

ACC's Communication on Progress 2009

ACC Limited is proud to be a signatory to the UN Global Compact. Each year, since 2007, we have communicated our progress against the 10 UN Principles.

ACC clearly understands that UN Global Compact is both a policy platform and a practical framework for organizations that are committed to sustainability and responsible business practices.

We publish a full Sustainable Development Report every two years and provide regular updates on our progress in our Sustainable Development Report via our corporate website.

We believe that it is our responsibility to uphold the UN Global Compact and its 10 Principles. For our long term future and that of our stakeholders, it is in our mutual interests that we have created a world in which our business will grow and thrive.

Our activity around human and labour rights, environmental responsibility and business integrity is described in detail in our printed Sustainable Development Report 2009. It is also available on our Corporate Website www.acclimited.com. Over here we are providing an index against the ten principles, illustrating our approach and giving progress highlights from 2009.

This index below explains how our own principles reflect those of the Global Compact and provides page number to the Sustainable Development Report pages that describe how we implement these principles in our business.

Human Rights <ul style="list-style-type: none">• Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and• Principle 2: make sure that they are not complicit in human rights abuses.	<p>ACC understands and accepts that as a responsible business enterprise it has the responsibility to uphold human rights at the workplace and within its sphere of influence.</p> <p>Our Code of Business Principles states: "We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees."</p> <p>ACC recognizes that it has a responsibility to uphold human rights in the workplace. At the workplace, human rights typically take the form of non-discrimination and diversity in personnel practices, professional development that aids employability, and work life balance programmes that support a healthy</p>
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	<p>balance between professional and private life.</p> <p>ACC protects human rights in the community through contributions to poverty alleviation and increasing levels of education.</p> <p>We are working to ensure that our suppliers produce their goods in an ethically, environmentally and socially responsible way. ACC has a large and complex supply chain and promoting responsibility within it is not an easy task. As a part of our Supplier Relationship management (SRM) model, we are trying to tackle this challenge.</p> <p>For more information, please read the Social Section our SD Report 2009 from Pg No 70 - 74.</p>
<p>Labour Standards</p> <ul style="list-style-type: none"> • Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; • Principle 4: the elimination of all forms of forced and compulsory labour; • Principle 5: the effective abolition of child labour; and • Principle 6: the elimination of discrimination in respect of employment and occupation. 	<p>ACC does not use forced labour and we work with suppliers and business partners to ensure they do not use forced labour either.</p> <p>We respect people's rights to have employee representation, including their right to join unions and we do not tolerate harassment.</p> <p>During 2009 our permanent full time employees numbered 8,916 out of which 61% are engaged under bargainable category. 25% of our management staff belongs to the minority groups.</p> <p>Also, an important approach to motivate employees has been through addressing the information needs of employees and providing regular feedback to them by creating a robust internal communication system. One element of this was the "Accelerate" intranet Portal for employees first introduced in 2008 to a limited group of employees. It provides information useful to all employees on</p>

	<p>various policies, procedures and functions. Personal remuneration and performance details are made available with password protection. A unique feature is the portal's discussion board which encourages employees to communicate their views, voice their grievances and make valuable suggestions.</p> <p>For more information, please read the Social Section our SD Report 2009 from Pg No 70 - 74.</p>
<p>Environment</p> <ul style="list-style-type: none"> • Principle 7: Businesses should support a precautionary approach to environmental challenges; • Principle 8: undertake initiatives to promote greater environmental responsibility; and • Principle 9: encourage the development and diffusion of environmentally friendly technologies. 	<p>ACC is committed to continuously improve its environmental performance and provide positive contributions to its business.</p> <p>"Quarry to Lorry" is a motto that encapsulates our concern for environmental conservation. It is integrated into all activities of our value chain. Environment management has always been an essential and distinct function in the company's organisation structure. We continue to implement various initiatives to conserve natural resources and to prevent pollution.</p> <p>ACC is an active member of the TERI-BCSD (Business Council for Sustainable Development) India. In addition to its active participation in the Stakeholder Discussion Forums to promote a Cement Sustainability Initiative (CSI) in India, it also championed along with five other member companies of the Business Council a Corporate Action Plan on Climate Change complementing the Government of India's National Action Plan on Climate Change (NAPCC). The task force led by Mr. Sumit Banerjee, Managing Director focuses on the business role in the National Solar Mission and National Mission for Enhanced Energy Efficiency.</p> <p>ACC has been a pioneer in the</p>

	<p>manufacture and promotion of blended cements. Today nearly 90 % of ACC's production is made up of blended cements, well ahead of the industry average of 75 %.</p> <p>In the year 2009 ACC utilized over 6.5 million tonnes of alternative materials consisting of marble slurry, chemical gypsum, granulated slag, fly ash, lime sludge, chemical sludge etc.</p> <p>The consumption of alternative raw materials in the year 2009 increased by 45% compared to the year 2008.</p> <p>The Indian cement industry is being recognized for efforts in lowering its carbon footprint. This include measures such as promoting green cement, modernization and adoption of new technology, process improvements, steps to achieve greater thermal and electrical energy efficiency, the pursuit of renewable energy, alternative fuels and raw materials, optimizing transportation costs and leads and striving for cost-competitiveness.</p> <p>Two recent independent studies record the achievements of the Indian cement industry in terms of its track record in key parameters of sustainable development.</p> <p>Centre for Science & Environment (CSE), India's leading environmental NGO, has published a report titled "Challenge of the New Balance" which reveals comparative details of the energy and emissions profile of six sectors of Indian industry including cement which account for the largest share of the country's carbon dioxide emissions.</p> <p>Another study concluded almost concurrently titled "Low Carbon Roadmap for Indian Cement Industry" was published by the CII- Sohrabji Godrej Green Business</p>
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	<p>Centre of the Confederation of Indian Industry in May 2010. The objective of the study, as suggested by its title, is to create a roadmap for the cement industry to achieve a target of 20% reduction in its greenhouse gas emission intensity. In doing so, the report has compiled and compared the current performance of leading cement companies in terms of their thermal and electrical energy consumption, production of blended cements and specific emissions.</p> <p>Both studies affirm that the Indian cement industry is among the world's most energy efficient and has the lowest emissions in the world, enabled mainly by the high share of blended cements. In both independent studies the performance of ACC is seen to be markedly better than other cement companies in the country in terms of the share of blended cements, energy efficiency and specific emissions per tonne of cement.</p> <p>In the area of sustainable construction, four instances of green buildings were initiated, two of which comprised renovation of existing structures. ACC Head Quarters "Cement House" became India's first old building to be awarded green building status and received Gold Shield from Indian Green Buildings Council (IGBC). La Residency, a hostel project at Thane is a pre-construction platinum rated LEED project. The other two Greenfield projects include a sustainable township at our new plant Kudithini, Bellary and the other is the Central Control Room Building at Chanda plant, the first of its kind for an industrial complex.</p> <p>For more information, please read the Environment Section our SD Report 2009 from Pg No 31 - 52.</p>
Anti-Corruption <ul style="list-style-type: none"> • Principle 10: Businesses should 	Our Code of Business Conduct & Ethics

<p>work against corruption in all its forms, including extortion and bribery.</p>	<p>clearly mentions behaviorus expected of individuals and actions to be taken in case of non-adherence. Each permanent employee of the Company has been given a copy of this Code of Business Conduct & Ethics and has agreed to adhere to all the clauses in it.</p> <p>The Company's Internal Audit Department follows a well structured risk assessment approach to draw up its Annual Internal Audit plan. This risk assessment is conducted every year and includes all business processes and all units. Potential fraud risk areas, their probability and impact are a vital input for the risk assessment.</p> <p>A Fraud Risk Management (FRM) Policy was adopted with effect from January 1, 2009. A Fraud Risk Management committee was constituted with the Company Secretary as its chairman and the Head Legal and Chief Internal Auditor as members to review and take appropriate action on all suspected cases of fraud/misconduct. Any person with knowledge of any incident of misconduct/ fraud can communicate to the committee through a dedicated e-mail and hotline or by written letter, with assured confidentiality.</p> <p>FRM awareness programmes are conducted companywide by displaying posters at prominent locations in the units, screensavers on all company computers and workshops for management staff covering all business units of ACC comprising 16 plants, 20 sales units, 3 regional offices, Corporate Office and ACC Thane. In all a total of 2,064 management staff employees (64%) attended these workshops. The rest of the employees have been communicated the FRM policy and related presentations through e-mail.</p> <p>Corruption: There were 2 incidents in which employees were dismissed or</p>
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	<p>disciplined for corruption. There were no instances where a contract with business partners was not renewed due to violation related with corruption.</p> <p>For more information, please read our SD Report 2009, Pg No 19 & 75.</p>
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