

Business Responsibility Report for the year 2020

In terms of Regulation 34 of the Listing Regulations

Now a days, business enterprises are increasingly seen as critical components of social system and they are considered accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance. This is all the more relevant for listed entities which, considering the fact that they have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive continuous disclosures on a regular basis.

It is from this point of view that Regulation 34 of the Listing Regulations require the listed companies to submit as a part of their Annual report, a Business Responsibility Report describing the initiatives taken by them from an environmental, social and Governance perspective, in the format given under the Listing Regulations.

The initiatives taken by the Company are given in the prescribed format as under:-

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L26942GJ1981PLC004717
- Name of the Company: AMBUJA CEMENTS LIMITED
- Registered address: P. O. Ambujanagar, Taluka Kodinar, District Gir - Somnath, Gujarat - 362 715
- Website: www.ambujacement.com
- E-mail id: shares@ambujacement.com
- Financial Year reported: 01.01.2020 to 31.12.2020

- List of activities on which expenditure in 4 above has been incurred:-
All CSR activities conducted by the Company are in alignment with those identified under Schedule VII of Companies Act, 2013 and are listed as follows:

(Amount ₹ in crores)

Sr. No	CSR Project or activity identified under Schedule VII of Companies Act, 2013	Sector in which the Project is covered	Expenditure incurred during the period
1.	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Awareness and initiatives on COVID-19 relief and Sanitation.	16.01
2.	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Quality Education, Ambuja Manovikas Kendra, Ambuja Vidya Niketan, Skill And Entrepreneurship Development Institute (SEDI), Non-Formal Education, Village Knowledge Centre.	15.95
3.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups.	Women Empowerment and Entrepreneurship, Female Feticide, Self Help Group, Federation.	1.96

- Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-Class	Description
239	2394	23941 23942	Manufacture of clinkers and cement

- List three key products/services that the Company manufactures/provides (as in balance sheet): The key product that the Company manufactures is PORTLAND POZOLLANA CEMENT. We also produce Ordinary Portland Cement.

- Total number of locations where business activity is undertaken by the Company

- Number of International Locations (Provide details of major 5): NIL
- Number of National Locations: 13

- Markets served by the Company –

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Equity Share Capital ₹397.13 crores
- Total Turnover ₹11,174.97 crores
- Total profit after taxes ₹1,790.10 crores
- Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%): 3.49%

The Company carries on its CSR activities primarily through its arms Ambuja Cement Foundation and Ambuja Vidya Niketan Trust.

The Company has spent ₹53.97 crores during the Financial Year 2020 on CSR activities. This amounts to 3.49% of the Average Net Profit of the preceding three Financial Year.

(Amount ₹ in crores)

Sr. No	CSR Project or activity identified under Schedule VII of Companies Act, 2013	Sector in which the Project is covered	Expenditure incurred during the period
4.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed.	6.23
5.	Rural development projects.	Rural Infrastructure Project	9.38
6.	Disaster management, including relief, rehabilitation and reconstruction activities.	Donation towards Ventilators and food distribution to migrants during COVID pandemic	2.78
		Total	52.31
	Overheads	Overheads	1.66
			53.97

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has 6 Subsidiary Companies as on December 31, 2020.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?

If yes, then indicate the number of such subsidiary company(s):

No. The subsidiary companies do not participate in the BR initiatives of the parent Company.

Out of the 6 subsidiary companies as on December 31, 2020, three companies do not carry any business operations. ACC Ltd., a listed company has its own BR Initiatives.

The business activities of the remaining subsidiary companies are not material in relation to the business activities of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No. The other entities with whom the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR Policy/policies

- DIN Number: 07419090
- Name: Mr. Neeraj Akhoury
- Designation: Managing Director & Chief Executive Officer

b) Details of BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	07419090
2.	Name	Mr. Neeraj Akhoury
3.	Designation	Managing Director & Chief Executive
4.	Telephone Number	022-40667000
5.	E-mail id	neeraj.akhoury@lafargeholcim.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	-	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
3.	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	-	Y	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	-
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	-

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6.	Indicate the link for the policy to be viewed online? www.ambujacement.com	https://www.ambujacement.com/Upload/PDF/Ethical-View-Reporting-Policy-June-2020.pdf	https://www.ambujacement.com/Upload/PDF/2020-Sustainability-Policy.pdf	https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf	https://www.ambuja-cement.com/Sustainability/Stakeholder-engagement	https://www.ambuja-cement.com/Sustainability/Stakeholder-engagement	https://www.ambujacement.com/Upload/PDF/2020-Sustainability-Policy.pdf https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-12Dec2018.pdf	-	https://www.ambujacement.com/Upload/PDF/2020-Sustainability-Policy.pdf	https://www.ambuja-cement.com/Upload/PDF/code-of-conduct-and-business-ethics-wef-01-01-2017.pdf
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	-

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify) *Need for a written policy was not felt. Suitable decision for a written policy will be taken at appropriate time.	-	-	-	-	-	-	*	-	-

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The M.D. & CEO assesses the BR performance of the Company on a Quarterly basis which is then appraised to the Board at its quarterly meetings as a part of larger presentation on sustainability. The CSR and Sustainability Committee is also appraised about the BR performance bi-annually at its meetings.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes its Sustainability Report on an Annual basis which is GRI Standards compliant A+ i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, www.ambujacement.com/Sustainability/sustainability-reports.

For the Financial Year 2020, the Company is publishing the integrated annual report and hence, no separate Sustainability Report shall be published. The Integrated Annual Report can be accessed from website of the Company through the link <https://www.ambujacement.com/investors/annual-reports>

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

Yes, a wide variety of stakeholders are covered under our policies. To eliminate the risks of fraud, corruption and unethical business practices, across our business value chain, the Company has laid down a comprehensive Ethical View Reporting Policy, akin to a vigilance mechanism or the Whistleblower Policy. In addition, to conduct business in an honest, transparent, and ethical manner, the Board has laid down an Anti-Bribery and Corruption Directive (ABCD) as part of its Code of Conduct and Business Ethics.

The policies relating to ethics, bribery and corruption as well as the Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company and the CSR arm Ambuja Cement Foundation. These policies are more or less aligned with the policies of the parent company.

The Group/Joint Venture companies have their own policies which are also aligned with the policies of the parent company.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year 2020, a total of 37 complaints have been filed. Of these, based on the pre-assessment of the Ethical View Committee, 19 complaints did not warrant further investigation. 17 complaints were investigated and concluded whereas 1 complaint is still under investigation. The cases investigated were mainly of the nature of alleged bribery/kickbacks, theft, violation of Code of Conduct etc. The financial impact of these cases was insignificant and caused no damage to the Company. Appropriate actions have been taken where the case is proved. These were in the form of termination, transfer and issue of warning letters to employees and termination of contract/blacklisting of vendor, recovery of penalty etc. The financial impact of these cases were insignificant and caused no damage to the Company.

PRINCIPLE 2

Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company understands its obligations on social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing process of its product (Portland Pozzolana and Composite Cement), in a manner taking care of its obligations.

The Company has deployed best in class technology and processes to manufacture its product 'Portland Cement' which use optimal resources. e.g. the manufacturing process involves use of 6 stage pre-heaters, vertical roller pre-grinder, and advanced technology clinker coolers which are most energy efficient and technologically advanced as on date.

In 2020, Clinker Factor was 64.55% with fly ash utilisation of 31.60% in PPC and Composite Cement, thus saving natural resources like limestone. We also co-process plastic, industrial & hazardous waste from different industries as alternative fuel. The Company also co-processes biomass in its kilns and thermal power plants. During 2020, we co-processed a total 2.8 lakh tonnes alternative fuels (other industrial waste, plastic waste, biomass, etc.). Responsible product design and development, sustainable fuel mix, innovative product development and resource efficiency (by efficient waste management) have continued to support us in promoting sustainable construction.

As part of our extended product responsibility (EPR), we had completed a detailed Life Cycle Analysis (LCA) and developed Environment Product Declaration (EPD) for our low carbon Portland Pozzolana Cement (PPC) and Compozem products for all our units in 2018 which were verified by an independent third party and registered on the global B2B platform 'Environdec' for consumer and stakeholder communication of the environmental performance of our products. Earlier, Ambuja Cement became the first Indian company in 2014 to get Sustainable Product Labelling, "ProSustain" on PPC cement bags from its Darlaghat plant from a leading global certification body. The "ProSustain" certification implies that the Company promotes the adoption of responsible and cost effective measures for incorporating sustainability into product design, development, production and supply chain management. We print sustainable product labelling like ProSustain for which our Darlaghat plant is already certified. We plan to display the voluntary product sustainability logo "EcoLabel" on some of our product category from our plants if BIS permits. Ecolabel will be based on some minimum reduced CO2 emissions or recycled content criteria which products qualify for the certification provided by our group company LafargeHolcim. We will continue to work towards receiving green labelling for our products to communicate and educate our customers to make responsible and informed decision to differentiate and purchase sustainable products.

These efforts enable us to identify and reduce the environmental impact of our product, process, and technology. They also aid in addressing the Health and safety aspects related to the use of construction products. However, it is difficult to obtain use-oriented figures since cement is a commodity.

As part of our sustainable portfolio, about 90% of the total revenue in 2020 was from products and solutions that can be used for recognised credits in sustainable building design and construction certificates that have been externally developed (e.g. LEED, Green Star, among others).

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company continuously strives its best to reduce the power/LDO Coal and other fuels consumed per unit of cement produced. The details are as under:

Consumption per unit of Production	Industry Norms	Current Year (January to December 2020)	Previous Year (January to December 2019)
Electricity (KWH/T of Cement)	100	77.05	77.27
LDO (Ltr/T of Clinker)	N.A.	0.136	0.141
Coal and other Fuels (K.Cal/Kg of Clinker)	800	769	769

ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The details of the reduction during usage by consumers (energy, water) achieved since the previous year are not available with the Company.

However, from our sustainable solutions provided to our end user at construction site, we have been able to save 68.6 million litres of water through Modular Curing System (MCS), Instant Mix Proportion Solutions (IMPS), and Rain Water Harvesting Systems (RWHS); and avoid 3540 tonnes of CO₂ emissions by promoting use of Ambuja Cool Wall Blocks.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our Green Procurement policy includes a code of practice that encourages fair, open, and transparent competition. As part of our Sustainable Procurement Initiative (SPI), we assess our suppliers applying a sustainability risk rating defined in our SPI manual.

Since the year 2017, Company has engaged Avetta, leading Global Consultant in Supplier Qualification, who helped the Company in qualifying High Risk- High Spend Suppliers and Contractors by screening them on the various counts related to Sustainable Procurement such as H & S, Labour, Environment and Bribery & Corruption. We map our suppliers with high, medium, or low risk, as per our SPI guidelines. Our 'Sustainable Development Ambitions 2030' aims to have 100% of high-risk suppliers assessed with a consequence management plan by 2030.

The Company seeks to engage in long-term relationships with the suppliers committed to their social responsibility, adhere to international standards such as ISO 14001 (Environment Management System) and have systems in place to comply with the local and national laws and regulations. All inputs, except where the Company does not have any control, are sourced sustainably. The Company has a procedure in place for sustainable

sourcing of energy, water including transportation. Almost all the inputs are sourced on a sustainable basis. The Company has long term Leases/Agreements for sourcing limestone, fly ash and gypsum. The Company is increasing the usage of Alternate Fuel and Raw Materials (AFR) year on year to decrease dependency on traditional fuel i.e. coal.

We are committed to integrate sustainability in the value chain of our business. We promote sustainable logistical mode for transportation of raw materials and cement. The Company owns a fleet of five jetties and 10 self-unloading cement carriers, tailor-made to the Company's needs, operating out of our five Bulk Cement Terminals (BCTs) located at Surat, Mumbai, Mangalore, Kochi, and Muldwarka; for transportation of cement by sea route as a sustainable source of transportation of cement. During 2020, about 12% of total cement dispatch was done through sea. We have also developed our logistics KPIs such as direct dispatches, yard firing ratio, reduced lead distance and improved home market sales. Our major KPI "Lead Distance" increased from 276 Kms in 2019 to 278 Kms in 2020 on account of strategic decisions taken by ACL, with a focus to cater the market demand and fulfil the contract orders during and after the pandemic months. However, our target is to maintain the "Lead Distance" to 276 Kms by 2021. We also target to increase our Road Direct Dispatch to 65% by 2021. Our constant efforts to optimise our logistics Total Distribution Cost (TDC) resulted in reduction by 3.4% in 2020.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As per our company policies, all suppliers based in India are called as local suppliers, considering that our plants and market are spread across the country. However, the Company encourages procurement of goods and services from Local and small producers surrounding its plant locations to encourage the local employment to the society. Our Contractors, who are engaged in Operation and Maintenance of Plants, mostly employ workmen from the nearby villages. The Company also trains the vendors to meet the H & S requirements across all its plant locations. Aiding ACL's objective of being the most sustainable company in the industry, local farmer producer companies facilitated by our Ambuja Cement Foundation (ACF) have partnered with ACL for procurement of biomass (Agri waste residue). During the recent pandemic many of our manufacturing plants sourced face masks from local SHGs trained by ACF.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Waste derived raw material resources like fly ash and slag for blending to make Portland Pozzolana Cement (PPC) and composite cement and chemical/phosphor gypsum have seen sustainable and steady increment in our manufacturing process.

All of the fly ash and bottom ash generated as waste from our captive power plants is used in our cement production. The entire fly ash generated is utilised to produce Portland Pozzolana Cement (PPC). Our sustainability initiative of increasing the use of AFR, biomass, fly ash and slag, and reducing that of limestone has further helped us produce about 90% Portland Pozzolana Cement (PPC) and Composite Cement out of our overall production. We utilised about 8.2 million tonnes of waste derived resources in our manufacturing process that accounted for about 32% of the total raw materials. Waste water generated from our plant and colony is recycled and reused in dust suppression, gardening, horticulture, etc. During 2020, about 15% of our total water withdrawal was recycled after appropriate treatment for further use.

PRINCIPLE 3

Businesses should promote the well being of all employees.

1. Please indicate the Total number of employees:

• Management Staff	:	3548
• Blue Collar Employees	:	1498
• Total	:	5046

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

• Total Contractual employees:		
i. Shipping Sailing Staff	:	123
ii. Others (Marketing, TS, Scan centre)	:	598
iii. Third Party	:	5459
Total	:	6180

3. Please indicate the Number of permanent women employees:

• Permanent	:	119
• On Probation	:	6

4. Please indicate the Number of permanent women employees:

• Disabilities	:	11
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5. Do you have an employee association that is recognised by management?

Yes, we have recognised trade unions affiliated to either of INTUC/AITUC/BMS.

6. What percentage of your permanent employees is members of this recognised employee association?

30% of our permanent employees are members of this recognised employee Association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child Labour/ Forced Labour/ Involuntary Labour	NIL	NIL
2.	Sexual harassment	2	NIL
3.	Discriminatory employment	NIL	NIL

There are no complaints pending as on December 31, 2020.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety & skill up-gradation training provided to employees in 2020:

Permanent Employees: 100% Safety Training & Skill Up-gradation (by way of working-OJT)

- Permanent Women Employees: 100% Safety Training & Skill Up-gradation (by way of working- OJT)

- Casual/Temporary/Contractual Employees: 100% Safety training. However, details not available regarding other training as it is done by their respective employers.

- Employees with Disabilities: 100% safety

During 2020, we improvised on our learning & development strategy to accommodate the new normal out of the pandemic situation and ensure that not only our employees but also their families can benefit from training on mental health and emotional balance provided in addition to the technical and function specific trainings. A total of 702 training programmes were conducted under the training areas like H&S, Compliance, Technical functions and other support modules. The average training hour per employee came to about 11 hours. We also implement the Kirkpatrick Model to assess effectiveness of training programmes: (1) reaction of employees; (2) learning; (3) behavioural change; and (4) Results of the training (applied for few trainings). Level 1 and Level 2 behaviour were assessed through knowledge-based programmes, largely in the large webinar category. For level 3 assessment, action learning projects were conducted to assess whether employees can convert their learning into action. Level 3 evaluation was initiated for a host of programmes, including successor development programme, health and safety and technical trainings. The method helped us in measuring how a training has influenced behaviour and how this is applied on-the-job.

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal as well as external stakeholders through a structured approach. Our mission is to create value for all our stakeholders. ACL has a structured framework to engage with different types of stakeholders and address their key concerns. Key stakeholders were identified in accordance with Global Reporting Initiative (GRI) guidelines and were systematically engaged as part of our stakeholder engagement program. ACL has always maintained a respecting and flourishing relationship with the stakeholders including local community; we have also identified key concerns of all identified stakeholders and have relentlessly worked to address them and review the points of concerns on a periodic basis.

Key stakeholders were identified and prioritised based on the following attributes:

- a) Stakeholders directly/indirectly impacted or influenced by the business activities
- b) Stakeholder inclusivity
- c) Business dependency and criticality of the stakeholder
- d) Peer companies' stakeholders

Following stakeholders have been identified for appropriate engagement: Shareholders & Investors, Dealers and Suppliers, Customers, Employees, Community & NGOs, Government & Regulatory Authorities, Media, Construction Professionals, and Industry Associations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.

The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/contractual workers and truck drivers. Disabled children and youth emerged as a separate group and hence are catered through education and skill development program. Women in the communities are reached out to through the Women Empowerment Program.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

A comprehensive stakeholder engagement program operates to facilitate several initiatives for engagement of different stakeholders. Our CSR arm, Ambuja Cement Foundation (ACF) is the link between the Company and the community. There are multiple forums created such as Site Specific Impact Assessment (SSIA), Community Advisory Panels (CAP), and Social Engagement Scorecard

(SES), in which effort is to include underprivileged and marginalised Section of communities. Some of these forums also address concerns of truckers and contract workers.

PRINCIPLE 5

Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

Our Human Rights Policy is specified in our Code of Conduct and Business Ethics, which is applicable to all employees, vendors, suppliers and subsidiaries. As per this policy, we are committed to respect and uphold human rights in accordance with United Nations Universal Declaration of Human Rights and the International Labour Organisations (ILO) Core Conventions on Labour Standards. Our commitment to human rights is reinforced by our Group's participation in the UN Global Compact (UNGC), support of the Universal Declaration of Human Rights, the Company's Code of Conduct and Business Ethics and Code of Business Conduct for Suppliers, and our CSR Policy. These policies and directives enlist all our commitments towards protecting and promoting human rights in our operations and value chain.

Our Group has developed a Directive on Human Rights and Human Rights Management System (HRMS), a tool that identifies business risks with respect to human rights. The system examines our own behaviour as well as that of the stakeholders in our value chain, in particular the supply side and third-party service contractors. Any incidence of failure to comply with the rules or other concerns can be shared with our local human resources representative. HRMS is based on country-wise human rights risk assessment and classification and, is carried out using Freedom House (an international NGO) and UN human development indices. A set of issues specific to the country are taken into account, wherein India has been classified as high risk in the context of human rights. The tool helps in assessing the potential risk and opportunities of those issues across our operations and the value chain, by assessing their severity and likelihood of occurrence. Based on this assessment, the identified potential risks are rated and prioritised for devising risk management plans. The identified potential risks are periodically reviewed.

A proactive comprehensive risk assessment is undertaken across our operations through Site Specific Impact Assessments (SSIA), wherein each operational site is assessed at least once in three year cycle. The exercise provides an opportunity for the assessment team to engage with internal as well as external stakeholders of the plant to capture their perception around multiple human rights related issues. The aspects covered in the assessment include child labour, forced labour, freedom of association, no-discrimination, working conditions, minimum wages, health and safety, contract workers, community impact, security guards, land

management, bribery and corruption, armed actors, grievance mechanism and any other issue important to the specific site. The focus of the assessment enables us to identify 'risk hot spots' or areas where potential human rights issues can occur in our operations and value chain, as well as the target group of stakeholders i.e. groups most vulnerable to the identified risks. Further, it helps in setting priorities for risk management and devising appropriate action plans for risk remediation or mitigation, which are then periodically reviewed. The action plans are created, implemented, and monitored through a systematic approach, and performance is duly reviewed at the unit as well as at the corporate level by the Executive Committee. The assessment process helps the organisation to improve its performance every year with defined action points.

The Company has a Code of Business Conduct for Suppliers that covers various human rights aspects; all our suppliers are required to provide certain compliance evidences as a condition for eligibility. In addition, the suppliers are required to provide a self-declaration to comply with all the sustainability performance requirements under various policies of Ambuja. All procurement agreements of the Company include conditions pertaining to labour standards and occupational health and safety. Currently, significant investment agreements do not include human rights clauses.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints were received during 2020. In addition, no instance of perceived or actual non-compliance with our Human Rights directive and applicable legal standards were reported by any stakeholder during 2020. Due to Covid-19 and lockdowns, we could not undertake SSIA at our sites, but, we will do site assessments during 2021, including review of processes of the human rights compliance of our joint ventures and subsidiaries which also provide us with a declaration of their compliance to ACL policies and regulations on human right protection.

PRINCIPLE 6

Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The company has various policies in place to reduce any negative effects of manufacturing operations and activities in the value chain of our business. Our Environmental Policy, Green Procurement policy, Climate Change Mitigation policy, CSR Policy and Sustainability Policy extend our efforts to monitor and protect environment in our value chain by including all our operations, suppliers, community, distributors and transporters so as to minimise our environmental impact. In addition, Ambuja follows various group directives issued by LafargeHolcim that also

extend performance and impact management in the best interest of all stakeholders in our business value chain.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Ambuja has a formalised Sustainability Policy, Green Procurement Policy, and Climate Change Mitigation Policy that are also communicated on our website in public domain. The policies were last reviewed in 2020 to strengthen sustainable development in our business value chain. The policies help deliver our envisaged commitments for climate change mitigation and adaptation at planning and operations level in a responsible manner. The Company has always been proactive in measuring & reporting its carbon emissions as per the protocol of the World Business Council on Sustainable Development (WBCSD). We also keep our stakeholders informed on our performance and mitigation strategies on carbon emissions (Scope 1, 2, and 3), water footprint, biodiversity protection, natural resource management, energy management, renewable energy portfolio, and Company targets/preparedness for climate change mitigation through our annual GRI based reports, Carbon Disclosure Project [CDP], and Dow Jones Sustainability Index (DJSI) disclosures. These performance indicators are also verified by an independent third party, to ensure the integrity of our public disclosures. Ambuja has consistently implemented various new initiatives and innovations to reduce its emissions from its value chain and will continue to adopt strategies to address global warming and ensure a low carbon growth path for our operations. We adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) guidelines and conducted a climate change related risk and opportunity assessment to understand the impact of the identified risks on the Company's EBITDA, same has been reported in our GRI, CDP and DJSI disclosures. The Company's website also contains information on its Sustainability endeavours. [See: <http://www.ambujacement.com/Sustainability>].

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company regularly assesses the environmental risks emanating from our operations and from external factors beyond our control as part of our sustainability strategy as well as a compliance to international Environment Management System (ISO 14001) to which all our operations are certified. In addition to our annual organisational business and environmental risk assessment, a comprehensive and independent third party study was conducted in 2018 to identify the potential financial impacts of the climate change related risks. This study was based on the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and the type of risks assessed included impacts from natural phenomenon resulting from climate change and reputational or market based risks arising from the changes in regulatory, customer

perception, and financial market influencing the business environment. The Company also conducted a comprehensive stakeholder engagement Materiality Review during 2018 to get a good understanding of the Company's obligations to its various stakeholders, internal as well as external, consistent with the business's commitment to corporate responsibility and to find out the material issues, risks and opportunities across the business value chain.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company participates in the Global Program of Clean Development Mechanism (CDM). Our first project of the use of biomass for power generation at Ropar plant earned 17,727 CERs (Certified Emission Reduction) which could earn us ₹1.60 crores in the year 2011. CDM project on Waste Heat Recovery [WHR] based power generation at our unit at Rabriyawas has been registered with UNFCCC in 2015 after successful Validation by DOE. This project is designed to accrue 35000/year Certified Emission Reductions (CERs) for the next 10 years. There is no requirement for filing environment compliance report as per Host Country Approval.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company has strong focus on clean technology, energy efficiency and renewable energy in own operations and supporting community in lighting and irrigation activities. Our renewable energy portfolio includes; 15 MW biomass-based power plant at Ropar (established in 2005), a 7.5 MW wind power station in Kutch (Gujarat) (established in 2011), a 330 kWp solar power station at Bhatapara (Chhattisgarh) (established in 2012), a 55.14 kWp rooftop solar PV project at Gurgaon Regional Office (established in 2014) and a 6.5 MW waste heat recovery (WHR) based power generation system at our Rajasthan plant, commissioned in 2015. WHR system increases fuel efficiency and optimises power costs. In Ambujanagar, 15 kWp Solar panel has been inserted for MPSS lighting and battery backup, our Dadri (Uttar Pradesh) plant started sourcing Solar power through PPA from November 2020 (the total project capacity is ~ 14 MW) and a new 5.14 MW solar PV project has been installed and operationalised at our Rajasthan plant. Existing ACL captive power plants also use biomass. Our current total internal Renewable Energy capacity stands at 34.53MW. The renewable energy certificates (RECs) earned and the power-mix cost optimisation at our cement plants add value to ACL's power sourcing strategy and RPO compliance. We are in process of setting up some solar power projects, such as 11.5 MW offshore project at Bhatapara, and 12MW onsite project at Ambujanagar (Gujarat). These are likely to be in operation in 2021-22. WHR projects under progress are: 21.1 MW at Darlaghat (Himachal Pradesh), 18.3 MW at Bhatapara (Chhattisgarh). Subsequently, we will set up WHR projects at Maratha (Maharashtra) and Ambujanagar (Gujarat).

Additionally, under the brand "Geocycle", we co-process industrial wastes from other industries in our kilns as alternative fuel. This helps us in reducing the use of natural resources as well as greenhouse gas emissions. During 2020, we co-processed about 2.8 lakh tonnes of alternative fuels substituting 4.2% of total thermal energy by use of alternative fuels. The company monitors its specific thermal & electrical energy consumption and employs various plant-specific measures for improving energy efficiency. All five of our integrated units, Six of our grinding units, and one bulk cement terminal have implemented energy management system as per ISO 50001:2011 & attained certification to the international standard. A detailed list of various energy efficiency measures taken during 2020 are discussed at length in the [Annexure – VI] to the Director's Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The Company employs various measures to ensure complete compliance to the applicable emission/waste standards. The Company is the first cement manufacturer to have proactively installed Continuous Emission Monitoring Systems (CEMS) at all the nine kiln stacks for online monitoring of all vital pollution parameters. In addition, Continuous Ambient Air Quality Monitoring Systems have been installed at all the plants.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are 3 (three) cases that are pending in different Courts, involving environment related issues as on end of the Financial Year.

PRINCIPLE 7

Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company is a member of the following trade/chamber associations:

- Confederation of Indian Industry (CII)
- Bombay Chamber of Commerce and Industry (BCCI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Bombay Management Association (BMA)
- Indian Merchants' Chamber (IMC)
- Cement Manufacturer's Association (CMA)

The Company also endorses various economic, environmental, and social charters, principles, or other initiatives, some of which include:

- Global Cement and Concrete Association (GCCA)
- Indian Business Biodiversity Initiative (IBBI)

The main objectives of the above associations are knowledge sharing and providing consultative and representative services to the organisation. These forums operate through multi-lateral councils. There is no spending by the Company towards lobbying or influencing

public policies. However, we incur expenditure towards membership of these organisations, sponsorships, and participation (but not individual training) fees for workshops/conferences, among others.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):

Yes. We continue to work closely with business chambers and associations like CII, CMA, BCCI and GCCA etc for advocating public good and good practices in the industry including policy interventions in environment, governance, and inclusive development. Through GCCA, CMA, and CII etc we are working to implement sustainability principles focussed on SDGs, climate change, water, biodiversity protection, energy security and circular economy etc. During 2020, as active member, Ambuja worked with the Global Cement and Concrete Association (GCCA) to implement the sustainability charter that will enable to monitor and report the sustainability initiatives and performance data of the member companies in the cement industry. Also, Ambuja partnered with CII to share our replicable model on SDG implementation and reporting practices with other member companies from various sectors to promote SDG integration in business. Ambuja also collaborated with some of the associations and government agencies to provide support to the community in the pandemic months of 2020.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, The Company has developed need based and focused development programmes. Important stakeholders groups are meaningfully engaged at various stages of program development and implementation. The programmes focus on the varied needs of the community and can broadly be divided in following categories:

- Water Resource Management: Water and Land Resources
- Livelihood Promotion: Agro based Livelihoods and Skill based Livelihoods
- Social Development: Community Health and Sanitation, Women Empowerment and Education
- Rural Infrastructure Development

The Company attempts to respond to the local development needs and national priorities through its development initiatives. While doing the same the Company promotes innovative strategies to intensify the reach and effectiveness of the programmes.

Our thrust areas are well aligned to the schedule VII of Section 135 of the Companies Act, 2013 and compliment the nation's need for inclusive growth. The company through its Site Specific Impact Assessment (SSIA), identifies various concerns of employees, contract

workers, truckers etc. and works out a plan of action to ensure equitable development and inclusive growth.

We have also developed our Social program priorities which are as follows:

Priority 1 - Improving water availability for local communities and developing resilience at the community level to mitigate water scarcity. Aligned with SDG 6.

Priority 2 - Creating Sustainable Livelihoods through promotion of agro based livelihoods and Skill & Entrepreneurship Development. Aligned with SDG 8.

Priority 3 - Prevention of adverse environmental impact (air pollution) resulting from crop residue burning, along with generation of additional livelihood for surrounding farming communities, through sustainable utilisation of crop waste -biomass. Aligned with SDG 11.

The above-mentioned priorities are further divided into various objectives such as:

- Reach about 3.1 lakh farmers under Agro-based livelihood initiatives by 2022.
- Promote gainful livelihood for around 25,000 rural youth through Skill-based livelihood initiatives by 2022.
- Train and rehabilitate 50 differently abled youth under initiatives of 'Providing Access to Quality Education' by 2021.
- Help the SHGs formed at Bhatapara and Roorkee in a 4-year project to join/avail the schemes under the Linkages of SHGs with National Rural Livelihood Mission under Empowering Women initiatives by 2023.

ACF has promoted strategic social investment through planning its development interventions. All the programmes have defined goal and objectives and aim to specially focus the underprivileged and marginalised Section of communities. Community Advisory Panels (CAP) have been created with representation of both Ambuja and other stakeholders including the community. It promotes communication between the plant, stakeholders and its neighbouring community.

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

Ambuja Cement Foundation (ACF) is a CSR arm of Ambuja Cements Ltd. ACF was established in 1993 and all the development initiatives of the Company are undertaken by ACF. ACF mainly works with the neighbouring communities of ACL and other vulnerable stakeholders. The program thrusts include Water Resource Management, Agricultural and Skill based livelihoods, Women empowerment, Education & Health & Sanitation. During the coronavirus pandemic several initiatives were taken up in and around the work areas. Detailed projects initiated under these programmes are disclosed through Foundation's annual reports & website (www.ambujacementfoundation.org).

Governance Structure for Stakeholder Engagement: Stakeholder Engagement is led by MD & CEO / Chief Manufacturing Officer (CMO) / ExCo at the corporate

level. At the unit level, Unit Head of the plant chairs the stakeholder engagement committee and leads various engagement processes like CAP, SES, and action planning for SSIA, as described above. Members from relevant functions like Environment, CSR, Mining, HR and Commercial, among others, are involved. Issues, findings, and proposed action plan covering different stakeholders at the site are discussed in Unit Sustainability Steering Committee. Implementation of the Stakeholder engagement at all plants is monitored at corporate level by Corporate Sustainability Steering Committee (CSSC) and Executive Committee headed by MD and CEO. At an organisational level there is an effort to improve the level of engagement of stakeholders across the processes undertaken.

3. Have you done any impact assessment of your initiative?

ACF follows a systematic approach to review the performance of the programmes on a regular basis. Both the inputs and outputs are mapped with the help of a customised monitoring system developed at ACF. Evaluation and impact assessments are undertaken at every critical phase of the program or at the maturity stage of the project. These assessments are undertaken by internal expert or external consultants and organisations specialising in the subject. During the year, some important assessments were carried out including Social Return on Investment for six skill training centres, the details of the same are provided in the Foundation's annual report (www.ambujacementfoundation.org). In addition to Impact assessment studies and Social Return over Investment (SROI) studies, we also develop a Social Engagement Scorecard (SES) for each of our plant location to assess the level of engagement and coordination we exercised with one of our most important stakeholder group, the local community.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

Ambuja Cements Ltd (ACL) has spent ₹53.97 crores on CSR during the Financial year 2020. Onetime sponsorships, and donations to the tune of ₹1.66 crores was made towards community-related activities (across all sites) in the financial year based on requirements in the communities that we operate in.

The Company has been mainly focusing on development of communities around its manufacturing sites through ACF. ACF's work in community development is in line with its mission statement "Energise, involve and enable communities to realise their potential". The Foundation reaches out to 27 lakh people across 44 Districts in 11 states and in 2613 villages of India. The thematic areas include water resource management, livelihood promotion, social development and infrastructure development.

Water resource management program focuses on water conservation, promotion of safe drinking water and judicious use of water through promotion of micro irrigation. Local issues such as water scarcity in desert, salinity in coastal region, overexploitation of groundwater are addressed through strategic efforts.

Agro based livelihood promotion efforts include Krishi Vigyan Kendra (KVK), promotion of Systematic Rice Intensification (SRI), organic farming, agro-forestry and horticulture promotion. One of the significant programmes is Better Cotton Initiative (BCI) expanding its reach to about 1, 69,000 farmers. 33 Skill and Entrepreneurship Development Institutes (SEDIs) have trained over 62,921 youth, 25,000 farmers are covered under the COVID-19 insurance policy. Some of them also availed 0% interest free loans. This year, the Company received the 'Best FPO' award among 103 FPOs in Punjab for its efforts. ACF is supporting 15 FPO having a membership of 6329 farmers. These FPOs are in different businesses and achieved a turnover of ₹10.04 crores in 2020-21.

Community health and sanitation program promotes healthy and productive neighbourhood communities. Raising awareness on health issues in rural communities helps in influencing the behaviour of community members. Under the sanitation program household sanitation and sanitation in community schools is promoted. Construction of toilets by mobilising communities and resources from other sources is undertaken. And this year with the global pandemic, ACF responded to COVID-19 in a short span reaching out to educate and support 34.41 lakh community members in rural India.

Ambuja Hospital Trust is a non-profit trust promoted by ACL to provide healthcare services to the community surrounding ACL's plant at Kodinar. Kodinar is a remote rural area with the nearest urban centre and multispecialty healthcare services being located more than 200 kilometres away. In 2020, the Ambujanagar Multispecialty Hospital reached out to about 36698 patients.

Education program in communities ensures quality education for children in government run schools. Ambuja Manovikas Kendra, Ropar, Punjab caters to children with disabilities. Further, the Company promotes education around its five integrated plants through Ambuja Vidya Niketan Trust (AVNT). All five AVNT schools are affiliated with CBSE and provide quality education to children of Ambuja employees as well as from the community.

Women empowerment program promotes economic and social development through income generation and Self Help Groups (SHGs). 2457 such SHGs have been formed with total 25786 members and a total corpus of ₹18.76 crores. At various locations these SHGs have come together to federate themselves into 5 Women Federations. These Federations of women actively engage in addressing local issues. Infrastructure development engages local communities in developing and maintaining community assets.

As a result of this robust and impactful approach, substantial funding is received from the government and other funders. With external funding ACF has been able to extend outreach of some of its programmes and the same has positively influenced the livelihood options of several underprivileged people.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our community development initiatives are undertaken directly through our own CSR arm - Ambuja Cement Foundation. The philosophy and approach has been

to involve the local people throughout i.e. during needs assessment and prioritisation, project planning, implementation and for monitoring. The focus has been on building capacities within the communities and creating local institutions which ensure ownership among the communities for the projects and sustains the development efforts. The approach has resulted in enabling and empowering local communities and making projects sustainable.

People's institutions include Women's Federations, Farmer Producer Companies, Water User Associations, Village Development Committees, strengthening Village Health Sanitation Committees, School Management Committees etc.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

We have a formal system of receiving Customer complaints through Toll free number. In 2020, we received 1134 Customer queries/complaints through toll free number, all of them have been resolved.

As regards consumer cases, 17 consumer cases were pending before different Forums/Commissions/Courts at the beginning of the year. During the year, 4 consumer case was filed and 3 cases were disposed-off leaving a balance of 18 pending cases as on December 31, 2020.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The product quality is governed by the Bureau of Indian Standards (BIS) and the Company complies with all statutory requirements mandated by the Bureau of Indian Standards (BIS), Weights and Measures norms. As per the BIS mandate, the product information is clearly displayed on the bag along with the contact details for customers to communicate any complaint, observation, and query. No other label is displayed over and above than the mandated ones. The test report of cement supplied is available & produced on demand to the customers.

However, we print sustainable product labelling like "ProSustain" for which our Darlaghat plant is already certified. We also plan to display the voluntary product sustainability logo "EcoLabel" on some of our product categories if BIS permits. Ecolabel will be based on some minimum reduced CO2 emissions or recycled content criteria which products qualify for the certification provided by our group company LafargeHolcim.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. The details of the complaints filed are as under:-

Sr. No.	Particulars	Remarks/Status
	The Competition Commission of India passed an Order dated August 31, 2016, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company is ₹1163.91 crores.	Against the Order passed by CCI, the Company had filed Appeal in the Appellate Tribunal and obtained stay against the operation of CCI's Order, subject to deposit of 10% penalty in the form of Fixed Deposit. The Appeal was dismissed by the National Company Law Appellate Tribunal (NCLAT) on July 25, 2018. Against the judgement passed by NCLAT, the Company has filed Appeal in the Supreme Court. On October 5, 2018, the Supreme Court has admitted the Appeal and ordered continuation of interim orders passed by the Tribunal in the meantime, and, as such, the deposit continues @10%.
	State of Haryana has filed a complaint alleging cartelisation in the tender for supply of cement by some cement companies including Ambuja Cements Ltd.	Against the Order passed by CCI, the Company has filed Appeal in the NCLAT and obtained stay against the operation of CCI's Order. The Appeal is being heard by the National Company Law Appellate Tribunal.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

We conducted an internal NPS (Net Promotor) survey last year, NPS is a widely used tool to measure and assess customer satisfaction. Any positive NPS rating suggests that you have more advocates (promoters) than critics (detractors). A NPS score above 70 is considered to be top quartile and suggests a high number of recommenders of our brand.

Based on the NPS study conducted on random customers across India, we received a positive NPS Score 79, which demonstrated that Ambuja has a high satisfaction level among customers.

Based on insights from the survey, we identified areas of opportunity as well as areas of improvement. We continuously refine our customer strategy based on insights from surveys, market feedback & research reports.