ESG Rating Rationale

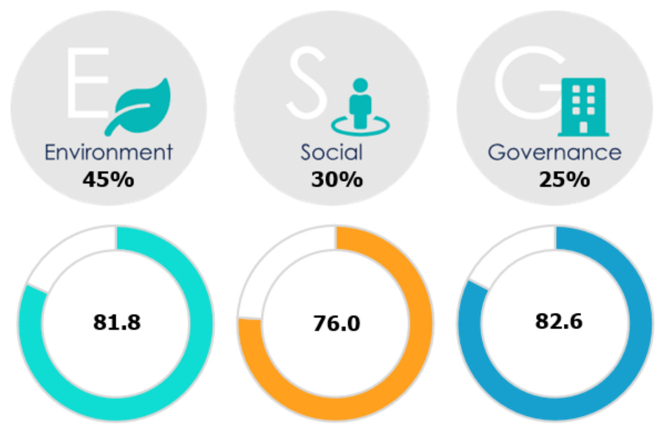
Ambuja Cements Limited (Ambuja)	Previous Score	Rating Symbol*	Rating Score	Rating Symbol*	Rating Movement
ESG Rating	80.6	CareEdge-ESG 1+	80.3	CareEdge-ESG 1+	⟷

* *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: **Adequate**
Environment Transition Pathway Trajectory: **Adequate**
Social Transition Pathway Trajectory: **Adequate**

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	2025-26	2024-25	2023-24
Sustainability Report	Yet to be disclosed	2024-25	2023-24
CDP disclosure	2025-26	2024-25	2023-24
TCFD	2025-26	2024-25	2023-24
TNFD	2025-26		

Rating Rationale

CareEdge-ESG has carried out an annual review of the ESG Rating and material event review based on Business Responsibility and Sustainability Reporting (BRSR) publication of Ambuja. The rating assigned reflects its position at the leadership stage of ESG stewardship, taking into consideration the company's strong and proactive initiatives towards sustainability. The company's cement production in FY26 stands at 37.4 million tonnes per annum (MnTPA), along with 1,199 million units of captive power generated and 6.7 million gigajoules (GJ) of renewable energy consumed.

On the environmental front, Ambuja has established comprehensive policies and strategies covering biodiversity conservation, emissions management, renewable energy adoption, waste management, water stewardship, and sustainable product practices. These frameworks have translated into targeted initiatives aimed at reducing environmental impact. Key measures include the implementation of a biodiversity management framework comprising biodiversity risk assessments, action plans, mitigation hierarchies, and time-bound targets for tree plantation and habitat restoration. The company has also adopted zero-carbon heating technologies, deployed conveyor belt systems for in-plant raw material transportation, and integrated electric vehicles for last-mile logistics, reducing dependence on fossil fuel-based operations and lowering emissions. Its waste management practices are supported by systematic tracking of waste streams and external assurance of waste-related data, while water stewardship efforts include groundwater recharge, leak detection, and efficiency enhancement measures. In parallel, Ambuja has strengthened its portfolio of green and innovative products, including blended cements such as Portland Pozzolana Cement and Portland Slag Cement, alongside advanced offerings such as Ambuja Plus, Ambuja Compocem, Ambuja Kawach, and Ambuja Cool Walls, designed to reduce clinker factor, improve energy efficiency, enhance durability, and lower the carbon footprint of construction. These initiatives are further complemented by the use of technology and advanced analytics to optimise inventory, reduce waste generation, and improve supply chain efficiency. These initiatives have resulted in a strong environmental performance by the company, reflected in its continued zero waste to landfill status, a 12x water positivity index, and the achievement of a 7.23x plastic negativity index in FY26. Renewable energy usage reached 31% in FY26, surpassing half of its FY30 target of 60%, while its Thermal Substitution Rate in FY26 was 5.7%, against a target of 23% by FY30. Additionally, higher absolute renewable energy consumption and improved water consumption intensity in FY26 over FY25 underscore the effectiveness of its resource-efficiency initiatives.

From a social perspective, Ambuja demonstrates a strong commitment to occupational health and safety, human rights protection, product quality, community development, and responsible value chain management. The company follows a structured and multi-tiered approach to occupational safety, embedded across leadership and extended to all stakeholder groups, supported by a comprehensive safety action plan, regular training programmes, and periodic operational audits. Employee and worker wellbeing is further supported through routine health check-ups, trained medical personnel, and on-site medical facilities across most locations. The company also maintains comprehensive insurance coverage, established human rights governance frameworks, and effective grievance redressal mechanisms for employees, customers, investors, communities, and suppliers. Ambuja continues to make significant investments in CSR and community development initiatives, with enhanced disclosure on spending in aspirational districts and towards vulnerable and marginalized groups in FY26. Its social profile is further strengthened by supplier assessments, workforce wellbeing programmes, and responsible sourcing practices.

The governance score is supported by Ambuja's strong board oversight, robust governance framework, and transparent disclosure practices. The company remains compliant with applicable board composition and functioning requirements and has established comprehensive policies on anti-corruption, anti-bribery, code of conduct, and whistleblower protection, extending these standards across its supplier base. Governance strength is further reinforced by a dedicated board-level ESG committee, alignment of ESG commitments with globally recognized frameworks, regular board oversight of ESG performance, and independent assurance of sustainability disclosures. Ambuja also undertakes structured materiality assessments to prioritize key ESG issues and maintains a comprehensive enterprise risk management framework, enhancing governance effectiveness.

Overall, Ambuja's ESG score of 80.3 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 areas that present scope for improvement. These include an increase in key environmental intensity metrics, such as air emissions, GHG emissions, waste intensity, and energy intensity in FY26 over FY25, primarily driven by the merger of Sanghi Industries Limited (Sanghi) and Penna Cement Industries Limited (Penna) with Ambuja. The company also reported a decline in female and differently abled workforce representation, alongside an increase in fatality rates during the year. Occupational safety indicators, including LTIFR and injury rates, remained above industry median levels. Additionally, lower board participation in BRSR-related training and a relatively high CEO-to-median employee pay ratio compared to peers remain areas for improvement. Continued progress across these parameters could further strengthen Ambuja's ESG profile over the medium term.

Environment Score

81.8

Transition Pathway Trajectory
Adequate

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 81.8, 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 71.0 under the emissions theme, considerably above the industry median of 42.1, 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 monitored for emissions and are equipped with Continuous Emission Monitoring Systems (CEMS), enabling real-time tracking of key pollutants such as nitrogen oxides (NOx), sulphur dioxide (SO_2), particulate matter (PM) as well as GHG emissions.

In FY26, Ambuja reported air pollutant emissions intensity of 0.0007 tonnes per metric tonne of cement produced, compared to 0.0004 tonnes in FY25. The increase was primarily driven by the merger of Sanghi and Penna with Ambuja, resulting in FY26 emissions intensity exceeding the industry median of 0.0006 tonnes per metric tonne. Individual air emissions of particulate matter and nitrogen oxides also increased in FY26 over FY25. While particulate matter emissions (0.00003 tonnes per metric tonne of cement produced) remained below the industry median (of 0.00005 tonnes) in FY26, nitrogen oxides emissions (0.00006 tonnes) exceeded the industry benchmark (of 0.00005 tonnes).

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 FY30, using FY23 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 FY23 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 TSR reduced from 9% in FY25 to 5.7% in FY26, 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 participates in India’s Perform, Achieve, and Trade (PAT) scheme and has successfully met all targets assigned to it across the applicable PAT cycles.

Ambuja reported a reduction in Scope 3 emissions intensity to 0.21 tCO_2e per tonne of cement produced in FY26 from 0.29 tCO_2e in FY25, reflecting the impact of its integrated decarbonization measures despite the merger. However, primarily due to the merger, Scope 1 and Scope 2 emissions intensity increased in FY26. Scope 1 emissions intensity rose to 0.60 tCO_2e per metric tonne of cement produced from 0.53 tCO_2e in FY25, exceeding the industry median of 0.58 tCO_2e per metric tonne, while Scope 2 emissions intensity increased marginally to 0.018 tCO_2e per metric tonne from 0.017 tCO_2e, remaining below the industry median of 0.02 tCO_2e per metric tonne. The clinker factor stood at 70.6%, above the industry median of 66%. Renewable energy accounted for 6% of total energy consumption, marginally higher than the industry median of 5.8%. Energy consumption intensity also increased to 2.98 GJ per metric tonne of cement produced in FY26 from 2.63 GJ per metric tonne in FY25, remaining above the industry median of 2.63 GJ per metric tonne.

Within the biodiversity theme Ambuja has a comprehensive policy framework and systematically integrates 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 stepwise 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. It has planted 2.25 million trees as of FY26 and has undertaken a target to plant 2.4 million trees by FY30. The company has further strengthened its commitments by adopting a No Net Deforestation target to be achieved by 2030. These initiatives indicate a mature biodiversity governance framework that exceeds industry practices and supports long-term ecological conservation.

Ambuja has established comprehensive waste & effluent management systems, placing itself amongst the top performers in the sector with a score of 88.4, significantly higher than the industry median score of 55.1 in the effluent & 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 maintained the 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.

Ambuja reported a plastic negative index of 7.23x in FY26, lower than 11x in FY25, reflecting a moderation in its circular economy performance. Nevertheless, the company continued to advance circularity by co-processing significant 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 and reduced material losses.

However, due to the merger of 2 companies into Ambuja, its waste intensity slightly increased from 0.010 metric tonne per tonne of cement produced in FY25, to 0.015 metric tonne in FY26, remaining significantly higher than the industry median of 0.002 metric tonne. The 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 management theme, with a sector-leading score of 86.9, up significantly from 68.4 in FY25, reflecting structured progress in water stewardship and efficiency. The company operates under a dedicated Water Management Policy and continues to maintain Zero Liquid Discharge status across all its plants. It also sustained a 12x water positive status, replenishing significantly more water than it withdraws through rainwater harvesting, groundwater recharge, water-efficient processes, and community-based conservation initiatives, supporting watershed sustainability and local water security. Water efficiency remained strong in

FY26, with consumption intensity improving to 0.09 kilolitres (KL) per tonne of cement produced from 0.17 KL in FY25, remaining well below the industry median of 0.18 KL per tonne, despite the merger. Water consumption intensity in water-stressed areas also reduced to 0.015 KL per tonne from 0.024 KL per tonne in FY25. During the year, Ambuja recycled 1.11 million KL of water. These improvements were driven by measures such as transitioning from water-intensive captive power generation to waste heat recovery systems, installation of water meters at critical consumption points, and replacement of underground pipelines with open-laying systems to strengthen monitoring, leak detection, and overall water efficiency.

Ambuja also ranks in the top quartile in the theme of product footprint & stewardship with a score of 92.3 compared to the industry median of 76.9. 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 organizations, and academic institutions to support innovation and sustainable product development. 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 Compocem, 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 recognized certifications such as GRIHA (Green Rating for Integrated Habitat Assessment) and EPD (Environmental Product Declarations). Key products including Ambuja Cement, Ambuja Plus, Ambuja Compocem, 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 standardized, third-party verified disclosures of lifecycle environmental impacts. Complementing this, Ambuja has undertaken cradle-to-gate Life Cycle Assessments (LCA) for its PPC and OPC (Ordinary Portland Cement) products which together contribute to 100% of its turnover.

Overall, Ambuja's environmental performance reflects a well-developed sustainability framework, supported by structured decarbonization and resource efficiency initiatives. The company further strengthened its environmental leadership by becoming the first Indian cement manufacturer to adopt

Taskforce on Nature-related Financial Disclosures (TNFD)-aligned disclosures in FY26. Going forward, there remains scope to expand waste heat recovery system deployment across grinding units to optimise residual heat utilization and enhance kiln and preheater efficiency. With Science Based Targets initiative (SBTi) commitments in place, the company can further accelerate its energy transition by increasing renewable energy adoption, strengthening digital energy monitoring, and aligning with initiatives such as RE100. Continued focus on reducing environmental intensity metrics, particularly those elevated in FY26 following the merger with Sanghi and Penna, will remain important.

Social Score

Transition Pathway Trajectory
Adequate

The Social pillar, carrying a 30% weight for the cement sector, assesses a company's performance across employee well-being, community development, product quality, and supply chain responsibility. Ambuja demonstrated strong performance under this pillar, with its score improving to 76.0 in FY26 from 71.3 in FY25. This places the company above the industry median and within the top quartile of the sector, reflecting robust social practices, a strong focus on employee health and safety, stakeholder engagement, and commitment to inclusive and sustainable development.

Ambuja recorded a significant increase in its score under the employee health & safety theme from 74.2 in FY25 to 80.2 in FY26, positioning it well above the industry median score of 48.1 in FY26. 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 FY26, the company covered more than 3.5 lakh hours under Saksham training. The percentage of employees trained under health & safety measures saw a drastic increase from 40.2% in FY25 to almost 100% in FY26. Routine health check-ups for employees and workers, supported by trained medical personnel and on-site medical facilities are available at most operational locations. All its sites are certified under

ISO 45001 and assessed for both health & safety measures as well as working conditions 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.

Ambuja recorded a score of 78.9 under the Community Support & Development theme, improving from 71.0 in FY25 and placing it within the top quartile among peers. The company's community engagement framework is guided by a Board-approved CSR Policy and overseen by a dedicated CSR Committee, ensuring strategic oversight of social investments. Regular stakeholder engagement informs CSR interventions across community health, education, rural infrastructure, water resource management, women empowerment, skill development, entrepreneurship, and livelihood enhancement. Up to FY26, Ambuja reached approximately 3.72 million beneficiaries through CSR initiatives, with an expenditure of INR 62.02 crore.

Water resource management represents the company's most impactful intervention in terms of scale and social return. The installation of 242 rooftop rainwater harvesting systems, construction of 33 check dams, development of 1,069 farm ponds, creation of 85 drinking water structures, and coverage of approximately 1,960 hectares under micro-irrigation during FY26, contributed to improved water security in water-stressed regions. Livelihood enhancement initiatives are primarily implemented by the company through the Skill and Entrepreneurship Development Institute (SEDI), which trained 6,621 youth in FY26, achieving a placement rate of 75%. The programme was further expanded to include emerging technologies such as robotics and drones to enhance future employability. Women empowerment initiatives remained a key pillar of the CSR strategy, with 173 new Self-Help Groups formed during the year, benefiting nearly 9,400 women in FY26. In healthcare, the company conducted 150 antenatal care camps covering over 2,900 pregnant women and 469 awareness camps on non-communicable diseases, reaching more than 27,700 individuals in FY26.

Ambuja undertakes periodic social impact assessments to evaluate the effectiveness of its CSR programmes and maintains a formal community grievance redressal mechanism. Of the 41 community grievances reported in FY26, 28 were resolved during the year, resulting in a resolution rate of 68%. The company also strengthened its CSR disclosures by, for the first time, separately reporting expenditure of INR 1.19 crore in the aspirational district of Haridwar and disclosing the proportion of beneficiaries from vulnerable & marginalized groups.

Under the Human Capital theme, Ambuja improved its score to 51.3 in FY26 from 49.6 in FY25, remaining above the industry median score of 36.4. The company has established a Board-approved human rights policy with defined escalation and mitigation mechanisms and aligns its labor practices with recognized social accountability standards. Employee well-being is supported through a range of welfare benefits, including paid paternity leave, while a structured grievance redressal mechanism is in place for the workforce. Employee grievances increased marginally from 8 in FY25 to 11 in FY26, with 10 resolved during the year, resulting in a resolution rate of 90.9% compared with 100% in the previous year. Expenditure on employee well-being declined to 0.23% of revenue in FY26 from 0.28% in FY25 but remained above the industry median of 0.19%.

Ambuja continues to strengthen its inclusion and accessibility framework through an Equal Opportunity Policy, accessible workplaces, and formal recruitment guidelines for persons with disabilities. Consequently, persons with disabilities constituted 0.13% of the workforce in FY26, exceeding the industry median of 0.06%. The median female-to-male pay ratio improved from 0.73 in FY25 to 0.86 in FY26, primarily driven by the hiring of women into higher paying roles like senior management rather than the increase of women representation in all roles since overall female workforce representation actually declined marginally, with the female-to-male employee ratio reducing to 0.032 from 0.033 in FY25 (industry median: 0.035).

The company has also established a structured learning and development framework to support workforce capability building. While employee coverage under skill upgradation training declined to 86% in FY26 from near-universal coverage in FY25, worker coverage improved from 0.9% to 2.2% during the year. Additionally, 100% of employees received training on BRSR principles, supporting the integration of responsible business practices across the organization.

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, the company had 1 POSH complaint that was upheld. 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. Ambuja achieved a 100% customer grievance resolution rate in FY26. Its social pillar policies are designed to apply uniformly across stakeholder groups, thereby covering customers, vendors, and other business partner. Further, training programs were undertaken to sensitize the suppliers on environmental parameters and 100% of them were trained on BRSR principles. From a quality and assurance standpoint, all operational sites were certified under ISO 9001, and production facilities were subject to regular third-party verification, reinforcing product quality, process integrity, and stakeholder confidence.

However, the overall social score is moderated by certain outcome indicators. While the company reported an improvement in workplace safety metrics, with the Lost Time Injury Frequency Rate (LTIFR) declining to 0.315 per million hours worked in FY26 from 0.375 in FY25 and the total recordable injury rate (excluding fatalities) reducing to 0.008 from 0.011, both metrics remained materially higher than the industry medians of 0.07 and 0.0003, respectively. The company reported no high-consequence injuries during the year; however, fatalities increased to three workers from two in FY25, indicating the need to translate its strong safety management systems into improved safety outcomes.

On the social impact front, Ambuja enhanced its disclosure of Corporate Social Responsibility (CSR) spending on aspirational districts and vulnerable & marginalized communities in FY26. However, CSR expenditure in aspirational districts stood at INR 475 per crore of turnover, below the industry median of INR 661, while beneficiaries from vulnerable & marginalized communities accounted for 40% of total beneficiaries, compared with the industry median of 82%.

Representation of persons with disabilities, although above the industry median, declined to 0.13% in FY26 from 0.22% in FY25. Further, the median pay ratio for workers reduced to INR 54 earned by female workers for every INR 100 earned by male workers, from INR 57 in FY25, indicating continued scope to strengthen pay equity outcomes. Addressing these areas will further strengthen the company's social stewardship performance and support long-term stakeholder value creation.

Governance Score

The Governance pillar carries a weight of 25% for the sector. With a governance score of 82.6, Ambuja 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 & 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 75.3, reflecting a strong institutional commitment to ethical governance and responsible business conduct. This is supported by a board-approved Code of Conduct, supported by comprehensive whistleblower, anti-bribery, and anti-corruption policies. Ethical standards are extended across the value chain through a Supplier Code of Conduct covering labour and human rights, occupational health and safety, business ethics, integrity, and environmental responsibility. The company also maintains an effective grievance redressal mechanism for investors and shareholders, achieving a 100% complaint resolution rate in FY26. Periodic training on the Code of Conduct, anti-bribery, anti-corruption, and whistleblower policies is provided to employees and value chain partners to strengthen awareness and compliance. Further, non-audit fees accounted for 9.3% of total audit and non-audit fees in FY26, declining from 9.7% in FY25 and remaining below the industry median, reflecting sound governance practices.

Under the ESG Governance and Oversight theme, Ambuja's score improved significantly to 87.6 in FY26 from 77.0 in FY25. Sustainability governance is led by a dedicated ESG team headed by the Chief Sustainability Officer (CSO), who drives the company's climate and ESG strategy in collaboration with senior management and plant-level teams, embedding ESG considerations across core business functions. The ESG team monitors key performance indicators, coordinates cross-functional initiatives, and supports continuous improvement in ESG performance. Board oversight of sustainability and climate-related risks is exercised through the Risk Management Committee, with climate risks integrated into the enterprise risk management framework. ESG and climate performance are also reviewed during CEO-led plant visits, strengthening operational oversight and enabling timely corrective actions. The company undertakes structured stakeholder engagement, board-approved materiality assessments, and independent assurance of ESG disclosures. Performance against BRSR principles is reviewed periodically and approved by the Board, while a comprehensive enterprise risk management framework supports regular identification and monitoring of emerging risks. The absence of financial restatements or delays in financial reporting over the past two years further reflects the robustness of Ambuja's governance and control environment.

From a board composition perspective, Ambuja complies with the minimum regulatory requirement for women directors under the Companies Act. Women represented 5% of senior management in FY26, improving from no representation in FY25, although diversity at leadership levels remains an area for further improvement.

Overall, Ambuja demonstrates a mature governance framework that exceeds industry median performance across most governance themes. Going forward, greater coverage of board training on BRSR principles, which declined to 80% in FY26 from 87.5% in FY25 (against an industry median of 100%), and moderation of the relatively high CEO-to-median employee pay ratio compared with peers remain key areas for improvement.

Key Rating Drivers

Strengths

Environmental Leadership through Resource Efficiency and Decarbonization

Ambuja Cements demonstrates strong environmental stewardship through its comprehensive climate and resource management initiatives. The company maintains greenhouse gas reduction targets aligned with science-based pathways, actively utilizes renewable energy and alternative fuels, and has implemented initiatives to reduce emissions, energy consumption, water use, and waste generation. Its performance on water positivity, zero liquid discharge, waste recovery, biodiversity conservation, and extensive environmental certifications further position the company ahead of industry median performance across most environmental parameters.

Strong Social Commitment towards Workforce, Communities, and Value Chain

The company exhibits a well-established social responsibility framework supported by robust employee health and safety systems, extensive workforce training programmes, comprehensive human rights safeguards, and effective grievance redressal mechanisms. Ambuja's consistent CSR spending above statutory obligations, enhanced disclosures on spend towards aspirational districts and marginalized communities, structured focus on community development, q stakeholder engagement processes, and assessment of value chain partners on environmental and social parameters demonstrate its commitment to creating positive social impact across employees, communities, customers, and suppliers.

Robust Governance Framework with High Transparency and ESG Oversight

Ambuja Cements maintains a mature governance structure characterized by strong board independence, effective committee oversight, transparent disclosures, comprehensive business ethics policies, and well-integrated ESG governance mechanisms. The company demonstrates full compliance with key regulatory requirements, maintains strong stakeholder engagement practices, conducts regular reviews of ESG performance and compliance, and ensures extensive training on governance-related policies. Its superior performance in reporting, disclosures, board functioning, business ethics, and ESG oversight reflects a governance framework that significantly exceeds industry benchmarks.

Weaknesses

Increase in environmental intensity indicators

While Ambuja has established strong climate-related policies, decarbonization initiatives, and science-based emission reduction targets, the merger with Sanghi and Penna led to an increase in several environmental intensity indicators during FY26. Air emissions, Scope 1 and Scope 2 emissions intensity, energy intensity, and waste intensity all increased compared with the previous year. Nitrogen oxides (NOx) emissions intensity, Scope 1 emissions intensity, energy intensity, and waste intensity remained above the industry median, while the share of renewable energy in the overall energy mix declined during the year. Although these trends were largely driven by the integration of the acquired entities, sustained focus on reducing these elevated intensity metrics through operational efficiency improvements, greater renewable energy adoption, enhanced waste heat recovery, and low-carbon production technologies will be critical to restoring performance and supporting the company's long-term decarbonization objectives.

Workforce diversity across organization

While Ambuja has made progress in improving female representation in senior management and narrowing the overall employee pay gap, workforce diversity and inclusion remain areas for further improvement. Female representation continues to be limited across the organization, including at the worker, leadership, and board levels, with board diversity remaining at the minimum regulatory requirement. In addition, pay parity among workers indicates continued scope to strengthen equitable remuneration outcomes. Representation of persons with disabilities, although remaining above the industry median, declined during FY26, highlighting the need for sustained efforts to strengthen an inclusive workforce.

Workplace safety outcomes

While Ambuja has established a comprehensive health and safety framework, workplace safety outcomes remain an area for improvement. Although the company reported year-on-year improvements in the Lost Time Injury Frequency Rate (LTIFR) and total recordable injury rate, both metrics continued to remain materially above the industry median. Further, despite reporting no high-consequence injuries during the year, worker fatalities increased compared with the previous year. Strengthening the effectiveness of preventive safety measures and embedding a stronger safety culture across operations will be critical to delivering sustained improvements in safety performance.

Key ESG Parameters of Ambuja

Parameters	Unit	2025-26	Industry Median
Environment			
Scope 1 intensity	tCO2e/MT of production	0.60	0.58
Scope 2 intensity	tCO2e/MT of production	0.02	0.02
Scope 3 intensity	tCO2e/MT of production	0.22	0.07
Renewable energy consumption	% (of total energy consumption)	6.03%	5.84%
Energy intensity	GJ/unit of production	2.99	2.64
Water consumption intensity	KL/unit of production	0.10	0.18
Waste recovery rate	%	100%	99%
Achieved Zero liquid discharge	Yes/No	Yes	-
Social			
Employee turnover	%	25.5%	15.8%
Female to male employees' ratio	Per 100 male employees	3	4
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	86.89	78.80
Health & safety complaints	#	0	0
Health insurance coverage	%	100%	100%
Accident insurance coverage	%	100%	100%
Differently abled workforce	% of total workforce	0.14%	0.07%
POSH complaints upheld over reported	X/Y	50.00%	0.00%
Average lost time injury frequency rate	#	0.32	0.07
Workforce fatality rate	Per employee	0.0005	0.00
Total recordable injury rate	#	0.01	0.0003
Governance			
No. of female in board	#	1	0
% board members trained on BRSR	%	80%	100%
% KMPs trained on BRSR	%	100%	100%
Income gap ratio (CEO pay to median pay)	X:Y	146.87	89.0

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

tCO_2e – tonnes of CO_2 equivalent | MT – Metric tonne | KMP – Key Managerial Personnel | CEO – Chief Executive Officer |

Rating Sensitivities

Positive factors

- Lower emissions intensities
- Higher renewable energy use
- Improved safety performance
- Greater female representation
- Enhanced workforce training

Negative factors

- Reduced focus on water metrics
- Higher water consumption
- Higher employee attrition
- Weak community engagement outcomes

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 ₹ 93,679.88 crore[1].

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 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1	ESG Rating	CareEdge-ESG 1+	80.3	March 23, 2026: CareEdge-ESG 1+, 80.6	-	-

[1] *As on June 24, 2026.*

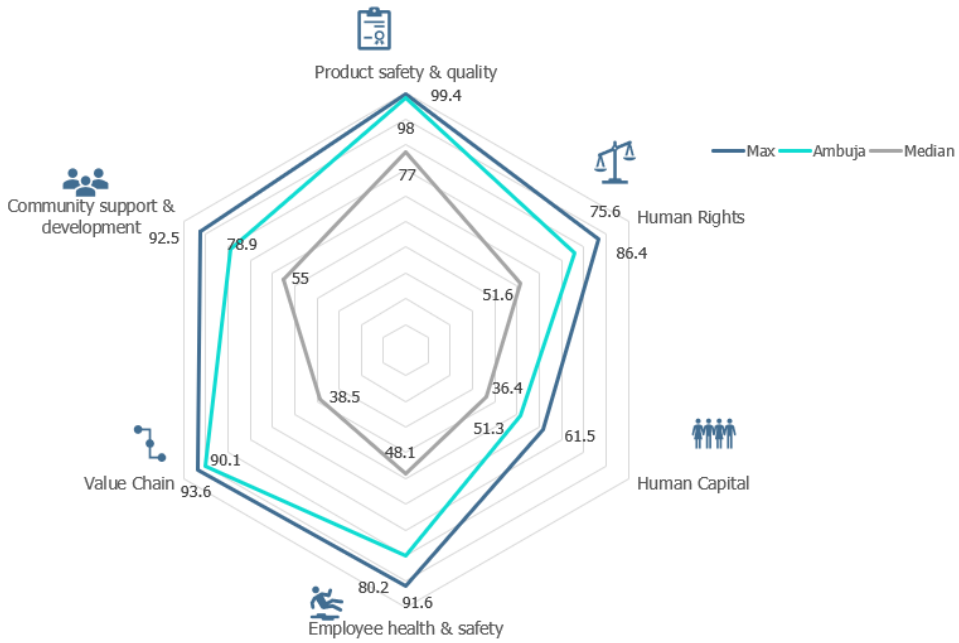
Annexure: Graphical summary of key rating drivers

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.

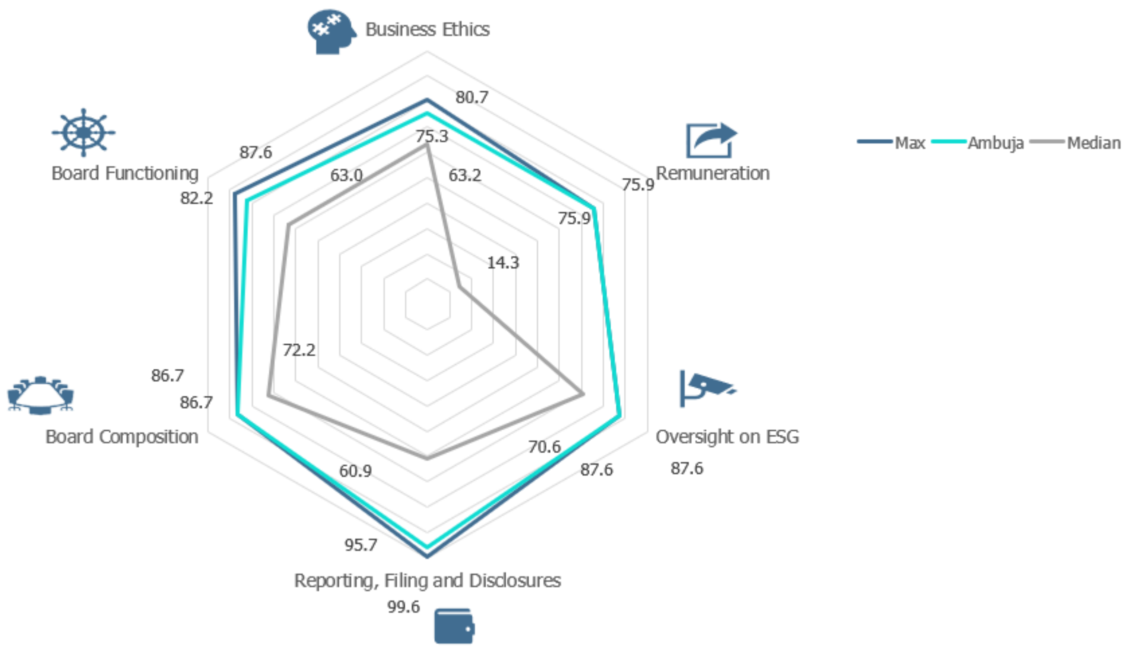
Materiality	Environment	Social	Governance
HIGH	Carbon and other emissions Biodiversity	Employee Health & Safety Community support & development	Business Ethics Oversight on ESG
MEDIUM	Effluent & Waste Water Usage & Management	Human capital Human Rights	Board composition Reporting, Filing and Disclosures
LOW	Product Footprint & Stewardship	Value Chain Product Safety & Quality	Board Functioning Remuneration

Environment Pillar

Social Pillar



Governance Pillar



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Summary Pillar & Theme Scores

Theme	Ambuja Cement	Industy Median
Biodiversity	95.2	67.0
Carbon and other emissions	71.0	42.1
Effluent & waste	88.4	55.1
Product footprint & stewardship	92.3	76.9
Water usage & management	86.9	46.5
Total Environment Score	**81.8**	**55.5**
Product safety & quality	98.0	77.0
Human Rights	75.6	51.6
Human Capital	51.3	36.4
Employee health & safety	80.2	48.1
Value Chain	90.1	38.5
Community support & development	78.9	55.0
Total Social Score	**76.0**	**48.3**
Reporting, Filing and Disclosures	95.7	60.9
Remuneration	75.9	14.3
Business Ethics	75.3	63.2
Board Functioning	82.2	63.0
Board Composition	86.7	72.2
Oversight on ESG	87.6	70.6
Total Governance Score	**82.6**	**62.6**
Total ESG Score	**80.3**	**55.6**

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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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