

Shree Cement Limited

Environmental, Social and Governance (ESG) Databook

FY 2025-26

Governance

Board Accountability

We ensure accountability within our Board of Directors and align their responsibilities with the long-term interests of our shareholders. We adhere to the Companies Act, 2013 for the selection and appointment of our Board members. As per Section 196(2) of the Act, the tenure of our executive directors, including managing and whole-time directors, is typically up to five years per term, with reappointment subject to Board and shareholder approval. In accordance with Section 149, our independent directors may hold office for up to five consecutive years and are eligible for reappointment upon passing a special resolution and disclosing the appointment in the Board's report. We also comply with Section 14 of the Companies Act, 2013, whereby any alteration to our Articles of Association is affected only through a special resolution passed at a general meeting of shareholders, following prior approval by our Board. Pursuant to Regulation 25(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have Directors & Officers Liability Insurance Policy for all our directors. This coverage is tailored to the nature and extent of risks as assessed by our Board, ensuring appropriate protection and governance standards. In FY 2025-26, the median employee remuneration was ₹7.27 lakhs and mean employee remuneration was ₹15.17 lakhs and the ratio between the total annual compensation of the CEO and the mean employee compensation is 152.37.

The corporate performance indicators used to determine the CEO's compensation include financial return metrics such as return on assets, return on equity, and return on invested capital, as well as relative financial metrics such as peer comparisons (using total shareholder return, and growth, among others). No external remuneration consultants were engaged during the reporting year.

ESG Governance Oversight

We entrust our Board of Directors with the overall responsibility of guiding and overseeing ESG-related matters. Our CSR and Sustainability Committee at the Board level provides strategic oversight on ESG issues, including climate-related risks and opportunities discussed at least annually, to drive strategic decision-making. At the executive level, our ESG Committee which is headed by the Managing Director, monitors ESG performance by setting clear goals and targets. This committee deliberates key ESG recommendations and presents them to the CSR and Sustainability Committee for further review. Performance Excellence and Sustainability Head act as Chief Sustainability Officer (CSO), who is responsible for shaping and driving the Company's sustainability and climate agenda. Reporting to the Managing Director and the ESG Committee, the CSO oversees the management and execution of all ESG-related initiatives and matters across the organization. Working closely with senior leadership and plant teams, the CSO ensures the integration of sustainability priorities across core business functions, including manufacturing, finance, strategy, procurement, and operations. Each Functional Head is accountable for regularly managing and reviewing ESG-related matters within their respective domains.

Procedures for handling breaches

We follow a zero-tolerance approach towards bribery, corruption, and improper inducements. An established procedure is in place to enable employees, business partners, and other stakeholders to report actual or suspected breaches of applicable laws, the Code of Conduct, anti-bribery and anti-corruption requirements, or other compliance concerns through designated reporting channels. All reported or suspected violations are assessed, investigated, and reviewed through

appropriate compliance, audit, and internal control mechanisms. Significant matters, including suspected fraud, irregularities, or internal control failures, are escalated to the relevant management levels and reviewed through established governance channels. Based on the outcome of the review or investigation, corrective and remedial actions are undertaken, and violations may result in disciplinary action, including termination. There were no fines and convictions related to corruption and bribery during FY 2025-26.

Policy Advocacy

Contributions and other spending

	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Trade associations or tax-exempt groups	₹ Lacs	268.11221	231.93375	129.44000	178.75996

Over the past four years, we have not contributed to lobbying or any interest representations or other spendings. We did not contribute to any political parties during the reporting period FY 2025-26.

We contributed ₹125 lakh to the Cement Manufacturers' Association (CMA), Delhi, and ₹6 lakh to the South Indian Cement Manufacturers' Association (SICMA), demonstrating our commitment to industry collaboration, policy engagement, and sustainable sectoral growth. Through these associations, we actively support initiatives aimed at shaping policy discourse, advancing the Indian cement sector's sustainability agenda, and developing low-carbon pathways. Our participation also facilitates the exchange of technical expertise and best operational practices on key sustainability topics, including alternative fuels and raw materials (AFR), waste utilization, emissions management, and water stewardship, thereby contributing to the industry's collective transition towards a more sustainable and resource-efficient future.

We also contributed ₹7.00 lakh towards the Federation of Indian Chambers of Commerce and Industry (FICCI) and ₹3.30 lakh towards the Confederation of Indian Industry (CII). These memberships provide a platform for policy advocacy, industry engagement, knowledge sharing, networking, and access to insights on regulatory and economic developments.

In support of climate action and sustainability initiatives, we contributed ₹5.50 lakh to Climate Group (TCCO India Projects Private Limited) under the RE100 initiative.

Additionally, we contributed ₹5.49 lakh to P. E. Analytics Limited, Gurugram, for access to market intelligence, research, and analytical insights, and ₹26.46 lakh to Argus Media Singapore Group Pte. Ltd., enabling access to commodity market intelligence, price assessments, industry analysis, and benchmarking information that support informed business decision-making and strategic planning.

Collaboration with Trades Association

We follow a structured, research-based approach to public policy advocacy to support the development and enhancement of policy frameworks relevant to our business and sustainability priorities. Through active participation in international, national, and state-level industry associations, we engage constructively with policymakers and stakeholders, contributing practical and actionable recommendations. Public policy advocacy activities are centrally coordinated through our Corporate Office in Gurugram, and in close collaboration with teams across Mining,

Operations, Marketing, Sustainability, Legal, and other functions. Regular updates on key policy developments and advocacy initiatives are provided to the Managing Director for review and guidance. In addition, our advocacy engagements and trade association memberships are reviewed by the CSR and Sustainability Committee on a need basis to assess alignment with our climate and sustainability commitments, with key updates subsequently reported to the Board for its oversight and review.

We have established a framework to identify and address any misalignments between the policy positions of trade associations and our own climate commitments, including alignment with the Paris Agreement, India's Nationally Determined Contributions (NDCs), and our decarbonization objectives. Before joining new associations, and through periodic reviews of existing memberships, we assess alignment with our climate principles and sustainability goals. Where potential misalignments are identified, we engage with the relevant association through a structured review and escalation process, clarify our position publicly where appropriate, and support industry initiatives that advance Paris-aligned policies. Where material misalignments persist despite engagement, we may reconsider or withdraw our representation or membership. This framework is applied consistently across all jurisdictions in which we operate. Through our engagement with organizations such as CMA, NCCBM, FICCI, CII, RE100, and 24/7 Carbon-Free Electricity initiatives, we advocate for low-carbon growth, clean energy transition, circular economy solutions, and sustainable construction practices while ensuring transparency, accountability, and alignment with our climate objectives.

Strengthening Supplier Partnerships

We have developed a Supply Chain ESG Framework with the objective of enhancing ESG compliance and sustainability across the value chain through awareness, monitoring, screening, assessments, and the adoption of global management systems. They are evaluated on various parameters including environmental, social, governance and business relevance. Our Supplier Code of Conduct provides the guiding framework for supplier engagement and is incorporated into relevant contracts, purchase orders, and agreements. These contractual documents are periodically reviewed to ensure continued alignment with the ESG requirements established under the Code. We seek to engage with suppliers that comply with these requirements.

To strengthen responsible sourcing practices, we conduct supplier due diligence through a structured risk assessment process that considers country-specific, sector-specific, and commodity-specific risks. The assessment covers regulatory and governance risks in supplier geographies, ESG risks associated with industries supplying critical goods and services. The findings are incorporated into supplier evaluation and procurement decisions, supporting our efforts to build a resilient, ethical, and sustainable supply chain.

The implementation and effectiveness of the Supply Chain ESG Framework is overseen by top management and ESG Committee, which periodically reviews supplier ESG performance, assessment outcomes, corrective action status, and procurement-related ESG risks.

All new suppliers are required to complete a self-assessment based on the questionnaire provided to them, which evaluates their ESG maturity. Based on the results, a supplier engagement plan is developed. If corrective actions are recommended during the screening process and the supplier fails to implement them within set time frame, we reserve the right to exclude the supplier from contracting. Preference is given to suppliers with stronger ESG performance during contract awarding.

Our supplier assessment includes either a desk-based or site-based evaluation for identified suppliers each financial year. Upon completion, suppliers receive an assessment report with an ESG score, highlighting good practices and areas for improvement. In cases of low ESG scores, corrective action plans are developed and issued. Site visits or remote assistance are provided, where necessary, to support implementation of corrective action plan. If these actions are not implemented within an acceptable timeframe, we may terminate the business relationship. Depending on ESG scores, we determine the type of reassessment, either desk-based or on-site. We conduct 3rd party assurance as and when required depending upon the business needs.

We provide training to all significant suppliers, buyers and internal stakeholders involved in supplier screening and assessment. All new suppliers undergo screening to ensure effective business risk management.

To ensure alignment with the Company's sustainability expectations, ESG assessments are conducted across the supplier base covering environmental, social, and governance aspects. During FY 2025-26, 411 suppliers underwent desktop assessment to evaluate potential environmental and human rights impacts, including health and safety, working conditions, child labour, forced labour, sexual harassment, discrimination, and wage inequality. None of the suppliers assessed, were found to have substantial actual or potential negative environmental or social impacts. Consequently, no corrective action plans were required, and no supplier contracts or business relationships were terminated due to social, environmental, ethical, or regulatory non-compliance during the reporting period.

Risk Governances

Risk management is integrated into the Internal Audit Plan, with annual audits conducted to assess and mitigate key risks. Audit findings and recommendations are regularly presented to the Audit Committee for review and oversight.

We have a well-defined framework to determine appetite for the identified risks. We identify and assess company-specific risk exposures for all the risks. Risk severity is evaluated based on two key factors: the potential impact on the business and the likelihood of occurrence, supported by industry best practices. Based on the assessed risk severity, the risk appetite is defined, enabling effective prioritization, mitigation, and management of risks. Each identified risk is assigned to a designated risk owner who, in collaboration with the Chief Risk Officer (CRO) is responsible for implementing and monitoring mitigation actions. The CRO is responsible for the implementation of the Enterprise Risk Management (ERM) framework and oversight of risk mitigation measures.

We foster a strong risk-aware culture through our comprehensive and well-defined operating model. To strengthen risk management capabilities across the organization, we conduct periodic training and awareness programs for internal stakeholders on key risk management principles. In addition, as part of the Board familiarization process, Directors, including Non-Executive Directors, are sensitized through focused sessions on key risk exposures, emerging risk trends, and corresponding mitigation strategies.

We have identified climate change as one of our top risks and linked executive compensation to key performance indicators (KPIs) that reflect our climate commitments. These KPIs included reductions in energy and emissions intensity, and increased use of alternative fuels. Occupational health and safety, another risk area, was also integrated into our executive remuneration framework. Safety-related KPIs such as the number of fatalities and Lost Time Injury Frequency

Rate (LTIFR) were included to ensure accountability and continuous improvement in our safety performance.

Tax

Our Board-approved Tax Policy reflects our commitment to complying with both the spirit and letter of applicable tax laws and regulations in all countries where we operate. We are committed to not transferring value created to low-tax jurisdictions, using tax structures without commercial substance, or using secrecy jurisdictions or tax havens for tax avoidance. We also undertake transfer pricing in accordance with the arm's length principle.

We align our transfer pricing practices for goods and services with the Organisation for Economic Co-Operation and Development (OECD) Guidelines and applicable domestic tax regulations, ensuring that all intercompany transactions are conducted on an arm's-length basis. Significant tax matters and positions are reviewed and discussed with the Audit Committee of the Board to ensure effective oversight, governance, and compliance.

Our primary activities include the production of clinker & cement and the generation of energy. We operate integrated cement units, where both clinker and cement are produced, at Nawalgarh, Beawar and Jaitaran (Rajasthan), Baloda Bazar (Chhattisgarh), Kodla (Karnataka), and Guntur (Andhra Pradesh). Cement grinding units are located at Khushkhara, Jobner and Suratgarh (Rajasthan), Laksar in Uttarakhand, Aurangabad (Bihar), Panipat (Haryana), Bulandshahr (Uttar Pradesh), Burudih (Jharkhand), Athagarh (Odisha), and Patas (Maharashtra). We have Ready-Mix Concrete (RMC) plants at Mankhal, Bollaram, and Nacharam (Telangana), Mangalagiri (Andhra Pradesh), Mankoli, Deonar, and Padeghar (Maharashtra), and Jaipur (Rajasthan).

We generate renewable energy through captive wind power plants at Kushtagi and Basavana Bagewadi (Karnataka) & Jath and Nandurbar (Maharashtra), and through captive solar power plants at Beawar, Jobner, Suratgarh and Chamu (Rajasthan), Baloda Bazar (Chhattisgarh), Guntur (Andhra Pradesh), Laksar (Uttarakhand), Panipat (Haryana), Burudih (Jharkhand), Athagarh (Odisha), Banka (Bihar). The Company also has an upcoming plant at Daistong, East Jaintia Hills, Meghalaya.

The primary activities of our subsidiaries, Shree Cement East Pvt. Ltd. and Union Cement Company PJSC (which falls under Shree Global FZE) include cement and clinker production and power generation. Shree Cement East Pvt. Ltd. operates cement grinding units, where only cement is produced, at Purulia in West Bengal and Etah (Uttar Pradesh), and generates renewable energy through a solar power plant at Chitrakoot (Uttar Pradesh). Union Cement Company PJSC operates an integrated cement unit at Khor Khuwair, Ras Al Khaimah, UAE, where both clinker and cement are produced, along with a waste heat recovery power plant.

Name of the Subsidiary Company	Turnover (INR in Lakhs)	Income tax paid (INR in Lakhs)	Income-tax accrued (INR in Lakhs)	No. of employees
Shree Global FZE*	224,305.52	1,042.03	5,977.20	582
Raipur Handling and Infrastructure Private Limited	4,052.82	237.95	402.57	15
Shree Cement East Private Limited	86,298.86	126.49	0	110
Shree Cement South Private Limited	122.92	22.4	22.27	2

* Shree Global FZE is a subsidiary of Shree Cement Limited and functions as the Group's overseas investment holding company. It has three step-down subsidiaries, namely Shree Enterprises Management Ltd., Shree International Holding Ltd. (SIHL), and Union Cement Company PrJSC (UCC). Shree Global FZE and SIHL are holding investments on behalf of SCL in UCC. And UCC is the main operating company in UAE

Information Security Governance

We prioritize the safeguarding of our IT infrastructure and data through a robust Information Security Policy, which is overseen by our Board-level Risk Management Committee. The Chief Information Security Officer (CISO) is responsible for the cybersecurity practices and initiatives and reports to the Chief Digital and Information Officer (CDIO) who is the Head of IT Security and Digital Activities.

AI program

As part of our digital transformation journey, we have embedded governance, oversight, and risk management practices into the deployment of artificial intelligence, advanced analytics, and automation solutions across manufacturing, logistics, supply chain, planning, sales, and other business operations. We leverage AI-powered tools to improve operational efficiency, productivity, and decision-making. These include cement strength prediction models, process simulation tools, kiln video analytics, freight optimisation systems, and AI-supported master data management applications.

These applications operate within defined governance structures that assign responsibilities, establish usage parameters, and regulate access based on business requirements and approved authorisations. AI-enabled systems are designed to support, rather than replace, human decision-making. Accordingly, AI-generated recommendations and insights are reviewed by authorised employees before implementation, with final decision-making responsibility and accountability remaining with appropriate human personnel.

We also promote transparency in technology-enabled recommendations and decision-support processes by providing appropriate visibility into the role of AI within operational workflows. This includes, where applicable, the distinct labelling of AI-generated content and AI-driven outcomes to enhance user awareness and facilitate informed decision-making.

To support the secure, ethical, and responsible adoption of AI, employees receive ongoing training and capability-building programmes covering digital technologies, cybersecurity, data privacy, responsible and ethical AI use, AI security, and emerging technology risks.

As part of our responsible AI approach, we work with AI and Generative AI platform providers that implement measures to lower the ecological footprint of AI data centres and models, including the use of renewable energy for the supporting data centre and cloud-computing infrastructure.

Our AI and digital governance practices are periodically reviewed through internal oversight mechanisms to support continuous improvement and alignment with recognized governance and risk management expectations. Looking ahead, we will continue to strengthen our AI governance framework in line with evolving industry standards and stakeholder expectations, including evaluating external verification of our AI management system through independent third-party assessments and certifications, such as ISO 42001, where appropriate. Such verification could enhance transparency, accountability, and assurance regarding the responsible governance and risk management of artificial intelligence technologies.

Social

Labour Practices

We maintain comprehensive labour practices programs focused on fair compensation, employee engagement, equal opportunity, workforce well-being, and future workforce readiness. We regularly engage with worker representatives on working conditions through collective bargaining arrangements, employee consultation mechanisms, grievance redressal channels, employee feedback platforms, and human rights due diligence processes.

We continuously monitor key labour-practice indicators, including gender pay gaps, overtime compliance, and leave utilisation, to promote equitable treatment, regulatory compliance, and fair working conditions across the workforce. Through our overtime compliance programs, we ensure that employees performing eligible overtime work are compensated in accordance with applicable policies and labour regulations. We also monitor leave utilisation through our employee well-being programs to encourage employees to avail their eligible paid leave entitlements, supporting work-life balance, employee welfare, and overall workforce productivity.

We are committed to ensuring fair, equitable, and responsible remuneration practices in line with applicable statutory requirements and internationally recognized standards, including the Universal Declaration of Human Rights and the ILO Core Conventions. We support the principle of providing a living wage and strive to ensure that employees and workers receive compensation that supports their essential needs and well-being. Permanent employees and workers are paid above statutory minimum wage requirements, with remuneration practices taking into account prevailing cost-of-living considerations.

Our labour practices programs reflect our commitment to responsible employment practices, workforce resilience, employee development, and maintaining a fair, inclusive, and supportive workplace environment.

Diversity Indicator	Total %
Women in total workforce* (as % of total workforce)	1.35
Women in all management positions, including junior, middle and top management (as % of total management positions)	1.9
Women in junior management positions, i.e., first level of management (as % of total junior management positions)	2.04
Women in top management positions, i.e., maximum two levels away from the CEO or comparable positions (as % of total top management positions)	1.76
Women in management positions in revenue-generating functions (e.g., sales) as % of all such managers (i.e., excluding support functions such as HR, IT, Legal, etc.)	2.12
Women in STEM-related positions (as % of total STEM positions)	1.51

*Total workforce includes contractual workforce

We have taken a target of achieving 5% by 2030 for women in all management positions including junior, middle and top management.

Workforce breakdown

Regional Language	% of Workforce	% of management in workforce
Marwari	37.64	37.18
Hindi	32.83	33.05
Kannada	8.90	8.98
Telugu	5.14	5.19
Marathi	3.65	3.68
Odia	2.60	2.62
Bengali	2.47	2.49
Haryanvi	2.43	2.45
Punjabi	1.91	1.93
Gujarati	1.40	1.41
Kashmiri	0.32	0.32
Tamil	0.28	0.28
Malayalam	0.27	0.27
Assamese	0.06	0.06
Nepali	0.06	0.04
Khasi	0.03	0.03
Konkani	0.01	0.01
Total	100.00	100.00

Region	% of Workforce
East	11
West	5
South	16
North	50
Central	18
Total	100.00

100% of our workforce is locally hired within India, resulting in a workforce that is entirely Asian in composition. We follow a non-discriminatory employment approach and provides equal employment opportunities irrespective of race, ethnicity, gender, religion, or other protected characteristics, supporting an inclusive and diverse workplace environment.

Human Rights

Our human rights due diligence process is anchored in both legal compliance and ethical responsibility. It begins with identifying risks across our own operations, where we assess working conditions, labor rights, and workplace practices. We extend this risk identification to our broader value chain and other business activities, including suppliers, contractors, and service providers, to ensure that issues such as forced labour, child labour, human trafficking, discrimination, and violations of collective bargaining rights are proactively addressed. We evaluate human rights risks in all new business relationships including mergers, acquisitions, and joint ventures—through pre-engagement assessments and integration planning.

We undertake systematic and periodic reviews of our risk mapping process to proactively identify, assess, and address potential human rights and labor-related issues across our operations. These evaluations are designed to ensure that our practices remain aligned with ethical standards and international frameworks. Our assessments are inclusive, covering all categories of our workforce, permanent and non-permanent employees, women, children, migrant workers, indigenous people, and local communities along with other relevant stakeholders. This

comprehensive approach enables us to uphold our commitment to equity, dignity, and responsible business conduct throughout our value chain.

Human Rights Assessment

Category	A % of total assessed in last three years	B % of total assessed (column A) where risks have been identified	C % of risk (column B) with mitigation actions taken
Own Operations (including Joint Ventures where the company has management control)	100	0	0
Contractors and Tier I Suppliers (as a % of contractors or Tier I Suppliers)	100	0	0
Joint Ventures (including stakes above 10%) (as a % of joint ventures)	NA	NA	NA

Human Capital Management

During FY 2025-26, we recorded a total of 1,74,573 training hours and invested ₹42.65 lakh in training and development initiatives. On average, each employee received 20 hours of training, with an average training expenditure of ₹601 per employee, reflecting continued commitment to employee learning, skill enhancement, and capability development. During the reporting period, 100% of our employees trained were Indian nationals.

Average training hours data breakdown-

Category	Gender	
	Male	Female
<i>Junior management</i>	18	21
<i>Middle management</i>	30	41
<i>Senior management</i>	18	-

We empower employee development through structured learning methods such as coaching/mentorship, and targeted training programs, all guided by formal Training Needs Assessments. In addition to technical and behavioral development, we offer programs in cultural education to foster inclusive workplace practices. We foster a culturally inclusive workplace by organizing a variety of events throughout the year. These include religious and regional celebrations such as temple functions, Dandia nights, Onam, Pongal, Ramayan recitals, Holi Milan gatherings, and Navratri festivities featuring cultural dress competitions. These initiatives promote employee engagement, cross-cultural understanding, and a sense of community within the organization. Employees receive regular technical and IT training to strengthen their digital competencies, alongside dedicated training on artificial intelligence (AI) tools to support a smooth and effective digital transition and enhance productivity in daily operations. We are committed to empowering our workforce to confidently navigate digital change by equipping them with the tools and knowledge needed to thrive in a tech-enabled environment. This ensures our people remain agile and aligned with the organization's transformation journey.

We extend our training and development initiatives to contractual employees. This includes safety training, toolbox talks, and medical / first aid sessions.

We Categorize our labor into unskilled, semi-skilled, and skilled groups, with tailored training provided to each segment to enhance competencies and ensure workplace safety. As part of our regular toolbox talks, we also provide training to contractual employees on climate change risks to enhance awareness and promote responsible practices. To ensure our workforce remains resilient and future-ready, we offer training and reskilling initiatives. tailored to evolving industrial and climate-related transitions. These programs empower both employees and contractors to navigate change confidently and contribute to sustainable growth.

To support employees transitioning out of the workforce, we offer training sessions focused on managing retirement funds and financial corpus. Additionally, we provide guidance on post-retirement engagement, particularly around maintaining medical and emotional well-being.

Our employee development initiatives enabled strategic workforce mobility to emerging market of Guntur. Through targeted reskilling and upskilling training programs like leadership for middle managers, business communication, Plant Design Management System and others were given to employees which helped in increase the revenue by 124% in FY 2025-26. This enhancement enabled a successful expansion into emerging markets, directly contributing to an increase in cement sales revenue of approximately ₹260 crore. The measurable revenue growth underscores the tangible business impact of Shree Cement's investment in employee development.

We are committed to fostering a supportive and inclusive work environment through a comprehensive range of employee benefits. Our initiatives include workplace stress management programs and sports and health activities that promote overall well-being.

We offer comprehensive paid leave policies to support our employees through key life stages and caregiving responsibilities. For primary caregivers, we provide 26 weeks of paid parental leave, ensuring adequate time for bonding and recovery. We provide all our employees with 35 days of paid All-Purpose Leave, which may be availed for non-primary caregiving including family illness leave which is beyond parental leave.

During FY 2025-26, We hired 1,161 new employees and filled 12.4% of open positions through internal hiring, reflecting the focus on talent acquisition, employee development, and internal career progression opportunities.

During the reporting period, 100% of our employees hired were Indian nationals.

New Hires

Management Level	Below 30 Age	30-50 Age	Above 50 Age	Total
<i>Senior management</i>	-	15	15	30
<i>Middle management</i>	1	94	10	105
<i>Junior management</i>	642	382	2	1,026
<i>Total</i>	643	491	27	1,161

Internal Hires

Management Level	Below 30 Age	30-50 Age	Above 50 Age	Total
Senior management	-	1	8	9
Middle management	1	61	27	89
Junior management	20	38	8	66

We follow a structured performance management process that incorporates Management by Objectives, Multidimensional Performance Appraisals, Team-based Performance Appraisals, and Agile Conversations. Employees establish SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) objectives at the beginning of each year, ensuring that predefined and measurable goals are set collaboratively and aligned with organizational and business priorities. Team-based performance appraisals are integrated into overall assessments, evaluating both departmental and functional performance alongside individual contributions. We also adopt a multidimensional performance appraisal approach through 360-degree feedback, incorporating inputs from peers, direct reports, colleagues, and, where relevant, clients or external stakeholders to promote transparency, accountability, and holistic employee development. In addition, we follow an agile performance management approach that emphasizes regular collaborative conversations, continuous feedback, and periodic review of goals throughout the year, enabling timely identification and resolution of performance barriers rather than relying solely on annual performance ratings. Formal performance discussions are conducted twice annually, while the Darwinbox “Check-ins” feature facilitates ongoing development conversations and continuous alignment with organizational objectives.

We conduct regular employee well-being surveys that assess multiple dimensions of workplace experience. These include job satisfaction, where we evaluate how fulfilled employees feel in their roles helping us identify areas for improvement in recognition, career growth, and role clarity. We also measure sense of purpose, asking whether employees feel their work contributes meaningfully to broader goals, which informs our efforts to align individual roles with organizational impact. Happiness at work is tracked which helps in guiding initiatives such as flexible work arrangements, wellness programs, and team-building activities. We also monitor stress levels and respond with targeted interventions such as mental health support, workload balancing, and manager training. Based on survey insights, we’ve introduced initiatives like employee assistance programs (EAPs), mindfulness workshops, and regular check-ins to foster a healthier, more supportive work environment.

Employee engagement remained a key priority, with participating in the Great Place to Work® survey to gather employee feedback across locations and functions. Employee sentiment improved over the previous year, reflected in higher participation and positive response rates. Based on these results, we were awarded the Great Place to Work® Certification in February 2026 for a further 12-month period, reaffirming employee trust and the strength of our people’s practices. This comprehensive survey includes targeted questions that address critical dimensions of employee well-being. **Job satisfaction** is evaluated through questions about access to resources, training, fair compensation, and long-term commitment (e.g., “I am given the resources and equipment to do my job” and “I want to work here for a long time”). **Purpose** is captured through statements like “My work has special meaning: this is not ‘just a job’” and “I feel I make a difference here”, reflecting internal motivation. **Happiness** is assessed via questions such as “People look forward to coming to work here” and “This is a fun place to work”,

while **stress** is addressed through items like “This is a psychologically and emotionally healthy place to work” and “People are encouraged to balance their work life and their personal life”. These insights help us continuously improve our workplace environment and align with best practices in employee engagement.

We had set a target for achieving an employee engagement score of 82% for FY 2025-26. Through focused efforts, we achieved a score of 83%, and we remain committed to building on this momentum to drive even greater engagement across the organization.

Occupational Health & Safety

We have systematically integrated OHS criteria into our procurement processes and contractual frameworks, ensuring that safety considerations extend beyond our direct operations to encompass our entire supply chain. Supplier agreements and vendor contracts include provisions mandating adherence to OHS standards. To reinforce accountability, we conduct supplier assessments and audits to evaluate compliance with these requirements, supported by monitoring mechanisms and periodic reviews.

We prioritize health and safety by integrating targeted action plans with measurable goals to address identified risks. We also ensure emergency preparedness through well-defined response strategies, regular drills, and seamless coordination across teams. Progress against OHS targets is evaluated through continuous monitoring of leading safety indicators, regular internal inspections, audits, health assessments, and performance reviews. These measures enable effective risk prevention, reduction of health risks. Additionally, the KAWACH Portal was launched to facilitate the reporting of Hazards, Safety Observations, and Incidents, strengthening the organization’s safety culture. The portal promotes proactive reporting of leading indicators, particularly Safety Observations and Near Miss incidents, enabling timely identification and mitigation of risks before they escalate into actual incidents, thereby supporting continuous improvement in occupational health and safety performance.

We have a formal incident reporting and investigation procedure in place to ensure the timely identification, reporting, investigation, and resolution of occupational health and safety incidents. Through a structured Incident Investigation Report process, all work-related incidents, near misses, and unsafe conditions are documented, investigated to determine root causes, and reviewed to identify corrective and preventive actions. The procedure supports accountability, facilitates learning from incidents, and enables the implementation of measures to prevent recurrence, thereby strengthening workplace safety performance and fostering a proactive safety culture.

Customer Management Program

We are committed to delivering consistent product quality through a structured quality management system aligned with ISO 9001:2015 across all our plants. Complementing our focus on product quality, we have established a comprehensive customer relationship management program focused on customer engagement, procedures for handling customer complaints, feedback integration, service improvement, accessibility, and grievance resolution.

We provide customers with multiple support and feedback channels, including digital platforms, direct email communication, AI based Chatbot, customer representative meetings, Direct phone line, technical service teams, civil engineer visits, site-level interactions, and direct engagement with developers, contractors, and institutional clients (including large infrastructure and

commercial project customers). Through these channels, customers receive technical advisory services, on-site testing, mobile testing support, concrete quality validation, and customized solution delivery.

We are committed to delivering an inclusive and accessible customer experience through customer-centric communication and engagement practices. We enhance accessibility and service quality for elderly and differently abled customers by providing information in clear, easy-to-understand, and accessible formats across our customer engagement channels. To support inclusivity, our customer-facing communication materials incorporate readability features such as appropriate font sizes, while selecting digital content offers audio-enabled and video-to-audio functionalities to improve access to information for visually impaired and other differently abled customers.

Customers can raise queries and complaints through digital channels, email, customer service touchpoints, and in-person interactions. Upon receipt of a complaint, an automated acknowledgement is sent via SMS and/or email confirming registration of the complaint, providing a reference number, and communicating the expected resolution timeline based on the nature and severity of the complaint. We maintain a formal complaint handling and grievance redressal process to ensure complaints are received, recorded, investigated, tracked, and resolved in a timely and transparent manner.

During FY 2025-26, we achieved a Customer Satisfaction Score of 91%, while 71% of revenue was generated from repeated customers, demonstrating the effectiveness of our customer relationship practices. Customer feedback is systematically collected through customer satisfaction surveys and engagement mechanisms, documented, analyzed, and regularly reviewed to drive continuous improvement in products, services, accessibility, and overall customer experience. During FY 2025-26, we received 377 customer complaints and resolved 100% of them, with no pending complaints at year-end.

Community Relations

We actively conduct local stakeholder and community impact assessments to understand and address the social, environmental, and economic implications of our operations. These assessments help us identify potential risks and opportunities, ensuring that our activities are aligned with the expectations and well-being of surrounding communities. In addition, we implement stakeholder engagement programs across all our local operations, fostering transparent communication, mutual respect, and long-term partnerships with community members and other relevant stakeholders.

Environment

Climate Governance

We consider climate change a key business priority and integrate it into our decision-making processes. The Board, through its CSR and Sustainability Committee, provides oversight of climate-related risks and opportunities, including reviewing decarbonization strategies, monitoring progress against targets, and ensuring alignment with regulatory requirements and stakeholder expectations. Climate-related matters are regularly discussed at Board meetings, at least once a year, to support informed strategic decision-making.

At the management level, the ESG Committee, chaired by the Managing Director, is responsible for driving the implementation and monitoring of climate initiatives across operations. The Committee oversees key decarbonization measures, including energy efficiency enhancements, increased use of alternative fuels, clinker factor reduction, and the adoption of low-carbon technologies such as waste heat recovery and renewable energy integration, among others. We have integrated a comprehensive climate risk assessment into our Enterprise Risk Management (ERM) framework, Recognizing climate change as one of the top business risks.

The ESG committee monitors ESG performance by setting clear goals and targets. These targets are overseen by the ESG Committee, with the Managing Director, who also serves as the CEO, holding direct responsibility for their achievement. At the executive level, sustainability performance is embedded within the KRAs and KPIs of the Chief Sustainability Officer (CSO), who reports to the Managing Director, thereby aligning leadership performance evaluation with the achievement of key sustainability objectives. The KPIs linked to executive remuneration include, but are not limited to, reduction in energy and emissions intensity and increase in alternate fuel consumption, among others for climate change. With reference to waste management, these KPIs include increasing consumption of alternate raw materials, monitoring waste diverted from and/or directed to disposal, and increasing the share of reuse and recycling during waste disposal. With reference to safety, these KPIs include number of fatalities, and Lost Time Injury Frequency Rate (LTIFR), among others. These metrics are integrated into the executive scorecard, ensuring that compensation is directly influenced by measurable progress on sustainability goals. Each Functional Head is accountable for regularly managing and reviewing ESG-related matters within their respective domains. This committee deliberates key ESG recommendations and presents them to the CSR and Sustainability Committee for further review.

ISO Certification

We are committed to Environmental Stewardship and have adopted Environmental Management System. All our plants are certified by ISO 14001. In addition to the ISO certification, all our plants undergo regular internal and external audits through various regulatory agencies. During the reporting period FY 2025-26, we had no environmental violations, and no fines or penalties were imposed on us.

Energy Management

Energy Conservation is at the heart of our sustainability agenda. We regularly conduct internal and external energy audits to identify opportunities to improve our energy performance. We have continuously overachieved our targets in PAT Cycles and have been honored with the 'Best Performer' award for achieving the highest number of energy-saving certificates in both PAT Cycle

I and PAT Cycle II by the Bureau of Energy Efficiency. PAT VII & PAT VIII targets are shown in table below.

DC	Baseline Year	Assessment Year	% Target reduction
PAT Cycle VII			
Beawar	FY 2018-19	FY 2024-25	0%
Ras	FY 2018-19	FY 2024-25	0%
SRCP	FY 2019-20	FY 2024-25	0%
SMP	FY 2018-19	FY 2024-25	0%
Kodla	2019-20, 2020-21	FY 2024-25	5.30%
PAT Cycle VIII			
SGU	2019-20, 2020-21, 2021-22	FY 2025-26	5.13%
SJHGU	2019-20, 2020-21, 2021-22	FY 2025-26	7.74%

Innovation

Innovation fosters growth by inculcating efficacy and enhancing productivity. At Shree, we continue to innovate and have patents to our accords.

Our patent for improved system for efficient power generation using hot gases of low temperature from waste heat recovery unit and a process has resulted in energy savings. It is a unique process to capture waste heat of low temperature by hot air recirculating in cooler to improve efficiency of waste heat recovery unit for power generation leading to:

- Gain in secondary & tertiary air temperature by about 10-20 degC.
- Gain in AQC inlet temperature by 40 degC.

We also have a patent for a multi dynamic separator for cement mill to improve production and quality leading to enhanced energy efficiency. It comprises of a dynamic separator connected in parallel with another separator. The reject from first separator is fed into the second separator for further processing through the cyclonic separators using cyclonic motion there within. Fine fraction from both separator is stored into storage i.e., cement silo and the reject from the second separator are further fed into the ball mill.

Additionally, we have also developed a patented 'Improved Deduster System' for the Air Quenching Chamber (AQC) Boiler of the Waste Heat Recovery System (WHRS) in cement kilns. The innovation consists of a single hollow chamber with a progressively expanding cross-sectional area from bottom to top, installed between the clinker cooler and the AQC boiler. The chamber incorporates multiple baffles across three expanding sections, which systematically reduce the velocity of the incoming gas stream and enhance particulate separation. This design effectively mitigates particle erosion in downstream boiler components, improves operational reliability, and reduces the boiler inlet duct pressure drop from 32 mmWC to 12 mmWC. The system achieves dedusting efficiency of up to 65%, resulting in improved WHRS performance, lower maintenance requirements, and enhanced energy recovery efficiency.

Return on Environmental Investments (in INR)

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Capital Investments	4,25,463,000	18,98,700,000	1,76,35,00,000	3,87,73,00,000
Operating Expenses	2,77,173,194	2,99,727,993	36,96,97,042	42,98,63,650

Total Expenses (= Capital Investment + Operating Expenses)	7,02,636,194	21,98,427,993	2,13,31,97,042	4,30,71,63,650
Savings, cost avoidance, income, tax incentives, etc.	2,80,940,000	6,02,500,000	53,43,00,000	97,41,00,000

Environmental Targets

Parameter	UoM	Target FY'26
Total direct GHG emissions (Scope 1)	MtCO _{2e}	21,552,641.18
Indirect Greenhouse Gas Emissions (Scope 2)	MtCO ₂	321,966.15
Indirect Greenhouse Gas Emissions (Scope 3)	MtCO _{2e}	1,586,257
NOX emissions	MT	21,134.4
SOX emissions	MT	266
Direct Mercury Emissions	MT	0.034
Dust Emissions (Particulate matter)	MT	864.6
Total non-renewable energy consumption	MWh	28,585,409.36
Total Waste Disposed	MT	1.13
Total Net Fresh Water Consumption	Million m ³	6.93
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	Million m ³	2.51

Water Management and Risk Assessment

Water stewardship is central to our sustainability agenda, with its availability classified as a key risk within our Enterprise Risk Management (ERM) process. To mitigate this risk, we conduct water audits once every two to three years through CGWA-certified agencies, helping us identify opportunities for conservation and harvesting. For continuous monitoring, we conduct Water level monitoring and quality testing through 3rd party NABL accredited labs.

We conduct water risk assessments across our own operations and supply chain through a comprehensive, two-pronged approach that combines site-level evaluations with broader watershed and desktop-based assessments. The assessment considers both dependency-related water risks, including dependence on freshwater and groundwater resources, and impact-related water risks arising from our activities and value chain. It evaluates factors such as current and future freshwater availability, water stress, groundwater conditions, water quality-related risks, catchment conditions, and the actual or potential impacts of water use on local stakeholders and communities. We also undertake scenario-based analysis across different time horizons to assess the potential effects of changing climatic conditions on future water availability and quality. The assessment further considers emerging and potential future regulatory and policy changes at the local level. Third-party assessments supplement this process by evaluating risks related to future freshwater availability and water quality. Hydrogeological studies are conducted at defined intervals, appropriate actions are implemented based on the study findings, and regular assessments are carried out to monitor water-related risks and impacts. The assessment outcomes help us identify, priorities and manage material water-related risks and opportunities, strengthen our water stewardship approach, and support informed decision-making across our business and supply chain.

In terms of water management, all manufacturing units maintain a Zero Liquid Discharge (ZLD) system. Wastewater generated from domestic and industrial operations is fully treated and reused for applications such as in own operations, greenbelt development and dust suppression, ensuring that no wastewater is discharged outside the facility. The table below presents our water withdrawal and water consumption data. Prior-year figures have been restated following a revision in the calculation methodology, whereby total water withdrawal is considered equivalent to total water consumption.

Parameter	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Water Withdrawal	Million cubic meter	2.113553	2.484424	2.705564	2.789401
Water Discharge	Million cubic meter	0	0	0	0
Water consumption	Million cubic meter	2.113553	2.484424	2.705564	2.789401

Waste Management

Periodic waste audits are conducted to assess waste streams, identify improvement opportunities, and enhance overall waste management performance. We have established an annual target of achieving Zero Waste to Landfill, and progress against this target is regularly monitored to minimise waste disposal and drive continuous improvement in waste management practices. During FY 2025-26, we generated and disposed of 1.13 MT of biomedical waste, accounting for 0.006% of total waste. While all other waste types are reused or recycled, biomedical waste is incinerated by an authorised third party in accordance with regulatory requirements. We endeavor to achieve Zero Waste to Landfill.

Biodiversity Management

We take a proactive approach to biodiversity management, emphasizing early risk identification and informed decision-making rather than relying on retrospective mitigation measures. Prior to any new development or expansion, we conduct location-specific Environmental Impact Assessments (EIAs) within a 10-kilometre radius to evaluate biodiversity and broader environmental conditions. These assessments are complemented by desktop analyses using the WWF Biodiversity Risk Filter, enabling us to better understand our dependencies on nature and the potential impacts of our operations. The insights generated, helped to identify biodiversity-related risks and opportunities that may influence our long-term sustainability and resilience. Furthermore, these considerations are systematically integrated into our Enterprise Risk Management (ERM) framework, ensuring that biodiversity risks are embedded into strategic planning and business decision-making processes. We have conducted a desktop-based biodiversity risk assessment across our value chain using the WWF Biodiversity Risk Filter, covering key stakeholder groups including suppliers, vendors, dealers, and customers. The assessment evaluated potential biodiversity-related risks and dependencies associated with our value chain activities, and no material biodiversity risks or significant impacts were identified across the assessed entities. The results indicate a limited exposure of our value chain to biodiversity-sensitive areas and biodiversity-related operational risks.

Our biodiversity strategy continues to follow a clear mitigation hierarchy:

Avoid

We prioritize biodiversity considerations in our site selection and expansion planning processes, seeking to avoid activities that could adversely affect ecologically sensitive areas. Through careful assessment and planning, we avoid having plants in biodiversity hotspots and regions of high conservation value, helping to prevent potential impacts on critical habitats and species.

Minimise

Where operations interact with natural resources, we strive to minimize environmental impacts through resource-efficient practices and circular economy interventions. Our efforts include reducing the extraction and consumption of virgin resources by increasing the use of alternative raw materials and fuels, such as synthetic gypsum, fly ash, municipal solid waste, and other industrial waste, thereby lowering resource intensity and supporting more sustainable production processes.

Restore

We are committed to restoring and enhancing ecosystems within and around our operational areas. This includes initiatives focused on the restoration of local flora and fauna, as well as the implementation of Wildlife Conservation Plans in locations where Schedule-I species are present. These measures help safeguard biodiversity while promoting ecological balance and habitat resilience.

Offset

To compensate for unavoidable impacts, we undertake afforestation and habitat restoration initiatives in nearby communities and ecologically relevant areas. This includes compensatory afforestation programs, such as those implemented in Banka, Bihar, in collaboration with the relevant forest authorities where forest land diversion is required, contributing to the regeneration and long-term sustainability of natural ecosystems.

Transform

Beyond mitigating impacts, we seek to create a positive biodiversity legacy through community-led plantation and greening initiatives that enhance ecosystem services. Supported by the WWF Biodiversity Risk Filter, we have undertaken biodiversity impact assessments, strengthened Biodiversity Action Plans (BAPs) for high-sensitivity sites, integrated biodiversity considerations into decision-making, and enhanced biodiversity management across our operations.

No Net Loss

We avoid any negative impact on the natural ecosystem and evaluate alternate pathways for setting our projects. In case of projects where tree felling is done, required efforts for compensatory afforestation are carried out. Further we ensure timely restorative measures are carried out to ensure minimal effect on the biodiversity of the region, in compliance with the applicatory regulatory requirements. We have established a target to achieve No Net Deforestation by 2035, reinforcing our commitment to biodiversity conservation and responsible environmental stewardship.

Sustainable Revenues

Our core business activity includes the manufacture of cement, with a strong focus on low-carbon blended cement products such as Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), and Composite Cement (CC), which are aligned with the principles of sustainable products under the EU Taxonomy. These products support climate change mitigation through lower clinker to cement ratio and are estimated to have lower carbon footprint compared to Ordinary Portland Cement (OPC). Flagship products such as Bangur Shree Jungrodhak, Bangur Magna, Bangur Rockstrong, Bangur Powermax, and Bangur Marble are integral to our sustainable offerings. By incorporating supplementary cementitious materials such as fly ash and slag, we conserve natural resources, reduces dependence on virgin limestone, and facilitates the productive utilization of industrial by-products. In line with the EU Taxonomy and the CII GreenPro framework, these products contribute to climate action, resource efficiency, and circular economy objectives while complying with relevant Do No Significant Harm (DNSH) safeguards. The net specific GHG emission (scope 1+ Scope 2) intensity associated with low-carbon cement stands at 0.445 tCO_{2e} per tonne of cement production. The sustainability credentials of products are independently validated through the CII GreenPro eco-label, reinforcing their contribution to lower-carbon and resource-efficient construction.

During FY 2025-26, blended cement represented 64.39% of total cement production, generating ₹11,287.37 crore in revenue and contributing 66.78% of our sustainable revenue portfolio, demonstrating the growing significance of sustainable products within our business strategy. The production and sale of blended cement helped avoid approximately 6.04 million tonnes of CO₂ emissions during the year. To further strengthen and expand our sustainable product portfolio, we invest to increase sustainable products or services portfolio, including ₹28.51 crore in R&D expenditure, of which 8.6% was allocated to environmental initiatives such as emissions reduction, energy efficiency, environmental monitoring, water management, and waste management systems. Sustainability-focused training programmes, innovation-driven product development, and infrastructure enhancements further strengthen our capabilities to develop, manufacture, and commercialize sustainable products while improving operational sustainability.

To drive the growth of sustainable products, we have established a target to expand our sustainable product portfolio and revenue. In line with this commitment, we have increased our portfolio from two product categories (PPC and PSC) in 2019 to three product categories (PPC, PSC, and CC) in 2026. To support this objective, we will continue to develop and scale products with lower environmental impacts, resource-efficient solutions, and innovative offerings that contribute to decarbonisation and sustainable construction. Progress against this target will be monitored annually and reviewed as part of our sustainability governance framework.

We have integrated sustainability objectives into our business strategy, with dedicated KPIs and performance-linked incentives for corporate and regional sales teams to promote low-carbon blended cement products. These investments, innovation initiatives, operational improvements, and market-oriented measures support the continued scale-up of sustainable products and reinforce our long-term climate, circular economy, and resource-efficiency ambitions.

Category	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Revenue from blended cement (Rs. In Crore)	11,562.92	12,109.93	10,918.34	11,287.37

% Share of sustainable revenue (from blended cement)*	76.40%	73.19%	69.16%	66.78%
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*The percentage share is derived from the total sale of cement in the reporting period.

Characteristics of Building Materials

Our wide range of blended cement varieties help cater to varied customer needs. Use of blended cement reduces the consumption of natural resources like limestone and fuel, thus lowering greenhouse gas emissions. We ensure procurement of locally sourced raw material such as additives, fly ash, slag etc. We pioneer in manufacture of synthetic gypsum in-house using low grade limestone and spent acid (waste from other industries).

Further, our product packaging is made from category II (flexible plastic), which is 100% recyclable and durable. In line with HPD, our cement products do not have any material health impacts on users. In addition, our products are aligned with EU Taxonomy requirements and meet the relevant Do No Significant Harm (DNSH) safeguards, demonstrating that they do not adversely affect environmental or human health objectives.

Climate Related Financial Risks and Opportunities

At Shree Cement Limited, we have strategically identified both climate-related risks and opportunities with material financial implications.

On the physical climate risk front, water stress driven by rainfall variability and groundwater dependence poses a significant financial exposure of ₹269.02 crore over the next five years at our water stress plants. To mitigate this, we are investing ₹21.2 crore in establishing municipal STP-treated water pipelines to ensure long-term water security. In addition, we have established on-site sewage treatment plants (STPs) for wastewater treatment and reuse, supporting sustainable water management and reducing reliance on freshwater sources.

On the regulatory risk front, we are part of the Perform Achieve and Trade (PAT) scheme under India's National Mission for Enhanced Energy Efficiency, which sets specific energy consumption (SEC) reduction targets over a three-year cycle. Two grinding units: Suratgarh and Jharkhand are enrolled in PAT Cycle VIII with a target year of FY 2025–26. Failure to meet targets may result in penalties and the need to purchase energy-saving certificates (ESCerts), posing an estimated financial risk of ₹0.90 crore yearly.

Additionally, risks associated with the Carbon Credit Trading Scheme (CCTS), particularly the potential inability to achieve the prescribed emission reduction targets, could result in an estimated financial exposure of ₹7.05 crore yearly due to the purchase of carbon credits and/or offsetting of CO₂ emissions. To mitigate this risk, we are investing ₹45.50 crore in carbon reduction technologies and process optimization initiative under PAT Cycle VIII aimed at enhancing energy efficiency and lowering greenhouse gas emissions.

On the opportunity side, we have proactively invested ₹ 387.73 crore in energy-efficient initiatives, including deployment of EE equipment, EE lighting, equipment modification, process optimization, and renewable energy projects. These efforts have yielded annual financial savings of ₹97.41 crore, demonstrating the tangible value of sustainability-driven innovation and operational efficiency.

Net Zero Transition

We support the goals of the Paris Agreement and incorporate climate considerations into its long-term business strategy and transition planning. Consistent with India's climate commitments, the Company's net-zero ambition is aligned with the national target of achieving net-zero emissions by 2070, and its decarbonisation initiatives are designed to contribute to the broader low-carbon transition. To support the implementation of its climate transition plan and long-term net-zero ambition, we have planned climate-related capital expenditure (CapEx) and operational expenditure (OpEx) investments in a phased manner across short, medium and long-term time horizons. These planned investments are embedded within the company's business planning, strategy development, and decision-making processes, and are directed toward decarbonisation initiatives, technological innovation, energy efficiency improvements, alternative fuels and raw materials, renewable energy adoption, and other climate transition activities.

Recognising the increasing risks posed by climate change and the evolving regulatory landscape for carbon-intensive industries, we are implementing a comprehensive strategy to address emissions across Scope 1, Scope 2, and Scope 3 categories. Key decarbonisation levers include reducing clinker intensity through the production of blended cement products such as PPC, PSC, and Composite Cement, increasing the utilisation of alternative raw materials, enhancing the use of alternative fuels and biomass, advancing next-generation low-carbon products such as Limestone Calcined Clay Cement (LC3), and expanding renewable energy and waste heat recovery capacities.

During FY 2025-26, we achieved an Alternative Fuel Resources (AFR) utilisation rate of 12.55%, resulting in the avoidance of approximately 1.52 lakh tonnes of CO₂ emissions, while energy conservation and green energy initiatives contributed an additional 103,639 tonnes of avoided emissions. Our low-carbon cement portfolio enabled the avoidance of approximately 6.04 million tonnes of CO₂ emissions during the year. Through the integration of solar, wind, and waste heat recovery systems, renewable and green energy accounted for 62.1% of total electricity consumption, supported by a renewable and green energy portfolio of 634.5 MW. This trajectory is further reinforced by our RE100 commitment, our decision not to establish any new thermal power plants, and practice of integrating WHRS into all new kiln installations.

To accelerate innovation and support our decarbonisation roadmap, we invested ₹28.51 crore in research and development during FY 2025-26, with 8.6% of the expenditure directed towards environmental initiatives, including emissions reduction, energy efficiency, environmental monitoring, water stewardship, and waste management. The transition plan also extends across the value chain through responsible sourcing, logistics optimisation, modal shift from road to rail, and the adoption of EV and CNG based transportation solutions.

We actively collaborate with suppliers, customers, policymakers, research institutions, and industry bodies to accelerate sector-wide decarbonisation and support the transition to a low-carbon economy. We are an active participant in leading industry platforms, including CMA, NCCBM, FICCI, CII, and Climate Group initiatives such as RE100 and 24/7 Carbon-Free Electricity, while also contributing to national programmes such as the Carbon Credit Trading Scheme and advocating for policies that enable clean energy adoption and sustainable industrial growth.

As part of our commitment to a just and inclusive transition, we assess the potential social implications of our decarbonisation initiatives and implement measures to address associated

risks and opportunities. These efforts focus on workforce capability development, sustainable livelihood enhancement, water stewardship, and community resilience programmes, ensuring that the benefits of the low-carbon transition are shared across employees, local communities, and other key stakeholders.

GHG Emissions Reduction Target

Our SBTi-validated commitments highlight our focus on measurable progress and responsible climate action.

Category	Base Year	Target Year	Base year emissions (tCO _{2e} per ton of cementitious)	Target year emissions (tCO _{2e} per ton of cementitious)	% of reduction target from base year
Scope 1 Intensity	2019	2030	0.58	0.51	12.7
Scope 2 Intensity	2019	2030	0.007*	0.005*	27.1

*Consider these numbers as final, as there might be a typo error in other publication

Internal Carbon Pricing

To strengthen our climate governance framework, we apply an internal shadow carbon price to its Scope 1 and Scope 2 emissions. The ICP, set at INR 2,255/tCO_{2e}, is integrated into all business decisions making process to better account for the financial implications of carbon emissions and support long-term value creation. The framework is used to evaluate the cost-benefit of projects, drive energy efficiency improvements, and encourage investments in low-carbon technologies and solutions. It also embeds climate-related considerations into decision-making and risk assessment processes, enabling the identification and capture of low-carbon opportunities while strengthening resilience to evolving regulatory requirements. Furthermore, the ICP informs strategic and financial planning, supports the achievement of climate-related targets and commitments, and guides the allocation of resources, including carbon offset budgets, to advance our decarbonisation objectives.