

Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Company Profile:

Shree Cement Limited (SCL) is a prominent name in the cement industry with a manufacturing capacity of 46.4 MTPA and a power generation capacity of 888.6 MW as on 31st March, 2023. SCL has integrated units at 4 locations and grinding units at 10 locations. Our network of strategically located integrated units and split grinding units aid us in serving the length and breadth of India, from urban to the rural markets. The integrated plants are equipped with a clinker unit, cement unit, and captive power generation unit whereas grinding units manufacture cement from clinker.

The integrated units are located at Beawar (Rajasthan), Ras (Rajasthan), Raipur (Chattisgarh), and Kodla (Karnataka). Grinding units are located at Jobner (Rajasthan), Khushkhera (Rajasthan), Suratgarh (Rajasthan), Panipat (Haryana), Laksar (Uttarakhand), Bulandshahr (Uttar Pradesh), Aurangabad (Bihar), Athagarh (Odisha), Patas (Maharashtra) and Burudih (Jharkhand). Integrated units are equipped with waste heat recovery systems. SCL's, WHR based power generation capacity is one of the largest such capacity for Green Power generation in the World cement industry outside China.

SCL is also harnessing wind power at Maharashtra and Karnataka and captive solar at Beawar, Suartgarh, Laksar, Jobner, Aurangabad, Raipur, Panipat, Burudih and Athagarh.

Corporate Climate Strategy-

Shree Cement has earned the recognition of being one of the most efficient and sustainable organizations. The company received various national and international recognitions in the field of environment & sustainability.

SCL is dedicated to reducing its carbon footprint and has aligned its performance with India's Nationally Determined Contributions (NDC). SCL is focussed on increasing the consumption from WHR System, increasing the use of AFR, increasing the production of PPC, PSC and CC (low-carbon cement), and increase renewable energy generation through wind and solar plants. SCL has set targets, duly verified by SBTi, to reduce its net Specific Scope 1 emissions by 12.7 % per ton of cementitious material and to reduce its Specific Scope 2 emissions by 27.1% by 2030 from 2019 baseline.

SCL's Board of Directors has the overall responsibility of guiding and steering through the climate change vision and principle in the conduct and operation of the company and to ensure

that they are in spirit. To accomplish this purpose, committees have been constituted by the board which plays a vital role in executing the vision of the board.

As the global economy is shifting toward a low carbon economy, it has become imperative for the cement industry to voluntarily cut down its emissions and adopt a low carbon pathway. In line with this, SCL has taken many steps to cut down its GHG footprint including energy conservation measures, enhance green energy usage, use of alternative fuels and biomass, enhancing blended cement production, etc. Due to all these efforts, SCL has been able to reduce its Specific Net CO₂ to 521 kg CO₂/ton cementitious material in FY 2022-23 compared to 530 within FY 2021-22.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

April 1, 2022

End date

March 31, 2023

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

India

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

INR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CE0.7

(C-CE0.7) Which part of the concrete value chain does your organization operate in?

Limestone quarrying

- Clinker production
- Portland cement manufacturing
- Blended cement
- Alternative 'low CO2' cementitious materials production

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	INE070A01015

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	<p>The Board shoulders the overall responsibility of guiding and steering our sustainability vision through our CSR and Sustainability Committee. The Committee reviews the performance across environmental, social, and governance pillars, including climate change related performance and issues. The CSR and Sustainability committee comprises of 3 Independent and Non-Executive Directors, two Executive Director and is headed by an Independent director. Following tasks are attributed to the CSR & Sustainability committee: -</p> <ul style="list-style-type: none"> • Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy; • Recommend the amount of expenditure to be incurred on the activities in line with the objectives given in CSR policy; • Oversee the Company's activities and contribution with regard to its corporate and societal obligations & its reputation as a responsible corporate citizen; • Review the performance of the Company on environment, governance and sustainability initiatives & matters; • Approve the policies on principles as required in terms of Business Responsibility & sustainability Reporting requirements and changes/modifications required from

	<p>time to time in such policies; and</p> <ul style="list-style-type: none"> • To approve Company’s report on Business Responsibility & Sustainability Reporting requirements.
--	---

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<p>Overseeing major capital expenditures</p> <p>Overseeing and guiding employee incentives</p> <p>Reviewing and guiding strategy</p> <p>Overseeing and guiding the development of a transition plan</p> <p>Monitoring the implementation of a transition plan</p> <p>Overseeing and guiding public policy engagement</p> <p>Reviewing and guiding the risk management process</p>	<p>SCL’s Board has the overall responsibility of guiding and steering the climate change vision, reviewing and guiding strategies, monitoring the implementation of transition plan and set-up systems and procedures to conduct operations of the company in adherence to its vision. Board also oversees the major capital expenditure as part of new project approvals. To ensure compliance with laws and regulations concerning environment and climate change, CSR and Sustainability Committee along with the ESG Committee monitors and reviews compliance requirements specified under various statutory requirement.</p> <p>The frequency of meeting of ESG committee is twice in a year and the minutes are recorded and presented to the board. However, ESG committee meeting can also take place if any important issue pertaining to climate change, water or energy etc. arises. The risk management committee of the board meets half-yearly to discuss enterprise level risks including climate change related risks.</p> <p>Through ESG committee meeting minutes, The entire Board is also informed and updated on legal frameworks related to energy, such as the Perform, Achieve, and Trade (PAT) scheme and the Renewable Purchase Obligation (RPO), among other KPIs.</p> <p>ESG performance is also one of the factors considered under the Remuneration Policy, approved by the Board, to determine the remuneration of Directors, Key Management Personnel and Senior Executives.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	One of the Independent Director associated with SCL has extensively worked in the field of sustainability, environment, and climate change. He is a graduate of the London School of Economics and a well-known Economist and has had a long and distinguished career in the Government of India and the United Nations. He is the Chairman of the Governing Council of The Energy and Resources Institute (TERI), Honorary Professor at the Indian Council for Research in International Economic Relations (ICRIER), Honorary Fellow of the London School of Economics and Political Science, UK. He is connected with the Governing Bodies of several NGOs and Research Institutions. He worked at senior levels in the Planning Commission from 1973 to 1987. From 1988 to 1990, he was the Chief Economic Advisor and Secretary in the Department of Economic Affairs in the Ministry of Finance. In 1990, he joined the United Nations as Deputy Secretary General of the 1992 Rio Summit on Environment and Development and served later as Under Secretary General dealing with economic and social affairs from 1993 to 2003. He is also on the Board of Shakti Sustainable Energy Foundation.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)

Developing a climate transition plan

Implementing a climate transition plan

Integrating climate-related issues into the strategy

Managing public policy engagement that may impact the climate

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The CEO (MD) oversees implementation of a climate transition plan and integrate climate related issues into the strategy. As a member of Board level Risk Management Committee, he guides the risk management process including assessment and management of climate related risks and opportunities. As part of his key performance initiatives his compensation are linked to ESG performance of the Company. MD is part of the CSR and Sustainability committee as well, which is a board level committee that oversees the CSR as well as sustainability initiatives of the Company.

By assigning responsibility to the MD and establishing appropriate committees, Shree Cement ensures that climate-related issues receive the highest level of management attention, oversight, and accountability. This commitment reflects the company's recognition of the significance of climate change and its dedication to embedding climate considerations into the core business strategy.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>The MD's performance is assessed on company's performance on sustainability/ ESG parameters (like consumption of green energy, reduction of specific power/energy consumption, lower specific carbon emissions, increase in consumption of industrial wastes, etc.) among other KPIs. Head of each of the production units is in turn responsible for attaining targets set towards managing these parameters within their own units and report to the MD.</p> <p>As per the company's remuneration policy, the factors for deciding the Remuneration of working directors, KMPs and senior executives is decided based on broad criteria like industry trend, remuneration package in other peer group companies, job contents and key performance areas, Company's financial, sustainability and operational performance etc.</p>

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Salary increase

Performance indicator(s)

Progress towards a climate-related target
 Reduction in emissions intensity
 Energy efficiency improvement
 Increased share of low-carbon energy in total energy consumption
 Increased share of renewable energy in total energy consumption
 Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Shree Cement Limited (SCL) has established a range of climate-related targets to drive sustainable practices. These targets encompass reducing intensity in scope 1 and 2 emissions, augmenting the percentage of Thermal Substitution Rate (TSR), and increasing the utilization of alternate raw materials and fuel resources. Moreover, SCL aims to reduce reliance on conventional fuels while increasing the proportion of green energy consumption.

To ensure accountability and drive results, the CEO's (MD) performance appraisal is directly linked to the company's achievements in these specified key performance indicators (KPIs). This alignment incentivizes the MD to prioritize and effectively manage climate-related initiatives, promoting a culture of sustainability and reinforcing the company's commitment to environmental responsibility.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In order to strengthen the implementation of sustainability measures, the Board of Directors has integrated the performance appraisal of the Managing Director with the company's achievements in key sustainability indicators. These indicators encompass various aspects such as the consumption of green energy, reduction of specific power/energy consumption, lower specific carbon emissions, and an increase in the utilization of industrial wastes, among others.

As part of this integrated approach, the Managing Director ensures that the annual performance appraisals of all unit heads reporting to him also include an assessment of their respective units' performance on the designated sustainability parameters and KPIs assigned to them. This holistic evaluation reinforces the importance of sustainability throughout the organization and fosters a culture of continuous improvement in sustainability practices at all levels.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Shree Cement has adopted 0-3 year time period for assessing short-term climate-related risks, opportunities, strategies, etc.
Medium-term	3	10	Shree has adopted 3-10 year time period for assessing medium-term climate-related risks, opportunities, strategies, etc.
Long-term	10	30	Shree has adopted 10-30 year time period for assessing long-term climate-related risks, opportunities, strategies, etc.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At Shree Cement, Risk Management is not just a regulatory requirement performed by the top management, but it is a continuous process that is embedded in all our Company's operations covering the Enterprise, Functions, and manufacturing plants.

We identify risks inherent in the business operations of the Company considering our goals, external environment, and expectation of our stakeholders among others. This helps us in developing mitigation plans as a response to risks that pose a threat to our long-term goal of creating value for all our stakeholders. A proactive Risk Management approach also provides opportunities for improvement and development of new solutions that can give us a competitive advantage over our competitors.

To identify and mitigate risks, the Company has laid down an ERM policy and Enterprise Risk Management framework which provides guidelines to define, measure, control, mitigate and report the identified risks at the enterprise level which impact the achievement of strategic /enterprise-level objectives. It helps to identify potential risk areas in various economic,

environmental, social, sectoral, sustainability-related, and industrial environments in which we operate. The framework prescribes guidelines for contextualization of risks by linking them with SCL's business objectives and risk identification, assessment, mitigation, and governance thereof.

Enterprise Risk Management Structure:

The Board of Directors oversee the ERM of the business. The Board also reviews the identified risks and mitigation plans. The Risk Management Committee (RMC) overlooks the effective implementation of the ERM policy and reports to the Board. Along with RMC, the ESG Committee consisting of senior executives and functional heads reviews the results of the risk identification, prioritisation and mitigation plans. The Chief Risk Officer (CRO) facilitates the operationalisation of ERM framework and updates the RMC and the ESG Committee on a periodic basis. The identified risks are assigned to an owner, i.e. the Risk Owner (Functional Head) who in coordination with CRO, periodically reports to the management and prepare mitigation strategies on the identified risk(s).

Risk Management Framework:

- **Governance:** Governance sets the organization's tone, reinforcing the importance of, and establishing oversight responsibilities for ERM. It comprises of structures put in place to operationalise the ERM framework.
- **Establish context and orient people:** Under this component, Company's strategic / enterprise level business objectives are used to contextualise the risk management process. In alignment with the above business objectives, the risks are categorised into different baskets such as compliance risks, financial risks etc. Similarly, Company shall set different thresholds for assessing the severity of impact and likelihood of risk materializing, for determining the risk appetite or tolerance limits that can then be set as guidance for people managing the risks. Risk owners and people at different levels are oriented and encouraged to imbibe and adopt the process into day-to-day decision making.
- **Process to Perform:** Risks that may impact the achievement of strategy and business objectives need to be identified and assessed on an ongoing basis. Thereafter, people need to assess their operating areas on regular basis and identify enterprise level risks, discuss the same with other relevant risk owners and judge the severity and likelihood in the context of risk appetite. The organization then selects risk responses and takes a view of the amount of risk it has assumed.
- **Review and Revision:** Risk responses adopted by the Company need to be reviewed at regular intervals to ascertain their effectiveness. Wherever required, the necessary revision would be carried out.
- **Monitor and Reporting:** Enterprise risk management requires reporting of identified risks and risk responses to governance body for their monitoring as well as public disclosure for external stakeholders.

As per SCL's ERM policy, the risk rating criteria defines substantive financial or strategic impacts on the business. Impact of any risk event is categorised as high, medium or low based on the severity it has on parameters including growth, return to stakeholders, people, efficiency, market share and sustainability. A decrease of more than 10% in turnover or more than 5% in EBITDA is classified as a risk event with high impact, decrease of 5-10% in turnover or 2-5% in EBITDA is risk event with medium impact while decrease in turnover and EBITDA by below 5% and 2% respectively is risk event with low impact. Similarly, any event leading to delay in achieving growth target by more than 3 years is a high impact event, that leading to a delay by

1-3 years is a medium impact event while the event leading to delay by less than 1 year is defined as low impact event.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Shree Cement Ltd (SCL) operates in a dynamic market with intense competition which is traditionally plagued by overcapacity along with continuously changing business, regulatory and economic conditions. This not only presents new opportunities but also may challenge the relevance of SCL's operations and services and the achievement of its vital strategies and initiatives.

As SCL strives to be the leading cement organization, it considers risks in order to develop and deploy its products & innovative services, expand into new markets and engage in the right partnerships and alliances, and also makes appropriate investments in infrastructure, acquisitions, resources, and people. Such risk consideration is integral to SCL's success and competitive differentiation. SCL's risk management process is designed to identify and mitigate risks that have the potential to materially impact our business objectives. SCL's risk management process maintains a balance between managing risk and exploiting the opportunities.

Identification and management of risk are systematically achieved using an Enterprise Risk Management (ERM) system under which the Board is responsible for overseeing the overall risk management framework of the Company. The Risk Management Committee of the Board keeps an eye on the execution of the risk management plan of the Company and advises the management on strengthening mitigating measures wherever required. Risk prioritization is done by plotting the graph between two parameters i.e. A) Likelihood (Probability) and B) Impact (deviation in achievement of business objectives). Only the risk which is mapped with high likelihood and high impact is considered the material risk. This structured framework helps Board to make

decisions regarding the mitigation of the risk. The material risks are to be fused into SCL’s planning cycle which intermittently checks the extent of risk and viability of the corresponding mitigation plan. We anticipate all the risks that can impact our business activity in terms of direct options, upstream and downstream supply chain, and based on their likelihood and impact prepare a mitigation plan accordingly. The ERM process consists of three key components - Identification, Assessment, and Mitigation. Risk Identification and Assessment is the exercise of identifying and assessing the various risk and opportunities that can impact our business objectives in a shorter or longer timeframe, by brainstorming in various committees and between various departments. Risk can be Financial risks, Sectoral risks, Information and technological risks, Operational risks, Sustainability risks, Emerging risks and Others. Risk mitigation is a strategy to prepare for and lessen the effects of threats faced by a business. Each department/ division will propose various actions and plans to mitigate the risk along with the required timeframe and budgetary support. Climate-related risks are discussed with Environment and Sustainability departments, and Environment Social & Governance Committee.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation plays a vital role while assessing climate related risks. The regulatory requirements are monitored on a regular basis and steps are taken to ensure that they are met. The government's Perform, Achieve and Trade scheme related to Energy Management is applicable to select units of the company. Necessary steps are taken in order to meet the requirements set out for the business units under the PAT cycle. While assessing the climate related risks, inputs from the PAT requirements are assessed to plan a short term mitigation strategy for our business units.
Emerging regulation	Relevant, always included	New legislative or regulatory requirements may pose risks which could incur various GHG mitigation costs. Such costs can be the cost of compliance with new regulation, cost of enabling process modification for reduction of GHG emissions or increased operational costs. Another major risk which arises is the risk of impact on quality. In order to reduce GHG emissions, change in raw material and fuel mix, retrofits or process modifications would be needed, which would have to be regularly optimized to obtain desired quality of product.
Technology	Relevant, always included	New technology to deploy low carbon growth may produce barriers such as high capital cost, technological relevance to meet existing cement quality, and feasibility of new technological retrofits in existing cement manufacturing process.

Legal	Relevant, always included	Carbon emission and sustainability regulations related laws may be enforced in near future in order to enforce emission reduction and sustainability enhancement programs. Non compliance to such regulations may result in litigations, such litigation risks could result in financial liabilities, legal expenses, and damage to the Company's reputation.
Market	Relevant, always included	Market-related risks are very relevant to the cement sector due to increasing concern about Green Building development and the use of alternate materials in household construction. As cement is an energy and carbon-intensive building material, there is a potential risk, that behavioral change in consumer patterns may lead to increased substitution of cement with competing building materials such as timber or steel or new alternative binder material, although those competing products might not have a more favorable footprint in terms of its complete life cycle. Still, the carbon intensity and related perception of cement might lead to negative implications for our sales volumes and revenue across the markets where we operate. This is perhaps a greater risk in mature markets as well as those with consumers focused on the impact of their purchases on climate change
Reputation	Relevant, always included	Cement is an energy and carbon-intensive building material, there is the potential danger, that behavioral change in consumer patterns might lead to increased substitution of cement and concrete with competing building materials. The carbon intensity and related perception of cement might lead to negative implications for our sales volumes and revenue across the markets where we operate. Additionally, investors are increasingly interested to understand the ESG (including climate change) related performance and management of the companies. An organization that is reputed to have adopted climate-friendly processes and managed its ESG performance is being looked upon as a sustainable organization and will have a favorable impact among the investors.
Acute physical	Relevant, always included	Increased frequency and severity of extreme weather events such as cyclones and floods fall under acute physical risk category. A major industry-specific risk is weather-related sales risk for building materials, which is mainly due to the seasonal nature of demand. Changes in temperature extremes impact construction activity and have a negative effect on the demand for building materials. Increase in temperature will bring more cracks in structure and would require more water for curing. We expect temperature extremes to become more frequent as a result of climate change. Tropical cyclones can adversely impact physical facilities, including those of our suppliers and / or customers. Monsoons in some areas of North India, are an example of the seasonal weather conditions that adversely affect the sales volumes of our products and thus our business results.

Chronic physical	Relevant, always included	<p>Changed precipitation patterns, increased variability in weather and rising temperature lead to increased operating and capital costs, reduced revenues from reduced production capacity.</p> <p>With the likelihood and propensity of extreme weather events, natural disasters, such as heat waves, are rising as a result of climate change, we expect a surge in demand for cement to build up resilient infrastructures that are able to counter-act and protect from the disastrous consequences of such events faced in affected regions.</p> <p>Also we are planning to expand into other geographies, to cater to the demand in those geographies since extreme climatic events may pose risk in transportation over long distances.</p>
------------------	---------------------------	--

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Perform Achieve and Trade (PAT) scheme is a flagship programme of Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency (NMEEE).

NMEEE is one of the eight national missions under the National Action Plan on Climate Change (NAPCC) launched by the Government of India in the year 2008. Shree Cement being an industry leader also comes under the PAT scheme of the Government of India under which targets are set for various manufacturing units to reduce the specific energy consumption. We used various energy/ resource efficient projects & initiatives throughout the year to reduce our specific energy consumption. These SEC reduction targets are to be achieved in three years, failing which plants have to purchase Energy

saving certificates from Energy exchange at market rate with an additional monetary penalty. Shree Cement's 6 grinding unit (RGU, KKGU, JGU, PGU, UPGU & BGU) have also been notified in PAT cycle (PAT-VI) and target year is FY 2022-23. Currently, in PAT cycle (PAT-VII) Ras, Beawar and Shree Mega Power have been included and target year is FY 2024-25.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

18,186,320

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Shree Cement's 6 grinding unit (RGU, KKGU, JGU, PGU, UPGU & BGU) have also been notified in current PAT cycle (PAT-VI) and target year is FY 2022-23, whose assessment is underway. Energy intensity of grinding unit is far lower than that of integrated unit, thus the scope of reducing this energy intensity is difficult to achieve. If Shree Cement does not achieve the specific energy consumption reduction targets for each grinding unit, it will be subject to penalties and be forced to pay market rates for energy savings certificates from the energy exchange, which will impact our indirect operating costs for the relevant operating unit. The target for PAT cycle VI for the identified units is 6,623 MToE. The last declared price of 1 TOE of energy by Govt of India is INR 18,402. Further as Energy saving Certificates (ESCerts) are tradable in the energy market, during the last cycle trading price was kept at minimum INR 1,840. Additional penalty of INR 10 lakhs will be levied on each GU for not meeting its target. Hence the impact is calculated as $INR\ 1,840 * 6,623 + 1,000,000 * 6 = INR\ 1,81,86,320$ (Rupees one crore, eighty one lac, eighty six thousand, three hundred and twenty).

Cost of response to risk

452,000,000

Description of response and explanation of cost calculation

Shree Cement has taken initiatives to reduce its energy consumption by adopting energy efficient technology, optimization of process and equipment through regular

monitoring. The total expenditure incurred on energy management projects for the PAT cycle VI is INR 45.2 crores.

Comment

More information on the PAT cycle targets and ESCerts can be found in our integrated annual report 2022-23 on page 74.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Our green power constitutes of solar, wind and waste heat recovery. Our green power capacity has been increasing year on year with addition of around 122 MW of solar and wind power, making our cumulative capacity as 385.6 MW in the reporting year. The share of green power in the total power consumption increased from 48.3% in FY 2021-22 to 51.1% in FY 2022-23. Green Power production during FY 22-23 made up more than 51% of our total power consumption. This in turn helped us to avoid more than 7.7 lac tons of CO2.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2,380,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

SCL plan to enhance its green energy capacity by additional 83 MW during FY 2023-24. This has a maximum potential to generate 34 crore KWh of green power annually which will help to majorly substitute grid electricity, and thus saving power costs. Considering average cost of grid power as INR 7 per KWh, the financial impact is estimated at INR 238 crores.

Cost to realize opportunity

5,770,000,000

Strategy to realize opportunity and explanation of cost calculation

Among other priorities, climate change requires an effective response through the accelerated transition to a low-carbon economy. SCL is taking substantial efforts to enhance the green power capacity. SCL will install additional green power capacity (solar, wind and WHR) at multiple locations across India. This will help substitute power from coal based power plants as well as grid power. Cost of setting up the additional 83 MW of green power within FY 2023-24 is estimated at INR 577 Crores.

Comment

More information on green energy can be found in our Integrated Annual Report 2022-23

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

SCL has set SBTi approved climate mitigation targets for Specific Net Scope 1 emission reduction and Specific Scope 2 emission reduction for 2030 over a baseline of 2019. These targets are set on 2DS scenario. A cement sector roadmap is prepared to achieve net zero concrete by 2050 and SCL aims to follow the same. The emission performance is monitored internally regularly and reported annually via Annual reports and feedback gathered from the shareholders. Additionally, feedback on our climate change strategy and performance is collected from investors via emails, conference calls etc. regularly to advise our climate transition plan.

Frequency of feedback collection

Annually

Attach any relevant documents which detail your climate transition plan (optional)

Refer page 72 of the attached Integrated Annual Report 22-23

 SCL - Integrated Report 2022-23.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA 2DS	Company-wide		We adopted 2DS scenario analysis for climate-related strategy and implementation. The assumptions and area of focus for 2DS scenario analysis are listed below. Assumptions and area of focus for the scenario analysis- 1. Cement production was projected based on current and future capacity additions planned at various locations. 2. GHG emissions were projected based on production and specific emissions for the last five

			<p>years.</p> <p>3. It is assumed that the specific emissions would decrease at a rate equivalent to rate of decrease in specific energy consumption (SEC).</p> <p>4. Difference scenario developed based on reduction in SEC varying 5-7% in every phase of PAT.</p> <p>5. Only scopes 1 and 2 are considered as scope 3 may not be proportional to production.</p> <p>We had taken a target to reduce the emission intensity of cement production by 10% by 2020 from the base year of 2013. This has already led to an absolute reduction of 93% (at the production level of 2013). This is more than 1.23% absolute reduction per year required under 2DS scenario (minimum 49% absolute reduction over 40 years from 2010 to 2050).</p> <p>Now, since our last target has been achieved, in the year 2018-19, we developed a target in line with 2DS of IEA ETP, approved by Science Based Target Initiative (SBTi). We have taken the target for the year 2030 to reduce our specific net scope 1 and 2 emissions intensity by 12.7% and 27.1% per tonne of cementitious material produced respectively as SCL's medium target which is of 3-10 years timeframe. As a short term target of 0-3 years, we are focusing on following:</p> <ol style="list-style-type: none"> 1) Increasing our share of green energy in the total energy consumption mix, 2) Increasing the share of alternative fuels within total fuels 3) Increasing production and sale of blended cement (having a lower clinker cement ratio) 4) Enhanced energy efficiency
<p>Transition scenarios Customized publicly available transition scenario</p>	<p>Company-wide</p>	<p>1.5°C</p>	<p>A sectorial roadmap for net zero concrete by 2050 has been rolled out. The roadmap sets out a net zero pathway to help limit global warming to 1.5-degree Celsius. The roadmap clearly outlines the various levers to action the low carbon transition specific to the cement and concrete industry. Taking guidance from the global net zero concrete roadmap, a national level roadmap to net zero by 2050 is currently being developed. This will clearly define the technologies and levers of improvement</p>

		<p>under and will be more pragmatic to meet national ambitions while aligning itself to the 1.5 degree Celsius scenario. SCL aims to follow the sectoral roadmap to achieve net zero concrete by 2050. While aligning our climate mitigation strategy with the sectoral roadmap, SCL has taken concrete steps toward decarbonization. We enhanced our green energy capacity from 263 MW in FY 21-22 to 385.6 MW in FY 22-23. During FY 22-23, we have also achieved 100% replacement of coal with biofuel (crop residue) in all our grinding units. To improve the alternative fuel share, we are in process of implementing state of the art shredding and feeding equipment for using different types of waste more efficiently. Our initiatives to enhance the alternative fuel rate has led to achieve 14.01% share of alternative fuel (in terms of quantity) within total fuel consumption during FY 2022-23 compared to 9.84% in FY 2021-22. During FY 22-23, we achieved 77% share of blended cement production. Production of blended cement resulted in avoidance of 6.86 million tonnes of CO2 emissions.</p>
--	--	--

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

- 1) What changes are required in business as usual to meet the climate change targets under the considered scenario?
- 2) What are the impacts of climate change on our businesses?
- 3) What initiatives are to be taken for our business to thrive in a net zero world?

Results of the climate-related scenario analysis with respect to the focal questions

We performed a 2-degree Celsius scenario analysis which provided us with our net specific scope 1 and scope 2 reduction targets in the medium term. Further as the world started mulling a 1.5 degree Celsius future, a sectoral roadmap has been prepared to achieve net zero concrete by 2050 based on 1.5 degree Celsius scenario. We aim to follow the sectoral roadmap to achieve net zero concrete by 2050 and we regularly review and monitor our progress to achieve set targets.

Working on the 2 degree and 1.5 degree transition scenarios, we understood that business as usual need to change specially because cement sector is inherently a hard

to abate sector due to the manufacturing process. Radical instruments shall be developed and adopted to bring about the reduction in GHG emissions. We realize that the efforts to mitigate and adapt to climate change also produce opportunities for us, for example, through resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new low-carbon products and services, access to new markets, and building resilience along the supply chain. With increasing need for infrastructure to support the global low carbon agenda, cement, particularly low carbon cement will play a major role in establishing the foundations of decarbonisation. Furthermore, increasing policy and regulatory push towards low-carbon growth creates advantage for our ongoing innovation in products. While we recognize that not all of these measures are viable today, we are continuously monitoring the landscape to ensure that we do not miss the bus on any of these opportunities as and when they do turn the corner. We are also partnering in different collaborative efforts that are underway around solutions for carbon capture, utilisation, and storage (CCUS), electrification of clinkerisation process and associated areas.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Yes, Climate change related opportunities have made our strategy of launching new variants of cement very aggressive. We developed Premium PPC Cement wherein our R&D capabilities were utilized very exhaustively. Apart from this, our market promotion was made very aggressive for popularising our Premium PPC cement variant. We have steadily enhanced our blended cement portfolio that include cement variants with lower clinker factor and hence attributes to lower carbon emissions. For FY 2022-23, our blended cement production stood at 77% of total cement production. Currently we are researching on another low carbon variant of cement known as Limestone Calcined Clay Cement (LC3) with a research partner.
Supply chain and/or value chain	Yes	Our supply chain/ value chain strategy has been impacted partially. More than 51.1% of total power has come from green power which in turn leads to lower demand for power from fossil fuel-based power plants. This has impacted our strategic sourcing of fuel for power plant operations. This ratio of green power consumption is one the highest in the industry and we are committed to enhancing the green

		<p>power ratio significantly.</p> <p>We have invested in reinforcing our logistics capabilities in the form of railway sidings at various plant facilities. We are striving to increase our rail dispatches from the current rate of 12% through multiple efforts. Working in this direction, we are setting up railway sidings across most of our new units as well as existing locations. In the reporting year, we utilized railway sidings for cement loading and/or clinker loading/unloading at nine of our manufacturing locations. Railway siding facility has enhanced bulk transportation and logistics capability, thereby contributing to cost optimization, fuel savings and improved time efficiency.</p>
Investment in R&D	Yes	<p>The aim of our Research and Development (R&D) at Shree Cement is to develop innovative products and technologies, and, optimize processes. This results in energy efficiency, reduced CO2 emissions, and reduced cost of production.</p> <p>Our R&D investments stood at INR 37.83 Crores, corresponding to 0.2% of our revenue in the reporting year. As on 31st March 2023, our R&D footprint covered facilities at Beawar & Ras – Rajasthan (North Zone), Raipur-Chhattisgarh (East Zone) and Kodla-Karnataka (South Zone). All our R&D centers are powered by our world-class technology ecosystem to provide more advanced solutions in cement and concrete along with effective utilization of waste and resources to develop better products that meet quality requirements and are more sustainable.</p> <p>In order to address the climate change risks and leverage opportunities, we have strengthened our in-house capacity and partnered with different agencies and government institutions such as National Council for Cement and Building Materials (NCCBM), IIT Delhi and others.</p> <p>We have also held discussions with The World Bank to act as a knowledge partner with them (including their affiliates), on projects/programs relating to sustainability and climate change. We have offered to participate in initiatives, workshops, training programs, etc. related to sustainability and also to fund research in the areas of Carbon Capture, Usage & Storage (CCUS), use of waste materials, resource conservation, power storage technology, and pollution control measures. We also offered our facilities for setting up pilot projects in these areas.</p>
Operations	Yes	<p>Changing climate and weather patterns manifest as risks to business in various forms including physical risks, transitional risks and regulatory risks etc. Climate Change related risks have potential to disrupt our operations at manufacturing locations, across supply chain etc. impacting</p>

		<p>the business continuity.</p> <p>This knowledge necessitated implementation of the following within our operations:</p> <ul style="list-style-type: none"> • Identifying and implementing energy efficiency projects and initiatives, enhanced usage of renewable energy, waste heat recovery, biomass and AFR in our operations. • Targeting increased usage of AFR up to 15% by FY 2023-24 and aiming to achieve green power consumption up to 55%. <p>We are making constant efforts to improve energy efficiency across our operations by upgrading existing technology and deploying energy efficient processes. Through energy conservation initiatives during FY 22-23, we could achieve annual electrical energy savings of approx.182 Lac KWH. Our clinkerization units are equipped with waste heat recovery systems. Our green power constitutes of solar, wind and waste heat recovery.</p> <p>Our green power capacity has been increasing year on year with addition of around 122 MW of solar and wind power, making our cumulative capacity as 385.6 MW in FY 22-23.</p>
--	--	--

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures	<p>We are looking to further expand our renewable energy portfolio in order to reduce GHG emissions and mitigate climate change risks. For FY 2022-23, we increased our green power capacity by 122 MW at various locations at a Capex of approx. INR 600 crore.</p> <p>We have also invested in technologies to enhance usage of alternative fuels including municipal waste and biomass within the existing kilns as well as power plants, as applicable.</p> <p>Additionally, all our existing kilns are equipped with WHR for recovery of waste heat. All our upcoming plants will include WHR systems as well. Our Nawalgarh greenfield project will include a 33 MW WHR system at a cost of INR 327 crore.</p>

C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

Identification of spending/revenue that is aligned with your organization’s climate transition	
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per metric ton of cement

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.584

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO₂e per unit of activity)

Intensity figure in base year for total Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.584

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

12.7

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.509832

% change anticipated in absolute Scope 1+2 emissions

-0.45

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.521

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for total Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.521

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

84.9422931723

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The target given here is company wide Net Scope 1 intensity target measured per tonne of cementitious material and approved by SBTi.

Plan for achieving target, and progress made to the end of the reporting year

We manufacture Ordinary Portland Cement (OPC) and blended cement under categories of Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC). Blended cement contributes to sustainable design by making concrete stronger and durable, reducing consumption of natural resources such as

limestone, lowering greenhouse gas emissions. It contributes to a circular economy by utilising wastes from power, and iron and steel plants. We are diligently working towards lowering the clinker factor by advocacy of blended cement among our customers and dealers. This in turn leads to lower scope 1 emissions by reducing requirement of clinker to produce same amount of cement. We have diversified our product portfolio to cater to the evolving needs of our wide customer base. During FY 2022-23; total blended cement production accounted for 77% of total cement production. We are currently in process to explore feasibility of another sustainable alternative to OPC i.e., Limestone Calcined Clay Cement (LC3). LC3 cement can help reduce up to 40% CO₂ emission as compared to OPC and contribute towards sustainable growth. This also supports in meeting our commitment of reducing our specific GHG emissions.

Further, we are focusing on replacing fossil fuel with Alternative Fuels. We were able to increase the share of alternative fuel within total fuel consumption to 14.01% in FY 2022-23 against 9.84% in FY 2021-22. Alternative Fuel in the kilns helped us achieve a Thermal Substitution Rate (TSR) of 3.5% of the kiln thermal energy consumption during the reporting period FY 2022-23 as against 2.41% during FY 2021-22. Targeting increased TSR up to 15% by FY 2023-24. The green power (including waste heat recovery, solar and wind power) made up to 51.1% of our power consumption during FY 22-23 and we aim to enhance this up to 55%.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 2

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO₂e per metric ton of cement

Base year

2019

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

0.007

Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 10: Processing of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 13: Downstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 14: Franchises (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Category 15: Investments (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3, Other (downstream) (metric tons CO₂e per unit of activity)

Intensity figure in base year for total Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.007

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

% of total base year emissions in Scope 3, Category 2: Capital goods covered by this Scope 3, Category 2: Capital goods intensity figure

% of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

% of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution covered by this Scope 3, Category 4: Upstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 5: Waste generated in operations covered by this Scope 3, Category 5: Waste generated in operations intensity figure

% of total base year emissions in Scope 3, Category 6: Business travel covered by this Scope 3, Category 6: Business travel intensity figure

% of total base year emissions in Scope 3, Category 7: Employee commuting covered by this Scope 3, Category 7: Employee commuting intensity figure

% of total base year emissions in Scope 3, Category 8: Upstream leased assets covered by this Scope 3, Category 8: Upstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution covered by this Scope 3, Category 9: Downstream transportation and distribution intensity figure

% of total base year emissions in Scope 3, Category 10: Processing of sold products covered by this Scope 3, Category 10: Processing of sold products intensity figure

% of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

% of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products covered by this Scope 3, Category 12: End-of-life treatment of sold products intensity figure

% of total base year emissions in Scope 3, Category 13: Downstream leased assets covered by this Scope 3, Category 13: Downstream leased assets intensity figure

% of total base year emissions in Scope 3, Category 14: Franchises covered by this Scope 3, Category 14: Franchises intensity figure

% of total base year emissions in Scope 3, Category 15: Investments covered by this Scope 3, Category 15: Investments intensity figure

% of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

% of total base year emissions in Scope 3, Other (downstream) covered by this Scope 3, Other (downstream) intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

27.1

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.005103

% change anticipated in absolute Scope 1+2 emissions

-0.45

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0.014

Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 2: Capital goods (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 4: Upstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 5: Waste generated in operations (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 6: Business travel (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 7: Employee commuting (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 8: Upstream leased assets (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 9: Downstream transportation and distribution (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 10: Processing of sold products (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 13: Downstream leased assets (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 14: Franchises (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Category 15: Investments (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 3, Other (downstream) (metric tons CO2e per unit of activity)

Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.014

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-369.0036900369

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The target given here is company wide Specific Scope 2 intensity target measured per tonne of cementitious material and approved by SBTi.

Plan for achieving target, and progress made to the end of the reporting year

An increase in cement production was witnessed compared to FY 2021-22 due to enhanced production catering to increased market demand. Subsequently, share of green power within total power consumption increased to 51.1 % for FY 2022-23 compared to 48.2 % in FY 2021-22. However, the quantity of electrical energy purchased from non-renewable sources (other than captive sources) also increased. This led to increased Scope 2 emissions compared to FY 2021-22.

We have already begun our journey to enhance green power (including WHR, Wind and solar) within total power consumption by enhancing our green power capacities. Our green power capacity for FY 2021-22 stood at 263 MW while the same for FY 2022-23 is increased to 385.6 MW in which Solar power is 122 MW at various locations at a capex of approximately INR 500 Crores. Based on the outcome of this, further short term measures will be planned to meet the 2030 targets. We have planned setting up another 83 MW green power plants across our locations within FY 2023-24. We plan to monitor our Scope 2 performance regularly during FY 2023-24 and take necessary measures accordingly.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	
To be implemented*	14	79,670
Implementation commenced*	23	967
Implemented*	80	64,815
Not to be implemented	1	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify

Use of energy efficient equipment

Estimated annual CO2e savings (metric tonnes CO2e)

264.86

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

4,944,000

Investment required (unit currency – as specified in C0.4)

2,395,000

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Includes energy efficient equipment such as MVD, high efficiency motors, high efficiency compressors, etc.

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

360.07

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

3,267,000

Investment required (unit currency – as specified in C0.4)

3,789,000

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Replacement of existing lighting by energy efficient lighting such as LED.

Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify

Modification of existing equipment

Estimated annual CO2e savings (metric tonnes CO2e)

5,634.18

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

45,489,000

Investment required (unit currency – as specified in C0.4)

74,715,000

Payback period

1-3 years

Estimated lifetime of the initiative

16-20 years

Comment

Modification in existing equipment based on internal analysis to enhance energy efficiency of the equipment.

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO₂e savings (metric tonnes CO₂e)

1,838.21

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

20,774,000

Investment required (unit currency – as specified in C0.4)

3,663,000

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Process optimization measures are taken to curb the energy losses within the process.

Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify

Use of Renewable Energy

Estimated annual CO₂e savings (metric tonnes CO₂e)

4,913.06

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Scope 2 (location-based)

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

46,588,000

Investment required (unit currency – as specified in C0.4)

336,900,000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Renewable Energy is consumed to reduce Scope 1 & Scope 2 Emission in SCL operations

Initiative category & Initiative type

Energy efficiency in production processes
Fuel switch

Estimated annual CO2e savings (metric tonnes CO2e)

51,804.6

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1
Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

159,878,000

Investment required (unit currency – as specified in C0.4)

4,001,000

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

SCL invested in setting up infrastructure to utilize waste for coprocessing. This helped us replace a portion of the imported coal with alternative fuels such as municipal solid waste and biomass.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for other emissions reduction activities	To reduce specific scope 2 emissions, we set up 122 MW captive solar power plants at various locations across India at an expense of approximately 600 Crore, which became operational in FY 2022-23. This will help us to significantly enhance our green energy capacity, thereby reducing our GHG emissions. We

	have further budgeted another 83 MW green power projects to be implemented within FY 2023-24.
--	---

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Clinker factor

Type of product(s) or service(s)

Cement and concrete

Other, please specify

Blended Cements (PPC, PSC, CC)

Description of product(s) or service(s)

Production of blended cement i.e., Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC), reduces consumption of natural resources like limestone and contributes to circular economy through utilisation of waste from other industries (such as fly ash and slag). As a result of enhanced blended cement production, our clinker/cement ratio came down from 63.2% in FY 2021-22 to 62.1% in FY 2022-23.

Blended cement form a major portion of our diverse range of product portfolio. Blended cement have lower clinker content leading to lower GHG emissions in manufacturing and hence are also defined as low-carbon product. We have avoided approx. 6.86 million tonnes of CO₂ by producing blended cement in FY 2022-23. Use of blended cement also help our customers achieve credits towards our various green building certifications such as LEED USGBC/IGBC and GRIHA. our blended cement products recently received GreenPro certificate from CII as a testament of being greener products.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

Emissions Avoided due to Replacement of Clinker

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Gate-to-gate

Functional unit used

Production of 1 Tonne of Cement

Reference product/service or baseline scenario used

Our range of Ordinary Portland Cement production

Life cycle stage(s) covered for the reference product/service or baseline scenario

Gate-to-gate

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

6,862,079

Explain your calculation of avoided emissions, including any assumptions

To calculate the quantity of emissions avoided by production of blended cement, we calculated the clinker saved by replacing OPC with the blended cement produced. To arrive at the emission avoided, the quantity of clinker saved was multiplied by the actual CO2 emission that occurred for production of one tonne of clinker.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

76.4

C-CE4.9

(C-CE4.9) Disclose your organization’s best available techniques as a percentage of Portland cement clinker production capacity.

	Total production capacity coverage (%)
4+ cyclone preheating	100
Pre-calciner	100

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

April 1, 2018

Base year end

March 31, 2019

Base year emissions (metric tons CO2e)

15,426,305

Comment

We have approved science based targets and starting in FY 2018-19, target year 2030.

Scope 2 (location-based)

Base year start

April 1, 2018

Base year end

March 31, 2019

Base year emissions (metric tons CO2e)

190,726

Comment

We have approved science based targets and starting in FY 2018-19, target year 2030.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

April 1, 2021

Base year end

March 31, 2022

Base year emissions (metric tons CO₂e)

150,612

Comment

For category 9 "Downstream transportation and distribution", emissions due to transportation of finished product from the plant are considered. For the road transportation, emissions were derived basis fuel consumption. Emissions from rail transportation were calculated basis emission factors provided by India GHG program.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

India GHG Inventory Programme

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
 The Greenhouse Gas Protocol: Scope 2 Guidance
 WBCSD: The Cement CO2 and Energy Protocol

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

17,464,787

Comment

The figure indicates the emission from all fossil sources including raw material emissions, fossil fuels, alternative fuels including that from onsite power generation.

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

SCL follows location based emission factors derived by CEA (Central Electricity Authority).

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

437,747

Comment

SCL follows national level emission factors derived by CEA (Central Electricity Authority). The figure indicates the emission from purchased electricity including Grid electricity.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

Major raw material for cement manufacturing is limestone, which is extracted from captive limestone mines, emissions due to which are considered within Scope 1 emissions. Emissions due to cement activities account for almost 90% of total emissions. Based on this, we concluded that this Scope 3 emission category is not significant enough to be reported.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

Capital goods are long term items purchased by the company and hence emissions per year are insignificant compared to other GHG emissions. As per guidance from WBCSD for Scope 3 emissions reporting for the cement sector, this category is not relevant for us to report.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

18,932

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions due to transportation of fuel has been reported under this category. This include emissions due to road as well as rail transport. IPCC emission factor for road transport fuel consumed along-with railway emission factor within research paper available at https://www.irfca.org/docs/Indian_railways_carbon_emissions.pdf have been used to calculate the emissions.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

96,730

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

In the calculation of category 4 "Upstream transportation and distribution", we have considered the distance of total raw material transported by vehicles, which were not under the ownership of the company, and the distance of total raw material transported by the rail. IPCC emission factor for road transport fuel consumed along-with railway emission factor within research paper available at https://www.irfca.org/docs/Indian_railways_carbon_emissions.pdf have been used to calculate the emissions.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

The material categories of the Cement Sector Scope 3 GHG Accounting and Reporting Guidance issued by the WBCSD Cement Sustainability Initiative were used to assess Scope 3 emissions, indicating that the source "Waste generated in operations" is not required. The source "Waste generated in operations" has been deemed irrelevant following an examination and consideration of the share of these emissions within the total Scope 3 emissions for the cement sector.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

699

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel emissions have been assessed according to WBCSD CSI Scope 3 methodology. We have collected the data on travel done for business purposes i.e. rail travel and air travel. The computation is based on our employees' actual domestic and international travels, with an average emission factor by mode of transportation. For this calculation total distance travelled by air and rail is multiplied by their respective emission factors from India GHG program.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

637

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The distance travelled by employees to commute to the plant is collected and based on their vehicle average, fuel consumption is calculated. This fuel consumption is multiplied by the emission factor provided by IPCC to calculate the total CO2 emission from employee commute.

Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,372

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

For the category 8 "Upstream leased assets", we have collected the fuel consumption by the vehicles which are part of SCL's upstream assets and are not covered under other categories. The accumulated fuel consumption is multiplied by the emission factor provided by the IPCC to calculate the CO2 emission.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

157,931

Emissions calculation methodology

Fuel-based method

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

For category 9 "Downstream transportation and distribution", we have collected the data of the vehicles that are carrying the finished product from the plant and are not under the ownership of the company. The produced cement is transported by road as well as railways, hence the fuel consumed in the transportation of finished goods quantity is multiplied by the respective emission factors to calculate the CO2 emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions were calculated following the material categories of the WBCSD Cement Sustainability Initiative's Cement Sector Scope 3 GHG Accounting and Reporting Guidance. The source "Processing of sold products" has been deemed irrelevant following an assessment and consideration of the percentage of these emissions within the total Scope 3 emissions for the cement sector.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions were calculated following the material categories of the WBCSD Cement Sustainability Initiative's Cement Sector Scope 3 GHG Accounting and Reporting Guidance. The source "Use of sold products" has been deemed irrelevant following an assessment and consideration of the percentage of these emissions within the total Scope 3 emissions for the cement sector.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

The Scope 3 emissions assessment was carried out in accordance with the material categories of the Cement Sector Scope 3 GHG Accounting and Reporting Guidance developed by the WBCSD Cement Sustainability Initiative. Based on the evaluation and taking into account the share of these emissions in the total Scope 3 emissions for the cement industry, the source "End of life treatment of sold products" was deemed not relevant.

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,569

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

We have categorized our guest houses as our downstream leased assets and LPG used and Electricity consumption in guest houses are sources of emission in this category. We have gathered data from guest houses and multiplied them by their respected emission factors to calculate CO2 emission in this category.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions were calculated following the material categories of the WBCSD Cement Sustainability Initiative's Cement Sector Scope 3 GHG Accounting and Reporting Guidance. The source "Franchises" has been deemed irrelevant following an assessment and consideration of the percentage of these emissions within the total Scope 3 emissions for the cement sector.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions were calculated following the material categories of the WBCSD Cement Sustainability Initiative's Cement Sector Scope 3 GHG Accounting and Reporting Guidance. The source "Investments" has been deemed irrelevant following an assessment and consideration of the percentage of these emissions within the total Scope 3 emissions for the cement sector.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions were calculated following the material categories of the WBCSD Cement Sustainability Initiative's Cement Sector Scope 3 GHG Accounting and Reporting Guidance. The source "Other (upstream)" has been deemed irrelevant following an assessment and consideration of the percentage of these emissions within the total scope 3 emissions for the cement sector.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 emissions were calculated following the material categories of the WBCSD Cement Sustainability Initiative's Cement Sector Scope 3 GHG Accounting and Reporting Guidance. The source "Other (Downstream)" has been deemed irrelevant following an assessment and consideration of the percentage of these emissions within the total scope 3 emissions for the cement sector.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO₂.

	CO ₂ emissions from biogenic carbon (metric tons CO ₂)	Comment
Row 1	188,795	Emission from combustion of biomass.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000106325

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

17,902,534.43

Metric denominator

unit total revenue

Metric denominator: Unit total

168,374,900,000

Scope 2 figure used

Location-based

% change from previous year

5.32

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption
 Other emissions reduction activities
 Change in output
 Change in revenue

Please explain

This decrease is attributed to continuous efforts by the company to reduce the Scope 1 and Scope 2 emissions. Some of the major initiatives include reduced clinker factor by increasing the alternative raw material in cement production, increased capacity

utilization, increased biomass consumption, enhanced green energy consumption, energy efficiency projects, among others.

C-CE6.11

(C-CE6.11) State your organization’s Scope 1 and Scope 2 emissions intensities related to cement production activities.

	Gross Scope 1 emissions intensity, metric tons CO2e per metric ton	Net Scope 1 emissions intensity, metric tons CO2e per metric ton	Scope 2, location-based emissions intensity, metric tons CO2e per metric ton
Clinker	0.865	0.827	0.0217
Cement equivalent	0.537	0.513	0.0135
Cementitious products	0.545	0.521	0.0137
Low-CO2 materials	0.727	0.695	0.0182

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
India	17,464,787

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
----------	--------------------------------------

CO2 emissions from raw materials	10,835,334
CO2 emissions from Kiln fuels	5,824,543
CO2 emissions from Non-kiln fuels	804,909

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions, metric tons CO2e	Comment
Cement production activities	17,464,787	16,700,486	Gross Scope 1 is the sum of CO2 Emissions from Raw material, Kiln Fuel, and Non-Kiln Fuel (all fossil sources). Net Scope 1 comprises of raw material, kiln and non-kiln fuels (fossil sources) excluding CO2 emissions from on-site power generation and excluding emissions from alternative fossil fuel.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
India	437,747	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
CO2 emissions due to power from purchased electricity (non-renewable) and grid electricity.	437,747	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	437,747	0	We are reporting Scope 2, location-based figures. We have no operations from where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	108,636	Decreased	0.7	In FY 2022-23 Green Power consumption was 935298.5 MWh which has increased to 1087237.3 MWh in FY 2022-23. Hence change is 151938.8 MWh. This resulted in a saving of 108636 t CO2 (using

				emission factor provided by Central Electrical Authority). This comes 0.68% of FY2021-22 S1+S2 emissions.
Other emissions reduction activities	455,617	Decreased	2.8	Other emission reduction activities include energy conservation and energy efficiency measures, reduction in clinker factor, among other measures. Emissions for FY 22-23 were projected based on FY 21-22 emissions and actual cementitious material production for FY 21-22 and FY 22-23. Reduction in absolute emission is calculated based on difference in the projected emission values and actual emissions during FY 22-23. The reduction achieved due to other emission reduction activities is then calculated by removing the reduction due to renewable energy consumption increase from the overall reduction achieved during FY 22-23.
Divestment				
Acquisitions				
Mergers				
Change in output	2,401,108	Increased	14.9	Cementitious material production for FY 22-23 was 14.9% higher than that produced within FY 21-22, thus leading to enhanced gross absolute emissions in same proportion.
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 35% but less than or equal to 40%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	476,755.75	2,462.3	20,219,100.12

Consumption of purchased or acquired electricity		2,462.3	614,710.34	617,172.65
Consumption of self-generated non-fuel renewable energy		1,078,654.4		1,078,654.4
Total energy consumption		1,557,872.46	20,357,054.71	21,914,927.17

C-CE8.2a

(C-CE8.2a) Report your organization's energy consumption totals (excluding feedstocks) for cement production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	LHV (lower heating value)	20,219,100.12
Consumption of purchased or acquired electricity		617,172.65
Total energy consumption		20,836,272.77

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

We currently cannot categorise biomass into sustainable and non-sustainable and hence all biomass consumption is reported under "other biomass".

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

476,755.75

MWh fuel consumed for self-generation of electricity

117,769.03

MWh fuel consumed for self-generation of heat

358,986.72

Comment

117,769.03 MWh is the biomass used in CPP, while 358,987.72 MWh is the heat generated from biomass used in the kiln.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

NA

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

19,197,494.73

MWh fuel consumed for self-generation of electricity

1,937,701.53

MWh fuel consumed for self-generation of heat

17,259,793.2

Comment

1,937,701.53 MWh is the coal used in CPP, while 17,259,793.2 MWh is the heat generated from coal and pet coke used in the kiln.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

224,622.81

MWh fuel consumed for self-generation of electricity

1,902.99

MWh fuel consumed for self-generation of heat

222,719.82

Comment

1902.99 MWh is the diesel oil used for onsite power generation (including captive power plant and inhouse DG sets), while 222,719.82 MWh is the diesel used for onsite vehicles.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

NA

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

320,226.82

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

320,226.82

Comment

3,20,226.82 MWh is the heat generated by alternative fuel when used in the kiln.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

20,219,100.12

MWh fuel consumed for self-generation of electricity

2,057,373.55

MWh fuel consumed for self-generation of heat

18,161,726.57

Comment

2,057,373.55 MWh is the fuels used in captive power generation, while 1,81,61,726.57 MWh is the heat generated when used in the kiln.

C-CE8.2c

(C-CE8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel for cement production activities.

Sustainable biomass

Heating value

LHV

Total MWh fuel consumed for cement production activities

0

MWh fuel consumed at the kiln

0

MWh fuel consumed for the generation of heat that is not used in the kiln

0

MWh fuel consumed for the self-generation of electricity

0

Comment

We currently cannot categorise biomass into sustainable and non-sustainable and hence all biomass consumption is reported under "other biomass".

Other biomass

Heating value

LHV

Total MWh fuel consumed for cement production activities

476,755.75

MWh fuel consumed at the kiln

300,376.74

MWh fuel consumed for the generation of heat that is not used in the kiln

58,609.98

MWh fuel consumed for the self-generation of electricity

117,769.03

Comment

300,376.74 MWh is the biomass used in kiln, while 58,609.98 MWh is the heat generated from biomass used in the non-kiln and 117,769.03 MWh is the biomass consumed for electricity generation.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total MWh fuel consumed for cement production activities

0

MWh fuel consumed at the kiln

0

MWh fuel consumed for the generation of heat that is not used in the kiln

0

MWh fuel consumed for the self-generation of electricity

0

Comment

NA

Coal

Heating value

LHV

Total MWh fuel consumed for cement production activities

19,197,494.73

MWh fuel consumed at the kiln

17,043,235.63

MWh fuel consumed for the generation of heat that is not used in the kiln

216,557.57

MWh fuel consumed for the self-generation of electricity

1,937,701.53

Comment

17,043,235.63 MWh is the coal used in kiln, while 216,557.57 MWh is the heat generated from coal and pet coke used in the non-kiln and 1,937,701.53 MWh is the fuel consumed for electricity generation.

Oil

Heating value

LHV

Total MWh fuel consumed for cement production activities

224,622.81

MWh fuel consumed at the kiln

0

MWh fuel consumed for the generation of heat that is not used in the kiln

222,719.82

MWh fuel consumed for the self-generation of electricity

1,902.99

Comment

222,719.82MWh is the heat generated from coal and pet coke used in the non-kiln and 1902.99 MWh is the fuel consumed for electricity generation.

Gas

Heating value

LHV

Total MWh fuel consumed for cement production activities

0

MWh fuel consumed at the kiln

0

MWh fuel consumed for the generation of heat that is not used in the kiln

0

MWh fuel consumed for the self-generation of electricity

0

Comment

NA

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total MWh fuel consumed for cement production activities

320,226.82

MWh fuel consumed at the kiln

318,571.62

MWh fuel consumed for the generation of heat that is not used in the kiln

1,655.21

MWh fuel consumed for the self-generation of electricity

0

Comment

318,571.62 MWh is the coal used in kiln, while 1,655.21 MWh is the heat generated from coal and pet coke used in the non-kiln.

Total fuel

Heating value

LHV

Total MWh fuel consumed for cement production activities

20,219,100.12

MWh fuel consumed at the kiln

17,662,183.99

MWh fuel consumed for the generation of heat that is not used in the kiln

499,542.58

MWh fuel consumed for the self-generation of electricity

2,057,373.55

Comment

17,662,183.99 MWh is the coal used in kiln, while 4,99,542.58 MWh is the heat generated from coal and pet coke used in the non-kiln and 2,057,373.55 MWh is the fuel consumed for electricity generation.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3,136,027.95	3,136,027.95	1,078,654.4	1,078,654.4
Heat	18,161,726.57	18,161,726.57	358,986.72	358,986.72
Steam	0	0	0	0
Cooling	0	0	0	0

C-CE8.2d

(C-CE8.2d) Provide details on the electricity and heat your organization has generated and consumed for cement production activities.

	Total gross generation (MWh) inside the cement sector boundary	Generation that is consumed (MWh) inside the cement sector boundary
Electricity	3,136,027.95	3,136,027.95
Heat	18,161,726.57	18,161,726.57
Steam	0	0

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

India

Consumption of purchased electricity (MWh)

617,172.65

Consumption of self-generated electricity (MWh)

1,498,760.14

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2,115,932.79

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	We have a dedicated team of R&D that is involved in experimenting usage of alternate fuels and alternative raw materials in order to enhance process efficiency and reduce product and process emissions as a part of our journey towards sustainability. R&D is also tasked to experiment and commercialise production for different cement products, including low carbon products such as LC3 (Limestone Calcined Clay Cement) and PLC (Portland Limestone Cement). The total R & D expenditure within FY 22-23 was 37.83 cr, which is 2.84% of our profit after taxes.

C-CE9.6a

(C-CE9.6a) Provide details of your organization's low-carbon investments for cement production activities over the last three years.

Technology area

Fuel switching

Stage of development in the reporting year

Full/commercial-scale demonstration

Average % of total R&D investment over the last 3 years

0.38

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

2

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Alternate Fuels and Raw Materials are regularly considered for replacement of coal/petcoke in cement production process. A team of R&D is dedicated to achieve new milestones in this field. Wide range of Alternate fuels have been tested for their feasibility to be used as replacement of conventional fuel. As an outcome to the efforts, the technology to consume Refuse Derived Fuels (RDF) comprising of municipal wastes and biomass has been installed at our units, aiding an increase in the Thermal Substitution Rate within FY 2022-23. We are targeting a TSR of 15% in upcoming years. Additionally, we are also exploring to utilize cleaner fuels within our furnaces.

Technology area

Waste heat recovery

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

0.16

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

2

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

SCL's 211.5 MW is one of the highest WHRS power generation capacity in the world excluding china. Through innovative R&D, SCL will improve the efficiency of heat recovery and conversion into usable energy, thereby reducing overall energy consumption. We are continuously striding forward to increase was WHRS capacity thus reducing our Scope 1 & Scope 2 emission. It will help us to achieve our SBTi target of reducing scope 1 by 12.7% and Scope 2 by 27.1% in tonne CO₂ / tonne cementitious material produced with a base year of 2019.

Technology area

Other, please specify

Solar and Wind

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

0.27

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

2

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

R&D investments drive technological innovation, leading to the development of more efficient, cost-effective, and scalable technology. We are continuously exploring and increasing our solar and wind power capacities, it will enhance energy resilience and adaptability to climate change impacts. By diversifying the energy mix and increasing the share of solar and wind power, there is less vulnerability to supply disruptions and price volatility associated with fossil fuels.

Technology area

Low clinker cement

Stage of development in the reporting year

Applied research and development

Average % of total R&D investment over the last 3 years

0

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

2

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Low clinker cement products including Limestone Calcined Clay Cement and Portland Limestone Cement are under various stages of research and development. These low clinker cement products will help us meet customer demand while reducing our Carbon footprint due to low clinker content. This will help us meet our SBTs and move closer to the sectoral roadmap of net zero concrete by 2050.

Technology area

Carbon capture, utilization, and storage (CCUS)

Stage of development in the reporting year

Basic academic/theoretical research

Average % of total R&D investment over the last 3 years

0

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

2

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

CCUS holds a promising technology, which if available on a commercial scale, can help remove residual emissions from cement production. CCUS forms a substantial part of the sectoral roadmap to achieve net zero concrete by 2050. SCL is also partnering in different collaborative efforts that are underway around solutions for carbon capture, utilisation, and storage (CCUS) and associated areas.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-Climate Change Assurance Statement-SCL_Final21 Signed.pdf

Page/ section reference

1-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-Climate Change Assurance Statement-SCL_Final21 Signed.pdf

Page/ section reference

1-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Scope 3: Upstream transportation and distribution

Scope 3: Business travel

Scope 3: Employee commuting

Scope 3: Upstream leased assets

Scope 3: Downstream transportation and distribution

Scope 3: Downstream leased assets

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 CDP-Climate Change Assurance Statement-SCL_Final21 Signed.pdf

Page/section reference

1-3

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

 CDP-Climate Change Assurance Statement-SCL_Final21 Signed.pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ISAE 3000	Shree Cement's Energy consumption is verified by the assurance provider based on the data for FY 2022-23.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Other carbon tax, please specify

Coal Cess - GST compensation cess on coal

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Other carbon tax, please specify

Period start date

April 1, 2022

Period end date

March 31, 2023

% of total Scope 1 emissions covered by tax

10.5

Total cost of tax paid

514,855,856

Comment

Coal Cess: - The government of India introduced a cess on coal in the year 2010. It was like a carbon tax to be levied as excise duty on Coal Lignite & Peat. It is renamed GST compensation Cess (upon the implementation of the GST act) and a rate of 400 rs per tonne is placed. These changes effectively mean continued taxation of coal production as a source of funding for various regional development needs. Based on the total coal

procured by Shree Cement in FY 2022-23, INR 514,855,856 is paid by Shree Cement as a coal cess to the Government of India.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We are investing in improving the energy efficiency of our production facilities, using alternative raw materials and fuels, and replacing CO₂-intensive clinker in our cement with waste-derived resources such as fly ash and slag resulting in products, which have a significantly lower carbon footprint. We are a signatory to Science-based Targets and are committed to achieving a reduction in GHG emissions by 12.7% in Scope 1 and 27.1% in Scope 2 by 2030 over the 2019 baseline, measured per tonne of cementitious material. Our goals of energy efficiency and use of green energy are aligned with the Nationally Determined Contributions (NDCs). We will continue reducing the 'embodied carbon' in cement manufacture through advancements in energy efficiency and increased use of renewable energy. As per our green power strategy, we added to our solar and wind energies by 122 MW during FY 2022-23, and plan to add another 83 MW of green energy within FY 2023-24.

Shree meets almost all its RPO obligation through WHR power for its Integrated units. Yet, the fund accumulated through internal carbon price has given us the liberty to add in our RE capacity voluntarily, and hence, we have sanctioned solar projects at multiple locations with the help of the fund. This will help us in further saving emissions and ensure meeting any changes within the RPO obligation.

Each year, manufacturing units undertake high impact energy saving projects to minimize the energy consumption. Additionally, installation of renewable energy (solar and wind) helps us to increase share of green power within total power consumption. This also helps to meet PAT targets for the units identified under the PAT scheme.

Shree Cement is leader in the Indian Cement Industry in harnessing WHR power. We are the first Indian cement company to implement this as an R&D project and have currently the highest installed capacity of WHR power within the global cement industry, outside China. We are harnessing waste heat at 100% of our existing kilns. We have mandated the installation of WHRS at all upcoming integrated plants and every year increasing the capacity of the existing setup. We were the first to register the Optimal Utilization of the Clinker project from the Indian Cement sector under CDM by UNFCCC.

SCL is known for its innovative ideas in cement manufacturing. We don't wait for regulation/statutory mandate to update ourselves. We are proactive and our history is full of examples whether it's the use of synthetic gypsum to save precious raw material or use of Air Cooled Condensers to minimize water consumption or Waste Heat Recovery to enhance energy efficiency, we have demonstrated our leadership in the Indian cement sector with our proactive decisions. These decisions are not limited to only climate change but expand to the environmental and social domain also. Taking forward the same energy of bringing in innovation in the industry, we are currently running several R&D projects which shall help in tackling any such regulation on trading emissions in the future. We bring IN-HOUSE

INNOVATION to stay ahead of any such regulation which can impact the intended outcome of our business. We use an internal carbon price to inform CAPEX decisions also.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Alignment with the price of allowances under an Emissions Trading Scheme

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Stakeholder expectations

Scope(s) covered

Scope 1
Scope 2

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

1,530

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

1,530

Business decision-making processes this internal carbon price is applied to

Capital expenditure
Product and R&D

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization’s climate commitments and/or climate transition plan

SCL is committed to mitigate its GHG emissions, levers to achieve its GHG emission reduction targets include enhancing the green energy consumption, low carbon product development, among others. A comparison of projects considering the ICP (shadow price) helped appreciate the cost of emissions, which may come up in future. Considering ICP, the green energy projects clearly outweighs coal based power projects and hence we have fast paced implementation of such green energy power projects. We have implemented new RE projects at multiple locations across the company for captive use with the help of the available funds. We established around 122 MW solar and wind plants at multiple locations at an investment of INR 600 crores within FY 2022-23. Green power consumption within FY 22-23 stood at 51.1% and we plan to enhance the same to up to 55%. We plan to enhance the green power capacity by another 83 MW within FY 2023-24. We are also working on a new variant that is Limestone Calcined Clay Cement (LC3) that saves up to 40% of CO2 emissions when compared to OPC.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, our customers/clients
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

We believe in community development and mutual upliftment and thus, procure most of our raw materials from local businesses. Indigenous raw material and store & spares consumption during the reporting period was 99% of the total raw material and stores & spares consumption. We have a vendor code of conduct that defines minimum standards of ethical and responsible behaviour which must be met by them. This is applicable to all our manufacturers and suppliers covering various environmental and social parameters such as human rights, forced labour, child labour, safe and hygienic working conditions, fair competition and anti-corruption, corporate social responsibility and more. This ensures the integration of environment, social and governance criteria in supply chain management including all applicable laws of the land such as environmental compliances. All of our existing suppliers are required to abide by the terms of agreement including compliances related to environmental parameters applicable to their industry. Our suppliers provide us with a wide range of products and services, some of these suppliers being high energy consumers including designated consumers as notified by the authorities. By virtue of the agreement with these suppliers, they are required to fulfil and abide by applicable regulatory requirements including requirements under the PAT scheme, as applicable.

Additionally, our vendors are expected to abide by the Sustainable Procurement Policy which lays down our expectations for the suppliers to minimize their environmental impact. Through the policy we are committed to engage and train our suppliers on various ESG principles which will help them to mitigate their environmental impact including climate change.

Additionally, to ensure environmental sustainability, selected new suppliers are assessed by a third party to understand their processes, strengths, and capabilities before onboarding. During the reporting period, 145 suppliers were screened on the basis of various ESG parameters.

Impact of engagement, including measures of success

We accord priority to local suppliers in the procurement of raw materials, stores and spares, and other consumables. Currently, we have over 1,160 MSME vendors registered across all locations for the procurement of goods and availing services. We follow a robust supplier management process giving due consideration to sustainability within our supply chain. In FY 2022-23, 145 suppliers have been assessed on Environmental and Social parameters, selected new suppliers are also assessed through a third party to understand the suppliers' capabilities, processes, and strengths for on-boarding. Our vendor agreements have stringent environmental and social

safeguards in place.

We give preference to new vendors and suppliers who comply with all environmental and social assessments. During FY 2022-23, we have onboarded all our 798 new suppliers within stores category through our robust onboarding agreements. We did not identify any negative environmental or social impact in our supply chain.

Comment

We work with our supply chain partners on a regular basis to develop a sustainable and responsible supply chain. We expect all our suppliers and contractors to carry out their operations in accordance with our sustainability requirements as laid down within the Sustainable Procurement Policy.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

Customers are the most significant stakeholders in our company, and we constantly interact with them to manage and reduce social and reputational risks along with climate-related risks. We interact with our customers to promote sustainable building practices, such as the use of low-carbon building materials and reducing carbon emissions over the lifespan of a project. We are increasing our blended cement production continuously every year, cement bags are marked with the recyclable symbol as per the BIS standard. We provide information and encourage our customers to use blended cement which leads to lower carbon emissions and is environment friendly compared to OPC via our integrated annual report on an annual basis and through sustainability communication via various social media regularly. We also interact with our customers through newsletters, social media, and annual customer satisfaction surveys. Our key focus areas are customer stewardship, responsible production, prompt redressal of customer complaints, and timely and efficient service. Customer feedback, or as we call it, the voice of the customer is key to process improvements, quality enhancement, and cost optimization thus maintaining sustainability in our business practice.

Impact of engagement, including measures of success

Our product portfolio is consciously diversified and dynamic to cater to the different needs and requirements of our customers. We strive to create a positive impact on the planet by developing products that are sustainable. Our products are a result of rigorous Research & Development (R&D) process involves innovation and focuses on quality. All our brands enjoy high recall from our customers. The revenue from repeat customers for the FY 2022-23 stood at 98% compare to 90% last year. Our portfolio consists of multiple grades and categories of cement with a special focus on blended cement categories which contributes to the circular economy. In FY 2022-23, we produced 77% of low carbon blended cement compare to 75% last year, which is the resonating our achievement and we are committed to improve it in future. Our customer satisfaction no. stood at 85% in FY 2022-23, shows the trust enforced on our products by our customers.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Shree Cement considers its logistic partners, and drivers as its value chain partners, they play an important role to identify our scope 3 carbon footprint, and engagement with them helps in assessing the climate-related risk and opportunities for the company. Our Enterprise Risk Management (ERM) system helps us to identify such value chain partners. In our value chain, the biggest challenge is reducing the Turn Around Time (TAT). For this, it becomes necessary to reduce the lag time during the unloading and loading process, we have successfully implemented a completely automated RPA (Robotic Process Automation) driven process, thereby considerably reducing manual intervention and TAT. Our Integrated Logistics Management System tracks the trucks from entry to exit. RFID tags are attached to all vehicles which are checked at entrances to ensure smooth navigation within the factory premises. Some of our other interventions with our logistic partners related to climate change are as under:

- 1) We are striving to increase our rail dispatches from the current rate of 12% through multiple efforts. Working in this direction, we are setting up railway sidings across most of our new units as well as existing locations. In the reporting year, we are undertaking cement loading and clinker loading/unloading through railway sidings at Beawar, Ras, Burudih, Panipat, Kodla, Baloda bazar, Patas, Aurangabad and Bulandshahar. Railway siding facility has enhanced bulk transportation and logistics capability, thereby contributing to cost optimisation, fuel savings and improved time efficiency.

- 2) At time, particularly in winters, with soaring pollution in Delhi, the government bans plying of diesel vehicles from time-to-time including imposition of heavy tax/ charge at the time of entry. This hinders our ability to serve our customers through road transport during such period. Delhi has been our key market with lead of 60-70 KM from our Khushkhera grinding unit. To continue serving this market, we converted 100% of our small vehicles on CNG through encouragement and demonstrating the cost-benefit analysis. This again resulted in 'win-win' for both us and transporters. The transporters could use their vehicles which otherwise could have been stuck due to ban and, we were able to serve our customers without any interruption. This proved an environment friendly solution vis-à-vis conventional transportation.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization’s purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

We have a vendor code of conduct that defines minimum standards of ethical and responsible behaviour which must be met by them. This is applicable to all our manufacturers and suppliers covering various environmental and social parameters such as human rights, forced labour, child labour, safe and hygienic working conditions, fair competition and anti-corruption, corporate social responsibility and more. This ensures the integration of environment, social and governance criteria in supply chain management including all applicable laws of the land. All of our existing suppliers are required to abide by the terms of agreement including compliances related to environmental parameters applicable to their industry. Our suppliers provide us with a wide range of products and services, some of these suppliers being high energy consumers including designated consumers as notified by the authorities. By virtue of the agreement with these suppliers, they are required to fulfil and abide by applicable regulatory requirements including requirements under the PAT scheme, as applicable.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Grievance mechanism/Whistleblowing hotline

Other, please specify

Information available in public domain including supplier company website and social media

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Refer page number 72 of SCL integrated report 2022-23.

The Company has targeted to reduce Scope-1 GHG emissions by 12.7% per ton of cementitious materials by 2030 from a 2019 base year and Scope-2 GHG emissions by 27.1% per ton of cementitious materials within the same timeframe. These have been validated by Science Based Targets initiative (SBTi). These targets are based on the 2DS scenario.

Further SCL aims to adhere to sectoral roadmap to achieve net zero concrete by 2050 which is based on the 1.5 degree Celsius scenario. Through various associations, SCL is actively advocating low carbon products, contributing to the development of national sectoral low carbon roadmap and communicating our stance related to concerned national policies on environmental improvement as and when required.

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

The Company's climate change strategy is communicated to the concerned internal stakeholders including the unit heads, energy managers etc., for them to act accordingly. The ESG committee with director on board is responsible to review these engagement and ensure that necessary steps are taken to reach the Company's short term targets on climate change and suggest course correction wherever necessary. Additionally, we partner with the organizations for engagement on climate related activities whom we understand would help us meet our climate change strategy. For low-carbon cement alternatives, we developed Limestone Calcined Clay Cement (LC3) from clay in mining deposits in Rajasthan at lab scale. This was carried out in partnership with Technology and Action for Rural Advancement (TARA) and the Indian Institute of Technology (IIT), Delhi. The main components of LC3 are clinker, calcined clay, limestone and gypsum. It is a ternary cement where the synergy between the calcined clay and limestone allows the reduction of clinker factor and makes LC3 less

porous and provides equal strength as other cements. Being a low-carbon alternative to OPC, LC3 demonstrates the huge potential to reduce CO₂ emissions related to cement manufacturing.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

PAT is a cyclic scheme where certain notified energy-intensive units having threshold energy consumption are given Specific Energy Consumption (SEC) reduction targets over a cycle of three years. PAT Scheme or the Perform, Achieve, and Trade Scheme was launched by the Bureau of Energy Efficiency (BEE) in July 2012.

The chief goal of the scheme is to make India's industrial sector energy efficient, thus indirectly aids to reduce energy consumption and thus helping reduce the carbon emissions.

The scheme sets energy efficiency targets for industries with those failing to achieve the targets having to pay a penalty. The penalty is based on what remains to be achieved in terms of the target.

PAT scheme is a part of the BEE's National Mission for Enhanced Energy Efficiency (NMEEE).

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Other, please specify

Emission Trading System

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

India

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

We are members of the technical expert committee for the cement sector constituted by the Bureau of Energy Efficiency, Ministry of Power, Government of India for perform Achieve and Trade (PAT) Scheme. We hold technical discussions on audits pertaining to the PAT scheme. We are also involved in developing a roadmap for cement companies under the designed entities of the PAT scheme to improve energy efficiency and achieve desired reductions in specific energy consumption.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

The Perform, Achieve, and Trade (PAT) Scheme is a policy initiative introduced by the Government of India to improve energy efficiency and reduce greenhouse gas emissions in energy-intensive industries, including the cement sector. By aligning with the PAT Scheme, Shree Cement can actively contribute to the achievement of its climate transition plan. The scheme provides a framework for improving energy efficiency, reducing emissions, and incentivizing sustainable practices. Through participation, compliance, and the adoption of energy-saving measures, Shree Cement can align its operations with the objectives of the scheme and progress towards its climate goals.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Confederation of Indian Industries (CII)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

CII is a Non-government, not-for-profit, industry-led, and industry-managed organization that works to create an environment conducive to the growth of Indian Industries. CII's stand on climate change is that it is a significant manmade global environmental challenge and it will continue to influence our world for generations to come if timely action are not taken. CII through its Centres of Excellence works with clients as business enablers helping them to address Climate Change risks and identify

opportunities through capacity building and advisory services. CII-ITC Centre of Excellence for Sustainable Development provides advisory services in the field of Carbon Neutrality, GHG emission Inventory, and also training on ISO 14064. SCL's blended cement products have been certified as Green Products under CII GreenPro Ecolabel.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Global Cement and Concrete Association, India

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Global Cement and Concrete Association (GCCA- India) is a national association of cement and concrete manufacturers, aiming to position concrete to meet the needs of the world for a material that can build and support growing sustainable and resilient communities. We provide Inputs to GCCA, India as and when needed through emails, working group meetings etc.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 SCL - Integrated Report 2022-23.pdf

Page/Section reference

Climate Change related information is available within the Natural Capital section of the Integrated Annual Report 2022-23, page 70-81

Content elements

Governance
 Strategy
 Risks & opportunities
 Emissions figures
 Emission targets
 Other metrics

Comment

Shree Cement publishes its annual report at the end of the financial year. In FY 22-23, we are proud to introduce our second Integrated Annual Report that is based on the Value Reporting Foundation’s Integrated Reporting <IR> Framework. The report discloses our performance across six capitals viz. – Financial, Manufactured, Human, Natural, Intellectual, and Social and Relationship, thereby providing insights on our value creation efforts towards our stakeholders. We report on the financial and non- financial performance of the company on an annual basis and our latest report is available on our website.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
---	---

Row 1	Other, please specify CMA, GCCA-INDIA	We provide inputs to CMA and GCCA-India as and when needed through emails, working group meetings etc.
-------	--	--

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>The major thrust areas of the Company include healthcare, education, and conservation of natural resources like water resources, biodiversity etc. The company has constituted a Board level Committee - CSR and Sustainability Committee, comprising of five directors which is responsible for overseeing implementation of various policies adopted by the Company concerning Business Responsibility.</p> <p>At executive level, there is Environment Social and Governance (ESG) Committee consisting 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 committee guides the company on ESG aspects including issues related to conservation of biodiversity.</p>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	SDG

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness Law & policy Other, please specify Tree Plantation

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	

C15.7

(C15.7) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Governance Impacts on biodiversity Details on biodiversity indicators Biodiversity strategy	

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Shree Cement Limited is proud to be recognized as one of the top three cement groups in India in terms of production capacity. Being committed to sustainable and inclusive growth, we have installed the largest waste heat recovery-based power plants in the world cement industry, next only to China. Our cement manufacturing and grinding units span across 10 states Bihar, Chhattisgarh, Haryana, Jharkhand, Karnataka, Maharashtra, Odisha, Rajasthan, Uttar Pradesh, and Uttarakhand. We rank 52nd among the listed companies in India as of 31st March 2023 in terms of market capitalization.

Our product portfolio is consciously diversified and dynamic to cater to the different needs and requirements of our customers. We are constantly striving hard to create a positive impact on the planet by developing products that are sustainable. Our products are a result of a rigorous Research & Development (R&D) process involving innovation and a focus on quality. All our brands enjoy high recall from our customers. Our portfolio consists of varied grades of cement with a special focus on blended cement which contributes to the circular economy.

Among other priorities, climate change requires an effective response through the accelerated transition to a low-carbon economy. Also, balancing the demands of meeting today's operating environment, while investing for the future remains the need of the hour. We, at Shree Cement, are also managing our own response, by 2030 compared to the base year of 2019, Shree Cement Limited targets to cut scope 1 GHG emissions by 12.7% per tonne of cementitious material. Additionally, Shree Cement Limited also targets to cut scope 2 GHG emissions by 27.1% per tonne of cementitious material. We aim to reduce our emissions as per levels validated under Science Based Target initiative (SBTi). We also remain committed to making our operations more sustainable, inclusive, and evolving. Our continued work towards increasing our share of green power, enhancing the ratio of low carbon cement, growing usage of alternative raw materials and fuels, making deeper engagement with suppliers and customers, and creating a great place to work by 'people friendly' policies and contributing actively towards development of our local community are steps towards making our operations climate-friendly and inclusive.

SCL has held discussions with World Bank to act as a knowledge partner with The World Bank (including its affiliates), on projects/programs relating to sustainability and climate change. SCL has offered to participate in initiatives, workshops, training programs, etc. relating to sustainability issues. SCL has also offered to fund research in the areas of Carbon Capture Usage & Storage (CCUS), use of waste materials, resource conservation, power storage technology and pollution control measures and also offered its facilities for setting up pilot projects in these areas.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Managing Director	Director on board

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms