

ESG Rating Rationale Ambuja Cements Limited

Ambuja	Rating Symbol*	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 1+	80.6	Assigned

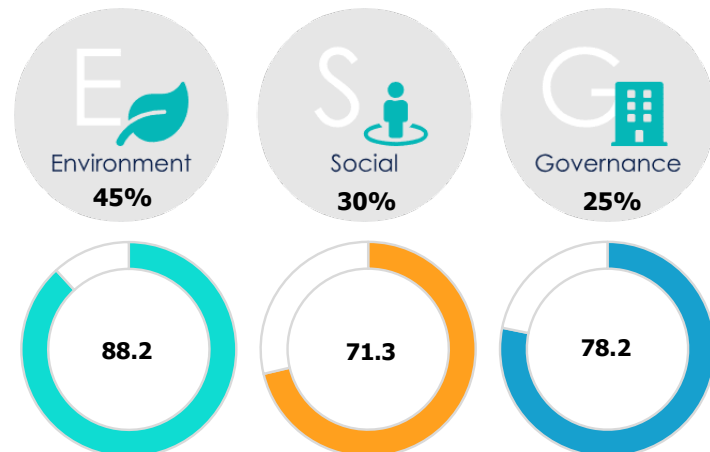
* Please refer www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.

Leadership position in managing ESG Risk through *best-in-class* disclosures, policies, and performance

ESG Score



Pillar Weights & Scores



Data Transparency Level: **High**

Data Reporting Boundary: **Standalone**

Overall Transition Pathway Trajectory: **Leadership**

Environment Transition Pathway Trajectory: **Leadership**

Social Transition Pathway Trajectory: **Strong**

Rating Scale



Please note: all scores mention in this document are on the scale of 0 – 100

CareEdge-ESG Rating Assessment Criteria



India & globally aligned



Physical risk evaluation



Comprehensive analysis

Ambuja’s Policy Analysis



Comprehensive



Board approved



Regularly reviewed

Ambuja’s Initiatives Impact



Adaptation



Mitigation



Resilience

ESG Disclosures

BRSR Report	2024-25	2023-24	2022-23
Sustainability Report	2024-25	2023-24	-
CDP disclosure	2024-25	2023-24	2022-23
TCFD	2024-25	2023-24	-

Rating Rationale

The rating assigned to Ambuja Cements Limited (Ambuja) reflects its position at the leadership stage of ESG stewardship, taking into consideration the company’s strong and proactive initiatives towards sustainability performance. The company’s cement production in FY25 stands at 27.5 million tonnes per annum (MnTPA), along with 961 million units of thermal power and 495 million units of WHRS power generated. It further consumed 591.20 million units of green power in FY25. Ambuja integrates sustainability across its operations with a strong focus on key areas including emissions reduction, biodiversity conservation, and waste management. Ambuja’s environmental performance is strengthened by the implementation of comprehensive emission-control initiatives across its operations. Key measures include the increased use of alternate fuels derived from waste, resulting in a higher Thermal Substitution Rate (TSR), with a stated target of achieving 23% by 2030. The company has also initiated the adoption of zero-carbon heating technologies and enhanced the share of renewable energy in its overall energy mix. In addition, Ambuja has deployed conveyor belt systems extensively for in-plant raw material transportation, thereby reducing reliance on fossil fuel-based logistics. The use of electric vehicles (EVs) for last-mile logistics further contributes to the reduction of direct and indirect emissions. The effectiveness of these initiatives is reflected in the company’s

year-on-year reduction in emissions intensity. As part of its biodiversity management framework, the company has conducted a biodiversity risk assessment and developed a biodiversity action plan. The latter is supported by a defined mitigation hierarchy, along with time-bound targets for tree plantation and habitat restoration. Ambuja has also implemented rigorous waste management practices, including the achievement of Zero Waste to Landfill status across operations. The company ensures systematic tracking of waste streams, supported by external assurance of waste-related data. Further, Ambuja reports a plastic negative index of 11x and is also 12 times water positive, indicating that the company replenishes significantly more water to the environment than it withdraws through a combination of rainwater harvesting, groundwater recharge, water-efficient processes, and community-based water conservation initiatives—thereby contributing meaningfully to watershed sustainability and local water security. In parallel, Ambuja has been strengthening its portfolio of green and innovative products, including blended cements such as Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC), along with advanced offerings like Ambuja Plus, Ambuja Compocem, Ambuja Kawach, and Ambuja Cool Walls—products designed to reduce clinker factor, improve energy efficiency, enhance durability, and lower the overall carbon footprint of construction. These initiatives are complemented by the company’s use of technology and advanced analytical tools to optimise inventory levels, minimize waste generation, and enhance overall supply chain responsiveness.

Ambuja’s social score is strengthened by its structured and multi-tiered approach to occupational safety, embedded from the leadership level and extending across all stakeholder groups. The company has a comprehensive safety action plan supported by regular training programmes and periodic audits across operations. In addition, Ambuja undertakes routine health check-ups for employees and workers, with trained medical personnel and on-site medical facilities available at most locations. The company also demonstrates strong community responsibility by proactively engaging with local communities and elected representatives to identify priority development needs. Based on these consultations, Ambuja implements targeted CSR initiatives across key areas such as community health, education, rural infrastructure, and agro-based livelihoods.

The company demonstrates robust governance practices across business ethics, ESG oversight, and reporting, filing, and disclosure standards. This is evidenced by the fact that all its policies are presence of a dedicated board-level ESG committee and the adoption of ESG commitments aligned with industry best practices and globally recognized ESG frameworks. The company has undertaken a comprehensive materiality identification and assessment exercise, enabling the systematic prioritization of all material themes based on their relevance and impact. Further, Ambuja publishes

a standalone, detailed sustainability report and subjects its ESG data to independent third-party assurance. These practices are complemented by a comprehensive enterprise risk management framework, strengthening overall governance effectiveness.

Overall, Ambuja’s ESG rating of 80.6 reflects the company’s leadership position in managing ESG risk through best-in-class disclosures, policies, and performance.

However, the rating remains constrained by certain factors, including an increase in the average Lost Time Injury Frequency Rate (LTIFR) compared to the previous year, a decline in the median pay ratio of female to male employees and workers, and gaps in CSR-related disclosures. These gaps include the absence of beneficiary categorization by vulnerable and marginalized groups, as well as the lack of identification of aspirational districts covered under CSR spending. Addressing these issues would help in further strengthening the company’s profile.

Environment Score



Transition Pathway Trajectory
Leadership

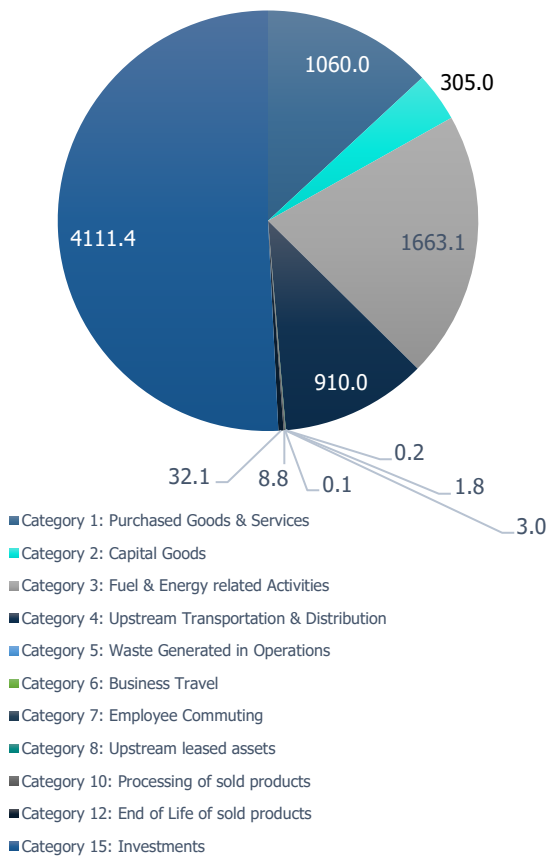
The cement sector exerts a significant environmental footprint, driven by high carbon emissions, considerable waste generation, and intensive energy and water consumption, making it one of the most ecologically significant industrial activities. Consequently, this pillar carries a substantial weight of 45% for the sector. With an environmental score of 88.2, Ambuja ranks in the top quartile among its industry peers, demonstrating strong performance across key environmental areas. These include carbon and other

emissions, biodiversity, and effluent & waste, which together contribute to more than 75% of the overall weightage given to this pillar.

Ambuja achieved a score of 83.2 under the emissions theme, placing it amongst the top scorers in the sector. The company’s performance is underpinned by a well-defined policy framework, with air emissions management embedded within its overarching Corporate Environment Policy. This policy is operationalised through plant-level implementation of multiple control mechanisms aimed at mitigating both process and fugitive emissions. Across its facilities, Ambuja has installed Electrostatic Precipitators (ESPs) and bag filters to capture particulate matter and flue gases effectively. Dust emissions arising from material handling are mitigated through enclosed conveyor systems, covered transportation of raw materials such as limestone, and the application of dust suppression measures like water sprinkling. The company maintains regulatory compliance through continuous reporting of ambient air quality and process emissions, with real-time data made available on the portals of

relevant regulatory authorities. Internally, Ambuja has established systems to transmit live emission and process data to senior management at both plant and corporate levels, facilitating timely corrective actions and performance optimisation. All operational sites are equipped with Continuous Emission Monitoring Systems (CEMS), enabling real-time tracking of key pollutants such as nitrogen oxides (NO_x), sulphur dioxide (SO₂), and particulate matter (PM). In FY25, Ambuja reported total air pollutant emissions of 0.00048 tonnes per metric tonne of cement produced, which is lower than the industry median of 0.00064 tonnes per metric tonne, reflecting effective emission control practices. However, the company experienced an isolated operational incident during the year involving the rupture of a pre-heater duct at its Rauri facility, resulting in a minor regulatory deviation under the Air (Prevention and Control of Pollution) Act, 1981 and a nominal penalty. The company responded promptly with necessary repairs and further strengthened emission control measures across its facilities. Beyond local air pollutants, Ambuja has articulated its climate strategy through a standalone Climate Change Policy that outlines its approach to measuring, disclosing, and reducing greenhouse gas emissions. The policy emphasises the identification of energy and carbon reduction opportunities through increased use of biofuels, expansion of renewable energy sourcing, and investments in low-emission alternatives for energy-intensive processes. Complementing this, the company's Energy Policy prioritises energy conservation initiatives, adoption of energy-efficient technologies, promotion of green procurement practices, and scaling up the use of clean and renewable energy sources. Ambuja has also established clearly defined GHG reduction targets, validated by the Science Based Targets initiative (SBTi), covering near-term (2030) as well as long-term net-zero (2050) ambitions. For the near term, the company aims to reduce gross Scope 1 and Scope 2 emissions intensity by 18.6% per tonne of cementitious product by FY2030, using FY2023 as the base year. This includes a targeted reduction of 16.4% in Scope 1 emissions intensity and a more pronounced reduction of 53.2% in Scope 2 emissions intensity over the same period. Additionally, Ambuja has committed to a 42% reduction in other absolute Scope 1 and Scope 2 emissions, along with a 35.7% reduction in Scope 3 emissions intensity arising from purchased clinker and cement. Looking ahead to 2050, the company's net-zero roadmap envisages a 94% reduction in gross Scope 1 and Scope 2 emissions intensity relative to the FY2023 baseline, alongside a 90% reduction in other absolute Scope 1 and Scope 2 emissions. On the value chain side, Ambuja has committed to reducing Scope 3 emissions from purchased clinker and cement by 97% per tonne purchased, while targeting a 90% reduction in overall absolute Scope 3 emissions by 2050. Operationally, these commitments are supported by a variety of initiatives, one of them being increased deployment of alternate fuels derived from waste,

aimed at improving the Thermal Substitution Rate (TSR). While the company’s current TSR of 9% remains in line with the industry median, it has set a longer-term target of achieving 23% by 2030. Additional measures include the gradual adoption of zero-carbon heating technologies, expansion of renewable energy usage across operations, and reduced dependence on fossil fuel-based logistics through the extensive use of conveyor belts for in-plant material movement. The introduction of electric vehicles for last-mile logistics further contributes to lowering both direct and indirect emissions. From a management systems perspective, Ambuja holds ISO 14001 certification for environmental management and ISO 50001 certification for energy management. The company also



Scope 3 categorization (in '000 tCO2e)

participates in India’s Perform, Achieve, and Trade (PAT) scheme and has successfully met all targets assigned to it across the applicable PAT cycles. As a result of these integrated measures, Ambuja reported a decrease in its scope 1 & 2 emissions intensity per metric tonne of cement by 7.1% in FY25 as compared to FY24. The company’s Scope 1 emissions intensity stood at 0.54 tCO₂e per metric tonne of cement produced in FY25, lower than the industry median of 0.58 tCO₂e per metric tonne. Scope 2 emissions intensity recorded at 0.017 tCO₂e per metric tonne, (industry median: 0.02 tCO₂e per metric tonne), while Scope 3 emissions intensity was reported at 0.29 tCO₂e per metric tonne. The company’s clinker factor during the year was 67% (at par with the industry median). Renewable energy accounted for 8.54% of total energy consumption, exceeding the industry median of 5%, while energy consumption intensity

was recorded at 2.64 GJ per metric tonne of production, broadly in line with sector benchmarks. Ambuja demonstrates a leadership position amongst its peers with a perfect score of 100 in the biodiversity theme. This is reflected in its comprehensive policy framework and systematic integration of biodiversity considerations across operations. The company has adopted a standalone, board-approved Biodiversity Policy, which is publicly disclosed. As part of its biodiversity governance architecture, Ambuja has carried out a detailed biodiversity risk assessment, with identified risks

classified into physical, transition, and systemic categories. Building on this assessment, the company has evaluated its significant direct and indirect impacts on biodiversity and translated these findings into a structured Biodiversity Action Plan. The action plan is aligned with the mitigation hierarchy and outlines step-wise measures to avoid, minimise, restore, and offset biodiversity impacts across all operational sites. In addition, Ambuja has set time-bound targets for tree plantation and habitat restoration initiatives. The company has further strengthened its commitments by adopting a No Net Deforestation target to be achieved by 2030.

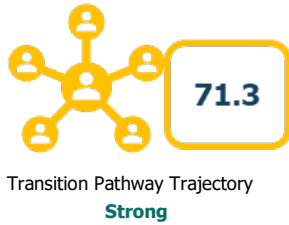
Ambuja has established comprehensive waste and effluent management systems, reflected in a sector-leading score of 93.2 in the Effluent and Waste theme. The company operates under a dedicated, board-approved Waste Management Policy that is publicly disclosed and implemented across operations. As part of its resource efficiency and circularity efforts, Ambuja has achieved Zero Waste to Landfill status across its facilities, indicating effective diversion of waste streams towards reuse, recycling, and co-processing. The company maintains robust oversight of waste flows through systematic tracking mechanisms, with waste-related data subjected to independent third-party assurance. In addition, Ambuja reports a plastic negative index of 11x, highlighting its role in advancing circular economy outcomes by co-processing substantially higher volumes of plastic waste in cement kilns under Extended Producer Responsibility (EPR) initiatives than the plastic generated from its own operations. This approach enables the recovery of material and energy value from waste, while simultaneously reducing reliance on virgin fossil fuels. Circularity principles are further embedded within Ambuja's material management practices. The company has categorised key input materials and deployed real-time tracking systems to monitor material movement and inventory levels, supporting improved inventory optimisation, reduced material losses, and lower waste generation at source. These measures contributed to a reduction of approximately 4% in waste intensity per tonne of cement produced in FY25 compared to FY24, demonstrating a gradual improvement in resource efficiency. While the company's waste intensity of 0.01 tonne per metric tonne of cement in FY25 remains higher than the industry median of 0.003 tonne per metric tonne, ongoing initiatives around material optimisation, increased co-processing, and circular use of alternative inputs are expected to support further convergence towards sector benchmarks over time.

Ambuja ranks in the top quartile under the Water Usage and Management theme, with a score of 68.4, reflecting a structured approach to water stewardship and efficiency. The company operates under a dedicated Water Management Policy and has achieved both Zero Liquid Discharge and a 12x water positive status across its operations, indicating that it replenishes significantly more water than

it withdraws through robust water conservation, reuse, and recharge initiatives, thereby demonstrating effective stewardship of water resources. From an efficiency perspective, Ambuja recycles approximately 14% of the total water withdrawn and reports a water consumption intensity of 0.17 kilolitres per tonne of cement produced, which is marginally better than the industry median of 0.18 kilolitres per tonne. These outcomes highlight the company's continued focus on reducing freshwater dependency and improving water-use efficiency. Beyond operational water management, Ambuja has articulated a broader strategy aimed at developing environmentally responsible products. In pursuit of this objective, the company actively collaborates with government bodies, non-governmental organisations, and academic institutions to support innovation and sustainable product development. In parallel, Ambuja has developed a diversified portfolio of green and innovative products, including blended cements such as Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC), along with value-added offerings like Ambuja Plus, Ambuja Compozem, Ambuja Kawach, and Ambuja Cool Walls. These products are designed to reduce clinker content, enhance durability, improve energy efficiency, and lower the overall environmental footprint of construction. The company has further strengthened its product transparency and green building credentials through recognised certifications such as GRIHA (Green Rating for Integrated Habitat Assessment) and Environmental Product Declarations (EPD). Key products—including Ambuja Cement, Ambuja Plus, Ambuja Compozem, and Ambuja Kawach—are certified under the GRIHA framework and featured in the GRIHA Green Product Catalogue, while select offerings are supported by EPDs that provide standardised, third-party verified disclosures of lifecycle environmental impacts. Complementing this, Ambuja has undertaken cradle-to-grave Life Cycle Assessments (LCA) for its Portland Pozzolana Cement (PPC), which contributes nearly 80% of its total turnover, and has initiated similar assessments for its Ordinary Portland Cement (OPC) portfolio to extend lifecycle coverage across its product range.

Overall, these initiatives underscore Ambuja's strong commitment to environmental stewardship, marked by a focus on low-carbon product innovation, enhanced transparency, and comprehensive lifecycle management, reinforcing its leadership position in the environmental pillar.

Social Score



The Social pillar, carrying a 30% weight for the cement sector, reflects a company's performance across areas such as employee well-being, community development, and supply chain responsibility. Ambuja has demonstrated strong performance under this pillar, attaining a score of 71.3, placing itself above the industry median and in the top quartile in its sector. This underscores the company's robust social practices, focus on employee health & safety, stakeholder engagement, and commitment to inclusive and sustainable development.

Ambuja recorded a score of 74.2 under the Employee Health and Safety theme, positioning it marginally above the industry median. The company has instituted a board-approved Occupational Health and Safety (OHS) Policy that provides the overarching framework for safety governance across its operations. Strategic oversight is exercised through a senior management-led Safety Council, which is responsible for setting the direction and driving the company's long-term vision of achieving Zero Harm across all sites. This leadership-level commitment is operationalised through a structured network of safety committees and safety management systems designed to cover employees, contractual workers, and other relevant stakeholders. At the site level, safety committees conduct quarterly reviews of safety performance, proactively identify operational risks, and implement location-specific initiatives aligned with site conditions and exposure profiles. In addition, Ambuja undertakes internal work hazard risk assessments and deploys appropriate control measures to address identified risks in a systematic manner. The company's safety framework is further reinforced through a comprehensive safety action plan supported by regular training programmes and awareness workshops. Under its 'Saksham' training initiative, Ambuja leverages video-based learning modules and incident reconstruction visuals to strengthen safety awareness and behavioural change. During FY25, the company invested 150,316 man-hours in safety-related training, underscoring its continued emphasis on capacity building and prevention. From an occupational health perspective, Ambuja conducts routine health check-ups for employees and workers, supported by trained medical personnel and on-site medical facilities at most operational locations. A majority of its sites are certified under ISO 45001, with coverage extending to both permanent employees and contractual workers. Complementing these formal systems, the company's "Safety Heroes" initiative under the 'We Care' programme promotes shared accountability for workplace safety and has contributed to the development of a stronger safety culture across operations.

Notwithstanding these structured practices, certain outcome indicators moderated the overall score under this theme. The company reported a year-on-year increase of approximately 15% in its average Lost Time Injury Frequency Rate (LTIFR), rising from 0.325 per million hours worked in FY24 to 0.375 per million hours worked in FY25. In addition, the total recordable injury rate (excluding fatalities) stood at 0.01, which remains higher than the industry median of 0.00043. Encouragingly, the company reported no high-consequence injuries during the year. However, fatalities remained unchanged at two incidents, consistent with the previous year, indicating the need for continued focus on translating strong safety systems into improved outcome metrics.

Ambuja recorded a score of 71.0 under the Community Support and Development theme, placing it within the top quartile relative to peers. The company's community engagement framework is guided by a board-approved CSR Policy and overseen by a dedicated board-level CSR Committee, ensuring strategic alignment and governance oversight of social investments. Ambuja demonstrates a proactive approach to community development by engaging regularly with local communities and elected representatives to identify priority social and economic needs. Insights from these consultations inform the design and implementation of focused CSR interventions spanning key areas such as community health, education, rural infrastructure, water resource management, women empowerment, skill development and entrepreneurship, and agro-based livelihoods. Cumulatively, the company reported reaching approximately 3.48 million beneficiaries through its CSR initiatives up to FY25. Water resource management represents the company's most impactful intervention in terms of scale and social return. Through the installation of 3,194 rooftop rainwater harvesting systems, along with the construction of check dams and farm ponds, Ambuja has facilitated the harvesting of over 70.4 million cubic metres of water. These interventions have contributed to a reported 37% reduction in household water scarcity in targeted regions and have enabled farmers to undertake multiple cropping cycles annually. Livelihood enhancement and skill development initiatives are implemented primarily through the Skill and Entrepreneurship Development Institute (SEDI), which has emerged as a key driver of youth employability and economic inclusion. The programme has trained approximately 74,000 youth across 35–36 centres located in 10 states and maintains a placement rate of around 75%. In FY25, the initiative was expanded to include advanced skill areas such as robotics and drone technologies, supporting the long-term employability of rural youth. Women empowerment initiatives form another core pillar of Ambuja's CSR strategy. The company supports more than 3,200 Self-Help Groups (SHGs), benefiting close to 38,000 women. In regions such as Marwar Mundwa, SHGs have collectively built a corpus of INR 84.82 lakh to support micro-enterprises,

while 117 women have progressed into leadership roles within Panchayati Raj Institutions, indicating outcomes beyond income generation. In the area of health and sanitation, Ambuja has implemented targeted interventions with a focus on maternal and child health as well as high-risk population groups. Maternal and child healthcare programmes have reached over 31,000 families, while specialised initiatives for HIV/AIDS awareness and testing are conducted for the truck-driving community at multiple plant locations. Environmental sustainability is also integrated into the company's community development efforts. Under its broader environmental commitments, the company has planted approximately 7.1 million trees as of H1 FY26 as part of its 2030 afforestation targets. In addition, the "Lighthouse Initiative" has supported the transformation of select villages into plastic- and carbon-footprint-free communities. The company undertakes social impact assessments of its CSR programmes to evaluate effectiveness and outcomes. Ambuja operates a formal community grievance redressal mechanism and reported no community-related grievances in FY25. Additional disclosure on beneficiary classification and Aspirational District coverage would enhance visibility into the inclusiveness and targeting of CSR initiatives.

Under the Human Capital theme, Ambuja recorded a score of 49.6, placing it above the industry median. The company has instituted a structured grievance redressal mechanism for its workforce, supported by a separate board-approved policy that outlines escalation pathways and mitigation measures. Ambuja also aligns its labour practices with recognised social accountability standards, strengthening oversight of employee rights and workplace conduct. Employee well-being is supported through a range of benefits and support mechanisms, including the provision of paid paternity leave. During FY25, expenditure on employee well-being amounted to 0.28% of total revenue, exceeding the industry median of 0.19%, indicating a relatively higher allocation towards workforce welfare. From an inclusion and accessibility perspective, Ambuja operates under an Equal Opportunity Policy and has ensured that its operational premises are accessible to persons with disabilities in line with the Rights of Persons with Disabilities Act. The company has also introduced multiple initiatives aimed at fostering an inclusive workplace, including the issuance of formal guidelines for the recruitment and employment of persons with disabilities. These measures have translated into on-ground outcomes, with persons with disabilities accounting for 0.22% of the total workforce, significantly higher than the industry median of 0.07%. Gender diversity within the workforce has also shown improvement, with the female-to-male employee ratio increasing by 23% year-on-year to 0.03 in FY25, broadly in line with the industry median. However, certain compensation-related indicators moderated performance under this theme. The median pay for both employees and workers declined

on a year-on-year basis by 11% and 40%, respectively. As a result, median pay parity stood at INR 73 for every INR 100 paid to male employees and INR 57 for every INR 100 paid to male workers, indicating continued scope for improvement in pay equity outcomes. In terms of capability building, Ambuja has articulated a formal training and development strategy and reported the provision of skill upgradation training to its entire workforce during the year. In addition, 100% of employees received training on Business Responsibility and Sustainability Reporting (BRSR) principles, supporting awareness and integration of responsible business practices across the organisation.

Ambuja has established a comprehensive human rights governance framework, supported by a board-approved Human Rights Policy and a designated committee responsible for overseeing and addressing human rights-related matters. In addition, the company has instituted a Prevention of Sexual Harassment (POSH) policy, reinforcing safeguards for dignity and safety at the workplace. Human rights considerations are embedded within Ambuja’s business practices, including the integration of relevant requirements into contractual agreements with business partners. The company has also put in place mechanisms to protect complainants from retaliation or adverse consequences, strengthening the credibility of its grievance processes. During the reporting period, all employees and workers received training on the company’s Human Rights Policy as well as POSH guidelines, supporting consistent awareness and implementation across the workforce. Beyond the internal workforce, Ambuja extends its social governance framework to external stakeholders. The company conducts customer satisfaction surveys and operates grievance redressal mechanisms for customers and value chain partners. Social pillar policies are designed to apply uniformly across stakeholder groups, thereby covering customers, vendors, and other business partners by default. From a quality and assurance standpoint, all operational sites are certified under ISO 9001, and production facilities are subject to regular third-party verification, reinforcing product quality, process integrity, and stakeholder confidence.

Governance Score



The Governance pillar carries a weight of 25% for the sector. With a governance score of 78.2, ranks in the top quartile among its industry peers, reflecting its strong governance practices and effective integration of ESG considerations at the highest levels of decision-making. Key aspects such as Business Ethics, Oversight on ESG, and Reporting, Filing and Disclosures together contribute to more than 75% of the overall weightage given to this pillar.

Ambuja ranks in the top quartile among peers under the Business Ethics theme, with a score of 74.6, reflecting a strong institutional commitment to ethical governance and responsible business conduct. This is supported by a board-approved Code of Conduct (CoC), alongside well-established whistleblower, anti-bribery, and anti-corruption policies. Ethical expectations are extended across the value chain through a comprehensive Supplier Code of Conduct, which addresses labour and human rights, occupational health and safety, ethical conduct, integrity, and environmental responsibility. The company also maintains a grievance redressal mechanism for investors and shareholders and conducts periodic training for employees and value chain partners on the CoC, anti-bribery and anti-corruption, and whistleblower policies to reinforce awareness and compliance.

Under the ESG Governance and Oversight theme, Ambuja scored 77.0, placing it above the industry median. Sustainability governance is anchored by a dedicated ESG team led by the Chief Sustainability Officer (CSO), who plays a central role in defining and executing the company's climate and broader ESG strategy. The CSO works closely with senior management and plant-level teams to integrate ESG objectives across key business functions, including manufacturing, finance, strategy, procurement, and operations. This organisation-wide integration ensures that ESG considerations are embedded within core decision-making processes. The ESG team monitors key performance indicators (KPIs), coordinates cross-functional initiatives, and supports continuous improvement in ESG performance. Oversight of sustainability- and climate-related risks is exercised through the Risk Management Committee (RMC), with climate risks fully incorporated into the enterprise risk management (ERM) framework. ESG and climate considerations are also reviewed during CEO-led plant visits, enhancing senior leadership visibility and enabling timely corrective action at the operational level. Through structured stakeholder engagement, Ambuja has identified its key ESG risks and, in line with industry best practices, has ensured that all ESG-related policies are board-approved and that reported ESG data is subject to independent assurance.

The company undertakes an annual review of its performance against Business Responsibility and Sustainability Reporting (BRSR) principles, with outcomes reviewed and approved by the Board. In addition, Ambuja has established a formal ESG materiality assessment framework and developed a materiality matrix to prioritise the most critical ESG issues, providing a structured basis for strategy refinement and performance enhancement.

From a board composition perspective, Ambuja currently meets the minimum regulatory requirement under the Companies Act by having one woman director and has not exceeded this threshold. Further,

women's representation in senior management remains nil, compared to an industry best practice level of approximately 29%, indicating scope for improvement in leadership diversity.

Complementing its governance framework, Ambuja has implemented a comprehensive enterprise risk management system aligned with both regulatory expectations and business requirements. The company has established a defined risk governance structure to support effective oversight and conducts regular risk assessments to identify emerging and evolving risks. Notably, Ambuja has not undertaken any financial restatements nor reported delays in financial reporting over the past two years, underscoring the robustness of its financial governance and control environment.

Strengths

Robust Emissions Management

Ambuja demonstrates a strong emissions management framework, supported by a comprehensive Corporate Environment Policy and plant-level controls. The installation of ESPs, bag filters, and CEMS across all sites enables real-time monitoring of key pollutants. Emission intensities for air pollutants and Scope 1 and 2 GHG emissions are consistently lower than industry medians. The company has articulated a clear climate transition pathway through a standalone Climate Change Policy. Its SBTi-validated targets cover near-term (2030) and long-term net-zero (2050) horizons. Operational initiatives such as biofuel usage, renewable energy adoption, and EV deployment reinforce these targets. The year-on-year reduction in Scope 1 and 2 emissions intensity further reflects execution strength. Overall, Ambuja's climate governance and performance are well-aligned with global best practices.

Leadership in Resource Preservation and Circularity

Ambuja exhibits sector-leading performance in biodiversity management, supported by a board-approved Biodiversity Policy and structured action plans. The company has conducted detailed biodiversity risk and impact assessments across operations. Its Biodiversity Action Plan follows the mitigation hierarchy and includes time-bound restoration and plantation targets. A No Net Deforestation commitment by 2030 further strengthens its ecological stewardship. On waste management, Ambuja has achieved Zero Waste to Landfill across facilities. Strong tracking systems and third-party assurance enhance data credibility. The plastic negative index of 11x highlights

leadership in circular economy practices. Continuous reductions in waste intensity indicate gradual efficiency improvements.

Structured Occupational Health and Safety Governance

Ambuja demonstrates a well-institutionalised approach to employee health and safety, anchored in a board approved OHS Policy and reinforced by senior management oversight through a Safety Council. This governance framework cascades effectively to the site level via safety committees, regular risk assessments, and structured safety action plans covering both permanent and contractual workers. The company's emphasis on preventive safety is evident in its sustained investment in training, including the 'Saksham' programme that leverages behavioural and visual learning tools. ISO 45001 certification across most sites, along with routine medical check-ups and on-site healthcare facilities, further strengthens workforce protection. Collectively, these measures reflect a mature safety management system aligned with the company's Zero Harm vision.

High-Impact and Outcome-Oriented Community Development

Ambuja's community development approach is characterised by strong governance, stakeholder engagement, and measurable social outcomes. Guided by a board-approved CSR Policy, the company actively engages local communities to identify priority needs and design targeted interventions. Its water stewardship initiatives have delivered tangible benefits by reducing water scarcity and improving agricultural productivity in surrounding regions. Livelihood and skill development programmes, particularly through SEDI, have enhanced employability and income generation for rural youth. Women empowerment initiatives have gone beyond economic support, enabling leadership participation at the grassroots level. The scale and depth of these interventions underscore Ambuja's ability to translate CSR investments into long-term community resilience.

Strong Institutionalized ESG and Ethical Governance Framework

Ambuja demonstrates a well-established governance framework that embeds ethical conduct and ESG considerations into core business decision-making. The presence of board-approved policies covering the Code of Conduct, anti-bribery, anti-corruption, whistleblowing, and supplier ethics reflects a strong tone from the top. Sustainability oversight is reinforced through a dedicated ESG team led by the Chief Sustainability Officer, ensuring organisation-wide integration of ESG objectives across functions. ESG and climate risks are formally embedded within the enterprise risk management framework and

reviewed at both board and senior management levels. Regular training, independent assurance of ESG data, and annual board-approved BRSR reviews further strengthen accountability and transparency. Together, these elements indicate mature governance systems aligned with leading practices.

Weaknesses

Gaps in Energy Transition and Product-Level Sustainability

Ambuja's Thermal Substitution Rate remains at 9%, only at par with the industry median. This indicates limited current penetration of alternate fuels relative to long-term ambitions. The clinker factor remains at the industry median, suggesting limited differentiation on material efficiency. Waste intensity, though improving, is still materially higher than sector benchmarks. These gaps constrain near-term environmental differentiation.

Moderation in Safety Outcome Metrics

Despite robust safety systems, Ambuja reported a year-on-year increase in its Lost Time Injury Frequency Rate in FY25. The total recordable injury rate also remains higher than the industry median. While no high-consequence injuries were reported, fatalities remained unchanged at two incidents. This indicates a gap between strong safety governance and on-ground safety outcomes. Continued focus on execution effectiveness is required to improve performance indicators.

Gaps in Pay Equity Outcomes

Ambuja witnessed a decline in median pay levels for both employees and workers during FY25. Gender pay parity remains uneven, particularly at the worker level. These compensation-related indicators moderated the company's human capital performance. Persistent gaps may affect workforce morale and perceived fairness. Strengthening pay equity outcomes remains an area for improvement.

Key ESG Parameters of Ambuja

Parameters	Unit	FY25	Industry Median
Environment			
Scope 1 intensity	tCO ₂ e/unit of production	0.54	0.58
Scope 2 intensity	tCO ₂ e/unit of production	0.018	0.021
Scope 3 intensity	tCO ₂ e/unit of production	0.29	0.07
Renewable energy consumption	% (of total energy consumption)	8.54 %	5.77%
Energy intensity	GJ/unit of production	2.64	2.64
Water consumption intensity	KL/unit of production	0.17	0.18
Waste generation intensity	MT/unit of production	0.010	0.003
Waste recovery rate	%	100 %	99%
Zero waste to landfill	Waste to landfill/total waste	0.90	0.00
Achieved Zero liquid discharge	Yes/No	Yes	-
Social			
Employee turnover	%	26%	17%
Female to male employees' ratio	Per 100 male employees	0.03	0.03
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	0.74	0.75
Health & safety complaints	#	0.00	0.00
Health insurance coverage	%	100 %	100%
Accident insurance coverage	%	100 %	100%
Differently abled workforce	% of total workforce	0%	0%
POSH complaints upheld over reported	X/Y	1.00	0.00
Average lost time injury frequency rate	#	38%	7%
Workforce fatality rate	Per employee	0.00	0.00
Total recordable injury rate	#	0.01	0.00
Governance			
No. of female in board	#	1.00	1.00
% board members trained on BRSR	%	88%	100%
% KMPs trained on BRSR	%	100 %	100%
Income gap ratio (CEO pay to median pay)	X:Y	129.8	89.00

Data source: company, public sources, CareEdge-ESG research & analysis

Industry median based on FY25 data

tCO₂ – tonnes of CO₂ | kWh – kilowatt-hour | WHRS – Waste Heat Recovery System | kcal – kilocalorie | GJ – Gigajoules | kg – kilogram | CSR – Corporate Social Responsibility | SMP – Senior Management Personnel | KMP – Key Managerial Personnel | CMD – Chairman & Managing Director | BRSR – Business Responsibility and Sustainability Reporting

Rating Sensitivities

Positive factors

- Reduction in air pollutant emission
- Increase in the proportion of renewable energy within total energy consumption
- Decrease in waste intensity
- Decrease in water intensity
- Increment in female-to-male median pay ratio
- Assurance of ESG data
- Enhanced training programs

Negative factors

- Increase in energy intensity
- Rise in Scope 1 & 2 emissions
- Decline in water positivity level
- Gap in biodiversity assessment and implementation

Analytical approach:

Rating boundary: CareEdge-ESG has considered standalone data of Ambuja for assessment. The same is in line with their disclosure in BRSR.

Methodology/Criteria:

For detailed understanding on the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on the company's website www.careedgeesg.com

About the company and industry:

Ambuja Cements Limited, incorporated in 1981 and headquartered in Ahmedabad, is one of India's leading cement manufacturers and a key participant in the country's building materials sector. The

company is part of the Adani Group and has established a strong presence across India through its manufacturing and distribution footprint.

The company operates primarily in the cement segment, manufacturing and marketing a range of cement products including Ordinary Portland Cement (OPC) and blended cements. Ambuja Cements operates integrated cement plants, grinding units, and bulk cement terminals, supported by a well-developed logistics and distribution network that serves individual homebuilders, contractors, infrastructure developers, and institutional customers across multiple regions. The company’s strong market position is reflected in its substantial market capitalisation of ₹ 1,04,000 crore¹.

Ambuja Cements Limited is committed to responsible and sustainable manufacturing practices, with a focus on energy efficiency, alternative fuels and raw materials, emissions reduction, water stewardship, and occupational health and safety. Through continuous improvements in operational efficiency, capacity expansion, and sustainability initiatives, the company continues to strengthen its position in India’s cement and construction materials sector.

Source of information

While assigning the ratings, CareEdge-ESG has considered publicly available information such as annual reports of the company and other policies, sustainability reports, certifications, BRSR reports, additional information and comments provided by the company.

Status of non-cooperation with previous ERP: Not applicable

Rating history for the last three years:

Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	ESG Rating	CareEdge-ESG 1+	80.6	-	-	-

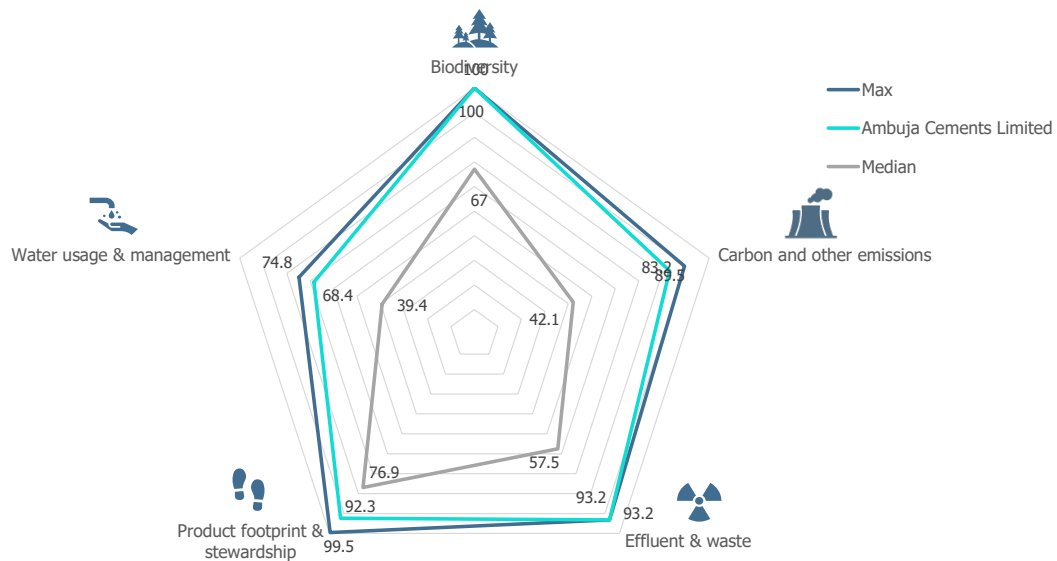
¹ As of March 20, 2026

Annexure: Graphical summary of key rating drivers²

Hierarchy: While arriving at pillar level scores for Ambuja, CareEdge-ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

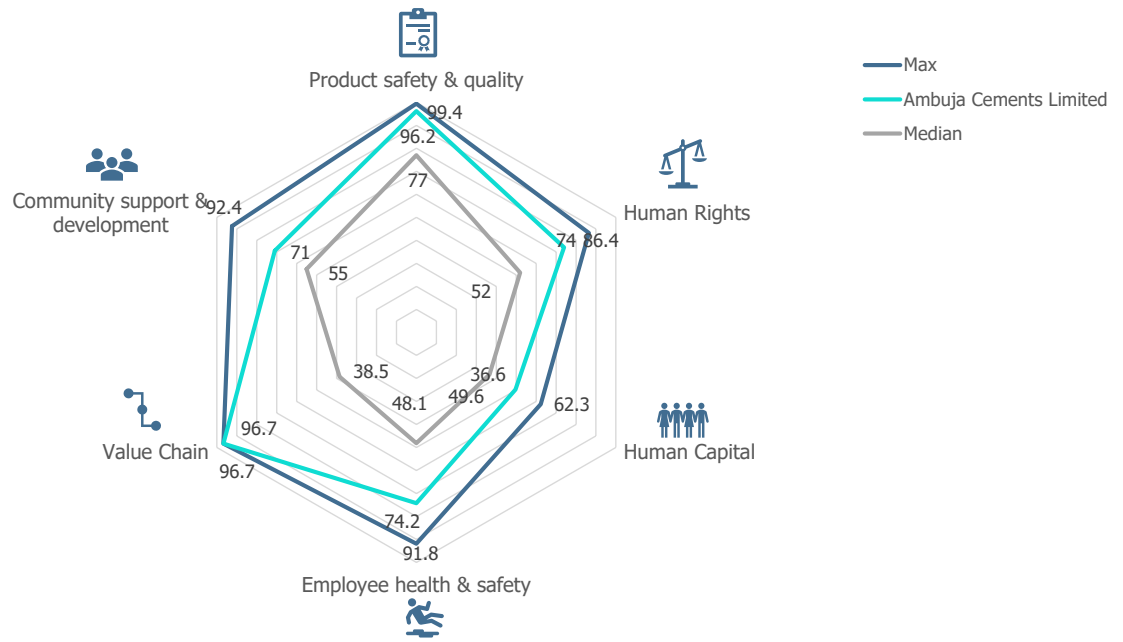
Materiality	Environment	Social	Governance
HIGH	Carbon and other emissions	Employee health & safety	Oversight on ESG
			Business Ethics
MEDIUM	Biodiversity	Community support & development	Board Composition
	Effluent & waste	Human Capital	Reporting, filling & disclosures
LOW	Water usage & management	Human rights	Board Functioning
	Product footprint & stewardship	Product Safety & Quality	Remuneration
		Value Chain	

Environment Pillar

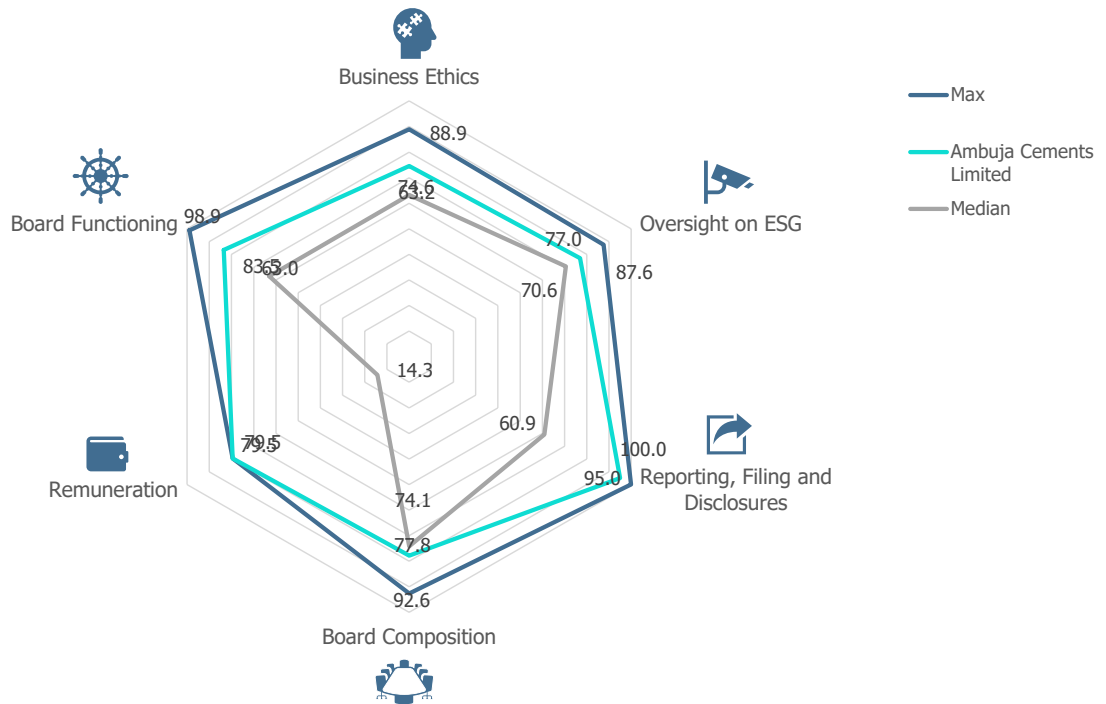


² Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report

Social Pillar



Governance Pilla



Summary Pillars and Theme Scores

Themes	Ambuja Cement	Industry Median
Biodiversity	100.0	67.0
Carbon and other emissions	83.2	42.1
Effluent & waste	93.2	57.5
Product footprint & stewardship	92.3	76.9
Water usage & management	68.4	39.4
Total Environment Score	88.2	55.8
Product safety & quality	96.2	77.0
Human Rights	74.0	52.0
Human Capital	49.6	36.6
Employee health & safety	74.2	48.1
Value Chain	96.7	38.5
Community support & development	71.0	55.0
Total Social Score	71.3	48.4
Reporting, Filing and Disclosures	95.0	60.9
Remuneration	79.5	14.3
Business Ethics	74.6	63.2
Board Functioning	83.5	63.0
Board Composition	77.8	74.1
Oversight on ESG	77.0	70.6
Total Governance Score	78.2	62.6
Total ESG score	80.6	55.5

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About:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

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