is a carbon solid derived from oil refinery coker units or other cracking processes.

Portland Pozzolana Cement (PPC) - Cement produced by inter-grinding a pozzolanic material such as fly-ash with clinker and gypsum.

Portland Slag Cement (PSC) - Cement produced by inter-grinding slag with clinker and gypsum.

Public-Private Partnership (PPP) - A government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

Radio Frequency Identification Device (RFID) - The wireless non-contact use of radio-frequency electromagnetic fields to transfer data, for the purposes of automatically identifying and tracking tags attached to objects.

Rain Water Harvesting (RWH) - Techniques used for collecting and storing, and using rainwater

Ready Mixed Concrete (RMX) - Concrete that is specifically manufactured for delivery to the construction site in a freshly mixed and plastic or unhardened state. RMX is the acronym we use at ACC.

Renewable Purchase Obligation (RPO) - The obligation imposed by law on some entities to either buy electricity generated by specified 'green' sources, or buy, in lieu of that, 'renewable energy certificates (RECs)' from the market.

SA8000 - It is an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace.

Self-help Group (SHG) - A village-based voluntary support group usually composed of 10-20 local women or men who come together to address a shared cause or objective.

Slag - A non-metallic product consisting essentially of glass containing silicates, alumino-silicates of lime and other bases. It is obtained as a waste by-product in the manufacture of pig iron in a blast furnace or electric furnace.

SO₂ - The chemical term for sulphur dioxide, usually understood to be an air pollutant that plays a critical role in global warming.

Stakeholder - Individuals or groups whose actions significantly affect or can be affected by an organization's activities, products or services.

Stakeholder Dialogue - A structured way to solicit feedback from a company's stakeholders, typically by inviting them to comment on specific issues or problems.

Stakeholder Engagement - The process by which an organization involves its stakeholders, that is, the people who may be affected by its decisions or can influence the implementation of its decisions.

SES - Stakeholder Engagement Surveys

SOT - Safety Observation Tour

Sumant Moolgaokar Technical Institute (SMTI) - An institute established by ACC in 1949 to train young people in specialized trades to become artisans, foremen and first line supervisors.

Sustainable Construction - Building in a way that is socially, economically, environmentally, functionally and aesthetically balanced to meet today's needs and to provide and conserve resources for future generations.

Sustainable Development - Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. SD is the acronym we use at ACC.

Sustainability Reporting - the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development

TERI - The Energy & Resources Institute, a global think tank and research institute that works in the areas of energy, environment and sustainable development

Thermal Substitution Rate (TSR) - The amount of energy used from alternative fuels as a percentage of the total energy consumed in the process.

TJ - TeraJoule, a measurement of energy equivalent to one trillion (10¹²) joules.

Triple Bottom Line - A business accounting framework that incorporates three dimensions of an organisation's performance: social, environmental and financial. TBL dimensions are also commonly called the three Ps: people, planet and profit.

UN Global Compact (UNGC) - A UN initiative to encourage global businesses to adopt ten principles covering Human Rights, Labour Standards, Environment and Anti-corruption.

United Nations Framework Convention on Climate Change (UNFCCC) - An international environmental treaty whose objective is to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous interference with the climate system by humans.

Vertical Roller Mill (VRM) - Vertical roller mill is a type of grinding machine used to grind materials into extremely fine powder. In cement plants a VRM is now recognized as standard energy efficient equipment to grind clinker into cement.

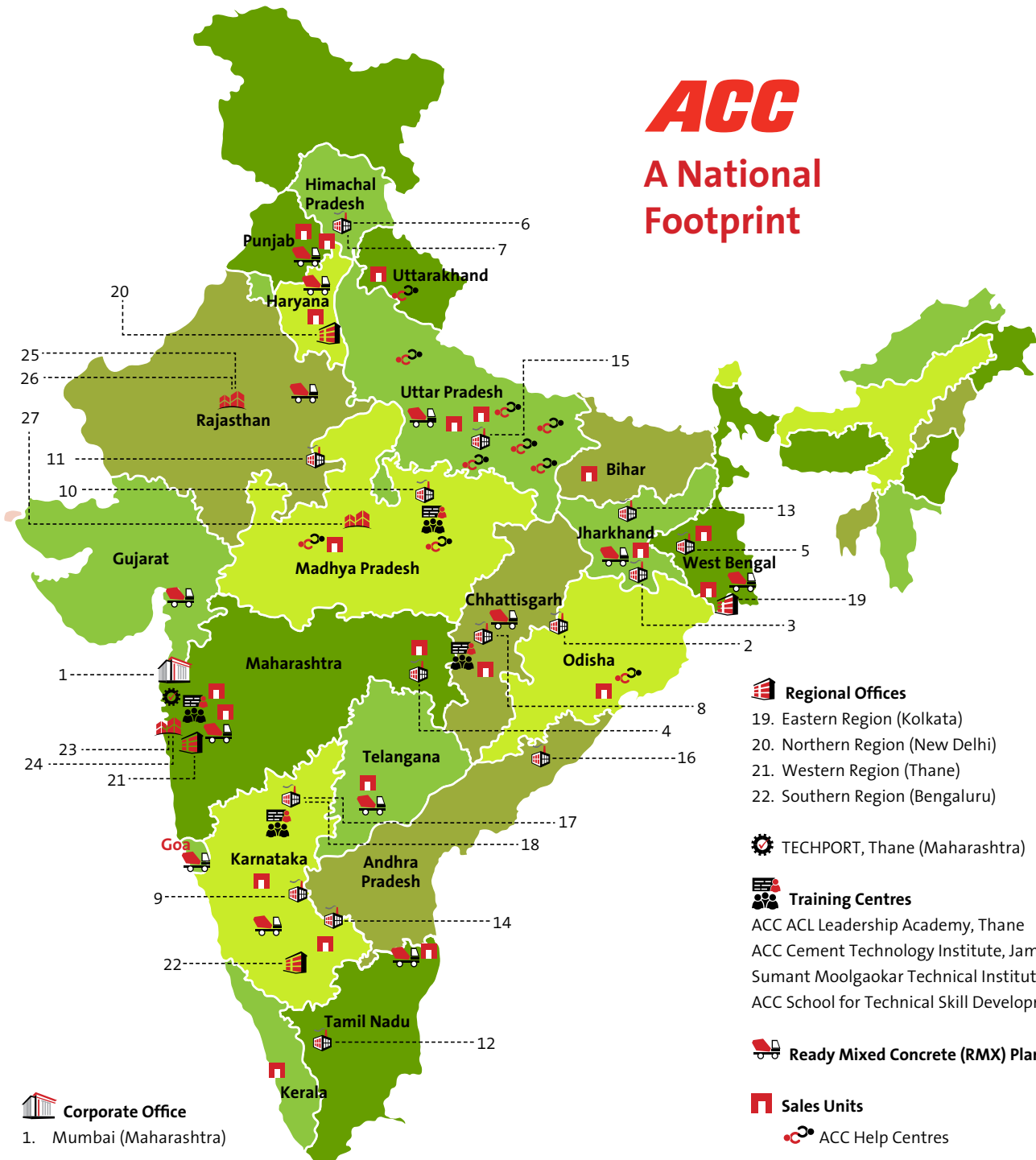
Waste Heat Recovery - Generating power by utilizing waste heat from preheater and cooler gases.

World Business Council for Sustainable Development (WBCSD) - A CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.

We welcome your feedback and suggestions. Please write to : narayanarao.kapilavai@acclimited.com

ACC

A National Footprint



Regional Offices

- 19. Eastern Region (Kolkata)
- 20. Northern Region (New Delhi)
- 21. Western Region (Thane)
- 22. Southern Region (Bengaluru)

TECHPORT, Thane (Maharashtra)

Training Centres

- ACC ACL Leadership Academy, Thane
- ACC Cement Technology Institute, Jamul
- Sumant Moolgaokar Technical Institute, Kymore
- ACC School for Technical Skill Development, Wadi

Ready Mixed Concrete (RMX) Plants

Sales Units

ACC Help Centres

Subsidiary Companies

- 23. ACC Mineral Resources Limited (Maharashtra)
- 24. Bulk Cement Corporation (India) Limited (Maharashtra)
- 25. Lucky Minmat Limited (Rajasthan)
- 26. National Limestone Company Pvt. Ltd. (Rajasthan)
- 27. Singhania Minerals Pvt. Ltd. (Madhya Pradesh)

This map is as of February 3, 2015. It is illustrative and not drawn to scale.
Andaman, Nicobar and Lakshadweep islands are not shown.

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