

**STRENGTH AND SUSTAINABILITY  
FOR A GREEN FUTURE.**



**Ambuja  
Cement**

Giant Compressive Strength

**I CAN.**



**AMBUJA CEMENTS LIMITED**  
Integrated Annual Report 2021

GIVE A MAN ORDERS  
AND HE WILL DO THE  
TASK REASONABLY WELL.  
BUT LET HIM SET HIS  
OWN TARGETS, GIVE HIM  
FREEDOM AND AUTHORITY,  
AND HIS TASK BECOMES A  
PERSONAL MISSION: *I CAN.*

# CONTENTS

## Corporate overview

<b>About the report</b>	<b>02</b>
<b>Progress report 2021</b>	<b>04</b>
<b>Chairman's communiqué</b>	<b>08</b>
<b>Vision</b>	<b>10</b>
<b>Mission</b>	<b>11</b>
<b>About the Company</b>	<b>12</b>
<b>Investment case</b>	<b>14</b>
<b>Managing Director's insight</b>	<b>16</b>
<b>Board of Directors</b>	<b>18</b>
<b>Leadership team</b>	<b>20</b>

## Creating value for our stakeholders

Value creation process	22
Business model	24
Strategic priorities and progress	26
Sustainability strategy	28

## Trends and topics impacting value creation

Operating context	30
Stakeholder engagement	32
Materiality assessment	34
Risk management	38

## Capital-wise performance

Financial capital	42
Manufactured capital	48
Intellectual capital	58
Natural capital	64
Social capital	76
Relationship capital	86
Human capital	94

## Governance

## Awards and Recognition

## Statutory Reports

Management Discussion and Analysis	120
Directors' Report	134
Corporate Governance Report	154

## Financial Statements

Standalone	180
Consolidated	260

## Notice



Click here for Online Integrated report including the Notice of Annual General Meeting Secretarial Report and Financial Statements

### LISTING

Bombay Stock Exchange (Scrip: 500425)  
National Stock Exchange (Scrip: AMBUJACEM)  
Market Cap: ₹74,968 crore (as on December 31, 2021)



CREATING  
VALUE FOR OUR  
STAKEHOLDERS



Read more **Page 22**

## TRENDS AND TOPICS IMPACTING VALUE CREATION



Read more **Page 30**

## CAPITAL-WISE PERFORMANCE



Read more **Page 42**



# ABOUT THE REPORT

## INTEGRATED REPORT 2021

Our second Integrated Report reflects our progress on an integrated management journey and reinforces our integrated thinking to forge a stronger connection between business, sustainability and finance. We also build on our stakeholders' feedback to improve our reports consistently.

This report includes information related to the value creation process of Ambuja Cement and outlines the Company's progress on its long-term strategies, governance, performance, and its efforts towards sustainability.

## FRAMEWORKS, GUIDELINES AND STANDARDS

The report is prepared as per the framework prescribed by the International Integrated Reporting Council (IIRC). It also contains performance indicators in line with the Global Reporting Initiative (GRI) Standards 'In Accordance – Comprehensive' criteria. It measures our performance against the United Nations Sustainable Development Goals (UN SDGs) as well.

Sections of this Integrated Report also comply with the requirements stated in the Companies Act, 2013 (including the rules made thereunder), the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India. We encourage our stakeholders to read them in conjunction with the contents.

We also endorse various economic, environmental and social charters, principles or initiatives.

## REPORTING SCOPE, BOUNDARY AND THE COMPANY'S VALUE CHAIN

The Integrated Report 2021 covers information on our business segments in India, along with associated activities that enable short, medium and long-term value creation. The report contains a detailed reference to sustainability initiatives undertaken by Ambuja Cement to address the material issues identified in an extensive stakeholder engagement and due diligence exercise carried out during early 2018. The engagement exercise included all relevant stakeholder groups and the topic boundary was defined with high-importance material topics. The aspect boundaries and content have been defined using reporting principles prescribed in the GRI Standards. The report covers all operations and businesses of Ambuja Cement that fall under its direct operational control. However, we welcome our readers' valuable feedback to further enrich the quality of our report.

## COMPANY VALUE CHAIN



**Exclusion:** The subsidiaries and JVs, and channel partner/dealer networks beyond our direct operational control.

## ASSURANCE STATEMENT

The report is externally assured as per AA 1000 Assurance Standard. The organisation, employees and the assurance providers are independent agencies.

## Third-party assurance statement

The non-financial disclosures of Ambuja Cements Limited's Integrated Report have been assured by TUV India Private Limited. The assurance report issued by TUV India Private Limited can be found on [116](#).

## RATINGS AND STANDARDS


### OUR STAKEHOLDERS

We engage periodically with our key stakeholders to understand their needs and interests, and align our strategies accordingly.

#### Key stakeholders



Shareholders and investors



Dealers



Suppliers



Customers



Employees



Community



Construction professionals



Industry associations



Read more **Page 32**

### MATERIAL MATTERS

This report provides information on matters that we believe could have a significant influence on our ability to create and sustain value over the short, medium and long term.



Read more **Page 34**

### SUSTAINABILITY TARGET

Sustainability remains our key focus area and we are continuously working towards addressing challenges around issues of climate and energy, environment, circular economy and community. We have developed carbon emissions reduction targets for 2030, which are validated by the Science Based Targets initiative (SBTi), to limit global warming below 2 degree Celsius.



Read more **Page 28**

### OUR CAPITALS

Our capitals include the key inputs and relationships we require to carry out our business.



Financial capital

Read more **Page 44**



Social capital

Read more **Page 78**



Manufactured capital

Read more **Page 50**



Relationship capital

Read more **Page 88**



Intellectual capital

Read more **Page 60**



Human capital

Read more **Page 96**



Natural capital

Read more **Page 66**



## PROGRESS REPORT 2021

### Financial

NET SALES (₹ CRORE)

**13,794**

**+23%**

OPERATING EBITDA (₹ CRORE)

**3,207**

**+21%**

PROFIT AFTER TAX (₹ CRORE)\*

**2,081**

**+16%**

EBITDA MARGIN (%)

**23.3**

**-40 BPS**

RETURN ON AVERAGE CAPITAL  
EMPLOYED (%)

**13.10**

**+160 BPS**

PROPOSED DIVIDEND PER SHARE (₹)

**6.30**



[Read more Page 42](#)

### Operational

CEMENT PRODUCTION (MNT)

**25.89**

**+16%**

CAPACITY UTILISATION (%)

**86**

AVERAGE REALISATION PER TONNE (₹)

**5,105**

**+3.5%**

SHARE OF SUSTAINABLE  
PRODUCTS IN TOTAL SALES (%)

**89.5**

NEW CAPACITY ADDED (MTPA)

**1.8**



[Read more Page 48](#)



### People, health and safety

NEW EMPLOYEES ADDED (%)

342\*

\*Of which 9% are women

SAFE ONSITE MAN-HOURS (MILLION)

101.8

REDUCTION IN LTIFR (/MILLION HOURS)

0.21  
-24%

EMPLOYEE TRAINING MAN-HOURS

8

REDUCTION IN TOTAL ONSITE RECORDABLE INJURY (%)

21



Read more Page 94



### Sustainability

WATER POSITIVITY

8X

CLINKER FACTOR (%)

63.00  
+150 BPS

PLASTIC NEGATIVE

3.5X

WASTE CONSUMPTION (MT)

8.8

PEOPLE IMPACTED THROUGH COMMUNITY INTERVENTION PROGRAMMES (MILLION)

2.80

SPECIFIC NET CO<sub>2</sub> EMISSION (KG CO<sub>2</sub> PER TONNE OF CEMENTITIOUS MATERIALS)

528.8



Read more Page 64



# STRENGTH AND SUSTAINABILITY FOR A GREEN FUTURE

GREENING GROWTH IS THE ONLY WAY TO BUILD A SUSTAINABLE FUTURE. GUIDED BY THE BELIEF AND ALIGNED WITH THE GROUP STRATEGY OF 'ACCELERATING GREEN GROWTH', WE ARE CHANGING THE STORY OF FINDING SUSTAINABLE SOLUTIONS. ON ONE HAND, WE ARE EXPANDING OUR CAPACITIES TO ADDRESS THE GROWING NEEDS OF A FAST GROWING ECONOMY. ON THE OTHER, WE ARE FURTHER IMPROVING OUR OPERATIONAL EFFICIENCY WHILE CONTINUOUSLY LOWERING OUR CARBON FOOTPRINT.



At Ambuja Cement, we have deployed institutionalised mechanisms to monitor our environmental risks. As part of India's construction materials ecosystem, we are driving the industry discourse around developing sustainable products and solutions that contribute significantly to the global fight against climate change.

Deploying clean technology, converting industrial wastes to raw materials, conserving energy and increasing the

share of green power in total energy consumption, we have laid out a clear glide path to achieving our ambitious sustainability targets. Our 2030 carbon emission reduction targets have been validated by the Science Based Targets initiative (SBTi). Our 2030 carbon emission reduction targets have been validated by the Science Based Targets initiative (SBTi), adding more credence to our concerted efforts to build a stronger and sustainable future.



## CHAIRMAN'S COMMUNIQUÉ

# TOWARDS A SUSTAINABLE FUTURE FOR ALL



### DEAR STAKEHOLDERS,

At the onset, I would like to express my heartfelt gratitude to our frontline workers, whose untiring efforts at ensuring the safety and well-being of our employees and communities have allowed us to hold our heads high, and continue our operations without disruptions. Despite the challenges, we have been able to create sustained value for our stakeholders, and, as an industry frontrunner, retain our leadership position through improved production, cost and distribution efficiency, and sustainability initiatives.

For the cement industry in general, 2021 started on a robust note, with strong signs of demand recovery. However, the second wave of the pandemic disrupted the market, led by localised lockdowns and a dampened consumer sentiment. Further, the unprecedented hike in fuel prices created cost pressures. Demand was particularly impacted during the fourth quarter of 2021 by unexpected rains in different parts of the country, a ban on construction activities in the National Capital Region (NCR), and shortage of labour and sand.

Notwithstanding these challenges, your Company reported one of the best performances in the recent past, registering substantial growth across both financial and non-financial metrics. I join the Board in thanking the team for demonstrating resilience and agility and delivering on our set objectives. We registered a volume growth of 17% year-on-year. We strengthened our revenues by 23% while EBITDA and profit after tax reported a growth of 21% and 16%, respectively, over the previous year.

### OUR MOMENT OF PRIDE

Equally noteworthy are the significant interventions made by the Ambuja Cement Foundation (ACF), our CSR arm, in tackling the fallout of the second wave on the health infrastructure and community well-being. Having meticulously mapped locations that saw a surge in cases, and thereby areas which were in critical need of oxygen, ACF