



Innovative to Survive and Collaborative to Thrive

In 2004-05, Shree Cement Limited (SCL) published its 1st sustainability report in accordance with the reporting framework of the Global Reporting Initiative. Over the years, we have always strived to be a thought leader in the broad strategic planning for sustainability, thereby accomplishing various milestones. This year 2019 marks the culmination of our 15-year sustainability legacy reflecting our accelerated performance achieved through development of a focused strategy and operational excellence. The key to our excellent performance is due to the incorporation of ingenious sustainable thinking attitude in all our operations. As we are progressing towards 'Expanding the Sustainability Horizon', we manifest our commitment to embed sustainability not just in our operations but going beyond and sowing the seeds of sustainability across our value chain. This report highlights our efforts towards 'Expanding the Sustainability Horizon' across our operations and is in alignment with the GRI Standards released on 19th October, 2016.

Reporting as per GRI standards: Comprehensive Option



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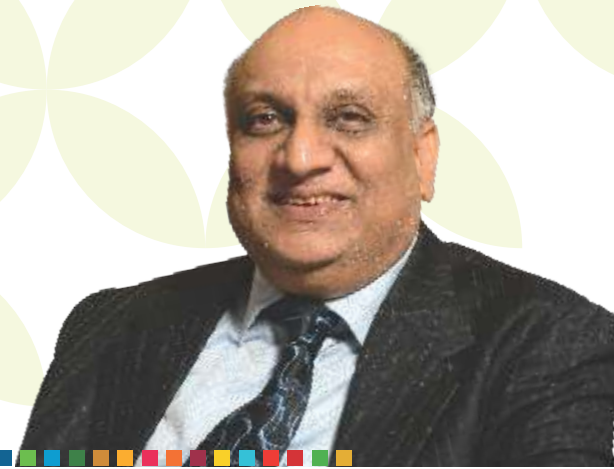
B. G. BANGUR
Chairman

For this reason, Shree Cement has chosen a path that involves constantly integrating sustainability in our organisation's functions and in the entire cement manufacturing life cycle.

While COVID-19 has brought unprecedented challenges for public health and for the global economy in the last few months, we take great pride in sharing the story of our resilience in the face of the crisis. I am proud that Shree Cement has achieved the highest ever annual turnover, annual profit and net worth in FY20 – a feat made possible through the spirit of innovation and collaboration of our people, which can overcome any challenge thrown our way.

We are also cognizant of what could befall the business if we fail to address environmental and social risks such as climate change, biodiversity loss or growing inequality. Addressing these risks requires us to think differently and to adopt a long-term view of sustainable growth. For this reason, Shree Cement has chosen a path that involves constantly integrating sustainability in our organisation's functions and in the entire cement manufacturing life cycle. This requires collaboration across industries, government bodies, civil societies and academia to develop innovative solutions for cement industry. Considering this, the theme for our 16th Corporate Sustainability Report is 'Innovative to Survive, Collaborative to Thrive'.

This report highlights our innovative and collaborative initiatives to enhance our sustainability, even as we expand our operational footprint. We extend our heartfelt gratitude to our people, suppliers and distributors who worked relentlessly in these turbulent times of pandemic for ensuring a sustained growth.



H. M. BANGUR
Managing Director

What happens as a result is that a huge number of minor innovations on a continual basis leads to meaningful improvements on a sustainable basis.

By our experience as a cement manufacturer, we have learnt that as the time changes new customers evolve with varied expectations. With aspiration levels rising, the customers are moving up from demanding basic product functionalities to asking for the very best, a company which is innovative and agile would be better placed to transform its offerings to suit the evolving requirement. The choice to react proactively and showcase its ability to imbibe change rests with the company only.

It was just not our volume growth, which has brought us where we are today, it was also our instinct to innovate our existing process and collaborate with our stakeholders, which enabled us to achieve a holistic growth. Even if our current process/results may be among the best in the industry, we have a habit of questioning the existing and finding ways to further improve. What happens as a result is that a huge number of minor innovations on a continual basis leads to meaningful improvements on a sustainable basis.

The spirit of innovation is reflected in our actions. Leveraging the power of digitisation, we are now aiming at time reduction in our services. We aim at expedited product delivery to our customer while focussing on technologies for reducing operational inefficiencies in our system. In an endeavour of making Shree Cement a digitally enabled cement company, we have deployed techniques such as automatic bag counting systems, robotic process automation, automation in logistic for dispatch with loading and unloading of clinker & cement and many others. These system are helping us in obtaining higher degree of customer satisfaction and also being perceived well by our supply chain partners.

Our ongoing quest to achieve energy security in our operations is resulting in to investments in renewable technologies. The current renewable energy footprints in our operations accounts for 45% of total energy consumption. Going further we see ourselves quite secured on energy front as we are committed to invest further in renewable technologies (waste heat recovery, wind and solar power).

It is the result of our unwavering focus on innovation that we have achieved double digit growth (CAGR) over the past decade in our cement production capacity and revenue, while staying profitable and enhancing our sustainability handprint. Through innovation, we remain committed to our vision:

Lead in creating prosperity and happiness for all stakeholders through innovation and sustainable practices.



PRASHANT BANGUR
Joint Managing Director

There is a saying - "If you want to run fast, run alone. If you want to run far, run together." Sustainability, by its very nature, requires a long-term view and therefore we have imbibed in our company a spirit of collaboration that keeps us going.

We, at Shree Cement, utilise and nurture collaborative opportunities with industries, government bodies, civil societies and our customers. Some examples of this include the following:

Inter-industry collaboration: We are constantly improving our partnerships with other industries in utilising their waste in our processes. By virtue of this, we have been able to successfully utilise wastes such as fly ash, GBFS, spent sulphuric acid, paint sludge, etc. Beside we also utilise synthetic gypsum and chemical gypsum in our operations.

Intra-industry collaboration: For the attainment of Sustainable Development Goals (SDGs) we collaborated with our peers in cement sector in developing the first country-specific sectoral roadmap based on the WBCSD's SDG Sector Roadmap Guidelines framework. We believe that the SDG Roadmap will play a crucial role in convening the cement industry for achievement of the SDGs by 2030.

Besides, Shree Cement is a member of Global Cement & Concrete Association (GCCA), which is an international industry association having a purpose to facilitate collaborations among the cement industry members for accelerating sustainable development agenda.

Inter-departmental collaboration: We have been able to deliver excellence to our stakeholders by our inter-departmental collaborations and partnerships. Improving efficiencies of our waste heat recovery based green power plants, utilisation of alternative fuels and raw materials in our operations, production and utilisation of synthetic gypsum are a few examples where our inter-departmental collaboration have brought results par excellence.

Local community partnerships: The society wherein we operate is one of our key stakeholders and also our strategic partners of success. It is a matter of management attention and integral to our core business practices. We envisage a community around us where collaboration and partnerships are internalised.

Moreover, in these troubled times of COVID-19 outbreak, Shree Cement worked closely with the local communities to fight against the pandemic. We imparted stitching skills to local women and together manufactured high quality double layered masks. These were distributed to nearby communities for their safety against COVID-19 and at the same time generated meaningful livelihood for women.

As a recognition of our efforts, we were conferred the 'Corporate Governance and Sustainability Vision Awards 2020', 'Global Sustainability Award 2019' and 'State CSR Excellence award 2019'. However, there is still a long way to go to achieve the desired state of sustainability and we need to keep up the collaboration momentum to keep thriving.

We believe that the SDG Roadmap will play a crucial role in convening the cement industry for achievement of the SDGs by 2030.



P. N. CHHANGANI
Whole-Time Director

Since SCL's inception, we have been constantly striving to excel in the arena of sustainability, leveraging on our holistic strategic planning to maintain our leadership. We started publishing our annual sustainability report in FY2004-05 and were the first Cement Company in India to do so. Since then we have numerous accolades under our name. We have achieved one of the highest levels of installed capacity of waste heat recovery systems in the Indian Cement Industry. Our efforts for utilising AFR (Alternative Fuel and Raw Material) in our operations have been constant and consistent. We have also focused our attention to obtain maximum power for cement production from renewable sources.

However, the environmental and social challenges of our times have accentuated to a level where collaborative and innovative solutions need to be leveraged. For supporting global innovation with actionable research, we have become a member of Innovandi by GCCA. It is a global endeavour that brings together cement and concrete manufacturers, admixture specialists, equipment and technology suppliers with 40 scientific institutions for supporting climate action. We have also adopted Science Based Targets for bringing down our GHG footprints and contribute to a zero-carbon economy, boost innovation and drive sustainable growth. Besides, we have continued focus to reduce our clinker to cement ratio and increase the production of blended cement.

At Shree, there is great deal of freedom of work given to our employees to pursue innovations and improvements in a manner they want and implement the same without having fear of any failure. As a result of this we have bagged numerous achievements on the operational front, which distinguishes us from others. We have bagged 3 patents for innovations we have done in our Synthetic Gypsum Plants and Waste Heat Recovery plants.

For improving performance of our product and for ensuring that our customers and dealers get quicker solutions to their queries, we have established concrete labs in Jaipur and Raipur.

During the year, we had sustained attention on helping communities around to get empowered and prosper. Our CSR programs focused on Healthcare, Education, Livelihood & Income Generation, Rural Infrastructure Development, Women Empowerment & Skill Development. In FY19-20, an amount of ₹40.47 Crore was spent on various CSR Initiatives of the Company.

We are confident, with the renewed focus on innovation and collaboration we are putting our best foot forward for continued and sustained value creation for our stakeholders.

We have also adopted Science Based Targets for bringing down our GHG footprints and contribute to a zero-carbon economy, boost innovation and drive sustainable growth.



Among the top three Cement Groups in India (in terms of cement capacity)



5-star rating for Ras Limestone Mines and 4-star rating for Beawar Limestone Mines for Sustainable Development. Formulated by Indian Bureau of Mines, Ministry of Mines, GOI



First company in India to utilise 100% petcoke in its cement manufacturing



Recipient of 4 star rating in Cement Industry Benchmarking from Whitehopeleman, UK.



Among the Top 50 listed companies in India in terms of market capitalisation as on 31st March, 2020



Among Top 100 Best Places to Work and Top Five in the Manufacturing and Production Sector by 'Great Place to Work Institute' for 2017



Largest WHR-based power capacity in the global cement industry, excluding China

Reporting Approach



GRI 102-50, 102-54

Shree Cement Ltd. (SCL) is pleased to present its 16th Sustainability Report for the financial year 2019-20 (1st April 2019 to 31st March 2020). This report has been prepared in accordance with Global Reporting Initiatives (GRI) Standards: Comprehensive option. Ernst & Young Associates LLP has carried out independent third-party assurance for the information contained in the report, as per the assurance statement on page 69.



Our Approach

GRI 102-52,102-56

Sustainability report, titled 'Innovative to Survive, Collaborative to Thrive' showcases our efforts to build value for our stakeholders across the triple bottom line by being innovative in our operations and collaborative in our business approach. We adhere to the principle of materiality and to that end, we provide all stakeholders with information on the sustainability parameters most pertinent to them and to our business. This year we undertook a re-evaluation of our materiality assessment and stakeholder engagement process. The goal was to determine the impact that significant environmental, social, and governance-related issues have had on our financial performance. Our current materiality assessment, outlined later in this document, reflects the relevant sustainability issues we address in the report.

Reporting Boundary & Scope

GRI 102-51

Our reporting boundary for FY2019-20 differs minimally from the reporting boundary described in the previous sustainability report for FY2018-19. The scope of reporting includes 4 integrated plants (including captive mines and power plants) at Ras and Beawar in Rajasthan; Baloda Bazar in Chhattisgarh; Kodla in Karnataka as well as 8 grinding units (GUs) at Panipat in Haryana; Suratgarh, Jobner and Khushkhera in Rajasthan; Roorkee in Uttarakhand; Bulandshahr in Uttar Pradesh; Aurangabad in Bihar and 1 grinding unit in Jharkhand. In the reporting period FY2019-20, we have added our new integrated unit

at Kodla, Karnataka, and new cement grinding unit at Jharkhand. While we have reported our recent and first overseas acquisition of Union Cement Company (UCC), UAE, its associated sustainability disclosures are excluded in this reporting year, as we have recently started with its operations. Besides these additions, details about the scope, aspect boundaries and organisation structure remain unchanged.

We employ comprehensive data management system for collecting, analysing and managing data for our sustainability report. With an aim to strengthen our reporting practice and comply with the internationally agreed disclosures, we prepare our report in accordance with the latest guidelines of the internationally recognised GRI. Also, it is of supreme importance to us that the data that is collated and reported from our sites is consistent. To ensure the same, we have employed systems and practices for regular and reliable tracking of various sustainability performance data. The data published in our sustainability report is collected through various internal stakeholders for inclusion in sustainability report which may or may not form part of Annual Report. Our direct and indirect emissions are calculated using the Intergovernmental Panel on Climate Change (IPCC) and Central Electricity Authority (CEA) published emission factors.

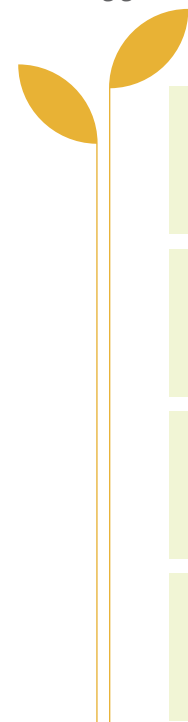
Suggestions and Feedback

GRI 102-53

We continuously strive to disclose relevant information to our stakeholders and welcome any feedback on this report. Please direct your comments and queries to sustainability@shreecement.com

Our Alignment with Global Sustainability Reporting Principles

SCL has been proactive in aligning its sustainability performance with the following globally accepted methodologies, benchmarks and guidelines:



International Finance Corporation (IFC) Performance Indicators and Monitoring

United Nations Global Compact (UNGC) Principles on Environment, Human Rights, Labor Practices and Anti-Corruption

National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of business released by the Ministry of Corporate Affairs, Government of India

Global Cement and Concrete Association (GCCA) Sustainability Charter and Guidelines

In addition to Sustainability Report, we also disclose our energy and emissions performance to various globally recognised external organisations, including Carbon Disclosure Project (CDP), Dow Jones Sustainability Index (DJSI), etc.

Shree Cement on a Sustainable Foundation

GRI 102-16

One cannot build a strong structure without a robust foundation. Similarly, at SCL, we believe that for thriving in the longer run, we must stand on strong foundations of our rich philosophy, values and vision. We ensure that our decisions are led by a robust and comprehensive risk management framework monitored by the Board of Directors. Sustainability and business risks are two sides of the same coin, which are considered collectively for developing action plans for relevant emerging issues across business.





THE SHREE PHILOPHY

Aah No Bhadra: Kratavo Yantu Vishwatah

“Let noble thoughts come to us from all over the World.” - Rigveda

At Shree, we believe in imbibing and extending these noble thoughts across all our functions.

We call it The Shree Philosophy, which makes us an organisation that is



- Quality and Energy Conscious
- Customer Responsive



- Socially Responsive
- Investor Rewarding



- Employee and Environment-Friendly
- Sustainable Organisation

OUR VISION

Lead in creating prosperity and happiness for all stakeholders through innovation and sustainable practices.

As an organisation, we spread happiness amongst everyone connected with our ecosystem and create wealth for investors, employees, business associates and communities where we operate by experimenting and implementing new ideas for improving efficiencies and maximising the ratio of output product to input resources.

OUR GUIDING PRINCIPLES

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



Passion for Efficiency

Ensuring optimum outcomes in everything we do at work

Achieve our targets consistently with minimal costs



Trust and Support

Believing in each other with mutual respect

Promoting honest and open communication

Building an environment of freedom with responsibility



Creativity and Innovation

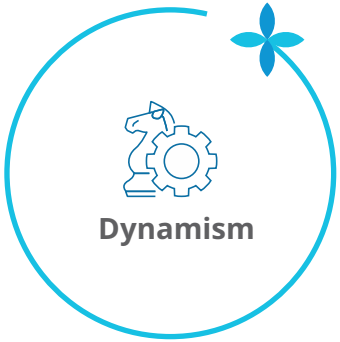
Experimenting with new ideas to improve continuously

Striving to take risk for adding value to the business



Simplify

Extracting the essence and keep communication simple



Dynamism

Prioritising opportunities and challenges to enable swift decision making

Being flexible in our approach to find effective business solutions



Care

Being compassionate towards our communities and our environment

Working together as one family; connect personally with each other

Demonstrating humane touch in the way we work

Sustainability Journey

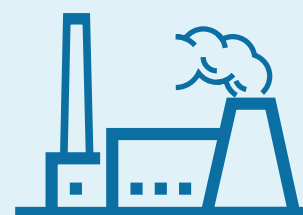
Since SCL's inception, we have been constantly striving to excel in the arena of sustainability, leveraging on our holistic strategic planning to maintain our leadership.



We began disclosing our annual sustainability performance in FY2004-05, thereby becoming the **first Cement Company in India** to publish sustainability report.



In 2008, we commissioned our **first Waste Heat Recovery Power Plant** in Beawar. Since then we have become the leading cement manufacturer to utilise Waste Heat Recovery Systems for meeting our energy needs.



In 2009, we became the **first Indian cement company** to manufacture synthetic gypsum.



In the past decade we have progressively expanded our **renewable energy generation** apart from Waste Heat Recovery Systems

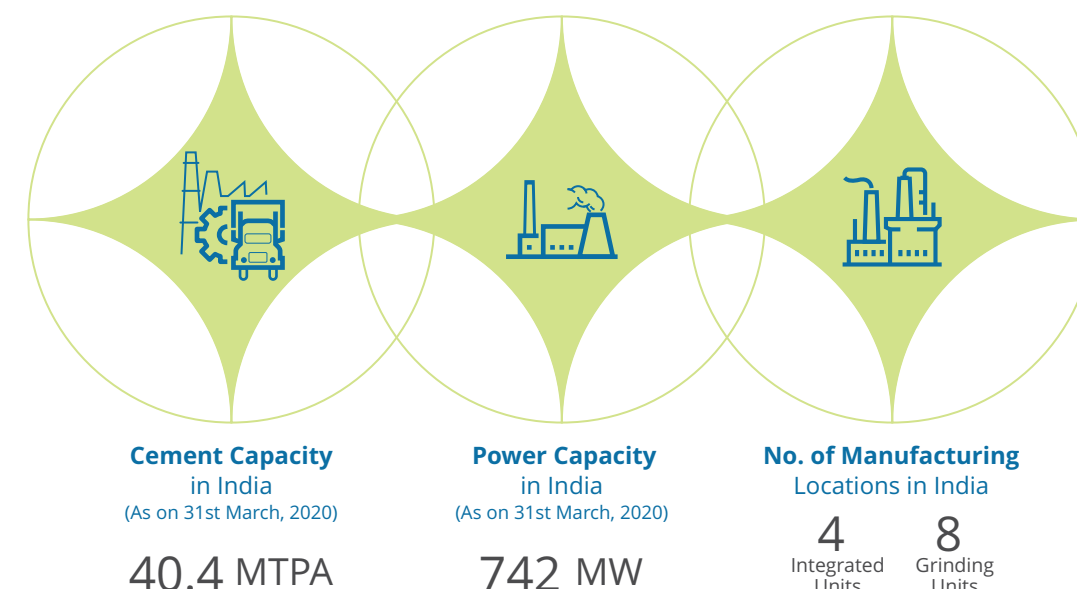
Last year, we committed to **Science Based Targets** to align our actions so that we meet the goals which India has committed in Paris Agreement.



Shree Cement Organisation and Strategy

GRI 102-1, 102-2, 102-3, 102-5, 102-7, 102-9, 102-10

SCL is the third largest cement group in the country, in terms of cement capacity, headquartered at Kolkata, India. We manufacture Ordinary Portland Cement (OPC), Pozzolana Portland Cement (PPC), Pozzolana Slag Cement (PSC) and Composite Cement (CC). For meeting our Energy Requirements we have a power portfolio of 742MW, which includes 234 MW of renewable energy power plants.



SCL has following Subsidiaries:

Wholly owned Subsidiaries

Shree Global FZE, Jebel Ali Free Zone, Emirate of Dubai, U.A.E.

Raipur Handling and Infrastructure Private Limited, Baloda Bazar, Chhattisgarh

Step-down Subsidiaries

Shree Enterprises Management Ltd, Dubai International Financial Centre, Emirate of Dubai, U.A.E.

Shree International Holding Ltd, Dubai International Financial Centre, Emirate of Dubai, U.A.E.

Union Cement Company, PrJSC, Emirate of Ras Al Khaimah, U.A.E.

Union Cement Norcem Co. Ltd. LLC, Emirate of Ras Al Khaimah, U.A.E.

According to Indian Brand Equity Foundation, cement demand is expected to grow at CAGR of 5.68% between FY16 and FY22, driven by Government's focus on infrastructure and housing for all by 2022. Since inception we have expanded our production capacity from 0.6 Million Tons Per Annum (MTPA) in 1985 to 40.4 MTPA in 2019 in India. As on 31st March, 2020, SCL has emerged as one of the top 50 companies in India in terms of market capitalisation, leading to our induction in the Nifty 50 Index in the reporting period.

Expansion Initiatives

During this reporting year, we completed Clinker Grinding Unit having capacity of 2.5 MTPA at Seraikela- Kharsawan District in Jharkhand. In addition, we have the following on-going projects:

Clinker grinding unit of 3.0 MTPA at Athagarh Tehsil in Cuttack District of Odisha which is expected to be completed in FY20-21.

Clinker Grinding Unit of 3.0 MTPA at Patas in Pune District of Maharashtra which is scheduled to be completed in FY20-21.

As we are expanding our footprint we pledge to incorporate sustainability across our operations. With a net worth of ₹129.36 billion as on 31st March, 2020, we strive to create a positive impact on our people, communities, governments, shareholders, joint venture partners, customers and suppliers.

Our Brands

SCL is known for diversified brand portfolio and innovation in marketing by creating new segments, quick rollout of distribution networks close to market. By focusing on changing trends in customer requirements, SCL has constantly evolved its offering to delight customers in the most satisfying manner.

Deeply rooted in our value system is our promise of quality. From the very beginning all our products have consistently delivered on quality assurance made to customers. By fulfilling promise of quality, our brands Shree Jung Rodhak Cement, Bangur Cement and Rockstrong Cement have positioned us as market leaders in the Indian states of Rajasthan, Delhi, Haryana, Uttarakhand, and West Uttar Pradesh. We have recently launched 2 premium high-quality brands 'Roofon' and 'Bangur Power' to cater to the demands of quality conscious consumers.

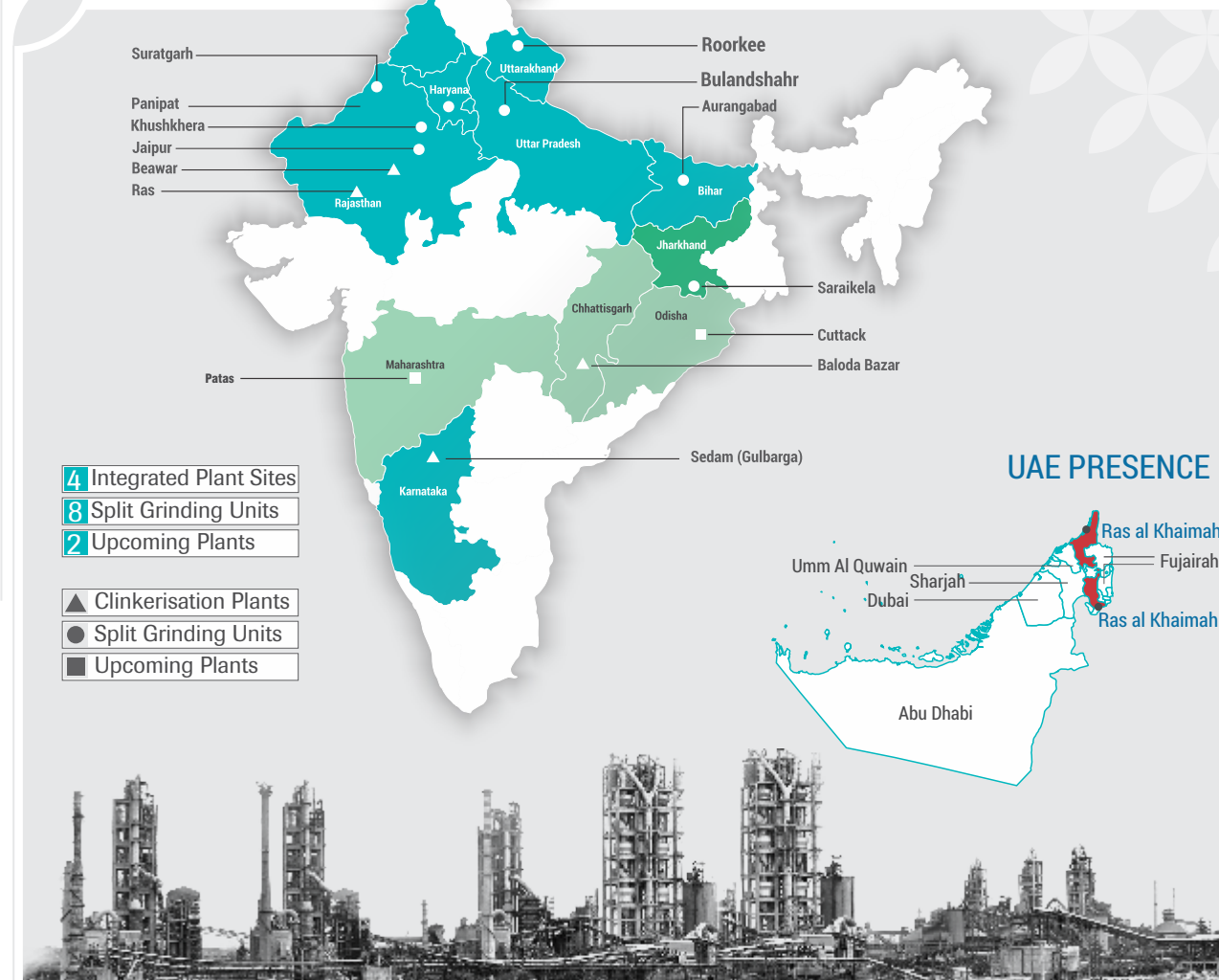
Brand Showcase



Our Plant Locations

GRI 102-4, 102-6

In India, our operations are spread across 8 states in India - Rajasthan, Uttarakhand, Bihar, Haryana, Chhattisgarh, Uttar Pradesh, Jharkhand and Karnataka. Overseas operations include operations from UAE.



Our Membership of Associations

GRI 102-13

We, at SCL, regularly participate in sectoral sustainability initiatives and collaborate with various industry associations for propagating sustainable practices. Since, our evolving business landscape is accompanied by a constant exposure to new risks and challenges, it is critical to keep pace with the global development in the sector. These associations enable and the global sustainability agenda. Our key associations are:



Awards and Accolades received in 2019-20



Bhamashaha Samman for Corporate Social Responsibility 2019
by Government of Rajasthan for Ras Site



Global Sustainability Award 2019
by the Energy and Environment Foundation



Best Quality Excellence Award 2017-18 & 2018-19
by National Council for Cement and Building Materials (NCCBM)



Supply Chain and Logistics Excellence (SCALE) Award 2019
by Confederation of Indian Industry (CII)



Corporate Governance and Sustainability Vision Awards 2020
by Indian Chamber of Commerce



Golden Peacock Award for HR Excellence 2019
by the Institute of Directors (IOD)



Great Place to Work Certified
by Great Place to Work Institute



State CSR Excellence Award 2019
by Department of Industries, Government of Rajasthan



Industry Champion Award 2019
by Rajasthan Chamber of Commerce and Industry



India Risk Management Award in Sustainability Category
by ICICI Lombard and CNBC TV-18



Strong Commitment to HR Excellence 2019-20
by Confederation of Indian Industry (CII)



Best Employers Award 2018
by the Employers Association of Rajasthan

Our Business Strategy

The company focuses on its proven and core competencies of cement production and sales through operational excellence, marketing excellence and human resource excellence while ensuring environmental sustainability and meeting its social responsibilities. Company allocates optimum resources to meet its strategic goals. Resource planning is focused on:

- Maintaining strong financial health
- Achieving optimum capacity utilisation
- Prudent allocation of capital for capacity addition
- Obtaining fact-based inputs to understand the geographical suitability of new market / customer development and if needed capacity augmentation
- Ensuring efficiency in logistic network to improve the product transportation cost and time
- Optimising the working capital
- Multiple brands with evolving product quality according to customer need and aspirations
- Long-lasting collaboration with supply chain partners and dealers for steady operations



- Attracting and retaining talent and focus in on continuous growth of its people by providing conducive atmosphere for continuous learning
- Deployment of green energy sources to ensure energy security
- Ensuring care for the environment and well-being of the society in which we operate

Company's competencies and allocated resources are further strengthened by robust Enterprise Risk Management framework under which the Board is responsible for overseeing the overall risk management framework of the Company. Company's risk management process is designed to identify and mitigate risks that have the potential to materially impact our business objectives and maintains a balance between managing risk and exploiting the opportunities.

The Elements of Our Sustainability Strategy are

Adherence to policies of the organisation

Continued focus on energy efficiency in operations and new capacity augmentation

Focus of rainwater harvesting to meet the business related water demand of all new establishments

Aligning with science-based targets for reducing the GHG footprints and contributing to global efforts for limiting global warming to below 2°C

Continued focus on alternative fuels and raw materials in our operations

Detailed stakeholder engagement for understanding the expectations of our stakeholders

Identification and addressal material issues

Development of robust data management processes and procedures

Third-party independent assurance of business

Reporting the sustainability performance annually

Participating in benchmarking exercises to understand our stand and improvement areas

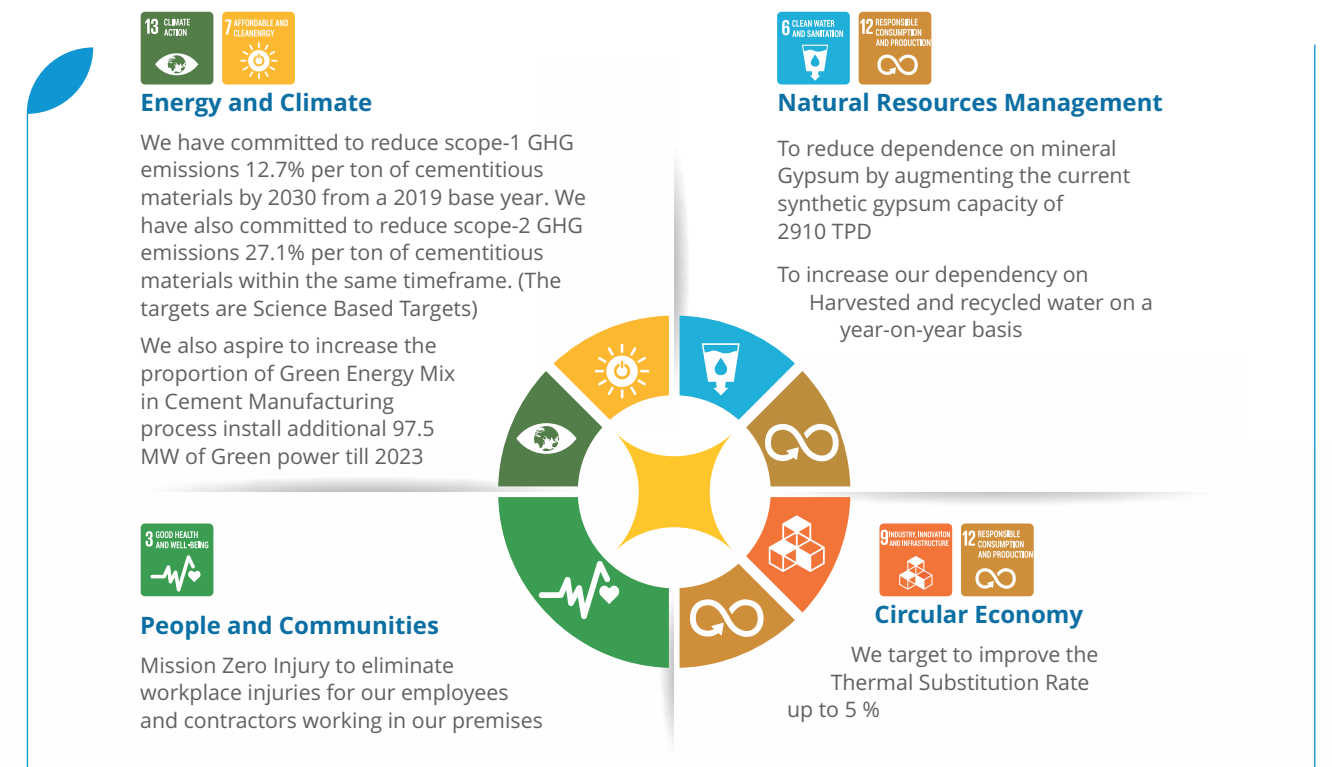
Collaborations with national and international bodies for overall organisation improvement

Participating in global ESG / climate surveys hosted by bodies such as DJSI/Sustainalytics/CDP/MSCI, etc

Identification of company's unique role in society and ensuring company's license to operate in society

Sign off from senior leaders on sustainability agenda and lead from the top

We collaborated with our peers in cement sector in developing the first country-specific sectoral roadmap based on the WBCSD's SDG Sector Roadmap Guidelines framework. We have translated the spirit of SDGs to specific business goals as illustrated below:



Stakeholder Engagement and Materiality Assessment

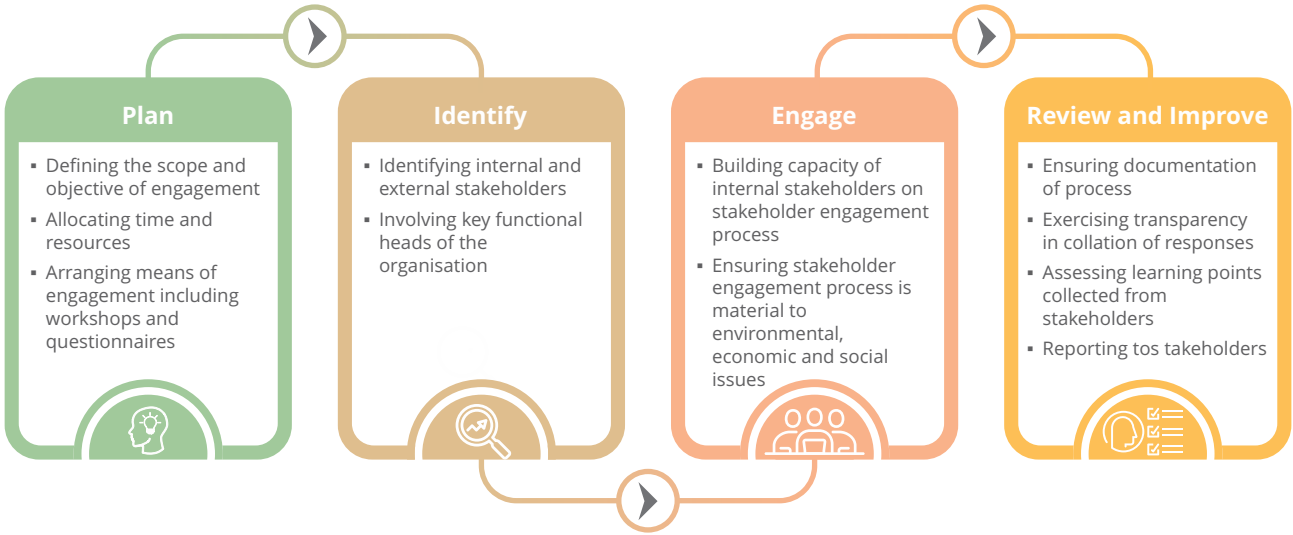
GRI 102-40,102-42,102-43,102-44

We believe stakeholder engagement should be based on sincere and authentic dialogue – grounded in the company's values - and should contribute to the evolution of our strategic priorities. Engaging with stakeholders in a structured manner has the combined benefits of providing insights for the alignment of our materiality as well as insights into the concerns and expectations of stakeholders.





Our Approach and Process for Stakeholder Engagement

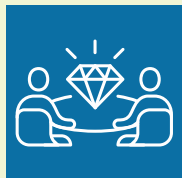


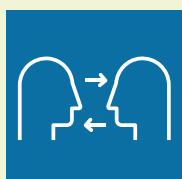
At SCL, we engage with stakeholders through formal and informal platforms, which includes periodic meetings, web-based communication modes, customer and employee feedback surveys, customer grievance mechanisms, audits, training programmes, workshops and CSR activities contribute to an effective engagement.

We Follow Four Steps Process to Engage with Stakeholders, which Includes:



SCL conducted several discussions at plants to re-examine material topics. In this process, all internal stakeholders including the unit heads, departmental heads and staff from cross-functional departments participated in workshops to assess stakeholders as well as the mode, frequency and agenda of engagement.

Stakeholder	Engagement Objective	Key Concerns	Mode and Frequency of Engagement
 Employees	High productivity, professional development and personal well-being can drive our business performance to newer heights	<ul style="list-style-type: none">Balance career and personal developmentSuitable learning and development opportunitiesPerformance appraisal and fair remunerationEffective and efficient grievance redressal mechanism	<ul style="list-style-type: none">Monthly meetings of safety and environment departmentsAnnual employee feedback surveysContinuous employee grievance mechanismContinuous training and workshops
 Customers	Customer retention, loyalty and satisfaction is significant for sustained business expansion and success	<ul style="list-style-type: none">Responsible productionCustomer stewardshipQuality productTimely and efficient servicesPrompt redressal of customer complaintsDesign thinking for product development	<ul style="list-style-type: none">Annual customer satisfaction surveyContinuous meetings with customer representativesContinuous online communication
 Media	Addressing concerns of media expediently is crucial for brand reputation, positioning, visibility and market development	<ul style="list-style-type: none">Preventing false broadcastPreventing misinterpretation of corporate announcementPreventing disclosure of business strategiesReach of media	<ul style="list-style-type: none">Meetings with media representatives, as and when required
 Government	Cordial relations with government and compliance to rules and regulations ensure smooth business operations	<ul style="list-style-type: none">Compliance with relevant regulationsKeeping pace with sudden alterationsManagement of social and environmental impact	<ul style="list-style-type: none">Regulatory filings, as and when requiredFacility inspections, as and when requiredRegular meetings with government officials

Stakeholder	Engagement Objective	Key Concerns	Mode and Frequency of Engagement
 Shareholders	Shareholders are key to business growth. Their satisfaction includes increased financial growth, business performance, strategy, governance and return on their investment	<ul style="list-style-type: none">Improved financial performanceIncreasing market value of investmentStrengthening revenue streamsEffective corporate governanceConsistent return to shareholders	<ul style="list-style-type: none">Annual meetingsContinuous access to corporate websiteContinuous management of investor relationsCorporate filings with stock exchangesPress releasesAnnual reports and quarterly results
 Local Communities	Strengthening relations with the local community provides a social license to operate and drives intangible benefits to the company	<ul style="list-style-type: none">Supporting local economyHiring local community membersMinimum environmental and social impact on community	<ul style="list-style-type: none">Continuous dialogues for identifying concerns to be addressed under CSR programmesPeriodic meeting with community representativesExecuting CSR interventions in collaboration with NGOs
 Supplier	Supplier engagement can build long-term association, bring in collaboration opportunities, knowledge and infrastructural support	<ul style="list-style-type: none">Preventing violations such as human rights, along the supply chainFair and accountable business practicesImpact on product and service quality	<ul style="list-style-type: none">Periodic supplier inspection auditsAssessing suppliers before signing an agreementMeetings with suppliers
 Trade Association	Freedom of association allows healthy practices in the organisation. Robust policies, practices for remuneration, health build an employee and worker-friendly environment	<ul style="list-style-type: none">Organising industry eventsManaging resistance of trade unions to any changes	<ul style="list-style-type: none">Meetings with trade association representatives, as and when required

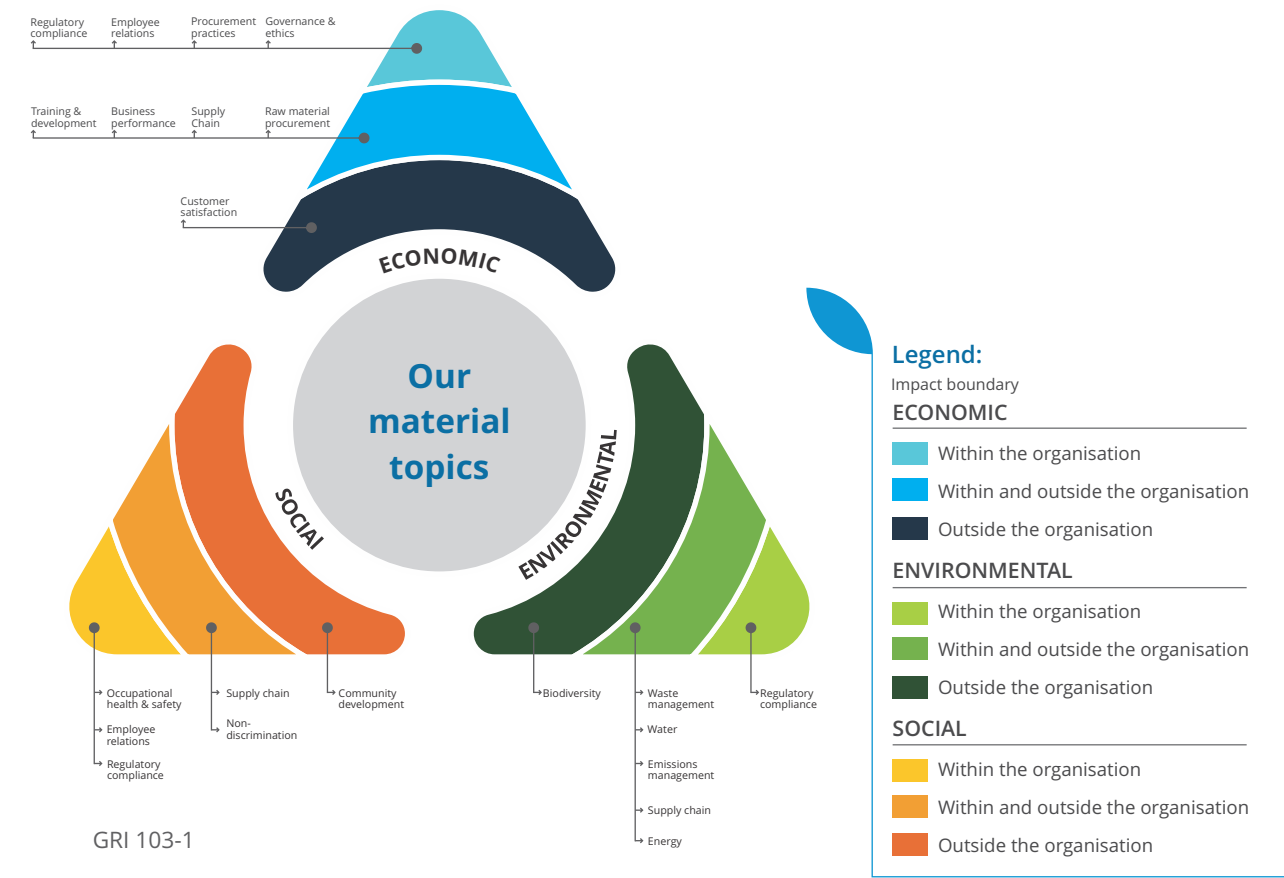
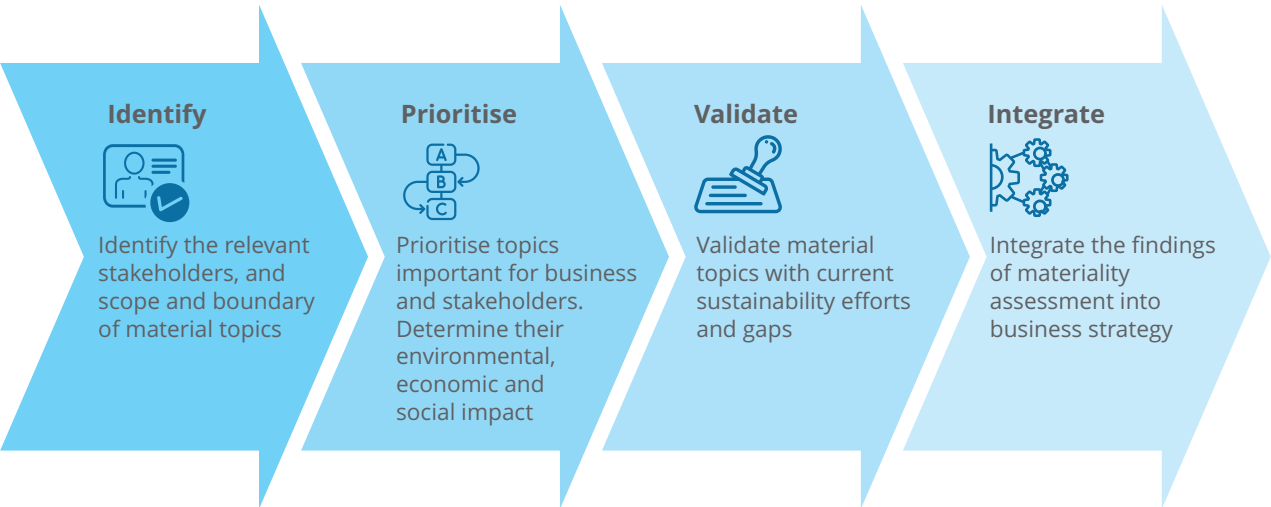
Departmental Representatives for Stakeholder Identification

 Environment	 Purchase	 Quality Control
 Human Resources	 Mines	 Electrical
 Logistics	 Safety, Security & Fire	 Instrumentation
 Mechanical	 Corporate Social Responsibility	 Secretarial

Our materiality Assessment

GRI 102-46,102-47






Materiality for business and its stakeholders is core to SCLs' management. Material topics are mapped basis: 'Influence on Stakeholders' and 'Potential Impact on Business'. We have developed an internal scoring scheme for a comprehensive understanding of material topics, following the principle of materiality to identify, rack progress and assess the boundary of impact against each material topic. The progress on each material issue is disclosed annually in our sustainability report.



Our Materiality Assessment Process

For the reporting period of FY20, we developed a questionnaire to reassess the material topics in consultation with our internal stakeholders aligned with GRI standards. The findings suggest that the existing materiality topics adequately cover the concern of various stakeholders and the topics, which are essential for our sustainable business practices.

Dimension	Primary Stakeholder	Material Topic	Significance of Material Topic	GRI 103-1,103-2, 103-3
Economic	Customers	Customer Satisfaction	Innovation, efficiency, efficiency and quality improvement, enhances customer satisfaction which drives continual business growth. SCL finds it a responsibility to offer outstanding products in a timely and responsible manner to customers.	
	Employees	Training & Development	We ensure that both on-the-job practice and off-the-job learning benefit our staff. In order to improve the expertise, knowledge and skills of our employees to their fullest potential, we undertake internal training and finance external training.	
	Shareholders	Business Performance	We are committed to the development and distribution of direct value among our shareholders. By collaborating with strategic organisations, we aim to maximise business performance.	
		Governance & Ethics	In our processes, strong governance and risk structures combine integrity, efficiency, efficacy and innovation. We are, therefore, able to create value across our business.	
	Suppliers	Raw Material Procurement	The growing demand for natural resources, together with their limited supply, encourages us to follow a circular model for the procurement of raw materials. We are focused on increasing the use of recycled or substitute raw materials, while remaining committed to reducing our reliance on virgin raw materials.	
		Procurement Practices	Our good procurement practices ensure best quality products and a reliable supply chain. Our green procurement strategy extends to all suppliers and guarantees their adherence to ethical and responsible business standards.	
Social	Employees	Occupational Health & Safety	High-risk nature of our business makes safety a top priority and a core value. We adhere to international standards of safety and upgrade our systems proactively.	
		Non-discrimination	As a progressive organisation, we empower individuals and provide our employees with equal opportunities. We do not discriminate based on caste, creed, gender, race, colour, language, religion or ethnicity, etc.	
	Local Communities	Community Development	SCL aims to improve its relationship with all stakeholders, including local groups. We create economic opportunities and distribute value among members of the local community.	
Environmental	Government	Energy	Our climate action requires conscious use of resources, among many components. In order to reduce our carbon emissions and contribute to a low-carbon economy, we are upgrading current practices and implementing the best technologies.	
		Emissions Management	We aim to incorporate appropriate procedures, set concrete, observable, realistic, applicable and timely priorities and revise our objectives to minimise specific emissions of GHGs, dust emissions, specific energy intensity, to increase the use of alternative fuels.	
	Local Communities	Waste Management	We endeavour to reduce waste generated in our processes by adopting efficient and latest technologies. We co-process waste of other organisations including fly ash from thermal power plants to optimise resource consumption.	
		Water	We are determined to conserve natural resources, including water. To minimise water consumption, we aim to reduce specific water consumption as well as reuse waste water produced within our boundaries.	
		Biodiversity	By regularly planting trees around our production facilities and surrounding local areas, we improve the green cover and carbon sinks. Our efforts create an atmosphere of higher productivity.	

Dimension	Primary Stakeholder	Material Topic	Significance of Material Topic	GRI 103-1,103-2, 103-3
Economic and Social 	Employees 	Employee Relations	Cordial relationships between employees not only ensure smooth operations, but also encourage employees to succeed in their jobs. Our management of the workforce creates a safe working atmosphere, attracts and upgrades the best talent, and maintains employee diversity and inclusiveness.	
Economic, Social and Environmental 	Government 	Regulatory Compliance	SCL complies with all government regulations and follows ethical operations across the three aspects of business-environmental, social & economic. Our conduct communicates our commitment to a responsible and reliable business.	
	Suppliers 	Supply Chain	For efficient and reliable operations, our complex supply chain needs close attention. There are few ways of ensuring responsible use and development by routine audits of existing suppliers, meticulous screening of new suppliers and the assessment of essential suppliers for sustainability appraisals.	

Governance, Risk Management & Ethics

Since inception, SCL has believed in good governance practices for fulfilling its vision and mission. We believe in the principle of trust, which can be derived through ethical practices, transparency, and accountability to stakeholders. This philosophy is embedded in our DNA in alignment with our vision of being a leader in creating prosperity and happiness for all stakeholders through innovation and sustainable practices.

Our Code of Conduct

GRI 102-16,102-17



Shree's conduct in all its spheres and activities and while dealing with both internal and external stakeholders, in lieu with the areas outlined

Guiding Principles

Our guiding principles are defined by the vision, commitments, expectations and responsibilities to progress continuously towards our goals. SCL expects Board of Directors, Senior Management, Employees and its Business Partners to act responsibly with highest ethical standards and integrity. The code of conduct policy outlines elements such as human rights, equal opportunity, corruption, fair competition. For further details on our code of conduct, please visit <https://www.shreecement.com/uploads/cleanupload/ethic-s-transparency-accountability-policy.pdf>. Adhering to the code of conduct is compulsory for all directors and employees, which facilitates to conduct day-to-day business operations in line with its principles and be accountable to both internal and external stakeholders.

Responsible Corporate Governance

GRI 102-18,102-22,102-23,102-24,102-25,102-26,102-27, 102-28, 102-32

SCL follows a formalised structure for decision making, ensuring accountability for all our activities.

Shyam Sunder Khandelwal

Company Secretary and Chief Risk & Compliance Officer

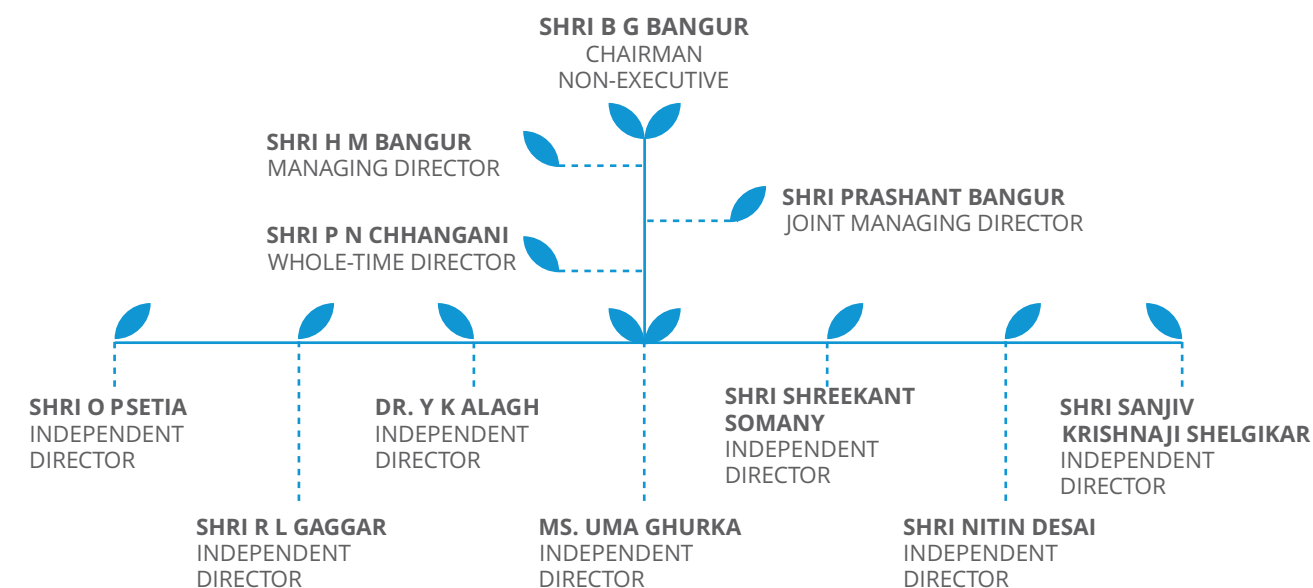


"Our investors are not merely driven by the financial bottom-line, but expect us to implement sound governance, safeguard the environment and contribute to the development of communities in order to future-proof our business."

We have integrated sustainability considerations into the decision-making process. The overall responsibility of guiding and steering SCL through the vision and principles lies with Board of Directors (the Board), whereas the execution of the objectives is streamlined through the Board Committees and Senior Management.

We have clear defined roles and responsibilities for all Board members who work with a purpose to ensure that SCL fulfils its commitments to all stakeholders. The Board is accountable for reinforcing the vision and guiding principles by providing the necessary leadership and guidance to the management. SCL is governed by a Board consisting of 11 members. The Board of SCL has been established in line with the business requirements and compliance requirements of the Companies Act, 2013 and Securities and Exchanges Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Board Governance Structure



Our board comprises of appropriate mix of Executive, Non-executive and Independent Directors as required under the Companies Act, 2013 and Listing Regulations. The Board members are from diverse background having expertise in the fields of law, banking, accountancy, economics, sustainability, energy conservation, finance and taxation, etc. To maintain independence, all the Directors of the Company are required to disclose their interests in other entities to the Board on an annual basis as mandated under the Companies Act, 2013. The Company has a female Director on its Board as required under the provisions of SEBI's Listing Regulation and Companies Act, 2013. The selection of the Board Member is made on the recommendation of Nomination-cum-Remuneration Committee (NRC) of the Board. All members of NRC committee are Independent Directors, whose role is to identify people who are qualified to become members of the Board and/or may be appointed in Senior Management of the Company. Accordingly, NRC recommends to the Board for appointment of Director or Senior Management.

To monitor various issues, SCL has constituted Committees of Directors. The Board fulfils its duties with the assistance of the various committees, headed by Independent Directors.

Roles and Responsibilities of SCL's Committee

Name of Committee	In Compliance with	Functions of Committee	Committee members	Category
Audit and Risk Management Committee	Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations	• Review of annual and quarterly financial statements	Mr. O P Setia Chairman of Committee	Independent & Non-Executive Director
		• Review of inter-corporate loans and investments	Mr. R L Gaggar	Independent & Non-Executive Director
		• Evaluation of internal financial controls	Dr. Y K Alagh	Independent & Non-Executive Director
		• Review functioning of whistleblower mechanism	Mr. Nitin Desai	Independent & Non-Executive Director
		• Approval of related party transactions	Mr. Shreekant Somany	Independent & Non-Executive Director
		• Other functions as per terms of reference	Mr. Sanjiv Krishnaji Shelgikar Mr. Prashant Bangur*	Independent & Non-Executive Director Non-Independent & Executive Director
Nomination-cum-Remuneration (NRC) Committee	Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations	• Evaluation of directors' performance	Mr. R L Gaggar Chairman of the Committee	Independent & Non-Executive Director
		• Formulate the criteria for evaluation of Independent Directors of company	Mr. O P Setia	Independent & Non-Executive Director
		• Review remuneration of Managing Director and Whole-Time Director based on their performance	Mr. Shreekant Somany	Independent & Non-Executive Director
			Dr. Y K Alagh	Independent & Non-Executive Director
Stakeholder Relationships' Committee	Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations	• Review, on a periodic basis, status of cases relating to transfer, transmission of shares, issue of duplicate shares, etc.,	Mr. R L Gaggar Chairman of the Committee	Independent & Non-Executive Director
		• Monitor expeditious redressal of investors' grievances;	Dr. Y K Alagh	Independent & Non-Executive Director
		• Review instances of non-receipt of Annual Report and declared dividend	Mr. Nitin Desai	Independent & Non-Executive Director
Corporate Social and Business Responsibility (CSBR) Committee	Section 135 of the Companies Act, 2013	• Consider all other matters related to all security holders of Company		
		• Formulating of Corporate Social Responsibility (CSR) Policy to the Board	Mr. O P Setia Chairman of the Committee	Independent & Non-Executive Director
		• Provide supervision and guidance to the ESG committee	Mr. Prashant Bangur	Non-Independent & Executive Director
		• Recommend CSR expenditure	Mr. Nitin Desai	Independent & Non-Executive Director
		• Review company performance on environment, social and governance aspects	Dr. Leena Srivastava#	Independent & Non-Executive Director
		• Oversee reporting responsibility of Business performance	Mr. Sanjiv Krishnaji Shelgikar Mr. P N Chhangani\$ Ms. Uma Ghurka\$	Independent & Executive Director Non-Independent & Executive Director Independent & Non-Executive Director

* Ceased as member of the Audit Committee w.e.f. 14th February, 2020.

Ceased as Member of the Corporate Social and Business Responsibility (CSBR) Committee w.e.f. 31st August, 2019 (Close of business hours)

\$ Inducted as Member of the Corporate Social and Business Responsibility (CSBR) Committee w.e.f. 14th February, 2020.

The Board performance is evaluated annually in accordance with the statutory guidelines of the Companies Act, 2013 and Listing Regulations, 2015. For more accuracy and efficacy, SCL appoints an External Facilitator for carrying out the performance evaluation process in a fair and transparent manner. As required under provisions of Indian Companies Act, 2013 and SEBI Listing Regulations, all Independent Directors are meeting Indian legal requirement of being appointed for maximum of two terms with each term of 3-5 years.

Sustainability and Climate Change Governance

GRI 102-19,102-20,102-21

SCL's board has the overall responsibility of guiding and steering the climate vision and set up procedures & systems to conduct the operations in adherence to its vision.

Environmental, Social, Governance and Climate Change (ESG & CC) committee. The primary responsibility of the committee is to implement environment, friendly interventions across SCL's operations, and undertake activities to ensure commitment to the society and formulation of effective governance mechanism to conform compliance to applicable ESG regulations. The committee consist of Senior Executives of the Company, which carries out continuous monitoring and implementation of policies. To put further thrust on implementation of various sustainability measures, the Board has linked performance appraisal of Shri P N Chhangani, Whole-Time Director to Company's performance on Key Performance Indicators (KPIs) set for various sustainability parameters.

Sustainability Governance Structure



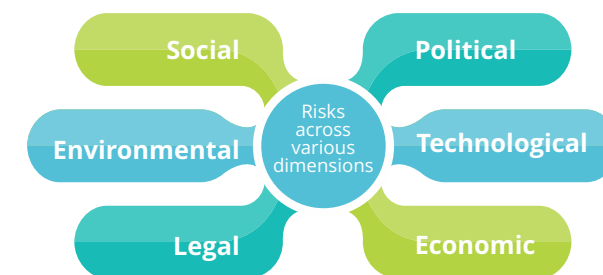
ESG & CC Committee Reports to the CSBR Committee

To ensure compliance with laws and regulations concerning environment and climate change, CSBR Committee along with the ESG & CC Committee monitors and reviews compliance requirements specified under various statutory requirement.

Risk Management Framework

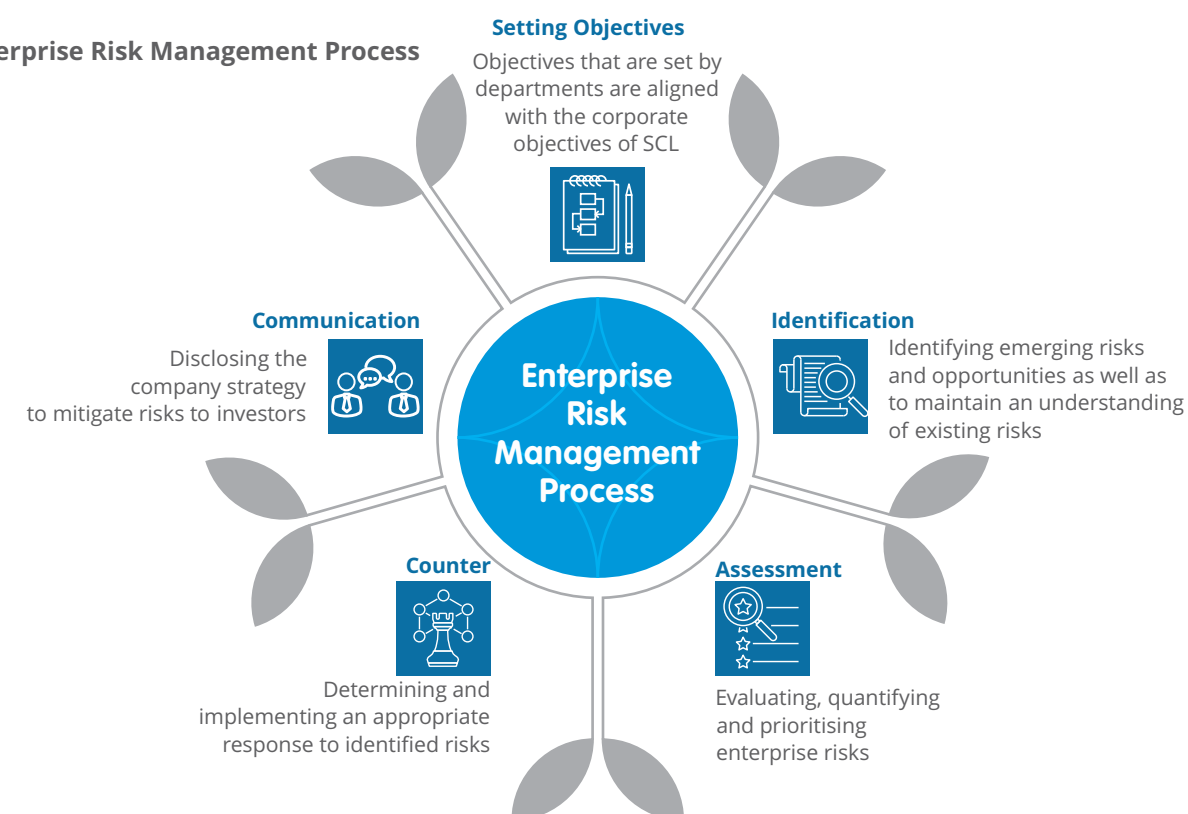
GRI 102-29, 102-30, 201-2

Risk management is the prima strategic pillar at SCL, while creating opportunities. With necessary endorsements from the top management and other executives, company-level identification and management of risk is systematically achieved using Enterprise Risk Management (ERM) framework. The ERM framework consists of mechanisms for regular review of the identified risks, their mitigation measures and opportunities. Overseeing the overall risk management framework of SCL is Board of Directors' responsibility. The Audit and Risk Management Committee of Board oversees execution and efficiency of the risk management plan of the company. Alongside, overviews strengthening of mitigating measures from time to time. SCL recognizes risks across various dimensions such as:



The Company takes into consideration the quintessential importance of updating the stakeholders on the significant risks and approach taken by SCL to mitigate them, as well as relevant opportunities. Company's external communication to its stakeholders contain disclosure on such matters.

Enterprise Risk Management Process



Significant Risks Identified During the Reporting Year:

GRI 102-15

Risk	Description of Risk
Overcapacity in Industry	Continued over-capacity in the industry pose risk of under-utilisation of production capacities and prices falling to levels, which are non-remunerative levels causing losses. For this purpose, SCL has invested in building customer loyalty through consistent high quality of products, faster delivery to consumers and continued customer engagement through a dedicated marketing teams. It also keeps adding capacity in markets where demand-supply conditions are relatively favourable.
Availability of Limestone and Other Resources	<p>Limestone is the key raw material for cement production and its availability for existing and future plant requirements is essential. With limited reserves at existing mines and acquisition of new limestone mines being uncertain due to regulatory and competition issues, conservation of limestone is quite important. SCL has been making all efforts to optimise its usage thereby conserving the deposits and enhancing their life. To conserve the high-grade limestone, we are mixing the same with marginal grade limestone and using it for clinker production. SCL's emphasis on enhanced production of blended cement has also helped conserve limestone significantly. Additionally, we are continuously undertaking exploratory activities at our existing deposits areas to find more reserves.</p> <p>SCL's plants in Rajasthan are in water deficient areas and as such conserving water becomes very important. Realising this, we have installed Air Cooled Condensers (ACC) in all our power plants, which though involve additional capital expenditure, have helped us in reducing water consumption significantly. We have installed Waste Heat Recovery Systems in all cement plants thereby, eliminating the need for cooling of waste hot gases and thus, saving water. Water harvesting reservoirs have also been constructed within plant and mines area.</p>
Fuel Cost	SCL sources fuel from open market and hence, is exposed to volatility of market prices of the fuel. We have deployed multi-fuel usage strategy as well as state of the art technology, which allows us to use different fuels and use the most economical fuel among a basket of different fuels as per prevailing trends in the market. We participate in auctions for securing coal linkage for meeting the fuel requirements of its Raipur, Chhattisgarh plant. Additionally, to reduce reliance on conventional fuel for our captive thermal power plants, we have extensively invested in Waste Heat Recovery Power Plants thereby, cushioned ourselves from fuel price volatility to that extent. Additionally, to reduce reliability on conventional fuel, we are continually investing in setting up of renewable energy power plants.
Economic Shocks Due to External Factors	The COVID-19 virus has shattered the world economy. The industry in general will have to brace itself for the economic shocks of such nature. The company will have to prepare contingency plans such as work from home, enhanced safety measures, strategies for continuity of business and rapid restoration of operations. SCL has taken the risks of such external shocks into its business strategy and has taken necessary steps in terms of devising plans for mitigating such risk.
Cyber Security	<p>Considering the increasing importance of digitisation in business, we have been transitioning all processes to digital mode including logistics, marketing and manufacturing. Significant advantages of digitisation reflect in faster customer servicing, enhanced process efficiency, better controls and speedy decision making. Digitisation is however fraught with risk of cyber security. This could be misuse of hardware and software, cyber-attacks, unauthorised access etc. In addition to data loss, the same can impact business operations.</p> <p>SCL has taken necessary measures like systematic back-up procedures, firewall systems, better monitoring & control mechanism to mitigate any risks arising due to digitisation.</p>
Climate Change	Global warming and consequent impact in the form of erratic and frequent climate changes has emerged as a major risk across globe. This impacts our operations as cement manufacturing releases CO2 due to calcination process and combustion of fuels. Efforts to address climate change by reducing emissions of greenhouse gases (GHG) through national, state and regional laws and regulations as well as international agreements will bring about various regulatory requirements affecting our operations and creates uncertainties for our business. New Legislations or regulatory controls may pose risks, which could include costs to purchase allowances or credits to meet GHG emission caps, costs required to procure advanced equipment to reduce emissions to comply with GHG limits or required technological standards or higher production costs. In addition, physical risks arising from extreme weather or high temperatures may impact any manufacturing sector in terms of property damage and disruption to operations. We have integrated sustainability as core to our operations and are thus prepared to meet new regulatory and legislative requirements resulting from climate change risks.
Worker Safety	Worker safety is a key concern in cement sector. Our business is also exposed to accidents, which can compromise worker safety and lead to business disruptions. To minimise the risks we monitor the leading and lagging safety indicators. The Mission Zero Injury strives to eliminate workplace injuries for our employees and contractors working in our premises.

Board Remuneration

GRI 102-35,102-36,102-37,102-38

The objective of SCL's remuneration programme is to align executives' compensation with strategic objectives and operational performance. SCL's remuneration policy is framed to provide fair compensation to attract, retain and motivate the directors, executives, senior management and other employees playing a critical role in operationalising SCL's vision and strategy. The policy provides that while nominating appointment of a director, the NRC shall consider the level and composition of remuneration, which is reasonable and sufficient to attract, retain and motivate for delivering high performance.

The primary objective of SCL's remuneration policy is to create value for all its stakeholders in an efficient and responsible manner. For further details about the objectives of remuneration policy, structure and remuneration, please refer our Annual Report FY2019-20. For details, please refer our Annual Report FY2019-20 (https://www.shreecement.com/uploads/investors/annual-reports-2019-20_3.pdf).

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20, the percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary during the financial year 2019-20 are as under:

S. No.	Name of Director / KMP and Designation	Ratio of Remuneration of Each Director to Median Remuneration of Employees	% Increase in Remuneration for FY2019-20
1	Shri B G Bangur Chairman (Non-Executive)	4.4	(22.2)%
2	Shri H M Bangur Managing Director / KMP	659.8	(9.7)%
3	Shri Prashant Bangur Jt. Managing Director / KMP	328.2	(9.7)%
4	Shri P N Chhangani Whole-Time Director / KMP	69.1	12.5%^
5	Shri R L Gaggar Independent & Non-Executive	5.0	(23.0)%
6	Shri Shreekant Somany Independent & Non-Executive	5.0	(17.0)%
7	Shri O P Setia Independent & Non-Executive	5.4	(17.6)%
8	Dr. Y K Alagh Independent & Non-Executive	5.0	(23.0)%
9	Shri Nitin Desai Independent & Non-Executive	5.3	(19.4)%
10	Shri Sanjiv Krishnaji Shelgikar Independent & Non-Executive	5.1	(19.8)%
11	Ms. Uma Ghurka Independent & Non-Executive \$	4.2	N.A.
12	Dr. Leena Srivastava Independent & Non-Executive #	0.4	N.A.

Key Managerial Personnel (other than Managing Director and Joint Managing Director)

1	Shri S S Khandelwal Company Secretary	Not Applicable	12.4%
2	Shri Subhash Jajoo Chief Finance Officer	Not Applicable	11.6%

^ Previous year remuneration has been annualised for working out the % increase.

\$ Appointed w.e.f. 11th November, 2019 #Ceased w.e.f. 31st August, 2019. (Close of business hours).

Details of remuneration (₹ in Crore)

S. No.	Particulars of Remuneration	H. M. Bangur (Managing Director)	Prashant Bangur (Jt. Managing Director)	P. N. Chhangani (WTD)	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	27.69	12.35	3.97	44.01
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	0.025	0.038	0.0021	0.066
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- Others, please specify (as decided by the board)	12.00	7.00	-	19.00
5	Others, please specify				
	Retirement benefits (contribution to Provident Fund and Superannuation Fund) & others	2.04	1.38	0.40	3.82
	Total (A)	41.75	20.76	4.37	66.89
	Ceiling as per the Companies Act, 2013				283.17



Sustained Economic Value

GRI 102-45, 201-1, 201-4

Sustained value creation for all our stakeholders is at the core of SCL. Our strong economic performance is reinforced by the fact that we have achieved double digit growth (CAGR) over the past decade in our cement production capacity and revenue while staying profitable.



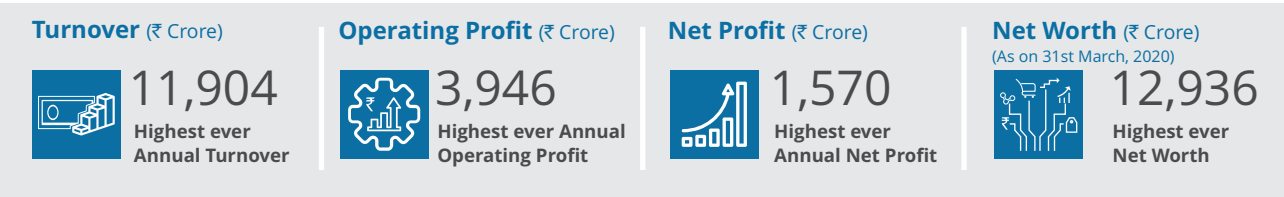
Economic Performance

Despite the COVID-19 pandemic, SCL integrated the shocks into its strategy to yield the highest ever annual turnover in the reporting year. Revenue from Operations was up by 1.6% to ₹11,904 Crore and EBITDA went up 36.2% to ₹3,946 Crore, mainly because of “better cement price realisation” and cost optimisation measures.

COVID-19 impact on Economic Performance

The lockdown imposed in the country as a result of COVID-19 pandemic has had an unprecedented impact on the entire economy of the country. It affected the cement demand towards the close of the financial year 2019-20. However, SCL has taken the risks of such external shocks into its business strategy and have taken necessary steps in terms of devising plans for mitigating such risk.

Figure 2: Economic Highlights in FY 2019-20 (As on 31st March 2020)



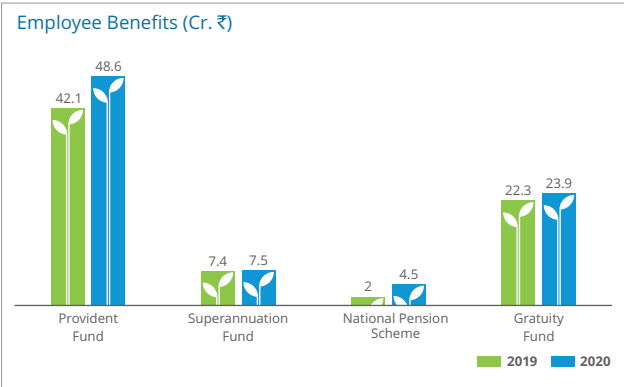
GRI 201-1

Economic Value Generated in ₹ Cr.		
	FY 2019	FY 2020
Revenue from financial instruments and other sources	245.4	271.6
Adjusted revenues*	13,788.9	14,190.2
Total Value Added	14,034.3	14,461.8
Economic value retained & distributed		
Operating costs	7,666.8	6,753.4
Employee wage and benefit	677.8	731
Payment to provider of funds	436.5	803.2
Payment to government	3,188.3	3,624.5
Community investments	31.3	40.5
Reinvested to maintain and develop operations	2,024.4	2,509.3
Total Value Distributed	14034.3	14461.80

* Revenue gross of taxes, duties, levies, etc,

GRI 201-3

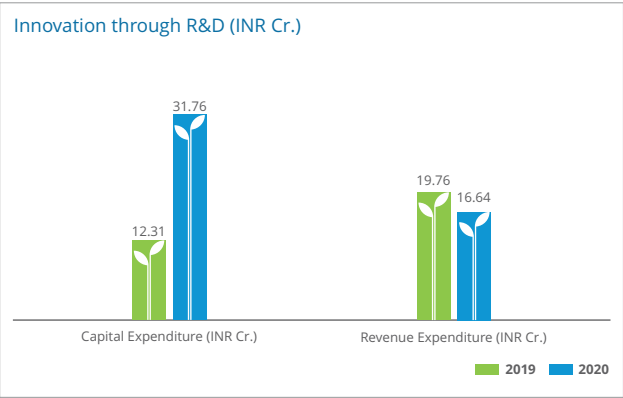
With an employee strength of 6185 as on 31st March 2020, it is our responsibility to take care of the long-term economic wellbeing of our employees. In this regard we have provisions such as NPS, PF, etc.



Innovation through R&D

At SCL, we are constantly innovating through R&D Centre at Beawar, Ras and other units. At these centres, an amount of ₹ 4.14 Crore, 35.4 Crore and 8.86 Crore was incurred during FY 2019-20

This paved way to inter-departmental collaborations for efficacy improvement and gave us an opportunity to innovate for a sustainable outlook at SCL.

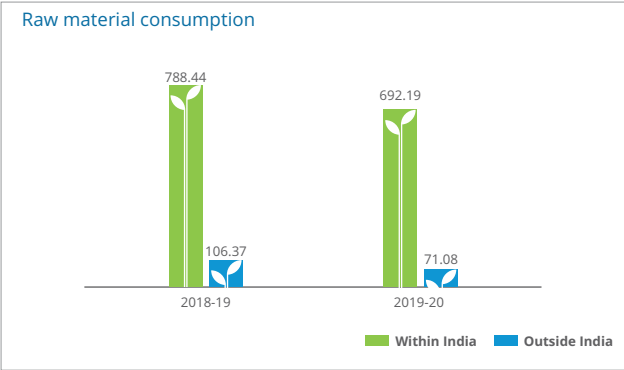
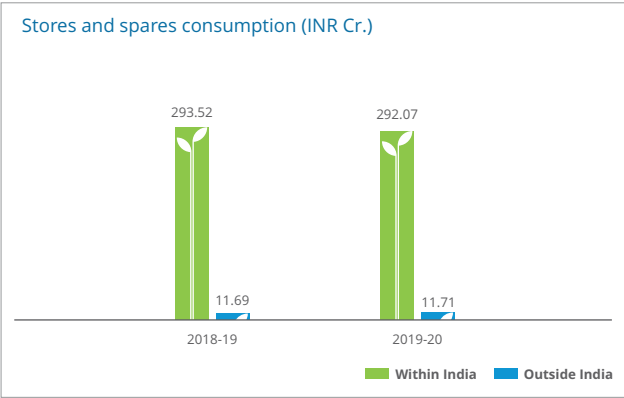


Collaborating to Strengthen our Supply Chains

GRI 204-1, 308-1, 308-2, 414-1, 414-2, 412-3

Supply is a major focus area towards delivering on our commitments to sustainability. SCL accords priority to local suppliers in procurement of raw materials, stores and spares and other consumables.

 >900 MSME vendors



Our action plan for creating a positive impact across our business also involves influencing our supply chain partners to adopt sustainable practices in their operations. Our vendor agreements have stringent environmental and social safeguards in place. In FY2019-20, we on-boarded all our 864 new suppliers through such robust agreements. We did not identify any negative environmental or social impact in our supply chain."

Economic Innovation

Innovation differentiates SCL in the marketplace supporting our growth and long track record of creating value for all our stakeholders. Owing to our Cost management practices, Shree Cement is the only cement company to win the prestigious National award for excellence in Cost Management. Company has very elaborate and well laid system of effective Cost Management. It follows best costing practices such as multiple cost variance reports, product wise profitability statements, cost control drives & numerous important efforts made towards technology adoption and absorption. Our cost management also ensures that our practices are environment friendly natural resource efficient and innovative.





Environmental Stewardship

SCL is an environmentally and socially responsible organisation, we emphasise adoption of the triple bottom line to manage our corporate performance. We are constantly innovating to enhance our operational efficiency by experimenting and implementing new

concepts periodically. Collaboration drives the implementation of various leading practices in the cement industry at SCL, which helps in minimising our ecological footprint.

1st cement company in India to register its project 'Optimum Utilisation of Clinker' with the United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM)



Leveraging Automation for Logistic Dispatch

Logistic dispatch automation system supports cement, clinker dispatch as well as loading and unloading of clinker in plant. It can be accessible securely on LAN and internet both. The major benefit of this system apart from automation is the availability of ILMS-R2 at the event of network or ERP disruption, where the process of packing plant for loading of cement and clinker will continue till gross weight process.

GPS tracking and mobile application will be an integrated part of this automation.



Driving Innovation with Robotic Process Automation

The robotic process automation is a feature where software algorithm is mixed with machine learning and automate the repetitive monotonous process performed by human to make it faster with reduced data error. At Shree Cement, we had evaluated this last year to automate accounts payable (Customer Invoice) verification and automate the GST reconciliation process.

Collaborative Economic Development



Collaborating for Limestone Recovery

We conducted a detailed study of rock strata regarding strength & stability from a recognised institute, Central Institute of Mining & Fuel Research (CIMFR). They helped us in redesigning the mining pit geometry, which after inspections by DGMS was given a clearance with precautions & conditions.

This will help SCL in recovering approximately 80 million tons of limestone, driving more value from our mines.

Outlook

While short-term outlook is uncertain, the long-term outlook of the cement industry continues to be positive on account of the various economic reforms, increasing aspirations, sustained consumption momentum and persistent infra spending. SCL ranks 3rd (in terms of cement capacity) in India and plans to increase its capacity at 12 per cent Compound Annual Growth Rate (CAGR) to 80 million tonnes by FY2025-26.



Our Ecological Footprint

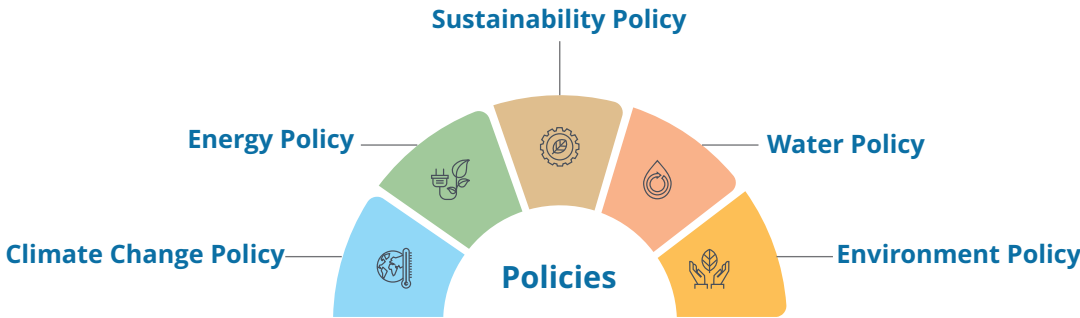


Figure 4: Our Policies in driving Environmental Stewardship

More information: <https://www.shreecement.com/investors/policies>

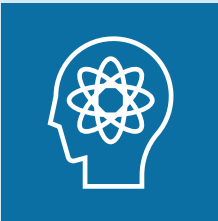


Environmental Performance

GRI 103-2, 103-3

As an environmental steward, we monitor and improve our performance across three areas – Energy and Emissions, Circular Economy and Water.

Eco-Innovation



Pioneer in usage of Centrifugal Compressors

Shree Cement is the one of the first cement companies in world to install centrifugal compressor in cement sector. We have already installed centrifugal compressor at Ras, Beawar, Raipur, Bihar plants and the same is soon to be commissioned for Kodla and UCC plants. Total power saving of 800-900 kW is achieved from installed compressors at Ras Unit.



Innovative Evaporation Locking

To prevent the evaporation losses from harvested pits of mines we deployed an innovative product. It consists of fatty acid formulation of vegetarian origin and it spreads on water surface in the form of thin layer, which prevents water molecules into open atmosphere. Ras and Beawar mines are currently experimenting with Evaloc to reduce water loss by 33%.

The technology is bio-degradable, non-toxic, vegetarian origin as per the test reports of from international laboratories.



Synthetic Gypsum to Reduce Natural Resource Consumption

Shree Cement has pioneered the manufacturing of synthetic gypsum, which is used as a sustainable alternative to mineral gypsum in the cement manufacturing process. We hold a patent for this which is recognised by the Government of India as proven R&D.

ECollaboration



Collaborating to Innovate

Innovandi – the Global Cement and Concrete Research Network, was formed by the GCCA to accelerate global collaboration on cement and concrete innovation, an important step in taking climate action. Shree Cement is a part of this network, which collaborates the industry with scientific institutions to drive innovation and facilitates a global dialogue on key research. It builds on the industry's long-held commitment to ensuring a more sustainable future.



To Reduce

Scope 1 GHG emissions 12.7% per ton of cementitious materials and Scope₂ GHG emissions 27.1% per ton of cementitious materials by 2030 from a 2019 base year.

This target has been selected under Science Based Target initiative.

We have always been conscious about our GHG footprint and have taken many initiatives to keep our emissions under control. Our approach had been both innovative and collaborative. We have done substantial investment for achieving energy efficiency and many of the initiatives we had adopted were newly launched in markets and did not have many trial results in the cement industry. It was by virtue of our culture, which promotes innovation, that we could not only implement those initiative, but we also reaped benefits which were far excellent than our initial perceptions.

We have gained the right confidence that we could think more ambitious and hence we adopted Science-based target for GHG emission reduction. We are confident that there would be many developments on the technological fronts which would help us in further improving our system's efficiency while reducing the emissions. We are also confident that there would be many collaborations for achieving these ambitious targets. Some of the specific ones would be collaborations with technology partners, supply chain partners, technology developers and other industries for obtaining continued supply of alternative fuels.

Dependence on Mineral Gypsum

We installed our first synthetic gypsum plant in the year 2008. This step was innovative and the achievement was first ever in the Indian Cement Industry. It took time and dedicated efforts to stabilise this new process. Since then we have had great deal of learning on this front and went on to increase the capacity of synthetic gypsum plant. We currently have aggregate installed capacity of 2910 TPD and our ambitions are to augment more capacities to reduce our dependence on mineral gypsum. This initiative would support our instinct of being environmentally conscious organisation. This initiative would enable utilise of reject limestone from our mines.

Eco-innovation



To Increase

Proportion of Green Energy Mix in Cement Manufacturing Process and Install Additional 97.5 MW of Green Power till 2023

We have been striving to increase the share of renewable energy mix. Our dependency on thermal power has reduced to 55%. Our current installed capacity of Green power is 234 MW and we are constantly working on feasibility of installing more wind and solar power plants. We are confident that our green power footprints would increase and thus the emissions from cement/clinker related electricity consumption would further reduce on a year on year basis.

Production of Blended Cement

We have been producing PPC cement for many years now. We have also obtained 4.5 lakh CERs under UNFCCC CDM protocol for our efforts of replacing the clinker with flyash. Thereafter we have been constantly working upon reducing the clinker to cement ratio. Among the product mix we produce OPC cement, PPC Cement and PSC cement. We have recently launched Premium PPC Cement wherein we have optimised our clinker to cement ratio achieve utmost customer satisfaction. We are keen upon introducing other variants of PPC & PSC cement and this is our ongoing target to reduce our clinker to cement ratio.

This target satisfies our quest for being resource optimised and climate-friendly organisation

To Increase our Dependency on Harvested and Recycled Water on a Year-on-year Basis.

We have been creating water harvesting facilities both in and around our campuses. We have been creating water harvesting structure enough to sustain our 3 years water requirement at two of our integrated units and we are still exploring the possibilities of enhancing the capacities of water harvesting structures.



To Improve

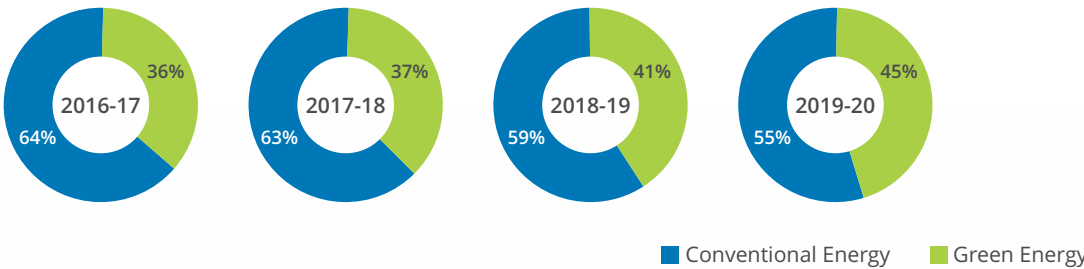
Thermal Substitution Rate upto 5 %

We have been constantly working upon increasing the utilisation of alternative fuels. The alternative fuels are generally waste of other industries, utilisation of which boost our image of responsible corporate citizens. The constraints which we have been facing are related to availability of optimal alternative fuels, continuous availability of required fuels, optimal set up for pre-processing the fuel and various regulatory requirements for t-rans boundary movement and utilisation of fuels. For ensuring continuous availability of optimal alternative fuels we have adopted a collaborative approach with many industries such as automobile, smelting, etc. We have also taken many innovative measures for ensuring effective utilization of alternative fuels. We also participate in many forums and public speaking platform and advocate the need for favourable regulations for utilisation of alternative fuels.

Energy

GRI 302-1, 302-2, 302-3, 302-4

Cement manufacturing is an energy intensive sector. In FY2019-20 we consumed 67.3 Million GJ of energy within the organisation. We have focused on increasing our renewable energy share¹ in our power generation portfolio. Continuing with the trend of rising share of renewable energy, in 2019-20, our share of renewable energy consumption² was 45% out of the total power consumption.



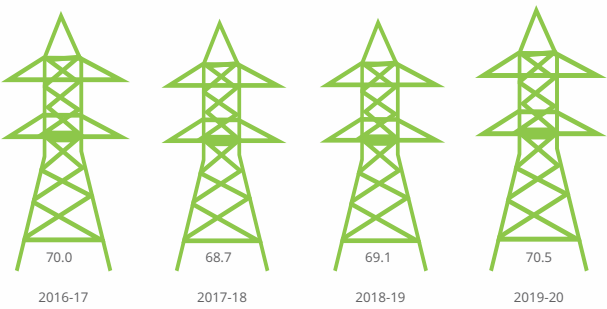
Our WHRS Based Energy generation stands at 2.9 Million GJ.

Power Generation from Renewable sources is 45% of total Power generation.

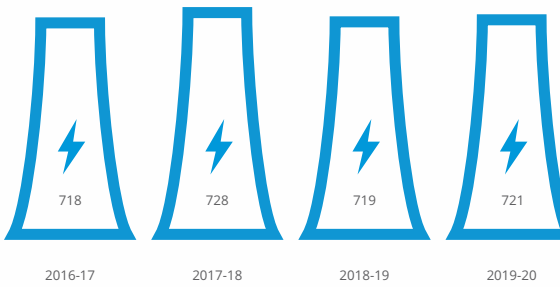
To increase our renewable energy capacity, we commissioned several renewable energy projects. Some of them included:

21MW Wind Power Plant in Karnataka

1MW Solar Power Plant in Uttarakhand
1MW Solar Power Plant in Haryana

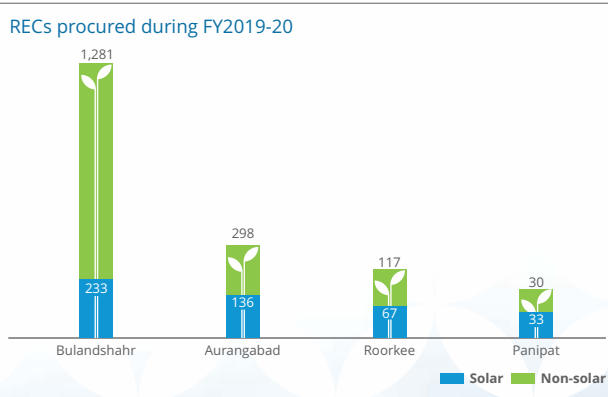


Specific Electrical Energy Consumption (kWh/ton of Cement)



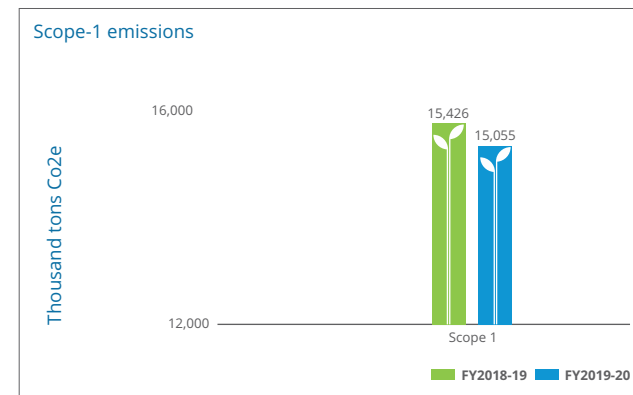
Specific Thermal Energy Consumption (kCal/kg of Clinker)

As part of compliance to Renewable Purchase Obligations (RPO), we have procured non-solar and solar non-transferrable



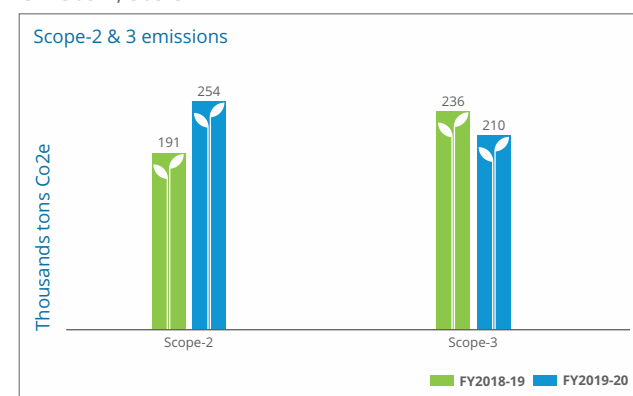
Renewable Energy Certificates (RECs) for various units during FY2019-20.

GRI 305-1



Scope-1: Emissions due to fuel combustion in kilns; emissions due to fuel combustion other than in kilns (e.g. on-site energy generation); and emissions due to calcination of raw materials, bypass dust and cement kiln dust, among others, during clinker production.

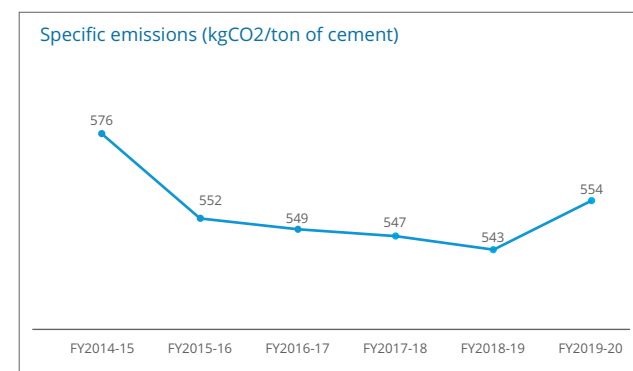
GRI 305-2, 305-3



Scope-2: Emissions associated with purchased electricity from grid.

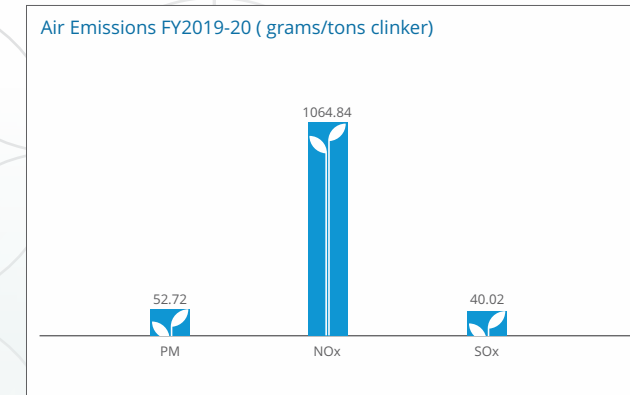
Scope-3: We measure Scope-3 emissions for upstream transportation and distribution (category 4).

GRI 305-4

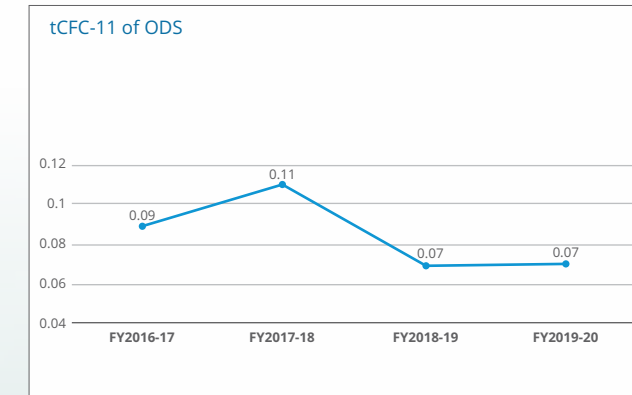


Global Cement and Concrete Association (GCCA) CO2 and Energy Protocol, World Business Council for Sustainable Development (WBCSD), GHG Protocol and CDP Climate Change Reporting Guidance.

GRI 305-7



GRI 305-6



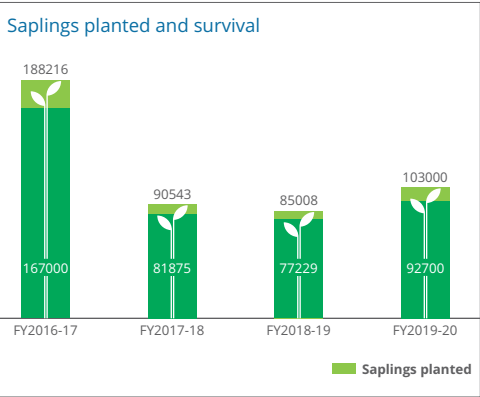
SCL is committed to energy optimisation at every stage of its operations. With our innovations growing greener each day, we saved 71,822 tons of CO2 emissions in the reporting year.

361210 GJ of energy saved within the organisation

Table 4: Conserving Energy for FY2019-20

Description	Energy saved (Lakh Units)
Modification of downcomer duct by CFD analysis internally	3.56
Replacement of conventional lights by LED	0.40
Modification of coal mill bag filter of unit-2	3.21
Compressors overhauling to improve performance	8.64
Raw Mill inlet suct modification by internal CFD	50.00
Replacement of old water pump with new energy efficient pump	30.00
Replacement of conventional light with LED lights	5.00
Install centrifugal compressor in place of reciprocating compressor for Unit 3-5	322.00
Unit-2 Cooler fan no. 12 isolated & removed from circuit	3.96
Installation of VFD in unit-2 kiln feed bin aeration	0.87
Installation of VFD drive for 601 BL02 (Cement silo aeration blower)	0.28
Projects for thermal energy conservation	GJ
Pyro enlargement at unit-I	64215.17
Inlet area of cooler fans FN-6, 7 9 & 10 increased	40134.48
Coal mill fan inlet duct area enlargement & upgradation of unit-I by modification in raw mill & coal Mill	173380.95
Modification of cooler TA TAKE-OFF duct in unit-II	83479.72
Total CO2 conserved by energy conservation projects	71822.02 Tons

INR 2.84 Cr Horticulture expenditure in FY 2019-20



We plant saplings for enhancing natural carbon sinks and increasing the green cover within our plants. In addition, we focus on survival rate to ensure long term lock in of carbon.

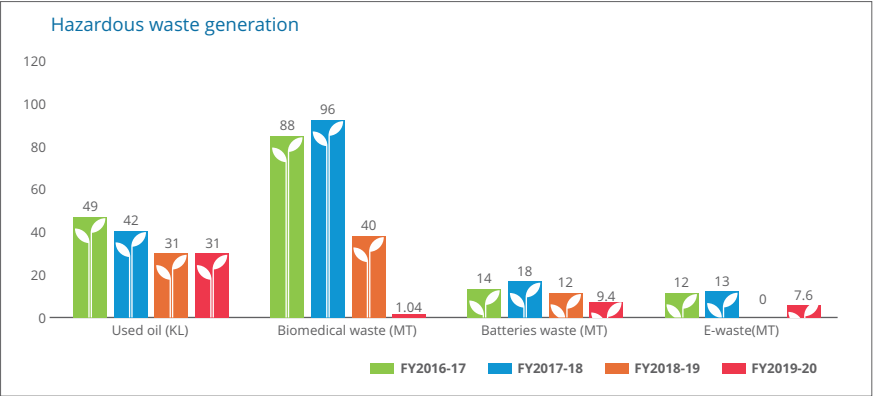
Limestone is our key raw material. In FY2019-20, limestone consumption accounted for 97.34% of conventional raw materials used. To ensure robust supply of limestone, we secure captive limestone mines on lease and comply with all the laws of the land to extract limestone from Nimbeti and Sheopura-Kesharpura deposits in Rajasthan and Semaradih and Bharuwadih deposits in Chhattisgarh and Kodla deposits in Karnataka.

We use waste from other industries to reduce our dependence on natural resources. These waste products can be used as a substitute for fossil fuels and other raw materials, providing us with an excellent opportunity to

address society's waste problem. Use of a variety of waste as Alternative Fuel and Raw Materials (AFR) ups our contribution to the circular economy. This year, Alternative Raw Materials comprised 24.3% of total raw material consumption at SCL. As a responsible producer and consumer, we adopt interventions including reuse of low-grade limestone and quarry rejects to increase usage of alternate raw materials.

Our plants generate various types of hazardous and non-hazardous waste including used oil, biomedical waste, E-waste and battery waste. After collection, these wastes are sold to registered CPCB/ SPCB vendors and recyclers and also, used oil is co-processed in our cement kilns.

SCL is committed to reducing its hazardous waste footprint and our continuous efforts towards this have resulted in a year-on-year reduction in our hazardous waste generation. The generation of used oil, biomedical waste, batteries waste and E-waste have all reduced when compared to the previous reporting period.



Circular Economy

GRI 301-1, 301-2, 301-3, 306-3, 306-4, 306-5
Cement industry is one of the most resource-intensive industry. Raw material consumption details for FY2019-20 are provided in the table:

Raw Material	Unit	2017-18	2018-19	2019-20
Conventional Raw Materials				
Limestone	MMT	22.29	26.05	24.86
Gypsum	MMT	0.32	0.43	0.38
Red ochre (IO, Red Mud, OB, Murrum, Bauxite)	MMT	0.24	0.05	0.28
Associated Process Materials				
Sulphuric acid	MMT			0.17
Alternative Raw Material				
Fly ash	MMT	5.15	5.92	5.95
Bed ash	MMT	0.45	0.45	0.018
Synthetic gypsum (Syn.Gyp. FGD,PP, FA,BA)	MMT	0.88	0.99	1.43
Chemical Gypsum	MMT	0.11	0.16	0.27
Mill Scale	MMT			0.0049
Lead Zinc Slag	MMT	0.004	0.004	0.0008
GBFS Slag	MMT	0.45	0.27	0.23
Sludge	MMT	0.011	0.002	0.005
Marble Slurry	MMT	-	0.16	0.22
Spent Sulfuric Acid	MMT	0.03	0.03	0.05



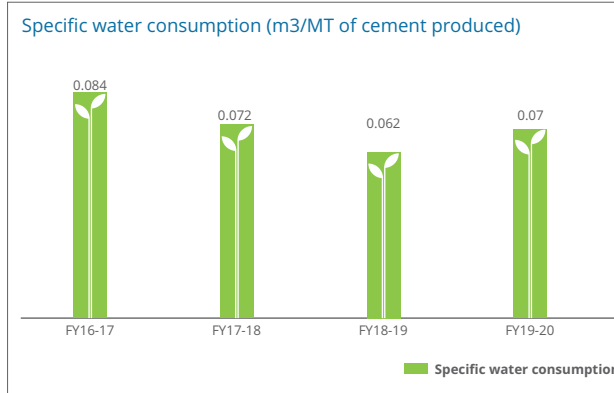
Water

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Water management is an integral part of our operations; our two-fold approach for water management includes conservation initiatives in and around plant sites as well as organise boot camps for sensitisation locals. Recycling water, rainwater harvesting, recharging of groundwater, employing water efficient technology and maintaining ZLD is a standard across our manufacturing sites. Also, none of the water withdrawal source is significantly affected by our activities or lies in protected areas.

SCL has adopted an efficient data management system for water withdrawal and our Water Management Cell (WMC) tracks and monitors real time data on water withdrawal, which is captured continuously by meters installed at the inlets of the distribution networks. In the reporting year, while our total water withdrawal stood at 2.38 million m³, our water consumption amounted to 2.28 million m³.

The remaining 0.09 million m³ was stored in our water storages. We reused 0.23 million m³ of wastewater generated, recycling nearly 9.69% of the total water withdrawn. Our specific water consumption for FY2019-20 stood at 0.095 m³ per ton of cement produced.



As our water withdrawals are from water stressed areas, our efforts are focused on rainwater harvesting and ground water recharge.

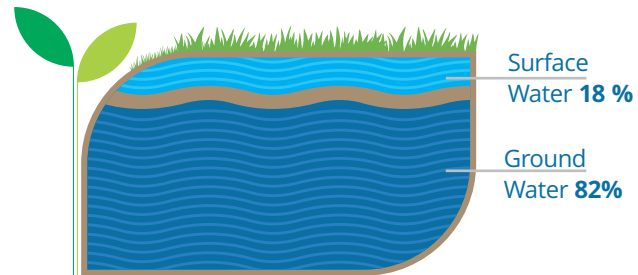


3X Water charged as compared with withdrawal

Outlook

We shall continue making, necessary expenditures for compliance with applicable laws. Beyond compliance, we had prepared our carbon mitigation strategy and we are following its recommendations. We installed WHRS, utilised AFR, installed wind power and solar plants, reduced thermal & electrical energy consumption, etc. to further strengthen our carbon mitigation actions. We are exploring partnerships with the technology providers to capture and utilise the GHG emissions from its operations. We shall continue to make significant investments for innovation and collaboration to reduce the environmental footprint of our operations and our products with sustainable attributes to help customers reduce their environmental footprint.

Water Withdrawal



Cementing Bond with Our People

GRI 103-2, 103-3

People make organisations. SCLs core policy “Care for People” stems from an inclusive and diverse work culture. Sustainability paves the way for our employee engagement programme to inspire our people, deliver business growth, contribute to national development and work with passion. We at SCL have consistently focused on establishing a workplace that enhances employee happiness and satisfaction, ultimately resulting in optimal performance.



Figure 11: Our policies



Innovating for our People

At SCL, we are embracing digital in every dimension. We have undertaken several initiatives to ease various processes for our employees.

Learning and Development
STEPS (School for Training, Education and Personal Success) – an online platform that uses Artificial Intelligence to curate personalised learning programme for the professional growth of our people.

Automated exit settlements
We observed that people who retire or resign from the Company face various issues in settlement of their claims. To address this, we automated the exit claims settlement process which thereby reduced the response time by 30%.

Chat bots at employee service
This year, we launched a chat-bot to answer employee queries about policies, that answers Frequently Asked Questions, thereby reducing dependence on HR representatives.

Technology for opportunity discovery
Aarohan - an internal job application process was launched to automate the process of internal applications to any job opening. This has helped us increase transparency and reduce the response time.



Collaborating for Technology Upgrade

The HR department in collaboration with the IT/ERP team developed in-house the SPARQ (Shree Personal Application for Resolving queries) on both Android and iOS platform.

Employee profiles with data on leave balance, insurance, health records, reimbursement claims, travel entitlement and more are protected with security features

Access to information related to their team-attendance, health records and team details

People directory with option to share contact via email, SMS and WhatsApp

Frequently Asked Questions related to people policies

Birthdays, marriage and work anniversaries of all employees as well as of those employees in your team

Announcements which would be visible as notifications

Basic messaging feature only among app holders

Option to connect with social media handles, Insights and SCL web page

The features of the employee app were designed on basis of the feedback received from employees across locations and functions. Further, the existing employee portal was assessed to identify which features were popular and being accessed on a regular basis

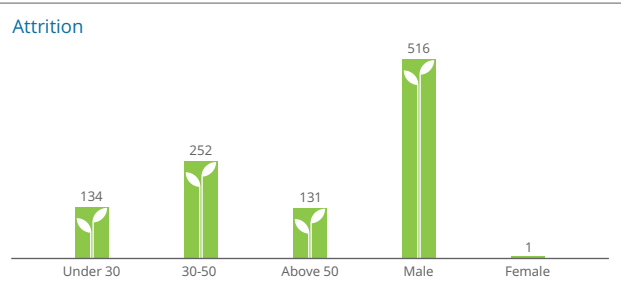
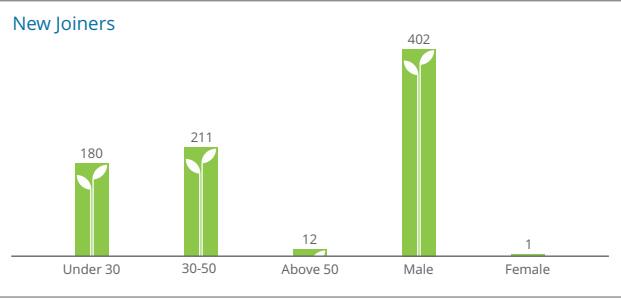
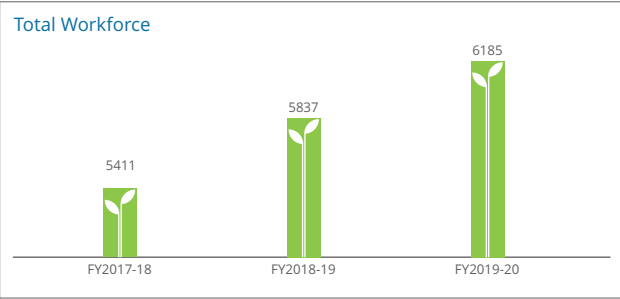
Performance at People’s Front

GRI 401-1
SCL values creativity, efficiency, innovation and integrity in its engagement with stakeholders. We continually focus on establishing a workplace culture that maximise employee happiness and satisfaction, ultimately resulting in optimal performance.

Empowering a Vibrant Workforce:

- 648 internal training programmes for employees
- More than 83,000 man hours of training
- 16 Million INR invested in training of our people
- All employees are entitled for annual performance appraisal
- All our operations are covered by SA 8,000 standards
- Among top 5 companies to work for in manufacturing and production sector

SCL is committed to empowering employees with resources and opportunities to continuously learn and adapt to an ever-changing environment. We provide guidance to employees on personal development as well as professional growth. We also involve senior leadership in the delivery of selected training sessions to employees. Further, we also monitor the effectiveness of our training programmes by measuring performance of our employees and collecting feedback on the training programme.



Performance Management

GRI 404-3
We undertake regular performance reviews to facilitate employee development with SCL's performance. Setting SMART goals, collecting regular feedback and engaging in a continuous review processes throughout the year, make performance reviews effective and efficient. We also provide employees with opportunities to improve their functional skills and harmonise with SCL's corporate philosophy.

Annual Performance Review of all employees in the senior, middle, junior management levels and permanent workers



Figure 12: Strategic Initiatives for Employee Engagement

Leadership Development Process

Our leadership development process is aimed at ensuring that the future leaders of the organisation have the right tools and guidance at their disposal to support their transition to leadership roles. We map the strengths and improvement areas of middle management and implement programmes to bridge any gaps in required competencies for leadership positions.

8 differentiating competencies include:

-  Analytical thinking and decision-making
-  Cost-consciousness
-  Outcome orientation
-  Innovative thinking
-  Productivity
-  Collaborative working
-  Impact and influence
-  People development

Strengthening the Bond between SCL and Employees

We believe that employee engagement should account for professional development as well as employees' overall health. Various clubs such as Children Club, Ladies Club and Staff Clubs conduct activities for employees and their family members. Both employees and their families can avail of relevant engagement programmes and facilities including gym, sports equipment, library, recreation room, Aroygadha, Yoga Centre, etc. We also include families in festivals such as celebrations of the anniversary of Lord Hanuman Temple, celebrations and various events such as Environment Day, Health Day, Heart Day, etc.

Families take part in our initiatives including Talent Show, Summer Camp, hobby classes. In our unique initiative, 'Kutumb Utsav', we invite families to spend one day with employees at their workplace in the plant. They visit the plant site and interact with the senior leadership and several teams.

Inclusive, Diverse and Collaborative

GRI 405-1, 405-2, 406-1

As a progressive company, we promote diversity and inclusion among our people. We do not advocate gender bias and offer equal opportunity to all. Equality, also in terms of equal remuneration, is a crucial factor in retaining qualified and competent employees.

GRI 406- 1, 407-1, 408-1, 409-1, 411-1, 412-1, 412-2, 412-3

We are committed to safeguarding human rights of people impacted by our activities, including people that work with us and within our supply chain. We have a well-defined Human Rights Policy that guides our practices in this regard. Additionally, we strictly practice the policy on 'prevention of sexual harassment' at all our units. In the reporting year, a total of 7371 man hours training was imparted on human rights policies and procedures, an increase of 61% over the preceding year. 23% of the total number of security personnel at Beawar, Ras and Kodla were imparted human rights training in FY20.

The Human Rights Policy aims at respecting and protecting the rights of people in our operating sites and safeguards their dignity. This policy is guided by the UN Global Compact, UN Guiding Principles on Business and Human Rights, the International Labour Organisation's (ILO) Declaration of Fundamental Principles and Rights at Work, and Sexual Harassment of Women at Workplace Act, 2013. All the SCL plants comply with SA 8000 Standard and encourage our suppliers to adopt the same. Due to our rigorous policy and actions, we have not violated any workers' right to freedom of association in any of our operations.



Features of our Human Rights Policy

Our Human Rights Policy ensures:

- 1 No deployment of child labour or forced labour
- 2 Providing a congenial workplace that attracts best talent
- 3 Makes no discrimination in recruitment and training of employees

7,371 Total Man-hours of training on human rights provided to employees

100% Coverage of workmen and regular contract workmen (employed as per Contract Labor Regulation and Abolition Act, 1970) under 3 registered trade unions

Zero Cases of non- discrimination and sexual harassment

Zero Cases of child, forced or compulsory labor

Internal complaints committee

Our Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace adheres to the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'

Ms. Preeti James,
Doctor, Shree Medical Service **Chairperson**

Ms. Deepika Jain Sr. Manager, Commercial Member	Shri Bhawani Singh, Asst. Vice President Member	Ms. Poonam Sharma, Sr. Manager, Project Commercial Member	Ms. Depali Lal, Manager of NGO External Member
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Prevention of Sexual Harassment at SCL



Labour relations

(GRI 402-1)

SCL's impact on the geographical region where it operates, is highlighted by the organisation's efforts in maintaining the social aspect of sustainability. All our employees are covered under collective bargaining agreements which allows us to maintain agreeable relations and consultative processes with them and their representatives. We boost our relationship with unions, work councils, and employee associations across the Company. While the scope of collective bargaining agreements varies with facilities, the emphasis always remains on the core philosophies of SCL and recognition of the significance of employee-related aspects of health and safety. We train our employees to understand, assess and mitigate risks related to health and safety. We have hundred percent coverage for permanent workmen (employed as per Contract Labour Regulation and Abolition Act 1970) of three registered trade unions affiliated with their country-wide trade unions namely Bhartiya Shree Cement Karmachari Sang (BMS), Shree Cement Works Union (AITUC) and Rastriya Shree Cement Mazdoor Sangh (INTUC). We have witnessed no strikes and lock- outs for the reporting period and maintain cordial relations with all our union members.

As any accountable and responsible organisation, SCL strives to respect the rights of its employees in addition to providing freedom of association and collective bargaining. We exercise a variety of procedures to inform our workers of operational changes. A minimum two week period is

granted for implementation of such operational changes to ensure seamless transition.

The Human Resource team at SCL ensures availability of the right talent for the right roles to achieve the desired goal and enhance our performance. A holistic talent acquisition process assists new entrants of our teams to be well versed with the organisation's values and culture. At the same time, our talent management activities including employee training, development and performance appraisals strengthen these processes.

Cadre wise segregation of workforce

	Male	Female
Senor Management	128	0
Middle Management	867	12
Junior Management	4978	17
Workers (Permanent)	183	

The SCL Board constitutes 11 individuals (1 Chairman and 10 Directors) with diverse experience and credentials from a wide range of organisations. Their astute business acumen add essential value to the SCL management. Their experience in significant leadership positions in the past provide beneficial insights and perspectives for leveraging sustainable growth.

As a progressive company, we promote diversity and inclusion among our people. We do not advocate gender bias and offer equal opportunity to all. Equality, also in terms of equal remuneration, is a crucial factor in retaining qualified and competent employees.



Building our Employees' Competencies

GRI 404-1, 404-2

SCL supports employees in their career development through a relevant and continuously updated training programme. To update our training programme, we conduct a "Training Needs Identification" (TNI) exercise at the start of every fiscal year, to assess the training requirements of our employees. TNI assists our employees in being well-equipped and better aligned to the core responsibilities and required functional skills. The FY20 assessment helped us map a diverse range of training needs including technical, cross-functional, compliance and behavioral trainings for the employees. Additionally, we support our people by augmenting their competencies with sessions on Leadership and Personal Excellence by internationally acclaimed speakers, SCL's senior leadership team, etc.

Employee Benefits Scheme

GRI 401-2, 401-3

The remuneration structure at SCL complies not only with the statutory requirements, but also contributes to decent standard of living of our employees. We provide tangible and intangible benefits including rewards and recognition to motivate our people to strive for superior performance. We group our insurance policies, such as health insurance and life insurance, which benefits all our permanent staff including senior management, middle management, junior management and workers. Furthermore, we provide a maternity leave of 6 months to all female staff under the Maternity Benefits Act, 1961.



SCL assures its employees comprehensive life insurance, personal accident insurance, health insurance as well as pension

Insurance	Retirement Provisions	parental Leave	Funds	Special Allowance	Other
<ul style="list-style-type: none">• Health Insurance• Personal Accident Insurance (group)• Life Insurance• Employees State Insurance (ESI)*	<ul style="list-style-type: none">• Employees* Pension Scheme (EPS)• Employees* Provident Fund Scheme (EPFS)• Employees* Deposit Linked Insurance (EDUS)	<ul style="list-style-type: none">• Maternity leave for all female staff	<ul style="list-style-type: none">• Gratuity• Bonus as per PF Act**	<ul style="list-style-type: none">• Transportation Allowance• Uniform Allowance• Medical Allowance	<ul style="list-style-type: none">• Car Lease• Benevolent Fund (Employee Contribution Scheme)• Gift scheme for birthdays and marriage anniversary

* Applicable as per ESI Act at covered units
**Applicable to all whose basic is less than or equal to INR 21,000/-

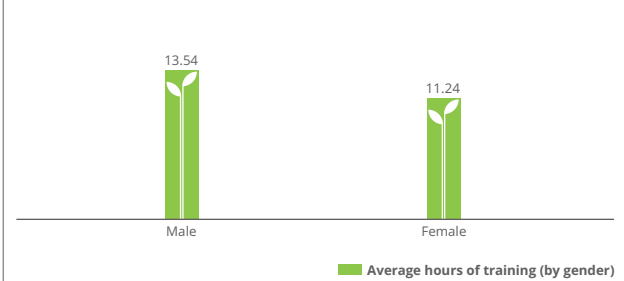


13.6 Hours Per Employee Average Training Per Employee for FY2019-20

648 Internal Training Programs

CSR sustainability
Mining basics
Power generation and distribution
Labour laws
Cement logistics and supply chain management
Project management and contract management
Finance
Cement manufacturing process and balanced scorecard

Average hours of training (by gender)



Average hours of training (by employee category)



Safety – Our priority

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

At SCL, each employee is our mascot of safety. Job safety observations are a continuous process, in which all of us are encouraged to participate. We have built a robust safety management system based on the globally recognised and practised OHSAS 18001 standard. Through 'Mission Zero Injury' we are committed to eliminate workplace injuries for our employees and contractors working in our premises.



0 Target LTIFR for FY2019-20

Safety data for our permanent employees

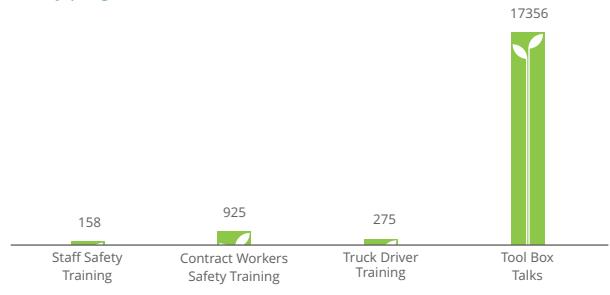
Description	Unit	Value
Man-hours worked	Hours	14372404
Injuries	Numbers	0
Injury rate	Per million man-hours worked	0
Fatalities	Numbers	0
Fatalities rate	Per million man-hours worked	0
Occupational disease cases	Numbers	0
Occupational disease rate	Per million man-hours worked	0

Safety data for contract employees

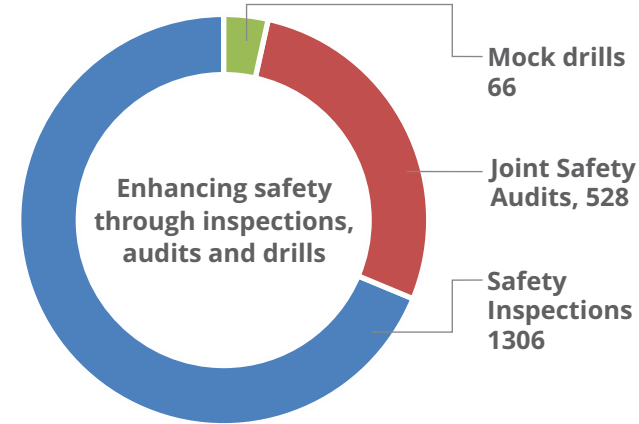
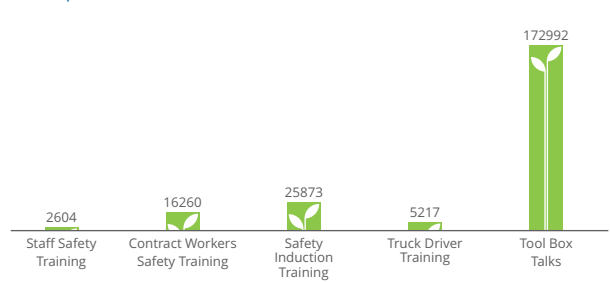
Description	Unit	Value
Man-hours worked	Hours	27872828
Injuries	Numbers	2
Injury rate	Per million man-hours worked	0.07
Fatalities	Numbers	3
Fatalities rate	Per million man-hours worked	0.11
Occupational disease cases	Numbers	0
Occupational disease rate	Per million man-hours worked	0

We at SCL, are transforming the way workers look at safety by periodically organising trainings, mentoring and coaching's by internal and external experts. We have a structured hazard identification and risk assessment process. In FY2019-20, we identified 13,610 unsafe acts or unsafe conditions.

Safety programmes



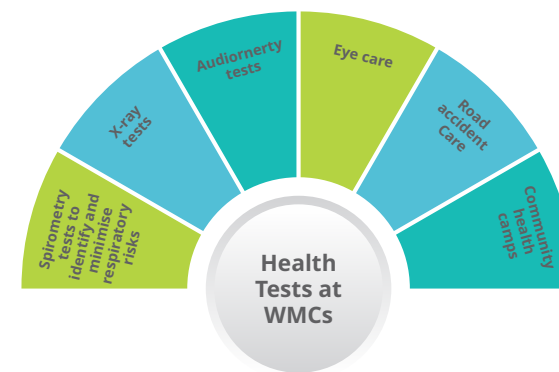
Participants



Health & Wellness

We give access to quality health services to our staff and members of local communities under our motto, 'Care for People'. At all our locations we have developed the 'Wellness Management Center' (WMC) where we deploy qualified doctors to provide modern healthcare services. We provide annual health check-ups and various healthcare programmes for workers and their families. Moreover, based on their type of employment, healthcare programmes and facilities apply to contract employees.

Health tests at Wellness Management Centre



Health Initiatives for the Community

Health Camps are being organised to facilitate provision of services of special doctors like Pediatricians, Gynecologist, Medical and Surgical specialists for the villagers. During these camps besides routine ailments, people suffering from major ailments are treated and wherever required further referred for surgery or treatment in hospitals. Our Mamta Project, which aims at reduction in infant and maternal mortality rate and Improvement in health status of women and in quality of life.

Shree Swachhata Project aims at creating awareness among people for adopting hygiene practices, mobilising government funds for construction of household toilets under PPP scheme. Eye and dental camps are organised for truck drivers and cleaners with NHA and Arawli.

We conduct weekly health camps in villages which do not have Primary Health Centres in collaboration with Gram Panchayats (medicines are provided at free of cost to villagers). Our health related initiatives also cover livestock management activities. These activities include awareness creation among livestock owners for optimum utilisation of fodder and having Zero Fodder Wastage. We also make livestock owners aware about the losses incurred due to outbreak of various diseases in livestock.

Initiatives Associated with Control and Prevention of COVID-19

On 22nd March 2020 all the SCL units had to temporarily suspend operations following the government imposed nationwide lockdown to limit the spread of COVID-19. Later, the Ministry of Home Affairs issued detailed guidelines for allowing companies providing essential services and industrial establishments "including continuous process industries and their supply chain" to resume activities.

Production became partially operational at our manufacturing facilities after initiating all necessary safety measures for the workmen and employees working there as stipulated by appropriate government authorities. We have been adhering to the standard operating procedures for social distancing. Safe Operating Procedure (SOP) were prepared to resume the work at all Manufacturing Units / Marketing Offices / Project Sites of SCL after the lockdown period. Following precautionary practices at SCL ensure safety from COVID-19:

- Employees shall review their health parameters at home regularly to stay healthy
- In case symptoms such as cough, sneezing and difficulty in breathing are observed, employees are advised to stay back at home. Take rest and consult with family doctor and report to supervisor and company doctor
- While going to work, use mask and hand sanitisers. Don't touch eyes, nose and mouth
- Maintain social distancing instead of standing in group / crowd
- If possible, use personal vehicles instead of common bus facility
- Transport department shall keep required sanitiser in all transport buses / pool vehicle
- Alternate seating to be ensured for maintaining physical distancing
- Windows should be kept open, employees should ensure respiratory hygiene by wearing mask
- Use of sanitiser and ensure self thermo scanning at gate only.
- Maximum use of face reading machine for punching or alternate attendance system to be adopted till further instructions
- Wishing at work place by saying "Namaste" instead of hand shake and keep proper distance while wishing
- Wear safety helmet, nose mask and other job specific personal protective equipment's while working in plant area
- Keep proper distance in office by alternative seating, doors and windows to be kept open to the maximum extend
- Wear mask and disinfect laptop / desktop during the shift beginning
- Keep social distancing to the maximum extend, monthly safety meeting to be postponed



- All necessary instruction / Information of safety meeting etc. to be circulated through individual email or on notice board
- Stop physical meetings, gathering of people utilize phone calls / virtual meetings to the maximum extend
- Trainings to be given only by online mode to the maximum possible extend
- To avoid calling visitors for physical meeting to the maximum extend. Only in emergency to take approval of concern FH. To keep social distancing and wear mask
- Executive in car travel ensure driver health before starting of journey, sit diagonally to the driver and maintain social distance, driver to hand sanitise the executive before their seating, transport department shall ensure that vehicle sanitisation on regular basis
- Avoid overcrowding at pantry, arrive to pantry in staggered timings and maintain distance, do not chat in groups, advise all office peons to sanitize their hands in regular manner, staff should ensure that all peons of their dept. wear face mask
- All required areas in the premises shall be disinfected completely using user-friendly disinfectant mediums
- To ensure that all doors / windows are open during office hours. As far as possible, air-conditioning shall be avoided and natural ventilation shall be used
- To ensure that sanitisation of all areas is done before start and after end of duty hours
- Special attention to be given to wash rooms / toilets by periodical cleaning, swabbing, disinfecting and maintaining dry. Walls / Doors / Windows and all fittings

in wash rooms shall also be disinfected and cleaned thoroughly. Soap solutions / hand sanitisers / paper towels shall be placed and replenished periodically

- Other common utilities like electrical switches, door handle etc. to be disinfected before putting in operation

Individual Responsibilities:

- No new workers / vehicle (without valid pass) shall be allowed inside. Department Head should ensure deployment of minimum manpower presence as per requirement.
- Any parcel /courier person should be stopped at gate. Parcel shall be collected from gate by concerned person, all such parcel will be disinfected before allowed to open.
- All people who are entering the premises shall be sanitised using whole body sanitisers / spray / mist in the approved manner. Sanitiser kept ready at the entrances and people after entry shall sanitise their hands before proceeding to their work spots
- Employees shall work from their seats and avoid going to other's seats as far as possible. Maximum possible discussions / interaction can be held through land line phones and mobile phones
- All employees to strictly adhere to the social distance of minimum 1 - 2 meters
- Avoid sending hard copies wherever possible and use soft copy correspondences by e-mails
- Approving officials can seek required back up / supporting documents in soft for study before according approval on hard copy to avoid contaminations

Outlook

SCL has garnered several awards and accolades for its commitment to build a workplace of safety, teamwork, creativity and innovation. As one of 'India's Top 5 Companies to Work for' in the Manufacturing and Production Sector, and among 'India's 100 Best Companies to Work for' across all sectors, our care for people has been well-recognised. These awards were given by Great Place to Work, India. To persistently improve safety of our people, we have devised Safety Improvement Plan 2020-21.

Table 7: Safety Improvement Action Plan 2020-21

S. No.	Particulars	Target Date
1.	Statutory danger sign and caution boards at the storage locations of hazardous chemicals and gas cylinders needs to be augmented	2020-21
2.	More number of general safety signage and road safety signage all over the plant have to be put up to keep workmen alert to safety	2020-21
3.	Hazardous area classification are required to confirm specific requirement of flame proof electrical equipment's and associated wiring that can be installed in hazardous area	2020-21
4.	Training programme need to be arranged for all concerned in order to understand the role of flame proof equipment's and associated work with regards to maintenance	2020-21
5.	Display required for safety precautions to taken before entry inside confined space in prominent places in Hindi, so that workers can understand and follow necessary safety precautions	2020-21

We have an online portal for reporting unsafe working conditions. We will continue to increase the role of technology for ensuring workplace safety

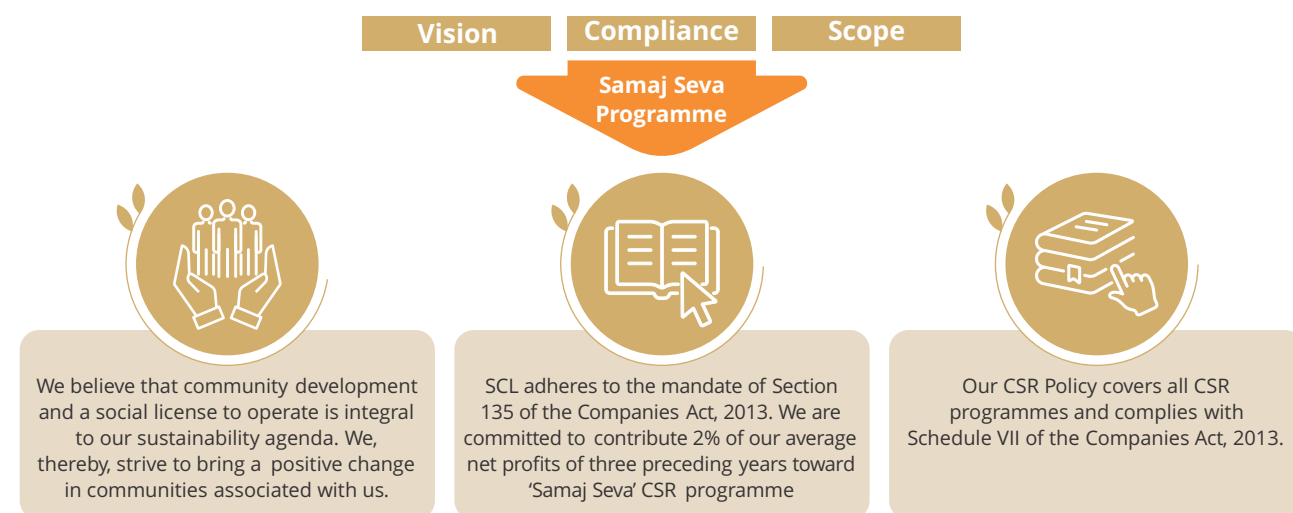
Delivering Social Value

GRI 413-1

As a responsible organisation we understand that our growth goes hand-in-hand with the development of the society. Therefore, we uphold spirit of shared value creation in every business decision. Our approach of shared value creation is derived from our understanding of society's needs. CSR projects are designed, implemented based on need-assessment reports and CSR policy of the Company which meets the statutory requirements and is in consonance with all the UN Sustainable Development Goals. To understand the needs, we use a well-defined process, 'Participatory Rural Appraisal' (PRA), to identify community needs and implement suitable innovative and collaborative initiatives to address them.



SCL has been undertaking socio-economic development programs to supplement the efforts to meet priority needs of the community with the aim to help them become self-reliant. We have a dedicated 'Samaj Seva' programme which operates under the guidance of our CSBR committee (Corporate Social & Business Responsibility Committee).



Our focus Areas

SCL has identified key thematic areas as focusing its CSR interventions. These include education, healthcare, rural development, infrastructure development and women empowerment among others. Aligned to the national commitment, SCL strives to contribute exceedingly towards elimination of poverty, gender equality and rural development.



Innovating for Communities

Through our community initiatives, we strive to provide technology to the community and build a temperament for innovation in the community. To improve digital skills, we have collaborated with training institution to educate young students in Rajasthan. We also contribute to technology incubators located within academic Institution, which are approved by the Central Government.



SCL has also been innovating ways to augment the water supply in nearby villages and to maintain minimum supply levels during peak summer season. To overcome the acute scarcity of drinking water, we have been undertaking drinking water project in nearby Govt. Schools. We have promoted usage of appropriate technology and agricultural techniques as per holding size and crop. We have provided subsidy in various agriculture equipments like sprayer machine, sprinkler set, HDPE pipes to empower farmers and to increase agricultural production in nearby villages.



Shaping future of E-generation

Objective: To provide world class education as we believe that education has the power to transform the society through enlightenment and empowerment.

Implementation: Bangur Public School (BPS) at Ras, established under the aegis of SCL, is spread over 6.7 acre campus and affiliated to CBSE Board, New Delhi. The school is designed to provide world-class education complemented with the best of facilities to groom the tech savvy E-generation of tomorrow. The pedagogy is modelled on internationally recognised schools of thought-based on Blooms Taxonomy and Multiple Intelligences. BPS is fully committed to maintaining high standards in all aspects of school life through state-of-the-art infrastructure & innovative learning methodology.

Impact created for the community: We are significantly contributing in shaping the future of India by maximising individual potential and ensuring that the students develop into responsible citizens of tomorrow.

Bangur Public School, Shree Cement Limited, Ras



Collaborating for Communities

In its pursuit of creating shared value, we collaborate several organisations, rural communities, State Government and Central Government on different initiatives to support socio-economic development in the country. SCL have been supporting Government of Rajasthan (GOR) for the adoption of Anganwadi Centres under “Nanda Ghar Yojna” for renovation, maintenance of infrastructure. For this, the Ras plant has adopted 35 Anganwadis in four Gram Panchayats under Public Private Scheme (PPP) scheme by joining hands with Women and Child Development Department (GoR). Under this initiative, all Anganwadi Centres are developed as “Model Centres” for proper psychological, physical and social development of children. We have been providing sweaters, uniforms, white washing and learning materials to 900 children of 35 Anganwadi Centre. Apart from this we also supported 19 Anganwadis by providing almira, chairs and kids chairs to contribute to socio-economic development of the country, SCL provided funds to Prime Minister’s National Relief.



Cement Concrete Road Construction

Objective: To provide rural connectivity by constructing road at Kheda village

Implementation: Kheda is a hamlet of approximately 400 families in Jaitaran block of Pali district in Rajasthan, situated in vicinity of plant. The village had limited connectivity due to absence of well-built pucca road. People walked about a kilometer to reach to the nearest main road. Villagers were confined to their houses during the rainy seasons due to waterlogging. It directly impacted their livelihood. To alleviate the situation, we started 600 meter long CC road construction work at Kheda, out of which half of the work is completed and remaining is under progress. Similar roads are being constructed at other locations of the plant.

Impact created for the community: Through this initiative, we provided villagers better mobility and safety, contributed to inclusive development of Kheda.



Women against COVID-19

Objective: To empower women for setting up small business for their livelihood and provide relief against COVID-19

Implementation: Under the banner of Shree Foundation Trust, we organised skill enhancement training programmes on tailoring and sewing to help women to set-up small business and be self-employed. During COVID-19, these women stitched thousands of double layered cloth masks (re-usable) for distribution among villagers towards safety against COVID-19. In a short duration of over two months, these women manufactured all masks, which were distributed in nearby villages and also across at our various units.

Impact created for the community: The women beneficiaries transitioned from making classroom training samples to manufacturing high quality masks. It helped them in gaining meaningful work and provided much needed economic support to their families.



Our Performance

Our CSR expenditure stood at ₹ 40.47 Crore in FY2019-20, an increase of ~30% over the preceding year. Following is a breakdown of our CSR expenditure:

CSR Thematic Area	Amount spent (INR Laks)
Healthcare, water, sanitation and hygiene	629
Education, sustainable sivelihood	899
Gender equality, women empowerment initiatives and reducing inequalities	671
Environment protection	145
Art and culture	790
Rural sports	33
Rural development	657
CSR overheads	199
Total CSR expenditure	4047

At SCL, we have a dedicated grievance redressal mechanism in place to address all grievances of community members and villagers. The process is as follows:

- Grievances are shared during meetings and interactions with villagers
- Villagers may submit a written complaint to SCL’s CSR wing
- CSR wing ensures that complaints are addressed promptly with immediate resolve

Number of Beneficiaries

	Ras	Raipur	Koda	Beawar
 ENVIRONMENT	1,012 Persons	6 Villages	-	2,650 Persons
 EDUCATION	8,795 Persons	1,451 Persons	7,194 Persons	11,716 Persons
 HEALTH	31,503 Persons	601 Persons	1,620 Persons	-
 COMMUNITY DEVELOPMENT	11,600 Persons	10 Villages	22,000 Persons	-
 MISCELLANEOUS	10,666 Persons	1,294 Persons	2,739 Persons	-
	1,20,000+ Beneficiaries			





Annexures



Endeavour to Inspire and Empower Students

Objective: To inspire and empower our students to be life-long learners, critical thinkers and productive members of an ever-changing global society. Students are encouraged to channelise their potential.

Implementation: Central Academy, Bangur Nagar at Beawar is one of the leading schools in the town and is known for a good reputation and fine traditions. The school has world-class facilities including classrooms, music room, compute lab, library, activity lab, staff room, etc. The school focuses not only on academics, but also focuses on the overall development of the children through various co-curricular activities.

Impact created for the community: Through this initiative, we are not only contributing in education, but also empowering students to use their potential and be a future leader.



Appendix I: GRI Content Index

GRI Standard	Disclosure #	Disclosure Description	Pg #
GRI 101 : Foundation 2016			
GRI 102: General Disclosures 2016			
Oranisational Profile	102-01	Name of the organization	13
	102-02	Activities, brands, products, and services	13
	102-03	Location of headquarters	13
	102-04	Location of operations	15
	102-05	Ownership and legal form	13
	102-06	Markets served	15
	102-07	Scale of the organization	13
	102-09	Supply chain	13
	102-10	Significant changes to the organization and its supply chain	13
	102-13	Membership of associations Strategy	15
Strategy	102-14	Statement from senior-decision maker	2, 3, 4, 5,
	102-15	Key impacts, risks, and opportunities	28
Ethics & Integrity	102-16	Values, principles, standards, and norms of behaviour	9,24
	102-17	Mechanisms for advice and concerns about ethics	24
Governance	102-18	Governance structure	27
	102-19	Delegating authority	27
	102-20	Executive-level responsibility for economic, environmental and social topics	27
	102-21	Consulting stakeholders on economic, environmental, and social topics	27
	102-22	Composition of the highest governance body and its committees	25
	102-23	Chair of the highest governance body	25
	102-24	Nominating and selecting the highest governance body	25
	102-25	Conflicts of interest	25
	102-26	Role of highest governance body in setting purpose, values and strategy	25
	102-27	Collective knowledge of highest governance body	25
	102-28	Evaluating the highest governance body's performance	25
	102-29	Identifying and managing economic, environmental, and social impacts	27
	102-30	Effectiveness of risk management processes	27
	102-32	Highest governance body's role in sustainability reporting	27
	102-35	Remuneration policies	29
	102-36	Process for determining Remuneration	29
	102-37	Stakeholders involvement in remuneration	29
	102-38	Annual total compensation Ratio	29
Stakeholder Engagement	102-40	List of stakeholder groups	19
	102-42	Identifying and selecting Stakeholders	19
	102-43	Approach to stakeholder Engagement	19
	102-44	Key topics and concerns Raised	19
Reporting Practice	102-45	Entities included in the consolidated financial statements	31
	102-46	Defining report content and topic Boundaries	22
	102-47	List of material topics	22
	102-50	Reporting period	7
	102-51	Date of most recent report	8
	102-52	Reporting cycle	8
	102-53	Contact point for questions regarding the report	8
	102-54	Claims of reporting in accordance with the GRI Standards	7
	102-56	External assurance	8

GRI Standard	Disclosure #	Disclosure Description	Pg #
GRI 200: Economic			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	22,23
	103-2	The management approach and its components	23, 24, 45
	103-3	Evaluation of the management approach	23,24, 45
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	31, 32
	201-2	Financial implications and other risks and opportunities due to climate change	27
	201-3	Defined benefit plan obligations and other retirement plans	32
	201-4	Financial assistance received from government	31
	204-1	Proportion of spending on local suppliers	33
GRI 300: Environment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	23
	103-2	The management approach and its components	23
	103-3	Evaluation of the management approach	23
GRI 301: Materials 2016	301-1	Materials used by weight or Volume	42
	301-2	Recycled input materials used	42
	301-3	Reclaimed products and their packaging materials	42
GRI 302: Energy 2016	302-1	Energy consumption within the organization	39
	302-2	Energy consumption outside of the organization	39
	302-3	Energy intensity	39
	302-4	Reduction of energy Consumption	39
GRI 303: Water & Effluents 2018	303-1	Interactions with water as a shared resource	44
	303-2	Management of water discharge related impacts	44
	303-3	Water withdrawal	44
	303-4	Water Discharge	44
	303-5	Water Consumption	44
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	40
	305-2	Energy indirect (Scope 2) GHG emissions	40
	305-3	Other indirect (Scope 3) GHG emissions	40
	305-4	GHG emissions intensity	40
	305-5	Reduction of GHG emissions	41, 42
	305-6	Emissions of ozone-depleting substances (ODS)	41
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	41
GRI 306: Waste 2020	306-3	Waste generated	42
	306-4	Waste diverted from disposal	42
	306-5	Waste directed to disposal	42
GRI 308: Supplier environmental assessment 2016	308-1	New supplies that were screened using environmental criteria	33
	308-2	Negative environmental impacts in the supply chain and actions taken	33
GRI 400: Social			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	22
	103-2	The management approach and its components	24, 37
	103-3	Evaluation of the management approach	24, 37
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	47
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51
	401-3	Parental leave	51

GRI Standard	Disclosure #	Disclosure Description	Pg #
GRI 402: Labor Mangement relations 2016	402-1	Minimum notice periods regarding operational changes	50
GRI 403: occupational Health & Safety 2018	403-1	Workers representation in formal joint management-worker health and safety committees	52
	403-10	Work related ill health	52
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related Fatalities	52
	403-3	Percentage of employees receiving regular performance and career development reviews	52
	403-4	Health and safety topics covered in formal agreements with trade unions	52
	403-5	Worker training on occupation health and safety	52
	403-6	Promotion of worker health	52
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relations	52
	403-8	Workers covered by an occupational health and safety management system	52
	403-9	Work related injuries	52
GRI 404: Training & Education 2016	404-1	Average hours of training per year per employee	47, 51
	404-3	Percentage of employees receiving regular performance and career development reviews	47, 51
	404-2	Programs for upgrading employee skills and transition assistance program	51
GRI 405: Diversity & Equal Opportunity	405-1	Diversity of governance bodies and employees	48
	405-2	Ratio of basic salary and remuneration of women to men	48
GRI 406: Non Discrimination	406-1	Incidents of discrimination and corrective actions taken	48
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labour	48
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	48
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous	48
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	48
	412-2	Employee training on human rights policies or procedures	48
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	48
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	33, 50
GRI 413:Local communities 2016	413-1	Operations with local community engagement, impact, assessments and development programs	55
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	33
	414-2	Negative social impacts in the supply chain and actions taken	33

Appendix II: Alignment with UNGC principles

UNGC Principle	Description	Page No.(s) and/ or URL(s)	Omission
Human Rights			
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	48-49	
Principle 2	Business make sure that they are not complicit in human rights abuses	48-49	
Labour			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	50	
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	49	
Principle 5	Businesses should uphold the effective abolition of child labour	49	
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	49	
Environment			
Principle 7	Businesses should support a precautionary approach to environmental challenges	35-44	
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	35-44	
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	35-44	
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	24	

Appendix III: Alignment with GCCA principles

GCCA Category	Principle	Page No.(s) and/ or URL(s)	Omission
Health & Safety	Apply the good safety practice guidelines	52-54	
	Promote the sharing of good health practices	52-54	
Climate change and energy	Develop a climate change mitigation strategy, and publish targets and processes	37-38	
Social responsibility	Publish a code of conduct incorporating the principles of internationally proclaimed human rights	48-49	
	Apply the Social Impact Assessment guidelines	55-59	
	Establish a systematic dialogue process with stakeholders	19-23	
Environment and Nature	Apply the Environment and Nature guidelines Set emission targets and report publicly on progress	36-38	
Circular Economy	Promote the principles of circular economy across the value chain	42-43	
	Apply the guidelines developed for fuel and raw material use in cement production	42-43	

Appendix IV: Alignment with NVG principles

NVG Principle	Description	Page No.(s) and/ or URL(s)	Omission
Principle 1	Businesses should conduct and govern themselves with ethics, transparency and accountability	74*	
Principle 2	Maximising the sustainability of goods and services throughout their lifecycle	75-76*	
Principle 3	Enriching the quality of life of employees and maximising their potential	76-77*	
Principle 4	Inclusive growth through stakeholder engagement	77*	
Principle 5	Businesses should respect and promote human rights	77*	
Principle 6	Protecting the environment	77*	
Principle 7	Policy advocacy	78*	
Principle 8	Inclusive growth and equitable development	79*	
Principle 9	Value to customers	82*	

*Page No. of Annual Report - URL : https://www.shreecement.com/uploads/investors/annual-reports-2019-20_3.pdf

Appendix V: Sustainability performance indicator

Issue	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Climate protection	Total CO ₂ emissions-gross	Million Tons	15.05	100
	Total CO ₂ emissions – net	Million Tons	14.13	100
	Specific CO ₂ emissions-gross	kg/ton cementitious material	557	
	Specific CO ₂ emissions-net	kg/ton cementitious material	554	
	Independent third-party assurance of CO ₂ data (Frequency)	NA	Annual	100
Fuels and raw material	Specific heat consumption of clinker production	Kcal/kg Clinker	721	
	Alternative Fuel Rate	%	1.2	
	Biomass fuel rate	%	0	
	Alternative Raw Materials Rate	%	24.3	
	Clinker/Cement Ratio	%	69	
Employee health & safety	No. of fatalities (directly employed)	Number	0	
	No. of fatalities per 10,000 directly Employed	Number	0	
	No. of fatalities (indirectly employed)	Number	3	
	No. of fatalities (3rd party)	Number	3	
	No. of Lost time injuries (directly employed)	Number	0	
	Lost time injuries per 1m man-hours (directly employed)		0	
	No. of lost time injuries (indirectly employed contractors and subcontractors)	Number	2	
	Lost time injuries per 1m man-hours (indirectly employed)	Number	0.07	
	Total no. of lost time injuries	Number	2	
Emission reduction	Independent third-party assurance of safety data (Frequency)		Annual	
	Specific NO _x emissions	g/ton clinker	1064.84	
	Specific SO2 emissions	g/ton clinker	40.02	
	Specific dust emissions	g/ton clinker	52.72	

Issue	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
	Clinker produced with monitoring of major and minor emissions	%	100	
	Clinker produced with continuous monitoring of major emissions	%	100	
	Independent third-party assurance of emissions data (Frequency from 2011)		Annual	
Local impacts	Sites with quarry rehabilitation plans in place	%	100	
	Sites with community engagement plans in place	%	100	
Biodiversity KPI no.1	Number of quarries within, containing, or adjacent to areas designated for their high biodiversity value, as defined by GRI 304	Number	0	
Biodiversity KPI no.2	Quarries with high biodiversity value where biodiversity management plans are actively implemented	%	NA	
Water	Total water withdrawal by source	Million m ³	2.38	
	Total water discharge by quality and Destination	Million m ³	0	
	Destination: Surface water	Million m ³	0	
	Destination: Water discharge for offsite Treatment	Million m ³	0	
	Destination: Water discharge to others	Million m ³	0	
	Total water consumption (for cement)	Million m ³	2.28	
	Percentage of sites with a water recycling system	Million m ³	100	

Appendix VI: IFC performance indicators

Category	Unit	Value/Reference to Section
Occupational health & safety		
Accident rate – Direct Employee	LTI per million hrs.	0
Accident rate – Indirect Employee	LTI per million hrs.	0.07
Fatality rate	Per million-man hours worked	0
Fatality rate (Indirect)	Per million hours worked	0.11
Occupational health & safety monitoring programme		Page 52-54
Resource use and waste		
Hazardous waste – Liquid	kl	31 kl
Hazardous waste – Solid	Metric Tons	18.04 MT
Air emissions levels for cement manufacturing		
Dust	g/ton clinker	52.72
NO _x – for cement Facilities	g/ton clinker	1,064.84
SO ₂ for cement facilities	g/ton clinker	40.02
CO ₂ – From Decarbonisation	Tons of CO ₂	88,08,275
CO ₂ – From Fuel	Tons of CO ₂	53,12,625
HCl	Tons of CO ₂	0
Hydrogen Fluoride	Mg/Nm3	0
Total Organic Carbon	Mg/Nm3	0
Dioxins – Furans	Ng/Nm3	0
Cadmium	Mg/Nm3	0
Thallium	Mg/Nm3	0
Mercury (Hg)	Mg/Nm3	0
Effluent Level Cement Manufacturing		
pH		0 Effluent Discharge
Total Suspended Solids		0 Effluent Discharge
Temperature Increase		0 Effluent Discharge
Resource Energy Consumption		
Materials-substitute raw materials used in clinker production	%	1.2
Substitute raw materials in cement production	Million tons	8.22
Fuel-energy cement	Kcal/kg Clinker	721
Electrical energy-cement	kWh/ton cement	70.5

Appendix VII: Assurance statement

The Board of Directors and Management
Shree Cement Limited
Bangur Nagar, Beawar - 305 901
District - Ajmer, Rajasthan

Ernst & Young Associates LLP (EY) was engaged by Shree Cement Limited (the ‘Company’) to provide independent assurance to the Sustainability Report (the ‘Report’) for Shree Cement Limited for the financial year 2019-20.

The development of the Report is based on the GRI Sustainability Reporting Standards. The Company’s management is responsible for the content of the Report, identification of the key aspects, engagement with stakeholders and its presentation. EY’s responsibility, in accordance with the Company’s management’s instructions, is to carry out a limited assurance engagement on the Report. The assurance statement should not be taken as a basis for interpreting the Company’s overall performance, except for the aspects mentioned in the scope below.

Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk.

Scope of Assurance

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company’s sustainability performance for the period 1st April 2019 to 31st March 2020, specifically disclosures related to material environmental and social topics;
- Review of the sustainability report for detecting, on a sample basis, any major anomalies between the information reported in the sustainability report and relevant source data / information, covering the following locations/business: integrated cement plants in Beawar, Ras and Raipur and grinding units at Khushkhera and Aurangabad.

Limitations of our review

- The assurance scope excludes:
- Operations of the Company other than those mentioned in the ‘Scope of Assurance’;
 - Aspects of the Report and data/information (qualitative or quantitative) other than those mentioned above;
 - Data and information outside the defined reporting period i.e. 1st April 2019 to 31st March 2020;
 - Data and information on financial performance of the Company;
 - The Company’ statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company;
 - Review of the Company’ compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Assurance criteria

The assurance engagement was planned and performed in accordance with the International Federation of Accountants’

Appendix VII: Assurance statement

International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000). Our evidence-gathering procedures were designed to obtain a 'limited' level of assurance (as set out in ISAE 3000) on reporting principles, as well as conformance to standard disclosures as per GRI Standards.

What we did to form our conclusions

In order to form our conclusions, we undertook the following key steps:

1. Interviewed selected representatives of Company' management to understand the current processes in place for capturing sustainability performance data as per GRI Standards, the Company' sustainability vision and the progress made during the reporting period;
2. Execution of audit trail based on remote review of supporting documents and discussion with data owners at the Company's integrated cement plants in Beawar, Ras and Raipur as well as grinding unit at Khushkhera and Aurangabad.
3. Reviewed relevant documents and systems for gathering, analyzing and aggregating sustainability performance data in the reporting period.

Our Observations

- ▶ The Company is maintaining a repository of information on sustainability initiatives implemented at manufacturing facilities and in nearby areas occupied by local communities.
- ▶ There is scope for strengthening the data management systems including protocols for data recording in alignment with GRI Standards.

¹ International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (2013) establishes ethical requirements for professional accountants.

Our Conclusion

On the basis of our review scope and methodology, nothing has come to our attention that would cause us not to believe that the Report fairly presents the Company's sustainability performance data on material sustainability issues.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our climate change and sustainability network and undertakes similar engagements with a number of significant Indian and international businesses. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics¹ for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.



Chaitanya Kalia
Partner
Date: 16/03/2021
Place: Mumbai

Appendix VIII: Company's plants and marketing offices

Integrated Cement Plants and Power Plants

Beawar

Bangur Nagar, Beawar – 305901
Distt: Ajmer, Rajasthan (India)
Phone: +91-1462-228101-06
Fax: +91-1462-228117/228119
Email: shreebwr@shreecement.com

Kodla

Village Kodla & Benkanhalli,
Taluka: Sedam, Distt. Kalaburagi,
Karnataka (India) – 585222
Phone: +91-837-4112260
Email: shreebwr@shreecementltd.com

Ras

Bangur City, Ras, Tehsil:
Jaitaran – 306 107
Distt: Pali, Rajasthan (India)
Phone: +91-1462-228101-06
Fax: +91-1461-228117/228119
Email: shreebwr@shreecement.com

Balodabazar

Village Khapradih,
Tehsil-Simga,
Distt: Balodabazar,
Chhattisgarh (India)
Phone: +91-771-2430007/2430023

Split Grinding Units

Khushkhera

Plot No. SP 3-II, A-1, RIICO
Industrial Area,
Khushkhera (Bhiwadi),
Distt: Alwar, Rajasthan

Laksar (Roorkee)

Akbarpur-Oud,
Distt.: Haridwar,
Uttarkhand

Jobner (Jaipur)

Mahela-Jobner Road, Village:
Aslapur, Distt.:Jaipur, Rajasthan

Panipat

Village – Khukhrarna,
P.O. – Asan Kalan,
Tehsil – Madloda, Distt.: Panipat,
Haryana

Suratgarh

Near N.H. 15, Udaipur Udasar,
Tehsil: Suratgarh,
Distt.: Sriganganagar,
Rajasthan

Aurangabad

Industrial Growth Centre,
Biada, Near Jasoia More,
Post: Mojurahi,
Distt.: Aurangabad, Bihar

Marketing Offices

Shree Ultra Cement

Delhi

122-123, Hans Bhawan
1 Bahadur Shah Zafar Marg,
New Delhi – 110002
Phone: +91-11-23370828, 23379829
Fax: +91-1123370499

Jaipur

SB-187, 2nd Floor,
Shree Corporate Tower
Opp. Rajasthan University, JLN
Marg, Jaipur – 302015
Phone: +91-141-6611200
Fax: +91-141-6611219

Bangur Cement

Delhi

6B, 6th Floor,
Hansalaya Building, 15,
Barakhamba Road,
New Delhi – 110001
Phone: +91-11-23702794-95

Jaipur

SB-187, 3rd Floor,
Shree Corporate Tower
Opp. Rajasthan University,
JLN Marg, Jaipur – 302 015
Phone: +91-141-6611000, 6611322
Fax: +91-141-6611315

Rockstrong Cement

Delhi

10-A, DCM Building,
16-Barakhamba Road Connaught
Place, New Delhi – 110001
Phone: +91-11-23731084-85
Fax: +91-11-23731084

Jaipur:

SB-187, 4th Floor,
Shree Corporate Tower
Opp. Rajasthan University, JLN Marg,
Jaipur – 302 015
Phone: +91-141-6611000
Fax: +91-141-6611421

Appendix IX: Abbreviations

SCL	Shree Cement Limited
WHR	Waster Heat Recovery
WHRS	Waste Heat Recovery Systems
SDGs	Sustainable Development Goals
CDP	Carbon disclosure project
GU	Grinding Units
UCC	Union Cement Company
EPC	Engineering, Procurement and Construction
OPC	Ordinary Portland Cement
PPC	Pozzolana Portland Cement
PSC	Pozzolana Slag Cement
CC	Composite Cement
DJSI	Dow Jones Sustainability Index
SBTs	Science-Based Targets
CSBR	Corporate Social and Business Responsibility
ERM	Enterprise Risk Management
ESG & CC	Environmental, Social and Governance and Climate Change
R&D	Research and Development
GBFS	Granulated Blast Furnace Slag
ACC	Air Cooled Condensers
CFD	Computational Fluid Dynamics
ZLD	Zero liquid discharge
IUCN	International Union for Conservation of Nature
CPCB	Central Pollution Control Board
SPCB	State Pollution Control Board
CSR	Corporate Social Responsibility

Feedback

Your feedback is important for continuously improving our sustainability performance reporting. A few valuable comments could help us align our next year’s report with your expectations

1. Quality of content covered in the report

A. Excellent

B. Good

C. Low

D. Poor
2. Clarity of information presented in the report

A. Excellent

B. Good

C. Low

D. Poor
3. Quality of design of the report

A. Excellent

B. Good

C. Low

D. Poor
4. What additional information would you like to see in our future reports?
5. Any other suggestions or areas of improvements?

Kindly provide your contact information for further correspondence:

Name :

Designation :

Organisation :

Contact address :

PLEASE EMAIL YOUR FEEDBACK TO:

Shree Cement Limited
Bangur City, Ras, Tehsil: Jaitaran-306 107,
Distt.: Pali, Rajasthan (India)
Email: sustainability@shreecement.com

