ACC Limited

July 9, 2026

Rating Rationale

ACC Limited (ACC)	Previous Score	Rating Symbol	Current Score	Rating Symbol	Rating Movement
ESG Rating	84.1	CareEdge-ESG 1+	84.1	CareEdge-ESG 1+	⟷

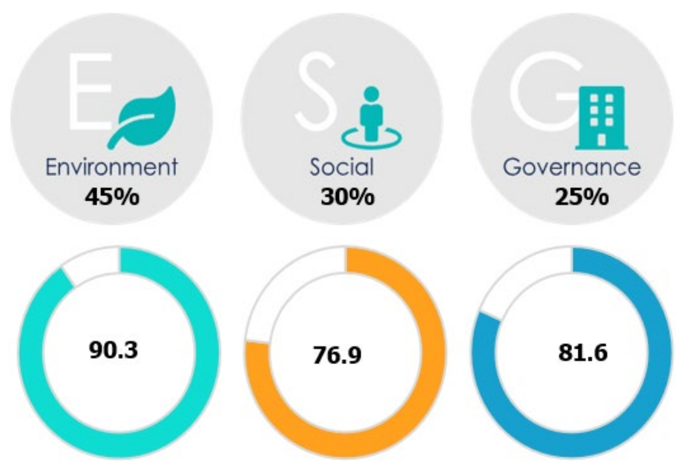
* *Please refer to www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.*

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

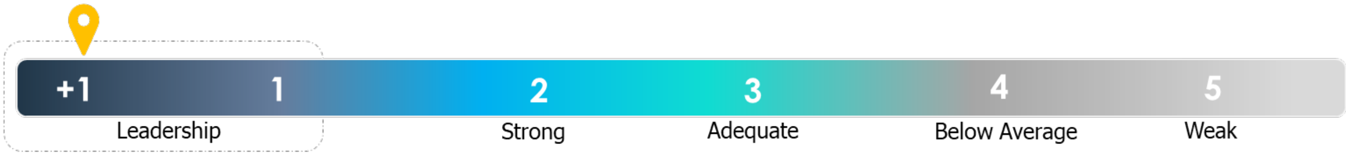
ESG Score

Data Transparency Level: **High**
Data Reporting Boundary: **Standalone**
Overall Transition Pathway Trajectory: **Leadership**
Environment Transition Pathway Trajectory: **Leadership**
Social Transition Pathway Trajectory: **Adequate**

Pillar Weights & Scores



Rating Scale



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

CareEdge-ESG Rating Assessment Criteria

India & globally aligned | Physical risk evaluation | Comprehensive analysis

ACC's Policy Analysis

Comprehensive	Board approved	Regularly reviewed

ACC's Initiatives Impact

Adaptation	Mitigation	Resilience

ESG Disclosures

BRSR Report	2025-26	2024-25	2023-24
Integrated Annual Report	2025-26	2024-25	2023-24
CDP disclosure	Yet to be disclosed	2024-25	2023-24
SBTi Targets	SBTi validated Net zero emissions 2050 Near term targets 2030		

Rating Rationale

ACC continues to demonstrate strong ESG performance, supported by a mature governance framework, proactive environmental management practices, and structured social sustainability initiatives. Within the Environmental pillar, which carries the highest materiality weighting for the cement sector, the company exhibits leadership across climate change mitigation, biodiversity conservation, water stewardship, waste management, and circular economy practices. ACC's decarbonisation strategy remains aligned with its long-term net-zero ambitions and is supported by increased use of blended cement, alternative fuels and raw materials, renewable energy integration, and waste heat recovery systems. These initiatives have contributed to maintaining carbon emissions intensity below the industry median. The company also demonstrates strong performance in biodiversity management through its Board-approved Biodiversity Policy, site-level biodiversity action plans, ecological risk assessments, mine reclamation programmes, and commitments toward no net deforestation and no net loss of biodiversity. Water stewardship remains a key strength, supported by continued progress in water conservation, water positivity initiatives, rainwater harvesting, and responsible water management practices. Waste management performance is reinforced through circular economy initiatives, high waste recovery rates, co-processing of waste, and efforts toward minimizing landfill disposal. Within the Social pillar, ACC maintains strong performance in occupational health and safety, product responsibility, human rights management, employee development, and community engagement. The company operates under internationally aligned health and safety management systems and continues to invest in workforce wellbeing through preventive health programmes, regular training, hazard identification mechanisms, and comprehensive grievance redressal systems. Product quality and customer satisfaction remain areas of strength, supported by robust quality management systems and structured customer engagement processes. Human rights considerations are integrated into business operations through Board-approved policies, employee awareness programs, supplier engagement mechanisms, and grievance management processes. Community development initiatives continue to create positive social impact through interventions focused on livelihood enhancement, skill development, education, healthcare, water conservation, and rural infrastructure. However, certain human capital indicators continue to present opportunities for improvement, particularly with respect to gender representation at senior leadership levels and achieving greater gender pay parity across the workforce. The Governance pillar reflects a high degree of institutional maturity, supported by an independent and experienced Board, comprehensive policy framework, and structured oversight of ESG-related matters. Dedicated Board-level committees oversee sustainability, risk management, stakeholder engagement, ethics, and remuneration matters. ESG considerations are integrated into enterprise risk management processes and strategic decision-making, while regular materiality assessments and stakeholder consultations support the identification and management of key sustainability priorities. Strong internal controls, transparent disclosures, independent assurance practices, and effective compliance management further reinforce governance quality. The company also demonstrates a structured approach toward responsible supply chain management, business ethics, and anti-corruption practices. Overall, ACC's ESG profile is characterized by strong environmental leadership, robust governance systems, and stable social performance. Continued progress in emissions reduction, biodiversity management, water stewardship, and circular economy initiatives strengthen its sustainability positioning. Key areas for further enhancement include improving workforce diversity and inclusion outcomes, reducing employee turnover, and strengthening gender representation and pay parity metrics. Nevertheless, the company's integrated ESG strategy, strong governance oversight, and commitment to sustainable operations position it favorably for long-term value creation and resilience.

Environment Score

90.3

Transition Pathway Trajectory
Strong

The cement sector exerts a strong environmental footprint, driven by carbon emissions, impacts on biodiversity, product footprint & stewardship, effluent and waste generation, and water usage and management. Consequently, Environmental pillar holds a weight of 45% for the sector. ACC achieved environmental score of 90.3, demonstrating strong performance across key environmental areas comprising carbon and other emissions, biodiversity and effluent and waste management, which together contribute over 75% of the overall weightage given to this pillar. ACC Limited demonstrates a strong commitment towards biodiversity conservation through a dedicated biodiversity policy and implementation of biodiversity management plans across its operations. The company assesses both direct and indirect biodiversity impacts arising from its activities and has established clear objectives, mitigation measures, and conservation initiatives under its biodiversity management framework. ACC reports compliance with environmental regulations applicable to ecologically sensitive areas and integrates biodiversity considerations into its environmental management processes. These measures reflect a structured approach towards managing biodiversity-related risks and preserving ecosystem integrity around operational sites. ACC exhibits strong performance in emissions management and climate action through comprehensive policies, targets, and operational initiatives. The company has established greenhouse gas reduction targets aligned with the Science Based Targets initiative (SBTi) and undertakes various decarbonization initiatives including clinker factor reduction, alternative fuel utilization, renewable energy adoption, waste heat recovery, and deployment of advanced emission-reduction technologies. The company monitors emissions across all operational sites and conducts independent external assurance of its emissions data. The clinker factor of FY26, 58.70 is significantly lower than the industry median of 65.90, reflecting efficient use of blended cement and lower carbon-intensive production processes. ACC Limited has demonstrated strong performance across key transition risk indicators, with all reported metrics remaining significantly better than the industry median in FY26, despite marginal year-on-year variations. The company's particulate matter (PM) emissions intensity remained stable at 0.000009 per unit of production in both FY25 and FY26, substantially lower than the industry median, reflecting effective air pollution control measures and efficient operational practices. The company's NOx emissions intensity increased marginally from 0.00027 in FY25 to 0.00028 in FY26; however, it continued to remain significantly below the industry median of 0.00055. This indicates that ACC maintains effective emissions management systems and control technologies despite operational growth. ACC's combined Scope 1 and Scope 2 emissions intensity increased from 0.478 tCO_2e per unit of production in FY25 to 0.529 tCO_2e per unit of production in FY26, however the intensity remains materially lower than the industry median of 0.623 tCO_2e per unit of production. The company's performance continues to be supported by initiatives such as clinker factor optimization, alternative fuel usage, renewable energy adoption, waste heat recovery systems, and alignment of climate targets with the Science Based Targets initiative (SBTi). The company also maintains compliance with applicable air pollution regulations and reported no exceedance of prescribed emission limits during the year. ACC has established a robust energy management framework supported by a formal energy policy, ISO 50001-certified Energy Management Systems, independent external assurance, and participation in the Government of India's Perform, Achieve and Trade (PAT) Scheme. The company has successfully achieved PAT targets and continues to undertake initiatives to improve operational efficiency and reduce energy consumption. During FY25, ACC reported an energy intensity of 2.47 GJ/t, lower than the industry median of 2.64 GJ/t. The company has also established targets to increase renewable energy consumption and thermal substitution rates while actively utilizing renewable energy and alternative fuels in its manufacturing processes, supporting its long-term decarbonization strategy. Waste management remains a key strength for ACC, supported by dedicated policies, operational initiatives, and circular economy practices. The company has achieved Zero Waste to Landfill status and reported an industry-leading waste recovery rate of nearly 100%, significantly exceeding peer performance. ACC undertakes initiatives to reduce overall waste generation and hazardous waste while promoting resource circularity through co-processing of industrial waste and utilization of alternative raw materials. The company’s waste intensity stood at 0.0138 tons per tonne of production during FY25, while waste disposed to landfill remained negligible, reflecting effective waste management and recovery practices. ACC demonstrates strong water stewardship through comprehensive water management policies, targets, monitoring systems, and independent external assurance. The company has achieved Zero Liquid Discharge across its operations and continues to implement water conservation, recycling, recharge, and water positivity initiatives. Water consumption intensity stood at 0.14 m^3/t of production, lower than the industry median of 0.20 m^3/t, reflecting efficient water utilization practices. The company also monitors water use in water-stressed regions and undertakes site-specific initiatives to improve water conservation and groundwater replenishment. The company undertakes multiple water stewardship initiatives, including rainwater harvesting, watershed development, groundwater recharge, rejuvenation of local water bodies, and community-based conservation programs. Although cement manufacturing primarily follows a dry process with relatively lower water intensity, the company has adopted proactive measures to mitigate water-related risks through investments in pond restoration, construction of check dams, and groundwater recharge. As a result of these sustained efforts, the company has achieved a water positive status of 1.04x, indicating that it replenishes more water than it consumes.

ACC maintains a strong environmental governance framework supported by compliance with the Air Act, Water Act, and Environment Protection Act across all operational sites. The company has implemented ISO 14001-certified Environmental Management Systems and conducts quarterly environmental baseline monitoring covering air, water, and noise parameters. Environmental data is subject to regular monitoring and verification, and the company actively collaborates with government agencies, industry bodies, and other stakeholders to strengthen environmental performance. The absence of major environmental non-compliances or regulatory violations further supports the company’s environmental risk management capabilities. ACC integrates sustainability considerations into product development through policies focused on environmentally responsible products and lifecycle management. The company offers GreenPro-certified cement products and conducts Life Cycle Assessments (LCA) covering 100% of its product portfolio, supported by external verification. ACC also complies with Extended Producer Responsibility (EPR) requirements and has established waste collection mechanisms aligned with approved EPR plans. These initiatives demonstrate the company’s commitment to reducing environmental impacts across the product lifecycle and supporting sustainable construction practices.

Social Score

Transition Pathway Trajectory
Leadership

The social pillar accounts for 30% of the sector’s overall weight. ACC secured social score of 76.9, assessed across parameters such as employee health & safety, human rights, product safety & quality, community support and development, value chain, which together contribute more than 75% of the overall weightage given to this pillar.

In the theme of health and safety, ACC scores 51.0, higher than the median of 36.4 The company has a board approved policy and strategy on employee health and safety, supported by a structured Environment, Health & Safety (EHS) management system and a dedicated Health & Safety team to ensure a safe and healthy workplace. The social score of ACC Limited is supported by the company's comprehensive approach towards community development, employee welfare, occupational health and safety, diversity and inclusion, human rights protection, customer responsibility, and responsible supply chain management. The company has established formal policies, management systems, grievance redressal mechanisms, training programmes, and stakeholder engagement frameworks across all material social themes. ACC's performance compares favorably with industry median levels across several key indicators, demonstrating a mature and well-integrated social sustainability framework. ACC maintains a structured community development framework supported by a formal CSR policy and community engagement strategy. The company remains fully compliant with CSR requirements under the Companies Act, 2013 and has demonstrated strong commitment towards social investment, with cumulative CSR expenditure over the last three years amounting to FY26 100.2% of its statutory CSR obligation, marginally exceeding the industry benchmark of 100%. The company conducts impact assessments for its CSR projects, demonstrating a strong focus on measuring social outcomes and ensuring effective utilization of resources. ACC has also generated employment opportunities in rural and semi-urban areas through its operations and community development programmes. The company's CSR initiatives continue to focus on vulnerable and marginalized communities, with approximately 85% of CSR beneficiaries belonging to vulnerable groups, higher than the industry median of 80%. ACC maintains a formal grievance redressal mechanism for communities and resolved approximately 95.6% of community complaints resolved during FY26. No serious concerns were reported through social impact assessments during the year. The company also reported no Project Affected Families requiring rehabilitation and resettlement during the assessment period. Health and safety remain a key pillar of ACC's social strategy. The company has established dedicated health and safety policies, EHS management systems, and specialized health and safety teams across its operations. Occupational health and safety practices are governed through ISO 45001-certified management systems covering all operational sites. Employee welfare measures are comprehensive, with 100% coverage under health insurance and accident insurance schemes. The company also provides non-occupational medical and healthcare services to its workforce and extends life insurance and compensatory support packages in the event of employee or worker fatalities. ACC reported exceptionally high levels of health and safety training coverage during FY26. Approximately 99.8% of employees received health and safety training compared to the industry median of 70%, while 100% of workers received such training compared to the industry median of only 20%. Furthermore, 100% of operational sites were assessed for health and safety practices and working conditions, in line with the industry median. The company has established formal processes for hazard identification, routine and non-routine risk assessments, worker reporting mechanisms, and emergency response systems. While certain health and safety concerns were identified during assessments, corrective actions were implemented to address identified risks and strengthen safety performance. During FY26, approximately 66.0% of total wage costs were paid to employees located in smaller towns and semi-urban regions, compared to the industry median of 47.4%. Although this was marginally lower than last year’s levels of 69.2%, the company's performance remains substantially above peer levels, highlighting its role in promoting local employment opportunities and supporting economic development beyond major urban centres.

The company continues to maintain a strong occupational health and safety framework supported by ISO 45001-certified management systems, periodic assessments, and dedicated safety governance mechanisms. During FY26, 100% of plants and offices were assessed for occupational health and safety practices, in line with the industry median of 100%, reflecting comprehensive safety oversight across operations. Notwithstanding the strong safety management framework, certain safety performance indicators moderated during the year. The Average Lost Time Injury Frequency Rate (LTIFR) increased from 0.290 in FY25 to 0.415 in FY26 and remained above the industry median of 0.070. Similarly, the Total Recordable Injury Rate (TRIR) stood at 0.013 during FY26 compared to the industry median of 0.0004. While these metrics indicate scope for further improvement in workplace safety performance, the company reported zero workforce fatalities during the year and achieved 100% resolution of health and safety-related complaints. ACC has also continued to strengthen its safety culture through extensive employee training programmes, risk assessment mechanisms, incident investigation procedures, and corrective action frameworks. Employee retention indicators showed improvement during FY26. The overall employee turnover rate declined from 21.2% in FY25 to 17.5% in FY26, approaching the industry median of 16.7%. Female employee turnover improved significantly from 33.2% in FY25 to 20.1% in FY26, although it remained higher than the industry median of 13.8%, indicating continued challenges in retaining female talent. Male employee turnover also improved from 20.4% in FY25 to 17.4% in FY26 and remained broadly aligned with the industry median of

17.5%. Employee wellbeing continues to remain an important focus area for ACC. During FY25, the company incurred expenditure equivalent to approximately 0.20% of revenue on employee wellbeing initiatives, marginally exceeding the industry median of 0.195%. These initiatives are supported through healthcare programmes, insurance coverage, wellness interventions, employee assistance programmes, and broader workforce welfare measures aimed at improving employee engagement and productivity. The company demonstrates relatively strong performance in workforce diversity compared to industry peers. The ratio of female employees to male employees stood at 6 during FY25, significantly higher than the industry median of 3. Although the ratio declined marginally from last year, ACC continues to maintain a more gender-diverse workforce than many industry peers operating within the sector. Gender pay equity indicators present a mixed performance. The ratio of median pay of female employees to median pay of male employees improved slightly from 0.544 in FY25 to 0.552 in FY26; however, it remained below the industry median of 0.752, indicating opportunities to further strengthen pay parity across employee categories. On the other hand, the ratio of median pay of female workers to median pay of male workers stood at 0.883 during FY25, significantly outperforming the industry median of 0.579 despite a marginal decline from 0.913 reported in FY24. This indicates relatively stronger wage parity among worker categories compared to sector peers. With respect to workplace conduct and employee protection, ACC maintains a robust Prevention of Sexual Harassment (POSH) framework supported by formal policies, awareness programmes, and grievance redressal mechanisms. Complaints under the POSH declined from 1.9% of the female workforce in FY25 to 1.2% in FY26, indicating an improvement year-on-year. While this remains above the industry median of zero, all reported complaints were addressed through established investigation and resolution mechanisms. Responsible sourcing remains a notable strength within ACC's social transition profile. The proportion of input materials sourced directly from MSMEs, and small producers increased from 23.0% in FY25 to 25.6% in FY26, substantially exceeding the industry median of 14.1%. This reflects the company's commitment towards supporting local enterprises, enhancing supply chain resilience, and promoting inclusive economic growth across its value chain. Supplier payment practices also remain favorable. The average number of accounts payable days increased from 33 days in FY25 to 38 days in FY26; however, the company's performance remained marginally better than the industry median of 39.9 days. This demonstrates relatively efficient supplier payment practices and supports healthy long-term relationships with suppliers and business partners. While workplace safety metrics and certain gender pay parity indicators remain areas for continued improvement, the company continues to outperform industry median levels across several material social transition indicators, reflecting a relatively strong social stewardship framework and effective management of workforce and value chain-related social risks.

ACC demonstrates a strong commitment towards employee development, capability building, and workforce engagement through structured learning and development programmes. The company maintains formal policies and initiatives relating to training, career development, employee wellbeing, and social accountability. Training coverage remains significantly above industry benchmarks. Approximately 94% of employees received skill upgradation training during FY26 compared to the industry median of 70%. The company also provided training on BRSR principles to 100% of employees, matching the industry benchmark of 100%. Employee welfare initiatives are supported through healthcare programmes, insurance coverage, parental leave benefits, rehabilitation support, grievance redressal mechanisms, and employee wellbeing initiatives. ACC incurred expenditure on employee wellbeing programmes equivalent to 0.15% of revenue, which is higher than the industry median level. Employee representation remains a notable strength, with approximately 50.9% of the permanent workforce represented through employee unions or associations, significantly exceeding the industry median of 10%. This indicates strong employee participation and effective social dialogue mechanisms within the organization. ACC maintains a workforce grievance redressal mechanism and approximately 87.5% of workforce complaints were resolved during FY26. ACC has established formal policies and initiatives relating to diversity, equity, inclusion, equal opportunity, and accessibility. The company maintains accessibility provisions across its facilities in compliance with the Rights of Persons with Disabilities Act, 2016 and has implemented an Equal Opportunity Policy. The company reported differently abled employees representing approximately 0.14% of the workforce, which is double the industry median level of 0.07%. The company also undertakes dedicated diversity and inclusion initiatives aimed at promoting an inclusive workplace culture. Female workforce representation remains above industry median levels. The ratio of female employees to male employees stood at 5.7%, while the ratio of female workers to male workers stood at 0.7%, both higher than median levels reported by peers. With respect to gender pay equity, the median pay ratio of female workers to male workers stood at 0.88 in FY26, which slightly decreased from 0.91 in FY25, however, remained higher that the industry median of 0.58. However, the median pay ratio of female employees to male employees stood at 0.55, although improved from 0.54 in FY25, it remained below the industry median of 0.75, indicating scope for further improvement in gender pay parity across certain employee categories. ACC has implemented a comprehensive human rights framework supported by dedicated policies, governance structures, employee training programmes, grievance mechanisms, and integration of human rights requirements across business operations and supply chain relationships. The company has designated responsible personnel and committees for addressing human rights issues and maintains mechanisms to protect complainants from retaliation in discrimination and harassment-related cases. Human rights requirements are integrated into business agreements and supplier contracts. During FY26, 100% of operational sites were assessed for human rights practices, in line with industry-leading performance. Approximately 99.8% of employees and 100% of workers received human rights training, exceeding the industry median of 80% for both categories. ACC reported no unresolved human rights complaints during the year and achieved full resolution of reported cases. The company also maintains a robust Prevention of Sexual Harassment (POSH) framework and provided POSH training to 100% of employees. ACC demonstrates strong customer stewardship through robust product quality management systems, customer engagement processes, and grievance redressal mechanisms. The company maintains formal policies relating to product quality and operates ISO 9001-certified quality management systems across 100% of its operational sites, in line with industry-leading performance. All production facilities undergo external verification and assessment processes, enhancing product quality assurance and operational reliability. The company regularly conducts customer satisfaction surveys and maintains dedicated consumer grievance redressal mechanisms. ACC achieved 100% resolution of consumer complaints during FY26, matching industry-leading performance. These practices reflect the company's strong focus on product quality, customer trust, and service excellence. ACC has developed a comprehensive responsible sourcing framework integrating environmental, social, human rights, and health and safety considerations into supplier selection, evaluation, and engagement processes. The company undertakes supplier sensitization programmes on environmental issues and implements remedial actions where environmental breaches are identified. Notably, 100% of value chain partners by business value were assessed for environmental impacts, significantly outperforming the industry median of 10%. ACC maintains grievance redressal mechanisms for value chain partners and achieved 100% resolution of supplier complaints during FY26. The company also assesses human rights practices within its value chain and undertakes corrective actions wherever concerns are identified. The company also maintains policies on supplier health and safety and actively undertakes initiatives to strengthen supplier safety performance. ACC further verifies compliance with statutory obligations and integrates environmental and social parameters into supplier screening processes. Local sourcing and MSME engagement remain key strengths. Approximately 25.6% of procurement was sourced from MSMEs compared to the industry median of 10%, while domestic sourcing accounted for approximately 93.9% of total procurement compared with the industry median of 90%. Overall, ACC demonstrates strong social stewardship supported by comprehensive community engagement programmes, extensive workforce development initiatives, robust occupational health and safety systems, mature human rights practices, strong customer responsibility frameworks, and responsible supply chain management. The company outperforms industry median levels across several key social indicators, reinforcing its strong social sustainability profile.

Governance Score

81.6

The Governance pillar carries a weight of 25% for the sector. ACC achieved governance score of 81.6, showcasing its strong governance framework and the efficient integration of ESG principles into strategic decision-making across top leadership levels. Key governance aspects such as Business Ethics, Oversight on ESG and Board Composition, together contribute more than 75% of the overall weightage given to this pillar.

The governance profile of ACC Limited is supported by a well-established governance framework comprising strong board oversight, robust committee structures, comprehensive ethics and compliance mechanisms, effective stakeholder engagement practices, and mature ESG governance processes. The company demonstrates compliance with all key requirements under the Companies Act, 2013 and SEBI Listing Regulations across board composition, committee constitution, governance processes, shareholder rights, financial reporting, and risk management. ACC has established a formal policy on board diversity and maintains a board structure that complies with all applicable regulatory requirements relating to board composition and independence. The company complies with Companies Act requirements regarding board independence, board rotation, board size, and the requirement to have at least 50% non-executive directors on the Board.

While the company maintains board gender diversity in compliance with regulatory requirements, it does not exceed the minimum threshold prescribed under the Companies Act, 2013. However, women represented approximately 8.3% of senior management positions during FY26. The company reported that 100% of board members possess relevant industry experience, significantly exceeding the industry median of 70%, reflecting a highly experienced board capable of providing sector-specific strategic guidance. ACC maintains all mandatory board-level committees including the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), and Corporate Social Responsibility (CSR) Committee. The company complies with all regulatory requirements relating to committee constitution, chairperson independence, member independence, financial expertise, and meeting frequency. The Audit

Committee is fully compliant with SEBI requirements regarding independent membership, financial literacy, financial expertise, and meeting frequency. Similarly, the NRC complies with requirements relating to independent chairmanship, independent membership, and non-executive representation. The company also complies with the independence requirements applicable to CSR Committee members. However, the Risk Management Committee does not comprise at least two-thirds of independent directors. While this is not a mandatory regulatory requirement, having a Risk Management Committee with at least two-thirds independent directors is considered a governance best practice. Accordingly, this remains an area where the company can further strengthen its governance framework. ACC maintains strong governance practices relating to board effectiveness and shareholder engagement. The company disclosed AGM details, attendance, participation records, and meeting outcomes and conducted its AGM within the prescribed statutory timelines. The Board met the minimum frequency requirements prescribed under the Companies Act, 2013, and attendance records demonstrate adequate director participation in board meetings. The company complies with SEBI requirements, limiting the number of directorships held by board members in listed entities. The company further reported that the percentage of "against" votes relating to board compensation proposals remained below 10%, indicating continued shareholder support for remuneration practices. ACC demonstrates advanced ESG governance practices through dedicated sustainability governance mechanisms and board oversight. The company has established a Board-level or senior management responsibility for ESG and sustainability-related matters and maintains dedicated sustainability management teams headed by Chief Sustainability Officer. The company has implemented an ESG materiality assessment framework and maintains a formal ESG materiality matrix to prioritize key environmental, social, and governance risks and opportunities. Stakeholder consultation forms an integral component of materiality assessment processes, and the Board is regularly informed of stakeholder engagement outcomes and feedback. The company reported that all BRSR principles are covered through formal policies, targets, and initiatives. Performance and compliance against BRSR principles are reviewed quarterly, with no BRSR principles pending either performance review or compliance review by the Board or relevant committees. These governance practices demonstrate strong integration of sustainability considerations into corporate decision-making processes. Further strengthening its ESG governance framework, the company undertakes independent assessments of policy implementation through external agencies and continues to publish comprehensive sustainability disclosures through its Sustainability and ESG reporting framework. ACC places significant emphasis on governance awareness and ethical conduct through structured training programmes. During FY26, 100% of Key Managerial Personnel (KMPs) received training on BRSR principles, matching the industry median of 100%. The company also reported 100% employee training coverage on its Code of Conduct, Anti-Corruption and Anti-Bribery Policy, and Whistleblower Protection Policy, significantly strengthening governance awareness and ethical culture throughout the organization. ACC maintains a comprehensive governance and ethics framework supported by a Code of Conduct, Whistleblower Protection Policy, Anti-Corruption and Anti-Bribery Policy, conflict-of-interest management procedures, insider trading controls, and grievance redressal mechanisms. The company complies with SEBI requirements relating to insider trading prevention and extends its Code of Conduct and Anti-Corruption policies to suppliers, vendors, and distributors. Furthermore, supplier training is conducted on these policies, strengthening governance practices across the value chain. No serious incidents relating to corruption, conflict of interest, or anti-competitive conduct were reported during FY26, indicating the effectiveness of the company's governance controls and compliance systems. ACC maintains formal policies governing Related Party Transactions (RPTs) and complies with all SEBI requirements relating to Audit Committee approval and shareholder approval of RPTs. However, the company reported relatively high concentrations of related party transactions, with RPTs accounting for approximately 95% of loans and advances compared to the industry median of 20%, and 99% of investments compared to the industry median of 60%. Additionally, approximately 38.6% of non-promoter shareholder votes cast on RPT resolutions were against management proposals, compared to an industry median of 0%. While all transactions were approved through prescribed governance mechanisms, these indicators warrant continued monitoring from a minority shareholder protection perspective. The company maintains dedicated grievance redressal mechanisms for both investors and shareholders. During FY26, ACC resolved 100% of investor complaints, in line with the industry median of 100%. Shareholder grievance resolution stood at approximately 93.1%, marginally below the industry median of 100%, though still indicative of a robust investor relations framework and effective grievance management processes. ACC continues to integrate sustainability considerations into innovation and investment decisions. The company reported that 100% of its R&D expenditure was directed towards technologies and initiatives aimed at improving environmental and social outcomes, significantly exceeding the industry median. The company also allocated capital expenditure towards sustainability-enhancing technologies and initiatives. Although sustainability-focused capex represented only 0.14% of total capex, the company continues to pursue investments supporting environmental and social performance improvements. The company's executive remuneration practices remain broadly aligned with shareholder interests. Total board compensation represented approximately 0.51% of total employee compensation, significantly lower than the industry median of 5.5%, indicating a relatively conservative board remuneration structure. The ratio of CEO compensation to median employee remuneration stood at approximately 70.4 times, which is lower than the industry median of 89 times and compares favorably from a pay equity perspective. ACC reported no financial restatements or delayed financial filings during the last two fiscal years, highlighting strong financial reporting discipline and governance controls. The company maintains a comprehensive Enterprise Risk Management (ERM) framework covering strategic, operational, financial, legal, market, regulatory, and sustainability-related risks. The Risk Management Committee oversees enterprise-wide risk assessment and mitigation activities, supporting proactive risk management practices. ACC continues to maintain a strong external audit framework, with the statutory auditor issuing an unqualified audit opinion on the company's financial statements. Auditor independence remains robust, with non-audit fees representing only 3.6% of total audit and non-audit fees, significantly lower than the industry median of 10%, reflecting lower potential risk of auditor independence. Overall, ACC demonstrates a strong governance profile characterized by regulatory compliance, effective board oversight, mature ESG governance practices, comprehensive ethics and compliance systems, strong risk management capabilities, and high standards of financial reporting. While areas such as board-level ESG training, Risk Management Committee independence, sustainability-linked capex allocation, and related party transaction concentrations remain monitoring considerations, the company continues to perform favourably across the majority of governance indicators relative to industry median levels, supporting a strong governance stewardship assessment.

Key Rating Drivers

Strengths

Clearly Defined Climate Transition Strategy and Decarbonisation Roadmap

ACC continues to demonstrate a strong commitment towards climate stewardship through its SBTi-aligned emissions reduction targets and long-term net-zero roadmap. The company-maintained Scope 1 and 2 emissions intensity of 0.529 tCO_2e per tonne, outperforming the industry median of 0.623 tCO_2e per tonne. Additionally, its clinker factor of 0.587 remained significantly below the industry median of 0.700, reflecting continued efforts towards reducing process emissions through clinker substitution and operational efficiency improvements.

Strong ESG Integration within Governance and Decision-Making Processes

ACC has embedded sustainability considerations into its governance framework through dedicated ESG oversight mechanisms, formal materiality assessment processes, and structured stakeholder engagement practices. The company reviews BRSR-related performance and compliance indicators on a quarterly basis, with no pending principles awaiting review. Furthermore, 100% of Key Managerial Personnel (KMPs) received training on BRSR principles, reinforcing ESG integration across leadership functions.

Robust Governance Framework and Regulatory Compliance

The company maintains strong compliance with the requirements of the Companies Act, 2013 and SEBI Listing Regulations relating to board composition, board independence, committee structures, and shareholder rights. ACC has established all key governance committees, including Audit, Risk Management, Nomination & Remuneration, CSR, and Stakeholders Relationship Committees, supporting effective oversight, transparency, and accountability.

Strong Human Capital and Occupational Health & Safety Practices

The company maintains robust employee welfare and occupational health and safety systems, supported by ISO 45001-certified management systems across all operational locations. Approximately 99.8% of employees and 100% of workers received health and safety training during FY26, significantly exceeding industry median levels. ACC also reported zero workforce fatalities and achieved full resolution of health and safety complaints during the year.

Weaknesses

Relatively High Occupational Safety Incident Rates Compared to Industry Peers

While ACC maintains a comprehensive occupational health and safety framework and reported zero workforce fatalities during FY26, certain safety performance indicators remain weaker than industry benchmarks. The company's Total Recordable Injury Rate (TRIR) of 0.013 and Lost Time Injury Frequency Rate (LTIFR) of 0.415 were significantly higher than the industry median levels of 0.0004 and 0.10, respectively, indicating scope for further strengthening workplace safety performance and incident prevention measures.

Gender Diversity and Pay Parity Remain Areas for Improvement

Despite maintaining female representation above industry averages, women accounted for only 8.3% of senior management positions during FY26. Furthermore, the median pay ratio of female employees to male employees stood at 0.55, below the industry median of 0.75, indicating scope for improvement in leadership diversity and gender pay parity across employee categories.

Controversy assessment

ACC Limited’s Controversy redressal mechanism

All controversies are managed through standard risk management processes covering identification, assessment, mitigation, monitoring, and reporting. Each issue is evaluated using a risk and materiality assessment approach to determine its significance and the need for escalation or disclosure. Internal mechanisms governing these processes are described in the Risk Management chapter in the company’s Integrated Annual Report, which outlines its ERM approach, governance structure, framework components, process flows, and risk exposure review methodology. These sections explain how risks are assessed, impacts analyzed, and mitigation measures designed. Oversight is exercised by both the Board-level Risk Management Committee and Reputation Risk Management Committee (RRMC)—a sub-committee focused specifically on reputational matters and potential controversies. The mandate, roles, and scope of the RRMC are defined in its publicly available charter.

Controversies that have met the materiality thresholds have been transparently disclosed in the Integrated Annual Reports, along with the corresponding action plans and management responses.

The resolution of controversies follows a structured process that includes timely escalation, assignment of remediation responsibilities, periodic progress reviews, responding to the ESG rating queries and closure monitoring. Remedial actions typically involve strengthening internal controls, addressing process or system gaps, enhancing internal and external communication, or engaging with relevant stakeholders, as applicable. Monitoring is supported through quarterly governance reviews, integrated risk reporting, and risk register updates.

CareEdge-ESG's assessment

CareEdge-ESG defines controversies as any key material event or news that can have a negative ESG impact on the company's operations, products and sustainability. CareEdge-ESG categorizes each controversy based on company's involvement in the controversy, its severity and remediation. In this context, all controversies mentioning ACC in public domain have been granularly assessed and thoroughly reviewed along with detailed explanation provided by the company with respect to applicability and status. Resulting from the assessment, CareEdge-ESG is of the opinion substantial number of queries have already been resolved, details of which have been clarified upon by the company and available on the public domain and hence deemed closed.

As per media reports in October 2025, ACC Limited was subject to a penalty of ₹23.07 crore imposed by the Income Tax Department for alleged inaccurate reporting and under-reporting of income across Assessment Years 2015–16 and 2018–19. The company has clarified that these matters pertain to periods prior to its acquisition by the Adani Group and are linked to tax positions taken based on prevailing legal interpretations at the time. ACC has further stated that most of its claims were upheld at the first appellate level, with only certain minor issues pending before the tax tribunal. The penalty has been levied on the portions under dispute, which the company has contested and appealed against. The company maintains that this is a routine tax matter rather than a systemic compliance lapse and expects a favorable outcome based on past precedents. Additionally, ACC has indicated that the penalty is not expected to have a material impact on its financial position and will be addressed through appropriate legal remedies. Based on the available information and the company's response, the matter appears to be an isolated instance related to legacy tax positions rather than indicative of any systemic process or policy lapse. Accordingly, while CareEdge-ESG will continue to monitor developments, the issue does not currently have a material impact on the company's ESG risk assessment.

ACC has been alleged of causing air pollution and fugitive dust emissions from its Gagal Cement Works at Barmana, Bilaspur (Himachal Pradesh), based on a complaint taken cognizance of by the National Green Tribunal (NGT) in December 2024. The complaint cited potential impacts on nearby residential areas due to alleged inadequacies in dust control and emission management systems. Following this, the NGT constituted a joint inspection committee comprising the Central Pollution Control Board (CPCB), Himachal Pradesh State Pollution Control Board (HPSPCB), and district authorities to evaluate compliance with environmental norms. Preliminary observations highlighted certain gaps, including visible dust emissions in parts of the plant, insufficient wind-breaking barriers, incomplete green belt development, and the need for enhanced mitigation measures, particularly during power disruptions.

Based on publicly available information and the company's response, the allegations of air pollution at ACC Limited's Gagal Cement Works were investigated by a Joint Committee comprising regulatory authorities, which initially identified certain gaps in dust control and environmental management. However, subsequent inspections and the supplementary report dated April 2025 confirmed that the company had implemented corrective measures, including installation of improved dust control systems, enhanced green belt development, infrastructure upgrades, and compliance monitoring. The committee's findings indicated that both stack emissions and ambient air quality (at most locations) were within prescribed limits, with pollution near the complainant's residence attributed primarily to road dust rather than plant operations. The National Green Tribunal (NGT), in its April 2025 judgement, also noted compliance by the company with applicable norms, while directing further assessment of regional air quality issues. Accordingly, the issue appears to have been addressed through corrective actions and regulatory oversight and does not currently indicate a systemic environmental compliance failure. CareEdge-ESG will continue to monitor further developments, including the outcome of the ongoing committee review; however, at present, the matter does not have a material impact on the company’s ESG risk assessment.

Key ESG Parameters of ACC Limited

Parameters	Unit	FY 2026	Industry Median
Environment			
Scope 1 intensity	tCO2e/ MT of production	0.5099	0.5823
Scope 2 intensity	tCO2e/ MT of production	0.0192	0.0200
Scope 3 intensity	tCO2e/ MT of production	0.1393	0.0745
Renewable energy consumption	% (of total energy consumption)	7.49%	5.84%
Energy intensity	GJ/ unit of production	2.47	2.63
Water consumption intensity	KL/ unit of production	0.1433	0.1753
Waste recovery rate	%	100.00%	99.30%
Achieved Zero liquid discharge	Yes/No	Yes	-
Social			
Employee turnover rate	%	17.5%	15.8%
Female to male employees' ratio	Per 100 male employees	6.0	3.0
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	55.18	86.8
Health & safety complaints	#	0	0
Health insurance coverage	%	100.00%	100.00%
Accident insurance coverage	%	100.00%	100.00%
Differently abled workforce	% of total workforce	0.141	0.07%
POSH complaints upheld over reported	X/Y	0	-
Average lost time injury frequency rate	#	0.41	0.07
Workforce fatality rate	#	0	0
Total recordable injury rate	#	0.0130	0.0003
Governance			
No. of female in board	#	1	0
% KMPs trained on BRSR	%	100.00%	100.00%
Income gap ratio (CEO pay to median pay)	X: Y	70.35	89.0

Data source: company information, public sources, CareEdge-ESG research & analysis
KL = kiloliters I MT = metric tons I GJ = gigajoules

Rating Sensitivities

Positive Factors

- Improvement in workplace safety metrics (TRIR and LTIFR)
- Higher women representation in senior management and leadership positions
- Improved gender pay parity across employee categories
- Reduction in related party transaction exposure
- Increased sustainability-focused capex allocation
- Higher Board-level ESG/BRSR training coverage

Negative Factors

- Deterioration in emissions, energy efficiency, or resource consumption indicators.
- Increase in workplace safety incidents or injury rates
- Decline in renewable energy adoption and climate transition performance
- Lower employee retention and workforce engagement levels
- Increase in regulatory, compliance, or ESG-related controversies

Analytical approach

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

Methodology/Criteria

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

About the company and industry

ACC Limited, incorporated in 1936 and headquartered in Ahmedabad, is one of India's leading manufacturers of cement and ready-mix concrete, with a pan-India operational presence. The company operates as part of the Adani Group and has a long-standing presence in India's building materials sector, serving a wide range of construction and infrastructure needs.

ACC primarily operates in cement and ready-mix concrete segments, with a diversified product portfolio that includes blended and ordinary Portland cement, premium cement products, and value-added ready-mix concrete solutions. The company has an extensive network of cement manufacturing plants, ready-mix concrete units, and a well-established distribution and logistics system across India, enabling it to cater to residential, commercial, and infrastructure projects. The company serves a broad customer base comprising individual homebuilders, contractors, infrastructure developers, and institutional clients. ACC leverages its strong brand equity, technical expertise, and operational capabilities to ensure consistent product quality, reliability, and market reach. Its focus on capacity utilization, cost optimization, and disciplined financial management supports resilience across industry cycles. The company’s strong market position is reflected in its substantial market capitalisation of ₹ 32,631 crore. ACC 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 resource efficiency, environmental management, and community-focused initiatives, the company continues to strengthen its position as a key participant in India’s cement and construction materials sector.

Source of information

While assigning ESG Ratings, CareEdge-ESG has considered publicly available information such as integrated annual reports of the company, policies, sustainability reports, certifications, BRSR reports, quarterly presentations, and additional non-public information and comments provided by the company.

Status of non-cooperation with previous ERP: **Not applicable**

Rating history for last three years:

Sr. No.	Name of Product	Current Rating		Rating history		
		Rating 2026-27	Score	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2022-23
1	ESG Rating	CareEdge-ESG 1+	84.1	84.1	-	-

Annexure: Graphical summary of key rating drivers[2]

Hierarchy: While arriving at pillar level scores for ACC, 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 Effluent & waste	Community support & development Human Capital	Board Composition Reporting, filling & disclosures
LOW	Water usage & management Product footprint & stewardship	Human rights Product Safety & Quality Value Chain	Board Functioning Remuneration

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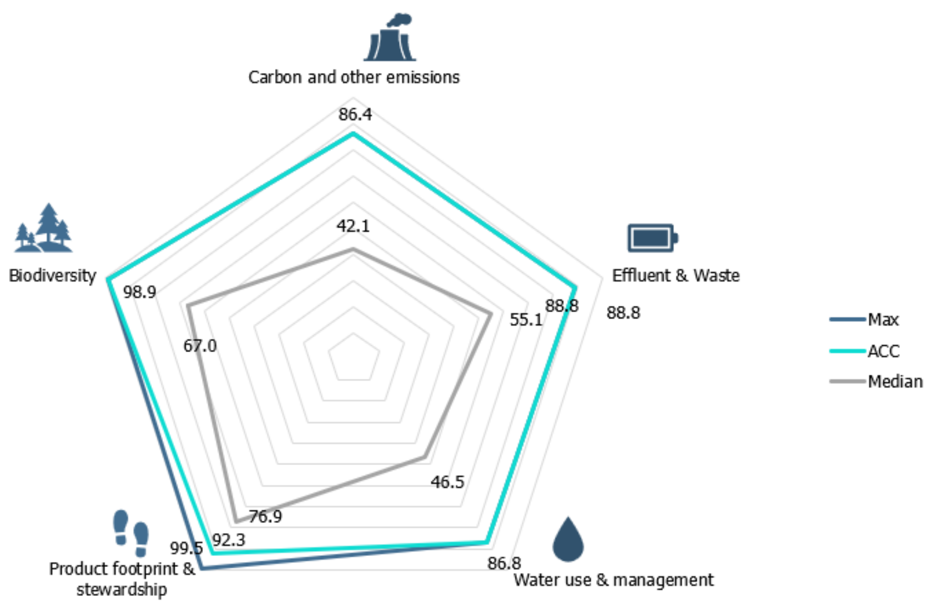
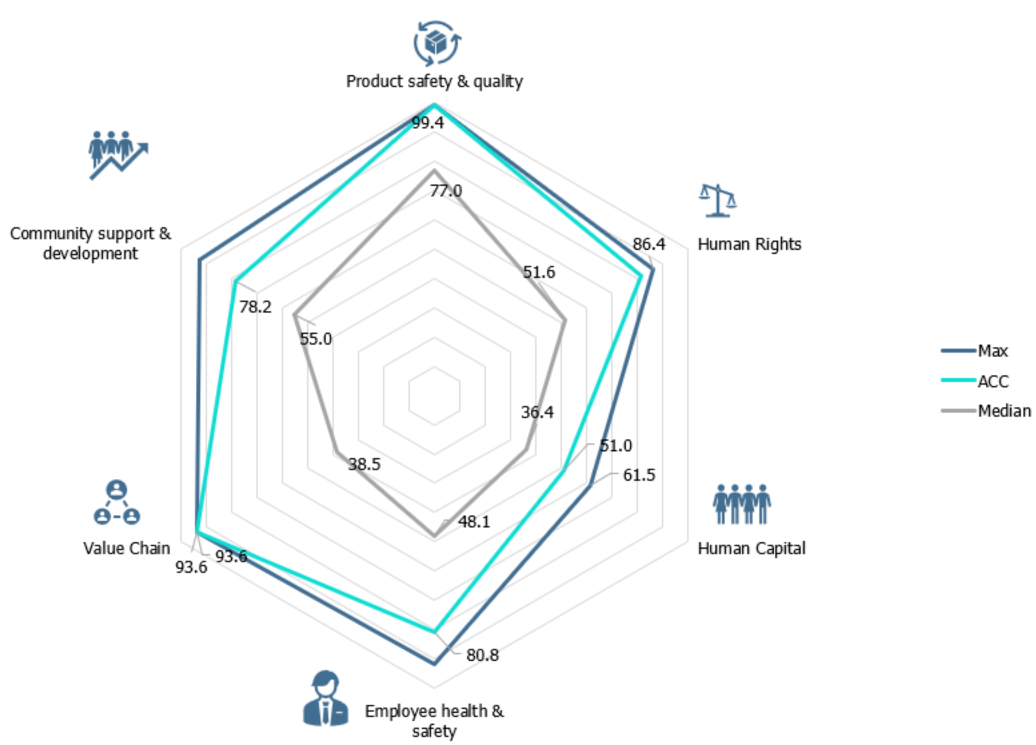
1 *As of 2 December 2025 (Source: BSE India)*

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

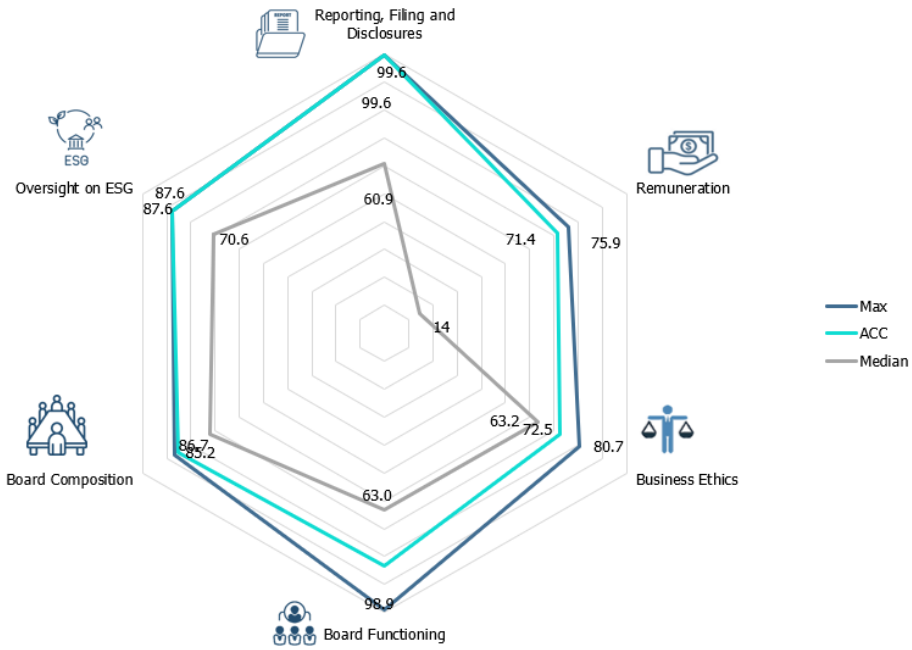
Environment Pillar: ACC's theme-wise performance and industry benchmarks



Social Pillar: ACC's theme-wise performance and industry benchmarks



Governance Pillar: ACC's theme-wise performance and industry benchmarks



Summary Pillar & Theme Scores

Theme	ACC limited	Industry Median
Biodiversity	98.9	67.0
Carbon and other emissions	86.4	42.1
Effluent & waste	88.8	55.1
Product footprint & stewardship	92.3	76.9
Water usage & Management	86.8	46.5
Total Environment Score	**90.3**	**55.8**
Product safety & quality	99.4	77.0
Human Rights	81.6	51.6
Human Capital	51.0	36.4
Employee health & safety	80.8	48.1
Value Chain	93.6	38.5
Community support & development	78.2	55.0
Total Social Score	**76.9**	**48.3**
Reporting, Filing and Disclosures	99.6	60.9
Remuneration	71.4	14.3
Business Ethics	72.5	63.2
Board Functioning	83.3	63.0
Board Composition	85.2	72.2
Oversight on ESG	87.6	70.6
Total Governance Score	**81.6**	**62.6**
Total ESG Score	**84.1**	**55.6**

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About Us:

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 leading 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.