About ACC

Building a shared, sustainable future

ACC has been synonymous with cement in India for the past 85 years. Over the decades, we have evolved into a leading building materials solutions provider, setting industry benchmarks with our innovative product development. Our comprehensive portfolio of products and solutions caters to the aspirational and diverse building needs of a nation on the march, and contributes to its inclusive development agenda.

PURPOSE
To be a driving force in creating a confident future for our people, our customers, our shareholders and our nation.

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

PRESENCE
Our strategic manufacturing and marketing presence comprising of integrated cement plants, grinding units, ready-mix concrete plants and network of channel partners enables us to meet the customer needs across India.

OUR PARENTAGE
We became a part of the Holcim Group, Switzerland, in 2005 (LaFargeHolcim Group has rebranded itself as Holcim Group in 2021). Holcim is a global leader in building materials and solutions and is active in four business segments namely Cement, Aggregates, Ready-Mix Concrete and Solutions & Products. Following its pledge to Net Zero, Holcim’s ambition is to lead the industry in reducing carbon emissions and shifting towards low-carbon construction. We pride ourselves in being part of the Group. Holcim supports us in our efforts towards adopting best-in-class technologies, sustainability at our plants, and offering innovative products.

This year, we have also taken the ‘Net Zero’ pledge and we are the first company in the Indian construction sector to sign the ‘Business Ambition for 1.5°C’ commitment. We have committed to reduce our CO₂ intensity per tonne of cementitious material by 2030. To achieve this goal, we have launched ECOPact, an eco-friendly range of ready-mix concrete, with 30% to 70% less carbon emissions compared to standard concrete.

HOLCIM KEY FACTS

<table>
<thead>
<tr>
<th>Employees</th>
<th>70,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement and grinding plants</td>
<td>266</td>
</tr>
</tbody>
</table>

STRATEGY
Our strategic priorities are accelerating growth, leading in sustainability and innovation and delivering superior performance. Our strategy intends to deliver strong returns to shareholders, develop best-in-class and sustainable products for customers and create shared value for our key stakeholders, including our employees and communities.

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ACC Limited Integrated Report 2021
NATIONAL OUTREACH
Over the years, we have set up manufacturing and grinding units, and ready-mix concrete plants across the length and breadth of India.

KEY FACTS
17 Cement plants
34.45 MTPA Installed cement manufacturing capacity
78 Ready-mix concrete plants
56,000+ Channel partners

Note: Map not to scale

Ready-mix concrete plants: 78* across 17 states
Cement plants across 12 states

- Grinding unit
- Integrated plant
  - Andhra Pradesh
  - Chhattisgarh
  - Himachal Pradesh
  - Jharkhand
  - Karnataka

- Visakhapatnam
- Jamul
- Gagal 1
- Gagal 2
- Chaibasa
- Sndri
- Kudithini
- Thondebhavi
- Wadi 1
- Wadi 2
- Kymore
- Chanda
- Bargah
- Lakheri
- Madukkarai
- Tikaria
- Damodhar

Regional sales offices
Central and Eastern region: Kolkata, West Bengal
Northern region: New Delhi, NCR
Western region: Thane, Maharashtra
Southern region: Bengaluru, Karnataka

Training centres
- ACC ACL Leadership Academy
  Thane, Maharashtra
- ACC Cement Technology Institute
  Jamul, Chhattisgarh

- Sumant
- Mooigaokar
- Technical Institute
  Kymore,
  Madhya Pradesh

Corporate office
Mumbai, Maharashtra

Geocyce India
Thane, Maharashtra

Sales units
Techport
Thane, Maharashtra

*Plants depicted with state highlights for representation on map

Note: Map not to scale
Product portfolio

Keeping ahead with category-first innovations

ACC is leading from the front and constantly pushing boundaries by developing modern products and service solutions that score high on performance, durability, strength and power. Our differentiated offerings are the result of our deep understanding of every consumer segment and tailoring our value propositions to their needs. Innovation and premium brand positioning are at the core of our portfolio, helping us reshape the way India builds.

**CEMENT**

The Gold and Silver ranges of cement assure superior quality for specialised applications and environment besides being immensely suited for general construction.

**GOLD RANGE**

A super premium line-up of unique products for catering to specialised applications.

**ACC GOLD WATER SHIELD**

Premium cement with a unique water repellent formula, which acts as a shield against water seepage.

**ACC F2R SUPERFAST**

Scientifically developed with superior strength and superfine quality that enables robust construction in a short time.

**ACC CONCRETE+ XTRA STRONG**

Specially formulated cement with unique binding properties, designed to provide higher strength.
SILVER RANGE
The premium offerings are targeted at value-conscious buyers looking for high-quality cement at affordable prices.

ACC SURAKSHA POWER
Loaded with unique strength multipliers; providing homes with strength that increases over time

ACC HPC LONG LIFE
High-performance cement that forms strong bonds and makes dense concrete to provide the consumer with long-lasting homes

ACC SURAKSHA POWER+
Developed with engineered Particle Size Distributor (PSD) technology, its advanced formula along with tamper-proof packaging, enhances the superior quality

ACC SUPER SHAKTIMAAN
Scientifically made cement that fulfils the consumers’ need of making their homes strong from the inside, year after year
Product portfolio

READY-MIX CONCRETE (RMX)

Customised range of ready-mix concrete to meet specific requirements of diverse clientele, from small homes to mega projects.

RMX INNOVATIVE SOLUTIONS

ACC ECOPact
Low carbon footprint with the use CO₂ reduced binders, offering superior durability and finish

ACC JETSETCRETE
Designed to gain ultra-high early strength within a few hours with self-levelling features

ACC Ultivacrete
Highest commercial (M 140) grade concrete available in India

ACC AIRIUM (Upcoming)
Thermal insulating and climate control concrete system with energy and cost savings

ACC ready-mix concrete has a vast portfolio of 25 value-added solutions designed to meet different stages of construction requirement from the foundation to the roof.

To know more please visit www.acclimited.com/products/concrete-value-added-products
SOLUTIONS AND PRODUCTS

CONSTRUCTION CHEMICALS
The ACC LeakBlock range of construction chemicals gives 360° water resistance capability to structures.

- ACC LeakBlock Cement Mix LB 202
- ACC LeakBlock Cement Coat LB 303

SOLUTIONS AND PRODUCTS

DRY-MIX RANGE FOR RETAIL CUSTOMERS
The dry-mix range provides specific solutions to consumers’ pain points. With consumer-friendly packaging and ease of use, these make home building easier.

- ACC LeakBlock Waterproof Plaster LB 101
- ACC Xtra Strong Tile Adhesive XT 111
- ACC Xtra Strong Tile On Tile Adhesive XT 222
- ACC LeakBlock Waterproof Plaster XT 333
- ACC Xtra Strong Tile Adhesive XT 444
- SELF CURING PLASTER 200

SOLUTIONS AND PRODUCTS

DRY-MIX RANGE FOR INSTITUTIONAL CUSTOMERS
This dry-mix range is designed to address key pain points of institutional consumers. With large 40 kg packs, these products provide customised solutions to suit various requirements of customers across the construction cycle.

- ACC ADMIX LP-4300
- ACC ADMIX MP-5400
- ACC ADMIX HP-6500
- ACC ADMIX HVF-7900
- Ready Use Plaster 101
- Self Curing Plaster 200
- Waterproof Plaster 201
- Thin Bed Jointing Mortar 105
- Grout 250
- Grout 275
- Tile Fix 111
- Tile Fix 222
- Tile Fix 333
- Fibre reinforced Mortar PMM 340
- Premium White Adhesive

ACC ADMIX – RANGE OF CONCRETE ADMIXTURES
ACC ADMIX range are new generation super plasticiser based on modified PolyCarboxylate Ether (PCE) based polymer, designed to impart exceptional performance in concrete

- ACC ADMIX LP-4300
- ACC ADMIX MP-5400
- ACC ADMIX HP-6500
- ACC ADMIX HVF-7900
ACC GREEN BUILDING CENTRE (GBC)

GBC provides alternative building solutions, including eco-friendly cement bricks, blocks, roofing solutions, and aggregates in Tier I and II and semi-rural user communities.

WALL CONSTRUCTION OFFERING

ACC Green Bricks
Produced by fully automatic vibro-compaction technology, these bricks have superior finish and durability and reduce application costs by up to 15%.

ACC Green Concrete Hollow and Solid Blocks
Faster construction, economical and high thermal insulation. Hollow Blocks are best for hilly regions with seismicity.

ACC Green Concrete Precast Wall Panels
Provide high strength and fast construction along with economy, making them ideal for large boundary walls.

ACC+ Green AAC Blocks
They provide superior thermal and sound insulation, prevents seepage; high strength, low weight, they are ideal for homes.

ACC Green AAC Blocks
Great product for projects due to their light weight and good thermal insulation, fast construction with savings in steel and cement.
PAVEMENT AND FLOOR CONSTRUCTION OFFERING

ACC Green Interlocking and Designer Paver Blocks and Slabs
Easy to install, maintain and repair and can be used for various traffic conditions. Designer blocks enhance aesthetics of landscapes

ACC Green Concrete Plain and Chequered Tiles
Anti-skid tiles available in several aesthetically pleasing colours and designs, easy to install, maintain and repair

ACC Green Concrete Kerb Stones
Strong and sturdy, help maintain pavements. Easy to install and can be produced in several designs

ACC Green Drains and Manhole Covers
Various designs and sizes to facilitate road and pavement construction

ACC USER-FRIENDLY GREEN CONCRETE PRODUCTS

ACC Green Toilets
Easy to manufacture and install

ACC Designer Garden Benches
Superior quality, multiple designs and easy to install

ACC Green Concrete Fencing Poles
Useful for barricading large stretches of land, easy to install

ACC Green Concrete Cover Blocks
Technically superior solution to prevent corrosion of steel rebars and facilitates a uniform concrete cover during construction
Delivering sustainable returns

Our performance during the year was marked by strong growth in cement volumes as well as higher price realisations. Despite a steep increase in fuel costs, our cost-efficiency measures under project ‘Parvat’ enabled us to deliver robust performance.

Net Sales, Operating EBITDA & Operating EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (₹ Crore)</th>
<th>Operating EBITDA (₹ Crore)</th>
<th>Operating EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>12,909</td>
<td>1,909</td>
<td>14</td>
</tr>
<tr>
<td>2018</td>
<td>13,487</td>
<td>2,045</td>
<td>28</td>
</tr>
<tr>
<td>2019</td>
<td>13,343</td>
<td>2,409</td>
<td>18</td>
</tr>
<tr>
<td>2020</td>
<td>13,487</td>
<td>2,522</td>
<td>19</td>
</tr>
<tr>
<td>2021</td>
<td>3,000</td>
<td>19</td>
<td>62</td>
</tr>
</tbody>
</table>

Cement Sales Volume & Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Cement Sales Volume (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>14</td>
</tr>
<tr>
<td>2018</td>
<td>14</td>
</tr>
<tr>
<td>2019</td>
<td>13</td>
</tr>
<tr>
<td>2020</td>
<td>(12)</td>
</tr>
<tr>
<td>2021</td>
<td>13</td>
</tr>
</tbody>
</table>

Cement Operating EBITDA & Operating EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Cement Operating EBITDA (₹ Crore)</th>
<th>Operating EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1174</td>
<td>15</td>
</tr>
<tr>
<td>2018</td>
<td>143</td>
<td>26</td>
</tr>
<tr>
<td>2019</td>
<td>16</td>
<td>54</td>
</tr>
<tr>
<td>2020</td>
<td>18</td>
<td>72</td>
</tr>
<tr>
<td>2021</td>
<td>20</td>
<td>97</td>
</tr>
</tbody>
</table>

Ready Mix Concrete Operating EBITDA & Operating EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Ready Mix Concrete Operating EBITDA (₹ Crore)</th>
<th>Operating EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>113</td>
<td>62</td>
</tr>
<tr>
<td>2018</td>
<td>114</td>
<td>62</td>
</tr>
<tr>
<td>2019</td>
<td>112</td>
<td>62</td>
</tr>
<tr>
<td>2020</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td>2021</td>
<td>8</td>
<td>62</td>
</tr>
</tbody>
</table>

Profit Before Tax (PBT) & Profit After Tax (PAT)

<table>
<thead>
<tr>
<th>Year</th>
<th>PBT (₹ Crore)</th>
<th>PAT (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,938</td>
<td>358</td>
</tr>
<tr>
<td>2018</td>
<td>1,494</td>
<td>261</td>
</tr>
<tr>
<td>2019</td>
<td>2,334</td>
<td>431</td>
</tr>
<tr>
<td>2020</td>
<td>1,858</td>
<td>391</td>
</tr>
<tr>
<td>2021</td>
<td>2,490</td>
<td>487</td>
</tr>
</tbody>
</table>

Dividend Per Share, Earnings Per Share and Dividend Payout Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS (₹ per share)</th>
<th>DPS (₹ per share)</th>
<th>Dividend Payout Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>26</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>2018</td>
<td>54</td>
<td>5</td>
<td>29</td>
</tr>
<tr>
<td>2019</td>
<td>72</td>
<td>5</td>
<td>72</td>
</tr>
<tr>
<td>2020</td>
<td>75</td>
<td>7</td>
<td>97</td>
</tr>
<tr>
<td>2021</td>
<td>60</td>
<td>8</td>
<td>60</td>
</tr>
</tbody>
</table>

*Excludes write-back of ₹501 Crore related to tax provision

* EPS is calculated excluding write-back of tax provision
**Average Capital Employed & Return on Capital Employed (RoCE)**

- **↑ 11% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Capital Employed (₹ Crore)</th>
<th>RoCE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9,199</td>
<td>14</td>
</tr>
<tr>
<td>2018</td>
<td>9,647</td>
<td>15</td>
</tr>
<tr>
<td>2019</td>
<td>11,014</td>
<td>18</td>
</tr>
<tr>
<td>2020</td>
<td>12,093</td>
<td>19</td>
</tr>
<tr>
<td>2021</td>
<td>12,131</td>
<td>19</td>
</tr>
</tbody>
</table>

**Net Fixed Assets & Asset Turnover Ratio**

- **↑ 10% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Fixed Assets (₹ Crore)</th>
<th>Asset Turnover Ratio (times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7,503</td>
<td>1.7</td>
</tr>
<tr>
<td>2018</td>
<td>7,442</td>
<td>1.9</td>
</tr>
<tr>
<td>2019</td>
<td>7,427</td>
<td>2.1</td>
</tr>
<tr>
<td>2020</td>
<td>7,074</td>
<td>1.9</td>
</tr>
<tr>
<td>2021</td>
<td>7,809</td>
<td>2.0</td>
</tr>
</tbody>
</table>

**Book Value Per Share**

- **↑ 13% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Book Value Per Share (₹ per share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>499</td>
</tr>
<tr>
<td>2018</td>
<td>561</td>
</tr>
<tr>
<td>2019</td>
<td>614</td>
</tr>
<tr>
<td>2020</td>
<td>674</td>
</tr>
<tr>
<td>2021</td>
<td>758</td>
</tr>
</tbody>
</table>

**Market Capitalisation**

- **↑ 37% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Capitalisation (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>33,021</td>
</tr>
<tr>
<td>2018</td>
<td>28,320</td>
</tr>
<tr>
<td>2019</td>
<td>27,147</td>
</tr>
<tr>
<td>2020</td>
<td>30,377</td>
</tr>
<tr>
<td>2021</td>
<td>41,609</td>
</tr>
</tbody>
</table>

**Contribution to Exchequer**

- **↑ 11% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution to Exchequer (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5,331</td>
</tr>
<tr>
<td>2018</td>
<td>6,716</td>
</tr>
<tr>
<td>2019</td>
<td>7,955</td>
</tr>
<tr>
<td>2020</td>
<td>8,644</td>
</tr>
<tr>
<td>2021</td>
<td>9,242</td>
</tr>
</tbody>
</table>

**Corporate Social Responsibility Expenditure**

- **↑ 13% YoY**

<table>
<thead>
<tr>
<th>Year</th>
<th>CSR Expenditure (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>22</td>
</tr>
<tr>
<td>2018</td>
<td>20</td>
</tr>
<tr>
<td>2019</td>
<td>25</td>
</tr>
<tr>
<td>2020</td>
<td>31</td>
</tr>
<tr>
<td>2021</td>
<td>36</td>
</tr>
</tbody>
</table>
Financial performance (Standalone)

Cost and profit as a percentage of revenue from operations

**2021**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Amount (₹ Crore)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of materials consumed</td>
<td>2,120</td>
<td>13%</td>
</tr>
<tr>
<td>Power and fuel</td>
<td>3,361</td>
<td>21%</td>
</tr>
<tr>
<td>Employee cost</td>
<td>834</td>
<td>5%</td>
</tr>
<tr>
<td>Manufacturing and other costs</td>
<td>2,991</td>
<td>18%</td>
</tr>
<tr>
<td>Freight and forwarding expense</td>
<td>3,845</td>
<td>24%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>597</td>
<td>4%</td>
</tr>
<tr>
<td>Finance costs</td>
<td>55</td>
<td>1%</td>
</tr>
<tr>
<td>Other income</td>
<td>(205)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Profit before exceptional items and tax</td>
<td>2,553</td>
<td>16%</td>
</tr>
</tbody>
</table>

**2020**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Amount (₹ Crore)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of materials consumed</td>
<td>1,673</td>
<td>12%</td>
</tr>
<tr>
<td>Power and fuel</td>
<td>2,572</td>
<td>19%</td>
</tr>
<tr>
<td>Employee cost</td>
<td>839</td>
<td>6%</td>
</tr>
<tr>
<td>Manufacturing and other costs</td>
<td>2,916</td>
<td>20%</td>
</tr>
<tr>
<td>Freight and forwarding expense</td>
<td>3,432</td>
<td>25%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>635</td>
<td>5%</td>
</tr>
<tr>
<td>Finance costs</td>
<td>57</td>
<td>1%</td>
</tr>
<tr>
<td>Other income</td>
<td>(204)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Profit before exceptional item and tax</td>
<td>1,864</td>
<td>14%</td>
</tr>
</tbody>
</table>
## Standalone financial highlights

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement Production (Million Tonne)</td>
<td>26.92</td>
<td>23.77</td>
<td>27.87</td>
<td>28.36</td>
<td>26.56</td>
<td>23.18</td>
<td>23.84</td>
<td>24.24</td>
<td>23.86</td>
<td>24.12</td>
</tr>
<tr>
<td>Capacity utilisation</td>
<td>78%</td>
<td>72%</td>
<td>84%</td>
<td>86%</td>
<td>79%</td>
<td>73%</td>
<td>77%</td>
<td>78%</td>
<td>78%</td>
<td>79%</td>
</tr>
<tr>
<td><strong>INCOME STATEMENT – ₹ Crore</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>15,814</td>
<td>13,487</td>
<td>15,343</td>
<td>14,477</td>
<td>12,909</td>
<td>10,772</td>
<td>11,433</td>
<td>11,481</td>
<td>10,889</td>
<td>11,130</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>3,000</td>
<td>2,352*</td>
<td>2,409</td>
<td>2,045</td>
<td>1,909</td>
<td>1,474</td>
<td>1,537</td>
<td>1,507</td>
<td>1,629</td>
<td>2,196</td>
</tr>
<tr>
<td>Profit before exceptional items and tax</td>
<td>2,553</td>
<td>1,864</td>
<td>2,031</td>
<td>1,494</td>
<td>1,298</td>
<td>914</td>
<td>937</td>
<td>1,135</td>
<td>1,227</td>
<td>1,451</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>2,460</td>
<td>1,688</td>
<td>2,031</td>
<td>1,494</td>
<td>1,298</td>
<td>871</td>
<td>784</td>
<td>1,135</td>
<td>1,227</td>
<td>1,451</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>1,820</td>
<td>1,415</td>
<td>1,359</td>
<td>1,507</td>
<td>915</td>
<td>647</td>
<td>592</td>
<td>1,168</td>
<td>1,096</td>
<td>1,061</td>
</tr>
<tr>
<td><strong>BALANCE SHEET – ₹ Crore</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Worth</td>
<td>14,228</td>
<td>12,661</td>
<td>11,521</td>
<td>10,528</td>
<td>9,365</td>
<td>8,832</td>
<td>8,443</td>
<td>8,236</td>
<td>7,825</td>
<td>7,383</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35</td>
<td>163</td>
</tr>
<tr>
<td>Net Fixed Assets (Including CWIP)</td>
<td>7,809</td>
<td>7,074</td>
<td>7,427</td>
<td>7,442</td>
<td>7,503</td>
<td>7,786</td>
<td>7,656</td>
<td>7,513</td>
<td>6,324</td>
<td>6,175</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>7,247</td>
<td>5,735</td>
<td>4,383</td>
<td>2,837</td>
<td>2,527</td>
<td>1,778</td>
<td>1,389</td>
<td>1,686</td>
<td>2,621</td>
<td>3,137</td>
</tr>
<tr>
<td>Current Assets</td>
<td>5,815</td>
<td>5,106</td>
<td>5,107</td>
<td>5,711</td>
<td>5,339</td>
<td>5,760</td>
<td>5,485</td>
<td>3,476</td>
<td>3,098</td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>6,308</td>
<td>5,088</td>
<td>4,919</td>
<td>4,834</td>
<td>4,923</td>
<td>4,110</td>
<td>3,893</td>
<td>3,900</td>
<td>3,726</td>
<td>3,863</td>
</tr>
<tr>
<td>Capital Employed</td>
<td>14,228</td>
<td>12,661</td>
<td>11,521</td>
<td>10,528</td>
<td>9,365</td>
<td>8,832</td>
<td>8,443</td>
<td>8,236</td>
<td>7,860</td>
<td>7,546</td>
</tr>
<tr>
<td><strong>SIGNIFICANT RATIOS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating EBITDA margin</td>
<td>19%</td>
<td>17%</td>
<td>16%</td>
<td>14%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Return on Average Capital Employed</td>
<td>19%</td>
<td>15%</td>
<td>18%</td>
<td>15%</td>
<td>14%</td>
<td>11%</td>
<td>11%</td>
<td>14%</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>Return on Net Worth</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
<td>7%</td>
<td>7%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Current Ratio (Times)</td>
<td>0.92</td>
<td>1.00</td>
<td>1.04</td>
<td>1.18</td>
<td>1.08</td>
<td>0.91</td>
<td>0.93</td>
<td>0.89</td>
<td>0.93</td>
<td>0.80</td>
</tr>
<tr>
<td>Debt Equity Ratio (Times)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.004</td>
<td>0.02</td>
</tr>
<tr>
<td>Price Earning Ratio (Times)</td>
<td>22.86</td>
<td>21.56</td>
<td>20.03</td>
<td>27.84</td>
<td>36.08</td>
<td>38.39</td>
<td>43.07</td>
<td>22.56</td>
<td>18.91</td>
<td>25.15</td>
</tr>
<tr>
<td>Net worth per share (₹)</td>
<td>758</td>
<td>674</td>
<td>614</td>
<td>561</td>
<td>499</td>
<td>470</td>
<td>450</td>
<td>439</td>
<td>416</td>
<td>393</td>
</tr>
<tr>
<td>Dividend per share (₹)</td>
<td>58</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>26</td>
<td>17</td>
<td>17</td>
<td>34</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Basic Earnings per share (₹)</td>
<td>96.93</td>
<td>75.35</td>
<td>72.36</td>
<td>80.23</td>
<td>48.75</td>
<td>34.46</td>
<td>31.51</td>
<td>62.23</td>
<td>58.36</td>
<td>56.52</td>
</tr>
<tr>
<td>Cash Earnings per share (₹)</td>
<td>128.74</td>
<td>118.55</td>
<td>104.47</td>
<td>112.16</td>
<td>82.84</td>
<td>66.69</td>
<td>74.40</td>
<td>91.93</td>
<td>88.93</td>
<td>104.15</td>
</tr>
</tbody>
</table>

**CASH FLOWS – ₹ Crore**

<table>
<thead>
<tr>
<th>Net cash provided by / (used in)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>2,832</td>
<td>2,216</td>
<td>2,248</td>
<td>1,118</td>
<td>1,555</td>
<td>1,381</td>
<td>1,461</td>
<td>1,332</td>
<td>1,056</td>
<td>1,577</td>
</tr>
<tr>
<td>Investing activities</td>
<td>[989]</td>
<td>[537]</td>
<td>[328]</td>
<td>[368]</td>
<td>[385]</td>
<td>[359]</td>
<td>[948]</td>
<td>[1,437]</td>
<td>[858]</td>
<td>[311]</td>
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<tr>
<td>Financing activities</td>
<td>[331]</td>
<td>[327]</td>
<td>[374]</td>
<td>[441]</td>
<td>[422]</td>
<td>[420]</td>
<td>[681]</td>
<td>[837]</td>
<td>[834]</td>
<td>[1,066]</td>
</tr>
</tbody>
</table>


**Notes:**

1. Cash and cash equivalents includes cash and bank balances, investment in short-term deposits and mutul funds
2. Cash Earnings Per Share = (Profit after tax + Depreciation) / Number of equity shares
3. Operating EBITDA – Profit from operations before other income, finance costs, depreciation and amortisation expense and exceptional items
4. Return on Average Capital Employed: EBIT / Average Capital Employed (Capital Employed: Net worth + Long-term borrowings + Current maturities of Long-Term borrowings) (EBIT: Profit before exceptional items and tax + interest on long-term borrowings)
5. Return on Net Worth: Profit after tax / Net worth
6. Price Earning Ratio: Market price per share / Basic earnings per share
7. Net Worth Per Share: Net Worth / Number of equity shares
Sustainability performance

Generating growth along the triple bottom line

Sustainable products and focused interventions have helped us reduce the impact of our operations on the environment, make positive contributions to the economy and society and deliver shared value.

<table>
<thead>
<tr>
<th>CLIMATE CHANGE</th>
<th>CO-PROCESSING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Zero Pledge with SBTi validated targets</td>
<td>90,000 Tonnes Waste utilised across 60+ sites remediating 300+ acres of land</td>
</tr>
<tr>
<td>pg 20</td>
<td>pg 67</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RENEWABLE ENERGY</th>
<th>SAFETY</th>
<th>WASTE TO RESOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 MW Wind power capacity</td>
<td>Zero fatalities Across our plants and in road transportation</td>
<td>Bubble Barrier Technology introduced for the first time in India to collect waste from rivers for co-processing in our kilns</td>
</tr>
<tr>
<td>82 MWp Solar energy capacity</td>
<td>0.25 Lost Time Injury Frequency Rate (LTIFR) ((\downarrow) 19% vs. 2020)</td>
<td>pg 77</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WATER STEWARDSHIP</th>
<th>SUSTAINABLE PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.22% Water treated and reused</td>
<td>ECOPact Green Concrete</td>
</tr>
<tr>
<td>pg 70</td>
<td>pg 10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMUNITY DEVELOPMENT</th>
<th>SUSTAINABLE CONSTRUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹35.95 Crore CSR expenditure</td>
<td>33,338 House constructions facilitated by GBCs</td>
</tr>
<tr>
<td>pg 82</td>
<td>pg 77</td>
</tr>
</tbody>
</table>

| 5 Lakh+ Beneficiaries of our CSR programmes | 150+ villages And 9 municipal areas benefited by our CSR initiatives |
| 88,058 MT Fly-ash utilisation | 1,90,792 MT Conservation of fertile soil |
| 88,058 MT Fly-ash utilisation | 13,429 MT Reduction in CO₂ emission |

5 Lakh+ Tonnes Industrial, municipal and plastic wastes co-processed
Sustainable Development 2030 (SD 2030) Plan

A roadmap for creating positive impact

The SD 2030 Plan outlines our agenda for the next decade. The plan rests on four key sustainability pillars – Climate and Energy, Circular Economy, Environment, and People and Community. It focuses on improving sustainability of our operations and developing innovative solutions for better construction. We are conscious of our use of resources and impact on the environment. We enable our people through a safe and progressive work environment. And we support our communities by working together to resolve the challenges they face.

**CLIMATE AND ENERGY**

**Objective**
Reduction of CO₂ emissions

*SBTi target
# specific net emission excluding CPP

**Lead Metrics**
- CO₂ emitted
  - 2021 Performance: 488#
  - 2030 Target*: 409 (kg/t cementitious material)

**SDGs impacted**

**CIRCULAR ECONOMY**

**Objective**
Enhanced reuse of waste-derived resources

**Lead Metrics**
- Waste reused
  - 2021 Performance: 11.36 (Million tonnes)
  - 2030 Target: 30 (Million tonnes)

**SDGs impacted**

**ENVIRONMENT**

**Objective**
Creating a positive impact on environment

**Lead Metrics**
- Water positivity index
  - 2021 Performance: 1.35
  - 2030 Target: 5 (No. of times)

**SDGs impacted**

**PEOPLE AND COMMUNITY**

**Objective**
Creation of shared value

**Lead Metrics**
- No. of new beneficiaries
  - 2021 Performance: 0.50 (Million new beneficiaries)
  - 2030 Target: 3.5

**SDGs impacted**

Cementing Relationships through Sustainability, Innovation and Inclusivity
In 2021, we became the first and only Indian cement company to sign the Net Zero pledge. We had our carbon emission reduction targets for 2030 validated by the Science Based Targets Initiative (SBTi). We aim to contribute towards creating a carbon neutral society by 2050 while optimising our value chain practices to progressively reduce environmental impact.

Following in the footsteps of the Holcim Group, which became the first global building materials company to sign the Business Ambition for 1.5°C pledge in 2020, we took up the challenge in 2021. We partnered with the Carbon Disclosure Project (CDP) India’s SBTi incubator programme to develop our science-based targets.

Our aim as per the Net Zero pledge

**21.3%**
Reduction in Scope 1 GHG emissions per tonne of cementitious material by 2030 from a 2018 base year

**48.4%**
Reduction in Scope 2 GHG emissions per tonne of cementitious material by 2030 from a 2018 base year

These targets are consistent with reductions required to keep global warming well below 2°C. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Read about our climate change mitigation efforts on pg 64
Collecting and utilising waste from the rivers

First time in India: Bubble Barrier technology to utilise plastic waste from rivers

Geocycle India, our in-house waste management arm, is implementing the smart and non-invasive Bubble Barrier technology to collect and co-process plastic waste that clogs India’s rivers. In support of the plastic-free Agra mission, Geocycle commissioned its first pilot project in April 2021 in Agra’s Mantola Canal, which carries 40% of the city’s wastewater. Apart from its historical significance, Agra was also chosen because as a tourism hotspot, it faces a serious challenge of plastic pollution.

Since its inception, the project has prevented 500 tonnes of plastic waste from leaking into Yamuna. The project is expected to collect 2,400 tonnes of plastic from the canal every year. Following the project’s success in Agra, we are looking at replicating the project for other major rivers.

Watch our Bubble Barrier technology video here
This year, as we marked our 85th Founder’s Day, we strengthened our commitment to building an even better ACC.

Dear Shareholders,

The year 2021 has been challenging for each one of us. The second wave of the COVID-19 pandemic had a significant impact on lives, livelihoods, and business. I would like to start by expressing my deepest appreciation to all, particularly all our front-line workers who have worked tirelessly to ensure the safety of our people and communities.

Indian businesses are slowly gaining steady momentum with increase in capital expenditure, capacity building, good real estate demand, government push for infrastructure spending and the recent launch of Gati Shakti scheme. Tier II and III cities have become front runners in driving demand across sectors. We are finally entering an era of inclusive, bottom-up transformation.

**OUR COMMITMENT TO LANDMARK CLIMATE ACTION**

Last year, we became the first company in the Indian construction sector to sign the ‘Business Ambition for 1.5°C’ commitment with 2030 intermediate targets approved by the Science Based Targets initiative (SBTi). ACC partnered with Carbon Disclosure Project (CDP) India’s SBTi Incubator Programme to develop its science-based targets. ACC’s SBTi approved targets are aligned with the reductions required to limit warming to well below 2°C. We have committed to reduce Scope 1 GHG emissions by 21.3% per tonne of cementitious material and Scope 2 GHG emissions by 48.4% per tonne of cementitious material by 2030, from a 2018 base year.

ACC has also taken several measures to reduce CO₂ emissions, such as reducing the clinker factor, improving Thermal Substitution Rate (TSR), reducing Thermal and Electrical Energy (TEE) intensity, implementing Waste Heat Recovery System (WHRS) and increasing the rate of renewable energy consumption by introducing new technologies.

We are committed to making a tangible difference in the areas of carbon footprint reduction, circular economy, protection of natural resources and welfare of our communities in India. With a clear focus on becoming the most sustainable company, ACC’s commitment to the Net Zero road map is visible and on track.
CONSOLIDATING OUR GREEN EFFORTS
Our focus continues to remain on balancing emerging customer needs due to changing climate. Customers today are looking for construction solutions that manage the ambient conditions better. Home builders want added benefits that were traditionally not associated with construction materials. The government is also raising the bar for decarbonisation and ‘green products’, given India’s ambitious target of reducing carbon intensity by less than 45% by 2030.

Last year, with the launch of our new low carbon range of concrete, ECOPact – the Green Concrete, we offer our customers the option to choose low CO₂ concrete. The innovative product range uses CO₂ reduced binders and is manufactured with optimised mix designs to reduce its carbon footprint. We pride ourselves at being innovators, by using the best of science to marry customer needs with environment-centricity. I am happy to share that these efforts have been recognised by CDP, and ACC has received ‘A’ rating on climate change for its sustainability efforts.

We have also taken the initiative to lead and share sustainability learnings with industry peers. We have been a part of the Cement Sustainability Initiative (CSI) in India, and are now also a part of the Global Cement and Concrete Association (GCCA). All our activities and reporting methodologies associated with initiatives in climate, water, circular economy, and biodiversity align with the GCCA charter, thereby ensuring continuity and uniformity across the sector.

DELIVERING PERFORMANCE IN A CHALLENGING YEAR
This has been a year of recovery and an indicator of the high growth that is waiting to be tapped. On an annualised basis, ACC’s performance remained strong and our consolidated EBITDA increased by 27% on a year-on-year basis. This was led by a strong volume growth and focus on Parvat to improve efficiencies across the value chain. Our solutions and innovative ‘Green Concrete’ products have done excellent business, indicating how customer needs are transforming.

STRONG COMMUNITY RELATIONS FOR INCLUSIVE GROWTH
We continue to drive value creation with a focus on sustainability, innovation, and inclusivity. ACC Trust - our CSR arm continues to work in the areas of quality education, health, sanitation, women empowerment and HIV/AIDS that improve the quality of lives. This year, we have spent ₹35.95 Crore on community development efforts, benefiting more than 5 Lakh people, residing in more than 150 villages in the vicinity of our plants.

OUR FOUNDATION FOR A BETTER TOMORROW
This year, as we marked our 85th Founder’s Day, we strengthened our commitment to build an even better Company. ACC has maintained its reputation of being a pioneering brand with a history of ‘category-first’ innovations that have gone on to set new benchmarks. Optimised and cleaner production methods, a vast range of innovative products, more mainstream use of various circular methods are all trends that will influence and steer our onward journey. This year, we have recommended a dividend of ₹58 per share for shareholders’ approval, with a dividend payout ratio of 60%.

We remain indebted to our large family of stakeholders for their unstinting support during these troubled times. As always, their faith makes us stronger and ambitious to achieve more. We remain committed to make an even bigger difference by reimagining and improving our work, investing in our people and cementing a sustainable future.

Best regards,
Narotam Sekhsaria
Dear Shareholders,

I hope you and your families are doing well. My heartfelt gratitude to all our frontline teams who put aside their individual priorities and worked selflessly to help others. We also partnered with the government, medical care facilities and our communities to mobilise all necessary resources to save lives.

MACRO ECONOMY AND HIGH GROWTH PROSPECTS
The cement sector has shown a healthy rebound in 2021. We have witnessed a good demand in rural and semi-urban affordable housing, supplemented by pent-up demand in the urban housing and commercial segments. A prudent budget with a focus on inclusive development, productivity enhancement, energy transition and climate action will help our country transition to the next phase of development. Increased expenditure on infrastructure and capacity building along with the launch of ‘Gati Shakti scheme’ will further boost demand.

RECOVERY BACKED BY RESILIENCE
ACC’s robust performance and results have come with improvements in EBITDA and free cash flows. Despite higher fuel costs, our cost efficiency measures under ‘Project Parvat’ coupled with gains from numerous sustainability-led initiatives, increased our bottom line growth. The demand rebound in the sector is mirrored in our strong sales growth, and a year of successful new product launches as well as market acceptance of several of our value-added products. Our Ready-Mix (RMX) concrete business is doing well and we expect a strong demand with increase in commercial, industrial and government spend. With healthy returns on a debt-free balance sheet and clearly defined strategic priorities, we continue to increase our outlays in sustainability, growth and efficiency projects.

OUR RELENTLESS FOCUS ON ESG
The world now has a clear view of the social and environmental challenges that we face. The need for action has never been greater. We recognise this and are aware that we, too, have an important role to play towards promoting sustainable living.

SUSTAINABILITY AT THE HEART OF OUR BUSINESS STRATEGY
ACC has its 2030 carbon emission reduction targets endorsed by the Science Based Targets initiative (SBTi). The Company has signed the ‘Business Ambition for 1.5°C’ pledge and...
joined the Race to Zero campaign of the United Nations Framework Convention on Climate Change. This makes us the first company in the Indian construction sector to sign the ‘Business Ambition for 1.5°C’ commitment with 2030 intermediate targets approved by SBTi.

We will continue our proactive approach to developing low carbon products and sustainable solutions. With the launch of ECOPact, customers now have an option to choose concrete based on their desired level of CO₂ reductions and sustainability objectives. We will continue to launch other innovative 'Green Cement' solutions as the sustainability needs of our market evolve and mature.

Green Building Centre (GBC), our unique rural-connect initiative, is a catalyst in rural development and provides our local associates with opportunities for rural entrepreneurship and independence. We are fast ramping up this network, with 100 GBCs fully operational and another 50 to be launched through franchises.

Our robust partnership with Geocycle has seen seven of our co-processing kilns handle upto 5 Lakh tonnes of waste annually to generate Alternative Fuel Resources (AFR). We were also able to maintain thermal substitution rate of 7.25%. A total WHRS capacity of 38.7 MW will be operational by 2022 and our AFR energy mix, including renewables, is expected to fulfil one-third of our power needs by 2025.

DEVELOPING EQUITABLE AND INCLUSIVE COMMUNITIES
We continue to support our communities through community development initiatives in the areas of Sustainable Livelihoods, Quality of Education and WASH (water, sanitation, health and hygiene). This year, we inaugurated a new DISHA centre at Chaibasa, constructed 25 watershed structures for water conservation in communities. We also supported more than 1,700 women entrepreneurs and 2,300 farmers through our interventions. Despite the challenges, we continue to deliver on our commitment to driving inclusive social growth through our education, health, sanitation and other initiatives.

GOOD GOVERNANCE IS AN ESSENTIAL PART OF OUR BUSINESS
Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. The Board remains the custodian of trust for sustainable long-term wealth creation. We emulate the best practices that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy. Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests.

DIGITALISATION
Our sustained efforts initiatives around ‘Plants of Tomorrow’ — application of automation technologies, robotics, artificial intelligence, predictive analysis and maintenance continue to get integrated across all our plants. With the Transport Analytics Center, we have implemented a dashboard on secondary lead analysis and direct dispatch. Our supply chain automation and optimisation exercise built on the Blue Yonder platform started delivering results this year. This has led to better operational planning, leading to increase in sales and profitability. These measures will also reduce our carbon imprint and contribute towards our sustainability targets.

OUR RAZOR SHARP FOCUS ON HEALTH & SAFETY (H&S)
The ‘Boots on Ground’ initiative of the Company has continued to be an integral part of the H&S governance and assurance system. A health and safety scorecard system was also implemented in 2021 to ensure standard operating procedures were being followed. In 2021, we clocked 10,91,145 hours BOG hours compared to 7,87,233 hours in 2020, boosting employee morale and increase in shop floor engagement.

AIMING FOR A DIVERSE AND INCLUSIVE WORKFORCE
We recognise the value of a diverse workforce. We are committed to providing equal opportunities in employment and creating an inclusive work culture in which all employees are treated with respect, dignity and are able reach their full potential.

ACC has taken steps and emerged stronger during the crisis. As everyone is getting back to business, we are firmly committed to also build a healthier world together. We hope to receive the same level of support from our stakeholders as we invest in growth, innovation and sustainability. My deepest gratitude for all the support and confidence that you have shown in ACC.

Here’s wishing every one of you a healthy, safe and fulfilling year ahead.

Regards,
Sridhar Balakrishnan
## 2021 HIGHLIGHTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>82,713</td>
</tr>
<tr>
<td>Total training hours</td>
<td>4,033</td>
</tr>
<tr>
<td>Communities</td>
<td>5 Lakh + Beneficiaries through our CSR programmes</td>
</tr>
<tr>
<td>CSR expenditure</td>
<td>₹35.95 Crore</td>
</tr>
<tr>
<td>Government and local authorities</td>
<td>₹7,042 Crore</td>
</tr>
<tr>
<td>Contribution to exchequer</td>
<td>100 Green building centres and 50 under construction</td>
</tr>
<tr>
<td>Customers</td>
<td>5 New products launched</td>
</tr>
<tr>
<td>Shareholders</td>
<td>60% Dividend payout ratio</td>
</tr>
</tbody>
</table>

## Value creation at ACC

- Business model: 28
- Operating environment: 30
- Stakeholder engagement: 32
- Materiality: 34
- Strategy: 36
Our business model

Optimising outcomes, Maximising impact

**Natural capital**
- Natural resources impacted by the Company’s activities
  - 3.74 Million m³ Total water consumption in cement operations
  - ₹148.44 Crore Total expenditure for environment protection
- 102 Million units Total green energy consumed
- 0.57 MT Total waste co-processed
- 15.22% Water treated and reused in cement operations
- 0.28 MT Usage of alternative fuels

**Intellectual capital**
- Intangible, knowledge-based assets
  - ₹0.63 Crore Total R&D expenditure

**Manufactured capital**
- Tangible assets used by the Company to conduct its business initiatives
  - 17 Cement manufacturing facilities
  - 7.5 MW Waste Heat Recovery (WHR)
  - 19 MW Wind energy
  - 82 MWp Solar power
  - 0.63 Crore Total R&D expenditure
  - 148.44 Crore Total expenditure for environment protection
  - 35.95 Crore Total expenditure for environment protection

**Financial capital**
- Financial resources that the Company already has or obtains through financing
  - ₹14,228 Crore Net worth

**Human capital**
- Employee knowledge, skills, experience and motivation
  - 6,082 Employees
  - 4,560 People completing >5 years

**Social and relationship capital**
- Ability to share, relate and collaborate with stakeholders, promoting community development and well-being
  - 56,000+ Channel partners
  - ₹35.95 Crore CSR expenditure
  - 1,589 New dealer
  - 425 Suppliers assessed on human rights compliance
  - 4,698 New retailers

**Core activities**
- Mining
- Raw material preparation
- Drying and grinding of raw materials
- Clinkerisation
- Cement grinding
- Packaging and dispatch
- After-sales service
- Sales, marketing and distribution

**INPUTS**

**Processes**

**INBOUND LOGISTICS**

**OUTBOUND LOGISTICS**
For customers
Value to customers by providing high-quality and sustainable products

For our people
We strive to provide equal opportunities to all our employees, ensure capacity building, training, and a safe work environment

For communities around us
We contribute towards improving the living conditions of communities around us through our CSR activities; at the same time we ensure that our production processes do not have any adverse impact on the environment around us

For suppliers
We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications

For providers of financial capital
We deliver consistent, profitable and responsible growth

Stakeholder engagement
Pg 32

26.92 MT
Cement production across grades and quality

1% Reduction in specific CO₂ emissions

Waste generated

79,372 Litres
Waste oil

10% Reduction in specific water consumption in cement operations

13,550.8 tonnes
Steel scrap waste

25% Reduction in specific NOx emissions

1.4 MTPA
New cement capacity addition

1.41% Average clinker factor reduction (2021 over 2020)

5 Number of new products introduced

19% Return on Capital Employed (RoCE)

78% Average capacity utilisation of plants

20% Revenue of Solutions and Products business segment from new products

15,814 Crore
Net Sales

41,609 Crore
Market capitalisation

3,000 Crore
EBITDA

2,460 Crore
Profit Before Tax

1,820 Crore
Profit After Tax

79,372 Litres
Waste oil

41,609 Crore
Market capitalisation

13,550.8 tonnes
Steel scrap waste

4,033 Number of employees trained

Zero Fatality

> 5,000,000 lives
Impacted

29
Operating environment

Secular trends transforming the sector

Increased demand from sectors such as housing, commercial and industrial construction, backed by government policy support could lead to a boom in cement demand in India. But we are also aware environmental regulation and sustainability concerns are also impacting the industry. As a market leader, we are creating new benchmarks that could transform the entire value chain of building materials and lead to greener structures of tomorrow.

India’s cement industry is the second largest in the world, accounting for over 7% of the global installed capacity of cement. Cement production in India reached 345 MT in Calendar Year (CY) 2021 and is projected to reach 370 MT in CY 2022. Yet, the per capita consumption of cement in India is low at 242 kg compared to the world average of 500 kg.

The Union Budget 2022-23 reiterated its thrust on affordable housing and public investments in core infrastructure sectors, which bodes well for cement demand. The Government has set a target of completing the construction of 8 Million houses under Pradhan Mantri Awas Yojana and 25,000 km of highways and roads during FY23. Special focus has been given to multi-modal logistics and development of cargo terminals, with infrastructure status being accorded to data centres and energy storage systems.

The budgeted outlay on overall capital expenditure has increased by a healthy 17% YoY, with core infrastructure sector higher by 10%. The Government has set an ambitious target to construct 25,000 kms of highways and roads in FY23.

7% Estimated growth in cement demand in CY 2022 (YoY)

DEMAND FROM THE CONSTRUCTION SECTOR

The allotment of ₹48,000 Crore for the completion of 80 Lakh houses this year under the PM Awas Yojana (PMAY) will further boost the affordable housing segment. The PMAY scheme has delivered 53.42 Lakh households as of February 1, 2022. Strong growth in rural housing and low-cost housing is also expected to amplify demand, while demand in Tier II cities can improve with increased construction of commercial centres and office spaces.

BETTER PRODUCT INNOVATION

Growing environmental consciousness is creating a preference for green cement, which is produced through carbon-negative manufacturing techniques. The market is also getting increasingly segmented into different product types such as blended, Portland and other categories, with a growing preference for blended categories for their low water use, durability, workability and low crack formation. There is a surging demand for blended cement from both the residential and non-residential sectors.

DIGITALISATION AND SUSTAINABILITY

These two trends are powerfully impacting the cement industry, leading not only to more green products but also cement plants of the future with low operating costs, increased margins and low carbon footprint. According to McKinsey¹ report, cement plants of the future could reduce emissions by up to 75% by 2050.

Our endeavours

With cement demand projected to increase in India, we have increased our production capacity, particularly in the profitable central region of India.

Our strong network has been instrumental in driving our retail portfolio, which contributes over 79% of revenue.

We are creating exemplary standards for the industry through our sustainability drive in alignment with international development goals.

We are creating effective low-carbon products that are not only enhancing customer choices, shaping new demands but also leading the path towards a more sustainable future.

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Enhancing stakeholder value

We forge a deep connect with our stakeholders and respond to their abiding interests as well as changing needs. These engagements shape the way we think, act and create value. We have evolved a planned mechanism of engagement ensuring consistent and timely communication of relevant information to each stakeholder group.

STAKEHOLDER IDENTIFICATION
We conduct regular stakeholder analysis to identify relevant and important stakeholders of the organisation, map their interface, and influence and prioritise them. The priority matrix and engagement mechanisms have been provided here.

<table>
<thead>
<tr>
<th>Stakeholder groups</th>
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</thead>
<tbody>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Government/ Regulators/ Local Authorities</td>
</tr>
<tr>
<td>Channel Partners – Dealers and Retailers</td>
</tr>
<tr>
<td>Consumers (Trade) – Individual Home Builders and Contractors</td>
</tr>
<tr>
<td>Consumers (Institutional)</td>
</tr>
<tr>
<td>Communities</td>
</tr>
<tr>
<td>Investors</td>
</tr>
<tr>
<td>Vendors and Suppliers</td>
</tr>
<tr>
<td>Waste Generators</td>
</tr>
<tr>
<td>Trade Associations and Industrial Bodies</td>
</tr>
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<td>Media</td>
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</tr>
<tr>
<td>Trade Associations and Industrial Bodies</td>
</tr>
<tr>
<td>Media</td>
</tr>
<tr>
<td>Role/Importance</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Our employees underpin our operational performance and strategic objectives</td>
</tr>
<tr>
<td>Key for ensuring compliance, interpretation of regulations and key to uninterrupted operations</td>
</tr>
<tr>
<td>They are a key influence on how we operate our business; we seek a relationship of mutual benefit while expecting high standards of conduct</td>
</tr>
<tr>
<td>Consumers are key stakeholders as they are direct users of our products. Consumer feedback, or as we call it, the Voice of Consumer, is key to maintaining brand reputation and steady cash flows</td>
</tr>
<tr>
<td>Our institutional consumers sustain revenue generation and growth</td>
</tr>
<tr>
<td>A harmonious relation with the communities where we have our assets is essential to our social licence to operate. They are partners in our progress and are crucial to our operations</td>
</tr>
<tr>
<td>As providers of capital, they are key stakeholders in our growth and expansion plans</td>
</tr>
<tr>
<td>Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process</td>
</tr>
<tr>
<td>Help in reducing the environmental impact of our operations and products, minimising our ecological footprint and, in turn, decreasing our operational cost</td>
</tr>
<tr>
<td>We develop constructive relationships with policymakers and regulators. We respond and engage with the government during public consultations on issues that are relevant to our business</td>
</tr>
<tr>
<td>Improving understanding of the industry’s positive impact on sustainability and climate change and the drivers for further development</td>
</tr>
</tbody>
</table>
Materiality

Assessing issues integral to value creation

Materiality assessment incorporates and prioritises stakeholder views on key issues that impact our business. It provides an opportunity to analyse our business, risk management and growth opportunities through the sustainability lens.

Our key material matters have remained similar over the years barring changes in the external environment. We incorporate these material matters into our strategy development, governance and disclosures while managing these issues in the short, medium and long term. We have used our material matters to draw up the targets of our SD 2030 Plan.

2021 MATERIALITY ASSESSMENT
This year, we conducted materiality assessment following detailed stakeholder engagement. We reached out to employees, senior management, government and regulatory authorities, shareholders and investors, suppliers and contractors, local communities, customers, industry and trade associations, media, dealers and distributors, construction professionals, ESG credit rating agencies, labour unions, transporters, and waste generators and received 1,591 responses.
MATERIALITY MATRIX

The material topics in the matrix are arrived at through stakeholder consultation and business impact in consultation with the senior management of the organisation.

MATERIAL TOPICS

Internal
- Product quality and innovation
- Employee development
- Mental health & well-being
- Operational efficiency
- Talent attraction & retention
- Cyber security
- Branding & reputation
- Digitisation
- Non-discrimination
- Tax strategy and reporting
- Diversity and inclusion

Internal and External
- Economic performance
- Indirect economic impacts
- Land acquisition for mines and new plants
- Supply chain
- Customer relationship management
- Sustainable construction
- Corporate governance
- Risk management
- Emissions
- Climate & energy
- Circular economy
- Bio diversity
- Water
- Procurement practices
- Anti-bribery and Corruption
- Emergency preparedness and response
- Human rights
- Anti-competitive behaviour

External
- Regulatory compliance
- Transportation and logistics
- Occupational health & safety
- Public policy and advocacy
- Corporate social responsibility
- Relocation and rehabilitation
- Labour management

Accelerating growth
Leading in sustainability and innovation
Delivering superior performance
Governance

Most critical issues
Less critical issues
Our strategy aims to provide best-in-class products and services to our customers and delivering strong and sustainable returns to our stakeholders. It lays down a strong foundation for our next phase of growth through capacity expansion, operational excellence, product leadership and sustainable operations. Our SD 2030 Plan is an integral part of our strategy implementation.

**Strategic objectives**

**S1**

*Accelerating growth*

Profitable growth with capacity expansions in a growing market

*pg 38*

**S2**

*Leading in sustainability and innovation*

Innovating to accelerate green growth

*pg 40*

**S3**

*Delivering superior performance*

Target best-in-class profitability and performance

*pg 42*
## Strategic Objectives

### KPIs

<table>
<thead>
<tr>
<th>KPIs</th>
<th>Goals for 2022</th>
<th>Capitals impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Capacity increase (MT)</td>
<td>- Leverage capacity to enhance value creation and to meet growing customer demand</td>
<td></td>
</tr>
<tr>
<td>- Cost of expansion</td>
<td>- Commission Ametha and Tikaria projects successfully</td>
<td></td>
</tr>
<tr>
<td>- Average capital utilisation</td>
<td>- Add ~20% RMX capacity through plant expansions and covering more Indian cities</td>
<td></td>
</tr>
<tr>
<td>- Project execution time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Growth in cement and RMX production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Percentage of sales and growth of green products &amp; solutions</td>
<td>- Making sustainability central to everything we do</td>
<td></td>
</tr>
<tr>
<td>- Specific CO₂ emissions intensity</td>
<td>- Strengthen our sustainable product portfolio</td>
<td></td>
</tr>
<tr>
<td>- Share of green power in overall portfolio</td>
<td>- Drive innovation to offer best-in-class products and services to consumers</td>
<td></td>
</tr>
<tr>
<td>- Waste-derived resources used</td>
<td>- Scale up the Green Concrete, ECOPact</td>
<td></td>
</tr>
<tr>
<td>- Thermal Substitution Rate (TSR)</td>
<td>- Improve ESG ratings</td>
<td></td>
</tr>
<tr>
<td>- Reduction of specific freshwater consumption</td>
<td>- Promote strong ethical, environmental and CSR principles</td>
<td></td>
</tr>
<tr>
<td>- CSR spend, beneficiaries and impact</td>
<td>- Progress towards achieving SD 2030 Plan</td>
<td></td>
</tr>
<tr>
<td>- Earnings Before Interest and Taxes (EBIT)</td>
<td>- Expansion of margins</td>
<td></td>
</tr>
<tr>
<td>- EBIT margin</td>
<td>- Strong cash conversion</td>
<td></td>
</tr>
<tr>
<td>- Free Cash Flow (FCF)</td>
<td>- Invest in key priorities of capacity, sustainability and efficiency</td>
<td></td>
</tr>
<tr>
<td>- Returns generated on capital employed (ROCE)</td>
<td>- Improve operational efficiency across the organisation under Project ‘Parvat’</td>
<td></td>
</tr>
<tr>
<td>- Cost reduction through Project ‘Parvat’</td>
<td>- Strengthen premiumisation journey across cement and RMX</td>
<td></td>
</tr>
<tr>
<td>- Share of premium products in cement</td>
<td>- Become industry leader in digitalisation initiatives</td>
<td></td>
</tr>
<tr>
<td>- Share of value-added products and services in RMX</td>
<td>- Continued focus on performance management and people development to create a future-ready organisation</td>
<td></td>
</tr>
<tr>
<td>- Investment in efficiency initiatives</td>
<td>- Enhance Brand Equity</td>
<td></td>
</tr>
<tr>
<td>- Scaling up digital journey</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Talent management practices</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Accelerating growth

To sustain our profitable growth journey, we continue to focus on capacity expansion in sync with growing market demand. Capacity utilisation and enhancing our brand equity through digital outreach, targeted marketing and sustainability initiatives also form an integral part of this strategy.

This year, we increased our capacity to 34.45 MTPA of cement on the successful commissioning of a new grinding unit at Sindri in Jharkhand. Our ongoing project at Ametha, Madhya Pradesh is progressing well, while the split cement grinding unit at Tikaria, Uttar Pradesh is ahead of schedule. The land acquisition for our greenfield cement grinding unit in Sonebhadra District, Uttar Pradesh, is at an advanced stage and work is expected to commence in 2022. We are identifying debottlenecking opportunities in all our existing plants to drive higher capacity utilisation.

We plan to increase our Ready-Mix Concrete (RMX) capacity by ~20% through increase in coverage of Indian cities. We also aim to expand our portfolio of value added services.

In Solution & Products (S&P) business, we are targeting to increase top line by more than 30% in 2022 driven by growth in retail, B2B projects and admixture segments. We plan to expand our manufacturing footprint for construction chemicals/admixture range and dry mortars.

### KEY EXPANSION PROJECTS

<table>
<thead>
<tr>
<th>Name of project/plant</th>
<th>Details of capacity addition</th>
<th>Expansion/Green field</th>
<th>Year of commissioning</th>
<th>Cement Capacity addition (MTPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sindri, Jharkhand</td>
<td>Cement grinding 1.4 MTPA</td>
<td>Expansion</td>
<td>2021</td>
<td>1.4</td>
</tr>
</tbody>
</table>

**Total cement capacity addition**: 1.4 MTPA
**ONGOING CAPACITY EXPANSION PROJECTS**

<table>
<thead>
<tr>
<th>Name of project/plant</th>
<th>Details of capacity addition</th>
<th>Brownfield/Greenfield</th>
<th>Progress/Commissioning time</th>
<th>Cement Capacity addition (MTPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tikaria, Uttar Pradesh Cement</td>
<td>Cement 1.6 MTPA</td>
<td>Brownfield</td>
<td>Q1 2022</td>
<td>1.6</td>
</tr>
<tr>
<td>Ametha Integrated Project, Madhya Pradesh</td>
<td>Clinker 2.7 MTPA and Cement 1.0 MTPA</td>
<td>Greenfield</td>
<td>Q2 2022</td>
<td>1.0</td>
</tr>
<tr>
<td>Salai Banwa Grinding Unit</td>
<td>Cement 2.2 MTPA</td>
<td>Greenfield</td>
<td>Project on track</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Total cement capacity addition</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>4.8 MTPA</strong></td>
</tr>
</tbody>
</table>

**Braving the challenges to commission the Sindri plant within 9 months**

The Sindri plant construction was met with several pandemic-related challenges. Despite logistics delays and a nationwide lockdown that led to mass demobilisation of the construction workforce, the project was effectively executed within nine months. We consistently worked with our construction partners for a planned phase-wise remobilisation of the workforce and implementation of remote supervision. Regular inspection as well as training of the workforce were carried out. The efficient execution of the project helped us achieve ‘Zero harm, Zero Non-Conformances Reported (NCR)’ within the budgeted cost and schedule.

**CONTINUE TO STRENGTHEN BRAND**

**Digitalisation**

**Atoot Bandhan App**

**Expanding Digital**

[ACCHELPln]

**Marketing and Innovation**

**Karein kuch kamaal**

**Bubble Barrier Technology**

**Sustainability**

**Saliency with BCCI - LBnW**

[Watch video here]

**Houses of Tomorrow**

**ECOPact**

* Leave Behind no Waste
Our 2030 carbon emission reduction targets are validated by the Science Based Targets initiative (SBTi). We have signed the ‘Business Ambition for 1.5°C’ pledge and joined the Race to Zero campaign of the United Nations Framework Convention on Climate Change. These commitments will help us drive the decarbonisation of our production further. Our portfolio of 90% blended cement and carbon-neutral concrete solutions enable us in creating a market for low-carbon products. In 2021, we introduced the ECOPact range of green concrete for sustainable construction. We are progressively reducing our carbon footprint through the ‘Net Zero’ pathway - increasing clinker substitution rate, increasing use of waste-derived fuels and biomass, energy efficiency and improvement, improving renewable energy and waste heat recovery consumption, adoption of new technologies, and setting an internal carbon price.

PIONEERING EFFORTS
As a first in India, we implemented the Bubble Barrier technology on river Yamuna to collect and utilise waste from the river for co-processing in our kilns. We have a strong campaign against plastic waste and are helping various state governments manage this complex issue. We are investing in increasing water availability for the communities around our operations. Our environmental stewardship and focus on inclusive social growth attest to our sustainability commitment.

Leading in sustainability and innovation

We are the first Indian cement company to take the Net Zero pledge. Our portfolio of 90% blended cement and carbon-neutral concrete solutions enable us in creating a market for low-carbon products. Our strategy is to become the industry leader through our sustainability initiatives and innovation capability.

Material issues addressed

<table>
<thead>
<tr>
<th>SDGs impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate &amp; Energy</td>
</tr>
</tbody>
</table>

A rating

From Carbon Disclosure Project (CDP) for Climate change disclosure
2021 HIGHLIGHTS

11.36 MT
Waste-derived resources used

102 Million units
Total green energy consumption

25%
Decrease in specific NOx emissions

1,53,92,785 tCO₂e
Scope 1 emissions

10%
Reduction in specific water consumption

6,66,157 tCO₂e
Scope 2 emissions

₹35.95 Crore
CSR spent in 166 villages, reaching 5 Lakh+ beneficiaries.

23,99,656 tCO₂e
Scope 3 emissions

With ECOPact range, we move a step closer to our Net Zero commitment

ECOPact performance in India
ECOPact, Holcim’s range of low-carbon footprint concrete, has a lower embedded carbon content compared to concrete designed with Ordinary Portland Cement (OPC). The range uses CO₂ reduced binders and is manufactured with optimised mix designs to reduce its carbon footprint. It offers superior durability and finish in comparison to conventional concrete. ECOPact products are suitable for all structural components – from foundations to roof, including columns, beams, slabs, external or internal walls, driveways, walkways and more.

ECOPACT range products

<table>
<thead>
<tr>
<th>ECOPact PRIME</th>
<th>CO₂ reduction capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-70%</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>ECOPact MAX</th>
<th>CO₂ reduction capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 70%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ECOPact ZERO</th>
<th>CO₂ reduction capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nearly 100%</td>
<td></td>
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</tbody>
</table>
Delivering superior performance

With this strategy, we aim to continue delivering superlative business results while bringing superior products to the market and contributing to nation-building. This lever focuses on enhancing the performance of our existing portfolio, improving our cost efficiency, strengthening our people capabilities and main-streaming digitalisation to drive greater efficiencies.
Our ongoing efficiency projects:

Waste Heat Recovery system (WHRS) projects comprising 10 MW at Jamul in Chhattisgarh and 12.4 MW at Kymore in Madhya Pradesh are on track for completion in Q2 Financial Year 2022.

Fly-ash dryer projects at Kymore, Gagal & Wadi are also on track for completion by Q3 2022.

Ametha WHRS project of 16.3 MW has been initiated and is expected to be completed by Q4 Financial Year 2022. A total capacity of 38.7 MW of WHRS will be operational by 2022.

The Geocycle project at Chanda became operational during the year. The projects at Jamul and Kymore are under progress and on track for completion in 2022. These projects help us deliver planned Thermal Substitution Rate (TSR) through co-processing of waste.
COST EFFICIENCY INITIATIVE: PARVAT PROGRAMME
Parvat is an efficiency optimisation programme initiated in 2019 to bring radical change in the cost structure and improve delivered cost.

In 2021, we drove cost efficiencies across the value chain to negotiate cost headwinds. Various projects were undertaken across plants to bring in efficiencies in our manufacturing processes. Thanks to Parvat, we have been able to maintain flat logistics cost in comparison to the previous year.

We also conducted numerous workshops and brainstorming sessions at all our plants across the country. Simultaneously, the leadership team visited different plants to explain the underlying intent and the overarching objective of ‘Parvat’ to our people.

Cost reduction measures under Project Parvat
Community of Practices

At ACC, we have always emphasised the need to work smart and leverage each other’s knowledge and capabilities. To encourage replicating best practices across different plants, the ‘Copy with Pride’ programme was launched this year. A Best Practices Library has been developed consisting of shortlisted best practices applicable to multiple plants.

There are 6 Community of Practices (CoPs) actively driving adoption of best practices.

The members of a CoP are the functional heads of similar areas from each plant who meet on a weekly basis to discuss challenges in their areas and share best practices from their respective plants.
LEVERAGING DIGITALISATION TO BRING EFFICIENCIES
Digitalisation is a key lever that is driving superior performance at our existing assets. We are ramping up the use of digital technologies in manufacturing, logistics, sourcing and in improving customer engagement. Through ‘Plants of Tomorrow’, we are future-proofing ourselves with the adoption of Internet of Things (IoT), artificial intelligence and machine learning. We are facilitating rapid deployment of predictive models and seamless connectivity by using data collected from our plants. The digitalisation of the supply chain will help us further optimise logistics and sourcing.

Digitalisation efforts across functions

Plants of Tomorrow
Technical Information System (TIS), Performance and Collaboration Tool (PACT), EDGE AI

Advanced Data Analytics
Digital Eye
Mines of Tomorrow

Logistics & Sourcing
Transport Analytics Center (TAC)

E-Tendering and Reverse Auction Tool
Supplier Platform
Blue Yonder

Commercial
Dealer Connect App
Concrete Direct App
Revenue Management
Sales Force Automation
How drones are changing the way we operate

We are increasingly using drones to monitor spaces that are high risk and hard to reach, such as pre-heater cyclones, chimneys and silo inspections. Critical reliability inspections can now be conducted with zero risk of human exposure to harsh conditions within limited time.
Corporate Governance

2021 HIGHLIGHTS

50% Independent Directors

33.33% Minimum attendance in Board meetings as mandated by law

83% Indian National Directors

5.52 years Average tenure of the Board of Directors

91.67% Average attendance in Board meetings

17% Foreign National Directors

Governance

Governance structure .............................................. 50
Board of Directors ..................................................... 52
Board functioning ..................................................... 54
Executive Committee .............................................. 55
Risk management ..................................................... 56
Ensuring ethical business practices

At ACC, good governance forms the bedrock of our business. We are advised by an active, experienced and a well-informed Board and have a strong risk management framework along with relevant policies and procedures to ensure transparency and accountability.

ENSURING GOVERNANCE
We conduct our business in alignment with the highest standards of business ethics. Our values underpin our commitment to be an equal opportunity employer ensuring respect, dignity, fairness and human rights for all our employees. All aspects of the human rights are built into and covered under the Code of Business Conduct as well as by various human resource practices and policies.

INTERNAL CONTROL FRAMEWORK
We have put in place an adequate internal control system to safeguard all our assets and ensure operational excellence. Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The framework also diligently records all transaction details and ensures regulatory compliance. We have well-established risk management processes embedded within the business that enable us to identify, evaluate, record, and monitor significant risks.

ACCOUNTABILITY AND TRANSPARENCY
The Board commits to providing reliable and comprehensive financial and non-financial reporting accompanied by a robust feedback mechanism. We align with global best practices relating to disclosures and subject ourselves to internal and/or external assurance and governance procedures.

BOARD’S ROLE IN DELIVERING STRATEGIC OBJECTIVES
The ACC Board possesses requisite qualifications, experience and expertise in the fields of manufacturing/ cement manufacturing, finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, investments, mining and mineral industries and e-commerce. It plays a significant role in strategy formulation. The Board meets periodically to discuss the strategic roadmap and other relevant topics such as Environment, Social and Governance (ESG), succession planning, talent, etc. and provides insights, suggestions and guidance to the management.

Memberships and collaborations
Various bodies with which ACC is associated are:

- Global Cement and Concrete Association India (GCCA)
- Confederation of Indian Industry (CII)
- National Safety Council
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Bombay Chamber of Commerce & Industry (BCCI)
- Indian Merchants’ Chamber (IMC)
- Indian Green Buildings Council (IGBC)
- Cement Manufacturing Association (CMA)
- Swiss India Chambers of Commerce (SICC)
Supported by strong internal processes and systems

At ACC, compliance is more than a legal requirement. We have zero tolerance towards corruption and ensure ethical conduct and fair competition through a gamut of policies and set processes and procedures. The Executive management regularly reviews progress on compliance and the effectiveness of internal processes.

RELATED PARTY TRANSACTIONS
All transactions of the Company entered into with related parties during the year under review were in the ordinary course of business and on an arm’s length pricing basis.

STRICTEURS AND PENALTIES
No strictures or penalties were imposed on the Company by the stock exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matter related to the capital markets during the last three (3) years.

FAIR COMPETITION DIRECTIVE PROGRAMME AND WHISTLE-BLOWER POLICY
The Fair Competition Directive programme, earlier known as Value Creation in Competitive Environment (VCCE), was introduced in 2008 and since then, we have been carrying out extensive training sessions annually for creating awareness among our employees on fair competitive practices. Employees in Sales and Purchase and other relevant functions also receive training on Competition Law and on behavioural aspects for ensuring fair competition in the marketplace.

We have an Ethical View Reporting (EVR) policy to deal with instances of fraud, mismanagement and unethical behaviour, if any. The EVR policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no one faces discrimination of any sort. A dedicated ACC Ethics Helpline has been set up and it is managed by an independent professional organisation.

Details of the EVR policy can be accessed on the Company’s website at https://acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

Employees receive extensive training through e-learning modules and face-to-face sessions to create increased awareness about ACC’s Fair Competition Directive and Anti- Bribery and Corruption Directive (ABCD).

In 2021, the Company received 128 complaints under the EVR policy, out of which 88 were resolved and the balance 40 complaints are under various stages of investigation and completion.

DONATIONS AND POLITICAL CONTRIBUTIONS
As a Company, we are politically neutral, as emphasised in our Code of Business Conduct. ACC avoids political donations, campaigns and promotions of a political nature and we request our employees to observe strict neutrality.

FAIR COMPETITION
We regularly organise Fair Competition training sessions on Competition Law for relevant employees, with a special focus on functions such as Sales, Marketing and Procurement, among others. The purpose of this training is to create awareness on various aspects of compliance with the Competition Law and facilitate risk mitigation.

COMPETITION LAW COMPLIANCE
Apart from the face-to-face training sessions, e-learning modules are also rolled out to ensure better understanding of Competition Law compliance. We have implemented various policies of the Holcim Company and the Group, including the Commercial Documentation Directive on Competition Law, to ensure awareness. We regularly review these as part of our risk mitigation strategy. We undertake both internal and external audit of the process to identify gaps, if any, and accordingly, take corrective action.
Visionary leadership for sustainable growth

Mr N S Sekhsaria
Non-Executive and Non-Independent Director

Qualifications: Bachelor’s Degree in Chemical Engineering from University of Mumbai (erstwhile Bombay)

Mr Jan Jenisch
Non-Executive and Non-Independent Director

Qualifications: Bachelor’s Degree from University of Fribourg and a qualified MBA

Mr Martin Kriegner
Non-Executive and Non-Independent Director

Qualifications: Graduated from Vienna University with Doctorate in Law and MBA from University of Economics in Vienna

Mr Sridhar Balakrishnan
Managing Director & Chief Executive Officer

Qualifications: Engineering graduate from Indian Institute of Technology (IIT-BHU), Varanasi and Diploma in Business Management from XLRI, Jamshedpur

Mr Neeraj Akhoury
Non-Executive and Non-Independent Director

Qualifications: Bachelor’s Degree in Economics and MBA from University of Liverpool, General Management from XLRI, Jamshedpur and alumni of Harvard Business School (GMP)

Ms Falguni Nayar
Non-Executive and Independent Director

Qualifications: Graduate from Sydenham College of Commerce and Economics; postgraduate from Indian Institute of Management, Ahmedabad

As the CSR & Sustainability Committee of the Company is split into two separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022, the Membership/Chairmanship of the Directors in Sustainability Committee is with effect from January 1, 2022.
SKILLS AND EXPERIENCE

ACC’s Board brings together a wealth of knowledge, perspective, professionalism, diverse thinking and experience. Our Board members have a deep understanding of governance, technical, financial and non-financial issues.
Board functioning

Providing expert guidance and oversight

The Board, along with its committees, oversees the implementation of the Company’s strategy, sustained value creation for our stakeholders while ensuring fair play and independent decision-making. The Board at ACC also encourages a culture of risk awareness, openness and debate.

**BOARD COMMITTEES**
The ACC Board has delegated its authority to various Board committees with the mandate to deal with governance issues and report to the Board on their activities on a quarterly basis. Each committee operates under its specific terms of reference and complies with clearly set out roles and responsibilities, composition and scope of authority, which are reviewed on an annual basis. The Board Committees are as under:

- Audit Committee
- Stakeholders’ Relationship Committee
- Nomination & Remuneration Committee (N&RC)
- Risk Management Committee
- Corporate Social Responsibility (CSR)* Committee
- Sustainability Committee*
- Compliance Committee

*CSR & Sustainability Committee is split into two separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

**INDEPENDENCE**
Our Board currently comprises six (6) Independent Directors, who bring their objective judgment and diverse expertise to the boardroom.

**Board balance chart**

- Non-Executive and Independent Directors – 6
  (including woman Director)
- Other Non-Executive Directors – 5
- Executive Director – 1

**HOW THE BOARD SPENT ITS TIME IN 2021** *(in hrs)*

- Governance Risk & Compliance (GRC) – 30
- Financial overview and internal controls – 31
- Strategy and operations – 15
- Risk management – 11
- ESG and stakeholder management – 7
- IT and innovation – 6

**DIRECTORS’ TRAINING**
100%
Directors covered by familiarisation training

**ACC BUSINESS RESILIENCE TEAM (BRT)**
The Company constituted an internal Business Resilience Team (BRT) to safeguard our people and business and to address the COVID-19 challenges. The BRT comprises experts from human resources, health & safety, communications, operations, procurement, IT, legal, and security departments. The team worked closely with the Group BRT and provided guidance, monitoring and reporting on ACC’s operations. We prepared our response using a four alert level Trigger Action Response Plan (TARP), with specific actions at each deteriorating alert level. We ensured compliance with Central and State government regulations.
Executive Committee

Mr Sridhar Balakrishnan
Managing Director & Chief Executive Officer

Mr Rajat Prusty
Chief Manufacturing Officer

Mr Yatin Malhotra
Chief Financial Officer

Mr B. K. Mishra
Head of Human Resources

Mr Rajiv Choubey
Chief Legal Officer and Company Secretary

Mr Suresh Rathi
Chief Supply Chain Officer

Mr Deepak Mehra
Chief Commercial Officer

Mr Manoj Chhura
Chief Procurement Officer

Mr C. Kurian
Chief Executive Officer, ACC Concrete & B2B Business
Dealing with business risks

Our comprehensive Business Risk Management (BRM) framework helps us identify risks and opportunities and monitor their movement. The BRM thus helps us future-proof the business to the challenges of a dynamic business environment. We regularly review the effectiveness of our risk planning and mitigation efforts.

Board Risk Management Committee
The Risk Management Committee is constituted for overseeing risk management systems as well as risk governance. The Committee frames the Risk Management Policy, which is approved by the Board, and updates the Board regularly on risk management and governance. Through industry-best internal controls and systems, the Board oversees the risk management and governance process. Our internal control framework comprehensively covers financial, operational, compliance and information technology areas and is completely aligned with our risk management policy. Embedded within the business, robust risk management processes enable us to identify significant risks and mitigate them in an effective manner.

Key business risks and their mitigation plan

Primary risks

Fuel
Inability to secure supply of materials at a competitive price

Coal and pet coke are the primary fuels used in our kilns to produce clinker, and in power plants to generate electricity. Fuel contributes to a major share of the cost of cement. The post-pandemic global energy crisis has led to severe shortage in coal and sharp increase in coal and pet coke prices.

Fly ash
Global demand of fly ash and slag has surged on account of capacity expansion undertaken by cement producers. This has increased pressure on supply and led to high prices.

Limestone
A primary raw material for the manufacture of cement, it is imperative to ensure its uninterrupted and long-term availability. Environmental and forest and wildlife clearances are a prerequisite for mining activities. Besides, land acquisition is also becoming more challenging and expensive.

The BRM ranks each risk based on the likelihood of the event and its expected impact on our operations and performance to form a risk heat map. The risks that fall under the purview of ‘high likelihood’ and ‘high impact’ are identified as primary risks, which are factored into strategic decision-making by the Executive Committee and a detailed mitigation plan is drawn up. The identified risks are integrated into our planning cycle to periodically review the movement of the risks on the heat map and the effectiveness of the mitigation plan.

Inability to secure supply of materials at a competitive price
We have initiated alternative sourcing and consumption of alternative fuel to address availability, cost and sustainability targets. We are focusing on reducing the cost of power and fuel by availing of domestic and import options, working on fuel flexibility while adopting more sustainable and efficient modes of transport. We are also optimising operational efficiency and controlling the heat rate of kilns.

Global demand of fly ash and slag has surged on account of capacity expansion undertaken by cement producers. This has increased pressure on supply and led to high prices.

We are using innovative techniques to transport and use fly ash from far-flung power plants to the deficit-geographies. We are using wet fly ash from nearby power plants’ dykes to address cost and availability concerns. Also, we are using phospho-gypsum and other non-mineral waste gypsum (40-100%) to reduce the total cost.

A primary raw material for the manufacture of cement, it is imperative to ensure its uninterrupted and long-term availability. Environmental and forest and wildlife clearances are a prerequisite for mining activities. Besides, land acquisition is also becoming more challenging and expensive.

Most of our mining leases are till March 31, 2030, thereby ensuring adequate limestone reserves till the said date, after which we intend to participate in auctions. We are already participating in select auctions to secure new mining leases for our existing plants as well as for our expansion across locations. We ensure timely approvals through continuous engagement with government officials and local authorities. Adequate steps are also being taken to obtain fresh environmental clearances, wherever necessary. To optimise usage of this depleting natural resource, we are using a higher percentage of additives that enables usage of low-grade limestone without compromising on quality.
Our endeavours

We have drawn up strategies for channel development, increased focus on trade business and brand positioning to manage market shares and profitability.

We are widening our product portfolio by increasing the share of our premium products in the retail segment, application-based products, value-added products, and services to the B2B segment.

Our business landscape with complex IT and Operational Technology (OT) environment, presents the possibility of a cyber-attack. Appropriate controls (technology and governance) are being planned and implemented. Adequate perimeter security is in place and business continuity plans are tested every year. The impact assessment of most of the hardware and software has been mapped and we are also conducting YoY cyber security maturity assessments.

We use tools such as End Point Threat Detection & Response (ETDR) solutions for advance threat protection, immutable back-up and encryption, multi-factor authentication for critical applications to protect against identity and password theft. Cyber-threat intelligence solutions have been integrated with Security Incident & Event Management (SIEM) at the Security Operations Centre (SOC) to track and prevent a potential attack.

We have formulated a comprehensive digital advancement roadmap across our business value chain viz. manufacturing, logistics and supply chain, commercial, customer and channel, to enhance business efficiency, productivity, and overall success.

We have a robust compliance framework and mechanism for policies, Standard Operating Procedures (SOPs) and advisories in relation to statutory compliances and litigation/potential litigation. A statutory compliance portal is used to track location-wise compliance requirements and the responsibility matrix.

We regularly review key legal cases in terms of the demands involved, and the probability of receiving any adverse orders where there may be financial or reputational impact on the Company.

We engage legal counsel basis the nature of legal risk and strategy and use a Litigation Management Digital Tool that maintains a master litigation database to keep track of function-wise statutory compliances. We ensure compliance audits and remediation, training and awareness programmes and policy communication.

We ensure employee safety through numerous measures, including regular third party plant inspection and Design Safety & Construction Quality Programme (DSCQP) surveys, the Transport Analytic Center (TAC) to track parameters of vehicle health, ensure road safety, apart from assessments on Driver Management Centre (DMC) efficiency.

In addition, we have a robust assurance process with three layered audit mechanisms : intra ACC, cross audit by Ambuja Cements and group audit by Holcim that helps in assurance of Health, Safety and Environment Management System (HSEMS) protocol.

Primary risks

Market share and competition

The cement industry is witnessing an imbalance in installed capacity and its utilisation. Despite excess production, expansion programmes continue, resulting in intense competition and adverse impact on the Company’s market share, sales volume, and profitability.

Cyber security

In the last few years, technology has evolved manifold and so have the risks attached to it. The proliferation of business data beyond data centres to the cloud, social media and digital platforms for B2B and B2C connect are impacting cyber security. In addition to data loss, cyber-attacks can impact business operations, machinery and human assets, and result in legal and regulatory liabilities.

Digital advancement

Digital technologies are changing the way companies operate while creating new opportunities to improve efficiencies, and enhance customer experience and employee involvement. Adoption of such technologies require top management initiative, employee commitment and cultural transformation.

Legal and compliance risks

Since the Company’s business is dependent upon various approvals, consents, licences, permits and other such items, the Company is exposed to various legal, regulatory and litigation risks.

Health and Safety risk

The Company’s nature of business makes it imperative to protect employees, contractor and third party from injury, illness, or fatality, during both on-site and off-site activities. Any safety issues could result in legal action, financial loss, and reputational damage.

Our strategic initiatives

We are widening our product portfolio by increasing the share of our premium products in the retail segment, application-based products, value-added products, and services to the B2B segment.

We use tools such as End Point Threat Detection & Response (ETDR) solutions for advance threat protection, immutable back-up and encryption, multi-factor authentication for critical applications to protect against identity and password theft. Cyber-threat intelligence solutions have been integrated with Security Incident & Event Management (SIEM) at the Security Operations Centre (SOC) to track and prevent a potential attack.

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Risk management

**Primary risks**

- **Talent retention and attraction**
  Workforce management is crucial to businesses to ensure adequate manning, employee satisfaction, staff retention and employee productivity. High attrition rates would result in increased cost of recruitment and trainings, understaffing and lower productivity.

- **Environmental risks**
  The cement industry is a major contributor to global CO₂ emissions due to calcination of materials and use of traditional fuels. Organisations must aim to meet the increasingly stringent greenhouse gas (GHG) emission targets and pollution control board standards. Non-compliance would result in financial penalties and disruption in plant operations. Also, continued water extraction for plant operations could result in water scarcity/decline in ground water tables and create adverse global warming impact.

**Our endeavours**

We mitigate the risk of employee attrition through increased engagement, ensuring employee satisfaction and undertaking well-being surveys while aligning our business goals with individual employee aspirations. We undertake succession planning programmes and promote employee development through a well-laid out learning and development programme through the Holcim Training Academy.

We are committed to Net Zero carbon emission and are making efforts to increase green energy consumption. We are improving our Waste Heat Recovery System (WHRS) capacity, optimising sourcing of alternative fuel through Geocycle, developing products which have low-carbon footprint, reducing clinker factor and using alternative raw materials. We are also promoting rainwater harvesting in our mines, together with focused reduction in specific water consumption through process optimisation. We are adopting new technologies, eliminating leakage, adopting air-cooled condensers in CPP and reusing treated water.
Our endeavours

We created a Business Resilience Team (BRT) for monitoring the situation and adhered to all applicable protocols. Health & Safety monitoring was done at all plants. We vaccinated 100% of our employees, their families as well as drivers who service our distribution networks.

Our mitigation efforts on these specific matters are described in the relevant sections of this Integrated Report. We have a Board-level CSR and Sustainability Committee to oversee governance mechanisms, strategise our efforts and monitor our progress against climate change and its attendant problems. We have formulated SD 2030 Plan with targets to reduce climate change impact that are validated by Science Based Targets initiative (SBTi). This year, we also undertook the Net Zero pledge.

Metrics

Specific CO₂ emission is seen as a metric to monitor climate change and its impact. Disclosure of this indicator for the last four years along with detailed disclosure on Scope1, Scope2 and Scope3 emission is provided in page 41. Further, being one of the key sustainability indicator, water consumption is also monitored regularly.

Emerging risks

**COVID-19 pandemic and/or outbreak of any new disease**

The COVID-19 pandemic and measures implemented by the authorities to contain it have created new challenges. The pandemic also presented primary risks to the health of employees and their families while impacting business, logistics and supply of contract workforce.

**Climate change risks**

Aligning with TCFD recommendations, ACC has assessed the potential impact of climate-related risks and opportunities which are factored into the Company-level risk management process. These risks include transition risks and physical risks.

**Transition risks**

Policy and regulatory changes with respect to PAT/RPO regulations, and stringent environment regulations. Market risks due to change in consumer preferences and demand for sustainable products. Reputational risks due to the stakeholders’ perception towards the sector as one of the biggest CO₂ emitters. Technological risks due to the high cost.

**Physical risks**

Climate change may result in extreme weather events like flooding, changes in precipitation patterns etc. These may impact our operations due to disruptions in supply chain and logistics. Water scarcity (chronic risks) may also affect our operations in the future.

**Climate change opportunities**

In the process, we have also identified the opportunities which include achieving resource efficiency, optimising our energy resources, developing sustainable and low carbon products etc.

**Our mitigation efforts on these specific matters are described in the relevant sections of this Integrated Report. We have a Board-level CSR and Sustainability Committee to oversee governance mechanisms, strategise our efforts and monitor our progress against climate change and its attendant problems. We have formulated SD 2030 Plan with targets to reduce climate change impact that are validated by Science Based Targets initiative (SBTi). This year, we also undertook the Net Zero pledge.**

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Sustainability

2021 HIGHLIGHTS

58.38% Clinker factor

2.6% Improvement in specific electrical energy consumption

7.25% Thermal substitution rate

5,000,000 Lives touched

10% Reduction in specific water consumption

3 Million m³ Water generated through rainwater harvesting for the community

Sustainability

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Sustainability strategy

Expanding reach, integrating sustainability

ACC was one of the earliest companies in India to have a well-defined and holistic sustainability agenda. Sustainability is at the heart of our strategy, risk management framework and core offerings. We have achieved industry leading standards for several of our sustainability and circularity initiatives like development of green products and solutions, fossil fuel substitution, and process and logistical optimisation.

Sustainability strategy and key objectives

ACC’s sustainability strategy is built around four main pillars

**CLIMATE AND ENERGY**
We aim to reduce our CO₂ emissions and build a low-carbon nation.

**CIRCULAR ECONOMY**
We are replacing natural resources with alternative waste materials and renewable energy.

**ENVIRONMENT**
We strive for operational excellence to reduce our environmental footprint. This pillar primarily focuses on two aspects of water and biodiversity.

**PEOPLE AND COMMUNITIES**
Our rich legacy of community development and caring for our people, path-breaking leadership and corporate empathy contributes to societal progress.
BOARD’S ROLE IN DRIVING SUSTAINABILITY
The sustainability agenda has to be driven with purpose and motivation. At ACC, a special Board-level Corporate Social Responsibility (CSR) and Sustainability Committee manages our sustainability and CSR priorities, including climate action activities. It consists of four Board members including the MD & CEO and is chaired by an Independent Director. This Committee is responsible for providing guidance in developing and overseeing climate-related strategies.

The CSR and Sustainability Committee has played a pivotal role in developing ACC’s SD 2030 Plan, and in articulating the structural framework involving the four pillars. It also conducts periodic performance reviews against each of these pillars.

Further, this Committee also anchors ACC’s commitment to align with a 1.5°C Business Ambition. In addition to all these responsibilities, the Committee is tasked with providing oversight and guidance on ESG and climate-related risks, opportunities and impacts. The CSR and Sustainability Committee is split into two separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

Senior leadership oversight in implementation of the sustainability targets
ACC follows a target-driven approach to the goals articulated under each pillar. The Board and the Company’s senior leadership are committed towards achievement of these goals and periodically review the progress against the various targets articulated under each of the four pillars that make up the SD 2030 Plan. Based on the progress made, necessary guidance is provided.

In terms of mapping these targets, the broader objectives are drilled down to the functional levels, with progress scorecards being reviewed on a monthly basis by the respective plant-and corporate-level functional heads. At a higher level, this progress is also reviewed during the monthly Senior Management Executive Committee (ExCo) meetings so that timely intervention can be made and the required guidance provided.

Target-driven performance
The resolute purpose that underlies the achievement of our sustainability targets is most effectively demonstrated by the fact that ACC links its senior management’s and Board members’ performance evaluation and pay with the meeting of these targets. Climate is the most material issue for the Company, and a significant proportion of management employees have at least one KPI linked to climate-related objectives, and it forms a part of their performance evaluation. Apart from this, there is a reward and recognition programme for all employees. Management compensation includes targets for synergy achievement including energy savings.

Global Cement and Concrete Association (GCCA)
The Global Cement and Concrete Association is an international industry association and its members account for ~40% of the total cement produced in the world. Established in 2018, GCCA has a very clear sustainability agenda – to help its members reach carbon neutrality by 2050. Holcim has been a founding member of GCCA, and ACC has been part of the body since its entry into India. GCCA India’s country-level involvement began with taking over the progress made by the Cement Sustainability Initiative (CSI), under World Business Council for Sustainable Development (WBCSD). Our strategies, initiatives, actions and reporting methodologies align with GCCA charter requirements covering work on climate, water, circular economy, biodiversity, health and safety.

Our notable work with GCCA
Cement specific SDG document to capture the improved protocol.
Document under preparation

Uniform tool for reporting alternative fuels and raw materials used and thermal substitution rate developed.
Access tool here

Uniform water reporting tool and water positivity calculations developed.
Document under preparation

Advocacy for promoting blended cements in the construction sector.

Encouraging use of decarbonation technologies which includes Carbon Capture Utilisation & Sequestration (CCUS).

Collaborating with IIT Delhi to develop next-generation low-carbon cement
The collaboration with the Indian Institute of Technology Delhi (IITD) aims at developing a form of calcined clay cements, a low-carbon material that will promote sustainable construction.
We have taken the Net Zero pledge and our emission reduction targets are validated by the Science Based Target initiative (SBTi). We aim at reducing our Scope 1 emissions by 21.3% and Scope 2 emissions by 48.4% by 2030, considering a 2018 baseline.

**PILLAR 1**

**Climate and energy**

Levers that drive our climate change mitigation strategy

**CLINKER SUBSTITUTION RATE / CLINKER FACTOR**
Replacing the clinker with alternative blending materials like pozzolana, slag or fly ash (industrial waste) to produce blended cements, reduces the carbon intensity of the cement. This is the primary lever for reduction of carbon emissions.

In 2021, approximately 91% of our total cement portfolio consisted of blended cements, and this will be enhanced in the future.

**WASTE-DERIVED FUELS AND BIOMASS**
Using waste and low-carbon fuels as a replacement for fossil fuels that have traditionally been used to fire a cement kiln.

In 2021, we used 0.28 MT of waste-derived fuels and biomass.

**ENERGY EFFICIENCY**
Optimising our thermal and electrical energy efficiency in both kilns and captive power plants helps reduce carbon intensity and production costs. Various energy optimisation measures are implemented.

In 2021, our specific thermal energy and specific electrical energy intensity was 3,108 MJ/T of clinker and 78.55 kWh/T of cement.
RENEWABLE ENERGY AND WASTE HEAT RECOVERY SYSTEM (WHRS)
Renewable energy sources include three wind farms with total installed capacity of 19 MW, 82 MWp of solar power capacity and a 7.5 MW WHRS at the Gagal plant. Planned additions to our renewable energy portfolio include WHRS for cement kilns at Wadi, Kymore and Chanda Cement works, solar power plants within plant boundaries, and long-term solar Power Purchase Agreements (PPAs).

In 2021, our RE production (excluding energy from WHRS) was 102 Million units as compared to 85.27 Million units in 2020.

ADOPTION OF NEW TECHNOLOGIES
For upcoming projects, we are adopting state-of-the-art technological interventions, innovative production techniques and climate-resilient resource optimisation measures.

As a part of our commitment to Net Zero, we are in the process of adding 38.7 MW of WHRS.

CARBON PRICE
The cement industry pays indirect carbon taxes in the form of coal cess, Perform Achieve and Trade (PAT) scheme and Renewable Purchase Obligation (RPO) scheme. After calculating the impact of these three indirect carbon taxes under different scenarios, we can arrive at a carbon price.

Based on current market trends, our Internal Carbon price stands at ~$3,753 per Tonne of CO₂.

ACC Limited wins Climate Action Programme (CAP 2.0°) Award from CII
CAP 2.0° recognises our efforts to reduce CO₂ emissions from our operations. The CAP 2.0° award given by Confederation of Indian Industry (CII) is based on a CII-climate-maturity model and uses the principles of business excellence. ACC has won this award in the Energy, Mining and Heavy Manufacturing sector category for efforts in 2019. The award ceremony was held in 2021 because of delay caused by the pandemic. The award recognises the Company’s continued focus on climate action, on building a circular economy, and conserving resources and nature.
We promote circular economy and aim to contribute to it with our Geocycle brand. Through Geocycle, we offer safe waste management solutions for the use of industrial and municipal wastes in our kilns. We work closely with municipalities for managing municipal solid waste.

We prioritise the management of single-use plastics through co-processing, which helps to keep them out of landfills and rivers. ACC has seven co-processing kilns in its plants with an annual capacity of over 5 lakh tonnes of waste, helping to generate alternative fuels and raw materials.

Making India free of single-use plastic

Single-use plastics are non-recyclable and end up polluting land and water bodies for many years. As part of our single-use plastic management exercise, Geocycle undertook stadium clean ups after cricket matches and supported its drive with impactful campaigns to generate awareness about the long-lasting negative impact of single-use plastics.

Leave Behind no Waste (#LBnW) brand campaign
As a firm step towards our Net Zero vision, ACC launched the ‘Leave Behind no Waste’ campaign this year (#LBnW - which also stands for a type of dismissal in cricket), by collecting and responsibly disposing off all single-use plastic generated during the India vs New Zealand test match in 2021.

The campaign used traditional and digital platforms to amplify the message of making sports more sustainable so that our planet is a better place to live in for future generations.

2 tonnes per day of single-use plastic collected during the India vs New Zealand test match in 2021, was disposed responsibly through co-processing in our kilns.

Categories of industrial, municipal and other wastes utilised by ACC

| Sludges from automotive and engineering sector | Expired goods from FMCG and food and beverage companies |
| Sludge and catalysts from oil and gas industry | Process rejects from aluminium, steel and power industry |

5 Lakh+ tonnes
Industrial, municipal and plastic wastes were co-processed in 2021
Utilising Municipal Solid Waste (MSW) from communities
The municipal corporations at Kalburgi and Bidar in Karnataka faced challenges in managing the disposal of plastic and other dry waste categories. The lack of proper waste management solution led to accumulation and storage of such waste, creating the need for an efficient disposal mechanism.
ACC Wadi signed a Memorandum of Understanding (MoU) with these municipal corporations. With support from Geocycle, these waste categories were safely transported and co-processed at our Wadi plant. This joint initiative by ACC and Geocycle was greatly appreciated by the local bodies.
The clean up also touched thousands of lives, and provided the people living in this region with a cleaner and waste-free environment.

Co-processing focus areas for 2022
- Focus on footprint expansion for managing Municipal Solid Waste and plastic waste across the country.
- Working in remote villages that are located close to our plants and help them manage their Municipal Solid Waste in a scientific and environment-friendly way.
- Capacity expansion across all plants to enable higher utilisation of waste volumes in the kilns.

Legacy waste management
India has over 3,000 landfill sites, covering more than 10,000 acres of land. These sites pose serious hazards for the environment and public health. They are a source of foul odour, greenhouse gas emissions and groundwater contamination.
ACC is working with municipalities to help remediate legacy dumps by co-processing their segregated combustible fractions in kilns at ACC cement plants.

90,000 Tonnes waste utilised from landfill sites
Implemented across 60+ sites, remediating more than 300 acres of land space.

Geocycle helps Himachal Pradesh in ‘Zero plastic’ initiative
The Himachal Pradesh government launched a state-wide campaign to clean up plastics from the mountains. Geocycle supported this campaign by co-processing the plastic collected from various districts in ACC’s cement kiln at Gagal, thereby helping the state progress towards its zero plastic goal. Now, Geocycle is setting up a Bubble Barrier in Himachal Pradesh to collect plastics from the Beas river.

Collecting and reusing our packaging material
Cement packaging material has high reuse value in construction sites for storing materials and as roof coverings for the poor people’s homes. ACC collects used or torn cement bags and co-processes them as alternative fuel in some of its manufacturing units.

Bubble Barrier Technology

Co-processing waste
ACC takes a multidimensional approach to safeguarding the environment. We minimise our air emissions, promote biodiversity, and recycle water to reduce our environmental footprint. At the same time, we take active efforts to nurture and green our surroundings.

Air emissions minimisation
We have installed advanced primary and secondary abatement measures in addition to regular maintenance of equipment at manufacturing locations to minimise air emissions. This helps us to comply with the Emission Limit Value (ELV) mandated by various regulators. We have installed Continuous Emission Monitoring systems (CEMs) at all our 17 cement plants to monitor air emissions. Air quality is also monitored through the Continuous Ambient Air Quality Monitoring Stations (CAAQMs).

CONTROL OF EMISSIONS AT OUR PLANTS
Dust
We have achieved continuous improvement in process efficiency. We have high efficiency bag filters in all operational processes, except Clinker Cooler application. We also use latest Electrostatic Precipitators (ESPs) in Clinker Cooler application. We adhere to periodic maintenance schedules for all processes and systems.

<table>
<thead>
<tr>
<th>Year</th>
<th>Dust Emissions (g/t of cement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>17.40</td>
</tr>
<tr>
<td>2019</td>
<td>16.93</td>
</tr>
<tr>
<td>2020</td>
<td>12.33</td>
</tr>
<tr>
<td>2021</td>
<td>14.20</td>
</tr>
</tbody>
</table>

SOx
The inherent presence of high lime content in cement manufacturing process helps in absorbing $SO_2$ emissions.

<table>
<thead>
<tr>
<th>Year</th>
<th>SOx Emissions (g/t of cement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>78.20</td>
</tr>
<tr>
<td>2019</td>
<td>64.21</td>
</tr>
<tr>
<td>2020</td>
<td>82.40</td>
</tr>
<tr>
<td>2021</td>
<td>112.2</td>
</tr>
</tbody>
</table>

Note: There is a significant increase in SOx emissions intensity in the year 2021 as compared to 2020. This is due to change in raw material quality and change in fuel at Chanda. There is some increase in dust emission for the year 2021 due to some operational problems in few of our plants. However, the specific emissions are in compliance to regulatory norms.
Developing forests at our plants

In the past 3 years, ACC has developed forests at Chanda and Wadi manufacturing plants using the Miyawaki technique. Inspired by the growth of these forests, we undertook another forest development at Wadi plant in 2021 in an area of 250 m² using Miyawaki technique.

1 Miyawaki method is developed by Japanese scientist Mr Akira Miyawaki, and is useful in creating forest in shortest possible time.

Mercury Emissions

Maintaining compliance with the regulatory Emission Limit Value (ELV) for mercury and its compounds’ emissions. Kiln is the source of mercury emissions from cement manufacturing operations. Compliance levels for all our kilns was at <0.5 µg/Nm³, as is prescribed by Ministry of Environment, Forest and Climate Change (MoEF&CC).

NOx

We are improving operational and process efficiencies through implementation of various primary measures for controlling NOx emissions. Our integrated plants use Selective Non-Catalytic Reduction (SNCR) systems for sustainable operations.

NOx Emissions (g/t of cement)

Mercury Emissions

Maintaining compliance with the regulatory Emission Limit Value (ELV) for mercury and its compounds’ emissions. Kiln is the source of mercury emissions from cement manufacturing operations. Compliance levels for all our kilns was at <0.5 µg/Nm³, as is prescribed by Ministry of Environment, Forest and Climate Change (MoEF&CC).
Sustainability strategy

PILLAR 3: ENVIRONMENT

Water and wastewater management
Water is integral to life. We are conscious about the water scarcity experienced in various parts of our country and the impact of climate change worsening the situation. At ACC, we adopt a multi-dimensional approach to return more water than what we consume at our plants and are 1.35 times water positive. We return water to communities through our community water harvesting structures including converting mined out pits into reservoirs.

**OUR WATER MANAGEMENT STRATEGY**

**Optimising water consumption in our plants**
Specific water consumption reduced from 151 Litres per ton of cementitious material in 2020 to 136 Litres per ton of cementitious material in 2021.

**Zero liquid discharge from our operations**
During the year, we used 0.57 Million m³ of recycled water and reduced our specific fresh water consumption from 78 Litres per ton of cementitious material in 2020 to 74 Litres per ton of cementitious material in 2021.

**Rainwater harvesting in our mines**
In 2021, we have harvested 16.2 Million m³ of water in our mine pits/voids.

**Rainwater harvesting in communities**
In 2021, we have created community rain water harvesting structures, resulting in harvesting 1.9 Million m³ of water.

**Water management performance**

<table>
<thead>
<tr>
<th>Water management performance</th>
<th>(Million m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Water Consumption</td>
<td>2.1 2.0 1.7 1.8</td>
</tr>
<tr>
<td>2018 2019 2020 2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Harvested Rainwater Consumption</th>
<th>(Million m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.28 2.46 1.75 1.70</td>
<td></td>
</tr>
<tr>
<td>2018 2019 2020 2021</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Groundwater Consumption</th>
<th>(Million m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.27 0.22 0.17 0.20</td>
<td></td>
</tr>
<tr>
<td>2018 2019 2020 2021</td>
<td></td>
</tr>
</tbody>
</table>

Water harvesting at Bargah Mines
Biodiversity
Assessing and improving biodiversity is important for us, across our operations in plants and mines. We have conducted biodiversity assessments at all 17 plants, using the Biodiversity Indicator Reporting System (BIRS), a tool developed by Holcim, in partnership with International Union for Conservation of Nature (IUCN). BIRS is a standardised system for assessment and regular monitoring of biodiversity at any extractive operation site is possible. Based on the outcome, various remedial measures are implemented in the mines. As the COVID situation eases in 2022, we plan to reassess our mines using the BIRS tool.

Three of our mines, Lakheri, Dungri and Gagal, are located within a 10 kms-radius of certain nationally protected areas. We have developed and implemented Wildlife Conservation Plans (WCPs) for all these mines to maintain ecological balance. Additionally, we have made WCPs for our Sindola and Govari mines.

As a responsible corporate, we strictly adhere to the commitments made in our mining plans and regularly undertake plantation activities at our mines, mined-out pits and dumps to manage and conserve biodiversity. Our mined-out pits not only act as water reservoirs but also help in conserving local ecology. We plant around one Lakh saplings every year across our operational sites.

A few of our initiatives also focus on the conservation of particular flora and fauna at certain plant locations. Under the ‘B-Buzz’ project, we are developing a butterfly garden, a fruit garden, and also doing invasive species management.

Awarded five-star rating by Ministry of Mines for sustainable mining
ACC’s limestone mines at Govari, Wadi, Gagal, Jamul and Kymore were felicitated with the prestigious ‘5-star rated mines’ award by the Ministry of Mines, Government of India, at the 5th National Conclave on Mines and Minerals. From nearly 1,029 mines assessed across India, our mines were recognised for their sustainable mining including scientific and systematic mining practices, progress on mine closure plan, addressing of resettlement and rehabilitation issues, local community engagements and welfare programmes.
ACC identifies itself as a caring organisation and takes pride in fostering the growth of its employees and taking care of the development of its communities. Our leadership supports and promotes a culture that is fair, transparent and inclusive.

Leading with empathy
COVID-19 triggered a humanitarian crisis globally. At ACC, we mobilised resources to support our employees and their families, third party workers and the communities around our plants by arranging for COVID-19 testing, generating awareness through information and education, and providing medical support wherever required. Further, our policies including work-from-home, financial and medical assistance supported our people during the crisis.

Our people initiatives focused on ensuring the well-being of people. The Business Resilience Team (BRT) was constituted to direct, guide and monitor employee well-being, health and safety within the organisation. An in-house COVID Crisis Control Room along with third party health service providers guided employees in navigating the pandemic. Our unique counselling initiative – Sparsh provided support for the emotional well-being of our employees and their immediate family members. Our vaccination programme reached all employees and their families, third party workers and truck drivers. We ensured that all employees in our ecosystem were fully vaccinated by early August 2021. Further, our COVID support policies helped those impacted by the virus.

The ACC-Ambuja Leadership Academy (AALA) used inputs from the BRT to start some of its first outreach programmes and to establish a meaningful connect with the employees.

These programmes involved 200 in-house experts and the sessions were designed keeping employee needs in mind. Twelve webinars covering subjects such as 'COVID and How to Manage It' and 'Mental Well-being and Resilience' were organised. About 2,195 employees participated in these programmes.

<table>
<thead>
<tr>
<th>5-year attrition trend*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

*Attrition trend is for Cement business

Collective bargaining and trade union relationships
Our factory workers or Shop Floor Associates (SFA) constitute ~45% of our direct employees. They are an indispensable part of our workforce and we engage with them as trusted business partners. We maintain cordial and harmonious relationships with our unions through regular communication and open, two-way dialogue and have their tacit approval in all critical business decisions.

Our COVID policies provide ex-gratia support for family of deceased SFA, as well as third party workmen and special leave for those infected by the virus.
DIVERSITY AND INCLUSION
ACC is an equal opportunity employer and ensures that our people are treated with respect, dignity and fairness. We are committed to:

• Creating and sustaining a diverse and inclusive workplace with zero tolerance for any form of discrimination/harassment
• Ensuring that all members have equal access to information and opportunity
• Accepting and appreciating diverse points of view/new ideas and opinions to promote creativity, innovation and high performance

Our four strategic levers for promoting diversity and inclusion are attracting diverse talent, promoting education and awareness, engagement and development and building ecosystems at workplace.

Building diversity at the workplace is a journey. We are pleased to share, that over the last few years we have achieved a gender diversity of 7% amongst the management staff.

To promote gender diversity, we also run mentorship programmes and initiatives that expose women to leadership roles, and enhance their skills. Several sensitisation workshops have also been conducted to promote inclusion at the workplace.

We employ people with disabilities. At ACC, we recognise that diversity has many dimensions and remain committed to providing equal opportunities for employment.

Gender Diversity by Management Category

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Gender diversity (male : female)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Management</td>
<td>2,127</td>
<td>185</td>
<td>92.8</td>
</tr>
<tr>
<td>Middle Management</td>
<td>1,063</td>
<td>53</td>
<td>95.5</td>
</tr>
<tr>
<td>Senior &amp; Top Management</td>
<td>210</td>
<td>9</td>
<td>96.4</td>
</tr>
</tbody>
</table>

Women's support network
Oorja is an all-India women’s network that aims to motivate women at the workplace through peer support and collaboration. Oorja enables women to interact with their senior women colleagues within the organisation. The programme fulfils our objective of providing women employees a nurturing and supportive environment and achieving our vision of becoming a great place to work for women employees.

Launch event
Oorja was launched virtually and the event was attended by over 200 women employees from different locations in India.

Key objectives
• To share ideas, give suggestions and facilitate the process of building a women-friendly organisation
• To co-create an organisation that becomes a ‘great place to work’ for all our women employees
• To ensure we become one of the most admired organisations in India on attributes like gender diversity practices, inclusivity and employee engagement
LEARNING AND DEVELOPMENT TO ACHIEVE COMMON GOALS

Learning & Development is an integral part of our people strategy and essential to developing employee potential. We continue to encourage employees across the organisation to learn through the multiple options available to them.

During the lockdown, a simple and intuitive learning model was used which proved to be an effective employee engagement tool. By leveraging our digital ecosystem of learning and development, we support our employees on their developmental journey. We offer the following learning and development formats:

- Large instructor-led webinars – master classes mostly open to all levels of employees
- Smaller virtual instructor-led sessions and programmes tailored to the needs of specific teams
- Programmes that support key organisational development initiatives such as successor development, creating a culture of safety, etc.

E-learning modules

AALA introduced Super Assisted Intelligent Learning (SAIL), a learning experience platform (LXP) in 2019, which gives insights into individual-driven learning. Multimedia learning tools such as videos complemented trainings conducted through the three formats mentioned above. Several programmes including coaching for sales leaders and workshops to build synergy among teams have been conducted on this platform.

Leadership programmes

During the year, Succession Development Programme was launched for the Manufacturing and Sales teams to strengthen succession planning at the mid-management level.

Also, the Emerging Career Leader Programme was launched to build a pipeline of future leaders by providing a six-month virtual training for select junior employees.

The Holcim Business School for Emerging Leaders is our group’s global programme for mid- and senior-level managers to prepare them for next level roles. Through a modular, four-month programme offered annually, this programme focuses on development of leadership, strategy and business acumen. During COVID, the programme was offered virtually.

Area-wise learning

<table>
<thead>
<tr>
<th>Area</th>
<th>% of time spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership &amp; Skill building</td>
<td>32</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>21</td>
</tr>
<tr>
<td>Wellness, Health &amp; Safety</td>
<td>21</td>
</tr>
<tr>
<td>Business &amp; Strategy</td>
<td>8</td>
</tr>
<tr>
<td>Cash &amp; Cost</td>
<td>4</td>
</tr>
<tr>
<td>Compliance</td>
<td>2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8</td>
</tr>
<tr>
<td>Sustainability &amp; Geocycle</td>
<td>4</td>
</tr>
</tbody>
</table>

Also, the Emerging Career Leader Programme was launched to build a pipeline of future leaders by providing a six-month virtual training for select junior employees.

The Holcim Business School for Emerging Leaders is our group’s global programme for mid- and senior-level managers to prepare them for next level roles. Through a modular, four-month programme offered annually, this programme focuses on development of leadership, strategy and business acumen. During COVID, the programme was offered virtually.

<table>
<thead>
<tr>
<th>Total unique employees participated in the training programmes</th>
<th>4,033</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall employees attended more than one programme</td>
<td>21,466</td>
</tr>
<tr>
<td>Total no. of training programmes conducted</td>
<td>396</td>
</tr>
<tr>
<td>Modules created/uploaded on SAIL</td>
<td>96</td>
</tr>
<tr>
<td>Total learning hours</td>
<td>82,713</td>
</tr>
<tr>
<td>Total Internal/External faculty</td>
<td>157</td>
</tr>
<tr>
<td>Total In-house courses/e-modules created</td>
<td>64</td>
</tr>
</tbody>
</table>
Engagement programmes
We have several initiatives in place to enhance employee engagement.

'Baat Cheet' is our quarterly town hall wherein the MD & CEO, along with the leadership team engages with employees to share the Company’s quarterly performance and priorities.

'Open House Conversations' are small group-based location or function-wise interactions with MD & CEO and leadership team on wide range of topics to promote transparent exchange of views.

Our ‘Write to MD & CEO’ app encourages all employees to connect directly with the MD & CEO and present their ideas and suggestions, share team and individual achievements as well as express their concerns. This app brings in more transparency and boosts morale and confidence levels of our people.

Pratibha ke Rang, ACC ke Sang
The ACC Parivaar countered the COVID-19 crisis with resilience. Last year, we organised ‘Pratibha Ke Rang, ACC Ke Sang’, an event which encouraged ACC employees and their family members to showcase their talent. The event not only brought employees together, but also unearthed diverse creative talents of our employees and their close ones.

This unique initiative was launched on our digital platform and received wide coverage, participation and great viewership.

Employee engagement
Webinars on emotional wellness for employees and their family
Engagement by leadership team through regular e-mails/newsletters
Engagement through MD & CEO programmes

#Coolestworkplace
ACC has been ranked amongst top 25 coolest workplaces in India by Business Today

ACC scored highly on
- Growth and Learning opportunities
- Hygiene and safety at work
- Job security and stability
HUMAN RIGHTS

Respect for human rights is fundamental to the way we conduct our business and form the core of our workforce policies. ACC is committed to upholding human and labour rights in our operations, business activities and relationships.

Our approach to managing human rights is aligned with the United Nations Guiding Principles on Business and Human Rights to prevent, address and remediate infringements on human rights. The CEO of Holcim – Jan Jenisch is championing our commitment to human rights. He is also a part of World Business Council for Sustainable Development (WBCSD) CEO Guide on Human Rights 2nd edition, which further underlines our responsibility. The WBCSD is a CEO-led organisation of over 200 international companies driving sustainable development.

**Our human rights approach**

- **Policy commitment**
  - Human rights policy
  - Embedded in related policies

- **Identification of risks and impact**
  - Conduct self-assessment across plants
  - Regular dialogue with community and supply chain

- **Addressing risks and impact**
  - Integrate findings
  - Prioritise issues with action plans

- **Monitoring and communication**
  - Monitor action plan implementation
  - Track effectiveness of response
  - Communicate on performance

- **Grievance and remedy**
  - Grievance mechanisms

**Stakeholder mapping**

**Internal**
- Plant Leadership team
- Management Staff
- Shop Floor Associates
- Union Leaders
- Third Party Workmen
- Drivers
- Packers and Loaders
- Colony Residents

**External**
- Community Representatives
- NGOs
- Contractors
- Transporters
- Government Officials

**Human rights assessments**

We have conducted human rights impact assessment at 11 of our manufacturing plants and developed action plans. As part of these assessments, human rights awareness sessions were conducted together with de-briefing sessions with leadership teams. We are enthused by the response to these consultations and our actions to improve H&S and community outreach. We plan to conduct 4 such assessments in 2022.

**11 plants assessed as per Human Rights standards**

**1,260 people consulted**
**Ensuring Employee Health and Safety at Our Plants**

Health & Safety (H&S) is a core value for ACC. Our senior management play an active role in promoting safety culture across the organisation to achieve our goal of zero-harm. Executive Committee KPIs are linked to H&S Performance, in order to drive the safety culture.

### Focus areas for 2021

- Zero fatality and LTIFR improvement
- Rewards and recognition

### Health, Safety and Environment Improvement Plan (HSEIP)

The HSEIP plan reinforces leadership role in Health & Safety and has led to implementation of specific measures to improve our H&S performance. These actions include:

- Audit of H&S management systems at all cement and ready-mix concrete plants to provide assurance on their implementation and effectiveness
- Boots on Ground initiative to improve risk management and shop floor engagement
- Health & Safety Culture Perception survey at manufacturing units, project sites and RMX units
- Certification programmes for LOTOTO, Rail Safety, and Field Level Risk Assessment.
- Addressal of critical risks associated with coal shop, conventional fuels, mining operation, hot meal handling, and structural stability in a phased manner

### COVID-19 response

Our Business Resilience Team (BRT) comprising members of the senior leadership team regularly reviews the evolving COVID situation globally and within India. Accordingly, it issues relevant guidelines to ensure employee safety and business continuity.

As part of our response to the pandemic, we undertook regular screening of staff across plants and offices, sanitisation of workplaces, awareness sessions and vaccination of our employees and contractors. Post re-opening, all employees and contractors entering plant premises have had to undergo Rapid Antigen Test every 15 days and RT PCR test on return from leave. To manage health emergency situations, we have entered into tie-up with hospitals and fully-equipped health centres. All visits by sales and marketing employees are monitored. We constantly stress on maintaining COVID-appropriate behaviour such as wearing of masks and hand sanitisation.

### Safety performance

#### KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onsite Fatality</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR (Employees &amp; Contractors Onsite)</td>
<td>0.45</td>
<td>0.34</td>
<td>0.31</td>
<td>0.25</td>
</tr>
<tr>
<td>Million Man-hours</td>
<td>46.63</td>
<td>43.71</td>
<td>35.20</td>
<td>52.60</td>
</tr>
<tr>
<td>Lost Time Injury (LTI)</td>
<td>21</td>
<td>15</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>

### Safety orientation

We conduct structured H&S induction programme for new employees in manufacturing, sales and logistics functions to inform them about H&S rules and policies and inculcate safe behaviour. Such centralised programmes are conducted at corporate level by H&S and HR teams. In addition, each plant conducts its own H&S induction for new employees, visitors and contractors. We also conduct an induction programme for senior leadership through Corporate H&S Team.

### Monitoring safety performance

We conduct H&S audit programme to monitor compliance with safety rules and standards.

This includes Intra Plant audit within the Company, Cross OpCo Audit - cross company audit and Group Audit conducted by the Holcim group. Safe Operating Procedures related to Health and Safety are implemented across all plants and its implementation is monitored and verified on monthly basis through respective plant H&S scorecard.

Safe practices are monitored through different tools such as Boots on Ground (BoG), Visible Personnel Commitment (VPC) and hazard reporting. The Critical Control Management programme was launched to address the eight critical elements called Priority Unwanted Events (PUE) in our operation. This has led to 35 critical controls which are monitored through critical VPCs and quarterly field verification for effective implementation.

### Recognition for safety

- 3rd ICC National Occupational Health & Safety award 2021 to ACC Thondebhavi (Platinum certificate) and ACC Jamul (Gold certificate)
- Effective Safety Culture Award by Greentech Foundation to ACC Thondebhavi
- Ametha Project awarded with the ‘Five Star Safety Audit Certification’ applied by Larsen & Toubro
Health and Safety perception survey
Health and Safety Cultural Survey 2021 was conducted across all manufacturing units, RMX plants and project sites. A total of 7,295 respondents took part in this survey, an increase of 16% from 2020. The survey addressed eight major elements including subjective risk assessment, rule enforcement, addressing problems and hazards, work planning, supervisory oversight, resource management, operational process, and values and commitment. The analysis of survey response revealed shortcomings in supervisory oversight element. The outcomes of the survey will be used to develop Health, Safety & Environment Improvement Plan (HSEIP) 2022.

Trend (2018-2021): Health and Safety Perception Index

<table>
<thead>
<tr>
<th>Element</th>
<th>2018</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values &amp; Commitment</td>
<td>71</td>
<td>83</td>
<td>89</td>
</tr>
<tr>
<td></td>
<td>▲+16.9%</td>
<td>▲+7.2%</td>
<td></td>
</tr>
<tr>
<td>Operational Process</td>
<td>82</td>
<td>90</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>▲+9.8%</td>
<td>▲+5.6%</td>
<td></td>
</tr>
<tr>
<td>Resource Management</td>
<td>86</td>
<td>88</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>▲+2.3%</td>
<td>▲+8.0%</td>
<td></td>
</tr>
<tr>
<td>Supervisory Oversight</td>
<td>80</td>
<td>86</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>▲+7.5%</td>
<td>▲+5.8%</td>
<td></td>
</tr>
<tr>
<td>Work Planning</td>
<td>85</td>
<td>84</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>▲+1.2%</td>
<td>▲+6.0%</td>
<td></td>
</tr>
<tr>
<td>Addressing Problems &amp; Hazards</td>
<td>73</td>
<td>86</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>▲+17.8%</td>
<td>▲+4.7%</td>
<td></td>
</tr>
<tr>
<td>Rule Enforcement</td>
<td>83</td>
<td>84</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>▲+1.2%</td>
<td>▲+8.3%</td>
<td></td>
</tr>
<tr>
<td>Subjective Risk Assessment</td>
<td>72</td>
<td>83</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>▲+15.3%</td>
<td>▲+12.0%</td>
<td></td>
</tr>
</tbody>
</table>

15 cement plants + 6 RMX regions

(Analysis of mean scores of the 8 elements)

Leading and lagging indicators
To improve our safety performance, we monitor key leading and lagging indicators. BoG, VPC, hazard identification and Near Misses are the key leading indicators monitored by us. All functional HODs and Senior Leaders are given monthly targets on leading indicators. On a monthly basis, the Senior Leaders’ BoG, VPC and hazard reporting are monitored and timely guidance on improving the leading indicators are conveyed through monthly cluster meetings. Critical Job reviews, VPC and hazard reporting, Annual Audit Plan and country level meetings contribute in improving the Leading and Lagging indicators performance.

Rewards and recognition policy 2021
To promote safety culture, we have instituted several awards to recognise individual and team efforts towards safe work environment. The individual awards include Safety Person of the Month and spot rewards for good work. Team rewards include ‘War on Waste’ rolling trophy and the monthly Best Zone award. In addition, reward and recognition ceremonies are organised at plant level.

Rewards and recognition

<table>
<thead>
<tr>
<th>Location</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamul</td>
<td>Best H&amp;S Performer (IP)</td>
</tr>
<tr>
<td>Thondebhavi</td>
<td>Best H&amp;S Performer (GU)</td>
</tr>
<tr>
<td>Sindri</td>
<td>Best H&amp;S Performer (Projects)</td>
</tr>
<tr>
<td>East Region</td>
<td>Best Region in Logistics Safety</td>
</tr>
<tr>
<td>Jay Mukhopadhyay</td>
<td>Best H&amp;S Professional</td>
</tr>
<tr>
<td>Ashok Kumar Verma and Yogesh Gurav</td>
<td>Best Logistics Safety Professional</td>
</tr>
</tbody>
</table>
Mission focus 2021
Mission Focus 2021 is a special initiative to monitor safety effectiveness through virtual visits to incident prone areas. Under this initiative, virtual visits to mines, poking/jam cleaning at cyclone and kiln inlet were conducted and gap closure action plan developed. All these actions are reviewed in weekly and monthly H&S review meetings.

Behaviour based safety programme
The programme started during the year imparts training to all employees on VPC and complements reward and recognition programme.

Maintaining employee health
As part of our holistic H&S approach, we undertake several initiatives to monitor, treat and improve health of our people. The health of all employees is reviewed periodically through medical examinations. Health risk factors are monitored bi-monthly and appropriate guidance and treatment is provided. We also organise lifestyle management programme and health awareness sessions for our employees and their families.
Consistently improving road safety performance

ROBUST ROAD SAFETY PERFORMANCE
Road Safety is a serious challenge in India where 430 lives are lost each day. For ACC to achieve its Ambition “0”, the safety of our drivers and other road users during material transportation across the country covering over 500 Million kms becomes paramount. Over the last 5 years, we have invested in technology, resources, training and systems to achieve significant improvement in our road safety performance.

5-YEAR PERFORMANCE IMPROVEMENT JOURNEY
Our journey began in 2016-17, when we started evaluating and monitoring our road safety performance. This was triggered by the loss of lives in road accidents in 2016, which prompted us to strengthen reporting of each offsite incident. We developed an India Road Safety Plan and designed a 5-year strategy to achieve our Ambition “0” on roads.

Since then, we have established a strong road safety management system. The key performance indicators are % Safe Kms, % Kms with in-Vehicle Monitoring System (iVMS), % Kms by approved drivers, injury reduction, critical and fatal incident elimination.

Reskilling drivers
We lay emphasis on skilling of our drivers and their driving behaviour management through stakeholder engagement, progressive strengthening of vehicle standards and investing in journey risk management.

Focus areas for 2021
- Skill development
- Driving behaviour management
- Stakeholder engagement
- Vehicle standards
- Investing in technology
- Journey risk management

Enablers

12,000+
Drivers vaccinated in 2021

5,000+
Trained as per Holcim certified training and in-cab assessment programme in 2021
Continuous investment in hardware and software technology adoption and upgradation has been key to our strategy. We implemented iVMS programme and have installed vernacular language enabled voice-box in all vehicles to give real-time alerts to drivers which helps improve driving behaviour on the go. We presently have over 10,000 iVMS and voice boxes installed.

Skill development
Our experience shows that skilling and behaviour management through training, coaching and counselling are key to managing road safety. We established Driver Management Centres (DMCs) for training and created App based e-Passport to capture driver and vehicle details including trainings, licence number, vehicle fitness, pre-trip inspection and more. This e-passport is checked every time the vehicle enters the plant to ensure safe delivery of consignment.

DMCs are established across all our 15 plants with over 50 counsellors deployed. A core function of the DMC is to monitor daily performance with respect to % safe kms reflected in the daily Transport Analytics Center (TAC) dashboard and make on ground intervention in coaching and training drivers to influence change. Holcim certified Master Trainers are deployed in each DMC for training and the in-cab assessment help us in skilling drivers to handle the dynamic road risk situation and avoid any loss to self or other road users.

Onboarding new drivers
Every year, we induct more that 1,500 new drivers per month who go through a robust induction process with Defensive Driving Induction at the DMC. The driver has to qualify an in-cab assessment comprising of four hour classroom session followed by two hour on-the-road assessment within three months of joining. Every two years, there is a mandatory refresher course for in-cab assessment.

Safety performance in 2021
Strong safety performance was delivered during the year with the higher safe Kms, which increased from 72% in 2020 to 80% in 2021, and up from 14% in 2016. We have also observed a significant decline in critical incidents and recorded first ever zero recordable fatality year in 2021. The improvement reflects our continued commitment to road safety.

Logistic Incident - Critical

<table>
<thead>
<tr>
<th>Year</th>
<th>% Safe Kms</th>
<th>Fatality</th>
<th>No. of incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>67</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>2017</td>
<td>42</td>
<td>4</td>
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<td>2020</td>
<td>15</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2021</td>
<td>80</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Zero
Recordable fatality in 2021
82%
Reduction in critical incidents in 2021 over 2016
80%
Safe Km in 2021
PILLAR 4: PEOPLE AND COMMUNITY

Community development

Our CSR activities play a vital role in the socio-economic development of communities in the vicinity of our manufacturing plants. We have constituted Community Advisory Panel (CAP) across our locations to drive community development projects in an effective and transparent manner.

ACC develops the annual CSR plans and defines the project goals, outcomes and impacts. The ACC Trust and its partner organisations implement all CSR interventions. The effectiveness of the programmes is assessed through regular field visits, monthly physical and financial MIS, and third-party impact assessment studies.

BOARD OVERSIGHT ON CSR

The CSR and Sustainability Committee recommends its annual plan to the Board of Directors for providing strategic guidance. The Board approves the annual action plan, which is then translated into action on ground. The CSR & Sustainability Committee monitors the progress of this action plan on a quarterly basis and also intervenes with corrective actions for improvement.

SOCIAL IMPACT AREAS

The major focus areas of community development programmes are aligned with the sustainability goals of the United Nations as well as Section 135 (Schedule VII) of the Companies Act, 2013. Three main focus areas are:

- Sustainable Livelihoods
- Quality of Education
- WASH (Water, Sanitation, Health and Hygiene)
**CSR ROADMAP 2030**

Going forward, ACC has realigned its CSR focus areas with business sustainability strategy 2030, sustainable development and ESG goals, and section 135 (Schedule VII) of the Companies Act, 2013. The new focus areas are Water Governance & Management, Sustainable Livelihood and Social Inclusion. We have started working with specialised and credible partner organisations, government bodies and other private players for bringing convergence, collaborations to achieve scale and impact.

**Our key achievements**

**Sustainable livelihood**

**44,000+**

Beneficiaries connected through women federations, farmer producing organisations and employable skill training

**Quality education**

**25,000+**

Beneficiaries impacted through digital literacy, online education, quality education, teacher training and scholarship for higher education

**Wash (water, sanitation, health & hygiene)**

**5,000,000+**

Beneficiaries positively impacted through malnutrition eradication, safe drinking water, sanitation and health and hygiene initiative

**CSR expenditure**

<table>
<thead>
<tr>
<th>Year</th>
<th>expenditures (£ Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>21.32</td>
</tr>
<tr>
<td>2018</td>
<td>20.45</td>
</tr>
<tr>
<td>2019</td>
<td>25.07</td>
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<tr>
<td>2020</td>
<td>32.33</td>
</tr>
<tr>
<td>2021</td>
<td>35.95</td>
</tr>
</tbody>
</table>
COLLABORATIVE WATER MANAGEMENT IN COMMUNITIES

Working with communities, ACC Trust is helping enhance water availability in nine villages across eight gram panchayats in Maharashtra. A community interaction-intervention model is used to further the objective of ensuring adequate water supply for drinking and irrigation purposes, which is a major challenge today. In the early phases of the project, a community mobilisation-focused group was formed, along with Water User Association (WUA) committees, to identify and understand the needs and priorities of farmers. The community was expected to contribute 20% of the costs of the restoration work.

The following activities were undertaken for maintaining water supply:

- Construction of cement nala bund and repair of existing cement nala bunds
- Promotion and installation of drip / micro irrigation to control the flood irrigation.
- Farm pond and pond de-siltation

With the help of these water conservation structures and activities, the water availability in the area has increased significantly. Now water is available up to 3 months after the monsoons, enabling 671 hectares of land to be cultivated.

ACC Vidyasaarathi Scholarship for students

Under this programme, we provided scholarships worth ₹1 Crore to over 2,400 students for pursuing under graduate programmes in 2021-22. The programme supports underprivileged students residing near the ACC plant locations who cannot afford quality education. These scholarships encourage them to overcome their financial constraints and pursue their chosen career path.

Our COVID response

Distribution of masks and emergency ration kits

- 3,53,344 Masks stitched and
- 3,38,457 Distributed

Distressed community members supported through dry ration and cooked food packets

- 1,06,025 People reached through mass awareness and tele-counselling (mental health awareness) sessions
- 1,67,968 People reached through disinfection drives

Providing community health infrastructure support

- 420 Jumbo oxygen cylinders provided to government hospitals & COVID-care centres

Dedicated ambulances for COVID support

- 6

COVID-care centres provided with essential support items

- 16

Oxygen plants installed at Tikaria, Thondebhavi and Chanda, Bargah, Wadi, Gagal, Lakheri and Ametha Actively partnering with the government for pushing vaccination drives
Development Initiative on Skills for Holistic Development (DISHA) is a programme that aims to provide livelihoods to unemployed youth around plant locations. Under this programme, training, skilling and placement assistance are provided and self-employment initiatives are encouraged. The award recognises DISHA’s efforts to develop market-oriented skills in these youth. DISHA has 17 centres and takes an innovative approach to solving the problem of unemployment.

**17,915** youths have been trained through these centres so far

DISHA wins award at 19th FICCI CSR Awards 2021

ACC Lakhri Cement Works conducted a need assessment study at Kankara Dunger village in Rajasthan, which faced water scarcity during dry season. Farmers from the village were unable to irrigate their fields in summer. ACC Trust enlisted technical partners to implement lift irrigation using a 3.6 km long pipeline to connect the Mej river in Rajasthan’s Bundi district with the Kankra Dunger village. Regular capacity building training programmes for farmers were organised. ACC also initiated a water user group called “Balaji Jal Utthan Samiti, Kankara”, to whom the project has been handed over to operate and maintain the entire lift irrigation system.

**1,233** Beneficiaries in the village

**3.6 km** Pipeline

**1,200 Bigha** Land irrigated
Supply chain management

Enhancing responsible procurement

ACC is committed to a sustainable supply chain. We ensure that our suppliers are compliant with applicable laws and regulations and their performance on sustainability criteria is assessed, as a part of our Code of Conduct.

Our business code of conduct has additional supplier compliance criteria which require suppliers to comply with all applicable anti-corruption laws and regulations. There is a zero-tolerance policy towards any form of bribery, corruption, extortion and embezzlement. Suppliers must ensure fair and decent working conditions for their employees and employ children below the age of 18. Suppliers’ employees are required to be paid as per the local rates prevalent at their manufacturing location, or the minimum wage stipulated by national law, whichever is higher, and should be eligible to receive benefits from social security schemes as per accepted national legal and labour standards.

ROAD SAFETY
Road Safety is a focus area for ACC and involves driver welfare measures like rest shelter, high quality food, recreation facilities, etc. for their comfort and well-being. To build stronger trust and belongingness among ACC’s driver community, initiatives like Vidyasaarathi scholarship and support for enrolment into various government schemes for their children have been undertaken. Moreover, the Company has facilitated vaccination drives at our sites for the driver community.

Our road safety efforts on pg 80
Celebrating 25 years of supplier relations

We strive to build long lasting, fair and transparent relationships with our suppliers. When Mithila Group of Industries, our packaging material partner, completed 25 years of alliance, ACC’s Non-Executive, Non-Independent Director, Mr Neeraj Akhoury felicitated them for their invaluable contribution to ACC. This recognition has encouraged our partners to up their performance and enhanced our goodwill with our suppliers.
Value chain management

Relationship management

ACC has a strong pan-India channel network consisting of 13,000 dealers and 56,000 retailers and sub-dealers, who help to service the nation’s requirements for high-quality cement and building materials.

DIGITAL EFFORTS
We use an ecosystem of digital applications and interphases to gather information from various customers, dealers and channel partners and analyse data. This improves our ability to engage with them and serve them better.

ACC PREMIER LEAGUE
Each year, we engage with our dealers through several local events. ACC Premier League is one of our largest events, where the top performing dealers are felicitated. This year, 38 dealers attended the event in Mumbai, following all COVID protocols. The dealers met ACC Leadership team, discussed market situation and shared their stories of growth together.

Key digital efforts

- **ACCHelp website for construction guidance and tools for home builders**
- **Service Connect for the customer service field team to monitor changes in the market**
- **Atoot Bandhan Contractor Application for contractor relationship management**
- **Contact Center to address concerns and grievances of home builders and other stakeholders**
- **Concrete Club Application as a niche social network for exclusive set of engineers and architects**
TOGETHER EVERY STEP WITH CUSTOMERS

Independent home builders hold a key share of our retail customer group. To effectively guide them in their building needs, we have instated multi-fold interventions at various stage of home building. For example, we have developed standardised communications that support them in tasks such as basic material selection and application checks. Similarly, our expert field agents handhold them in critical phases of construction, such as slab casting, helping design scientifically built structures that stand the test of time.

Delivering last-mile customer support

To multiply our customer reach and brand touchpoints, we launched ‘Help Bikes’ in South and West India. The Help Bike Service is an ‘on-the-go’ support mechanism for our customers who need on demand services and consultation on scientific and efficient building practices. The Help Bikes come with a mounted standardised service toolkit, and a qualified civil engineer to service customers. The customers avail services such as, quality check of materials used and receive guidance on tasks such as concrete proportion setting.

The highly successful Help Bike initiative strengthens our service levels and increases our engagement with customers.

67,000
Application demonstrations by ACC field engineers and counting

84,000
Slab Castings supervised by our field engineers

Houses of Tomorrow

The ‘Houses of Tomorrow’ initiative is a global initiative for building sustainable homes with a focus on low CO₂ building materials. Globally, five houses have been constructed across in different geographical and climatic conditions using low carbon building materials across the three most carbon-intensive categories, namely cement, bricks and steel. This initiative also explores innovations in application techniques and climate responsive passive design.

Gratitude EcoVilla, India’s Houses of Tomorrow initiative

This 4,500 sq ft sustainable house in Tamil Nadu was built with ACC ECOPact Concrete, ACC Suraksha mortar, plaster, fly ash bricks and recycled steel.

>40% Reduction in CO₂ emission from building materials

~50% Anticipated reduction in electrical energy for cooling

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75,000+ Customers covered through Help Bikes till date
Contribution to UN SDGs

With our sustainability efforts we are able to contribute to 13 out of the 17 SDGs.

SDGs with significant contributions (highlighted in the above diagram):
SDG 1, SDG 4, SDG 6, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13, SDG 15 and SDG 17
Awards and recognition

ACC recognised with 'A' Score for climate change by Carbon Disclosure Project

Solar Impulse Foundation’s Efficient Solution Label awarded to ACC Gold Water Shield Cement

ACC has been ranked amongst top 25 coolest workplaces in India by Business Today

- Excellence in Energy Efficiency by Confederation of Indian Industries (CII) to ACC Bargarh Cement Works
- CII’s Climate Action Programme (CAP 2.0) award 2019 in the category of Energy, Mining and Heavy Manufacturing (EMHM)
- CII 3R award for ‘Excellence in Managing Municipal Solid Waste to Geocycle
- FICCI CSR Awards 2021 to DISHA, ACC’s flagship skill development programme
- 5 Star rating at the National Conclave on Mines & Minerals 2021 to ACC mines
- Gold award in 'COVID Protection Project' category at the India Health & Wellness Summit 2021
- International Conference on Sustainable Waste Management and Circular Economy (IConSWM-CE) Excellence Awards 2021 to ACC Wadi plant