5th CORPORATE SUSTAINABILITY REPORT 2008-09

Shree Cement Ltd.

Green answers for a sustainable business
Sustainability is a long-term commitment which is beyond the short-term renovation solution. It is an essential business practice and in the given global meltdown scenario, we are more convinced than ever that our success depends on being proactive and responsive to stakeholder’s needs. We carefully focus all our activities throughout the value chain on the challenges of sustainable development. We have moved from a risk management approach to establishing business rationale for sustainable development. Over the years, our focus has shifted towards renewable energy and cleaner technologies. We have adopted eco-efficient strategies to redesign production processes to conserve natural resources.

Sustainability is a guiding principle through which we hope to create a legacy for future generations. We are very proud of what we have accomplished so far but there is always a room to do more. Our vision is long-standing and reflects our understanding that embracing sustainability ensures savings in the long-term. We strive for world-class performance across every aspect of our business – from our technical and financial capabilities to our social and environmental performances.

H. M. Bangur
Managing Director

At Shree Cement we embrace the holistic view of Industrial Ecology by using the waste of other production processes and strive to balance industrial input and output to the constraints of natural systems.

At Shree Cement we see a global meltdown of an astronomical size which in turn led to a downturn in several progressive economies. For many, it was the time of despair but at Shree Cement, we saw a ray of hope. A room full of growth and opportunities was awaiting us and immediately after realizing this, we got down to the task of not only evading the impending gloom but also creating ample opportunities for the entire Shree Cement team.

Amidst all this, Shree Cement was able to setup an additional production facility at Ras. The task at hand was not only difficult but was also an impossible feat to achieve. However Shree Cement completed the commissioning of Line VII of 1.0 MTPA Clinkerisation capacity in a world record time of 367 days against the industry standards of 630 days. At the end of the day, we were successful because we had raised the bar and achieved what we had aspired to achieve. Feats of such degree, during such difficult times, needed each and every member of the Shree Parivaar to be different and think differently and that is what we were able to do with all our efforts. At the end, all we can say is that this year will go down in the books of Shree Parivaar as a year of trials and tribulations but also a year when each and every member of Shree Parivaar discovered the true potential that each one had.

B. G. Bangur
Executive Chairman

Our Commitment to Sustainability

A room full of growth and opportunities was awaiting us and immediately after realizing this, we got down to the task of not only evading the impending gloom but also creating ample opportunities for the entire Shree Cement team.

Last year, the world saw a global meltdown of an astronomical size which in turn led to a downturn in several progressive economies. For many, it was the time of despair but at Shree Cement, we saw a ray of hope. A room full of growth and opportunities was awaiting us and immediately after realizing this, we got down to the task of not only evading the impending gloom but also creating ample opportunities for the entire Shree Cement team. This was the time when the entire team of Shree Cement revisited the philosophies and business principles that are at the core of every undertaking of Shree Cement. Thereon, the senior level management developed innovative business practices that were in sync with the trying times. Amidst all this, Shree Cement was able to setup an additional production facility at Ras. The task at hand was not only difficult but was also an impossible feat to achieve. However Shree Cement completed the commissioning of Line VII of 1.0 MTPA Clinkerisation capacity in a world record time of 367 days against the industry standards of 630 days. At the end of the day, we were successful because we had raised the bar and achieved what we had aspired to achieve. Feats of such degree, during such difficult times, needed each and every member of the Shree Parivaar to be different and think differently and that is what we were able to do with all our efforts. At the end, all we can say is that this year will go down in the books of Shree Cement’s history as not only a year of trials and tribulations but also a year when each and every member of Shree Parivaar discovered the true potential that each one had.

B. G. Bangur
Executive Chairman

At Shree Cement we embrace the holistic view of Industrial Ecology by using the waste of other production processes and strive to balance industrial input and output to the constraints of natural systems.
In the last one year, the world has undergone a sea change. The downward spiral of various global economies has put to test the actual resolve of companies towards their sustainability commitments.

In difficult times, an organisation has two choices. Either see sustainability efforts as a cost head, which can be trimmed, or to see them as a source of strength, which helps them survive both current and future storms. At Shree Cement sustainability is so integrated into our organisational DNA that we never saw that the first choice ever existed. We have continued to remain focused on sustainability; come hail or high water.

The positive aura created by our focus on sustainability has only helped us record yet another good year of financial performance. Enthusiastic about this growth and guided by our sustainability principles, we continue to create an exciting work environment and improve neighbouring communities for a better tomorrow. We have kept up operating and financial discipline and have continued to deliver admirable shareholder value.

Our focus on sustainable development, which we see as a key growth platform for us, has increasingly broadened. We have been investing in appropriate technologies to ensure high environmental performance standards. During the year, we recorded excellent environmental performance and achieved 3.8 percent reduction in energy consumption and 37.28 percent reduction in water consumption; even during all this our production rose. We achieved 100 percent mark in recycling solid waste. We have recently formed a Carbon Committee to identify energy saving and GHG emission reduction opportunities. During the year we made huge investments to the scale of INR 87.1 Million to minimise our environmental footprints.

At Shree Cement, we believe that our people are the pillars of our progress and we ensure that they have a comfortable and safe environment to work in. We create an environment that inspires innovation and creates future leaders. We have developed a culture where strategic thinking and continuous improvement is internalised so that quality, efficiency and innovation become an everyday business. Sustainability awareness programmes are in place and all our employees participate in quality, efficiency, culture building and innovation activities.

We extend this responsibility to the communities around our operations. We draw immense pride that Shree Cement’s businesses, today, help in generating more livelihoods, across the value chains. By engaging with our stakeholders, listening and acting on what we hear and involving and empowering the community, we have created an environment of goodwill and understanding.

We are poised to adapt to the rapidly changing marketplace, are ready to exploit new opportunities and will continue our quest to reinvent our approach towards sustainable development.

M. K. Singhi
Executive Director

Ensuring sustainable development is at the very heart of our ambitions

Quick snapshot:
- Erection of Unit VII was done in 6 months through improved planning
- Improved vendor management for quick delivery of equipments; used air transport for critical parts of Raw Mill and Coal Mill
- 6 stage pre-heater was completed in a record time of eight months
- All civil work was completed in nine months
- The refractory job and the triplet cyclone were completed ahead of schedule
Shree Cement’s Path of Success

We started our journey in the year 1985 with our first plant of 0.6 MTPA at Beawar. Since then we have grown to become a multi-unit, multi-location and the largest cement producer in northern India with a total capacity of 6.8 MTPA (based on OPC). During the course of this journey, we have realised that corporate responsibility is critical for the long term success of the business and have been addressing needs and concerns of our stakeholders.

Stock Values of the Company

Exchanges Listed on:
- Bombay Stock Exchange (BSE)
- National Stock Exchange (NSE)

Stock Code:
- 500387
  SHREECEMQ

Number of Shareholders:
- 14,898

Number of Issued Shares:
- 34,83,725

Debt (As on 31st March, 2009):
- INR 1,496.153 Million

Equity (As on 31st March, 2009):
- INR 348.37 Million

Quantity of Products / Services Provided:
- Tons 7.76 Million
  (For the financial year ended on 31st March, 2009)

Net Sales (For the financial year ended on 31st March, 2009):
- INR 2,715.02 Million

Our Business
**Vision**

“To drive and sustain industry leadership of the Company within a global context by developing individual leadership competencies at every level, through a robust backbone of trust, support, innovation and reward.”

**Mission**
- To harness sustainability through low-carbon philosophy
- To sustain its reputation as one of the most efficient manufacturers globally
- To continually have the most engaged team
- To drive down cost through innovative practices
- To continually add value to its products and operations, meeting expectations of all its stakeholders
- To continually build and upgrade skills and competencies of its human resource for growth
- To be a responsible corporate citizen with total commitment to communities in which it operates and society at large.

**Guiding Principles**
- Enforce good corporate governance practices
- Encourage integrity of conduct
- Ensure clarity and unambiguity in communication
- Remain accountable to all stakeholders
- Encourage socially responsible behaviour

**Philosophy**

“Aah no bhadra: Kratavo yantu vishwatah”
- Rigveda

“Let noble thoughts come to us from all over the world”

**OUR SUSTAINABILITY POLICY**

To produce quality cement in an eco-friendly, healthy & safe working environment in a socially responsible manner with continual improvement in the performance level and profitability to satisfy all stakeholders by ensuring:

- **Customer satisfaction**
- **Implementation of the systems and continually improving their effectiveness**
- **Clean and green environment**
- **Adoption of cost effective technologies and practices for improved productivity and profitability**
- **Sound health and safe working practices**
- **Mutually beneficial stakeholder relationship**
- **Compliance to the applicable laws and respecting international instruments**
- **Human resource satisfaction**

"An energy and environment conscious sustainable organisation."
Capacity Expansion
We are currently the largest single location cement manufacturer in Northern India. We intend to retain this leadership position and are investing in two more grinding units and captive power plant.

Markets
Excess supply due to capacity expansion in forthcoming years will result in pressurisation of margins. To resolve this, we have launched multiple brands i.e. Shree Ultra, Bangur Cement and Rockstrong. We endeavour to develop customer-based market strategies through value-added products and superior service delivery.

Employee Motivation & Talent Retention
To attract and retain a competitive workforce is the biggest challenge. At Shree Cement, we believe motivated and engaged people make a better organisation, therefore we make an effort to provide our employees an amicable working atmosphere with ample opportunities for self-development.

Logistics
We are trying to optimise the transportation cost by increasing the use of railway siding, take innovative measures to cut the turnaround time for trucks and choose appropriate locations for upcoming plants to reduce distance from market as well as raw materials.

Water Conservation
Our goal is zero discharge and we have taken measures to recycle and reuse process cooling water. We are continuously engaged in various water conservation efforts as well as efforts to recharge ground water through construction of check dams, roof rainwater harvesting structures, installation of sewage treatment plant, air cooled fluid cooler, etc.

Energy Security
Our operations are energy intensive and we have taken multiple initiatives to reduce our specific energy consumption. As a step ahead, we are exploring ways to increase renewal input through alternative fuels and waste heat recovery.

Climate Change
Cement industry contributes to 4 percent of total GHG emissions in India. To minimise our GHG emissions, we identify GHG intensive areas and our energy management division evaluates the Clean Development Mechanism potential of such projects.

License to Operate
We engage ourselves with local communities to understand their needs better and appropriately design our CSR programs. Our goal is to create greater social engagement.
This is our fifth sustainability report and is designed to:

- Emphasize the ways in which sustainable development delivers added value for us as a responsible actor in the marketplace.
- Communicate how the sustainability approach leads to better working practices, driven by our corporate governance principles.
- Provide clear, complete and accurate information on our performance in financial year 2008-09, describing the progress achieved and the most relevant trends.

Reporting Scope

We endeavour to include in the reporting boundary all the units that are operational during the reporting year and that impact our financial statements significantly. We have neither any subsidiaries nor any control over or influence in the form of investment in any other entities.

Wherever possible, we present in the Report, the performance of our units in Beawar, Ras and Khushkhera separately for the financial year 2008-09. Data pertaining to the year 2007-08 for our units has also been provided for comparison. We are currently in the process of commissioning one grinding unit near Suratgarh Thermal Power Plant (Rajasthan) and one grinding unit near Roorkee (Uttaranchal). These are not included in the reporting boundary.

In the forthcoming fiscal year, after the commissioning of these units, we would include these in the reporting boundary.

The Company’s reporting perimeter is subdivided as follows:

Beawar: Unit I and II, Mining Area and Power plant
Ras: Unit III, IV, V and VI, our Mining Area and Power plant
Khushkhera: Grinding Unit I and II

Shree Cement’s reporting is documented in accordance with the guidelines of Global Reporting Initiative (GRI version “G3”), as well as with those defined by the Cement Sustainability Initiative of the World Business Council for Sustainable Development.

These guidelines have been used for the definition of the report contents. Since the very first report in 2004, the Company has continuously improved its reporting standards, thus ensuring accuracy and consistency of reported results over time.

A specific Appendix provides detailed cross-reference between the current Report and the GRI guidelines. The report has been prepared following the third generation guidelines of GRI and has been externally assured by KPMG Advisory Services Private Limited.

We support a clear, transparent and interactive dialogue with all our stakeholders and invite your feedback to further strengthen our sustainability agenda. You may send an e-mail to Rakesh Bhargava on (bhargavr@shreecementltd.com) who is driving sustainability at Shree Cement Limited.

Additional information on the organisation’s policies, including more detailed data on local initiatives and case studies, is available on our website.
Corporate governance is an essential and inherent ingredient of our business plans. The focus on corporate governance is a strategic business decision and the Company is committed to achieving the highest standards of corporate governance. It believes that all operations must be spearheaded towards attaining the ultimate objective of enhancing stakeholder value.

Continuing value creation for its stakeholders requires apprising them of all relevant information on a regular basis in a transparent manner. The Company strives to provide such information on periodic basis through annual / quarterly Reports and posting of information on its website. In view of the recent developments in India and abroad which has exposed lack of corporate governance structures in corporate, the Company strives to keep strengthening its corporate governance mechanism by interacting with stakeholders and enhancing their engagement level with the Company.

Executive Directors

Corporate governance is a strategic business decision and the Company is committed to achieving the highest standards of corporate governance. It believes that all operations must be spearheaded towards attaining the ultimate objective of enhancing stakeholder value.

Continuing value creation for its stakeholders requires apprising them of all relevant information on a regular basis in a transparent manner. The Company strives to provide such information on periodic basis through annual / quarterly Reports and posting of information on its website. In view of the recent developments in India and abroad which has exposed lack of corporate governance structures in corporate, the Company strives to keep strengthening its corporate governance mechanism by interacting with stakeholders and enhancing their engagement level with the Company.

Executive Directors

Apart from the Executive Chairman (who is also a Whole-time Director), the Board of Directors has two Whole-time Executive Directors, Managing Director and Executive Director, who contribute to the strategic management of the Company’s business within the Board’s approved framework. They are responsible for the governance processes and the effectiveness of the top management.

The Executive Director is responsible for and provides guidance in respect of the day-to-day operations of the Company. He is also the leader of the Cement Sector Task Force and a member of the Cement Sustainability Initiative of World Business Council for Sustainable Development.

Non-Executive Directors

The Board has a high proportion of Independent Directors (67% as against statutory requirement of 50% of total no. of Directors). Non-Executive Directors are drawn from amongst eminent professionals with experience in business / finance / law / public enterprises.

Chair of the Highest Governance Body

The Chairman of the Board is the Chief Executive and the highest officer of the Company. His primary role is to provide leadership to the Board for realising Company’s goals in accordance with the charter approved by the Board. He brings along with him a rich and a vast experience of the Cement Industry.

Meeting Record

During the reporting year the Board of Directors convened four meetings. Each director attended at least 75% of the aggregate number of meetings.

Code of Conduct

Shree Cement believes in complete transparency in discharge of the duties by its Directors and the Senior Management Executives and / or staff. The Board of Directors have approved a Code of Conduct for all Directors as well as for the Senior Management Executives and / or personnel and other employees. Every member is required to abide by the code of conduct. The same is displayed on the official website of the Company and is available to each and every employee of the Company.
The ESG Committee is a Sub-committee of the Board and consists of senior executives of the Company. The Committee elects a Chairman by majority vote. The Executive Director of the Company provides necessary guidance and support from time to time.

During the year 2008-09, the Committee met twice to discuss strategies to improve environment, enhance social welfare efforts and improve governance levels. The Committee encourages a candid discussion among the members to bring forth sincere ideas to deal with the specific issues related to the charter of the committee. The ESG Committee is responsible for:

**Board’s Committees**

<table>
<thead>
<tr>
<th>Committee</th>
<th>Role</th>
<th>No. of Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee</td>
<td>Overseas the Company’s financial reporting process</td>
<td>04</td>
</tr>
<tr>
<td></td>
<td>Recommend the appointment of statutory Directors and fixation of audit fees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Review the quarterly / annual financial statements before submission to the Board for approval</td>
<td></td>
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<tr>
<td></td>
<td>Review the adequacy of internal controls</td>
<td></td>
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<tr>
<td></td>
<td>Review reporting structure, coverage and frequency of internal audit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Carry out any other function as mentioned in the terms of reference of the Audit Committee</td>
<td></td>
</tr>
<tr>
<td>Remuneration Committee</td>
<td>Review and fix the remuneration package of the Whole-time Directors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not met due to absence of relevant matter</td>
<td></td>
</tr>
<tr>
<td>Shareholder’s and Investor’s Grievances Committee</td>
<td>Review, on a periodic basis, status of cases relating to transfer, transmission of shares</td>
<td>01</td>
</tr>
<tr>
<td></td>
<td>Monitor beneficiaries address of investors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Review of non-receipt of dividend, Annual Report, etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Any other matter related to shareholders</td>
<td></td>
</tr>
</tbody>
</table>

**Conflict of Interest**

All transactions entered into with related parties are discussed and ratified by the Audit Committee and subsequently placed before the Board of Directors for its approval. Also, a detailed disclosure of the related party transactions has been made in the Annual Report for the year. Appropriate disclosure is made in the Annual Report about the related party transactions had with Non-Executive and Independent Directors having any pecuniary relationship with the Company or its Directors / employees.

**Corruption and Bribery**

Shree Cement practices a policy of free and fair dealing with all its stakeholders and the state authorities. Shree Cement has incorporated into its Risk Management Manual the risks attached with corruption. The secretarial and legal department has been nominated as the owner of this risk. They issue certificates with regard to the incidence, mitigation procedure and management of risks related to corruption and bribery.

The Company is also considering putting in place a whistle blower policy, a corporate gift policy and / or any specific anti-corruption policy.
Sustainability Risk Management Framework

The concept of risk assessment and its mitigation is embedded in our business practices. Shree Cement views risk management as an integral part of its objective of creating and maintaining shareholder value and the successful execution of its strategies. Its Risk Management Framework consists of Strategy, Policy, Processes and Organisation.

The above framework provides a direct link between business strategy and risk appetite of the Board, to the business which is undertaken and an infrastructure that seeks to ensure the Board is able to meet its goals. The framework is reviewed as and when business environment changes. The Company Secretary acts as the Chief Risk Officer (CRO).

The management and staff are responsible for implementing risk management in their departments and work areas for identification and reporting of risks. The Functional Heads give a quarterly compliance certificate to the Chief Risk Officer through their risk coordinators on the working of the Risk Management Framework.

Information, Data Collection and Communication on Sustainable Development

As an initiator in sustainability reporting in the Indian Cement Industry, we understand our responsibility and take appropriate actions. We had set ourselves tough targets and shared the same in our first Sustainability Report and we are committed to ensure that these targets are met. We continue to adopt Global Reporting Initiative (GRI) guidelines and, going beyond, this year we are also presenting cross linkages with Cement Sustainability Initiative of The World Business Council for Sustainable Development.

The feedback of our stakeholders is the key input to our sustainability framework. This year, we have broadened the scope of dialogue with them, from just gathering their perceptions to understanding the extent of impact and influence they have in our success.

Key stakeholders for us include; employees, shareholders and investors, customers, suppliers, local communities and regulatory authorities.
Becoming a Part of Global Alliances

Shree Cement is a member of the Cement Sustainability Initiative (CSI) that is a part of the World Business Council for Sustainable Development (WBCSD) since 2002. Shree Cement is the first Indian cement Company to join the CSI movement. The objective of joining CSI was to connect with global leaders and ensure implementation of leading practices in safety, health and climate change, with a strong focus on business processes.

We are working on seven key areas identified under CSI and are committed in making our contribution towards a more sustainable society:

- Climate protection
- Fuel & raw material
- Employee health & safety
- Emission reduction
- Local impacts
- Internal business process
- Concrete recycling

Shree Cement is a member of the Asia-Pacific Partnership (APP) on Clean Development and Climate Change which is one of the most innovative efforts to enhance the development of clean energy technologies. This partnership focuses on expansion, investment and trade in cleaner energy technology, national air pollution reduction and climate change, goods and services in key market sectors to meet goals for energy security. Cement is one of the eight approved public-private sector task forces under APP.

Shree Cement has been actively participating in APP movements. As a step forward we participated in the 5th Task Force meeting held at Charleston, USA.

Shree Cement is a signatory to the Round Table on Climate Change. This forum brings together high level, critical stakeholders from all regions of the World to discuss and explore the areas of potential consensus regarding core scientific and technological changes required to mitigate the effects of climate change.

Shree Cement is an active member of the TERI/BCCSD (Business Council for Sustainable Development) which is a partner of the WBCSD, Geneva and a member of its regional network. We actively participated in Delhi Sustainable Development Summit 2009 where World CEO Forum on sustainable development was held. Shree Cement contributed in various issues related to emission reduction by industries, impact of future regulatory policy related to mitigation, and need to come up with a clear strategy and develop correct action plans. Based on the National Action Plan on Climate Change (NAPCC), the matter was discussed at the World CEO Forum, Industry Association Consultation on Business Role and CSI-TERI-ECRA India discussion forum.

During the reporting year Shree Cement actively participated in “Industry Consultation on Sectoral Approaches for GHG Mitigation under Bali Action Plan: Proposals and implications for Indian cement industry” organised by Federation of Indian Chamber of Commerce and Industry (FICCI).

Shree Cement was invited by Centre for European Policy Studies (CEPS) in cooperation with the Ministry of Economy, Trade and Industry (METI), Japan to participate in Sectoral Approaches, especially data collection issues and benchmarking and also by the European Commission.

Shree Cement has been providing expert advice to members from Cement Manufacturing Association (CMA), National Council for Cement and Building Materials (NCCBM), Bureau of Energy Efficiency (BEE), National Institute of Occupational Health and Safety (NIOHS), knowledge institutions and other NGOs.

“Our Approach to Sustainable Development”

“Mr. M. K. Singhi, Executive Director Presenting CSR Report 2007-08 to Mr. Ban Ki Moon, UN General Secretary, also present Mr. R. K. Pachauri, Director General TERI & Chairman IPCC, Mr. Nitin Desai, Former Under Secretary General of UN during DSDS 2009

Mr. R. Bhargava, Chief Climate Officer representing Shree Cement at CSI - TERI - APP India Discussion Forum Building Sustainable Cement Sector in India.

“I was particularly moved by your sense of humility and commitment to the welfare of the men and women who work for your organisation.”

- Dr. Maki Mandela
Shree Cement believes that a Company is as
good as its stakeholders - shareholders &
investors, customers, employees, institutional /
organisational stakeholders, vendors &
contractors, government and the community.

Therefore, it is the responsibility of the Company to further
strengthen their interests by dealing with them in a fair and
transparent manner. Shree Cement also believes in being
accountable to them by following the best tenets of corporate
governance. Shree Cement ensures that all communication with
stakeholders is transparent, lucid, exhaustive and responsible.

Shareholders & Investors
The Company interfaces with its
shareholders through the Secretarial
Department, which maintains long term
& strong investor relations through
effective communications and swift
responses. A series of frequently asked
questions and shareholder related
forms have been uploaded onto the
Shree Cement’s website for the benefit
of both new and existing shareholders.

Customers
Customer's satisfaction is the prime
motto of Shree Cement. To understand
the customer's expectations and their
satisfaction levels, we conduct annual
customer satisfaction surveys. We have
different brands in our product portfolio
to satisfy the demand of customers of
different groups. For better and safe
utilisation of product, we also educate
the masons and workers and address
customer queries and concerns with
the help of our professional team.

Employees
Unity of our human resource is our real
strength. We are not just a Company
but a family - Shree Parivaar. It is a
matter of pride that we have been
awarded Best Employer Award by
Business Today, TWU, Mercer for the
reporting year. We conduct employee's
satisfaction surveys on a regular basis
to understand the expectations of
employees. In addition to informal
interactions during the entire course of
the year following are some other ways of
communication:
• Monthly Open House Meeting at
  safety circle between senior
  management and employees
• 'Joh Soche Woh Paave' Scheme
  wherein employees are
  encouraged to provide suggestions
• Annual Appraisal Programme for
  getting feedback from employees
• Rewarded 53 employees, who are
  working with us for the last 25

Institutional / Organisational
Stakeholders
We believe that team efforts are always
better than working in isolation. A
collective and focused effort is a must
to find common acceptable solutions.
Therefore, we are an active member of
various institutions / organisations and
play an active role in the decision
making process.

Suppliers & Contractors
We have prolific interactions with a
large number of our suppliers of goods
& materials. We make an effort to make
our supply chain more responsible. We
endeavour to seek a commitment from
our contractors and suppliers, with
whom we enter into significant
agreements, to honour basic human
rights and non-employment of child or
forced labor at their facilities.

Government
Our interaction with the Government
and regulatory bodies is primarily
through filing of returns / disclosing
information and obtaining statutory
clearances. We have robust processes
and internal controls in place to ensure
compliance with the local, state and
national laws. We are a member of
various Governmental bodies and
participate actively in the process of
formulation of laws and regulations. We
interact with the local Government
extensively and provide infrastructural
support during times of crisis, as and
when required. We also invite in
public-private partnerships for
development of infrastructural facilities
aimed at the development of the local
economy.

Communities
Our activities inspire trust and therefore
Shree Cement is identified as a
responsible Company by the local
communities where we operate. To
enhance our engagement with our
communities, Shree Cement has
developed and registered “Shree Rural
Foundation Society” (SRFS). The main
aim of the foundation is to identify and
prioritise community needs and
generate opportunities for sustainable
livelihood, health & family welfare,
education, literacy and infrastructure
development.

http://www.shreecementltd.com/awards_main.asp?section=S21
**ECONOMIC PERFORMANCE**

### Exhibit A: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

<table>
<thead>
<tr>
<th></th>
<th>2008-09</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees</td>
<td>%</td>
</tr>
<tr>
<td><strong>DIRECT ECONOMIC VALUE GENERATED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>30972</td>
<td>97.4%</td>
</tr>
<tr>
<td>Gross Sales</td>
<td>24403</td>
<td>96.9%</td>
</tr>
<tr>
<td>Revenue from financial investments and other sources</td>
<td>31801</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>31801</td>
<td>100%</td>
</tr>
<tr>
<td><strong>DIRECT ECONOMIC VALUE DISTRIBUTED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>16837</td>
<td>52.9%</td>
</tr>
<tr>
<td>Employee wages and benefits</td>
<td>1039</td>
<td>3.3%</td>
</tr>
<tr>
<td>Payment to provider of funds</td>
<td>744</td>
<td>2.3%</td>
</tr>
<tr>
<td>Interest payment made to provider of loans</td>
<td>346</td>
<td>1.1%</td>
</tr>
<tr>
<td>Dividends to all shareholders</td>
<td>746</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>5199</td>
<td>16.7%</td>
</tr>
<tr>
<td>Payments to government</td>
<td>3298</td>
<td>16.7%</td>
</tr>
<tr>
<td>Community investments</td>
<td>27</td>
<td>0.1%</td>
</tr>
<tr>
<td>Reinvested to maintain and grow operations &amp; meeting future tax liability</td>
<td>2205</td>
<td>23.6%</td>
</tr>
<tr>
<td>Depreciation and amortisations</td>
<td>3372</td>
<td>16.9%</td>
</tr>
<tr>
<td>Retained profit</td>
<td>81</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>3372</td>
<td>23.6%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>31801</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source**: Annual Accounts 08-09

"Shree Cement has followed its guiding principles to generate superior economic value and share it with all its stakeholders." Despite the economic turbulence witnessed during last year, Shree Cement has used its resources efficiently to deliver yet another year of strong financial performance. As against an 8.4% growth recorded by the cement industry, the Company’s cement production grew by 23%. While we continue to develop our operations, our management’s business philosophy has ensured that we grow in a sustainable manner. We ensure that our growth is complemented with growth of all our stakeholders viz. employees, suppliers, local community, etc. Our growth has to percolate down into the local community, economy, infrastructure and at the same time be eco-friendly.

"Shree Cement has followed its guiding principles to generate superior economic value and share it with all its stakeholders."

### Exhibit B: Distribution of Value Added FY 2008-09

- Community Investment: 5.5%
- Payments to provider of funds: 3.6%
- Employee Wages and benefits: 3.3%
- Dividends to all shareholders: 3.4%
- Payments to government: 16.7%
- Operating costs: 52.5%

The year saw the commissioning of our Unit VII (clinkerisation unit) at Ras location. This has further strengthened our position to leverage the growth opportunities available in the market. Our power generation business, which was started to meet our captive needs, has actually turned into a new revenue stream by helping us become a part of the growing merchant power market. Driven by strong growth in our cement dispatches, gross turnover during the period 2008-09 grew by 26% to INR 31801 Million. In its pursuit of growing superior return on equity, we have improved efficiency in all operations to increase our PAT by 122% to INR 5780 Million.

Our Company has not only generated superior returns for its shareholders, but has continued to share economic value generated with partners across its value chain. The same is reflected in a growing contribution to the exchequer (INR 5298 Million in FY 08-09 vs INR 4658 Million in FY 07-08) and increased expenditure on its employees (INR 1039 Million in FY 08-09 vs INR 736 Million in FY 07-08).

The table besides provide a snapshot of economic value generated and distributed during the FY 2008-09.
Risks and Opportunities Due to Climate Change

“Shree believes that Clean and Green is Profitable”

The high growth rate witnessed by Indian economy in the last five years has further fuelled the damaging impact of industrialisation on our environment. As India is a signatory to United Nations Framework Convention for Climate Change (UNFCCC), we as a Company are committed to controlling Green House Gas (GHG) emissions. To support the national efforts on climate change, we at Shree Cement plan all our activities towards sustainable development. This has made us take a proactive approach to ensure that we are at the forefront when it comes to being environment friendly.

For rain water harvesting we have invested INR 1.9 Million to construct three dug wells and recharge structures for ground water recharge.

To create a green environment we have planted 21,950 plants across our sites during the FY 2008-09. This has taken our total green population to 3,34,02 plants till date.

Average stack emission levels at all our locations are well within norms. The Company discusses climate related matters at the highest level and progress in these areas is deliberated at the Board level. There is also an ESG (Environment, Safety & Governance) Committee which regularly meets to review environmental matters and ensure strict compliance to all Company policies in this respect.

The Clean Development Mechanism (CDM) Project, “Optimum Utilisation of Clinker” was started in the year 2000.

Significant Financial Assistance Received from Government

The Company is availing incentives available under the State’s Investment Promotion Policy as per its entitlement. These assistances are used to enhance the economic activity in the region and thus help fulfil the government’s economic development agenda.

Remuneration

Shree Cement follows provisions of Equal Remuneration Act which prescribe the employer to pay equal remuneration to men and women for work of similar nature. We do not discriminate on caste, religion, gender, etc. rather wages are attached to the roles, responsibility and performance of the incumbent.

This is reflected in the total employee cost of Rs. 1039 Million during FY 2008-09, which represents more than 41% annual growth in employee cost over the last year.

Local Hiring and Senior Management

While recruitment and growth within the Company is based on merits of the candidate, the Company does grant preference to local residents of its location of operations.

The Company is based on merits of the candidate, the Company does grant preference to local residents of its location of operations. A company is committed to controlling Green House Gas (GHG) emissions. To support the national efforts on climate change, we at Shree Cement plan all our activities towards sustainable development. This has made us take a proactive approach to ensure that we are at the forefront when it comes to being environment friendly.

We continue to look forward to finding newer opportunities in the CDM space.

ECONOMIC PERFORMANCE

<table>
<thead>
<tr>
<th>Unit at Brunner</th>
<th>Contribution to various defined benefit plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution in PPF Fund: 43,58</td>
<td>Contribution in Superannuation Fund: 38.79</td>
</tr>
<tr>
<td>Contribution in Gratuity Fund: 37.45</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

During the year we have invested INR 12.93 Million in installing modern pollution control equipments at our plants.

Domestic vs International Suppliers

Suppliers from Rajasthan 42%

Local Suppliers

Locally Based Suppliers

Given that we have 1761 suppliers; the local sourcing strategy ensures that our business requirements get converted into additional investments and economic activities at around 1723 firms within India and 743 specifically within the State of Rajasthan.

Infrastructure Development

“Shree Cement has a total commitment to communities in which it operates and society at large.”

Given that Shree Cement is the largest industry in the area it operates it has ensured that it makes the best possible investments for development of local infrastructure. Every developmental

- Of the 316 recruitments made last year 72% were from the State of Rajasthan.
- Two out of three members of senior management are from Rajasthan.
- The Company discusses climate related matters at the highest level and progress in these areas is deliberated at the Board level. There is also an ESG (Environment, Safety & Governance) Committee which regularly meets to review environmental matters and ensure strict compliance to all Company policies in this respect.
- Its mission is to provide quality infrastructure like highly equipped mobile hospitals and mobile education facilities to the local community at their doorsteps.
- During FY 09-10 we have spent INR 5.6 Million on development of cement concrete roads.
- We continue to partner with the State Government for improving the local infrastructure.

- Our contributions to defined benefit schemes have grown by 65% during the duration FY 08-09 over FY 07-08.
- Our contributions to defined benefit schemes have grown by 65% during the duration FY 08-09 over FY 07-08.
Building Harmony
Company’s unique employer value proposition backed by strong corporate equity enabled retention of quality talent in a floating market. We have always believed that people are our strength and we listen to their concerns and plan initiatives to address the same. We are committed to building a learning environment at our facilities and our approach is to develop leaders within. Our human resource development approach is based on creating self-assessment practices in our employees to enhance their capabilities and build strong relationship with customers for the benefit of Company. The focus of training programmes is on enhancing skills of employees through customised training programmes.

We engage with the new joiners on a monthly basis as well as at the end of their probationary period to obtain their feedback on the plant operations and discuss their concerns.

Freedom of Association
We respect the right of workers at our units to form and join associations of their choice. We have trade unions at our units that act as a representative body of our workforce to address and solve labour related issues. Ever since our plants started operation, not a single day has been lost due to labour unrest. A major reason is attributable to the transparent communication policy between management and employees.

Labour Practices and Decent Work
Our human resource management systems and processes aim to create a responsive, customer centric and market focused culture that enhances organisational capability and vitality. The self-assessment practice encourages employees to enhance their capabilities and build strong relationship with customers for the benefit of the Company.

The concept of society includes all its stakeholders, customers, employees, suppliers and local community. The Company strives to engage its resources in a manner that takes care of the interests of the society at large so as to create economic value.

Human Rights
We are sensitive to the need to respect and support human rights and aim at ensuring that we act responsibly to protect the rights of our employees, contractors and communities.

Our human rights policies are in-line with the requirements of Universal Declaration of Human Rights – United Nations and the Fundamental Human Rights Conventions of the ILO.

Society
For many years Shree Cement has been investing in society and nearby communities in particular. We have been in the process of continuous dialogue with local community and have regularly provided financial and in-kind assistance. However, we recognise that an improved understanding of the local community issues can help us to make our contributions more effective, and therefore, as a proactive step in this direction, we initiated monthly dialogues with ‘Sarpanchs’ of nearby communities.

Our Working Strength
During the reporting period integration of 316 numbers of full-time direct employees is reflected in our impressive growth. Our total manpower is 2566 at the end of reporting period, with 2316 full-time direct staff members and 251 workers. This also includes our Green Man Power workforce of 123. In addition, 1516 numbers of contract manpower are working at various facilities.
Shree Cement encourages a national and cross-cultural approach to business. The workforce comprises of employees from different Indian states, despite our operations being located in only one state. Our region-wise employee’s separation is depicted on the previous page.

Employees are aligned and involved in the implementation of significant investment in technology and process improvements aimed at enhancing productivity, quality and delivery effectiveness.

**Diversity**

We realise that diversity not only reflects the varying demographics among employees but also the wide range of abilities, experiences, and personalities among those people. Sharing different perspectives, abilities / qualities, race, sexual orientation, religious status, educational background, geographical location, income, civil status, parental status and work experiences is prohibited in Shree Cement. Employees are encouraged to report any questionable incidence to their supervisors. Department Manager or HR department is authorised to take action if incident involves the supervisor. Discrimination of any kind is not even addressed in the hiring procedure during reporting period. Our HR policy is widely communicated to employees and displayed in the plant premises as well as available online on Shree Cement’s website. New joiners are made aware about organisations relevant procedures before joining.

We are increasing the number of women within the Group at corporate level. There is no discrimination in the package of women employees and men employees at same position and is in the ratio of 1:1.

**Employee Training**

To evaluate the performance of our human resource we conduct Key Performance Assessment on an annual basis. 100% of our workforce is appraised every year. On the basis of the results of assessment, we upgrade them to higher levels. This year 204 of our permanent workers have been upgraded to permanent staff on the basis of their excellent performance.

In 2008-09, 6298 employees participated in various training programmes. Each training programme involves around 14.41 participants on an average. The average training budget for 2008-09 was Rs 27,42 per employee and an average 14.38 hours of training were provided per employee.

Internal training courses are frequently done; external training is also provided every year as per the need of the employees.

In the reporting period, training was provided covering both technical as well as behavioural aspects like technical skills, computer skills, customer service, quality initiatives, fire and safety, risk management, costing, operations, communications skills, interpersonal relations, leadership skills, creativity and innovation at workplace, coaching skills, human rights, health & yoga, time management, anti-corruption, multi-skil development, etc.

To avoid corruption such as demanding, offering, accepting bribes or any illegal gratification at any level, we have trained our employees to run the organisation ethically. During the reporting year no incidence of corruption was reported. We have a policy of not contributing in cash or kind to political parties, politicians and related institutions.

Apart from that, we also encourage students of various prestigious institutions like IITs and IIMs and other reputed management institutions to carry out their research work and industrial visits. During this reporting period, 15 students from different IITs and IIMs did their research work at Shree Cement. In addition 585 numbers of students visited our plant during their industrial visit.

**Recognitions and Rewards**

We believe that “The power to be a superior performer lies within all of us. It needs to be tapped and duly recognised.” People who feel appreciated are more positive about themselves and their ability to contribute. People with positive self-esteem are potentially our best employees.

Our annual “Jo Soche Woh Paave” scheme encourages innovations and ownership spirits among our employees. It resulted in optimisation of processes and practices for the benefit of Company and stakeholders. This year we received 96 suggestions and the best suggestions were rewarded.

“Shree has an unbiased work culture, where capabilities are judged on the basis of performance and not on the basis of gender.”

- Deepika Jain, Sr. Officer

“Shree has an inclusive work culture where capabilities are judged on the basis of performance and not on the basis of gender.”

- Priyanka Dadich, Officer

“As a part of organisation I believe that Shree Cement provides enough opportunities to develop a charming career.”

- Ashish Buurasi, Engineer

“The Company believes in sharing responsibilities and rewards in equal measure, so that everyone feels empowered and encouraged.”

- Deepika Jain, Sr. Officer

“Teamwork is the fuel that allows common people to attain uncommon results. This is the secret of Shree Cement’s success.”

- Nitin Pansari, Graduate Engineer Trainee
Employee Welfare

Our employee welfare programmes influence employees to make brilliant efforts and be a part of the success of the Company. Shree Cement makes its mark in the top 20 best employers in India. (Survey carried out by Business Today, Mercer and TNS.)

Some of our facilities include:
- Fully equipped residential apartments
- Group medical insurance
- Comfortable offices to improve workplace atmosphere and latest technological equipment
- Annual health checkups for employees and medical facility for employees and their families
- Entertainment facility
- Facility of maternity
- Rewards and recognition
- Free uniforms
- Fee concession in school

We encourage our employees and nearby communities for their spiritual and mental development. During the reporting period we organised ‘Art of Living’ and Alternate Therapies for Health Management classes many times at our plant premises and in our nearby locality.

A beautiful Hanuman temple is situated in our premises, where every year we celebrate ‘Temple Function’ on a massive scale under our corporate cultural responsibility. This year, a grand Shobha Yatra was taken out in which a large number of devotees from nearby communities participated. On this occasion various cultural programmes were organised including Radha dance performed by Bollywood actress Shabnam Khurshide, laser show performed by British artists, illusion and juggler show performed by French artists, gymnastic show performed by African acrobats and magic show performed by an Australian magician.

Health and Safety

We adopt a cautious approach in addressing health and safety related aspects of our workforce and have a comprehensive health and safety policy that covers all the operations and addresses aspects like ensuring process safety, compulsory use of personal protective equipments, promoting occupational health, organisational training sessions and creating a safe work environment. The Company is engaged in conducting extensive medical examination for staff, workers and contract workers on annual basis and maintains a comprehensive database of medical examination records to map the fitness and health of each and every employee. For managing our health and safety issues we have deployed OHSAS 18001:1999 at all our facilities.

Our safety guidelines are designed to ensure world-class performance in the areas of occupational health and safety. We continue our commitment to ensure a safe and healthy workplace for our employees and have progressed beyond compliance.

Safety performance was highly encouraging for last year as not even a single man day was lost due to workplace fatality.

Towards Accident Reduction

All our units have established occupational health management systems with designated responsibilities, competent resources, best-in-class infrastructure, state-of-art fire detection and protection systems, and latest electrical equipments to achieve landmark targets in safety. We have developed emergency preparedness plan to fight with any unwanted situation. In addition to the above, employee’s involvement in safety programmes, suggestion schemes, celebrating safety day, equipment safety day, annual safety week, safety exhibitions, etc. have helped in developing safety culture across the organisation.

All our units are proactively engaged in identification of potential hazards and continual improvement towards elimination of potential risk factors. New projects / expansion plans are internally reviewed by EHS experts. Our EHS team conducts exhaustive audits before commissioning projects to ensure compliance.

A detailed incident / accident / hazard reporting system has been established including the root causes, corrective and preventive measures. The findings and recommendations are briefly discussed in Safety Committee; the committee is formed at two levels, one at a management level and other at a shop floor level, with equal participation of management and worker representatives. The recommendations are circulated to all departmental heads and in-charge for effective implementation.

<table>
<thead>
<tr>
<th>Total (2008-09)</th>
<th>Number of Accidents</th>
<th>Number of Fatal Accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Injury Rate</td>
<td>2.15</td>
<td></td>
</tr>
<tr>
<td>Lost Day</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Lost Day Rate</td>
<td>148.8</td>
<td></td>
</tr>
</tbody>
</table>
Occupational Health

Our units at all locations maintain high standards of hygiene, lighting, ventilation, and effective control on noise & dust in accordance with national and international standards. A healthy workforce is an important constituent of our sustainability strategy. All the units are equipped with first-aid medical centers and adequate medical staff. In addition, employees in each unit are trained to provide first-aid. Ample number of health care services including health care at place of work, occupational health covering facilities like X-Ray, Pathological lab, Audiology, ECG, Spirometry, etc. are available in our in-house dispensaries. Company has initiated annual health checkup programme for employees. Around 2307 employees were benefited by annual medical checkup during the reporting period.

In the reporting period, we have organised several training, education, know-how counselling programmes to help our workforce, their families and nearby communities regarding serious diseases like HIV/AIDS, TB, Malaria, Blood pressure, stress management, etc.

This year 1074 employees underwent preventive medical examinations to identify any symptoms / trends of occupational illness and to ensure appropriate action to eliminate any health risks.

No case of occupational related disease was reported in 2008-09.

Human Rights

We are committed to addressing human rights as a strategic business issue and we are committed to respecting human rights everywhere we operate.

Respect for human rights is an integral part of Shree Cement’s operations. To create non-discriminative atmosphere by or towards employees, contractors, suppliers and customers in any form like race, age, sex, religion, we conduct various training programs. In 2008-09, 168 employees were trained in Company’s policies and procedures concerning aspects of human rights. In addition, we also provide training to around 74 % of the total security personnel employed at our operations on organisation’s human rights policy.

Suppliers & Child Labour

As a responsible Company we extend our support to employees of our 1761 suppliers from India and abroad in the implementation of SA 8000.

In this process before the final selection of the supplier, we check their status on human right issues like child labour, forced labour, health & safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and management systems at their manufacturing facilities. During the reporting period 34 numbers of our major suppliers were inspected and it is a matter of pride that all of them were adhering to SA 8000 requirements.

Product Responsibility

Shree Cement fully complies with applicable legislation and assumes its responsibility in the promotion of better health and safety for the customers who use its products. We have consciously shifted our emphasis over the last two years towards a brand-led consumer-focused approach. Today, our marketing and technical teams work together to understand customers expectations and establish the processes by which the demand will be met.

Looking at the market scenario, we were able to open some new areas in U.P. and Uttarakhand and could make some impact in these markets. Our strategy has been to focus on some pockets and concentrate on them to achieve brand recall in those areas, so as to build up the brand gradually in the entire marketing area / states. Consumers are quality conscious and have been associated with us because of our commitment towards quality and service.

Product Testing

It is essential that our products are safe and of good quality, to ensure this each of our operation runs product testing programmes. We participate in inter-laboratory proficiency testing with National Council of Cement and Building Materials (NCCBM) and National Test House (NTH) for verification of quality of our products and raw materials, this helps us to maintain stringent quality standards, we have set. In addition to this, we also took consultation services from them for better designing of product and process.

We are committed to be accountable and transparent to customers. We manufacture Ordinary Portland Cement (OPC) of 43 and 53 grades, Pozzolana Portland Cement (PPC), as per the Bureau of Indian Standards (BIS) specifications. All relevant information regarding product such as batch number, type, etc. are clearly indicated on the bag. There has been no incidence of non-compliance with regulations and voluntary codes concerning product and service information and labeling since the beginning of our business.

We have never had any legal actions for anti-competitive behavior, anti-trust and monopoly practices. No sanctions have been imposed on us for non-compliance with any of the law or regulation.
A Dedication Beyond the Market

Our Approach to Community Programmes

With a corporate vision to promote sustainable and inclusive growth, Shree Cement has driven innovation to forge unique business models that synergise long-term shareholder value enhancement with the superordinate goal of creating greater social capital. Such unique initiatives have contributed towards creating meaningful livelihood opportunities for local people.

We strive to play a strategic role in promoting transformative and scalable programmes to not only reduce poverty, illiteracy, hunger, sickness, etc., across the region but to also ensure a sustainable future for generations to come.

Our Approach to Community Programmes

- Promote active and representative participation towards enabling all community members to meaningfully influence the decisions that affect their lives.
- Engage community members in learning about and understanding community issues, and the economic, social, environmental, political, psychological, and other impacts associated with alternative courses of action.
- Incorporate the diverse interests and cultures of the community in the community development process; and disengage from support of any effort that is likely to adversely affect the disadvantaged members of a community.
- Work actively to enhance the leadership capacity of community members, leaders, and groups within the community.
- Be open to use the full range of action strategies to work towards the long-term sustainability and well-being of the community.

Coverage Area for Community Development

The Company has identified 2 districts, namely Ajmer and Pali, including 20 villages in the near vicinity for performing various community development actions. With the social mission of working for sustainable development of the village and the improvement of the quality of life of deprived people, Shree Cement has planned various programmes such as health and family welfare, education promotion, women empowerment and sustainable income generation, infrastructure development and various other social programmes.

Health and Family Welfare

We have well-equipped 24 hours x 7 days dispensaries at all our operating facilities. The nearby villagers are provided with free consultation services by our medical experts. Along with this facility, the Company has provided mobile health units to ensure access to healthcare, especially in remote areas. A 5-day “Yog Shivir by Patanjali Yogpeeth” was also organised for good health at Shree Rangmunch.

Our medical team undertook Hepatitis B vaccination programmes in association with M.M. Charitable Trust, Udaipur, in which 500 children of nearby villages were vaccinated. Since 1996, we have been operating free eye camps where 1193 operations were undertaken and 3304 patients were cured.

"Shree Cement is really Shree (Laxmi - goddess of prosperity) that provides employment for our youth and works for the development of the area."
- Nathu Singh, Sarpanch

"The key to long-term success consists not only in responsible business, but also in supporting the quality of life in places where the Company operates."

"Shree Cement is really Shree (Laxmi - goddess of prosperity) that provides employment for our youth and works for the development of the area."
- Nathu Singh, Sarpanch
Shree Ladies Club successfully organised a free polio camp with the help of expert team of doctors of PNR Society for Relief and Rehabilitation of the Disabled from Bhavnagar, Gujarat for the polio victims in which 170 patients got registered and 46 numbers of operations were carried out for nearby villagers. Shree Parivaar members actively participated in the polio camp and served the polio victims.

Campaign against Tobacco Consumption
The Company has launched a campaign against consumption of tobacco products in its premises. Company conducted a rally to communicate the message about ill-effects of tobacco consumption. An anti-tobacco club has been formed to help the affected person in giving up the addiction. Placards and boards have been displayed at all the prominent places of plant and residential areas declaring “No Smoking Zone.” An exhibition on the topic was also arranged in which photographs containing ill-effects of tobacco consumption had been displayed.

To increase awareness among villagers, Shree Cement has started “Nukad Nataks” focusing on health and social issues in nearby villages.

Education Promotion
We are promoting nearby village youth in their studies like ITI, etc., where fees for education & boarding house is sponsored by the Company. Schools are provided with computers to impart computer education to the students from deprived community. Study materials are provided to schools of nearby villages. Sports programmes are organised in the nearby schools for overall development of the students. Funds are allocated to the nearby primary schools. Company runs a school in its premises for children of its employees as well as local communities. To maintain the quality of education system the school is certified with ISO 9001, ISO 14001 and OHSAS 18001.

Infrastructure Development
Shree Cement has constructed roads, water tanks, schools buildings, community halls and several other structures based on the needs of the community. We acknowledge that public-private partnership is the need of the hour for development of deprived communities. For this we are engaged with government on the community development issues like infrastructure development, education promotion, health care, poverty reduction, women empowerment, etc.

Water scarcity is the biggest problem in the nearby communities where we operate. We are engaged in community awareness programmes for water conservation. In this regard we have constructed various check dams, dug well recharge systems, bore well recharge systems, rain water harvesting systems in nearby areas. We also supply water to deficient areas. With our commitment towards community development we have also got the Shree Rural Foundation Society registered with the government.

Financial Aid to Governments for Development
Shree Cement has donated INR. 2.1 Million to Chief Minister’s relief fund for Bihar flood victims, INR. 1.5 Million to Chief Minister of Rajasthan for Chamunda Mata victims, Jodhpur, INR. 0.1 Million to “Pushkar Vikas Samiti” for organising “Shree Pushkar Pashu Mela -2008”. We also donated INR. 0.5 Million for renovation of Buda Pushkar Ghat at Ajmer.
ENVIRONMENTAL PERFORMANCE

Dedication Toward a Better Environment

At Shree Cement we have a full-fledged Environment Cell with all relevant equipments and technical skilled staff, which takes care of all the environmental issues as well as keeps track of the proper functioning of the operational units so as to ensure the compliance level.

During the reporting year, third party certified management system like ISO 14001 & OHSAS 18001 and use of state-of-the-art processes / technologies supported by audits by the Corporate EHS ensured that all Shree Cement units continued to be free of any violations of regulatory or voluntary requirements.

At Shree Cement, we prioritise the local environment around us and put all possible efforts in order to achieve a stable environment. The increasing trend of total environmental expenditure shows Shree Cement’s efforts towards clean & green environment.

Shree Cement endeavours not only to minimise its environmental footprints but wherever possible create a clean, green and healthy environment. The Company’s uncompromising dedication to internationally benchmarked “Beyond Compliance” performance has ensured that all its units excel in the fields of safety, occupational health and environmental performance. Shree Cement believes that “Clean and Green is Profitable.”

We make all possible efforts to ensure the sensible use of natural resources and undertake conservation and preservation to endeavour that our operations do not affect the local and global environment. To achieve all the compliances as well as to create positive environmental footprints, Shree Cement has issued Environment, Water, Energy, and Health & Safety Policies which are monitored by the Executive Director. The extension of all policies covers all sites of the Company.

Objectives

According to our policy, we set our goals; in which we perform various environmental initiatives including:

- Performance beyond compliance
- Low carbon economy
- Zero water discharge as well as water conservations
- Zero solid waste
- Reducing to the maximum extent possible the consumption of energy without impairing productivity
- Wise use of natural resources
In 2008-09 Shree Cement produced 77,65,207 MT cement, and 681932.11 MT clinker. The total output of Shree Cement was 84,47,139.11 MT. We use natural resources cautiously, and our focus is on using alternative fuels and raw materials.

Optimal Use of Raw Materials
We use various types of waste materials generated from other industries, as alternative fuels and raw material (AFRs). In addition to this, fly ash generated from our own Captive Power Plant is 100% utilised as a Low Calorific Value fuel (LCV) for production of clinker.

Quarry Management Practices
The Company operates 2 limestone mines, with a total area of 1606.8 Hectare. Limestone production during 2008-09 was 94,12,035 MT. Shree Cement has a mechanised method of opencast mining, with all safety measures. Drilling is performed with Hydraulic Drill Machine for prevention of noise and air pollution. The overburden dump once matured, is afforested through plantation activity. Non-mineralised area is also brought under plantation. 86,501 plants have been planted at mines to reclaim the area.

Use of Alternative Fuels & Raw Materials
Use of waste which is generated from external sources (MT)
<table>
<thead>
<tr>
<th>Material Type</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slag</td>
<td>183215</td>
</tr>
<tr>
<td>Mill Scale</td>
<td>3228</td>
</tr>
<tr>
<td>Fly Ash (Raw Meal)</td>
<td>70994</td>
</tr>
<tr>
<td>Fly Ash (Blending Material)</td>
<td>1550992</td>
</tr>
<tr>
<td>Pellet Coke</td>
<td>590489</td>
</tr>
</tbody>
</table>
Total Used Waste as AFR   | 2398916 |

Efficient Energy Utilisation
Our focus is on energy conservation and we have deployed cleaner and energy efficient technology in our plants and mines. We use a large portion of waste heat generated during the process of cement manufacturing.

Rubber Unit

Environmental Performance at a Glance

KCAL / KG CLINKER

<table>
<thead>
<tr>
<th>Year</th>
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<th>08-09</th>
</tr>
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<tbody>
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<td>765</td>
</tr>
<tr>
<td>770</td>
<td>773</td>
<td>780</td>
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</tbody>
</table>

Power Consumption

KWH / T CEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>07-08</th>
<th>08-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>79</td>
<td>79</td>
<td>78</td>
</tr>
<tr>
<td>78</td>
<td>77</td>
<td>76</td>
</tr>
<tr>
<td>77</td>
<td>76</td>
<td>75</td>
</tr>
</tbody>
</table>

Fuel Consumption

Waste Oil Generation / Ton of Output

<table>
<thead>
<tr>
<th>Year</th>
<th>07-08</th>
<th>08-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.16</td>
<td>0.17</td>
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</table>

Water Withdrawal Sources

<table>
<thead>
<tr>
<th>Source Type</th>
<th>07-08</th>
<th>08-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Water/Ton Output</td>
<td>46.7</td>
<td>46.9</td>
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<tr>
<td>Surface Water/Ton Output</td>
<td>1.62</td>
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<tr>
<td>External Suppliers/Ton Output</td>
<td>1.63</td>
<td>1.61</td>
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</table>

Water Consumption / Ton of Output

<table>
<thead>
<tr>
<th>Year</th>
<th>07-08</th>
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<tbody>
<tr>
<td>9.8</td>
<td>12.2</td>
<td>21.0</td>
</tr>
</tbody>
</table>
Responsibility Towards Climate Change

To reduce GHG emission, we have adopted very proactive approaches:

- Initiated 3 CDM projects (WHR, Optimal utilisation of clinker, Pyro-processing of Biomass)
- Constituted a Carbon Committee to identify various risks / threats from climate change
- Continuously involved in plantation activity and planted around 3,34,002 saplings

Optimal utilisation of clinker, Pyro-processing of Biomass

Concerning other natural resources

Shree Cement has adopted a very proactive approach and has constituted a Carbon Committee. The Carbon Committee:

- Proactively participates in global forums like WBCSD, CSI, Global Round table, GRI, APP etc.
- Studies emerging trends to identify various threats and opportunities from climate change
- Formulates strategy and supports businesses in evaluating and mitigating measures

Reduce Consumption of Energy without Impairing Productivity & Quality

Globally, approximately 5% of the World’s total CO2 emission is generated by the cement sector, due to an energy intensive process consuming both electrical and thermal energies. Shree Cement considers responses to help prevent global warming to be a material issue and is implementing measures to reduce CO2 emissions by restricting energy consumption in all areas of business activities including selection of fuel & raw materials, production process, logistics and sales. We have deployed measures to attain high energy efficiency including setting goals and targets, benchmarking with world best performance and with Indian plants, drawing future plans for energy conservation, conducting periodic energy audits, conducting small group activities, adoption of new technology, enhance utilisation of waste generated from other industries.

Direct Energy Consumption

We utilise different grades of fuels according to the requirement and for other operations such as transport of raw material in a sensible manner.

Energy Conservation Through Efficiency Improvements at Cement Plant

We have initiated several energy efficient programmes and a few are mentioned here:

1) Stopping Raw Mill I B in VRM I resulting in 16 KWh power saving
2) Replacement of roller table liner in Coal Mill I & II resulting in 269 KWh power saving
3) Cooler ESP stack height increased by 25 meters in Kiln II resulting in 104 KWh power saving
4) Replacement of old motors with energy efficient motors in Kiln I resulting in 99 KWh power saving
5) Installation of high efficiency fan in main ESP fan in Kiln II resulting in 46 KWh power saving
6) Replacement of roller table liner in Coal Mill I with new one resulting in 115 KWh power saving
7) Installation of VFD in 6 Dust collectors at Packing Plant resulting in 104 KWh power saving
8) Installation of air dryer and compressor resulting in power saving of 727 KWh. For Units-4, 5 & 6 work is on progress
9) Installed solar water heater / solar lighting system
10) Replacement of conventional lamps with CFLs and use LED’s lighting system

Emission Reduction

The production of cement is resource and energy intensive and results in emissions of various air pollutants such as CO2, NOx, SO2 and Total Particulate Matter (TPM).

Ozone Depleting Substances (ODS) except conditioning the air at colony as well as plant buildings, we have utilised 0.755 tons of HCFC-22, which is permitted in India under the Montreal Protocol. The ozone depleting potential of HCFC-22 is 0.005; therefore, the effective ODS emissions from our utilisation were 0.0415 tons during 08-09.

Carbon dioxide (CO2) is the main green house gas (GHG) resulting from the cement manufacturing process, which is the main contributor to Global Warming. Innovation is the key to reduce CO2 emissions. Company has taken a number of initiatives to reduce direct and indirect GHG emissions from the cement manufacturing process, which is the main contributor to Global Warming. Innovation is the key to reduce CO2 emissions. Company has taken a number of initiatives to reduce direct and indirect GHG emissions from the cement manufacturing process, which is the main contributor to Global Warming. Innovation is the key to reduce CO2 emissions. Company has taken a number of initiatives to reduce direct and indirect GHG emissions from the cement manufacturing process, which is the main contributor to Global Warming.

- Established an internal carbon credit scheme to promote the reduction of indirect GHG emissions from our corporate activities.
- Implemented a scheme to encourage the use of clean energy, i.e. modern, energy-efficient technologies and renewable sources of energy.
- Conducted an internal audit for reducing energy consumption in our own operations.
- Installed renewable energy sources such as solar panels and wind turbines.
- Encouraged energy efficiency initiatives among employees, such as turning off lights when not in use and improving equipment efficiency.
- Engaged in research and development activities to develop and deploy new technologies for reducing GHG emissions.
- Pursued green building practices in our new facilities.
- Afforded robust waste management systems to minimize the production of waste, with a focus on recycling and reusing materials.
- Initiated a carbon credit scheme to promote the reduction of indirect GHG emissions from our corporate activities.

A very impressive visit at Shree Cement. It is an outstanding Company and a shining light for others to follow. The sharing of initiatives taken by Shree Cement will help to improve energy efficiency in Indian Cement Industry.

- Rudolf Rauch, Bureau of Energy Efficiency
We have drastically decreased the CO₂ emission in our cement plant by proper valve and injector torque setting. At our mines we have redesigned the haul road to reduce the fuel consumption per ton of hauled material.

We have installed dust bag collectors at various locations like clinker loading in trucks, coal unloader, upgraded the critical dust collectors, constructed boundary wall near coal yard, constructed underground coal storage, constructed concrete area near ash silo, installed better water sprinkling arrangement at crusher to reduce fugitive emissions. We have also installed opacity meters at boiler stacks for on-line stack emission monitoring. To reduce stack emissions we have maintained all ESPs in a better and efficient way.

Other Atmospheric Emissions

At Shree Cement, we believe that environment protection is the urgent need of the hour and industrialisation can be best enjoyed if pure air, clean water and all around greenery are maintained. The Company has a full-fledged separate environment cell at each location comprising of qualified persons and well equipped laboratory for continuous monitoring of environment, finding causes and suggesting immediate remedial measures. Thus, right from the inception, pollution was kept under control by installing sophisticated pollution control equipments.

Water and Our Business

Water is an essential commodity to sustain life. How much water we use is important and we are committed to minimise our water footprints through greater efficiency in our operations. But we know that where we source our water is just as critical, with stressed water sources causing great damage to local communities and ecosystems. We are committed to helping suppliers to reduce their water footprints and avoid water conflict with local communities. The Company has a dry process cement manufacturing system, which does not make significant use of water.

The main water consumption is associated with power generation, cooling of heavy machines and quenching of gases. As depicted in the graph we are continuously reducing our specific water consumption.

At Shree Cement, we know the vital importance of water conservation, therefore we are uncompromisingly engaged in water conservation as well as recharging of ground water through various activities like WHR, RO System, air cooled fluid system, reuse of water, construction of check dams, roof water harvesting system, etc.

Perception and reality

“I perceived Shree Cement to be an innovator and a pioneer in environmental and social needs. The reality was the same, I perceived Shree Cement to be sensible to ecology, environment and social needs. The reality was the same, I perceived Shree Cement to be an innovator and pioneer. The reality was the same. In fact, at Shree Cement perception and reality is one entity and cannot be separated. Just like a dancer cannot be separated from dancing.”

- R. Murthidharan,
Under Secretary, Department of Industrial Policy and Planning,
Ministry of Commerce and Industry, Govt. of India.

Using Less Water in our Operations

Installation of Air Cooled Fluid Cooler at Power Plant

We were having heavy water losses in cooling tower section, which was approximately 3000 KLD. As Rajasthan is a water deficient region, we know the vital importance of water. Approximately 3000 KLD water got evaporated and left behind higher TDS water, which was tough to dispose. Thus, we accepted our responsibility to save water from the environmental point of view and for the future need.

Shree Cement installed an air cooled fluid cooler to replace conventional cooling tower.

Working of Air Cooled Fluid Cooler

It is an adiabatic cooling system. The concept works on the principle that hot water coming out from steam condenser enters into equipment having coils made of 5/8” OD copper tubes and air wave high efficiency fans. The coils are surrounded by imported Ecomesh. The concept is based on the intermittently and efficiently evaporating water on large mesh area in front of heat rejection surface. The free air is cooled adiabatically by Ecomesh during high ambient conditions before passing through the heat transfer coils.

The water is sprayed on the Ecomesh and not on coils. This spray on mesh creates an area of 90% saturated working area before the coil. In this case DBT is nearly 2 to 3°C above WBT. The water sprayed on the mesh is controlled by a micro processor based temperature controller by sensing head pressure / ambient air temperature.

Benefits

On the basis of this concept it has been worked out that the water consumption is only 8 to 10 % as compared to the conventional cooling tower (saving 90% water). The Ecomesh is required to run only for few hours of certain days, when DBT crosses 24°C. Presently we have installed the system, to fulfil the need of cooling for only 2 MW this gave us saving of 100 KLD water.

Halving Waste Generation

The Company believes that reduction of waste generation is more effective than reuse, recycling or recovery; that’s why we encourage our employees & workers to reduce generation of waste to the maximum extent. This has resulted in reduction in specific value of generation of waste oil from 0.017 liter / ton of output to 0.016 liter / ton of output.

Due to the nature of our operations, the spills of any hazardous chemicals or oils are very rare in the plant. However at Shree Cement we have corporate Environment Health and Safety guidelines for all units to have effective spill control measures, for avoiding spills of any chemicals, oils, fuels and hazardous waste / substances to prevent any adverse impact on environment or sub-soil.

The only hazardous waste generated at the plant is used lube oil, which is partially recycled and reused and rest is sold out to the authorised dealers. We are not engaged in the importing or exporting of any hazardous waste materials.

Various Waste & Efficient Disposal Practices

After taking all measures to reduce waste generation, some amount of waste is generated during the process of cement manufacturing. To keep the environment clean and green we opt for the following waste disposal practices resulting in zero disposal on land.
Types of Waste
- Boiler ash from power plant
- Waste generated by mining activity
- Solid waste from Sewage Treatment Plant (STP)
- Waste water from STP
- Waste water from power plant
- Lubricating oil
- Used batteries
- Waste Gas (clinker cooler)
- Waste Gas (Preheater Klin)

Disposal Method
- Ground in a separate grinding mill then used as LCV fuel and fed to the cement kiln.
- Reclaim the waste land through ecological activities.
- Used as manure
- Used in irrigation of green belt / process and sprinkling on roads to avoid diffuse emission.
- Used for dust suppression after neutralisation.
- Recycled and used within the plant & sold to authorised government dealers.
- Sold to authorised government dealers.
- Reutilised through waste heat recovery boiler which generates 3.5 MW power to partially replace coal.
- Trap the heat through vertical co-flow boiler to generate steam in existing power plant which saves around 14,051 tonne pet coke / annum and results in reduction of 51,000 t CO2 emissions.

Environment Expenditure (in Percentage)
- A: Clean up costs, including costs for remediation of spills 28.6
- B: Depreciation of related equipments, maintenance, and operating material and services, and related personnel costs 22.5
- C: External services for EMS 2.7
- D: Develop Green Belt 12.2
- E: Education & Training in Env. Science & Technology 3.2
- F: Treatment and Disposal of Waste 0.2
- G: Treatment of Emission (e.g. expenditures for filters, agents) 17.7

Total Green Investment (Million INR)
- Total Environment Expenditure 191.0
- R&D in cleantech 53%
- Investment in installation of cleaner technology 33%
- Total Green Investment (Million INR) 87.1
Packaging of Product & Transportation

Once cement comes in the final form, it has no significant environmental impacts. We use clean & closed packaging system with all safety equipments so as to reduce diffusion emission. Due to very high durability of cement, reclaiming is not needed. The packaging materials of cement is also not reusable by cement plant for re-packing; however cement bags are utilised for different purposes by different agencies.

Shree Cement has taken several initiatives to reduce traffic load, significant environmental impacts at local as well as global level, road accident risks, etc. and provide them elongated life span without significant environmental impact. But manufacturing process of cement has a noteworthy impact on environment. Therefore at Shree Cement environmental performance is a prime key parameter, starting from planning stage to final use of the product through quarrying practices, production process and transportation.

We have initiated massive R & D to discover a cement that would curb rusting of iron bars and help in elongation of the life of civil structures. Shree Cement had added Shree Ultra Jung Rodhak cement in its product-mix. Much of the raw material we use is extracted from quarries, typically over a long operating lifetime. Therefore when these raw materials are fully extracted, good environmental stewardship demands that we reinstate these areas or find another appropriate after-use, in consultation with the local permitting authorities and stakeholders, we continually search out the methods for re-establishment of all those areas by green belt development; exhausted mining areas are used for rain water collection. During mining we take care of noise as well as fugitive emissions by adopting drilling practice and water spraying.

To minimise our environmental impact during manufacturing process, we implement various technologies such as wise use of raw materials, energy saving initiatives, minimise the consumption of water, take all measures to reduce emissions; maximum use of wastes to avoid dependence on virgin materials and sourcing of eco-friendly energy systems.

Handling

The finished product manufactured does not contain any hazardous or toxic characteristics and can be handled by our users. Regular training is imparted to end users for safe use and better quality utilisation.

Conserving Biodiversity

Shree Cement is situated in an arid region, where biological diversity is very low in terms of both flora & fauna. Not a single unit is situated in and around protected area and no endangered species are found in the vicinity of our plant & mining area.

On the contrary, we are continuously improving biodiversity in the vicinity through plantation (Native flora as well as suitable exotic species); which provide shelter for various fauna.

Cradle to Grave Assessment

We strive to restrict our environmental footprints from the beginning to end of our production process. The Cement we provide is used to make a wide range of civil structures including houses, buildings, bridges, highways, etc. and provide them elongated life span without significant environmental impact. But manufacturing process of cement has a noteworthy impact on environment. Therefore at Shree Cement environmental performance is a prime key parameter, starting from planning stage to final use of the product through quarrying practices, production process and transportation.

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Environmental Performance

Training to drivers on best driving practices

Motivating employees to go for car-pool

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Way Forward

Capacity Expansion
Shree Cement has undertaken further investment programmes to invest Rs. 1,000 Crore for setting up two grinding units, one each in Rajasthan and Uttaranchal with a total capacity of 2.5 Million Tones. Funds required for investment would be raised mainly through internal accruals and some by debt.

It is also putting up a waste heat recovery power plant which would generate 43 MW of green power including 18 MW at Beawar & 25 MW at Ras. It is also putting up a waste heat recovery power plant which would generate 43 MW of green power including 18 MW at Beawar & 25 MW at Ras.

Improving Energy Efficiency
Future plans for reduction in consumption of energy
1. Replacement of low efficiency reciprocating compressors with screw compressors
2. Installation of Roller Press in Cement Mill
3. Installation of VFD’s in cement mill vent bag houses
4. Increase in height of cooler vent stack
5. Installation of new VRM for raw meal and coal grinding
6. Installation of high efficiency SG fan and removal of Booster fan
7. Installation of SPRS in Raw Mill ESP fan and sepa fan in cement mill
8. Replacement of HT motor with LT motor in Cooler ESP
9. Installation of single high efficiency fan (SG Fan) against SG fan and Booster fan.

Greening Environment
The Company is looking forward for continual improvement in the process to reduce the ecological footprints without impairing the quality and yield of the product. In the coming year we may reduce our emission level by 2% and will search areas for utilisation of alternative raw materials and fuels, implementation of waste heat recovery systems, measures to reduce the energy consumption. We are planning to plant more than 50,000 plants in and around the Company premises.

Water Conservation
We are installing Air Cooled Condenser in place of Water Cooled Condenser at our Beawar power plant to reduce water consumption. From this project we will save around 3000 KLD of water which will help us to be water positive Company.

Safety
In view of our commitment towards Zero Accident we have formed Safety Committees at the shop floor level in which management and representatives of workers participated equally. We will take care to reduce the near miss accidents at plant site. We also plan to carry out Safety Audit in the next fiscal year. At the same time we will enhance awareness, interactions, training and communications between workers and supervisors for safe working.

Social Upliftment
We endeavour to improve interactions with community to understand and realise communities needs in a more systematic way. For the betterment of community, we will strive towards upfllment of their living standards.

Maternal & Child Health:
To improve the maternal and child health, we will start an ABACUS education programme. In this programme, students will learn basics of arithmetic in an easy and interesting way with the help of a Chinese mathematical tool – ABACUS.

HIV/AIDS Awareness Programme with Truckers:
We are a cement manufacturer and we have lot of transportation by trucks all over India. We felt that truckers are more susceptible to HIV/AIDS which is the global issue now. To curb spreading this disease we will organise an awareness programme and personal counselling or treatment camp.

Education Promotion Programmes
ABACUS Education Project:
To improve the mathematical ability in students of nearby villages, we are going to start ABACUS education programme. In this programme, students will learn basics of arithmetic in an easy and interesting way with the help of a Chinese mathematical tool – ABACUS.

Women Empowerment & Skill Development Programme:
In our women empowerment programme, we are already successfully running a sewing center in the Kheda village.

Now, this year we are planning three different income generation training programme for women or girls: Hand Embroidery, Bag Making and Sewing & Tailoring Programmes. For this purpose we have engaged an external NGO Spash from Ajmer. They will organise three months long training programme in different villages and then they will form Self Help Groups of these girls or women and they will ensure the market linkage for regular income generation work.

Natural Resource Management & Water Shed Development:
We are operating in a dark zone area in terms of less availability of ground water. For this purpose we are moving to construct some anicuts, check dams, gully plug works, etc. with the nearby villages to increase the water level.

ISO Certification
Company has applied for ISO certification for its newer units.

Health & Family Welfare Programmes
1. Health & Family Welfare Programmes
2. Education Promotion Programmes
3. Women Empowerment & Skill Development Programme
4. Natural Resource Management & Water Shed Development
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AWARDS AND RECOGNITIONS

- National Safety Award for the year 2005 which was awarded this year by the Honorable President of India Smt. Pratibha Patil
- Golden Peacock Award for Combating Climate Change for 2007-08
- First prize for Energy Conservation at our mines by Indian Bureau of Mines
- Green-Tech Environment Excellence Award for 2007-08

Shree Cement was rated among twenty best companies to work for in India by Business Today, Mercer and TNS

- Corporate Excellence Award by Rajasthan Chamber of Commerce & Industry (RCCI) in all four categories namely corporate governance and capital market, financial performance and analysis, business and qualitative aspects and annual report presentation and management
- Award for good performance in Cost Management by Institute of Cost and Works Accounts of India (ICWAI)
- SILVER CIO Award by the CIOL Dataquest Enterprise Connect Awards 2008

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GRI Index

STANDARD DISCLOSURES PART I: Profile Disclosures

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<th>Explanation</th>
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<td>Statement from the most senior decision-maker of the organisation</td>
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<tr>
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<td>Description of key impacts, risks and opportunities.</td>
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<tr>
<td>2.1</td>
<td>Name of the organisation</td>
<td>64</td>
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<tr>
<td>2.2</td>
<td>Primary brands, products and/or services.</td>
<td>64</td>
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<tr>
<td>2.3</td>
<td>Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.</td>
<td>64</td>
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<tr>
<td>2.4</td>
<td>Location of organisation’s headquarters</td>
<td>64</td>
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<tr>
<td>2.5</td>
<td>Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.</td>
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<td>2.6</td>
<td>Nature of ownership and legal form.</td>
<td>64</td>
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<tr>
<td>2.7</td>
<td>Markets served (including geographic breakdown, sectors served, and types of customers / beneficiaries).</td>
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</tr>
<tr>
<td>2.8</td>
<td>Scale of the reporting organisation.</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>2.9</td>
<td>Significant changes during the reporting period regarding size, structure or ownership.</td>
<td>13</td>
<td>Reported</td>
<td>No change</td>
</tr>
<tr>
<td>2.10</td>
<td>Awards received in the reporting period</td>
<td>54</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Reporting period (e.g., fiscal / calendar year) for information provided.</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Date of most recent previous report (if any).</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>Reporting cycle (annual, biannual, etc.).</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>Contact point for questions regarding the report or its contents.</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.5</td>
<td>Process for defining report content.</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.6</td>
<td>Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.7</td>
<td>State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.8</td>
<td>Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations.</td>
<td>13</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.9</td>
<td>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.</td>
<td>18</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>3.10</td>
<td>Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers / acquisitions, change of base years / periods, nature of business, measurement methods).</td>
<td>---</td>
<td>No</td>
<td>There are no restatements.</td>
</tr>
<tr>
<td>3.11</td>
<td>Significant changes from previous reporting periods in the scope, boundary of measurement or methods applied in the report.</td>
<td>---</td>
<td>Reported</td>
<td>No significant changes</td>
</tr>
<tr>
<td>4.1</td>
<td>Table identifying the location of the Standard Disclosures in the report.</td>
<td>58-61</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>Policy and current practice with regard to seeking external assurance for the report.</td>
<td>62-63</td>
<td>Reported</td>
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STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

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<tr>
<td>DMA EC</td>
<td>Disclosure on Management Approach EC</td>
<td>25</td>
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<td>DMA EN</td>
<td>Disclosure on Management Approach EN</td>
<td>40-41</td>
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<tr>
<td>DMA LA</td>
<td>Disclosure on Management Approach LA</td>
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<td>Reported</td>
<td></td>
</tr>
<tr>
<td>DMA HR</td>
<td>Disclosure on Management Approach HR</td>
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<td>Reported</td>
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<tr>
<td>DMA SQ</td>
<td>Disclosure on Management Approach SQ</td>
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<td>Reported</td>
<td></td>
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<tr>
<td>DMA PR</td>
<td>Disclosure on Management Approach PR</td>
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STANDARD DISCLOSURES PART III: Performance Indicators

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<tbody>
<tr>
<td>Economic</td>
<td>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, related earnings and payments to capital providers and governments.</td>
<td>24-25</td>
<td>Reported</td>
<td></td>
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<thead>
<tr>
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<tbody>
<tr>
<td>EC2</td>
<td>Financial implications and other risks and opportunities for the organisation's activities due to climate change.</td>
<td>26-27</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EC3</td>
<td>Coverage of the organisation's defined benefit plan obligations.</td>
<td>26-27</td>
<td>Reported</td>
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<tr>
<td>EC4</td>
<td>Significant financial assistance received from government.</td>
<td>27</td>
<td>Reported</td>
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<tr>
<td>EC5</td>
<td>Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.</td>
<td>26-27</td>
<td>Reported</td>
<td></td>
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<tr>
<td>EC6</td>
<td>Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation.</td>
<td>27</td>
<td>Reported</td>
<td></td>
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<tr>
<td>EC7</td>
<td>Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.</td>
<td>27</td>
<td>Reported</td>
<td></td>
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<tr>
<td>EC8</td>
<td>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.</td>
<td>27</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EC9</td>
<td>Understanding and describing significant indirect economic impacts, including the extent of impacts.</td>
<td>27</td>
<td>Reported</td>
<td></td>
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<tr>
<td><strong>Environmental</strong></td>
<td></td>
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<tr>
<td>EN1</td>
<td>Materials used by weight or volume.</td>
<td>42-44</td>
<td>Reported</td>
<td></td>
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<tr>
<td>EN2</td>
<td>Percentage of materials used that are recycled input materials.</td>
<td>42-43</td>
<td>Reported</td>
<td></td>
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<tr>
<td>EN3</td>
<td>Direct energy consumption by primary energy source.</td>
<td>45</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN4</td>
<td>Indirect energy consumption by primary source.</td>
<td>45</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN5</td>
<td>Energy saved due to conservation and efficiency improvements.</td>
<td>44-45</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN6</td>
<td>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.</td>
<td>44-45</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN7</td>
<td>Initiatives to reduce indirect energy consumption and reductions achieved.</td>
<td>44-45</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN8</td>
<td>Total water withdrawal by source.</td>
<td>43-46</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN9</td>
<td>Water sources significantly affected by withdrawal of water.</td>
<td>NR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EN10</td>
<td>Percentage and total volume of water recycled and reused.</td>
<td>43-46</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN11</td>
<td>Location and size of land owned, leased, managed or in adjacent to, protected areas and areas of high biodiversity value outside protected areas.</td>
<td>50</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN12</td>
<td>Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</td>
<td>50</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN13</td>
<td>Habitats protected or restored.</td>
<td>50</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN14</td>
<td>Strategies, current actions and future plans for managing impacts on biodiversity.</td>
<td>---</td>
<td>We do not have any significant impact on biodiversity in protected area or outside of the protected area and hence no strategies have been devised or actions plan for managing the impacts on biodiversity.</td>
<td></td>
</tr>
<tr>
<td>EN15</td>
<td>Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</td>
<td>---</td>
<td>Reported</td>
<td>No IUCN species affected by our operations.</td>
</tr>
<tr>
<td>EN16</td>
<td>Total direct and indirect greenhouse gas emissions by weight.</td>
<td>45-46</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN17</td>
<td>Other indirect greenhouse gas emissions by weight.</td>
<td>45-46</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN18</td>
<td>Initiatives to reduce greenhouse gas emissions and reductions achieved.</td>
<td>45-46</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN19</td>
<td>Emissions of ozone-depleting substances by weight.</td>
<td>45</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LA1</td>
<td>Total workforce by employment type, employment contract type and region.</td>
<td>29</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA2</td>
<td>Total number and rate of employee turnover by age group, gender and region.</td>
<td>29</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA3</td>
<td>Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.</td>
<td>32</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA4</td>
<td>Percentage of employees covered by collective bargaining agreements.</td>
<td>29</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA5</td>
<td>Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.</td>
<td>29</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA6</td>
<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.</td>
<td>33</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA7</td>
<td>Rates of injury, occupational disease, lost days, and absenteeism, and amount of work-related fatalities by region.</td>
<td>33</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA8</td>
<td>Education, training, counseling, prevention and risk-control programme in place to assist workforce members, their families, or community members regarding serious diseases.</td>
<td>34</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA9</td>
<td>Health and safety topics covered in formal agreements with trade unions.</td>
<td>30</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA10</td>
<td>Average hours of training per year per employee by employee category.</td>
<td>30</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA11</td>
<td>Programme for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</td>
<td>30-31</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA12</td>
<td>Percentage of employees receiving regular performance and career development reviews.</td>
<td>30</td>
<td>Reported</td>
<td></td>
</tr>
</tbody>
</table>

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<th>Extent of Reporting</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EN20</td>
<td>NOx, SOx and other significant air emissions by type and weight.</td>
<td>44</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN21</td>
<td>Total water discharge by quality and destination.</td>
<td>46-49</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN22</td>
<td>Total weight of waste by type and disposal method.</td>
<td>48-49</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN23</td>
<td>Total number and volume of significant spills.</td>
<td>48-49</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN24</td>
<td>Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I (OdD and III), and percentage of transported waste shipped internationally.</td>
<td>---</td>
<td>Reported</td>
<td>None of our operations are involved in the transportation of goods or materials deemed hazardous under the Basel Convention.</td>
</tr>
<tr>
<td>EN25</td>
<td>Identify, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges and spills.</td>
<td>---</td>
<td>Fully</td>
<td>We do not have any significant impact on biodiversity.</td>
</tr>
<tr>
<td>EN26</td>
<td>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.</td>
<td>50-51</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN27</td>
<td>Percentage of products sold and their packaging materials that are recycled by category.</td>
<td>50-51</td>
<td>Fully</td>
<td>Being involved in the cement sector, the opportunities for us to reclaim the packaging material are minimal.</td>
</tr>
<tr>
<td>EN28</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</td>
<td>40</td>
<td>Reported</td>
<td>There were no significant fines or non-monetary sanctions levied on us for non-compliance with laws and regulations.</td>
</tr>
<tr>
<td>EN29</td>
<td>Significant environmental impacts of transporting products and other goods and materials used for the organisations' operations and transporting members of the workforce.</td>
<td>51</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>EN30</td>
<td>Total environmental protection expenditures and investments by type.</td>
<td>49</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td><strong>Labor and Decent Work</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>LA1</td>
<td>Total workforce by employment type, employment contract type and region.</td>
<td>29</td>
<td>Reported</td>
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</tr>
<tr>
<td>LA2</td>
<td>Total number and rate of employee turnover by age group, gender region.</td>
<td>29</td>
<td>Reported</td>
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<tr>
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<td>32</td>
<td>Reported</td>
<td></td>
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<tr>
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<td>Percentage of employees covered by collective bargaining agreements.</td>
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<td>Reported</td>
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<tr>
<td>LA5</td>
<td>Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.</td>
<td>29</td>
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<tr>
<td>LA6</td>
<td>Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.</td>
<td>33</td>
<td>Reported</td>
<td></td>
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<tr>
<td>LA7</td>
<td>Rates of injury, occupational disease, lost days, and absenteeism, and amount of work-related fatalities by region.</td>
<td>33</td>
<td>Reported</td>
<td></td>
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<tr>
<td>LA8</td>
<td>Education, training, counseling, prevention and risk-control programme in place to assist workforce members, their families, or community members regarding serious diseases.</td>
<td>34</td>
<td>Reported</td>
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<tr>
<td>LA9</td>
<td>Health and safety topics covered in formal agreements with trade unions.</td>
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<td>Average hours of training per year per employee by employee category.</td>
<td>30</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA11</td>
<td>Programme for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.</td>
<td>30-31</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>LA12</td>
<td>Percentage of employees receiving regular performance and career development reviews.</td>
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#### Social: Product Responsibility

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<tr>
<td>PR1</td>
<td>Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.</td>
<td>51</td>
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#### Social: Society

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<td>SO1</td>
<td>Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.</td>
<td>37</td>
<td>Reported</td>
<td></td>
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<td>SO2</td>
<td>Percentage and total number of business units analysed for risks related to corruption.</td>
<td>17</td>
<td>Reported</td>
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<tr>
<td>SO3</td>
<td>Percentage of employees trained in organisation’s anti-corruption policies and procedures.</td>
<td>31</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>SO4</td>
<td>Actions taken in response to incidents of corruption.</td>
<td>---</td>
<td>Reported</td>
<td>No incidents of corruption were reported during the reporting period.</td>
</tr>
<tr>
<td>SO5</td>
<td>Public policy positions and participation in public policy development and lobbying.</td>
<td>20-21</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>SO6</td>
<td>Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.</td>
<td>---</td>
<td>Reported</td>
<td>We did not make any financial / in-kind contribution to political parties or related institutions.</td>
</tr>
<tr>
<td>SO7</td>
<td>Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.</td>
<td>---</td>
<td>Reported</td>
<td>None identified</td>
</tr>
<tr>
<td>SO8</td>
<td>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.</td>
<td>---</td>
<td>Reported</td>
<td>None identified</td>
</tr>
</tbody>
</table>

#### Social: Human Rights

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</tr>
</thead>
<tbody>
<tr>
<td>HR1</td>
<td>Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.</td>
<td>22</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>HR2</td>
<td>Percentage of significant suppliers and contractors that have undergone human rights screening on human rights and actions taken.</td>
<td>34</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>HR3</td>
<td>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.</td>
<td>34</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>HR4</td>
<td>Total number of incidents of discrimination and actions taken.</td>
<td>---</td>
<td>Reported / None</td>
<td></td>
</tr>
<tr>
<td>HR5</td>
<td>Operations identified in which the right to freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.</td>
<td>---</td>
<td>Reported / None</td>
<td></td>
</tr>
<tr>
<td>HR6</td>
<td>Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.</td>
<td>---</td>
<td>Reported / None</td>
<td></td>
</tr>
<tr>
<td>HR7</td>
<td>Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.</td>
<td>---</td>
<td>Reported / None</td>
<td></td>
</tr>
<tr>
<td>HR8</td>
<td>Percentage of security personnel trained in organisation’s policies or procedures concerning aspects of human rights that are relevant to operations.</td>
<td>34</td>
<td>Reported</td>
<td></td>
</tr>
<tr>
<td>HR9</td>
<td>Total number of incidents of violations involving rights of indigenous people and actions taken.</td>
<td>---</td>
<td>Reported</td>
<td>No incidents of violations involving rights of indigenous people were reported.</td>
</tr>
</tbody>
</table>

#### Disclosure Reporting

<table>
<thead>
<tr>
<th>Profile Disclosure</th>
<th>Description</th>
<th>Reference</th>
<th>Extent of Reporting</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA13</td>
<td>Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.</td>
<td>---</td>
<td>AR 66, 67</td>
<td></td>
</tr>
<tr>
<td>LA14</td>
<td>Ratio of basic salary of men to women by employee category.</td>
<td>30</td>
<td>Reported</td>
<td></td>
</tr>
</tbody>
</table>
Reporting and assurance criteria

What was included in the scope of our assurance engagement?
The assurance is provided for the data and information under the limited assurance scope. We have covered all the core environment and social indicators and carried out site visits to Beawar and Ras.

We have not been engaged to provide assurance over any prior year data or information presented in the Report.

Which assurance standards did we use?
We conducted our work in accordance with ISAE 3000. We conducted our engagement in compliance with the requirements of the ISAE Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence.

Specific limitations to our work included the following:
- We have not been engaged to:
  - Determine which, if any, recommendations should be implemented
  - Act on behalf of management in reporting to the Board of Directors, or Audit Committee
  - Develop / prepare source documents on transactions

What are our conclusions?
Based on our review, nothing has come to our attention that would cause us not to believe that the Report presents the Company’s sustainability performance covering its three operating sites and the Report includes statements and claims that reflect Company’s achievements and challenges, as supported by both documentary evidences and internal records.

Review of reporting process
- Shree Cement is signatory to Cement Sustainability Initiative and has clearly defined procedures to monitor key performance indicators, especially GHG emissions, health and safety, and data is reported as per CII protocol.
- Shree Cement has identified climate change as a material issue and has been working towards reducing its carbon footprints through implementation of clean technologies and use of renewable energy sources.
- A more comprehensive approach to stakeholder engagement must be undertaken to indicate how the feedback from stakeholders helped define Report contents.
- Review the sustainability governance process
  - A formal structure has been developed for sustainability management at the corporate level and at the business level. However, Shree Cement may consider appointing a full time Sustainability Team at business unit level to coordinate with internal and external stakeholders.
- Review of data / information management
  - There are systems in place to capture data against key performance indicators.
  - Sustainability team aggregates this information at Beawar unit and the data is fairly stated in the Report.
- “Third Party Application Level Check” with the 2006 GRI G3 guidelines
  - The G3 guidelines differentiate between a “Third Party Application Level Check” and “External Assurance on the Self Declaration Level”. “A +” may only be applied if the required number of protocol indicators for “the self declaration level has been assured”. Our engagement included assurance relating to only environment and social protocol indicators, none of which related to the economic set. As indicated in the GRI content Index, requirements of a self declaration application level A+ are met.

What did we do to reach our conclusions?
Our procedures selected depend on our judgment, including the assessment of the risks of material misstatements of selected performance indicators and disclosures and our assessment of the internal controls relevant to the Company’s preparation and presentation of the sustainability information in the 2008-09 Report. Our procedures were designed to gather sufficient appropriate evidence to determine that the selected performance information is not materially misstated. Our work included the following procedures:
- Testing of process and systems at corporate level and business unit level to generate, collate, aggregate and report the sustainable development performance indicators for the year
- Visits to two sites namely Beawar and Ras
- Conducting interviews with management at the site level

A review of draft of the Report to ensure there are no disclosures that are misrepresented or inconsistent with our findings

Key Observations
Without affecting the conclusions presented above, we would like to draw the readers’ attention to the following:
- Shree Cement has processes in place for determining materiality however, it can be strengthened by increasing involvement of external stakeholders
- Shree Cement has a sustainability team to drive sustainability agenda within the organisation. Going forward, Shree Cement can expand the scope to include its value chain
- Data management is robust and the progress against key performance indicators is being monitored on a monthly basis
- Dialogue with a range of stakeholders has improved over the past year. Shree Cement may consider developing a program for collecting all relevant stakeholder input as part of the sustainability management

Responsibilities
The Management of Shree Cement is responsible for preparing the Report and the information and statements within it. The Board is responsible for identification of stakeholders and material issues, for defining commitments with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived. Our responsibility is to express our conclusions in relation to the above scope. We conducted our engagement with a multidisciplinary team including specialists in ISAE 3000, stakeholder engagement, auditing environmental, social and financial information and with experience in similar engagements in the cement sector.

This report is made solely to Shree Cement in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Shree Cement those matters we have been engaged for. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Shree Cement for our work, for this Report, or for the conclusions we have reached.
OUR PRESENCE IN INDIA

Company Name: Shree Cement Limited
Headquarters: 21, Strand Road, Kolkata - 700001 India
Registered Office: Bangur Nagar, Beawar, Dist. Ajmer - 305901 Rajasthan, India
Country of Operation: India
Manufacturing Locations:
- Bangur Nagar, Beawar, Rajasthan, India
- Bangur City, Ras, Rajasthan, India
- Khushkhera, Dist. Bhiwadi, Rajasthan, India
- Ras, Rajasthan, India

Mining Areas on Lease:
- 856.80 Hectare in Beawar
- 750.00 Hectare in Ras

Markets Served: Northern India
Market Share: 17.9% in Northern India (As on 31st March, 2009)
Nature of Ownership: Public Limited Company

Shree Ultra is one of the earliest branding efforts of the Company that continues to be a winner. The brand has two variants, Shree Ultra OPC and Shree Ultra Jung Rodhak Cement. Shree Ultra Jung Rodhak was a result of our massive R&D efforts to meet the huge customer demand for cement that fights rusting of bars and lasts long. Over the years, the Shree Ultra brand, especially Shree Ultra Jung Rodhak, has been finding new customers and segments because of its unique rust-resistant property and a sustained advertising and promotional campaign that communicate it effectively.

Shree Ultra is the latest brand from the Shree stable. The brand has been positioned with the tag-line “Make your home rock strong”. The reason behind the positioning was that the limestone used for manufacturing the brand was as hard as rock. Rockstrong was developed after intense R&D efforts to develop super strong cement capable of battling the elements of nature without sacrificing convenience, say, by way of too long setting time. The brand’s superior compressive strength allows the building of heavy duty structures like high-rises, dams, etc.

The technical specifications of all these brands and our quality can be accessed on our website: www.shreecementltd.com

COMPANY DETAILS

Board of Directors
- Shri B.G. Bangur - Executive Chairman
- Shri H.M. Bangur - Managing Director
- Shri R.L. Gaggar
- Shri O.P. Setia
- Shri Shrikant Somany

Dr. Alok Hussain
Dr. Y.K. Agnihotri
Shri A. Ghosh
Shri M.K. Singh - Executive Director

Management Team
- Shri Prashant Bangur - Executive Jt. President
- Shri Ashok Bhandari - Chief Finance Officer
- Shri Dewakar Piyal - Jt. President (Marketing)
- Shri M.M. Sharma - Sr. Vice President (Project)
- Shri P.K. Tripathi - Sr. Vice President (Works)
- Shri P.N. Chaturvedi - Sr. Vice President (Works)
- Shri Viray Wadhwa - Sr. Vice President (Marketing)
- Shri C.R. Bhati - Vice President (Business Development)
- Shri Gopal Daga - Vice President (Project)
- Shri K.C. Gandhi - Vice President (Materials)
- Shri Sanjay Mehta - Vice President (Commercial)
- Shri Ramakant Sharma - Vice President (PR)
- Shri P.C. Jhawar - Jt. Vice President (PA)
- Shri S.C. Suthar - Jt. Vice President (Mines)
- Shri A.K. Singh - Jt. Vice President (E&M)
- Shri C.S. Sharma - Jt. Vice President (Project)
- Shri Avinash Khurana - Jt. Vice President (Comms.)
- Shri N.C. Jain - Asst. Vice President (Finance)
- Shri S.K. Soni - Asst. Vice President (Sales Accounts)
- Shri R.K. Agarwal - Asst. Vice President (Marketing)
- Shri R.K. Mansawal - Asst. Vice President (Process)
- Shri G.L. Nandwana - Asst. Vice President (Mines)
- Shri Himal Singh - Asst. Vice President (Packing Plant)
- Shri N.K. Rai - Asst. Vice President (Packing Plant)
- Shri Gajendra Jain - Asst. Vice President (Power Project)
- Shri S.L. Bhanwarlal - Asst. Vice President (Legal)
- Shri Neel Bajaj - Asst. Vice President (Marketing)
- Shri Himanshu Dewan - Asst. Vice President (Marketing)
- Shri R.C. Bohra - Asst. Vice President (PA&A)
- Shri S.R. Singhvi - Asst. Vice President (HRD)

Company Secretary
Shri S.S. Khandekar

Bankers
State Bank of Bikaner & Jaipur
State Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
Axis Bank Ltd.
BNP Paribas
Standard Chartered Bank

HSBC

Advertising Consultant
Shri Alyque Padamsee

Auditors
M/s. B.R. Maheshwari & Co., New Delhi

Cost Auditors
M/s. K.G. Goyal & Associates, Jaipur

Internal Auditors
M/s. PK. Ajmera & Co., Ahmedabad

Registered Office
Bangur Nagar, Beawar - 305 901, Distt. Ajmer, Rajasthan
Phone: (91) 1462-228101-06, Fax: (91) 1462-228117/19
Toll free no.: 1800 180 6003-04
website: www.shreecementltd.com
email: sclcal@shreecementltd.com

Corporate Office
21, Strand Road, Kolkata - 700 001
Phone: (91) 33-22390601-05
Fax: (91) 33-22434226
email: sclbwr@shreecementltd.com

The technical specifications of all these brands and our quality can be accessed on our website: www.shreecementltd.com
Feedback form for Shree CSR Report 2008-09

1. Quality of content covered in the Report
   □ a) High  □ b) Medium  □ c) Low

2. Clarity of information provided in the Report
   □ a) High  □ b) Medium  □ c) Low

3. The quality of design and layout of the Report
   □ a) Good  □ b) Average  □ c) Poor

4. Suggest what other issues should be covered in the Report

5. Suggest the areas, if any, where more details should be reported

Name:

Designation:

Organisation:

Contact Address:

E-mail:

Please mail your feedback to:
Rakesh Bhargava
Chief Climate Officer
Shree Cement Limited,
Bangur Nagar, Post Box No. 33,
Beawar - 305 901, District: Ajmer, Rajasthan, India
E-mail: bhargavr@shreecementltd.com

Your feedback is very valuable to us and will help us improve our climate.
SOCIAL ACCOUNTABILITY POLICY
To operate in a socially responsible manner and focus on continual improvement of workplace conditions by:
- Conforming to all the requirements of SA 8000 standard
- Respecting the international instruments for Social Accountability and complying with all applicable laws

ENVIRONMENT POLICY
To ensure:
- Clean, green and healthy environment
- Efficient use of natural resources, energy, plant and equipment
- Reduction in emissions, noise, waste and green house gases
- Continual improvement in environment management
- Compliance of relevant environmental legislations

ENERGY POLICY
To reduce to the maximum extent possible the consumption of energy without impairing productivity which should help in:
- Increase in the profitability of the Company
- Conservation of energy
- Reduction in environmental pollution at energy producing areas
Since energy is the Blood of the Industry, it is the responsibility of all of us to utilise energy effectively and efficiently.

“Energy Saved Is Energy Produced”

HUMAN RESOURCE POLICY
We at Shree Cement are committed to:
- Empower people
- Honour individuality of every employee
- Non-discrimination in recruitment process
- Develop competency
- Employees shall be given enough opportunity for betterment
- None of the person below the age of 18 years shall be engaged to work
- Incidence of sexual harassment shall be viewed seriously
- Statute enacted shall be honoured in letter & spirit & standard labour practices shall be followed. Every employee shall be accountable to the law of the land & is expected to follow the same without any deviation
- Management will appreciate observance of business ethics & professional code of conduct
- To follow safety & health, quality, environment, energy policy.