



GREY-EXCELLENCE: SUSTAINABLE

TODAY

TOMORROW

FOREVER

GREY-EXCELLENCE: SUSTAINABLE

TODAY TOMORROW FOREVER

At Shree Cement Limited, we understand that the sustainable way is the only way forward. Our constant endeavour has been to offer eco-friendly cement products to our ever-conscious customers. We are committed to delivering excellence with grey products and a green approach. In our mind, grey is more than a colour—it is a powerful analogy for absorption and evolution, just like cement. This is reflected in the way we approach our business and operations, with a sense of responsibility and long-term vision.

Our desire for innovation is driven by our concern for the future. We have one of the strongest line-ups of low-carbon cement products, and are embracing circularity across our operations. Through innovation we pioneer efforts to introduce sustainable production processes for cement and setting new trends for the industry.

Over the years, creativity, innovation, care for the people and the planet, and passion for efficiency have been the factors that motivate us to raise the bar in sustainability.

We are the pioneers in utilising waste heat of clinkerisation process for generating power and substituting natural gypsum by synthetic gypsum in cement production. Our world-class cement technology has led us to achieve high standards of operational efficiency.

As an organisation, we are steadfast in upholding the fundamental values of sustainability and inclusive growth and have aligned our culture to inculcate social and ecological integrity. We are committed to acting today to safeguard the sustainability of our collective future.

SUSTAINABLE
DEVELOPMENT
GOALS

Contributing to United
Nations Sustainable
Development Goals
(UN SDGs)

Through our efforts we aim to
contribute to the UN SDGs.



About this Report

Our first Sustainability Report was published in FY 2004-05, and we have reported our sustainability progress annually ever since. Today, we are on our 18th report and it encapsulates our efforts to embed sustainability deeper into the organisational culture, and highlights the economic, environmental, and social impact of our operations and business practices. It also provides a good insight into our strategic way forward.

Reporting period

The information covered in this report is from April 1, 2021 to March 31, 2022. The previous report was released for the period April 1, 2020 to March 31, 2021, and we maintain an annual reporting cycle.

Reporting boundary

The report covers material information regarding the Company's integrated units, grinding units (GUs), captive mines, and captive power plants.

Integrated plants are located at:

- Ras, Rajasthan
- Beawar, Rajasthan
- Baloda Bazar, Chhattisgarh
- Kodla, Karnataka

GUs are located at:

- Panipat in Haryana
- Suratgarh, Jobner and Khushkhera in Rajasthan
- Roorkee in Uttarakhand
- Bulandshahr in Uttar Pradesh
- Aurangabad in Bihar
- Burudih in Jharkhand
- Athagarh in Odisha
- Patas in Maharashtra

Restatement of information

Any changes/restatements, if applicable, are marked in the respective pages/sections within the report.

Materiality

Material topics are mapped based on the impact that they have on the business and how they influence our stakeholders. We have developed an internal scoring scheme to analyse and prioritise our material topics, in order to track and assess the impact against each material topic.

Reporting principle

The ESG disclosure in our report have been aligned in accordance with the GRI Standards: Comprehensive Option. We have referred to GRI Standards 2018 for GRI 303: Water and Effluents and GRI 403: Occupational Health and Safety; while the GRI Standards 2020 are referred to for GRI 306: Waste. All other non-financial disclosures have been reported as per the GRI Standards 2016. Our report has also been aligned with the principles of the United Nations Global Compact (UNGC) as well as the United Nations Sustainable Development Goals (UN SDGs).

Independent assurance

DNV Business Assurance India Private Limited ("DNV") carried out an independent assurance, which is available as a part of this report. The assurance statement is available at page 96-99 of this report.

Feedback

Stakeholder feedback helps us to disclose relevant information in an effective and transparent manner. We welcome your feedback, queries or suggestions at sustainability@shreecement.com

Reporting suite

Our Sustainability Report 2021-22 is part of a suite of publications across economic, social, and environmental parameters that provide transparency and information to our stakeholders.



SOCIAL MEDIA COMMUNICATION



SUSTAINABILITY MICROSITE



INTEGRATED ANNUAL REPORT 2021-22



SUSTAINABILITY REPORT 2021-22

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Corporate Identity

Stepping Up Sustainability

We, at Shree Cement Limited (SCL), take pride in being among the top three cement groups in India by production capacity. With persistent efforts towards sustainability, and our values, we stand tall and strong, positioning ourselves as one of India's most trusted and responsible brands. We are dedicated to building a circular economy by adopting sustainable practices across our business operations. Our considerable share of blended cement within total cement production helps us reduce our environmental footprint and strengthen our commitment to provide our customers with cost-effective and responsible choices.



Highlights (as on March 31, 2022)

46.40 MTPA

Total cement production capacity

10

Locations with standalone grinding units in India

771 MW

Total power generation capacity

4

Locations with integrated plants in India

263 MW

Total green power generation capacity (WHR, wind and solar)

1

Location with an integrated plant outside India (in UAE)

Vision

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

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

The Shree Philosophy

At Shree, we believe in the teaching of the Rigveda

‘आ नो भद्राः क्रतवो यन्तु विश्वतः’.

It translates to ‘Let noble thoughts come to us from all over the world’, and we imbibe and extend such thoughts through all our functions. Our ethos make us an organisation that is:

- Quality and energy conscious
- Customer responsive
- Socially responsive
- Investor rewarding
- Employee and environment friendly
- Sustainable organisation

Guiding Principles



Enforce good corporate governance practices



Encourage integrity of conduct



Ensure clarity in communication



Remain accountable to all stakeholders



Encourage socially responsive behavior

Values

Passion for Efficiency



- Ensuring optimum outcomes in everything we do at work
- Achieve our targets consistently with minimal costs

Trust and Support



- Believing in each other with mutual respect
- Promoting honest and open communication
- Building an environment of freedom with responsibility

Creativity and Innovation



- Experimenting with new ideas to improve continuously
- Striving to take risk for adding value to the business

Simplify



- To extract the essence and keep communication simple

Dynamism



- Prioritising opportunities and challenges to enable swift decision-making
- Being flexible in our approach to find effective business solutions

Care



- Being compassionate towards our communities and our environment
- Working together as one family; connect personally with each other
- Demonstrating humane touch in the way we work



Product Portfolio

Offering Sustainable Delight to Customers

Our product portfolio is consciously diversified and dynamic to cater to different needs and requirements of our customers. As a responsible corporate, we are constantly striving 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 focus on quality. All our brands enjoy high recall from our customers. Our portfolio consists of varied type of cement with special focus on blended cement which contributes to circular economy.

75.56%

Share of blended cement in total revenue

6.04 million tonnes

CO₂ avoided by producing blended cement in FY 2021-22

Our diverse range of products

We provide four major types of cement for our customers based on their requirements:

Ordinary Portland Cement (OPC): OPC is a widely used cement, also known as Ordinary Portland Cement. OPC can be used in normal as well as pre-stressed construction.

Portland Pozzolana Cement (PPC): When the clinker and gypsum are interground/intermixed with pozzolana or silicious materials such as fly ash, PPC is formed. PPC is more durable as compared to OPC due to formation of denser micro-structures. PPC is also known as cement of the future because of its properties of sustaining hydraulic structures.

Portland Slag Cement (PSC): In PSC, by-product from iron blast furnace is interground/intermixed in suitable proportion with clinker and gypsum. Slag cement is a form of hydraulic cement and is also resistant to high temperature. It is used in sea water construction projects due to its resistance to sulphate attack.

Composite Cement (CC): Composite cement is used in the production of high strength durable concrete. Composite cement is manufactured by replacing a portion of Portland cement clinker with industrial by-products such as fly ash and Granulated Blast furnace Slag (GBS).

Our valued products



Shree Cement

Launched as the first cement brand by the Company. High on strength, this is a time-tested and well-established brand, offering superior quality and durability to its customers.

Categories available: **OPC, PPC, PSC**



Concrete Master Roofon Cement

One of the best concrete master that gives strong and long-lasting construction. It is suitable for all weather conditions and produces concrete that is crack resistant, thus making air-tight, water shield construction that is resistant to corrosion.

Categories available: **PPC, PSC, CC**



Bangur Power Cement

A premium quality product meeting all international standards. It provides extra fineness, smoothness, greater coverage area, higher strength and resistance to corrosion.

Categories available: **PPC, PSC, CC**



Bangur Cement

Manufactured with German technology, it can be used for diversified construction purposes. It is a superior quality product that meets the global standards.

Categories available: **OPC, PPC**



Rockstrong Cement

An obvious choice for any type of construction with quick setting properties, durability and is an excellent value for money.

Categories available: **PPC**



Shree Jung Rodhak Cement

An all-purpose cement that provides strength and durability to all the structures through its strong corrosion-resistant properties and is the most preferred choice in the segment.

Categories available: **PPC**

PPC: Portland Pozzolana Cement, PSC : Portland Slag Cement, OPC: Ordinary Portland Cement, CC: Composite Cement

Operational Presence

Broadening our Horizons

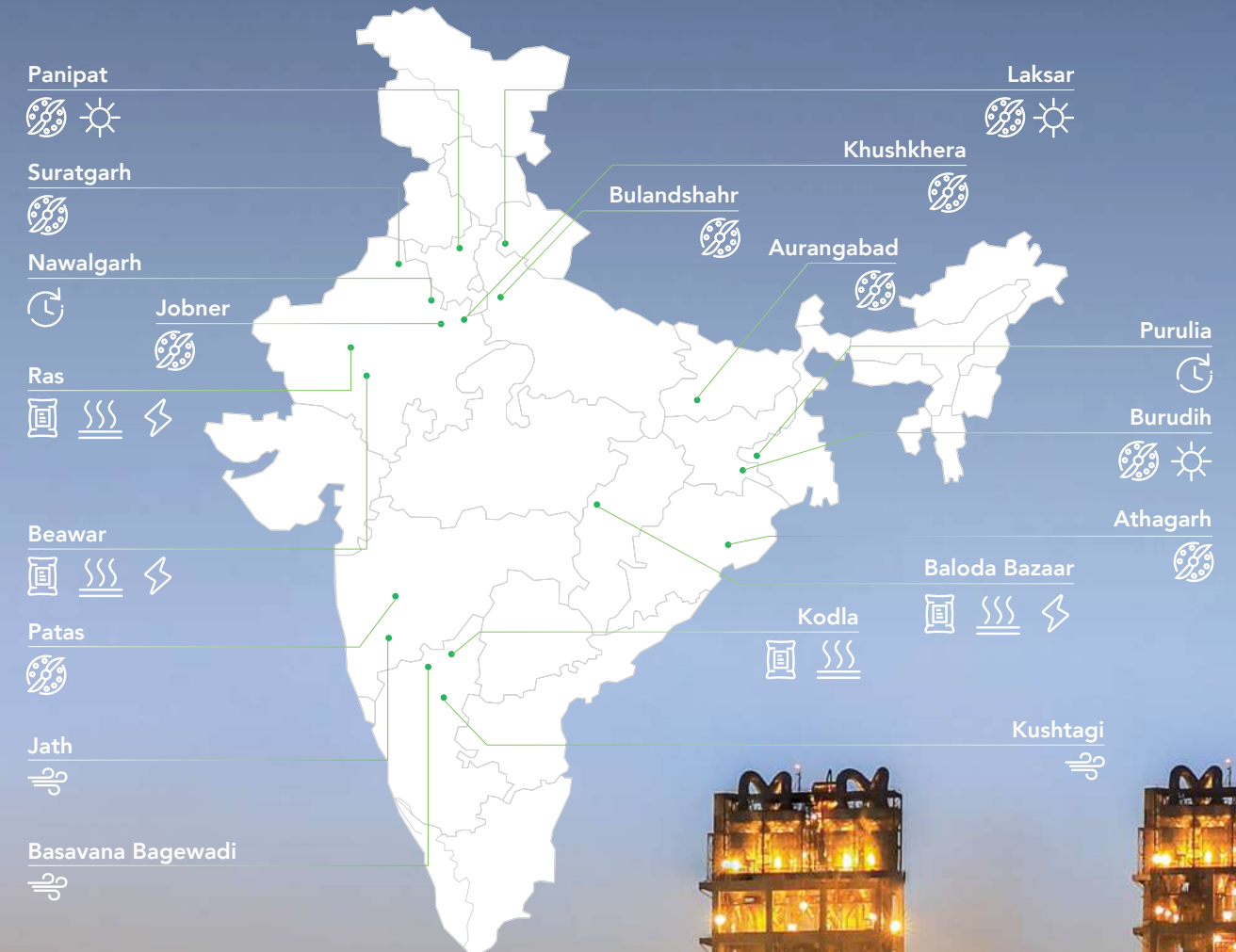
Headquartered at Kolkata, we have an extensive presence in India with our clinker and cement manufacturing units spread across 14 locations, strategically placed adjacent to important markets. We understand the demands of our consumers and guarantee seamless delivery thanks to our 30,672 dealers and 1,156 depots. We also have integrated plant in UAE to cater to our customers in the Middle East and International markets.

International presence



Maps not to scale

Domestic presence



Type of Plants



Integrated Cement Unit



Cement Grinding Unit



Upcoming Plant



Wind Power Plant



Solar Power Plant



WHR Power Plant



Thermal Power Plant



Sustainability Performance Highlights

Staying Aware. Building Trust

Commitments

Net Zero

As a member of Global Cement and Concrete Association (GCCA), we endeavour to follow GCCA's roadmap to Net Zero Concrete by 2050.

GHG reduction targets

We aim to reduce 12.7% Scope 1 and 27.1% Scope 2 emissions per tonne cementitious material vis-a-vis 2019 baseline by 2030. These targets have been validated by Science Based Targets initiative (SBTi).

Innovandi project

Through our membership with GCCA we have participated in project INNOVANDI. We aim to accelerate the development of technologies for Carbon Capture, Utilisation and Storage (CCUS) to reduce cement and concrete's carbon footprint.



Environment



530 Kg CO₂/tonne

Specific Net Scope 1 CO₂ Emissions per tonne cementitious material

27.23%

Alternative raw material consumption

3,73,020 GJ

Renewable energy consumption

> 5 times

Water positivity

48.2%

Contribution of green energy in total power consumption

263 MW

Green power generation capacity (WHR, wind and solar)



Social



₹57.54 cr

CSR spend

6.27 lac

CSR beneficiaries

1,35,244 hrs

Dedicated to skill development and training

89

'Great Place to Work survey' score



Economic



₹14,306 cr

Revenue from operations

₹90 per share

Dividend paid

Zero

Net debt, i.e. cash positive

₹4,185 cr

EBIDTA



Leadership Speak

Message from the Chairman



Our credo has always been to evolve with the times and to answer to the needs of the present. We continue to do that more than three decades after the roll out of our first cement bag. We are active participants in India's efforts towards building a cleaner tomorrow.

Vasudhaiva Kutumbakam

(The World is One Family)

Realising our connectedness and viewing the world as one family is a learning that this decade has laid bare before us. It's a stark reminder of learning our Vedas have taught us many centuries back. From unprecedented extreme weather events to increasing outbreaks of zoonotic diseases, the worlds of Nature and Man are no longer in harmony and that impacts each one of us.

India has set bold climate goals for itself, and as a leading player within the hard-to-abate cement sector, Shree Cement Limited greatly appreciates the direction that has been shown and acknowledges that the higher threshold accelerates our efforts to make real change happen. India's five-fold panchamrita strategy for reducing emissions covers:

- Developing non-fossil energy capacity of 500 GW by 2030
- Meeting 50% of the country's energy requirements from renewable energy by 2030
- Reducing the total projected carbon emissions by 1 billion tonnes from 2022 to 2030
- Reducing the carbon intensity of the economy by 45% by 2030, over 2005 levels
- Achieving Net Zero emissions by 2070

The responses to control climate damage are also occurring as a collective initiative and that gives us great hope for the future.

Shree Cement Limited has been a pioneer in adopting the sustainable path to manufacturing within cement industry, being the early adopters of Waste Heat Recovery System (WHRS) and having the largest WHRS capacity in the world cement industry outside China. Our efforts in building capacities in renewable energy, reducing energy consumption and use of alternative sources of fuel will help India meet its global GHG emission reduction targets.

Our foresight is also demonstrated in the contribution that our blended cements are making towards reducing the nation's overall carbon intensity. The complete range of our blended cement products qualify as low-carbon cement, is helping developers and architects meet the dual goal of creating robust infrastructure with a reduced carbon footprint.

Our credo has always been to evolve with the times and to answer to the needs of the present. We continue to do that more than three decades after roll out of our first cement bag. We are active participants in India's efforts towards building a cleaner tomorrow and in the process, we are contributing to humanity's efforts to reset the climate imbalance. For we prosper if we live as one.

B G Bangur
Chairman

Kolkata
July 25, 2022

Message from the Managing Director



The vision to discern the future and the consistency to act in support is what assures success 99% of the time. **Grey-Excellence**, is about being sustainable forever and SCL's sustainability journey demonstrates how the powerful relationship between vision and consistency helps to achieve this.

Is sustainability a novel phenomenon? Certainly not. The concept is as eternal as the earth itself. If we look around us, everything in the natural surroundings, from air to water to sunlight or the trees or mountains, has been there from eternity, giving forth a true message of sustainability. Those who are agile enough to keep an ear to the ground, understands this message and those who aligned themselves with it are the ones who turned out to be sustainable. Therefore, much before sustainability practices gained momentum for the cement industry, SCL realised the importance of making production sustainable, explored and adopted various means of making its processes sustainable – from the mining techniques used in our captive mines, to the power generation processes, waste heat recovery methods and cooling techniques were deployed at our captive power plants. When our first Sustainability Report was published in 2004-05, no other cement company in India, perhaps few in the world, were thinking along similar lines. Yet even 18 years ago, we had the vision to realise that an enduring future had to be a sustainable one. It could not be a one-way, resource-depleting, inequitable journey.

Consistency has marked every year of our progress as we have fulfilled several sustainability milestones. From being the first manufacturers of synthetic gypsum in India, to installing huge capacity of waste heat recovery systems, we have forged ahead, setting examples and constantly pushing the bar in favour of greener options. The business benefits of sustainability have long been evident to us; as the sustainable way demands reuse and recycling, substitution and extension of productive life – all aspects that favour conservation of both financial and material resources.

Sustainability also demands a discipline and an attention to detail that promotes making with less and constantly optimising – behaviour that promotes savings of every sort.

Our consistent approach towards meeting sustainability goals is evident in our yearly progress. We have constantly added to our solar and wind generation capacities and enhanced our synthetic gypsum production capabilities. We have consistently increased substitution of natural resources in our operations with alternative raw materials. Remaining water positive is one of our key goals and we have been working at incrementally increasing our water recycling and rain water harvesting. Water security and sustenance is critical for our business and zero wastage of all the water that we use has helped us decouple our growth plans from the water profile of the regions where we operate. Water self-sufficiency and reducing dependence on external water sources increases business resilience. This highlights yet another benefit of sustainable operations.

Similarly, we have consistently stepped up on our fuel substitution rates, putting circular economy principles to work each day, as we increase the range of substitute fuels that our multi-fuel kilns can use.

As the momentum generated by our vision and foresight carries us ahead on our sustainability journey, the worlds of business and sustainable operations are coming closer together. We believe that the future belongs to those who can leverage both these aspects successfully.

H M Bangur
Managing Director

Kolkata
July 25, 2022



Leadership Speak

Message from the Joint Managing Director

Adaptability and relevance are critical for the long-term sustainability of any organisation. At Shree Cement Limited, it is our people-to-people connect that helps us to stay relevant, competitive and resilient.

Our customers, employees, suppliers and communities form the chain of relationships ensure our connectivity with the market and the external world so we continue to contribute meaningfully.

Producing world-class products from minimal resources

Our aim is to produce world-class products with minimal footprint. We regularly carry out R&D to improve the quality of products using alternative resources. In manufacturing processes, our aim is to optimise energy consumption and replace conventional energy with green energy. Our state-of-the-art and world-class facilities are providing us the economies of scale and efficiency to remain competitive.

Listening to our customers and fulfilling market needs

We regularly keep track of our customers' needs through periodic customer surveys and by closely cooperating with our distribution network. We are also leveraging technology to create direct relationships with our influencer community like masons and contractors through our Nirman Mitra app, which already has 3.5 Lac users, within just 3 years' time. These different sources help us to accurately gauge customer needs and preferences and we have been able to successfully launch products like Bangur Power Cement and Concrete Master Roofon Cement, after extensive R&D. Developing products this way is a win-win for all as they are well received, fulfill genuine need and increase customer satisfaction.

Building a progressive workplace by investing in our employees

Continuous skill development, comprehensive trainings, progressive policies and a flat hierarchy characterises SCL, giving employees enough room to grow, and adequate opportunities to enhance their career prospects. Our digitally unified learning portal - ShreeSTEPS - aims to build the bridge towards making SCL a learning organisation, equipping our employees with the needs of today. With competitive remuneration structure and gender-neutral pay, we make sure that our employees remain happy and motivated. This is why we are regularly featured as one of India's Best Companies to Work by Great Place to Work®.



Continuous skill development, comprehensive trainings, progressive policies and a flat hierarchy characterises SCL, giving employees enough room to grow, and adequate opportunities to enhance their career prospects.

Employee health and safety rank equally high among our priorities and we have an elaborate safety management system that covers different areas of our operations. Regular trainings to inculcate safe behaviour amongst our entire workforce – both permanent and contractual – have always been our hallmark and we have ensured that this continued at SCL.

Standing by our communities and making a real difference

We consider communities as an integral part of our business and have consistently worked towards the upliftment of societies around our operations. During the year, SCL has spent ₹57.54 Crore on efforts aimed at improving lives. Through our partner organisations, we always strive to make long-lasting impact on the lives of people by virtue of various CSR programmes aiming at environmental conservation, education, healthcare, infrastructure development and women empowerment, among others. Also, as a sustainable organisation, we have always supported local sourcing and local employment, thereby helping adjacent communities.

SCL has always believed in the strength of its people connect and will continue to leverage this to build systems, programmes and initiatives that connect us more closely with our customers, employees, suppliers and communities.

Prashant Bangur
Jt. Managing Director

Kolkata
July 25, 2022

Message from the Whole-time Director

Shree Cement Limited maintained a steady track over the year, with a strong performance, healthy profitability and a consistent investment curve. With recovery evident across all our segments, SCL has kept to its expansion milestones, continuing with the capacity expansion at the 3 MTPA grinding unit at Purulia, West Bengal, at an investment of ₹750 Crore and integrated unit of 3.8 MTPA clinker and 3.5 MTPA cement capacity at Nawalgarh, Rajasthan, at a total investment cost of nearly ₹3,500 Crore. We have also commenced work on setting up integrated unit of 3.0 MTPA cement capacity and 1.5 MTPA clinker capacity at investment of ₹2,500 Crore in Guntur district of Andhra Pradesh.

Today, our focus is on scaling up our production capacities and doing so in a sustainable way. Our renewable power generation capacity are on the rise with multiple solar power plants currently at various stages of installation. Once operational, 106 MWp solar generation capacity will be added to the existing green power portfolio, at a capex of approximately ₹500 Crore. The majority of this expense is getting funded from our internal accruals, thanks to our cash positive balance sheet.

We have a multi-pronged approach to mitigating the environmental impact due to our products and processes. We are committed to a reduction in our GHG emissions, aligning our strategies to the national and international requirements. Our emission reduction plans are spread across a bouquet of alternative and renewable energy options, energy efficiency measures as well as input substitution and product modifications within the defined quality standards. We have started using agriculture waste (crop-residue) in power plants and are adopting state-of-the-art technology for enhanced use of alternative fuels in kilns to replace fossil fuels.

To contribute towards circular economy, we utilise industrial waste as alternative raw materials, derived from industries like Steel, Fertiliser, Power Plants, Mining, Chemicals, etc. The usage of alternative raw materials has grown more than 27% within our total raw material usage. We are the first Indian cement company to manufacture synthetic gypsum in-house by using low grade limestone through a patented technology.

We ensure careful management of water within our operations while being cognisant of the needs of the community. With a prudent mindset, we have implemented WHR systems at our kilns and Air Cooled Condensers for power plants to reduce the cooling water requirements to a great extent. All our plants practice zero liquid discharge. By adopting best available technologies in the plant as well



Our emission reduction plans are spread across a bouquet of alternative and renewable energy options, energy efficiency measures as well as input substitution and product modifications within the defined quality standards.

as implementation of appropriate rain water harvesting and ground water recharge structures, all our sites are working on to mitigate water related risks.

We also foresee digitalisation as a significant transformation in the new-age technology driving manufacturing efficiency. We have collaborated with FLSmidth, Denmark for Plant Database Management System (PDMS), which would enable real-time availability of all types of performance parameters and faster decisions. This would also contribute towards optimisation of our energy efficiencies.

In addition to adopting best-in-class technology, we seek to enhance sustainable development through extensive research, both internally as well as through various external associations. With blended cement forming more than 75% of our cement production, we are exploring feasibility of another low-carbon alternative to OPC i.e., Limestone Calcined Clay Cement (LC3) that could help cut CO₂ emissions up to 40% compared to OPC. Additionally, we are participating in the 'INNOVANDI' project of GCCA to help accelerate deployment of enabling technologies for Carbon Capture, Usage & Storage (CCUS).

As we progress, we will continue to strengthen our processes and make products that contribute to the overall growth of the Company in a manner that is environment friendly and maximise value for our stakeholders.

P N Chhangani
Whole-time Director

Ras
July 25, 2022

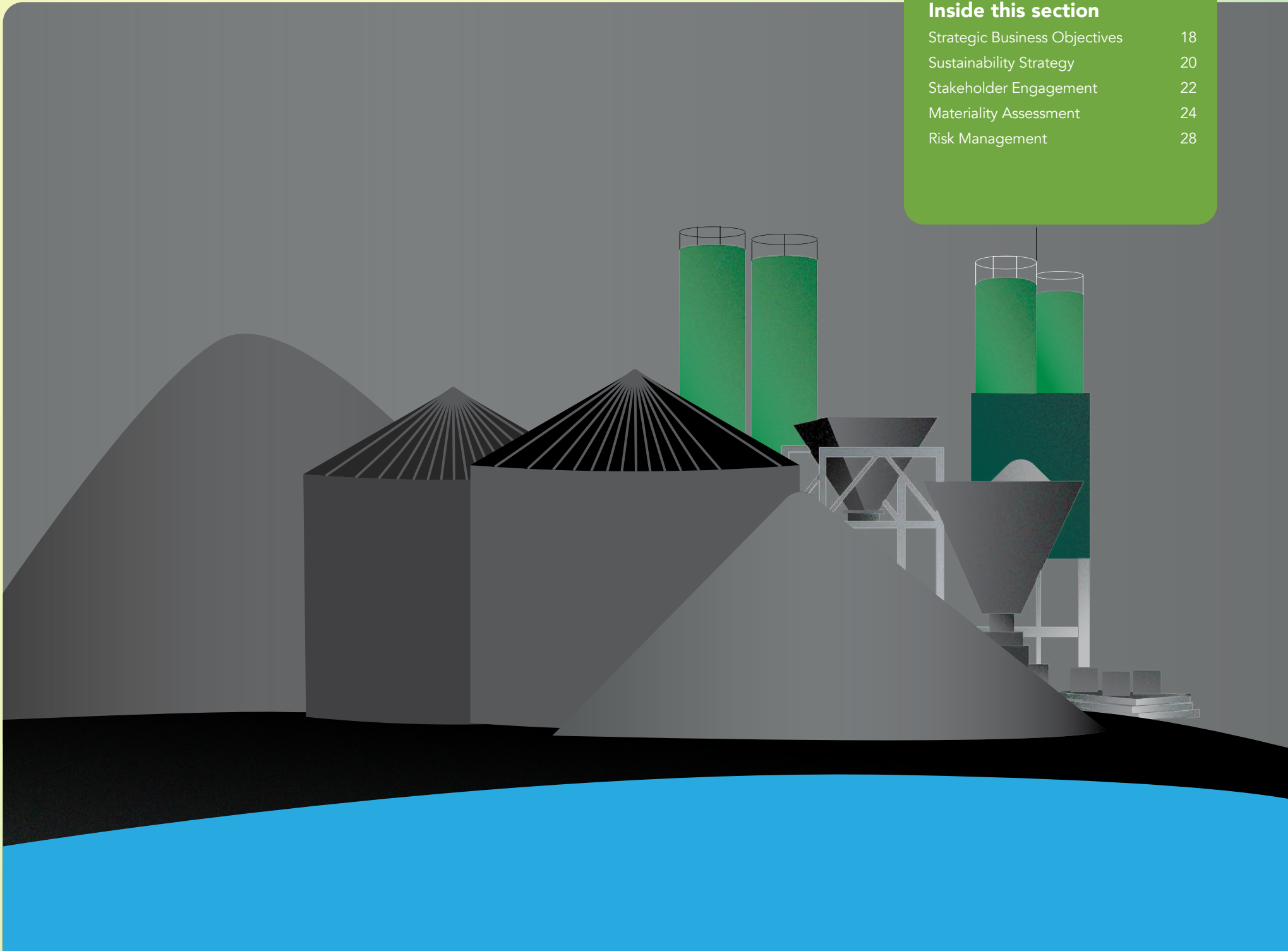
Our Sustainability Approach

At SCL, we are committed to manufacture cement in a sustainable manner. Our commitment towards protecting the environment is reflected in our constant efforts in reducing carbon emissions and using natural resources more sustainably. Further, we are committed to driving holistic development of the communities around us.



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Strategic Business Objectives

Cohesion All Through

At SCL, we follow an integrated approach while formulating and implementing our strategic objectives which are guided by our vision and values. We consider internal and external business environment as well as potential risks that can impact our business operations while formulating the strategy. Our strategy to achieve these objectives helps to create long-term sustainable value for all our internal and external stakeholders.

We have identified three Strategic Business Objectives (SBOs) which lay a strong foundation to our value-creation model. These three SBOs are i) optimising cost through continually re-imagining business processes; ii) market consolidation and gaining market share; and iii) sustainable growth while minimising environment footprint. These objectives are continuously monitored, reviewed, and revised as per the dynamic business environment which helps us stay ahead of the curve.



SCL Strategic Objectives



Cost Optimisation

We are one of the lowest cost cement producers in the Indian cement industry. For us, cost optimisation is a continuous process rather than a target. We work on achieving optimisation through digitalisation, continuous process improvement, increasing efficiency, automation, data analytics, supply chain optimisation, etc. and this process is followed and repeated on a continuous basis.



Market Consolidation

To achieve market consolidation, we make efforts on increasing our market share in areas where we have an established presence. We are also continuously looking out to venture into new markets by setting up facilities at strategic locations. Our multi-brand strategy ensures that we meet aspirations of varied category of customer segments. Our focus is on customer-servicing and on-time delivery of our products to them.



Sustainable Growth

We are focused on our long-term goal of sustainable value creation for our stakeholders. We deploy environment-friendly technologies and focus on conservation of natural resources. We continuously communicate with our stakeholders to understand their expectations and increase our engagement with them. We have been following highest levels of corporate governance standards, have consistently delivered financial performance and continue to reward our stakeholders thereby optimising a circle of sustainable growth.














Sustainability Strategy

The World We Live In




In line with our vision of ‘Lead in creating prosperity and happiness for all stakeholders through innovation and sustainable practices’, we aim to continue our stewardship in sustainability while being profitable, efficient, effective and inclusive. At SCL, we create shared value while minimising our environmental footprint. Through continuous improvement and collaboration, we actively utilise alternate sources of energy and material, are conscious of our environmental footprint and uplift the communities associated with us.

Sustainability Roadmap

Targets and achievements

Focus	Target	FY 2021-22 Performance	SDGs Impacted
 Energy and Climate	Reduce Scope 1 GHG emissions 12.7% per tonne of cementitious material by 2030 from 2019 base year	Scope 1 carbon intensity = 0.53 tonnes CO ₂ /tonne cementitious material – vs. 0.58 in 2019	 
	Reduce Scope 2 GHG emissions by 27.1% per tonne of cementitious material by 2030 from 2019 base year	Scope 2 carbon intensity = 0.012 tonnes CO ₂ /tonne cementitious material – vs. 0.007 in 2019	
	Increase the share of green energy in total energy consumption mix	During FY 2021-22, we enhanced our green power consumption to 48.2% compared to 47.9% in FY 2020-21	
 Natural Resource Management	Reduce dependence on mineral gypsum by augmenting the current synthetic gypsum capacity of 2,910 TPD	Synthetic gypsum manufacturing capacity enhanced at Ras and Beawar locations to 4,910 TPD	 
	Increase dependence on harvested and recycled water y-o-y	Cement manufacturing is a dry process through which no industrial waste water is being generated and discharged. However, there is generation of waste water from power plants which is 100% utilised in synthetic gypsum plant and mill spray. Domestic wastewater generated in our plants and colonies is duly treated and recycled at all locations and the recycled water is further used for horticulture and other purposes. Thus, SCL maintains Zero Liquid Discharge (ZLD) across all its operations. We practice rainwater harvesting and ground water recharge at multiple locations to augment our fresh water supply as well as the ground water table.	
 People	Mission Zero Injury to eliminate workplace injuries for employees and contractors	Employees on roll: 1 fatality Contractual employees: 1 fatality Inculcate safe behaviour through trainings, mock drills, safety audits/inspections and toolbox talks	
 Circular Economy	Improve thermal substitution rate (TSR) to 5%	Use of alternative fuels enhanced within kilns and power plant 9.84% alternative fuel rate achieved for FY 2021-22 including captive power plants TSR for kilns reached 2.41% Plan to introduce state-of-the-art technology from Denmark and Italy by FY 2022-23 to enhance waste utilisation capacity	 

Short-Term Focus Areas

Focus	Immediate (0-5 years)	FY 2021-22 Performance	SDGs Impacted
 Energy and Climate	As per our renewable energy strategy, we will enhance our wind capacity by 10.5 MW and our solar capacity by 106.05 MW till FY 2022-23	Wind capacity enhanced by 19 MW at Jath, Dist. Sangli, Maharashtra and Basavana Bagevadi, Karnataka. Solar capacity enhancement under various stages of development	 
	Synthetic gypsum production capacity enhancement by 65% explore the use of municipal solid waste (MSW) as refuse derived fuel (RDF) within all faculties	Synthetic gypsum production capacity enhanced from 2,910 TPD to 4,910 TPD ie. by 69% Started using MSW as RDF at all integrated locations	





Stakeholder Engagement

Creating Value by Association

We value and nurture our relationship with stakeholders through regular engagement and understanding of their needs. If any concerns arise, we pick the most effective course of action to address them. We have identified our stakeholders as those persons, groups and organisations who are directly impacted by our activities, as well as those foreseen to be reasonably impacted. A planned system of engagement exists to ensure the timely communication of accurate and relevant information to, and interaction with, each stakeholder group consistently. Our key stakeholder groups include customers, employees, investors and shareholders, suppliers, government and regulatory authorities, media, local communities and trade associations.

Stakeholder Engagement and Concerns

Stakeholder	Relevance	Frequency of Engagement	Key Concerns/Priorities	Mode of Engagement	Our Response
 Customers	<p>Customer satisfaction remains our motto for product development and enhancement</p> <p>Customer feedback helps in product quality enhancement, process improvement and cost optimisation</p>	Continuous	<ul style="list-style-type: none"> Product cost and quality Timely delivery Post-delivery concerns Responsible and sustainable production 	<ul style="list-style-type: none"> Online communication Meet-ups with customer representatives Customer satisfaction survey 	<ul style="list-style-type: none"> Customer satisfaction score of 85% Enhanced customer experience
 Employees	<p>Employees are the most valuable asset of our Company</p> <p>All round development of employees helps in obtaining better output for the business</p>	Continuous	<ul style="list-style-type: none"> Career and personal development Training and development opportunities Smooth and effective grievance mechanism Appraisal and compensation 	<ul style="list-style-type: none"> Employees feedback survey Employee grievance mechanism Regular trainings and workshops 	<ul style="list-style-type: none"> Average training hours per employee stood at 20.98 for the reporting year ₹91.4 Crore spent on employee benefits (including PF, Superannuation Fund, NPS, Gratuity Fund and ESIC) Robust employee engagement Well defined trainings and skill development programmes for all round development of our workforce

Stakeholder Engagement Approach

Stakeholder identification

Relevant internal and external stakeholders are identified who have the potential to create an impact on the development of our organisation or vice-versa.

Stakeholder prioritisation

Stakeholders that are most relevant or who have the potential to create the largest impact are prioritised.

Determining mode of engagement

Modes of engagement such as surveys, reports, meetups are determined for each stakeholder as per suitability and convenience.

Stakeholder	Relevance	Frequency of Engagement	Key Concerns/Priorities	Mode of Engagement	Our Response
 Investors and Shareholders	<p>Participates in our growth by providing capital for business development.</p> <p>Provide with business-oriented inputs for achieving goals and targets</p>	Quarterly	<ul style="list-style-type: none"> Improved product value Robust corporate governance Consistent returns Enhancing revenue and market value 	<ul style="list-style-type: none"> Annual shareholders' meet-up Management of investor relations Annual and quarterly reports Corporate filings with stock exchange 	<ul style="list-style-type: none"> 13% increase in revenue within the reporting year 3% increase in PAT within the reporting year ₹90 per share (900%) dividend (including final dividend recommended)
 Suppliers	<p>Procurement of quality supplies, raw material and services</p> <p>Supplier relationship helps in timely and efficient production cycle</p>	Continuous	<ul style="list-style-type: none"> Ethical business practices Payment negotiations and timely payments Continued business relationship Prevention of violations of human rights in the supply chain 	<ul style="list-style-type: none"> Supplier assessment Meetings with suppliers 	<ul style="list-style-type: none"> Assessment of new suppliers on environment and social parameters
 Government and Regulatory Authority	<p>Obtaining necessary licenses and permits for uninterrupted business operations</p> <p>Maintaining legal compliances</p>	At regular intervals	<ul style="list-style-type: none"> Compliance with regulatory requirements Managing the impacts of social and environmental issues 	<ul style="list-style-type: none"> Meetings with government officials Regular filings with government 	<ul style="list-style-type: none"> Adherence to prescribed regulatory compliance
 Media	Helps in taking the agendas of climate change and sustainability to wider range of people	As and when required	<ul style="list-style-type: none"> Transparency and relevancy of information Disclosure of confidential information Preventing the spread of inappropriate information Last mile reach of media 	<ul style="list-style-type: none"> Meetings with media representatives 	<ul style="list-style-type: none"> Increased awareness of the product Increased sales value
 Local Communities	<p>Local communities are our partners in development</p> <p>They provide us with social license to operate</p>	Continuous	<ul style="list-style-type: none"> Maintaining environmental quality Local employment generation Local community development 	<ul style="list-style-type: none"> Meetings with local communities during CSR activities Meeting with local community representatives for dialogue 	<ul style="list-style-type: none"> ₹57.54 Crore spent on CSR activities 6.27 Lac beneficiaries from CSR initiatives
 Trade Associations	<p>Help in strengthening employee relationship</p> <p>Lays benchmark for ethical business practice</p>	As and when required	<ul style="list-style-type: none"> Implementing and managing any changes Support for managing industry events 	<ul style="list-style-type: none"> Meetings with representatives of trade associations 	<ul style="list-style-type: none"> No strikes or lockouts for the reporting period Maintained cordial relations with all our union members

Engaging with stakeholders

Discussions are carried out with each stakeholder as per the determined mode of engagement to strengthen the existing relationship that we have with our stakeholders.

Identification of key concerns

After extensive discussions with stakeholders, their needs, expectations and primary concerns are identified. It is ensured that transparency is maintained while collating the responses.

Developing action plans

Once the stakeholder expectations are identified, an action plan is prepared to address these needs.

Materiality Assessment

Prioritising What Matters

Fulfilling sustainability targets requires the understanding and analysis of key issues pertaining to environmental, social and governance aspects. We prioritise material issues as they generate the most impact and are of high importance to our stakeholders. A thorough assessment process is crucial to sustainability value creation and goal setting.

Materiality assessment process

Identify

Scope and boundary of material topics and the relevant stakeholders

Prioritise

Topics important for the business and the key stakeholders. Determine their environmental, economic and social impact

Validate

Material topics with current sustainability efforts and gaps

Integrate

Findings and outcomes into the business strategy with actionable goals

For FY 2021-22, SCL identified and collated industry specific material topics along with topics provided in sustainability standards such as GRI, SASB, SDGs, and topics that are material to the peers. These identified material topics have been shortlisted through internal discussions depending upon the impact they have on each stakeholder.



Environment

Material Topic	Impact boundary
Waste management	●
Water	●
Emissions management	●
Energy	●
Biodiversity	●
Circular economy	●
Low carbon products	●
Climate change	●



Social

Material Topic	Impact boundary
Occupational health & safety	●
Employee relation	●
Training and development	●
Supply chain	●
Non-discrimination	●
Customer satisfaction	●
Community development	●
Resettlement & rehabilitation	●
Human rights	●



Governance

Material Topic	Impact boundary
Regulatory compliance	●
Cyber security	●
Governance and ethics	●
Business performance	●
Raw material procurement	●
Procurement practices	●
Indirect economic impact	●
Risk management	●

Impact boundary ● Within the organisation ● Within and outside the organisation ● Outside the organisation



Materiality Assessment

Performance of materiality topics

<div> <h3>Environment</h3> </div>			
Topic	GRI Alignment	KPI	SDG Alignment
Waste Management	GRI 306: Waste	100% Hazardous waste disposed as per applicable regulatory requirements	
Water	GRI 303: Water and effluents	0.082 m³/tonne of cement Specific freshwater consumption	
Emissions Management	GRI 305: Emissions	529 Kg CO₂/tonne of cement equivalent Specific Net Scope 1 emissions	
Energy	GRI 302: Energy	3,73,020 GJ of Renewable energy consumption	
Biodiversity	GRI 304: Biodiversity	84,646 Saplings planted 90% Survival rate of saplings	
Circular Economy	GRI 306: Waste	27.23% Alternate raw material consumption by weight	
Low Carbon Products	Non-GRI topic	75.13% Low-carbon cement produced	
Climate Change	GRI 302: Energy GRI 303: Water GRI 305: Emissions GRI 306: Waste	263 MW Total green power capacity 530 Kg CO₂/tonne of cementitious material, specific Net Scope 1 emissions 3,36,458 KL of water recycled	

<div> <h3>Social</h3> </div>			
Topic	GRI Alignment	KPI	SDG Alignment
Occupational Health and Safety	GRI 403: Occupational health and safety	Lost time injury Employees: one Contract workers: 14	
Employee Relation	GRI 401: Employment	Zero cases of labour unrest during the year	
Training and Development	GRI 404: Training and development	20.98 of average training hours per employee	
Supply Chain	GRI 308: Supplier environmental assessment GRI 414: Supplier social assessment	Third Party Audit of 28 number of suppliers on Environment and Social parameters within past four years	
Non-discrimination	GRI 406: Non-discrimination	Zero cases of discrimination and sexual harassment	
Customer Satisfaction	Non-GRI topic	85% Customer satisfaction score	
Community Development	GRI 413: Local communities	6.27 lac Beneficiaries from community development programmes	
Resettlement and Rehabilitation	GRI 411: Rights of indigenous people	Zero incidents of violations involving rights of indigenous people	
Human Rights	GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour GRI 412: Human rights assessment	6,242 man hours of training on human rights	
Regulatory Compliance	GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour	Regular monitoring and review of compliances	

<div> <h3>Governance</h3> </div>			
Topic	GRI Alignment	KPI	SDG Alignment
Cyber Security	GRI 418: Customer Privacy	Zero cases of complaints concerning breaches of customer privacy and loss of customer data	
Governance and Ethics	GRI 205: Anti-corruption GRI 206: Anti-competitive behaviour	Robust governance framework	
Business Performance	Non-GRI topic	₹14,306 cr Net revenue from operations	
Raw Material Procurement	GRI 301: Materials	27.23% Low grade material and other companies waste used as raw materials	
Procurement Practice	GRI 204: Procurement practices	99% Local consumption of raw material and stores and spares out of total raw material and stores and spares consumption	
Indirect Economic Impact	GRI 203: Indirect economic Impacts	₹23.53 cr Expense on rural development projects including road construction and other infrastructure development	
Risk Management	Non-GRI topic	Robust risk management framework	





Risk Management

A Roadmap to Navigating Uncertainty

Over the last couple of years, there has been a sea change in the type of risks that emerged globally. These risks were ubiquitous and impacted businesses among others. With changing economic, global, geopolitical, operational, environmental, social, and human challenges, a reliable and all-inclusive risk mitigation strategy is the need of the hour.

Approach and risk mitigation

In line with the global and national compliance measures, we take a fortified risk management approach to identify and understand our challenges and to find relevant solutions. Considering our goals, vision, values and internal as well as our external environment, we have a proactive risk management approach that help us identify inherent opportunities from risks that are apparent, thus giving us an edge over our competitors.

Our robust Enterprise Risk Management (ERM) policy and framework 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.

We have a multi-level governance structure to monitor and report risks and relevant mitigation strategies.

The structure is led by the Risk Management Committee (RMC) of the Board of Directors. The Committee reviews the risk policy and the mitigation measures at specified intervals. The senior executives of our Company and relevant teams identify and evaluate the risks, and take the necessary mitigating measures for enterprise level risks as per the ERM policy and framework. Our Chief Risk Officer ensures that the directions from the RMC are duly incorporated within all decision making processes.



Risk Identification

Major risks are identified by tracking the list of leading events or key risk indicators, brainstorming, discussions with peers and internal analysis, comparison with other organisations, process flow analysis, etc.



Assess Risk Severity and Risk Prioritisation

Once the risks have been identified, they are evaluated to determine which ones are of unacceptable nature and which should be targeted for mitigation. The risks are calculated based on their impact and likelihood. They are classified based on Risk Impact ranging from Low to Critical, and Risk Likelihood ranging from Remote to Likely.



Define Mitigation Plan

Mitigation consists of risk responses and control objectives. Senior Executives are responsible for their respective areas of oversight and ensure that appropriate risk responses are in place.

Risks and mitigation strategies

The top risks identified by us and their mitigation strategies are as follows:




Risk	Type of Risk	Risk Description	Mitigation Strategy
Excess Capacity in the Industry	Sectoral risk	Prolonged periods of excess capacity in the industry leads to under-utilisation of plant capacities and output prices falling to un lucrative levels, leading to lower profits.	<ul style="list-style-type: none"> Our continued thrust on building a brand equity by having high-quality products readily available in the market has helped us consolidate our market share. To maintain and grow market share, our Company has been continuously adding capacities in the market where the demand-supply situation is favourable and there is no/low cannibalisation with existing plants.
Availability of Limestone	Sectoral risk	Limestone is the basic raw material for cement manufacturing and its consistent availability at optimum cost is essential for existing and future plant requirements. With depleting reserves at existing mines and the acquisition of new limestone mines getting uncertain due to regulatory and competition issues, availability may pose a threat for continued production.	<ul style="list-style-type: none"> Our Company has been making all efforts to optimise limestone usage, thereby, conserving the deposits and enhancing their life. This is done by using additives in clinker production without compromising the quality, enhancing blended cement production, deploying of latest mining techniques to reduce overburden and wastage, etc. Our Company is a regular participant in the auctions for new limestone deposits and has secured such deposits in some of the auctions.
Availability of water	Operational risk	Majority of the plants are located in Northern region water deficient areas with continuously depleting water tables and as such, conserving water becomes very important.	<ul style="list-style-type: none"> In power generation, we have installed Air Cooled Condensers (ACC) in all our thermal power plants which though involve additional capital expenditure, have helped us reduce water consumption significantly. Additionally, we have installed Waste Heat Recovery Systems (WHRS) in all our clinker units thereby, eliminating the need for cooling of waste hot gases and thus, saving water. Water harvesting reservoirs have also been constructed within plant and mine areas.
Input Cost Inflation	Operational risk	Cement manufacturing is an energy-intensive process and we have witnessed a sharp rise in prices of coal, pet coke, power, etc. due to the surge in demand and geopolitical situations. This can severely impact the cost of production and dent profitability.	<ul style="list-style-type: none"> All our plants have multi-fuel kilns and can switch to the most economical fuel in a short period of time. We also participate in auctions for securing coal linkage. Our Company uses agro waste as well as waste from various industries such as pharma, chemical, sponge iron, as alternate fuel, thus keeping the fuel cost under check. Our Company took advanced strides to set up and enhance waste heat recovery plants to reduce our dependence on thermal power requiring the use of coal. As a result, we have the highest WHR capacity in the cement industry globally, after China. Our Company has been continuously investing in expanding our green energy portfolio (WHR, wind, solar) to meet electrical energy requirements. Our Company during FY 2021-22 has met 48.2% of its electrical energy requirement from green energy sources which reduce the requirement of thermal power.
Cyber Security	Information and technological risk	Digital transformation in majority of business activities of our Company like logistics, marketing, and manufacturing have improved operational efficiency. However, inadequate controls to protect the system against cyber attacks, unauthorised access, data loss, etc. can lead to disruption of operations.	Our Company has been taking necessary measures like systematic back-up procedures, updating to the latest security and firewall systems, employee trainings on preventing data leakages, and better monitoring and control mechanism to mitigate any risks arising due to digitalisation.



Risk Management

Emerging risks

In addition to the listed enterprise risks, we have also identified some emerging risks that are likely to have a long-term impact on our business. In some cases, they may have already begun impacting the business today. We have already planned strategies to mitigate the emerging risks.

Risk	Type of Risk	Risk Description	Mitigation Strategy
<div>  <div>Climate Change</div> </div>	Sustainability risk	Global warming and consequent impact in the form of erratic and frequent climate change has emerged as a major risk across globe. This may impact Company's operations also as cement manufacturing is an energy and resource intensive process and releases CO ₂ due to calcination process and combustion of fuels. Efforts to address climate change by reducing Greenhouse Gases (GHG) emissions through national, state, and regional laws and regulations, as well as international agreements will bring about various changes that impact the way our Company will carry out its operations. New legislative or regulatory controls may pose risks such as costs to purchase allowances or credits to meet GHG emission caps, costs required to procure advanced equipment to reduce emissions to comply with GHG limits or required technological standards, or higher production costs. In addition, physical risks caused by extreme weather or high temperatures may impact the manufacturing sector in terms of property damage and disruption to operations.	While combating climate change requires collaborative and coordinated efforts from all, our Company has been continuously making efforts in this field. Efforts towards conservation of natural resources, enlarging renewable energy portfolio at various plant locations, use of efficient and state-of-the-art technologies in operations, etc., are testimony to the same. Sustainability is core to our operations, thus we are prepared to meet new regulatory and legislative requirements resulting from climate change risks.
<div>  <div>Health and Safety of Employees</div> </div>	Operational risk	Unsafe and unhygienic workplace conditions may lead to legal actions, workers unrest, production disruption, and may cause injury/fatality to employees/workers.	Our Company continues to work on institutionalising operational discipline, particularly observing safety procedures and protocols, both for employees and workers. Safety Committees have been formed to oversee safety-related issues and implement the best safety practices. Wellness Management Centres have been established at a plant level to meet medical emergency requirements and manage health-related issues of the employees.
<div>  <div>Impact of Regulatory Changes</div> </div>	Sustainability risk	India's regulatory framework is constantly evolving, and regulations in the field of environment, taxation, competition, governance, etc. can change over time. Non-compliance of applicable regulations may lead to imposition of penalties, suspension of operations, among others apart from reputational damage. This may also hinder the pace of innovation, upgradation, transformation within the organisation.	Our Company keeps a track of the regulatory environment and takes necessary actions wherever required. Our Company regularly incurs capex to upgrade operational practices so that we are in line with the applicable regulations. A statutory compliance tool is employed to track location-wise legal and regulatory compliance.

“Our dynamic risk management strategy helps us to mitigate the potential risks and capitalise on the emerging opportunities, enabling us to deliver sustained value over the long-term.”

S S Khandelwal

Company Secretary and Chief Risk & Compliance Officer



Our management systems

Our facilities are ISO 9001, ISO 14001, ISO 45001 and ISO 50001 certified and pursue best practices in Manufacturing, Energy Management, Occupational Health & Safety and Environment Management.

ISO Integrated Management Systems (IMS) Implementation

	ISO 9001	ISO 14001	ISO 45001	ISO 50001
Manufacturing Units	Quality Management System	Environment Management System	Occupational Health & Safety Management System	Energy Management System
Beawar Unit I, II & SPP	Y	Y	Y	Y
Ras Unit III, IV, V, VI, VII, VIII, IX, X & SPP	Y	Y	Y	Y
Khushkhera (GU)	Y	Y	Y	Y
Suratgarh (GU)	Y	Y	Y	Y
Roorkee (GU)	Y	Y	Y	Y
Jobner (GU)	Y	Y	Y	Y
Bihar (GU)	Y	Y	Y	Y
Shree Raipur Cement Plant U-1 & SRPP	Y	Y	Y	Y

Additionally, following marketing offices are ISO 9001 certified - Shree Ultra CMD New Delhi, Bangur Cement CMD New Delhi, Shree Ultra RO Jaipur, Bangur Cement RO Jaipur, Rockstrong CMD New Delhi, Rockstrong RO Jaipur, Shree Cement Limited Marketing Office, Raipur.



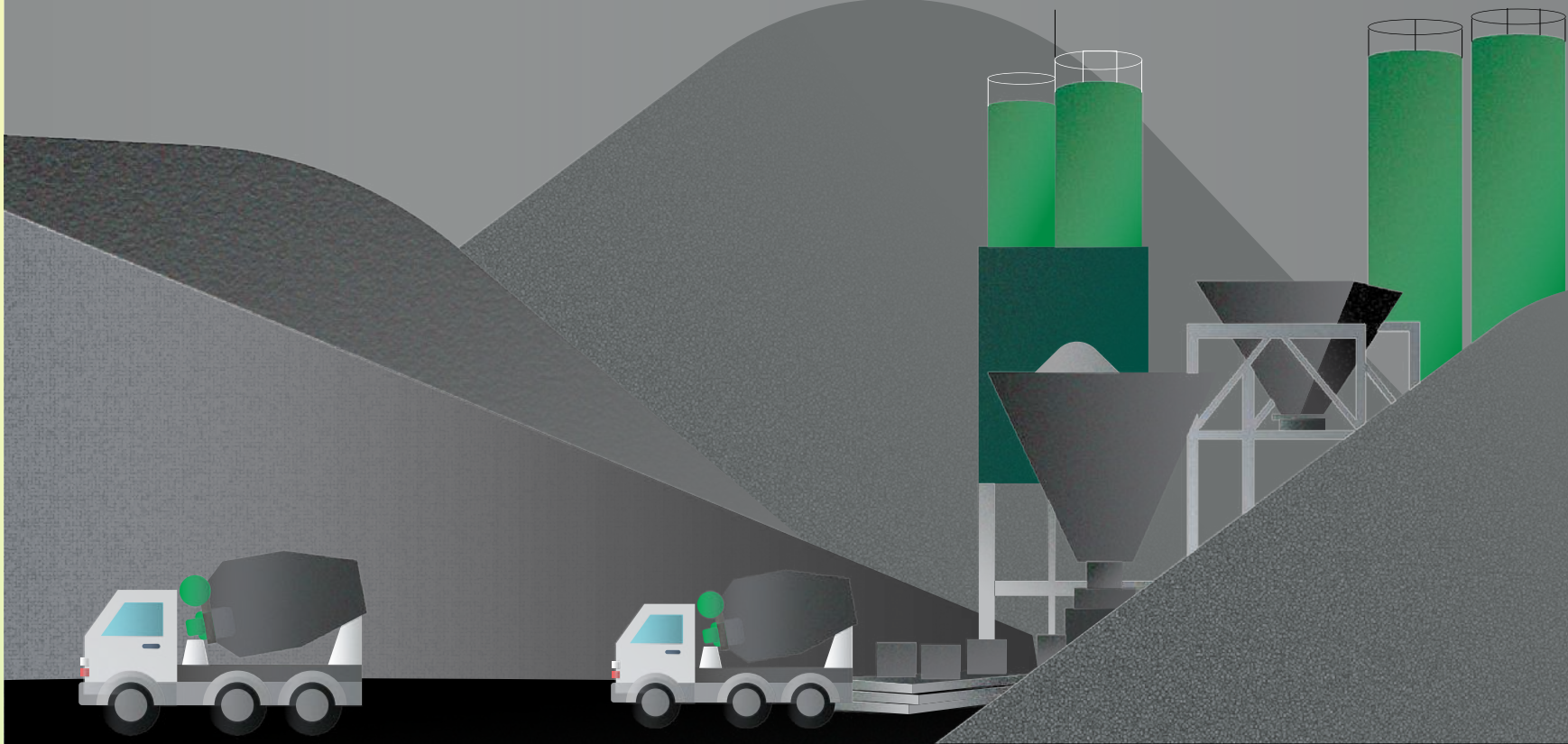
Corporate Governance

Shree Cement Limited is committed to conducting business in a responsible way. At the core of this commitment are comprehensive governance structure, policies, and practices, aimed at ensuring accountability and transparency. We maintain the highest standards of ethics and integrity, thanks to our governance policies and practices.



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Corporate Governance

Transparency and Accountability at the Fore

We believe in the principle of trust, and that it can be derived only through ethical practices, transparency and accountability to our stakeholders. This philosophy is embedded in our DNA and in alignment with our vision of being a leader in creating prosperity and happiness to all stakeholders through innovation and sustainable practices.

The Code of Conduct

The Code of Conduct outlines elements such as human rights, equal opportunity, anti-corruption, and fair competition.

Our Code of Conduct is available on: <https://www.shreecement.com/uploads/cleanupload/ethics-transparency-accountability-policy.pdf>

Adhering to the Code of Conduct is compulsory for all Directors and employees. It ensures that day-to-day business operations are carried out in line with the principles, with accountability to our internal and external stakeholders. There were zero cases of corruption and bribery during the reporting period.

The code of conduct governs SCL's activities in the areas of:

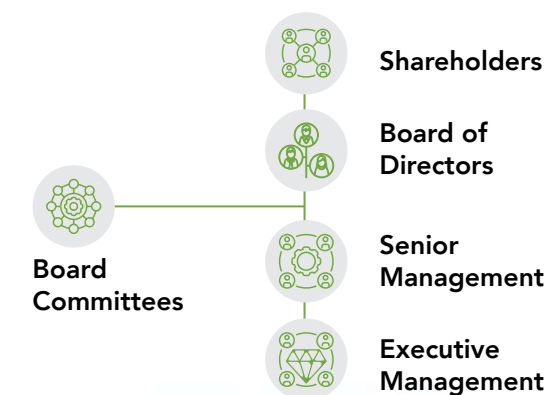


Guiding Principles

Integrity Leads the Way

Our guiding principles are defined by the vision, commitments, expectations, and responsibilities that moves us closer to achieving our goals. We expect our Board of Directors, senior management, employees, and business partners to act responsibly with highest ethical standards and integrity.

Governance structure



The overall responsibility of guiding and steering SCL through the vision and principles lies with the Board of Directors (the Board), whereas the execution of the objectives is streamlined through the senior management. To monitor various issues, our Company has constituted various committees of Directors. The Board fulfils its duties with the assistance of various committees, headed by Independent Directors.





Corporate Governance

Board of Directors (as on March 31, 2022)

Our Board comprises an appropriate mix of Executive, Non-Executive and Independent Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board members are from diverse backgrounds having expertise in the fields of law, banking, accountancy, economics, sustainability, energy conservation, finance and taxation, etc. To maintain independence, all the Directors of the Company are required to disclose their interests in other entities to the Board on an annual basis as mandated under the Companies Act, 2013.

The Company has a female Director on its Board as required under the provisions of SEBI's Listing Regulation and Companies Act, 2013. The selection of the Board Member is made on the recommendation of Nomination cum-Remuneration Committee (NRC) of the Board. All members of NRC committee are Independent Directors, whose role is to identify people who are qualified to become members of the Board and/or may be appointed in Senior Management of the Company. Accordingly, NRC recommends to the Board for appointment of Director or Senior Management.



Shri B.G. Bangur
Chairman



Shri H.M. Bangur
Managing Director



Shri Prashant Bangur
Joint Managing Director



Shri R. L. Gaggar
Independent Director



Dr Y. K. Alagh
Independent Director



Shri Shreekant Somany
Independent Director



Shri Nitin Dayalji Desai
Independent Director



Shri Sanjiv Krishnaji Shelgikar
Independent Director



Ms Uma Ghurka
Independent Director



Shri Zubair Ahmed*
Independent Director



Shri P. N. Chhangani
Whole-Time Director



- Audit Committee
- Nomination cum Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social and Business Responsibility Committee
- Risk Management Committee

Chairman | Chairperson

Member

* appointed w.e.f. May 21, 2022



Corporate Governance

Brief terms of reference of the Board committess

Audit Committee

- Review of annual and quarterly financial statements
- Oversee Company's financial reporting process
- Review of inter-corporate loans and investments
- Evaluation of internal financial controls
- Review functioning of whistle-blower mechanism
- Approval of related party transactions
- Other functions as per terms of reference

Nomination-cum-Remuneration Committee

- Evaluation of Directors' performance
- Formulate the criteria for evaluation of Independent Directors of the Company
- Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- Other functions as per terms of reference

Stakeholders' Relationship Committee

- Review and resolve grievances of security holders of the Company relating to the transfer, transmission of shares, issue of duplicate shares, and so on
- Review measures taken for effective exercise of voting rights by shareholders

- Review the adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Consider all other matters related to all security holders of the Company

Corporate Social and Business Responsibility Committee

- 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 and its reputation as a responsible corporate citizen;
- Review the performance of the Company on environment, governance and sustainability initiatives and matters;
- Approve the policies on principles as required in terms of Business Responsibility and Sustainability Reporting requirements and changes/modifications required from time to time in such policies; and
- To approve Company's report on Business Responsibility and Sustainability Reporting requirements.

Risk Management Committee

- Formulate and periodically review the risk management policy, monitor and oversee its implementation.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

- Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
- Review the appointment, removal and terms of remuneration of Chief Risk Officer.

Sustainability Governance

Our sustainability governance model provides a strong foundation to develop and anchor sustainability strategies and targets. We focus on embedding sustainability into the business, with an objective to generate maximum economic value and concurrently live up to environmental and social expectations. SCL's Board of Directors shoulders the overall responsibility of guiding and steering our climate vision through its Corporate Social and Business Responsibility Committee (CSBR Committee). The Committee of Directors sets up adequate procedures and systems to conduct operations with utmost efficiency in adherence to that vision.

Sustainability governance structure



The Environmental, Social and Governance (ESG) Committee has the primary responsibility to implement environment friendly interventions across our operation and undertake activities to ensure commitment to the society and formulation of effective governance mechanism to conform compliance to applicable regulations. The committee consists of Whole-Time Director and Senior Executives who carry continuous monitoring and implementation of our policies. Our remuneration policy considers sustainability performance of our Company while determining the remuneration of the Working Directors, Key Management Personnel and Senior Executives. This further ensures and motivates implementation of the various sustainability initiatives that we undertake.

To ensure compliance with applicable laws and regulations including related to environment and climate change, Corporate Social and Business Responsibility (CSBR) Committee of the Board along with ESG Committee monitors and reviews compliance requirements specified under various legislations. ESG committee also reviews and approves the Company's sustainability report.



Corporate Governance

Board remuneration

SCL's remuneration policy is framed to provide fair compensation to attract, retain and motivate the Directors, Executives, senior management and other employees playing a critical role in operationalising SCL's vision and strategy. The policy provides that while nominating appointment of a Director, the NRC shall consider the level and composition of remuneration, which is reasonable and sufficient to attract, retain and motivate for delivering high performance.

The primary objective of SCL's remuneration policy is to create value for all its stakeholders in an efficient and

responsible manner. For further details about the objectives of remuneration policy, structure and remuneration, please refer to our Integrated Annual Report FY 2021-22. https://www.shreecement.com/uploads/investors/Annual%20Report_2021-22.pdf

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2021-22, the percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary during FY 2021-22 are as under:

Name of Director/KMP and Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in the remuneration for FY 2021-22
Shri B. G. Bangur, Chairman (Non-Executive)	No sitting fee/Commission paid	
Shri H. M. Bangur, Managing Director/KMP	721.8	10.0%
Shri Prashant Bangur, Joint Managing Director/KMP	395.0	13.5%
Shri P. N. Chhangani, Whole Time Director/KMP	76.6	8.4%
Shri R. L. Gaggar, Independent and Non-Executive	5.1	-14.3%
Shri Shreekant Somany, Independent and Non-Executive	5.5	-5.5%
Dr. Y.K. Alagh, Independent and Non-Executive	5.8	-1.8%
Shri Nitin Dayalji Desai, Independent and Non-Executive	5.8	0.0%
Shri Sanjiv Krishnaji Shelgikar, Independent and Non-Executive	5.9	3.7%
Ms. Uma Ghurka, Independent and Non-Executive	5.3	0.0%
Shri O.P. Setia, Independent and Non-Executive	3.6*	-40.1%

*Ceased as Director of the Company w.e.f 29th October, 2021 (close of business hours).

Key Managerial Personnel (other than Managing Director, Joint Managing Director and Whole Time Director)

Shri S. S. Khandelwal, Company Secretary	NA	11.5%
Shri Subhash Jajoo, Chief Finance Officer	NA	9.4%

Vigil mechanism

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and instances of leakage of unpublished price sensitive information. The policy provides for adequate safeguards against victimisation of employees who utilises the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Related party transactions

There were no material related party transactions during FY 2021-22 that have conflict with the interest of the Company as provided under Section 188 of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All related party transactions have been approved by the Audit Committee. The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on Company's website and can be accessed at link <https://www.shreecement.com/investors/policies>.

Advocacy and public policy

Our engagement with governments and regulators in public policy discussions gives us an opportunity to share our views and perspectives of our business partners, employees, communities, and other stakeholders on issues relevant to our business. Some of our key associations are as follows:

 Cement Manufacturing Association (CMA)	 Confederation of Indian Industry (CII)	 Bureau of Energy Efficiency (BEE) Ministry of Power, Government of India	 National Council for Cement and Building Materials (NCCBM)
 Global Cement Concrete Association (GCCA) (national and global membership)	 The Energy and Resources Institute (TERI) Creating Innovative Solutions for a Sustainable Future	 Global Reporting Initiative (GRI)	 Federation of Indian Chambers of Commerce and Industry (FICCI)
	 Technology and Action for Rural Advancement (TARA)	 Indian Institute of Technology (IIT) Delhi	

Economic Performance

At SCL, we believe in progress by creating shared value. Our long-standing association with our stakeholders, consumers, and communities help us enrich our business environment and operational activities. Long-term vision and strategy formulation gives us an edge in our financial and non-financial performance. Aligned with our vision and mission, and with a stronghold on the governance and market, we surpass economic benchmarks, while generating profits.

Highlights

₹14,306 cr
Revenue

₹2,377 cr
Profit After Tax

₹86,711 cr
Market capitalisation
(as on March 31, 2022)

13%
Revenue growth YoY

₹8,601 cr
Investments
(Excluding investment in Subsidiaries)

17.2%
Return on Average Capital
employed

₹4,185 cr
EBITDA

₹90/share (900%)
Dividend
(including final Dividend recommended)

Zero Net Debt
i.e. Cash positive



Inside this section
Achieving Steady Growth

44





Economic Performance

Achieving Steady Growth

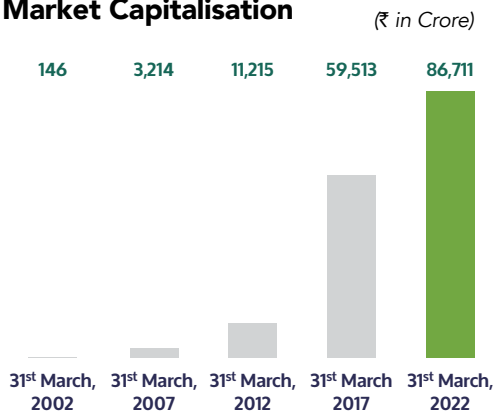
Our business and financial growth is demonstrated in the increase in production capacity and revenue by 3.4 times and 2.5 times, respectively, while our market capitalisation has increased 8.2 times in the last 10 years. We target to achieve a capacity of 80 MTPA by 2030, and utilise most of the operating cash flows with minimum leverage. With liquid investment and cash and cash equivalents in our balance sheet amounting to ₹8,617 Crore while gross debt at ₹1,694 Crore, we end FY 2021-22 as a Net Debt-Free Company with positive cash of ₹6,923 Crore.

Sustained value creation

Our shareholders have trusted us with their capital in our growth story throughout our journey.

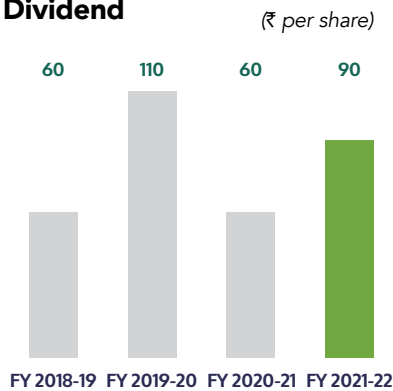
Thus, rewarding them with long-term wealth creation has been our topmost priority. Our market capitalisation has grown from ₹146 Crore as on March 31, 2002 to ₹86,711 Crore as on March 31, 2022, implying a CAGR of 37.6% (excluding dividends) over the said period.

Market Capitalisation



Our aim is to maintain a healthy and growing dividend pay-out for rewarding our shareholders. From time to time, we also declare special dividend to distribute the profits. In FY 2021-22, we have declared a total dividend of ₹90/ equity share (including final dividend of ₹45/share of face value of ₹10 each which is recommended by the Board and is subject to approval of shareholders of the Company). In line with the dividend distribution policy, we aim to continue sharing the profits with our shareholders by way of consistent and regular dividend pay-outs.

Dividend



Economic value generated and retained¹

Particulars	FY 2020-21 (₹ in cr)	FY 2021-22 (₹ in cr)
Revenues from Financial Instruments and other sources	433	537
Adjusted Revenues	15,185	16,692
Total value added²	15,618	17,230
Operating costs	7,192	9,071
Employee wage and benefits	760	807
Payment to providers of funds	245	593
Payments to government	3,964	3,551
Community investments	46	58
Reinvested to maintain and develop operations	3,412	3,150
Total value retained and distributed	15,618	17,230

¹ Numbers have been regrouped/rearranged wherever necessary

² Revenue gross of taxes, duties, levies, etc.

Investments in capacity expansion

We have a proven track record of growing organically via setting up our own plants in record time and at a lower capex per tonne than the industry. This has helped us in growing at an accelerated pace and earning a higher return on capital employed. The latest example is our recently commissioned 4.0 MTPA brownfield clinker plant in Chhattisgarh at a cost of around ₹1,000 Crore. This unit will help us in augmenting the clinker supplies for our plants in the Eastern region and serve the robust cement demand. We were able to setup the plant at cost lower than the industry benchmark. In addition to this, the plant was commissioned six months prior to the set timelines. This achievement was made possible because of well experienced project management team, faster decision making, robust project monitoring, innovative practices involving support to our vendors and contractors. We have also commissioned commercial operations of clinker grinding unit of 3.0 MTPA capacity at Patas in Pune district of Maharashtra. Commissioning of this unit was delayed due to COVID-19 and Right of Way issues.

Additionally, during the year, we announced the following capacity expansion:

- A grinding unit of 3 MTPA in Purulia, West Bengal at an investment of approximately ₹750 Crore via our subsidiary Shree Cement East Private Limited (SCEPL).
- An integrated cement plant of clinker capacity 3.8 MTPA and cement capacity of up to 3.5 MTPA in Nawalgarh, Rajasthan at an investment of approximately ₹3,500 Crore.
- Solar Power Plants with capacities of up to 106 MW at various locations at a capex of approximately ₹500 Crore.

The above capex is spread over the next two years and will be mainly funded via our internal accruals. After the commissioning of these plants, our cement capacity in India will increase to 52.9 MTPA.

Defined employee benefit schemes

Our employees are the reason for our robust growth. The ever enthusiastic and motivated workforce helps us achieve insurmountable feats in record time. They foster creative and innovative skills which, allow us to adapt to dynamic situations and maintain a leadership position within the industry. Hence, as a responsible employer, SCL provides a diverse pool of benefits to its full-time employees.

PF, Gratuity and Employees' State Insurance Corporation (ESIC) benefits are available to all eligible employees. Further, all employees are eligible to participate in the other retirement benefit schemes such as NPS and superannuation.

Our contribution to defined benefit schemes increased by 5.25%, reaching ₹91.39 Crore in comparison to ₹86.83 Crore during the preceding year.

Employee benefit expenditure

Particular (₹ cr)	FY 2020-21	FY 2021-22
Provident Fund	51.61	53.07
Superannuation Fund	8.18	8.76
National Pension Scheme	3.22	4.14
Gratuity Fund	23.55	25.15
ESIC	0.26	0.28
Total	86.83	91.39

Investment in innovation and digitalisation

As on March 31, 2022, 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 centres are powered by our world-class technology ecosystem to provide more advanced solution in cement and concrete along with effective utilisation of waste and resources to develop better products that meet quality requirements and are more sustainable. With the most recent accreditation of Raipur and Kodla R&D centres, all our R&D centers are now duly accredited by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Gol.

Our research aims to bring together the best thinking and ideas to innovate boldly for people and the planet. We have strengthened our in-house capacity and partnered with different academics and agencies and government institutions such as Global Cement and Concrete Association (GCCA), National Council for Cement and Building Materials (NCCBM), IIT Delhi, and others.

During FY 2021-22, we invested ₹24.85 Crore on R&D, in line with our purpose to develop value-added and eco-friendly varieties of cement and concrete and improve the existing processes through digitalisation and automation.

We have also held discussions with The World Bank to act as a knowledge partner with them (including their affiliates), on projects/programmes relating to sustainability and climate change. We have offered to participate in initiatives, workshops, training programmes, 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.

Our in-depth research and innovation provides us with pragmatic insights on existing and new products that are environmentally superior and cost effective, while also meeting the product requirements set by concerned regulatory authorities. We are currently in the process of exploring the feasibility of another sustainable alternative to OPC, i.e., Limestone Calcined Clay Cement (LC3). LC3 cement can reduce CO₂ emissions by up to 40%, as compared to OPC, and contributes to sustainable growth and supports us in our commitment to reduce the specific CO₂ emissions. As a part of our research and development, we are exploring ways to accelerate Carbon Capture and Utilisation in collaboration with various associations, academic and research institutions.



Economic Performance

CASE STUDY

Innovandi project contribution

SCL is a member of the Global Cement and Concrete Association (GCCA) and is part of the 'INNOVANDI' project designed to accelerate the deployment of technologies that enable Carbon Capture, Usage and Storage (CCUS). CCUS includes removal of CO₂ produced during the clinkerisation process (part of cement production) from the exhaust gases and put it to productive use, or store CO₂ underground without harm. Under this project, GCCA identified various start-ups from around the globe that are in the process of developing new technologies in CCUS and created a platform for member companies to interact with these.

SCL has joined hands with one such start-up to explore a new technology that will improve the reactivity of off-spec and locally available blending material by treating it with CO₂ from flue gases from the cement kiln using patented Mechanically Assisted Chemical Exfoliation (MACE) technology. If successful, this could utilise CO₂ in an efficient way and achieve an important milestone in SCL's net zero journey.

The process is still in the preliminary stage and the technology is yet to be tested for application. After conducting a technical feasibility study, it is proposed to set up a pilot project at a small scale in the premises of one of the consortium members. If the pilot proves successful, there will be efforts made to scale it up to a practical capacity and test it before rolling it out.



Patents

We are the first Indian cement company to produce synthetic gypsum to replace natural gypsum in cement production. Our efforts have been acknowledged by the Government of India by awarding two patents on technology developed to manufacture synthetic gypsum. Two other patents are granted for our innovations in waste heat recovery and cement mill. We have filed one new patent within FY 2021-22, which is under review.

CASE STUDY

Use of modified poly carboxylic ether as a water reducing agent

We conducted several R&D experiments during the reporting period with a central focus on performance improvement and sustainability.

One such experiment was conducted with an objective to determine effect of water reducing additive on the performance of Ordinary Portland Cement (OPC). We used poly carboxylic ether as an additive which is known as high range water reducer, mainly used in making high strength mortar & concrete. The experiment showed an increased strength in concrete at additive dose of 0.20% with reduction in water to cement (W/C) ratio on various days of testing.

Increase in OPC strength		(in %)
Percentage increase in OPC strength		
3	<div></div>	29
7	<div></div>	21
28	<div></div>	25
n th Day		

Cyber security

Over the last decade, the number of information security breaches has increased exponentially exposing vulnerable users and systems to great risk. The effects of cyberattacks are widespread and can damage an organisation's reputation.

Our cyber security strategy ensures the confidentiality and integrity of business and customer data. We have adopted a 360-degree cyber security framework that covers people, processes and technologies. Our IT policy enhances our cyber security roadmap and is available to all the employees throughout the organisation. We regularly review and update our policy to improve data security and processes.

Our Chief Information Officer (CIO) is responsible for managing various aspects of cyber security strategy and ensures that our organisation remains protected in the context of dynamic cyber threats. Our Risk Management Committee at Board level oversees overall enterprise risks of the organisation related to cyber security.

As part of our continual strengthening of security systems and practices, every year, we carry out end-to-end assessment of IT infrastructure followed by cyber security awareness sessions for our employees on cyber threats and attacks. Our incident response team detects and eliminates attempts of security breaches or cyber-attacks through proactive planning and monitoring.

Digitalisation

@Mining

We use DATAMINE, a mining software for reserve estimation and day-to-day planning for maximum mineral recovery. We are the only company in the cement industry to use structural mapping for planning minimum wastage of limestone.



We are also the first cement manufacturing company to adopt Shree Dynamine, a GPS based truck dispatch system at our mines at Ras. Dynamic allocation of equipment along with optimisation of dumper routes are an important feature of Shree Dynamine. Entire operation is controlled from central control room and our prime focus is safety enhancement.

@Operations

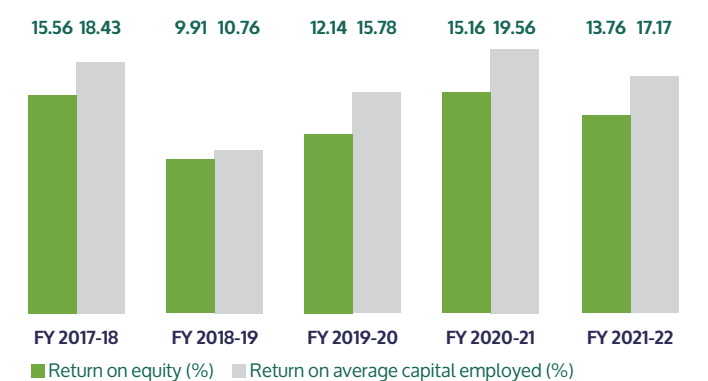
We are pioneers in using advanced technology to boost our operational excellence. We use the latest and most advanced technologies to setup our manufacturing facilities and allied processes.

We have been undertaking Computational Fluid Dynamics (CFD) studies to understand the air flow and take measures to enhance efficiency and hence, reduce power consumption.

We have installed online conditional monitoring system within our raw mills that helps us detect machine faults at a very early stage, prevents machine break down and thus, enhances equipment life through preventive maintenance. A kiln online Condition Monitoring System (CMS) is now being tested for monitoring kiln ovality, crank and vibration.

With an aim to optimise production lines, minimise equipment downtime and improve productivity, we are in the process of automating Plant Data Management System (PDMS) in collaboration with our multinational engineering service solution provider.

Return ratios



With our continued focus on faster project execution at the lowest capex cost and our cost leadership qualities, we generate robust returns on Capital employed. Despite significant rise in input and fuel cost, our RoCE remained at a healthy level of 17.2% in FY 2021-22 as well as Return on Equity was also maintained at 13.8%.

Environmental Stewardship

We aim to lead the way and create a global benchmark in efficiency and sustainability. With innovation at every level, our goal has been to manufacture cement sustainably, with minimal impact on our planet. We understand how crucial parameters such as Climate Change, Waste and Water Management, Air Quality and Preserving our Biodiversity are, and we make conscious and continuous efforts to work in ways that are beneficial to the environment.



Highlights

2.56 GJ/tonne of cement
Specific energy consumption

48.2%
Share of green power in total power consumption

263 MW
Total green power capacity (including waste heat recovery, wind and solar)

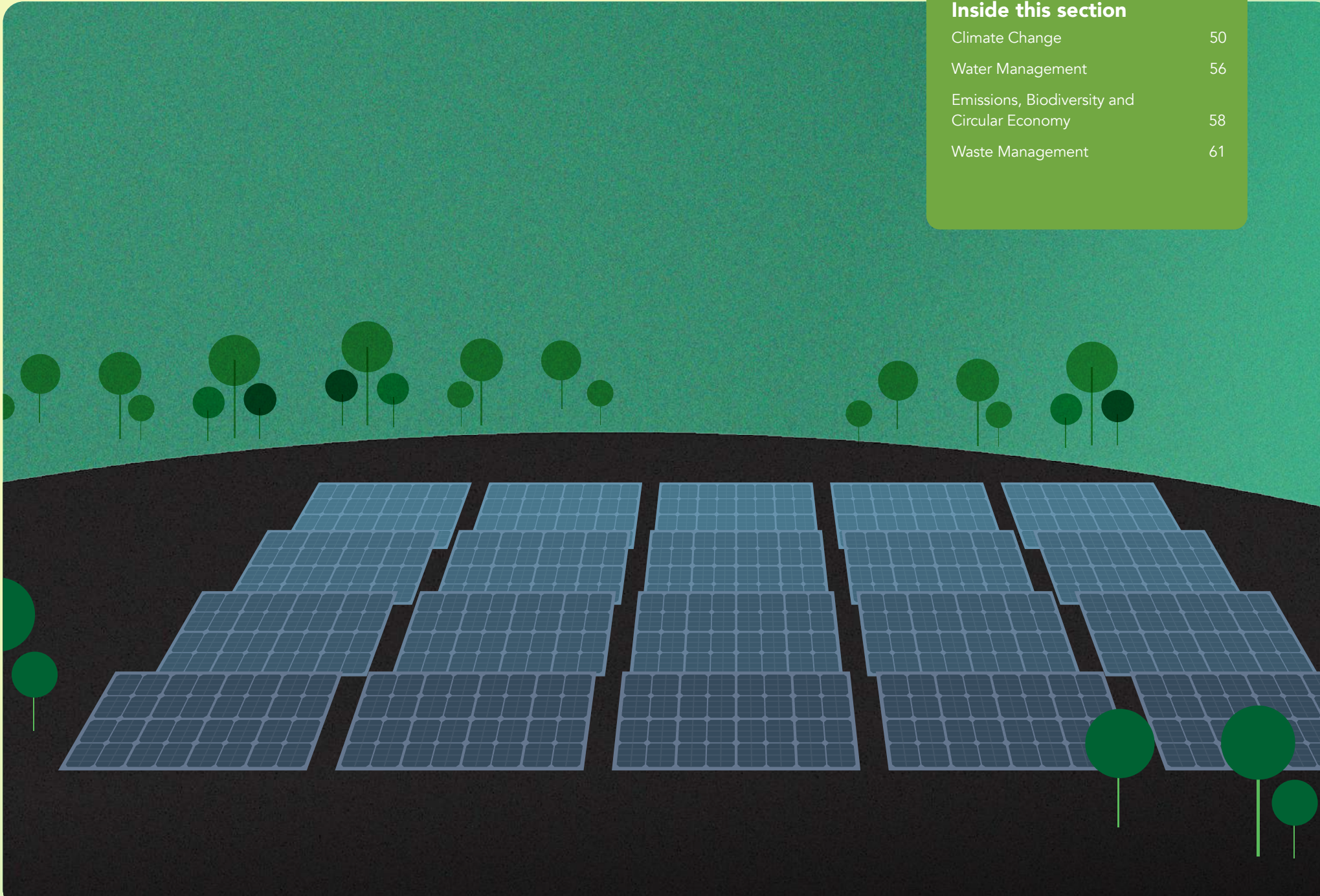
0.082 m³/MT of cement produced
Specific water consumption

> 5 times
Water positivity



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Climate Change

Mitigating Impact

We have taken utmost care about our impact on the climate, and have inculcated processes that bring a positive change. Our Climate Change Policy acts as an overarching guide, and we have been making continuous efforts to transition into a low-carbon organisation through regular investments, monitoring and improvement beyond compliance requirements.

Climate change mitigation strategy



Energy efficiency



Green energy



Alternate fuel



Innovation



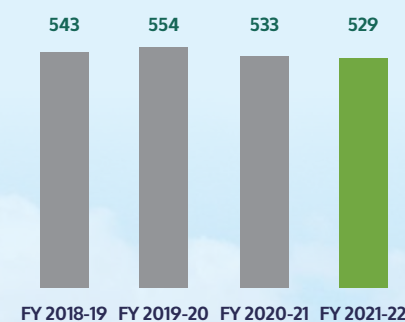
Advocacy of low-carbon products

GHG emissions

We aspire to adhere to GCCA's Roadmap to Net Zero Concrete 2050 and have set stringent medium-term targets for improved outcomes. Our targets include a reduction of 12.7% Scope 1 and 27.1% Scope 2 emissions per tonne of cementitious material vis-à-vis 2019 baseline by 2030. These targets have been validated by the Science Based Target initiative (SBTi).

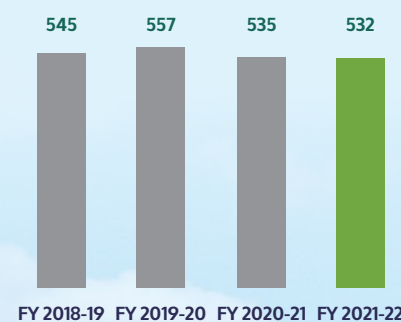
Specific Net Scope 1 CO₂ emissions

(kg CO₂/tonne cement equivalent)



Specific Gross Scope 1 CO₂ emissions

(kg CO₂/tonne cement equivalent)



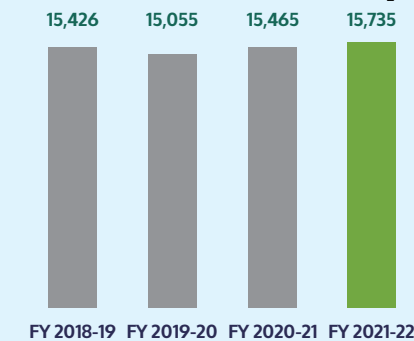
Specific Net Scope 1 emissions: Due to raw materials, kiln fuels and non-kiln fuels excluding CO₂ from onsite power generation and excluding CO₂ from alternative fuels per tonne of cement equivalent

Specific Gross Scope 1 emissions: Due to raw materials, kiln fuels and non-kiln fuels excluding CO₂ from onsite power generation per tonne of cement equivalent

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

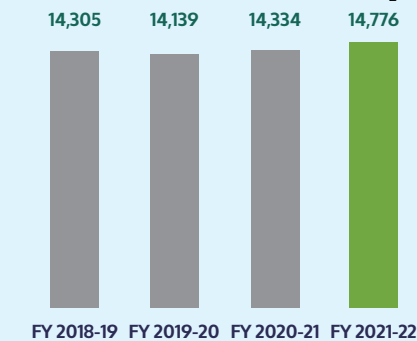
Gross Scope 1 Emissions*

Thousand tonnes CO₂



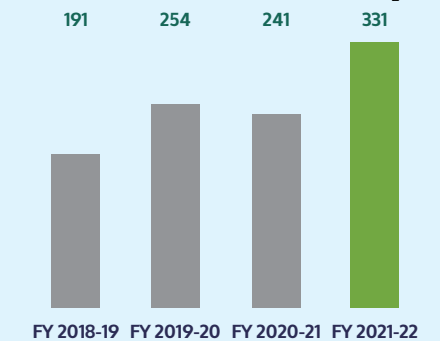
Net Scope 1 Emissions**

Thousand tonnes CO₂



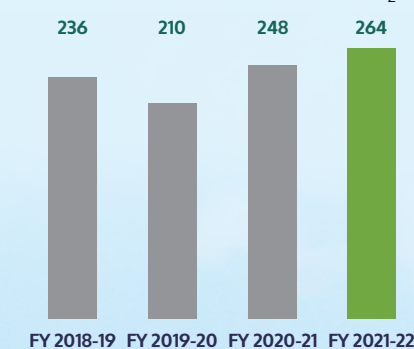
Scope 2 Emissions***

Thousand tonnes CO₂



Scope 3 Emissions****

Thousand tonnes CO₂



* Due to raw materials, kiln fuels and non-kiln fuels, including CO₂ from onsite power generation (all fossil sources)

**Due to raw materials, kiln fuels and non-kiln fuels, excluding CO₂ from onsite power generation and excluding CO₂ from alternative fuels

*** Scope 2 emissions: Emissions associated with purchased electricity from grid

**** The Scope 3 emissions include following categories:

Category 3: Fuel and Energy Related Activities;

Category 4: Upstream Transportation and Distribution;

Category 6: Business Travel;

Category 7: Employee Commuting;

Category 8: Upstream Leased Assets;

Category 9: Downstream Transportation and Distribution;

Category 13: Downstream Leased Assets



Climate Change



Energy management

We endeavor to optimise the quantity and type of energy consumption within our processes as we recognise that due to this, the positive impact is multifold. This helps gainful utilisation of wastes (including hazardous wastes) from other industries, enhances local sourcing, helps resolve problem of municipal solid waste and biomass waste disposal, frees up valuable landfill space and reduces conventional fossil fuel usage, contributing to reduced GHG emissions. Additionally, this helps us to control our energy costs.

Source-wise energy consumption details for the reporting period

Million GJ		
Energy Source	FY 2020-21	FY 2021-22
Solar, wind & biomass	0.26	0.37
Alternative fossil fuels	0.52	1.22
Waste heat recovery	2.96	3.01
Conventional fuels	67.36	66.41
Total energy consumption	71.10	71.01

Due to continuous optimisation in processes, adoption of newer technologies, and other initiatives, we have been able to reduce our total specific energy consumption year on year. Our overall specific electrical energy consumption including that produced from the captive power plants, has come down by over 2% during FY 2021-22 while our overall specific thermal energy reduced by around 6%.

Specific energy consumption



Specific thermal energy consumption*



*Including thermal energy consumption by captive thermal power plants, kilns, furnaces, on-site equipment and vehicles.

Specific electrical energy consumption



By the very nature of the manufacturing processes, a substantial portion of the Company's GHG emission comprises of emissions due to energy consumption. Hence, energy management becomes a crucial element of our climate change mitigation strategy. Towards this, we have taken measures such as advances in energy efficiency, enhanced use of green energy and alternative fuels. The energy consumption outside the organisation for the reporting period stood at around 6.84 million GJ. This includes energy consumed within fuel and raw material transportation and distribution, employee business travel and employee commute, upstream and downstream leased assets and product transportation and distribution.

Energy efficiency

We are constantly upgrading existing technology for better efficiency and power savings. Regular internal energy audits are conducted which help in better implementation of planned strategy, techniques, and a better output.

Some of our energy efficiency initiatives include:

- Replacing reciprocating compressor for plant air application with screw compressor in the grinding units
- Installation of new energy-efficient fans in place of existing inefficient fans
- Replacing the old (oversized) pumps with the energy efficient pumps
- Interconnection of pump pipeline for energy saving
- Installed low-pressure screw compressor for bulkier cement/fly-ash unloading which helped us unload bulkier more efficiently while providing substantial power saving

Energy conservation initiatives

Initiative Description	Annual Electrical Energy Savings (Lac KWH)	Annual Fuel Savings (TJ)
Deployment of EE Equipment	25.35	-
EE Lighting	24.43	-
Equipment modification	112.52	-
Installation of AFR feeding System for Kilns	-	1,196.00
Process Modification	84.92	1.40
Grand Total	247.22	1,197.40

~32,567 tonnes CO₂

Avoided annually from energy conservation initiatives taken during FY 2021-22

CASE STUDY

Installation of centrifugal compressor instead of reciprocating compressor for plant air application

Reciprocating compressors have been in use in the cement industries due to its robustness and easy maintenance. However, this has high specific power consumption and during the unload condition leads to power loss. As a part of internal energy audits, we had identified replacing reciprocating compressor with a centrifugal compressor that reduces the specific energy consumption.

We replaced all the reciprocating compressors with centrifugal compressors for plant air (Pyro, raw mills, coal mills and other areas) with a target to reduce specific energy consumption of compressed air power by 30-35%.





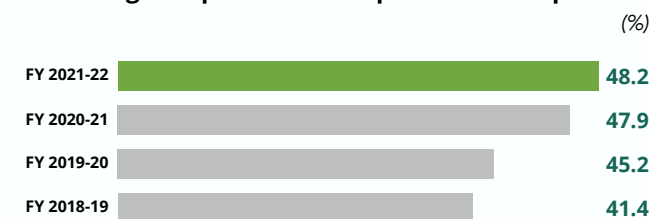
Climate Change

Green energy

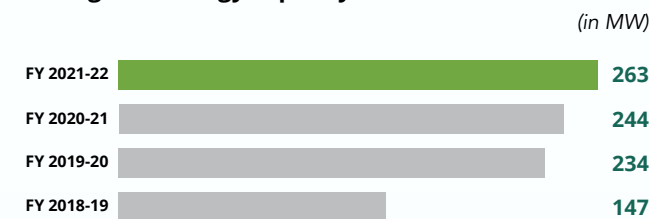
To meet our power requirement, we have installed power plants (thermal, wind, solar, waste heat recovery based) of aggregate capacity of 771 MW. Our power generation capacity from waste heat recovery based power plants is highest in the global cement industry excluding China.

Over time, we have added wind and solar power plants in our power portfolio. We have consistently increased the share of green power in the total power consumption and for the reporting period, the same stands at 48.2%, one of the highest in the industry.

Share of green power in total power consumption



Total green energy capacity



~0.74 million tonnes CO₂

avoided due to green power consumption within FY 2021-22

Alternate fuel

As a part of our strategy to reduce our carbon footprint, we have been focusing on replacing fossil fuel with alternative fuels. We have been able to increase the share of alternative fuel within total fuel consumption to 9.84% in FY 2021-22 against 6.03% in FY 2020-21. Alternative fuel in the kilns helped us achieve a Thermal Substitution Rate (TSR) of 2.41% of the kiln thermal energy consumption during the reporting period 2021-22 with our Kodla facility achieving a TSR of 6.7%.

9.84%

Alternative fuel within total fuel consumption

2.41%

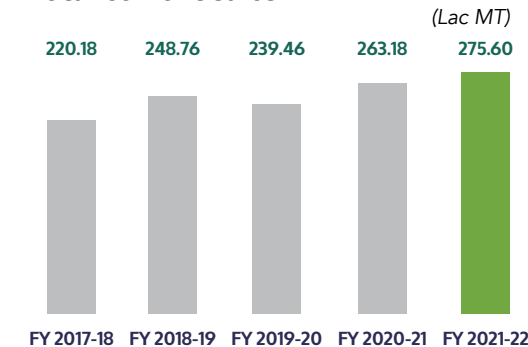
Kiln Thermal Substitution Rate (TSR)

We have further invested in state-of-the-art technology from Denmark and Italy to augment the usage of plastic waste & municipal waste i.e., Refuse Derived Fuels (RDFs) in cement kilns, to be commissioned by FY 2022-23. SCL has collaborated strategically with municipal corporations and the urban local bodies in the states of Rajasthan, Chhattisgarh and Maharashtra to support their waste disposal drive and exploring such partnerships for other states including Odisha, West Bengal, Haryana, U.P., Karnataka and Andhra Pradesh.

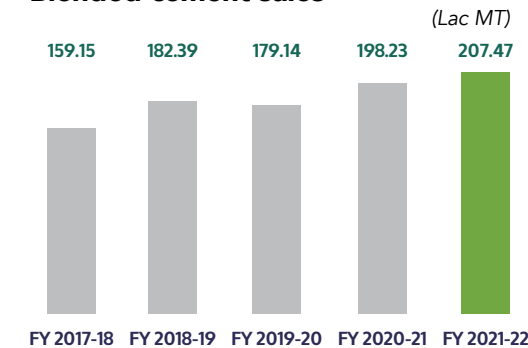
Low-carbon products: blended cement

Blended cement contributes to sustainable design by making concrete stronger and durable, reducing consumption of natural resources such as limestone, lowering greenhouse gas emissions, and promotes a circular economy by utilising wastes from power, and iron and steel plants. Our blended cement products are available under categories of Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement (CC). The use of blended cement helps our customer achieve credits towards Green Building Certification such as LEED USGBC/IGBC and GRIHA. Our constant effort has been to reduce our clinker factor, and as a result, our clinker factor came down to 63.25% in FY 2021-22 from 63.70% in FY 2020-21. During FY 2021-22, total blended cement accounted for 75.13% of total cement production.

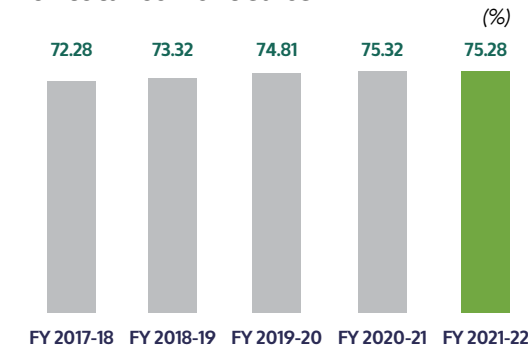
Total cement sales



Blended cement sales



Blended cement as a percentage of total cement sales



~6.04 million tonnes

CO₂ avoided by blended cement production in FY 2021-22

75.56%

Revenue from sale of blended cement within total cement sales

CDM projects

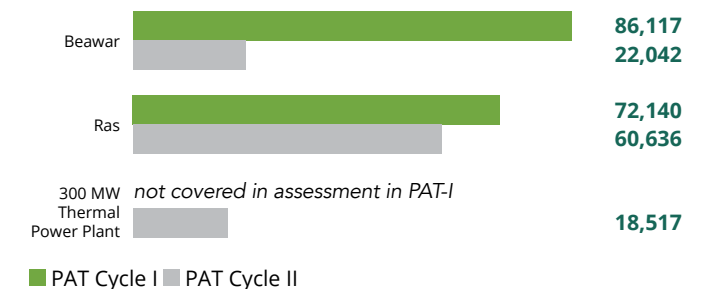
We were the first cement company in India to register its project 'Optimum Utilisation of clinker' with the United Nations Framework Convention on Climate Change (UNFCCC) under the Clean Development Mechanism (CDM). We were granted 4,50,000 units of Certified Emission Reductions (CERs) by UNFCCC for this project. Currently, we have two projects viz. waste heat recovery based power generation at Ras and generation of power through wind power plant at Kodla registered with gold standard through Verified Carbon Standard (VCS).

Performance under PAT

Our performance in energy conservation is getting exemplified at platforms like 'Perform, Achieve & Trade' (PAT) scheme of the Govt. of India wherein we overachieved our targets in PAT Cycle I, II and III continuously. We have been awarded 'Best Performer' for energy saving under PAT Cycle I by Bureau of Energy Efficiency. For Beawar and Ras plants, a total of 1,08,159 and 1,32,776 ESCerts have been issued under PAT Cycle I and II, respectively. Our 300 MW thermal power plant which was part of PAT Cycle II has also been accorded 18,517 ESCerts. Our cement plant in Baloda Bazar, Chhattisgarh has been included in PAT Cycle III (FY 2017-20) for assessment.

The monitoring and verification audit for PAT Cycle III has been completed and we have again overachieved our target and are entitled to claim 12,222 ESCerts. Our grinding units at Roorkee, Khushkhera, Jobner, Panipat, Bulandshahr and Aurangabad have been notified in PAT-VI cycle and targets have been notified for the same.

ESCCerts issued





Water Management

A Wave of Change

We have adopted an efficient data management system for monitoring water withdrawal, consumption, recycling and harvesting. The Water Management Cell (WMC) tracks and monitors real-time data at the inlets of water distribution networks. Water withdrawal, consumption and recycling, is reported on a monthly basis and observed by the senior management. Annual water audits are also conducted by reputed third party (i.e. FICCI) for our manufacturing units to understand water consumption and losses (if any) and take corrective actions as necessary to reduce water consumption appropriately. Ground water impact assessment/comprehensive hydrogeology study is being carried out in every two to three years through NABET accredited agency.

Additionally, third party water quality monitoring (including ground water quality and treated water quality) is done in accordance with applicable norms and reports are submitted to the authorities as per the regulatory requirements.

Further, cement manufacturing is a dry process through which no industrial waste water is being generated and discharged. However, there is generation of waste

water from power plants which is 100% utilised in synthetic gypsum plant and mill spray. Domestic wastewater generated in our plants and colonies is duly treated and recycled at all locations and the recycled water is further used for horticultural and other purposes.

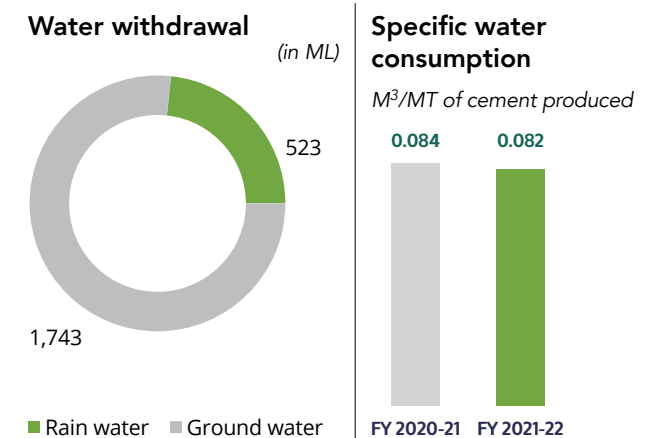
SCL treats and reuses 100% of the wastewater generated in its operations and it maintains Zero Liquid Discharge (ZLD) across all its operations.

While SCL complies with all the regulations issued for water management, we have gone beyond and adopted a two-step approach: water conservation initiatives such as rain water harvesting and an awareness campaign on water conservation. Over the years, we have implemented various water conservation initiatives within and outside our premises. Some of these are installations of air cooled condensers, waste heat recovery systems and drip irrigation systems. Further, we have developed and maintained artificial rainwater harvesting and recharge measures among others within our premises as well as nearby community. We also create awareness among the nearby villagers, farmers and school children to educate them for effective utilisation and conservation of water.

We carry out our mining activities responsibly, with a focus on water conservation. One of the major causes of loss of water is the evaporation of water stored within our mine pits. We use EVALOCK—a bio-degradable chemical used for reducing evaporation—in our rainwater harvesting pits that saves water loss by 30%.

Our initiatives have helped us optimise our water withdrawal and consumption over the years. For FY 2021-22, our water withdrawal was 2,266 ML and it was either withdrawn from ground water sources or attained through rainwater harvested

in mine pits or reservoirs. We treated and reused the entire 336.46 ML of industrial and domestic wastewater that was generated within our premises. The total water consumption during the reporting period was 2,280 ML. During the reporting period, the total rainwater harvested across all SCL locations was 11,602 ML. Thus, we were able to give back over 5 times the water we have consumed. There were no interruptions within our operations due to non-availability of water.



Being water positive

While ensuring optimum water utilisation in processes, rain water harvesting is practiced across our locations both within and outside our premises. In addition to rain water harvesting and ground water recharge structures, we have developed mine pits and reservoirs at our integrated locations with a combined water storage capacity of more than 40 Lac KL. These mine pits and reservoirs help us collect and store rain water and water from the mining process for use as needed.

Within the community we operate in, ground water availability and soil erosion are some of the inherent challenges. We constructed several water harvesting structures and undertook pond deepening work in the nearby villages in collaboration with Prabhu Foundation. This has helped villagers by increasing the duration of water availability and enhancing ground water recharge.

>5 times
Water positive

11,602 ML
Rainwater harvested across our plant locations



Emissions, Biodiversity and Circular Economy

Respecting our Environment

We take a multi-pronged approach to continuously make cement production sustainable. Our efforts revolve around resource conservation, responsible consumption and driving circular economy.

Stack and fugitive emissions

SCL takes all necessary measures to ensure that the emissions from its operations are well within the specified limits. Continuous emission monitoring is carried out to keep a check on the air emission parameters. State-of-the-art technology such as electrostatic precipitators, bag houses, de-NOx systems, low NOx burners, desulphurisation system etc., are deployed. To control fugitive particulate emissions, measures such as covered storage and covered conveying of material, installation of bag filters at all material transfer points, water sprinkling at haul roads and other designated areas, vacuum cleaning of roads and development of green belt are taken. All these measures have helped improve the air quality in and around the plant operations. There was no environmental non-compliance during the reporting period. Due to consumption of R22 within the existing cooling equipment, our Ozone Depleting Substances (ODS) emissions stood at 0.13 MT of CFCeq.

Air emissions

(gm/tonne clinker)	
Parameter	Sp. Emissions
PM	22.35
NOx	606.34
SOx	3.24

(tonne/year)	
Parameter	Emissions
PM	395.11
NOx	10,720.80
SOx	57.35

Based on emissions from kiln stacks as per as per the GCCA Guideline for emission monitoring and reporting

Biodiversity

Preserving and enhancing biodiversity in and around our operations are our major focus areas. We collaborate with local partners, university experts, research institutions and accredited consultants to conduct ecological studies on the species and habitats around our operations. Biodiversity action plans are developed wherever needed in consultation with local experts and concerned forest departments.

Our main approaches towards biodiversity management are: Avoiding, Minimising, Restoring and Enhancing. We ensure that we do not operate or set up any project within any World Heritage Areas, ecologically sensitive and protected areas, eco sensitive zones or high biodiversity value areas. We ensure that there is no direct or indirect significant impact on biodiversity of the areas that we operate in. We take necessary steps to ensure that there is no negative impact on International Union for Conservation of Nature (IUCN) threatened species due to our operations, rather we have prepared conservation plans for the improvement of habitats of native biodiversity in collaboration with regional forest authorities. Within the past four years, for Schedule 1 species found around our existing and upcoming project areas, we have deposited ₹50.52 Crore with the forest departments as per conservation plan approved by them, so as to conserve and protect the habitats of these species. Some additional expenses are yet to be deposited against Wild Life Conservation Plans (WLCPs) for different upcoming projects.

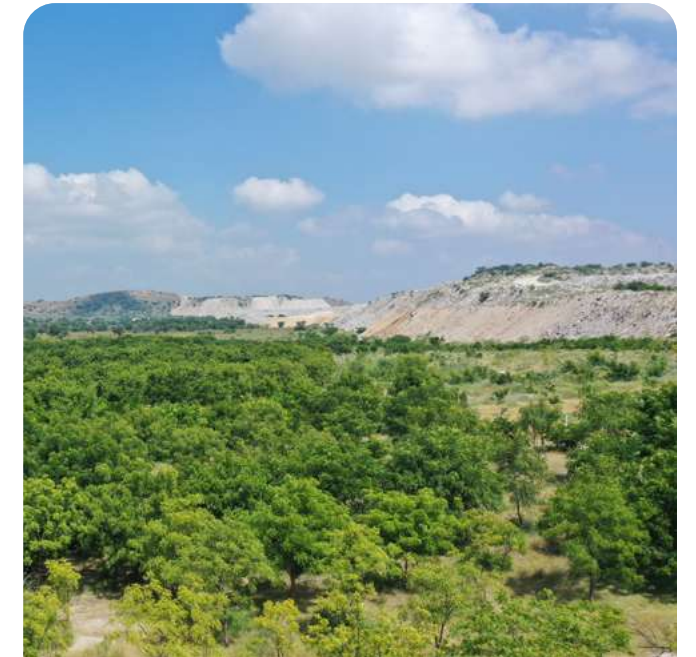
Extensive tree plantation activity is carried out in and around our plant boundary in collaboration with Prabhu foundation. This helps ensure development of green cover, arrest fugitive emissions and noise pollution and carbon sequestration, while offsetting negative impact of mining on floral biodiversity. Plantation of native species only ensures less water and maintenance requirement, good survival rate and minimises the impact due to invasive alien species. All the mature mining dump areas are duly levelled and restored by plantation of trees as well as grass plantation.

Circular economy

SCL aims to optimise the conventional material usage by maximising the use of alternative raw materials to produce cement. A large part of the alternative raw materials used is waste from other industries, which would otherwise be disposed. Through this approach, by converting them to useful products, we tend to minimise the environmental impact from these wastes.

Our conventional raw material consumption for the year

Conventional Raw Material	MMT	
	FY 2020-21	FY 2021-22
Limestone	25.55	26.54
Additives (Red ochre, red mud, bauxite, murrum, laterite etc.)	0.35	0.41
Natural gypsum	0.30	0.13
Total	26.20	27.08



Going green

The tree cover acts as a carbon sink and helps offset our carbon emissions. To protect our ecosystem, we plant saplings in and around our manufacturing facilities. The saplings are planted with tree guards and regular monitoring and maintenance is carried out to ensure their survival. During the reporting period, we planted 84,646 saplings, out of which 90% have survived. Existing more than 9.9 Lac trees across our locations have sequestered around 38,000 tonnes of CO₂ so far.

Major types of industrial waste/by-product as raw material to produce clinker

- Marble slurry
- Sludge

Major types of industrial waste/by-product as raw material to produce cement

- Bed ash
- Fly ash
- Gbfs slag
- Chemical gypsum
- Synthetic gypsum

Major types of industrial waste/by-product as raw material to produce synthetic gypsum

- Low-grade Limestone
- Sulphuric acid
- Spent sulphuric acid



Emissions, Biodiversity and Circular Economy

Resource conservation through alternatives

Gypsum is an essential component in manufacturing cement. To reduce our dependence on natural gypsum, we continuously look for alternate and more sustainable sources of gypsum. We pioneered in-house manufacturing of synthetic gypsum at our Ras and Beawar plants by using industrial hazardous material (spent acid) and low-grade limestone and bagged two patents on the manufacturing technology. We also procure chemical gypsum, which is a by-product of the fertiliser industry, to replace mineral gypsum.

>85%

Gypsum requirement met from alternative gypsum sources



Replacement of natural gypsum

Particulars	MMT	
	FY 2020-21	FY 2021-22
Chemical gypsum	0.27	0.36
Synthetic gypsum*	0.75	0.62
FGD gypsum	0.01	0.04
Other synthetic gypsum	1.01	1.41
Total alternative gypsum	2.04	2.43
Alternative gypsum (excluding synthetic gypsum)	1.29	1.81

*Synthetic gypsum is an intermediate product manufactured in-house using low grade limestone and spent acid, contributing to circular economy.

Other alternative raw material utilised within the reporting year

Alternate Raw Material	MMT	
	FY 2020-21	FY 2021-22
Bed ash	0.02	0.02
Fly ash	6.52	7.11
GBFS slag	0.48	0.31
Low-grade limestone	0.37	0.36
Marble slurry	0.19	0.07
Sludge	0.01	0.02
Sulphuric acid	0.25	0.26
Spent sulphuric acid	0.08	0.18
Total	7.92	8.33

Alternative raw material consumption accounted to 27.23%* of the total raw material consumption within the reporting year vis-à-vis 26.01%** of previous year FY 2020-21.

Raw material

Particulars	Unit	FY 2020-21	FY 2021-22
Alternative raw material	MMT	7.92	8.33
Alternative gypsum less synthetic gypsum	MMT	1.29	1.81
Total alternate raw material consumed(A)	MMT	9.21	10.14
Total conventional raw material (B)	MMT	26.20	27.08
Total raw material consumed (C= A+B)	MMT	35.41	37.22
Alternate raw material consumption (D=A/C*100)	%	26.01	27.23

* % Alternative material is calculated considering alternative raw material and alternative gypsum excluding synthetic gypsum within total raw material consumption as Synthetic Gypsum is an intermediate product manufactured in-house using low grade limestone and spent acid.

** FY 2020-21 % alternative material values were recalculated by excluding manufactured synthetic gypsum quantities from total consumption quantity as this is an intermediate product.

Waste Management

A Close Eye on Segregation and Disposal

At SCL, minimal waste generation and efficient processing form the basis of our operations. While we ensure no wastage of raw material from our processes, small quantities of waste are generated from maintenance and other processes. Waste, if not managed properly, can have serious impacts on the environment as well as the health and safety of the community and our workers. Hence, we take all the necessary measures to manage all the waste types as per the applicable regulatory and other requirements.

Used oil generated from our premises is co-processed within our kilns or disposed-off through authorised recyclers. The biomedical waste is disposed through an authorised agency as per the regulatory norms and is incinerated by them. Further, the e-waste and the batteries generated are disposed through authorised recyclers.

Scrap is generated during the maintenance of plant and machinery and allied processes. All scrap is disposed through registered recyclers only.

Hazardous waste generation quantity

Type	(MT)	
	FY 2020-21	FY 2021-22
Used oil	97.31	125.85
Biomedical waste	1.18	1.19
E-waste	21.20	19.8
Batteries	21.67	26.84
Total	141.36	173.68

Food is the most precious resource available to mankind. Thus, we promote and practice “take all you eat and eat all you take”. Various awareness measures are taken to minimise generation of food waste. Further, we ensure that any food waste generated is segregated from other waste streams for management in the most appropriate manner. During

Scrap generation quantity

Type	(MT)	
	FY 2020-21	FY 2021-22
Scrap filter bags	18.6	19.7
Inert scrap	-	194.3
Cardboard/paper scrap	7.8	8.6
Metal scrap	10,230.0	12,036.3
Plastic scrap	391.5	604.7
Rubber and tyre scrap	236.4	315.5
Wooden scrap	25.2	1.6
Total	10,909.5	13,180.7

the reporting period, 11.8 MT of food waste was generated from the plant canteen and guest houses across our locations out of which most is fed to the animals while remaining is composted through compost pits, pipe composting and organic waste composting systems. Compost thus produced is used locally as manure for horticulture purposes.

Social Sustainability

Engaging effectively with employees, society, customers, suppliers, and communities is at the heart of social development for us. Our employees are an important asset of our value creation process. For the holistic growth of our people, we have strategically devised policies, procedures and programmes that embed social sustainability into our culture.

Skill development of our teams and innovations to promote happiness to all our stakeholders are areas that get our constant attention. The health and safety management system ensures a safe working environment to our workforce. Our unfailing efforts has placed us amongst India's Best Companies to Work For 2021 by Great Place to Work® within top 100 companies in India.

We create pertinent intervention programmes to build communities that are stronger, more resilient, and prosperous.

Highlights

6,445
Strong workforce – permanent employees

13,019
Strong workforce – contractual employees

89
'Great Place to Work' survey score

1,35,244
Hours of training and skill development

6.27 lac
Lives impacted through CSR

₹57.54 cr
Spent on CSR initiatives

90%
Revenue from repeat customers



Inside this section

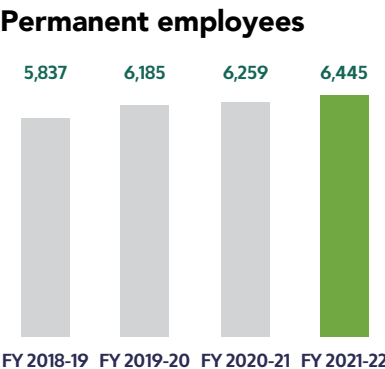
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Employee Engagement and Welfare

Our People. Our Strength.

At SCL, we foster a culture of sharing and caring, and provide our employees with opportunities that support their personal and professional development. We are dedicated to fostering inclusive, sustainable, and empowering work environments. Hiring qualified candidates and supporting their professional growth are key enablers for our progress. Our efforts are directed towards making work fulfilling, engaging, and rewarding for our employees, as we believe productivity is maximum when our goals are aligned with those of our employees.



India's Best Companies to Work

India's Best Workplaces in Cement & Building Materials

Commitment to Being a Great Place to Work.

India's Best Workplaces™ in Cement & Building Material Industry

India's Best Workplaces™ in Manufacturing

Great Place to Work-Certified™

Employees hired

Employee Category	Male				Female				Total
	<30	30-50	>50	Total	<30	30-50	>50	Total	
Senior management	-	8	4	12	-	-	-	-	12
Middle management	1	44	7	52	1	-	-	1	53
Junior management	460	283	5	748	1	3	-	4	752
Total	461	335	16	812	2	3	-	5	817

At SCL, the average recruiting cost is ₹6,065 per hire.



Diversity and inclusion

We are an equal opportunity employer. We value intellect and do not discriminate on any grounds. The proof of this is in the numbers. The ratio of male to female basic salary for middle management employees is 1:1.10, and for junior management employees 1:1.02.

Employee diversity

Employee Category	Male				Female				Total
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total	
Senior management	-	40	112	152	-	-	-	-	152
Middle management	-	714	198	912	1	10	2	13	925
Junior management	1,151	3,653	381	5,185	5	17	2	24	5,209
Workers (permanent)	-	81	78	159	-	-	-	-	159
Total-permanent employee	1,151	4,488	769	6,408	6	27	4	37	6,445
Workers (contractual)	4,731	7,487	617	12,835	3	136	45	184	13,019
Total	5,882	11,975	1,386	19,243	9	163	49	221	19,464



Employee Engagement and Welfare

Learning and Development

The learning and development programmes at SCL are designed to aid recruitment, retention, and development of our employees. We develop our employees' skills that gives them the confidence to succeed. We also encourage our people to manage their careers by participating in new projects and taking on new initiatives or positions. This helps them become more knowledgeable and develop skills that promote all-round growth. Our initiatives include extensive online and instructor-led learning sessions.

30,792 hours

Skill upgradation trainings

383 hours

Skill upgradation trainings to female employees

Online learning: ShreeSTEPS

We introduced an online learning project called ShreeSTEPS (School of Training Education and Personal Success) that was set up with support from learning platform EdCast. This project enabled us to conduct virtual trainings during the

pandemic, ensuring the learning never stopped. Within 10 days of the onset of the pandemic, we transitioned from traditional classroom-style teaching to digital training through this project. We recorded a 59% increase in training time because of the switch.

Becoming a learning organisation

We created a unified portal www.shreesteps.com as an extension of our project STEPS. This portal collects all the initiatives allowing us to become a learning organisation. This, combined with platforms like EdCast, helps enhance the learning experience.

Training hours

Employee category	Total hours		Average hours per employee		
	Male	Female	Male	Female	Total
Senior management	4,936	-	32.47	-	32.47
Middle management	61,091	1,079	66.99	82.99	67.21
Junior management	67,421	525	13.00	21.90	13.04
Workers	192	-	1.21	-	1.21
Total	1,33,640	1,604	20.86	43.37	20.98

Performance management

To orient employee development with SCL's success, we carry out periodic performance reviews. Setting SMART goals, gathering regular feedback, and engaging in timely reviews through the year, contribute to successful and efficient performance evaluations. Additionally, we give our workforce several opportunities to hone their functional skills that will align with SCL's corporate philosophy.

100%

Annual performance review of all employees in senior, middle, junior management levels and permanent workers

Employee benefits

The remuneration structure of SCL complies with all legal requirements. To encourage our employees to strive for better performance levels, we offer both tangible and intangible incentives, including awards and recognition. Our health and life insurance policies are set up keeping in mind the best interests of our employees and workers.

₹91.4 cr

Employee benefits expenditure in FY 2021-22

Refer to page 45 for details



Employee benefit scheme

Insurance	Retirement provisions	Parental leave	Funds	Special allowance	Others
Health insurance	Employees Pension Scheme (EPS)	Maternity leave	Gratuity	Transportation allowance	Car Lease
Personal accident insurance (Group)	Employees Provident Fund Scheme (EPFS)		Bonus as per Bonus act**	Uniform allowance	Benevolent fund (employee contribution scheme)
Life insurance	Employees Deposit Linked Insurance Scheme (EDLIS)			Medical allowance	Gift scheme (birthdays, anniversaries, marriage, retirement)
Employee State Insurance (ESI)*					

* Applicable as per ESI Act at covered units

** Applicable to all whose basic is less than or equal to ₹21,000

Employee separations

The voluntary and total employee turnover rate for permanent employees during FY 2021-22 was 7.48% and 9.79% respectively.

Age	Voluntary separations		Other separations [retirement & death]		Total separations	
	Male	Female	Male	Female	Male	Female
<30 years	136	-	17	-	153	-
30-50 years	330	1	45	-	375	1
>50 years	15	-	87	-	102	-
Total	481	1	149	-	630	1



Occupational Health and Safety

Safety First

We have clearly defined our safety objective, and that is Mission Zero Injury to minimise injuries across our plants. To create awareness and educate our employees, we conduct safety trainings, audits, and inspections regularly. Health and safety performance is reviewed during our Board meetings on a quarterly basis.

Enhancing the safety management system

We have a robust safety management system in place and it is constantly evaluated to strengthen its effectiveness. Interventions are made with the intention to promote safe behaviour, establish best practices, and foster a culture of safety among all our stakeholders.

Details of employee safety for FY 2021-22

Details	Employee Safety Details	Contractor Safety Details
Total man-hours worked	1,08,61,505	2,47,45,839
Safety training no. of programme	105	796
Safety training participants	2671	12,025
Lost time injury (in number)	1	14
Fatalities (in number)	1	1
Occupational disease case (in number)	-	-

As a corrective measure for the injuries and fatalities that occurred during the year, we have taken all the necessary initiatives to further strengthen our safety related aspects, so that such incidents do not re-occur.

Details of safety programmes for FY 2021-22

Particulars	Total
Truck driver training	
a) No. of programmes	112
b) No. of participants	2,453
Toolbox talks	
a) No. of programmes	9,258
b) No. of participants	83,263
Joint safety audits conducted	476
Mock drills conducted	58
Safety inspections by safety department	1,032

We have Standard Operating Procedures (SOPs) for identification of work-related health hazards such as exposure to carbon mono-oxide, sulphuric acid, dust pollution, noise pollution, heat among others. The SOPs also provide remedial measures for each of the health hazards.

Safety audits were conducted at Beawar and Ras power plants by team of auditors from National Safety Council, Mumbai. The council conducted a detailed audit for the safety management system, fire protection system, work place safety of plant machinery and maintenance system storage facilities. Additionally, we also conducted safety audit for electrical power supply distribution including the entire plant and facilities.

During the year, employee health and safety trainings were conducted virtually to maximise the outreach. Training topics covered a complete range of health related issues including heart diseases, COVID, infections, immunity, cancer etc., while safety trainings were imparted on behavioural based safety, PPEs, general safety awareness, equipment safety, defensive driving, fire prevention and fire fighting etc.

Ras Plant

33rd National road safety week

33rd National Road Safety Week 2022 was observed at all our units from January 11-17, 2022. It was done to raise awareness about traffic rules in an attempt to reduce road accidents. The road safety theme in 2022 was 'Sadak Suraksha-Jeevan Raksha'.

Through the week, a variety of educational banners and road safety posters were displayed, patrons were shown road safety films and leaflets related to the road safety were distributed to employees, contract workers, truck drivers and school children.

Eye check-up camp

A free eye check-up camp was organised at our Ras and Beawar plants for truck drivers, helpers, and light motor vehicle drivers. It was set up with the objective to reduce road accidents, thus safeguarding the life of drivers, helpers and road users. The camp offered a comprehensive eye check-up to 850 drivers at Ras and 410 drivers at Beawar, and free spectacles were also distributed to those who needed them. There was a team that educated the attendees on how to keep their eyes healthy. Our efforts were appreciated by the transporters and all in attendance.

51st National safety week

All our units celebrated the 51st National Safety Week from March 4-10, 2022. The theme this year was 'Nurture young minds—Develop Safety Culture'. It was celebrated with great enthusiasm and it brought awareness to people on how to prevent industrial accidents. The objective was to encourage everyone to abide by the safety rules. On this occasion, various safety competitions such as slogan, poster, poem, speech competitions, refresher safety trainings and quizzes were organised for our employees and contract workers. Various departments displayed the safety initiatives they had designed in the year. The closing ceremony saw the winners of the various contests take home trophies.

State safety award 2022

A state-level competition was organised by the Factories & Boiler Inspection Department, Rajasthan, in association with National Safety Council Rajasthan Chapter, on the 51st National Safety Day celebrated on March 4, 2022. Beawar unit won the 'State Safety Award-2022' for its exemplary work in areas like safety, health and welfare of the workers under the 'Large Scale Industries' category.

Annual health check-up and insurance provisions

To ensure our employees and their families have access to proper healthcare, we offer medical benefits like annual check-ups and health insurances. During COVID-19, we extended a number of benefits like specific COVID-19 leaves, in case an employee or their family tested positive for the virus. When there was a severe oxygen shortage during the second wave, we offered assistance to make sourcing easier for our people. A special insurance coverage called Corona Kawach of ₹2.5 Lac was introduced for all employees.

On-site emergency control plan

A structured on-site emergency control plan that follows the 1948 Factories Act has also been established by us. This serves as a fundamental concept for emergency procedures to safeguard infrastructure, people, and the public, reduce harm to the environment and property, and examine accidents to assess what efforts we need to invest to enhance the emergency management response going forward.



Human Rights

Respect Goes a Long Way

We adhere to ethically and legally sound procedures for all our operations. Our policies, procedures, and ethical trainings all demonstrate our commitment to upholding each person's rights throughout our activities. Our policy on 'Ethics, Transparency and accountability, and Code of Conduct' incorporates human rights related requirements.



We respect and protect the fundamental rights of each and every one of our employees across all operations and safeguard their dignity. This approach is guided by the UN Global Compact, UN Guiding Principles on Business and Human Rights, the International Labour Organisation's (ILO) Declaration of Fundamental Principles and Rights at Work, and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Our policy on 'Ethics, Transparency and accountability, and Code of Conduct' provides guidelines on:

- Providing equal opportunities to all our employees, regardless of age, gender, cultural background, level of education, length of employment, and not tolerating discrimination on any basis
- Employees' conduct at the workplace that ensures securing the Company's assets and confidential information
- Prohibiting any act of harassment, where any kind of violation would result in a punishable offence
- Business integrity, anti-bribery and anti-corruption norms are to be strictly practiced
- Responsibility towards the local communities and mechanism to fulfil the same

We are proactive in generating awareness on human rights and transparency. We have successfully imparted 6,242 hours of training to 3,568 employees (55% of our employees) on issues related to human rights. We also delivered 1,876 hours of training on Ethics, Transparency and Accountability to 951 employees.

We are in the process of developing human rights impact assessment framework to proactively identify and assess potential impacts and risks related to human rights. Our human rights due diligence process is expected to be completed in the next couple of years.

3,568

Employees trained on human rights

6,242

Man hours of training on human rights

Prevention, prohibition and redressal of sexual harassment at workplace

For the prevention, prohibition and redressal of sexual harassment and discrimination at workplace, we have formed the internal complains committee. The committee is chaired by the senior most woman member of the organisation and has four members. We comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were zero cases of discrimination during the reporting period.

Labour relations

Workers are employed through contractors and they are members of the recognized trade unions. To maintain harmonious relations there are wage settlements among unions and concerned contractors after collective bargaining process. Contractors pay the wages according to the settlement.

We provide a minimum sixty days' notice to our employees and their representatives prior to the implementation of significant operational changes (such as closure) that could substantially affect them.

There was no strike, lockout in the plants during the reporting period because of harmonious industrial relations among management, employees, contractors and their workmen.





Customers

Knowing our Customers

Our working environment is evolving faster than ever before, and this changes the way we work and adapt. Our capacity for anticipating and responding to megatrends and delivering the right product to our customers at the right time enables us to record sustained and profitable growth.

With our stringent guidelines, procedures, and robust mechanisms, we ensure to cater to customer expectations. We value our customers’ privacy and take precaution to safeguard customer data. There was no complaint related to breach of customer privacy and loss of customer data within the reporting year.

The key focus areas for our customers are:



Timely delivery of quality products



Environmental sustainability of the product



Guidelines for efficient use of the products



Timely acknowledgment and resolution any complaints



Excellence in product quality

We believe in delivering excellent quality products. The Bureau of Indian Standards (BIS) requirements and labelling rules regulate the quality and labelling of our products, and we have well defined checks in place to make sure that these standards are met. Additionally, to ensure that our products have no adverse effect on health, Material Safety Data Sheet (MSDS) is created for our cement products, specifying various health and safety aspects. There were no incidents of non-compliance related to product labeling or health and safety from our products.

Over the years, customers have observed our brands Rockstrong, Bangur, and Shree Jung Rodhak as high-quality products with easy availability. Our two recent products, Bangur Power and Concrete Master Roofon, were specifically launched after an extensive R&D process, for premium niche markets where we perceived unmet consumer needs and saw it as an opportunity. These products have been received well by the customers and we have seen fantastic feedback from the intended market. With this, we have quickly been able to fill the gaps in customer demand in our catchment area.

Customer satisfaction study

Customers are at the heart of our company, and our work is to deliver value to them. Customer satisfaction is a vital factor in our success. Being able to deliver high-quality products on time, in accordance with customer needs, and addressing concerns, have allowed us to build a consistent customer base.

Customer satisfaction score

FY 2021-22	85%
FY 2020-21	80%

Revenue from repeat customers

FY 2021-22	90%
FY 2020-21	85%

Improved packing with LPP bags

In most cases, cement is stored in woven bags, often resulting in spills and wastage. This also impacts the quality of the surrounding air. As a result, we package every one of our items in Laminated Poly-Propylene (LPP) bags. LLP bags guarantee that no product is spilled, protecting the environment and preventing waste. All our cement bags strictly follow the BIS guidelines, are made of poly propylene and are 100% recyclable.

Efficient use of cement by masons

The cornerstone of the building sector and the real cement consumers are masons. Therefore, we provide training to masons on how to utilise cement in the most effective manner and in a way that prevents product wastage. This in turn help conserve valuable raw materials used in the making of cement.

Shree technical awareness van

An innovative concept, Shree Technical Van was introduced to improve the quality of housing by creating awareness through practical demonstration. The van consists of several facilities like samples of good and bad quality material, testing materials and casting moulds. A qualified civil engineer visits far off locations and shows people and masons how to construct houses with optimum resource utilisation.

The power of digitalisation

After a thorough study and market analysis, we created the smartphone app Nirman Mitra to bring masons, contractors, architects, retainers, under one roof. This app is used for operating engagement initiatives across the market. Over 3.5 Lac influencers have registered on this app, and more than 25% of them regularly participate in our numerous programmes. Following its development, we introduced a quantity-based programme to keep them engaged. As a result, sales volume at dealers/retailers saw a significant increase, and the network's faith in our brand increased.





Supply Chain

Strengthening the Link

The sustainability of cement begins at the time of procurement of input materials and services. Timely supply of good-quality input materials gives us an edge in business operations. The relationship that we have built with our suppliers and service providers, and the quality service we get from our suppliers and contractors/transporters over three decades help us in running our production cycle in a timely and efficient manner.

Vendor Code of conduct and ESG performance

We have a vendor code of conduct for manufacturers and suppliers that defines the standards of ethical and responsible behaviour manufacturers and suppliers must meet. This is applicable to all our manufacturers and suppliers, and it covers various environment 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 integration of environment, social and governance criteria in the supply chain management.

To ensure environmental sustainability, we strongly encourage our existing suppliers to undergo environment and social impact assessment while the new suppliers are assessed through a third-party to understand their processes, strengths, and capabilities before onboarding. During the reporting period, six new suppliers were screened based on various environment and social parameters. We give preference to new vendors and suppliers who comply with all environmental and social assessments. We did not identify any negative environmental or social impact in our supply chain. During FY 2021-22, we have onboarded 817 new suppliers in the O&M stores category through our robust onboarding agreements.

To build a sustainable supply chain, we work closely with our critical suppliers. For us, a critical supplier is the one with whom the annual business is more than ₹5 Crore in the

previous year, or the vendors who supply a product for which they are the only/major source. During the year, we identified 68 suppliers as critical suppliers under stores category.

Local procurement

We believe in community development and mutual upliftment and thus procure most of our raw materials from local businesses. Indigenous raw material and store and spares consumption during the reporting period was 99% of total raw material and stores and spares consumption.

Railway siding development

We have invested in reinforcing our logistics capabilities in the form of railway sidings at various plant facilities. We already had these facilities at our manufacturing plants at Beawar and Ras. We also had a dedicated private railway freight terminal for our Baloda Bazar plant through our wholly owned subsidiary. This year, we have completed the work of new siding at our plant in Jharkhand, while the work of new siding is near completion for our plants in Maharashtra and Karnataka. The new sidings will generate savings in logistics cost as well as improve logistics capability.

99%

Local consumption of raw material, and stores and spares

CASE STUDY

Shifting road transport to rail transport to save cost as well as reduce emission

Regular availability of vehicles is a common challenge for our Eastern India operations. Also, the vehicles available are mostly of low capacity vehicle. This results in un-economical inter-unit clinker movements in the region compared to other operational geographies of the Company. Also, low capacity vehicle result in higher Scope 3 emission compared to higher capacity vehicles. To negate this, we decided to shift to rail transport by assuring them guaranteed traffic throughout the year. Sensing the potential, Railway authorities also allowed us applicable discount under Station-to-Station (STS) scheme. This has resulted in cost-efficient inter-unit clinker transfers as well as low carbon emission compared to road transportation.



CASE STUDY

Replicating success stories, achieving efficiency

For transfer of clinker to our Patas grinding unit from clinker plant at Kodla, the transporters started using 14-wheeler trucks as prevalent and available in the region. 14-wheeler trucks have carrying capacity of ~40 MT. In our manufacturing facilities situated in Northern India, 22-wheeler trucks are used that have capacity of ~55 MT. Thus, the 22-wheeler trucks have greater efficiency compared to 14-wheeler trucks as prevalent in Southern India. To replicate the efficiency of our Northern India plants, we encouraged transporters engaged with North units with 22 wheelers truck to operate in Kodla to Patas as well. From this encouragement and opportunity to work with us, the transporters started operating in that region as well with 22-wheeler trucks which resulted in optimising the freight by utilising higher capacity and fuel efficiency. It ended up being 'win-win' for us and the transporters.



CASE STUDY

Continuation of uninterrupted supplies in delhi market by CNG trucks

At times, 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 the ban and, we were able to serve our customers without any interruption. This proved an environment friendly solution vis-à-vis conventional transportation.





Community

Growing with Our Community

SCL firmly believes in giving back to the community. We understand that value creation and making a positive impact cannot be attained without support from society. Therefore, through various Corporate Social Responsibility (CSR) initiatives, SCL's constant endeavour has been to protect the community, create opportunities for people, drive fulfilment, make progress together sustainably.

Our operations contribute towards the Sustainable Development Goals of Good Health and Well-being, Zero Hunger, Quality Education, Gender Equality, Clean Water and Sanitation, and Decent Work and Economic Growth.

A particular emphasis is placed on connecting with customers, creating long-term relations with suppliers, and partnering with local communities. SCL has invested in community development initiatives. To enhance its supplier

Highlights for FY2021-22

6.27 lac

Lives impacted

₹57.54 cr

Spent on CSR initiatives

and customer base, the Company has turned to local procurement and prioritised strengthening relationships through partnerships and collaborations. These approaches have been beneficial to the organisation, and helped it prioritising CSR and sustainable growth, while being cognisant of all environment, social and governance parameters.



Community consultation framework

We follow community development strategy with initiatives interlinked to our long-term objectives for sustainable development. Our business and economic growth has always complimented community development. Our community development interventions are guided and monitored by a Board level committee headed by an Independent Director. For monitoring the CSR activities at the ground level, we have dedicated CSR teams which work in tandem with the local communities.

Our business objectives are aligned with the community development objectives of creating value for all. Thus our interventions related to Corporate Social Responsibility (CSR) are focused on thematic areas such as Healthcare, Water supply and sanitation, Environmental Protection, Art and culture, Rural Development and sports, Education, Gender equality and Women Empowerment, Sustainable livelihood, Support to veterans of armed forces and war widows.

Our process for community engagement starts with needs assessment. We take timely feedback from the local community to know their concerns and ensure that our activities are aligned towards fulfilment of their needs. We also carry out impact assessment to estimate impact of our initiatives and take feedback from the community on a regular basis. During the reporting period, there were zero cases of violation involving the rights of indigenous people.

Communication with stakeholders



Assessment of needs and requirements



Designing of a suitable programme as per the identified requirements



Implementation of the programme identified



Programme monitoring and implementation



Impact assessment of material interventions



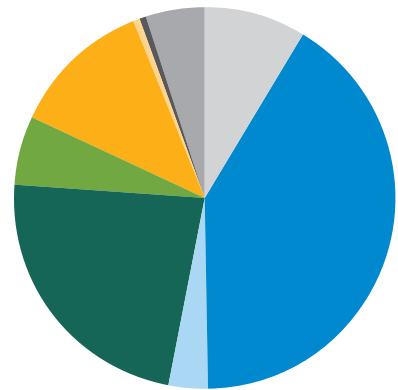


Community

Responsibility towards the community

Key thematic areas of CSR activities

Amount spent in FY 2021-22 (in ₹ Crore)



5.10	Healthcare, water, sanitation and hygiene	23.53	Rural development
1.90	Environmental protection	13.39	Culture and arts
3.39	Women empowerment and support to old age and needy	6.81	Education and sustainable livelihood
0.33	Promotion of sports	0.31	Support to war widows and dependents
2.78	CSR overheads		

With the support from internal and external stakeholders, the Company's CSR programme benefitted 6.2 Lac people during the reporting period.

Sustainable livelihood

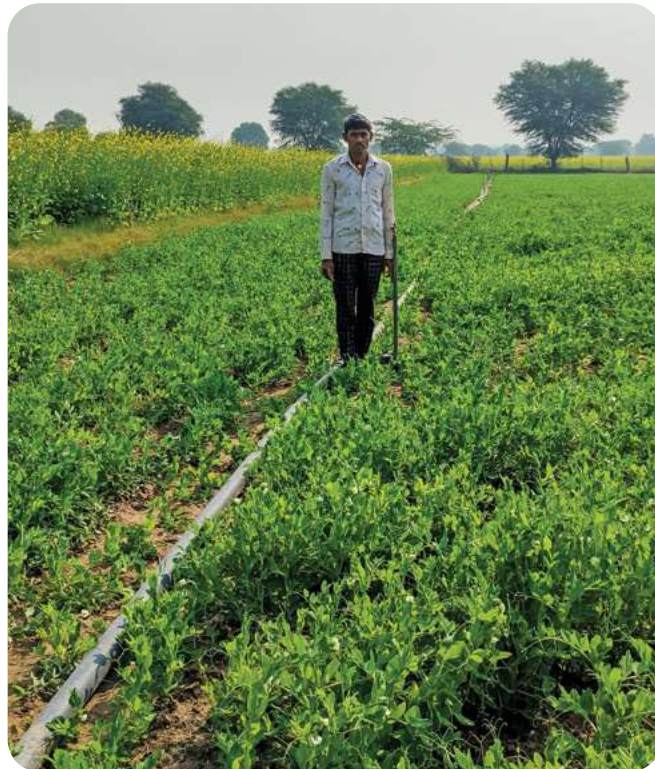
All sustainable livelihood programmes primarily focus on the local communities through agricultural and non-agricultural initiatives.

Agricultural initiatives

- Visits are planned for farmers to the nearest Krishi Vigyan Kendra, for skill development
- Agricultural tools, high-quality seeds and green fodder seeds are provided to ensure improved yield.

Non-agricultural initiatives

- Internship opportunities are provided to students from prestigious institutions such as IITs and IIMs to enhance their practical knowledge
- Vocational training in nearby mines is arranged for students from ITIs



Women empowerment and skill development

Through Shree Shakti Project, the Company endeavours to provide women with a self-made status in the community.



Vocational training for women

Rural women are trained in income generation activities like tailoring, sewing, carding and spinning, pickle and sauce making.



Helping every girl child

Housing essentials like beds, mattress, utensils and more are provided to girls above the age of 18 years who are getting married. In addition to this, when a girl is born, a fixed deposit of ₹5,000 is provided; this can be withdrawn when they turn 18.

Promotion of sports

Sports help in all-round development of young children and the Company has launched a number of initiatives to encourage sports with the following interventions:

Support district sports association in organising various sporting events.

Support for construction and renovation of sports club, stadiums and sporting facilities

Several sports events are organised in schools. Sporting equipment are also distributed among the lesser-privileged sections of the community





Community

Environmental sustainability

Towards environment protection, various initiative are taken by the Company to ensure green belt development in the areas surrounding its operations.



Saplings are provided to farmers for the development of green belt. These include fruit-bearing plants, hybrid vegetable crop seeds and in-house tree guards

Plantation programmes and drives are conducted in schools to cultivate environmental awareness

Mass tree plantation activities are also carried out in collaboration with government administrations to develop green belts in surrounding areas

Community infrastructure and rural development

Development of infrastructure such as roads and transport connectivity contribute to the overall development of a region. The Company undertakes projects that develop and improve the infrastructure and facilities in the areas around its operations:

- Construction, repair and upgradation of community assets such as gram panchayat buildings, sewage systems and community toilets, community centres in villages, etc.
- The organisation also builds water reservoir pots for animals.
- Construction and repair of roads in nearby village to improve safety and convenience.



Support to veterans of armed forces, war widows and their dependents

As a respect to martyred soldiers who sacrificed their lives for the nation, Shree Cement Limited has launched 'Project Naman'. Under Project Naman, the Company supports the dependents of martyred soldiers by providing cement to build their homes.

Social welfare and promotion of art and culture

Preserving the local arts and crafts is an essential component of local cultural development. The Company has undertaken the following social welfare projects to promote the local arts and culture:

- Extend support to institutions to organise events that provide a platform for artists to showcase their talent in the field of painting, music, theatre, local folk, literature, poetry, etc.
- Organisation of fairs and events that help showcase Indian traditional art forms and promote social harmony.
- Contributed for preservation, construction, maintenance and upgradation of sites of historical importance/ local history and ancient tradition.





Community

Healthcare

Healthcare facilities are extended to local communities through SCL's Wellness Management Centers (WMC), and setting up health camps. SCL's health initiatives are focused on areas such as COVID-19 relief, health benefits to new mothers and their babies, and cleanliness and hygiene programmes.

COVID-19 relief

- The Company established a care centre near its facility in Sedam (Karnataka), and distributed essential items such as masks, sanitisers, medical kits, medicines, etc. in the nearby communities.
- From in-house oxygen plants in SCL facilities at Ras (Rajasthan), Baloda Bazar (Chhattisgarh) and Kodla (Karnataka), the Company also volunteered to refill the oxygen cylinders at government hospitals on free of cost basis.



Health care for new mothers

- Project 'Mamta' has been set up to offer regular health check-ups to pregnant women, new mothers and infants.
- SCL also organises medical camps for pregnant women to advise them about medicines, diet and vaccination during pregnancy.



Hygiene, cleanliness and water

- Under 'Shree Swachhata' project, SCL distribute dustbins, diaries with cleanliness slogans on it and celebrate cleanliness weeks to drive awareness about cleanliness and hygiene among people.
- The Company has also undertaken water supply activities by constructing public water huts, bore wells and distribution of RO water facility to remote villages during summers.



Educating the community

Education builds a strong social foundation for the community. To strengthen the core social structure of the communities, Shree Cement Limited has undertaken educational drives under the following initiatives:

Quality education

- The Company works to improve the quality of education in Government schools by providing basic infrastructure and facilities, including construction of classroom, upgrading facilities, providing study materials, uniforms, etc. SCL regularly facilitates schools with teachers based on assessment of student teacher ratio.
- To improve the digital hold of local communities, the Company has set up computer learning centres.



Inclusive education

Under 'Shree Ki Pathshala' initiative, SCL provides tuition classes to students appearing for 10th standard board exam.



Promotion of heritage literature

Through implementing partner 'Education For All' Trust, SCL undertakes 'Project Muskan' to popularise heritage literature and culture among young children nationwide by weaving it into formal and informal education.

CASE STUDY

COVID support

SCL relentlessly worked through the devastating second wave of the pandemic. In-house oxygen plants were operated by its employees which helped fill and refill oxygen cylinders for government hospitals free of charge basis. Over 36,000 cylinders were refilled by the Company from all oxygen plants at Ras, Balodabazar and Kodla facilities during year 2021-22. Apart from this, the Company provided its own oxygen cylinders to the government hospitals.





Awards and Accolades

Recognitions that Lauds our All-round Excellence



Award of Honour to Laksar unit by SIDCUL Manufacturers Association Uttarakhand for 'Outstanding Service During COVID - 19'



Five Star Rating to Nimbeti Limestone Mine by Ministry of Mines for three consecutive years - FY 2017-18, FY 2018-19 and FY 2019-20



Green Leaf Environmental Excellence - Platinum Award to Ras plant by Apex India Foundation



Significant Achievement in HR Excellence for 12th CII National HR Excellence Award, 2021-22



Challengers Award - Mega Large Business at Sustainability 4.0 Awards 2021 by Frost & Sullivan and TERI



Silver medal for Kodla unit at National Award for Manufacturing Competitiveness 2021-22 by International Research Institute of Manufacturing®



Supply Chain and Logistic Excellence (SCALE) Award - 2021 - by Confederation of Indian Industry (CII) for 6th consecutive year



Gold award in manufacturing sector for 'People Engagement Practices' by Confederation of Indian Industry (CII)



First prize in Cement Sector in Rajasthan Energy Conservation Award - 2021 by Department of Energy, Govt. of Rajasthan



Among India's 100 Best Places to Work for 2021 by Great Place to Work® Institute India



Best Workplaces™ in Cement and Building Materials Industry by Great Place to Work® Institute, India



Great place to work Certified by Great Place to Work® Institute India

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Sustainability Performance Indicators

Sustainability Performance Indicators

Parameters	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Climate Protection	Total CO ₂ emissions – gross	Million tCO ₂	15.73	100
	Total CO ₂ emissions – net	Million tCO ₂	14.78	100
	Specific Net Scope 1 emissions	Kg/tonne cement equivalent	529	
	Specific Gross Scope 1 emissions	Kg/tonne cement equivalent	532	
	Independent third-party assurance of CO ₂ data (frequency)		Annual	100
Emissions Reductions	Specific NOx emissions*	gm/tonne clinker	606.34	
	Specific SO ₂ emissions*	gm/tonne clinker	3.24	
	Specific PM emissions*	gm/tonne clinker	22.35	
	Ozone Depleting Substance (ODS)	Metric tonnes of CFC-11	0.13	
	Clinker produced with monitoring of major and minor emissions	%	100	
	Clinker produced with continuous monitoring of major emissions	%	100	
	Independent third-party assurance of emissions data (frequency from 2011)	%	Annual	
Fuels and raw material	Specific heat consumption of clinker production	KCal / Kg of clinker	733	
	Alternative Fuel Rate (Including Biomass)	%	9.84	
	Biomass Fuel Rate	%	0.4	
	Alternative Raw Materials Rate	%	27.23	
	Clinker/Cement Ratio	%	63.25	
	Sites with quarry rehabilitation plans in place	%	100	
	Sites with community engagement plans in place	%	100	
Biodiversity KPI no.1	Number of quarries within, containing or adjacent to areas designated for their high biodiversity value, as defined by GRI 304	Number	0	
Biodiversity KPI no.2	Quarries with high biodiversity value where biodiversity management plans are actively implemented	%	NA	
Water	Total water discharge by source	Million m ³	0	
	Total water discharge by quality and destination	Million m ³	0	
	Destination: Surface water	Million m ³	0	
	Destination: Groundwater	Million m ³	0	
	Destination: Water discharge for offsite treatment	Million m ³	0	
	Destination: Water discharge to others	Million m ³	0	
	Total water consumption (for cement)	Million m ³	2.28	
	Percentage of sites with a water recycling system	%	100	
	Specific water consumption	m ³ /MT of cement produced	0.082	
	Water reused	Million m ³	0.336	

* Based on emissions from kiln stacks as per as per the GCCA Guideline for emission monitoring and reporting

Parameters	Key Performance Indicator	Unit	Data	Coverage (% of clinker production)
Employee Health and Safety	No. of fatalities (directly employed)	Number	1	
	No. of fatalities per 10,000 directly employed	Number	1.78	
	No. of fatalities (indirectly employed)	Number	1	
	No. of fatalities (3 rd party)	Number	0	
	No. of Lost time injuries (directly employed)	Number	1	
	Lost time injury per 1m man-hours (directly employed)	Number	0.09	
	No. of Lost time injuries (indirectly employed contractors and subcontractors)	Number	14	
	Lost time injury per 1m man-hours (indirectly employed)	Number	0.57	
	Total no. of lost time injuries	Number	15	
	Independent third-party assurance of safety data (frequency)		Annual	

IFC Performance Indicators

Category	Unit	Value/Reference to Section
Occupational Health & Safety		
Accident rate - Direct Employee	LTI per million hrs.	0.09
Accident rate - Indirect Employee	LTI per million hrs.	0.57
Fatality Rate	Per million - man hours worked	0.09
Fatality Rate (indirect)	Per million - man hours worked	0.04
Occupational Health & Safety monitoring programme		Annual
Resource use and waste		
Hazardous waste – Liquid (Used Oil)	KL	149.82
Hazardous waste - Solid	Metric Tonnes	47.82
Air emissions levels for cement manufacturing		
Dust*	gm/tonne clinker	22.35
NOx - for cement facilities*	gm/tonne clinker	606.34
SO ₂ for cement facilities*	gm/tonne clinker	3.24
CO ₂ - from decarbonisation (raw material)	tCO ₂	9,483,478
CO ₂ - from fuel (kiln)	tCO ₂	5,128,829
HCl	Mg/Nm3	4.483
Hydrogen Fluoride	Mg/Nm3	0.378
Total Organic Carbon	Mg/Nm3	4.071
Dioxins – Furans	Mg/Nm3	0.016
Cadmium & Thallium	Mg/Nm3	0.003
Mercury (Hg)	Mg/Nm3	0.001
Effluent Level Cement Manufacturing		
pH	NA	Zero Effluent Discharge
Total Suspended Solids	NA	Zero Effluent Discharge
Temperature increase	NA	Zero Effluent Discharge
Resource Energy Consumption		
Materials-substitute raw materials used in clinker production (Fuel)	%	9.84
Substitute raw materials in cement production	Million tonnes	10.13
Fuel energy - cement	GJ/tonne of cement	2.39
Electrical energy - cement	GJ/tonne of cement	0.17

* Based on emissions from kiln stacks as per as per the GCCA Guideline for emission monitoring and reporting



Abbreviations

AFR	Alternative Fuel Resources
ACC	Air Cooled Condensers
CAGR	Compound Annual Growth Rate
CC	Composite Cement
CCUS	Carbon Capture, Utilisation and Storage
CER	Certified Emission Reduction
CFCEq	Chlorofluorocarbon equivalent
CFD	Computational Fluid Dynamics
CMD	Central Marketing Division
CMS	Condition Monitoring System
CPCB	Central Pollution Control Board
CSBR	Corporate Social and Business Responsibility
CSR	Corporate Social Responsibility
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
FTE	Full Time Employee
GBFS	Granulated Blast Furnace Slag
GCCA	Global Cement and Concrete Association
GHG	Green House Gas
GPTW	Great Place To Work
GRI	Global Reporting Initiative
GU	Grinding Unit
IFC	International Finance Corporation
IIM	Indian Institute of Management
IIT	Indian Institute of Technology
ILO	International Labour Organisation
ISO	International Organisation for Standardisation
ITI	Industrial Training Institute
IUCN	International Union for Conservation of Nature
KPIs	Key Performance Indicators
LC3	Limestone Calcined Clay Cement
MACE	Mechanically Assisted Chemical Exfoliation
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheet
MSME	Micro, Small and Medium Enterprises
MSW	Municipal Solid Waste
NABET	National Accreditation Board for Education and Training

NCCBM	National Council for Cement and Building Materials
NOx	Oxides of Nitrogen
NVG	National Voluntary Guidelines
ODS	Ozone Depleting Substance
OPC	Ordinary Portland Cement
PAT	Perform, Achieve and Trade
PDMS	Plant Data Management System
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
R&D	Research and Development
RDF	Refuse derived Fuel
REC	Renewable Energy Certificate
RO	Regional Office
RoCE	Return on Capital Employed
SBO	Strategic Business Obejective
SBTi	Science-Based Target Initiative
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SOx	Oxides of Sulphur
SPCB	State Pollution Control Board
SPP	Shree Power Plant
SRPP	Shree Raipur Power Plant
TAT	Turn Around Time
TSR	Thermal Substitution Rate
UCC	Union Cement Company
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
VCS	Verified Carbon Standard
WHRS	Waste Heat Recovery Systems
WMC	Wellness Management Center
ZLD	Zero liquid discharge



Assurance Statement

DNV

Independent Assurance Statement

Introduction

DNV represented by DNV Business Assurance India Private Limited ('DNV') has been engaged by the management of Shree Cement Limited ('SCL' or 'the Company', Corporate Identity Number: (L26943RJ1979PLC001935) to carry out an independent assurance engagement of its non-financial/sustainability performance (qualitative and quantitative data) disclosed in the Company's Sustainability Report 2021-22 ('the Report') in its printed format including references to the Company's website. The sustainability performance in this Report covers disclosures corresponding to the reporting period 1st April 2021 – 31st March 2022 and relates to material topics identified by SCL.

The sustainability disclosures in this Report have been prepared by SCL in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 ('GRI Standards') and its Comprehensive option of reporting, as well as the disclosures related to the Global Cement and Concrete Association (GCCA) and UN Global Compact (UNGC). The reporting boundaries for sustainability performance covers fourteen (14) plant locations in India, that is, four (4) integrated unit locations at Beawar, Ras, Raipur and Kodla, and ten (10) grinding units locations at Patas, Jobner, Laksar, Khushkera, Suratgarh, Aurangabad, Burudih, Athagarh, Bulandshahr and Panipat for the period 1st April 2021 to 31st March 2022, and is as brought out in the Report in the section '*About this Report*'.

DNV planned and performed its assurance engagement (Type 2, Moderate level) and its activities based on AccountAbility's AA1000 Assurance Standard v3, and DNV's assurance methodology VeriSustainTM during August 2022 - November 2022. In doing so, we evaluated the qualitative and quantitative disclosures presented in the Report considering the GRI's Principles of Defining Report Content, together with the Company's protocols and formats for measuring, recording and reporting sustainability performance. Our engagement did not involve any engagement with external stakeholders or site visits to SCL. The assurance was conducted based on desk reviews, limited interaction with data owners and other publicly available data/information made available to us.

The intended user of this assurance statement is the Management of SCL. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.

Responsibilities of the Management of SCL and of the Assurance Provider

The Management of SCL has the sole responsibility for the preparation of the Report as well as the processes for collecting, analysing and reporting the information presented in the Report and is also responsible for ensuring the maintenance and integrity of its website and referenced disclosures on sustainability performance and management approach. In performing this assurance work, DNV's responsibility is to the Management of SCL; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith and free from material misstatements or errors. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

We did not come across limitations to scope of the agreed assurance agreement during our assurance process. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) activities, and other financial data of SCL within the Report are based on audited financial statements which have been subjected to a separate independent statutory audit process and is not included in our scope of work. We were not involved in the review of financial information within the Report.

¹ The VeriSustain protocol is available on request from www.dnv.com and is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI's Reporting Principles. GRI's Principles for defining Report Content and Quality.

DNV

Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our moderate level of assurance opinion, and as part of the assurance engagement, a multi-disciplinary team of sustainability and assurance specialists reviewed sustainability disclosures related to SCL's fourteen (14) operational sites. We carried out remote assessments with SCL as one-to-one and in-person discussions and onsite location assessments were not feasible. We undertook the following activities:

- Reviewed the approach to stakeholder engagement and materiality determination process and its outcomes as brought out in the Report;
- Conducted interviews with selected senior managers at the Corporate Office and sampled locations of SCL responsible for management of sustainability issues disclosed in the Report, and carried out reviews of selected evidence to support topics and claims disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's overall sustainability objectives;
- Assessed the robustness of the data management systems, data accuracy, information flow and controls for the reported disclosures and specific performance data related to identified material topics, as well as the processes for data consolidation in context to the principle of Completeness as per DNV's VeriSustainTM;
- Examined and reviewed selected supporting evidence including documents, data and other information made available by the company related to sustainability disclosures presented within the Report;
- Performed an independent assessment of the Company's reporting against the key reporting requirements of GRI Standards: Comprehensive option and application of Principles for Defining Report Quality and Report Content.

Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly adhere to the GRI Standards and the requirements related to a Comprehensive option of reporting, as well as disclosures related to the GRI topic-specific Standards which have been chosen by SCL to bring out its performance against its identified material topics. Without affecting our assurance opinion, we also provide the following observations.

Principles of the AA1000 AccountAbility Principles Standard (2018)

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the key stakeholder groups who have been identified by SCL, that is, the entities who are directly impacted by the Company's activities or those foreseen to be reasonably impacted. The key modes of engagement through which formal timely communication and engagement with these stakeholder groups occur as well as the key concerns and priorities arising from these engagements are brought out within the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report brings out the materiality assessment exercise carried out by SCL which initially considered inputs such as global sustainability standards, peer and regulatory reviews, and group management processes. The issues identified were prioritized based on importance to stakeholders, impact on business and the external operating environment, followed by validation by senior management teams to arrive at the final list of material topics.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report articulates the responses and action plans to the needs and concerns highlighted by key stakeholder groups, as well as the descriptions of internal and external impacts, overall strategies and

Assurance Statement



governance mechanisms related to material topics, including key performance indicators through chosen GRI topic-specific Standards. The Report brings out the process of integration of material issues into the overall business strategy with actionable goals.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Impact
The level to which an organization monitors, measures and is accountable for how its actions affect its broader ecosystems.
 The Report brings out the processes, strategies and performance metrics used by SCL to monitor, measure and evaluate significant impacts linked to material topics identified by the Company.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

Specific Evaluation of the Information on Sustainability Performance
 We consider the methodology and the process for gathering information developed by SCL for its sustainability performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable; the personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability. Nothing has come to our attention that the information provided to us was inconsistent, inaccurate and unreliable, or that the Report is not a faithful description of SCL’s reported sustainability activities for the reporting period.

Reliability
The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.
 The Report explains the processes through which sustainability performance data is captured across SCL’s operational units through its data management systems and protocols. The majority of data and information verified through our remote assessments and reviews with SCL’s management and data owners were found to be accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been identified, communicated and corrected.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Additional principles as per DNV VeriSustain Completeness
How much of all the information that has been identified as material to the organisation and its stakeholders is reported.
 The Report brings out SCL’s sustainability performance during the period 2021-22 related to its identified material topics through GRI topic-specific Standards as well as disclosures related to UNGC and GCCA, for the Company’s reporting boundaries covering fourteen operational sites (grinding units and integrated plants) across India.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness with respect to scope, boundary and time.

Neutrality
The extent to which a report provides a balanced account of an organization’s performance, delivered in a neutral tone.
 The Report presents SCL’s sustainability performance during the reporting period in a neutral manner in terms of report content including key concerns and needs of stakeholders, and descriptions of significant risks and mitigation strategies, so as to not unduly influence stakeholder opinions made based on reported qualitative and quantitative information.

Nothing has come to our attention to suggest that the report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including



documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct² during the assurance engagement and maintain independence where required by relevant ethical requirements including the AA1000AS v3 Code of Practice. This engagement work was carried out by an independent team of sustainability assurance professionals. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement, Independent Greenhouse Gas Verification Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to SCL or its subsidiaries in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

For DNV	
Vadakepatth , Nandkumar Digitally signed by Vadakepatth, Nandkumar Date: 2022.11.07 18:05:06 +05'30'	Radhakrishnan, Kiran Digitally signed by Radhakrishnan, Kiran Date: 2022.11.07 17:02:37 +05'30'
Vadakepatth Nandkumar Lead Verifier DNV Business Assurance India Private Limited, India.	Kiran Radhakrishnan Technical Verifier DNV Business Assurance India Private Limited, India.

7th November 2022, Mumbai, India.



DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

² The DNV Code of Conduct is available on request from www.dnv.com (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

Feedback Form

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

1. Quality of content covered in the report
- A. Excellent
- B. Good
- C. Low
- D. Poor
2. Clarity of information presented in the report
- A. Excellent
- B. Good
- C. Low
- D. Poor
3. Quality of design of the report
- A. Excellent
- B. Good
- C. Low
- D. Poor

4. What additional information would you like to see in our future reports?

5. Any other suggestions or areas of improvements?

Kindly provide your contact information for further correspondence:

Name :

Designation :

Organisation :

Contact address :

PLEASE EMAIL YOUR FEEDBACK TO:

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

**Registered Office**

Bangur Nagar, Beawar - 305 901,
District-Ajmer, Rajasthan.

Phone: (+91) 1462-228101-06
Fax: (+91) 1462-228117/228119
Toll Free: 1800 180 6003/6004

Corporate Office

21 Strand Road, Kolkata - 700 001,
West Bengal.

Phone: (+91) 33-22309601-05
Fax: (+91) 33-22434226

Save Trees. Protect Environment:
This sustainability report is a green
initiative and is available only digitally.