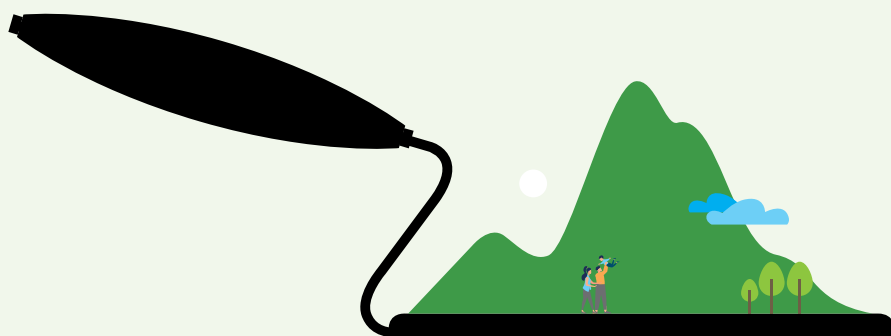


Building a greener world



Building a greener world

Within the context of accelerating climate change and the urgent need for action, one of mankind's greatest challenges is to find alternate paradigms for development and human progress that balances the needs of both man and nature.

It is at this cusp of change that India is emerging as a self-reliant world power, one of the youngest nations in the world with a growth rate that beats all other emerging economies. India's growth will take the form of new roads, railways, bridges and other connectivity networks. It will also mean mass housing, spreading industrial and commercial infrastructure – all of which will require cement.

We, at JK Cement, have built our capabilities to assist India in building a greener tomorrow and a sustainable world. As one of the largest producers of 'green' cement in the country, we have embedded sustainability deep within our growth strategy and use it as the fulcrum for all that we plan to do in the future. Our goal of making cement with more than three-fourths of renewable power feed is one of the most ambitious in the world and we are well on target to achieving this. Our sustainable progress will show the way for many others, which only strengthens our resolve to achieve our green agenda.





Creating
a sustainable
supply chain

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Contributing to
the development of
India's hi-tech medical
research capabilities

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Turning to bamboo
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Preserving local
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Read more online at
jkcement.com

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About our Integrated Report

Reporting framework

This Report has been prepared in line with Global Reporting Initiative (GRI) sustainability reporting standards in accordance with "Core" option. The report also aligns with the Value Reporting Foundation's (erstwhile International Integrated Reporting Council) International Integrated Reporting <IR> Framework and contains performance indicators in line with Global Cement and Concrete Association (GCCA).

Reporting boundary and scope

The boundary of the report covers our Indian operations and encompasses the following.

Environmental data reported is for the manufacturing sites, grinding units, and our CPP. The information for remaining KPIs represents the entire organisation unless otherwise mentioned. The report excludes the non-financial performance of our subsidiaries as well as non-financial data from our cement plants outside of India.

Reporting period

This Report covers information from the period 1st April 2021 to 31st March 2022

Data compilation methodology

This report is based on the data on our best-adopted practices and globally accepted frameworks. We calculated carbon emissions using the GNR data workbook developed by the WBCSD Cement Sustainability Initiative (CSI) and European Cement Research Academy (ECRA) and have used relevant conversion factors to quantify the emissions. We have disclosed our non-financial metrics, showcasing the change in our performance over the last few years. We reserve the right to change our internal guidelines regarding the inclusion of data in future Integrated Reports. Any changes will be clearly communicated to our stakeholders.

Forward looking statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations.

Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Performance highlights FY 2021-22

Financial Performance

13.1 MTPA Production Grey cement , White cement and Wall Putty. ⬆️ 19%	₹ 7,529 Crores Net Sales ⬆️ 21%
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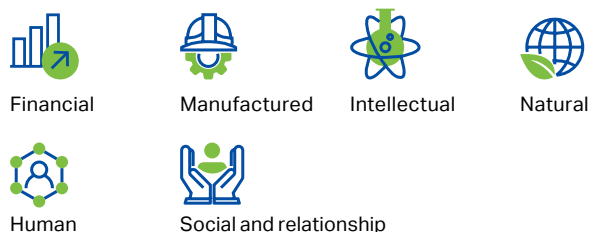
₹ 1,536 Crores EBITDA ⬆️	₹ 631 Crores PAT ⬆️ 5%
---------------------------------------	-------------------------------------

₹ 4,252 Crores Equity ⬆️ 14%	0.51 Net Debt to Equity
---	-----------------------------------

₹15 per share Proposed dividend	1.45 Net Debt to EBITDA
---	-----------------------------------

Navigation Icons

Our capitals



Our stakeholders



Our strategic objectives



ESG Performance

JK Cement is one of the Indian cement companies to submit the Energy Compact with the Ministry of New and Renewable Energy

0.56 LTIFR	ZERO Fatalities	65.6% Clinker Factor
----------------------	---------------------------	--------------------------------

32% Green power in energy mix	8.9% Thermal Substitution Rate	4.6x Water positive
---	--	-------------------------------

~2x Growth in training hours for employees (y-o-y)	0.596 tCO₂e/tonne cementitious material GHG Emissions Intensity (Scope 1+2)
--	--

⬆️ yoy



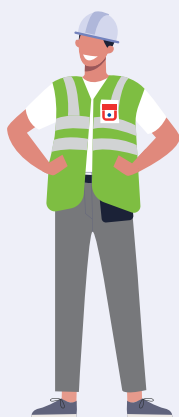
About us

Building scale with sustainability

Over more than 45 years, JK Cement has partnered in the dreams and ambitions of India and its people. As one of the country's leading integrated cement manufacturers and building product makers, we have continuously evolved – expanding our facilities, innovating and launching new products, optimising our costs and answering to market needs. Today, our focus equally is on building a greener tomorrow through sustainable manufacturing.

As we keep pushing our boundaries, consolidating our market position is a major priority. We are achieving this through planned capacity expansion and by entering into new markets. Sustainable manufacturing is another significant priority. In line with this, we are working on making our operations sustainable by increasing the use of renewable energy and alternate fuels, improving clinker factor, reducing waste, and ultimately increasing input-output efficiencies. With a defined expansion roadmap and clear sustainability targets, we are on course towards a dynamic future.





Market leadership

As a market leader we constantly strive for more and work relentlessly towards our ambition of becoming a leading cement producer. We contribute significantly towards nation building. Our products are used to create the infrastructure that the country needs and some of India's most prominent landmarks carry the JK Cement stamp.

A leading Grey Cement manufacturer in India

Committed to Science Based Targets to reduce Greenhouse gas emissions and Climate Change impacts

One of the world's leading White Cement manufacturers

One of the largest White Cement and Wall Putty manufacturers in India

Integrated manufacturing

Our state-of-the-art integrated manufacturing and split grinding units enjoy strategic locational advantage. Our facilities are located close to our captive limestone mines and fly ash sources. They are also well connected to end-markets by road and rail networks, ensuring seamless delivery to our customers

14.7 MTPA

Current grey cement capacity

25 MTPA

Grey cement Capacity by FY 2024-25

2.81 MTPA

Current white cement capacity including 0.6 MTPA facility in the UAE

102.5 MW

Current Coal Based Captive Power Capacity

17.2 MW

Current Solar & Wind Power Capacity (including Group Captive)

55.7 MW

Solar & Wind Power capacity (including Group Captive) by FY 22-23

42.3 MW

Current Power Capacity from Waste Heat Recovery System (WHRS)

84.3 MW

WHRS capacity by FY 2023-24

Driving Sustainability Agenda



Climate and Energy

Lead Metric 1
Specific direct net CO₂ emissions

Performance in FY 2021-22
553 kgCO₂/tonne cementitious

(Scope1+2 excluding CPP & AFR)

Lead Metric 2
Share of Green Power

Performance in FY 2021-22
32%

FY 2029-30 target
465 kgCO₂/tonne cementitious

FY 2029-30 target
75%



Waste as Resource

Lead Metric
TSR Rate

Performance in FY 2021-22
8.9%

FY 2029-30 target
35%



Environment

Lead Metric
Water Positivity

Performance in FY 2021-22
4.6x

FY 2029-30 target
5x



People

Lead Metric 1
Gender Diversity

Performance in FY 2021-22
2.4%

Lead Metric 2
Training per employee

Performance in FY 2021-22
11 hrs

FY 2029-30 target
5%

FY 2029-30 target
20 hrs

What defines Us

Guiding our way



Our Vision

To be the preferred manufacturer of cement and cement-based products that partners in nation building, engages with its community and cares for all stakeholders.

Our Mission

JK Cement aims to deliver innovative products and solutions that meet the needs of its customers. Together with our exceptional people and strong stakeholder relationships, we commit to the highest standards of quality, productivity, sustainability, and performance that drive shareholder value and long-term success.



★ Our Values ★



Honour our commitments

We are committed to being honest and ethical in all interactions, maintaining the highest ethical standards in all our markets, financial and operational practices.



Strive for perfection

We are passionate about creating a culture of perfection that encourages and promotes excellence in products and services through innovation and continuous improvement.



Take pride in our promises

We are serious about accepting the responsibility to win and maintain the trust of our stakeholders.



Observe, understand, assist

We genuinely care about our relationships and use compassion to observe and understand stakeholder requirements; and be available to assist in improving the lives of all.



Empower, inspire and respect

We treat one another with respect and collaborate openly. All ideas are welcome, and we value diversity and perspective.



Our memberships and associations

JK Cement is a member of various industry associations. Our employees, belonging to the senior management, periodically represent JK Cement on several platforms and participate in discussions on upcoming regulations, global market scenarios, macro and micro trade environments, etc.

The Associations that we are a part of are listed:



Member of JK Organisation



Global Cement and Concrete Association (GCCA)



Federation of Indian Chambers of Commerce and Industry (FICCI)



Confederation of Indian Industry
Confederation of Indian Industry



Cement Manufacturer's Association (CMA)



Science Based Targets Initiative (SBTi)



Carbon Disclosure Project (CDP)



S&P Global
Corporate Sustainability Assessment (CSA)

Product range

Creating products that answer to today's needs

As a leading manufacturer of cement and building products, JK Cement has introduced products that fulfil market needs. With a growing portfolio of 'green' cement brands we are progressively balancing the need for cleaner construction options with the considerations of costs, material sourcing and customer centricity.

A portfolio of brands preferred by millions:

Grey Cement



JK SUPER CEMENT Ordinary Portland Cement(OPC)

We produce two grades of OPC: 43-grade and 53-grade, of which 53-grade OPC has superior quality and higher strength. Our OPC brand enjoys high demand because of its extra strength and fineness and is suitable for all kinds of concrete components production.



JK SUPER CEMENT Portland Pozzolana Cement (PPC)

PPC is an all-weather cement variant which also protects structures from corrosion and increase their longevity.



JK SUPER CEMENT Portland Slag Cement(PSC)

PSC is a long-lasting product that also offers a host of green benefits, and is less resource intensive, with lower CO₂ emissions. Its mix of Sulphate and Chloride offers superior protection against the elements.



JK SUPER STRONG Concrete Special

Gives 35% extra strength compared to regular cements and cuts down on cement consumption by more than 10% due to its micro particle enhancement.



JK SUPER PROTECT Weather Shield

The product is highly resistant to water as it is manufactured with Water Repellent Additives. It thus creates mortar, plaster and concrete that resists water seepage, has higher compressive strength and needs less water to prepare.

White Cement



JKCement WhiteMaxX

India's first premium white Portland cement produced with unique raw material and state-of-the-art technology, with an enduring and consistent white colour. It is basic input material for various value-added products. Its ultimate whiteness and strength renders it perfect for both exterior and interior applications, decorative items, composites (garden furniture) and ornaments like glass or synthetic fibre reinforced concrete, etc.



JKCement RepairMaxX

A versatile product used for sealing, filling cracks and gaps, jointing, patching compound on interior as well as exterior surfaces. Its versatility and ease of application makes it a common choice in the masonry as well as household (DIY) segment.



JKCement WallMaxX

White Cement based fine wall putty. It takes care of the unevenness and covers the pin holes of the walls to give a smooth base for the top coat. It increases durability of the painted surface and protects the peeling of paint and avoids microbial growth. It is formulated with Abrasion Resistant Technology, which provides durability and enhances life of the paint.



JKCement SmoothMaxX

A specially designed white cement based putty with Micro Particle Technology, which ensures a complete matrix to develop an extra smooth coat leading to flawless pearl like finish on walls. It gives monolithic premium finish, lustrous white smooth surface and higher coverage on the wall.



JKCement ShieldMaxX

White cement based Universal resistant wall Putty with active Silane molecules. The advanced formulation of the product helps to protect the walls from dampness and is ideally suitable for both interior and exterior applications. It helps in protecting the walls and prolongs the life of paints by minimizing efflorescence, due to its unique sealing properties.



JKCement LevelMaxX

A white cement based polymer modified, self-curing mortar. It is a water resistant product for all types of internal and external levelling and thin plaster applications over concrete and mortar wall surfaces. It fills the fine pores of the surface and covers undulations to give a white levelled surface up to a thickness of 10 mm. It can be directly applied over RCC surfaces such as ceilings, columns and blocks. It also provides an excellent bond with cementitious surfaces which shields it from weathering effects and gives long lasting protection.



JKCement GypsoMaxx

A premium gypsum plaster made from the purest form of natural gypsum. It is a premium base coat produced as a result of calcination of the raw gypsum under a controlled production process in specialised manufacturing units. It is suitable for application on internal surfaces including walls and ceilings.



JKCement TileMaxX Adhesives & grouts

Both grey and white cement based tile adhesives are modified with high performance polymers, suitable for all tile types. Currently available in 8 variants, is capable to address almost all modern application needs. Cementitious as well Epoxy grouts are also available in 14 colors to complement the requirements of domestic as well as commercial tiling applications.



JK Wood Amore

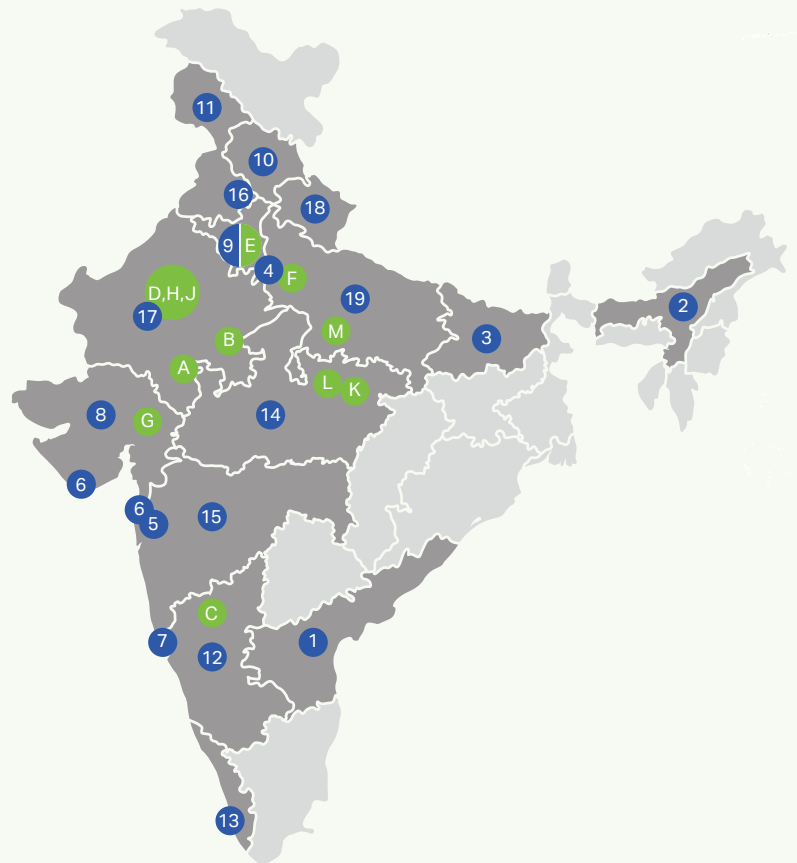
A wide range of PU wood finishes to provide a better visual appeal and higher durability of wooden surfaces of all types. The range offers Wood stains, PU clears, PU ancillaries and sealants, and PU whites and colors which are compatible with all types of wood and their derivatives like MDF, veneer etc.

Geographic presence

Connecting markets, leveraging strengths

Our strategically located plants, captive resource base and wide distribution network enables us to maintain our leadership in the key markets of North, West, Central, and South India.

We serve customers across India by leveraging our strategically positioned production sites in the north and south, which are well connected by road and rail networks. We also have a global presence and cater to the Middle East and other international markets through our Fujairah (UAE) white cement manufacturing facility.



11
Plants

Grey Cement with enhanced reach in entire U.P & M.P.

36 countries

International market presence for White Cement

Over 1 Lacs

Dealers and Retailer in Grey & White Cement Business



● Our plants

Grey Cement

- A. Nimbahera, Chittorgarh (Rajasthan)
- B. Mangrol, Chittorgarh (Rajasthan)
- C. Muddapur, Bagalkot (Karnataka)
- D. Gotan, Nagaur (Rajasthan)
- E. Jharli, Jhajjar (Haryana)
- F. Aligarh (Uttar Pradesh)
- G. Balasinor (Gujarat)

White Cement

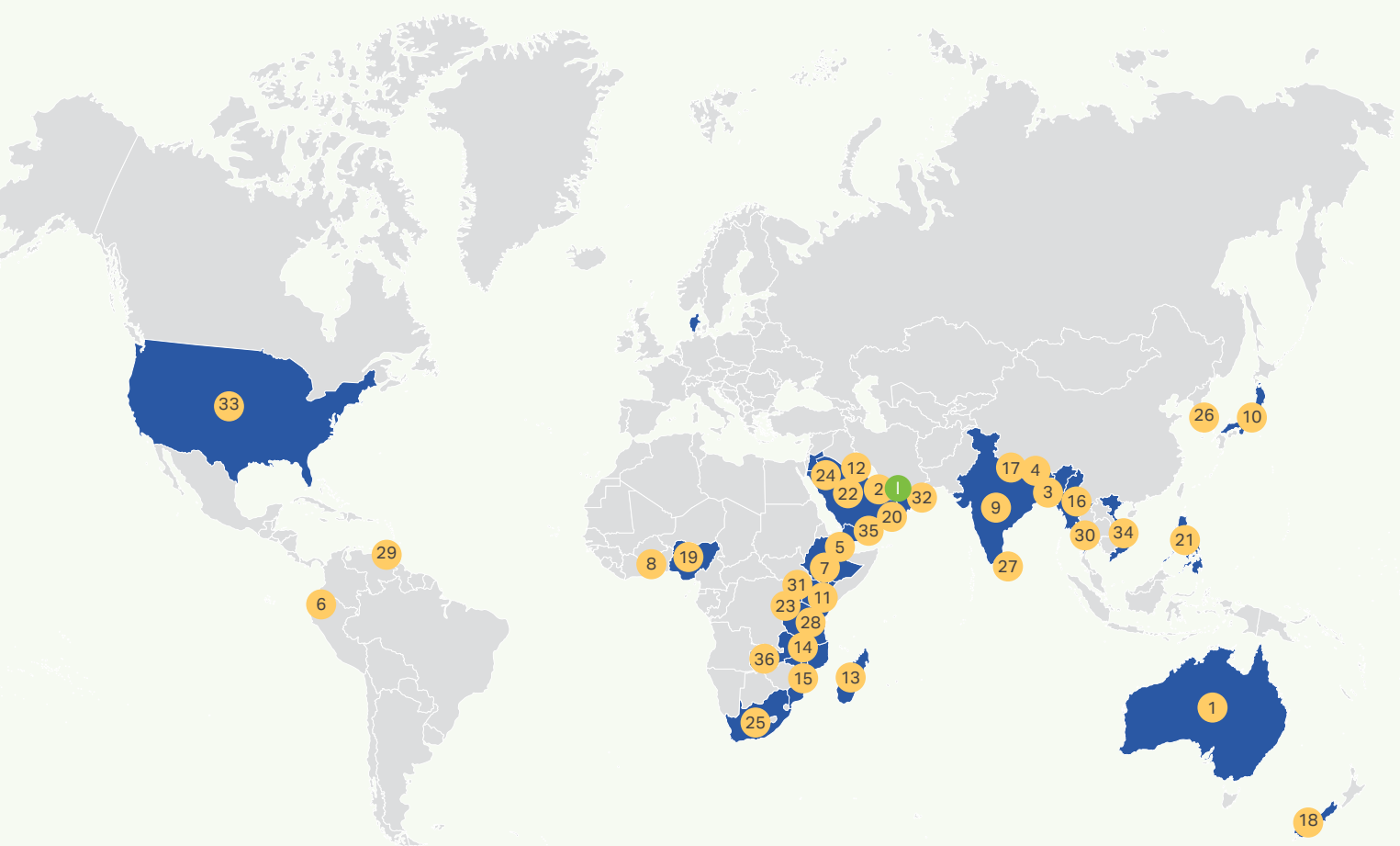
- H. Gotan, Nagaur (Rajasthan)
- I. Fujairah (UAE)

Wall Putty

- J. Gotan, Nagaur (Rajasthan)
- K. Katni (Madhya Pradesh)

Green Field Expansions

- L. Panna, Madhya Pradesh
- M. Hamirpur, Uttar Pradesh



● Grey Cement Markets in India

1. Andhra Pradesh
2. Assam
3. Bihar
4. Delhi
5. Dadra and Nagar Haveli
6. Daman & Diu
7. Goa
8. Gujarat
9. Haryana
10. Himachal Pradesh
11. Jammu & Kashmir
12. Karnataka
13. Kerala
14. Madhya Pradesh
15. Maharashtra
16. Punjab & Chandigarh
17. Rajasthan
18. Uttarakhand
19. Uttar Pradesh

● White cement markets – International

- | | | |
|----------------|------------------|--------------------------|
| 1. Australia | 14. Malawi | 27. Sri Lanka |
| 2. Bahrain | 15. Mozambique | 28. Tanzania |
| 3. Bangladesh | 16. Myanmar | 29. Trinidad and Tobago |
| 4. Bhutan | 17. Nepal | 30. Thailand |
| 5. Dilbouti | 18. New Zealand | 31. Uganda |
| 6. Ecuador | 19. Nigeria | 32. United Arab Emirates |
| 7. Ethiopia | 20. Oman | 33. USA |
| 8. Ghana | 21. Philippines | 34. Vietnam |
| 9. India | 22. Qatar | 35. Yemen |
| 10. Japan | 23. Rwanda | 36. Zambia |
| 11. Kenya | 24. Saudi Arabia | |
| 12. Kuwait | 25. South Africa | |
| 13. Madagascar | 26. South Korea | |

Note: Map not to scale

Marquee Projects Snapshot

Girding the nation, enabling its growth



Mumbai-Ahmedabad Bullet Train

Project Partner: L&T

Mumbai-Ahmedabad High Speed Rail Corridor is the high speed rail line connecting Mumbai and Ahmedabad. The project has an expected duration of 2.5 to 3 years with peak monthly requirement of 2.25 to 2.5 LT.



Delhi Mumbai Expressway

Project Partners: Patel Engineering, PNC Infratech, G R Infraprojects

The 1,350 kms long 8-lane expressway being built at a cost of ₹ 1 Lacs Crores will connect Delhi and Mumbai, the nation's capital, with its financial nervecentre, it will reduce travel time to just 12 hours. The expressway will be fully completed in another 1.5 to 2 years, though some parts will be operational by 2022.

Partner: Ashoka Buildcon

As part of Delhi Mumbai Expressway, India's first 8-lane, doted cable stayed bridge, with a total length of 2.22 kms, is being built across the river Narmada. It is expected to be completed within a record time of 33 months.



International Convention & Expo Centre at Dwarka, New Delhi

Project Partner: L&T

One of Asia's largest Convention Centre has a built-up area of 6,45,000 sq ft and a seating capacity for 11,000 persons with world-class accommodation on-premises. Total Project Cost of over ₹ 25,000 Crores.



AIIMS Bilaspur

Project Partner: NCC Ltd

The hospital has a capacity of 750 patient beds, along with accommodation for 1,000 MBBS students and 60 nursing students. The total project cost is ₹ 1,351 Crores



Sangli-Solapur Highway

Project Partner: Dilip Buildcon

The Sangli-Solapur NH 166 is being expanded into a four-lane highway with total length of 149 kms. The total project cost is ₹ 3,272 Crores.

Mumbai-Nagpur Expressway

Project Partner: Megha Engineering

This greenfield project for construction of high-speed, six-lane expressway, with a total length of 701 kms, will cost ₹ 55,000 Crores.

Delhi Airport

Project Partner: L&T

Expansion project will double passenger-handling capacity to 40 million, with a fourth runway being added. 2.1 kms-long elevated taxiway will decongest the airport and reduce TAT.

Narmada Bridge near Vadodara, Gujarat

Project Partner: SP Singla

This bridge will connect the two districts of Vadodara and Bharuch, and help to bypass hilly terrain. Built at total project cost of ₹ 179 Crores.

Brahmaputra Bridge, NE's first 6-lane bridge

Project Partner: SP Singla

This 8.3 kms-long bridge will connect Guwahati with North Guwahati. Total project cost is ₹ 2,608 Crores and likely to get commissioned by 2023.

Dwarka Expressway

Project Partner: L&T

27.6 kms long, 8-lane expressway is expected to decongest the Delhi-Gurgaon traffic. The total project cost is ₹ 7,500 Crores.



Managing Director's message

Building a strong foundation for the future



In spite of the challenging external conditions, consistent progress towards our long-term goals was achieved this year. We are ramping up our capacities with a strategic thrust.

originating from the breakout of the Russia-Ukraine war and the consequent disruptions in global supply chains. However, our internal teams managed this sudden crisis with great dexterity and skill.

The resilience and strength of our business is even more strongly highlighted by our annual results for FY 2021-22. The revenue from operation stood at ₹ 7,679 Crores as against ₹ 6,328 Crores in FY 2020-21, an increase of 21%. The other income was ₹ 54 Crores for the year, as against ₹ 22 Crores in the previous year. The turbulence faced during the year is visible in the above par increase in operating expenses, which were higher by as much as 29% and stood at ₹ 6,197 Crores in FY 2021-22, as against ₹ 4,814 Crores in FY 2020-21. However, EBITDA was at ₹ 1,536 Crores, same as last fiscal. The commendable results achieved under very stressful circumstances indicate the strength of our diverse markets and our trusted portfolio range.

FY 2021-22 saw exceptionally high price volatility, with pet coke prices more than doubling. This has hit our margins, and though we have increased our prices in line with our peers, only a share of the margin loss has been absorbed. We could also mitigate some of the margin loss with our scale economies improving due to increased capacities, better efficiencies in power and fuel consumption, increased usage of alternate fuels/raw materials and green power. We are also continuously working on improving process

Dear Shareholders,

The year we have left behind was one of the toughest ones ever, but we kept going with focus and resoluteness, and emerged closer to the targets we had set for ourselves. Growth with sustainability has become our enduring focus and we kept to this agenda during the year, using the limited opportunities available to control costs, achieve incremental operating gains and increase our sales and market share.

Robust performance in a challenging year

The first and last quarters of the year came with very different set of challenges. The first quarter began with subdued sales due to the second wave of the pandemic, with rural and peri-urban markets holding up while urban centres stalled. Though the recovery was much swifter on account of localized lockdowns and restrictions, our white business volumes got severely affected. The last quarter witnessed unprecedented cost escalations



efficiencies, and material and input substitution in ways that meet both our growth and sustainability ambitions. Our capacities of renewable energy are also on the rise, with all new capacities are being planned with WHR captives replacing fossil fuel-based ones.

Our white cement manufacturing facility at Fujairah (UAE) has been facing cost escalations on several fronts, with the uncertainty over availability of containers and other logistical logjams being the principal cause. In spite of these challenges, we have maintained volume numbers from this plant.

Remaining steadfast on our goals

In spite of the challenging external conditions, consistent progress towards our long-term goals was achieved this year. We are ramping up our capacities with a strategic thrust, and 4 MTPA of greenfield cement capacity is getting added in the current year at our Panna and Hamirpur locations. These plants are in close proximity to our captive limestone mines and fly ash sources. The 'total cost advantage' thus derived creates a higher torque for cost recovery and greater profitability.

We also completed the brownfield modernisation of our Nimbahera Line-3, with the kiln now capable of producing 6,500 TPD, against the earlier capacity of 5,000 TPD. The brownfield projects that have been undertaken over the past few years have been delivering greater efficiencies in the form of reduced power and fuel consumption and increased WHR. With these expansions, we have close to 15 MTPA of installed capacity in grey cement and 2.2 MTPA of combined capacities for white cement and wall putty, which makes us one of the leading cement and building products companies in India. With steady growth in our markets across India, we aim at creating a total installed grey cement capacity of 25 MTPA by FY 2024-25.

With a view to further strengthening our backward integration, we are participating in the tendering process of limestone mining blocks and have won a block in the southern region and two in the northern region. Securing these blocks will greatly stabilise our raw material streams and control over costs. This dovetails with our plans of increasing capacity in a phased manner to stay in step with demand growth as it progresses over the years.

Standing by the nation, supporting our communities

Supporting our people is a valued tradition at JK Cement and we practice it in many ways. As in the earlier year, in this fiscal too we stood solidly behind the nation during the traumatic months of the second wave of the pandemic. We rolled out a host of new COVID-19

initiatives in FY 2021-22. These included distribution of 47 jumbo oxygen cylinders to government hospitals at Mudhol and Bagalkot and 20 oxygen concentrators to hospitals located near our facilities at Madhya Pradesh and Karnataka. In addition, distribution of Bipap A-40 ventilator, pulse oximeters, face masks were also done in selected hospitals. Further, setting up three oxygen generation plants at different locations out of which one plant has already been commissioned.

As a pioneering initiative, the Company has signed a Memorandum of Understanding with IIT Kanpur to build a Super Specialty hospital on premises. The proposed hospital is part of a larger initiative planned by IIT Kanpur to create world-class facilities for medical research and innovation in the country, and JK Cement has committed ₹ 60 Crores towards this purpose.

We continued our work on our CSR focus areas of water, health and sanitation, energy conservation, pollution-free atmosphere, clean technology and primary healthcare, and ₹ 16.9 Crores was spent in FY 2021-22 towards this end. With a clear vision of bringing impactful change, every year we engage with both our partner NGOs and the beneficiary communities to map the progress of the work done and assess what more needs to be achieved. This year several initiatives were undertaken in the areas of education, community income generation, water quality improvement and healthcare and hygiene. In education, our focus has been on creating the right environment within schools by providing educational support materials and creating basic infrastructure. A vocational training centre (ITI) was also started at Gotan.

To generate better income potential amongst the rural poor we have started a pioneering initiative through the JK Gram Trust in the states of Rajasthan, Haryana and Madhya Pradesh. Under this initiative, the attempt is to improve the health and breed of local cattle through cross breeding. To create a facilitative ecosystem for cattle breeding and dairy farming, JK Cement is supporting services like provision of veterinary care and advising of villagers on how to grow low-cost fodder for cattle.

With this difficult year behind us, we have even greater confidence in the fundamental strength and agility of our business and in the commitment and drive of our employees and partners. Together there are many more milestones left to cover, as we continue to serve the nation and the needs of its people.

Warm regards,

Dr Raghavpat Singhania

Deputy Managing Director and CEO's message

Adapting for a greener tomorrow



JK Cement has always been fully cognisant about its additional responsibilities as a member of the hard-to-abate sector. We view our role as an aspect of the relationships we share with our communities and the commitment that we bear towards partnering in India's holistic growth and development.

Dear Shareholders,

The positive demand scenario for the cement market in India persisted through the better part of the pandemic. Other than being a silver lining in an otherwise bleak year that saw severe input cost volatility, it has also served as a very strong affirmation for the future. India has a per capita cement consumption of 195 kgs. With the government push towards large-scale infrastructure creation and rapid urbanisation, the growth trajectory that can bring us close to the global per capita average of more than 500 kgs, is already underway. The challenge that lies ahead is to achieve this growth in a sustainable and environment-friendly way.

On the road to sustainable growth

JK Cement has always been fully cognisant about its additional responsibilities as a member of the hard-to-abate sector. We view our role as an aspect of the relationships we share with our communities and the commitment that we bear towards partnering in India's holistic growth and development. This decade is an important one for the cement industry as achieving the net-zero by 2050 targets will require calibrated decarbonisation, stretching over a period of many years – this decade will see most of that action taking place. Achieving growth while continuing to decarbonise is the other lever that the industry needs to tackle.



This year, JK Cement achieved a combined production of 13.1 MTPA across its grey and white cement and wall putty capacities, reflecting a y-o-y increase of 19%. The increased production was achieved with several wins against our long-term sustainability targets of controlling emissions, increasing fuel efficiencies and thermal substitution rate, and expanding our green power capacities. Our CO₂ emissions in kg/ton of cementitious product was at 553 kgs as against our 2030 target of 465 kgs in FY 2021-22, which indicates that we are well on course to meet our targets. Our renewable power mix of waste heat recovery systems, solar and wind currently makes up 32% of our total power requirement. Another 54 MW of green power, including 38 MW generated from group captive power sources, are at different stages of installation and commissioning across various locations, with the full suite expected to be operational by FY 2022-23. All our new plants are being set up with WHRS, and this will accelerate our adoption of green power and take us much closer to the target of 75% by 2030. We have successfully achieved an overall Thermal Substitution Rate (TSR) of 18% at our plant in Muddapur, Karnataka. We intend to replicate the best practices followed here across all our plants. Our efforts in terms of product modification continues unabated, with clinker factor on a sustained decline and reaching roughly 65.6% for the year ended.

Transformational change for the cement industry that overhauls its hard-to-abate characteristics, can only come through technologies like CCUS and hydrogen-based fuel, which are yet to gain common acceptance. Till then, incremental change across several axes is what can be achieved, and we are already ahead of the industry in this respect. Use of alternate fuel resources, alternate raw materials, reduction in clinker ratio, replacement of fossil fuels with renewables and green energy, graded emissions reduction, waste reclamation – are the several ways in which we are meeting our sustainability goals.

Leading transformation, scaling change

As a market leader with more than 45 years of manufacturing experience behind us, JK Cement considers it a duty to partner with industry associations like CII, GCCA to build traction for the sustainability agenda within the cement industry. Given the capital intensity and long replacement cycles of the cement industry, timely and well calibrated adoption of transformational technologies are a critical factor. Industry-level initiatives can help to build scale and create favourable drivers for adoption of transformational technologies like CCUS, where we will have to innovate and adapt to achieve our decarbonisation objectives.

The economic benefits of sustainable operations are well taken and JK Cement has been working on multiple fronts

to achieve the scale that allows for profitable replacement – including market creation for alternate products, deeper integration of circular economy principles within production processes, improvements in energy efficiency across organisational systems, and also preparing for major shifts in production methods and technology. Carbon pricing and conducive policy interventions will be crucial for kickstarting the major shifts in technology that can really transform the cement industry's energy emissions profile and will help to create a conducive environment for future changes.

Foraying into new business lines

In an attempt to explore business adjacencies and grow downstream synergies, JK Cement will soon be venturing into the paints business. The Company will be focussing on its strong markets of Uttar Pradesh and Rajasthan and for this an investment of ₹ 600 Crores has been planned. Strong synergies for growing business lies with our existing network of dealers for the white cements business and also our painters network and we hope to greatly gain with a diversified portfolio that allows for better 'bundled' sales of building materials.

Increasing portfolio range

Currently our portfolio spans grey cement and white cement brands like WhiteMaxx and value-added products like WallMaxX, GypsoMaxX, TileMaxX, ShieldMaxX, RepairMaxX, SmoothMaxX and Wood Amore. In line with our strategy of increasing our portfolio of products and adding more value-added products, we have launched two new wall putty toll manufacturing plants at Siliguri (West Bengal) and Piduguralla (A.P) and are working out few more locations to better address the unmet demand for our marquee brand JK Cement WallMaxX. We are increasing our regional diversification to gain better logistical benefits. Also in terms of revenue, our value-added product portfolio added about 6% of white business during the- year. We are planning to set up an emulsion manufacturing facility near Mathura in Uttar Pradesh as part of our newly launched paints venture.

As India's growth story revives and gathers renewed momentum, JK Cement is very well placed to address the emerging demand. With around 7 – 8 % y-o-y growth expected for the industry, primarily from infrastructure and rural housing, the Company is well placed through its capacity expansions, growing regional diversification and expanding portfolio mix to cater to the market needs. A growing middle class and rising incomes augurs well for our value-added products portfolio, which we will continue to enlarge.

Warm regards,

Madhavkrishna Singhania

Value-creation approach

Business model

Key inputs



Financial Capital

Retained Earnings: ₹ **2,081 Crores**

Debt: ₹ **2,865 Crores**

Cash: ₹ **1,236 Crores**

Capital Expenditure: ₹ **434 Crores**



Manufactured Capital

Grey Cement manufacturing plants: **7**

White Cement manufacturing plants: **1**

Wall Putty manufacturing plants: **2**

Grey Installed capacity: **14.67 MTPA**

White Installed capacity: **2.21 MTPA**



Intellectual Capital

R&D Expenditure: ₹ **1.9 Crores**



Natural Capital

Specific thermal energy:
3.1 GJ/tonne of clinker

Specific electrical energy:
62.5 Kwh/ tonne of cement

Specific water consumption:
0.14 m³/t of cement



Human Capital

Total workforce: **3,941 permanent**

Employee Training expenditure:
₹ **2.1 Crores**



Social and relationship Capital

CSR expenditure: ₹ **16.96 Crores**

Key industry associations: **8**

Advertising and branding
expenditure: ₹ **84.6 Crores**

Our value chain

Our Value



People



Trust



Care



Integrity



Quality

Strategic objectives

- Capacity expansion
- Optimise operational efficiency
- Consolidate market position
- Widen visibility
- Launch of value-added products
- Customer centricity
- Sustainable operations

Our business process



Quarrying raw
materials



Preparation of
raw materials



Packing and
dispatch



Blending, grinding
and storage

After sales



Our business model reflects our commitment to creating value for all our stakeholders and to ensuring our continued progress towards co-creating a sustainable future. Our value creation model takes inputs from all six capitals and generates outcomes for both internal and external stakeholders and also aligns with our values and strategic objectives.

Key outputs

Financial Capital

Net Revenue: ₹ **7,679 Crores**
 PAT: ₹ **631 Crores**
 EBITDA: ₹ **1,536 Crores**
 Paid up Capital: ₹ **77 Crores**
 Dividend per share: ₹ **15**
 Free Cash Flow: ₹ **846 Crores**

Manufactured Capital

Grey & White Cementitious
 Production Volume : **13.1 MTPA**
 Capacity Utilization: **79%**
 CPP Power generated: **1,201 TJ**

Intellectual Capital

New products developed:
JKC Smooth MaxX

Natural Capital

Scope 1 emissions: **7.7 MntCO₂e**
 Scope 2 emissions: **0.2 MntCO₂e**
 Scope 3 emissions: **1.3 MntCO₂e**
 Direct Gross GHG emissions: **7.3 MntCO₂e**
 Direct Net GHG emissions: **7.2 MntCO₂e**
 Water positivity: **4.6 times**
 Waste heat recovery energy: **882 TJ**
 Clinker-to-Cement ratio: **65.6%**
 Thermal Substitution Rate (TSR): **8.9%**
 PM: **0.7 kt**, SOx: **1.9 Kt**, NOx: **8 Kt**

Human Capital

Average training hours
 (permanent employees): **11**
 LTIFR permanent: **0.56**
 LTIFR contract workers: **0.23**

Social and relationship Capital

CSR beneficiaries: **~5 Lacs**
 Total dealers and retailers for Grey
 and white cement: **1 Lacs+**

Outcomes

- Improved revenue generation
- Expansion of assets accumulations
- Improved return on capital expenditure

- Superior products quality
- Enhanced capacity utilisation
- Increased captive power generation

- Improvement in quality and new products
- Improved efficiency and material ratios resulting in cost savings

- Reduced environmental footprint of production operations
- Streamlined pathways to reduce climate change impact
- Growing waste heat recovery capabilities

- Increased employee skill level
- Strong safety performance

- Growing dealers & retailer network
- Satisfied customer base
- Strong community relationships



Drying and grinding
of raw meal



Clinkerisation


Stakeholder engagement

Informing our perspectives for better decision-making

We greatly value our interactions with our external and internal stakeholders and engage with them regularly to understand their expectations and concerns. They function as our eyes and ears to the world and lend us a perspective that helps us to realistically identify material issues, and to design strategies that reduce our risks.

Internal stakeholders

Our approach to engaging with our internal stakeholder groups comprises of periodic structured engagement methods that are aimed at un-biased bilateral communication. We try to understand the real-time needs of our internal stakeholders and make strategies accordingly based on discussion on the next steps to be taken by the Company.







Stakeholder group	Engagement mechanism	Purpose of engagement	Key stakeholder concerns	Value we create
 Employees	<ul style="list-style-type: none"> • Training programmes, events, townhalls seminars, workshops, plant level reward programmes • Surveys, employee-centric applications 	<ul style="list-style-type: none"> • Stimulating innovation • Employee motivation and teambuilding • Discussion and issue resolution • Prevention of accidents and health hazards 	<ul style="list-style-type: none"> • Career growth and progression • Performance management • Employee motivation • Employee involvement 	Creating a safe, healthy, meritocratic and inclusive work environment that empowers employees to reach their full potential





External stakeholders

Our approach to engaging with our external stakeholder groups comprises of periodic meetings with pre-determined agendas and ad-hoc meetings on a need basis that are aimed at clear and concise communication of the Company's strategy and impacts. We discuss with our stakeholders on material topics that have significant influence on our stakeholders and Company.

Stakeholder group	Engagement Mechanism	Purpose of engagement	Key stakeholder concerns	Value we create
 Shareholders	<ul style="list-style-type: none"> Annual General Meeting Integrated Report Periodical investor call and meetings Grievance redressal mechanisms Disclosures and updates on Corporate website 	Inform about financial performance, provide strategic insights, apprise on new projects and changes in ESG performance	<ul style="list-style-type: none"> Timely dividend payments Transparency in reporting Company's financial health, growth prospects and performance 	<ul style="list-style-type: none"> By delivering above average returns and engaging in ethical business practices Shareholder's value and confidence
 Dealers	<ul style="list-style-type: none"> Dealer meetings Dealer surveys CTS support 	Building stronger relationships; reinforcing trust and goodwill and receiving feedback on end-customer concerns, competitor activities	<ul style="list-style-type: none"> Product benefits and features Product quality and feedback Building relationships and establishing trust Information sharing on new product development/incentives 	Through our loyalty programmes that reward long-term relationships and accord special privileges
 Customers	<ul style="list-style-type: none"> Through the queries addressed by customer care Survey based customer feedback Social media queries and responses 	<ul style="list-style-type: none"> To ensure better delivery of products and services To seek specific issue-based feedback Public platform for customer engagement services, and build better products 	<ul style="list-style-type: none"> Product benefits and features Product quality and feedback New product development Any additional benefits and incentives 	Providing a comprehensive portfolio of products that are in sync with market demands and evolving construction requirements
 Government, regulatory and statutory bodies	<ul style="list-style-type: none"> Regular compliance reports Statutory audits 	Disclosures on compliance as required by the government	<ul style="list-style-type: none"> Business ethics and compliance ESG disclosures 	<ul style="list-style-type: none"> Paying taxes and contributing to the public exchequer Conducting business in a compliant manner
 Media	<ul style="list-style-type: none"> Media meets Press conferences Management interviews 	<ul style="list-style-type: none"> Communicate progress made by the business during the financial year Enhance brand perception and image through unbiased and neutral means 	<ul style="list-style-type: none"> Transparency Disclosures on key compliance requirements Business performance 	Reach out to a wider audience, including different stakeholder groups, to communicate Company's performance highlights and other initiatives that affect the public, to enhance brand image.
 Local Communities	<ul style="list-style-type: none"> Visits and meetings Connecting with local administration and village/block level officials and representatives Participation in local events and becoming a member of social organisations 	To capture legitimate feedback on issues and concerns so that CSR initiatives can be appropriately designed.	<ul style="list-style-type: none"> Building relationships Communicating issues that can help to improve quality of life and general health Direction on how and where deployment of Resources is necessary 	Developing and empowering communities

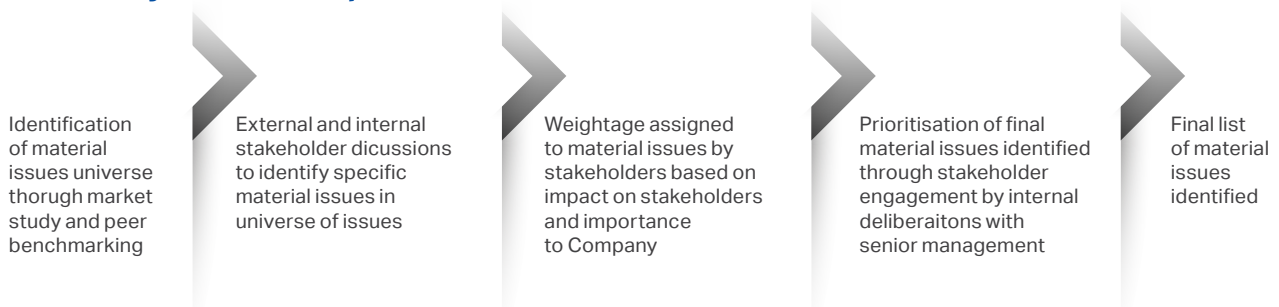
Materiality assessment

Mapping our priorities

Identification of issues that are of material importance to the organisation help us determine our priorities for our Environmental, Social and Governance goals. With a diverse universe of stakeholders, it is important to remain cognisant of the issues that matter so that the work we do remains meaningful and carries long-term impact.

Stakeholder priorities are constantly changing, and we must continually evolve to meet expectations. Conducting a thorough materiality assessment helps us identify and prioritise the issues that matter most to our business and stakeholders and potentially impact our value creation abilities over the long term. We have identified 11 material topics, which have been ranked based on business priorities and stakeholder expectations, and were also mapped with the relevant United Nations Sustainable Development Goals (UN SDGs).

Materiality assessment process





Materiality Analysis:



We prioritise our material issues based on their importance to our stakeholders and their impact on our ability to create value. Based on our analysis, we recognised our material issues that are consistent with Global Reporting Initiative (GRI) standards, GCCA recommendations, and Sustainability Accounting Standards Board (SASB) recommendations. As an organisation, it is our constant endeavour to upgrade and improve ourselves. Adding a new material topic is one more step in that direction.

S. No.	Material topic	Description
1	Use of alternative fuels and raw materials	Promoting use of alternative fuels and raw materials (AFR) to have minimal environmental impacts.
2	Occupational health & safety	Provide a safe and healthy working environment for our employees and other stakeholders. Constantly work towards making our operations safer and becoming a zero-accident organisation.
3	Energy management	Comprehensively mapping our energy use and various sources, and constantly work towards reducing our energy footprint.
4	Water management	As our operations are mainly in dry and water scarce areas, work towards reducing our water footprint and generating awareness amongst our stakeholders regarding judicious use of water.
5	GHG management	Constantly strive to reduce GHG emissions associated with our industry through innovation in operations, installation of greener and cleaner technologies, and use of alternate fuels with lower emissions impact.
6	Waste management	Manage our waste properly with focus on 9 R's approach (Rethink, Refuse, Reduce, Reuse, Repair, Recover, Restore, Recycle, and Review).
7	Availability of raw materials	Efficiently manage resources being utilised in our business through product and technology innovations such as use of alternate materials.
8	Employment and labour relations	Maintain sound labour relations and ensure positive atmosphere for employees and workers to operate in, which is safe, free of harassment and discrimination and upholds the principles of human rights.
9	Branding and reputation	Effectively communicate and reach out to our diverse customer segments, maintain high customer perception of a Company's reputation.
10	Employee engagement and development	Invest in our employees, implement systems and practices for their continuous skill and career development.
11	Ethics and transparency	Ensure ethical business conduct in all our operations and transparently communicate our practices and performance to all stakeholders.

We have defined our targets based on our priority material issues and are detailed in the Sustainability Strategy section of this Integrated Report.

Risk management

Managing uncertainties through a structured approach

Managing enterprise-level risk is an essential aspect of doing business and we do this through a structured assessment of risk probability and possible impact. Viewing risks against a variable time horizon further helps to granularise their likely impact and to take mitigative measures. Our risk assessment goes through a frequent review loop to ensure we stay alert and secured.



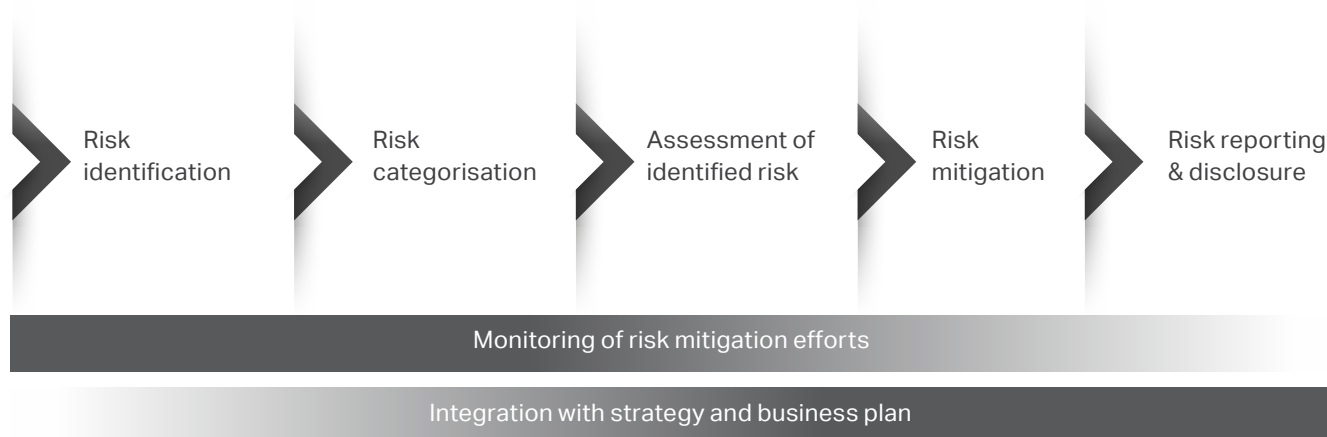


We have an organisation-level risk management approach that is detailed in our Risk Policy.

Our risk management process includes our enterprise-level risk management framework which considers emerging ESG risks and follows a robust risk management approach.

We review our risk every quarter and a discussion of our risk analysis is conducted by our Board-level Risk Committee. This committee is responsible for oversight of the processes and mitigation actions wherever necessary. Our risk horizon considered includes long-term strategic risks, short- to medium-term risks as well as single events.

In the current volatile economy, our structured approach identifies potential risks and constantly updates our risk register. Risk assessment is performed from two perspectives – likelihood and impact. Based on this, we constantly monitor our performance on risk management and take the necessary steps to minimise the impact. Our senior management is also actively involved in reviewing the entire process quarterly and suggesting course corrections, if required.



Risk analysis

We evaluate each risk identified to understand the risk's impact on our operations. The impacts are quantified in financial and non-financial metrics like operational cash flows, brand value, and license to operate, employee attrition, business operations, fatalities and injuries, fines and legal action, cost of opportunity loss, etc. We rate the risks by their likelihood of occurrence and impact on the business, to arrive at a final rating for all the risks identified. We then pick the top risks and further apply scenario modelling and stress testing activities to understand their impact on our business through various timelines and intensities. The risks assessed in this manner include financial risks, operational risks, climate risks, water risks and regulatory risks. We assess our climate risks based on 2DS scenario analysis, while our water risks assessment is done by identifying water stress impacts using water risk identification tools.



Risk management

Anticipated Risk Scenarios

External risks

ER1: Market changes

Changes in market scenario can affect the demand of the products



Potential impact

- Economic growth drives the demand for construction. The changes in construction demand impact sales and prices of cement, and eventually JK cement performance
- Any behavioural changes in consumer patterns may lead to an increase in product substitution



Our response

Apart from Grey cement, around 23% of our revenues are from white cement business which mitigates the risk of change in grey cement market scenario

Linkages to Strategic objectives



Linkages to Capitals



ER2: Competition

Being a capital-intensive industry, the leading companies are established players who are extremely competitive. Further, it becomes difficult to increase or maintain the market share



Potential impact

Cement industry is witnessing market consolidation. In the near future, cement industry will be dominated by large players



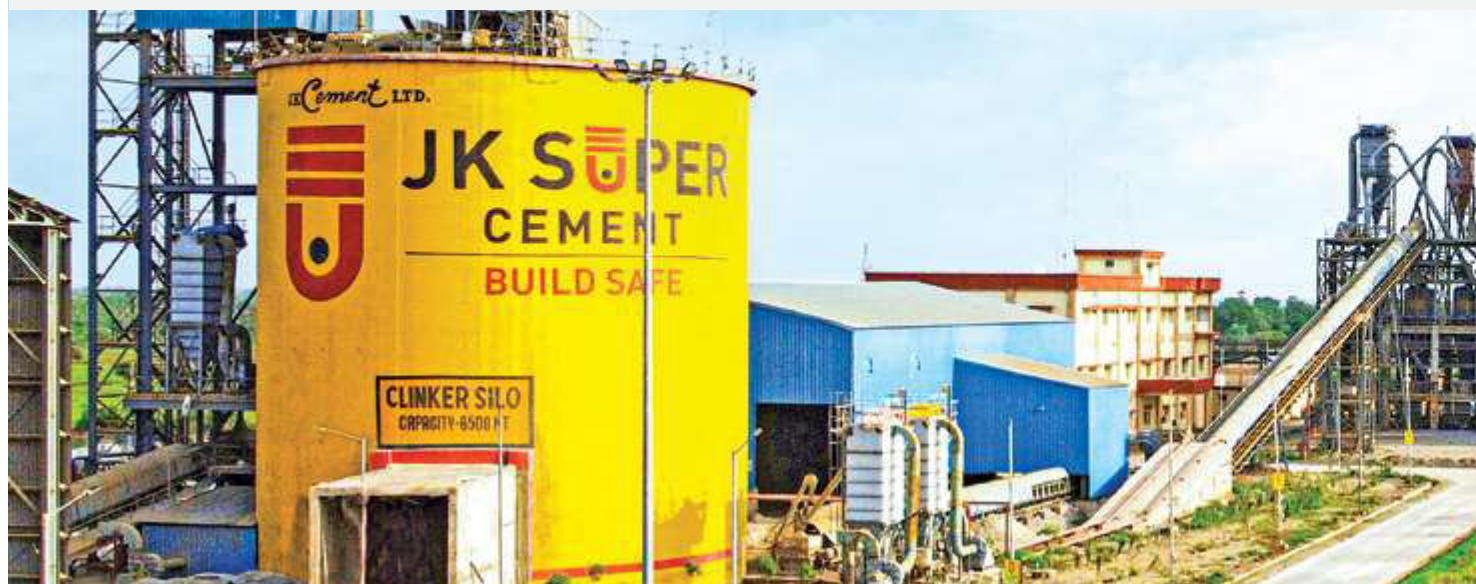
Our response

- We are an important regional player with significant capacity and have plans to consolidate in existing and adjoining markets
- Expanding business in Central and North India

Linkages to Strategic objectives



Linkages to Capitals





ER3: Political risks

Political uncertainty and changing state/local regulations may expose us to the risk of economic and social instability.



Potential impact

Economic, social and political instability can influence the cement industry and result in direct and indirect consequences leading to operational uncertainty.



Our response

- We have presence in multiple Indian states which diversifies our political risk
- Dedicated directives and state specific action plans have been implemented to enhance the crisis management

Linkages to Strategic objectives

S05

Linkages to Capitals



ER4: Pandemic and epidemic

Outbreaks of infectious diseases can slow down the economic growth of any country, particularly emerging economies. It can stagnate business operations due to lockdowns, worker migrations and disruption in the supply chain. This in turn can impact revenues, people and growth of the Company.



Potential impact

The emergence of the pandemic or epidemic can potentially change the lives of employees, customers, influencers and other stakeholders. It results in idle operations, reduction in demand, thereby affecting the economic performance of the Company.



Our response

- Focussed approach on the health of the employees, customers, influencers and other stakeholders while limiting the impact on profitability
- The Company has taken adequate steps for well-being of all its employees and their family members during COVID-19
- The Company has been able to sustain and grow operations during the pandemic

Linkages to Strategic objectives

S03

S04

S05

Linkages to Capitals





OR3: Legal and compliance risk

Risk associated with non-compliance of regulations can pose challenges of lawsuits, monetary claims, investigations and proceedings. It impacts growth, revenue, employee growth, and business cycle.



Potential impact

Potential impact

- Regulatory violations can impact the operations and overall reputation of our Company
- Company may incur the investigation cost, financial penalties, disqualification, bans and profit disgorgement



Our response

We are involved in a compliance programme which aids in guiding and maintaining the regulations. Five key elements of the programme are Risk Assessment, Controls, Communication and Training, Monitoring and Reporting.

Linkages to Strategic objectives

S07

Linkages to Capitals



OR4: Energy prices

Energy risk can result in increased expenses and decrease profitability.



Potential impact

- An increase in the prices of fossil fuel would adversely impact the industry, leading to an increase in production costs
- It may affect the pricing of product and future cash flows



Our response

Driving optimization of fuel mix, energy efficiency and use of alternative fuel is a key focus area for us

Linkages to Strategic objectives

S01 S07

Linkages to Capitals



Risk management

Operational risks

OR5: Raw materials (including mineral components and fuel)

It involves the risk of not being able to procure the raw material at an optimum cost.



Potential impact

Scarcity of natural resources such as limestone, unavailability of fuels for production, stricter government regulations on consumption of fossil fuel, etc., can hamper normal business processes and affect the whole supply chain



Our response

- Continually expanding the blended cement portfolio
- Driving use of alternative materials to conserve natural resources

- Low-quality fuels are also utilised as additives to high-quality fuels at our plants
- Participate and secure fuel through auctions and import high-grade resources to supplement existing ones
- Consistently diversifying vendor base across geographies
- Maintained adequate inventory of raw materials, fuels and increased use of alternate fuels
- Adequate reserves of limestones

Linkages to Strategic objectives



Linkages to Capitals



OR6: Health and Safety risk

It includes risks related to health and safety of employees at workplace. It impacts the people, local community, and other engagements.



Potential impact

Local incidents can affect the overall business operations of the Company. Any injuries or fatality can interrupt the business processes.



Our response

- Driving the Zero harm programme to maintain safety at workplace
- Conducting awareness programmes related to social distancing, sanitation, thermal screening, wearing masks, etc.
- Shifting employees to remote working
- Conducting safety trainings

Linkages to Strategic objectives



Linkages to Capitals





OR7: Information Technology and cyber threats risk

It arises from inadequate support of IT systems and the loss of data with potential risk of cyber-attacks, computer malware, network outages, or human errors



Potential impact

In the wake of the COVID-19 crisis, the transition to remote location working has exposed us to a range of technical and human centered vulnerabilities, increased risk from cyber-attacks, and operational errors etc.



Our response

- Implemented VAPT (Vulnerability and Penetration Testing) for each and every deployment at JKCL Software through an external agency

- Engaged third-party agency for periodical Audit of our IT security systems
- Fine tuning of organisation-wide ISMS Architecture
- Ample policies and procedures defined for provision, management, and governance of Digital & IT at JKCL

Linkages to Strategic objectives



Linkages to Capitals



OR8: Talent management

Risk which arises due to lack of talent pool.



Potential impact

It is difficult to achieve the Company's mission without the right mix of talent pool.



Our response

- Incentivise star performers and follow people-centric approach to foster a vibrant work culture

- Talent management initiatives such as virtual sessions, employee support programmes, job satisfaction sessions, etc.
- Provided support during COVID-19 and promotions and increments were conducted as scheduled earlier
- Introduced variable pay for senior management

Linkages to Strategic objectives



Linkages to Capitals



Risk management

Financial risks

FR1: Risk involving credit ratings

Being a capital-intensive industry, some of the expansion projects are dependent on the support of the different channels of financing which are dependent on our credit ratings.



Potential impact

Higher credit rating leads to better access to funding sources, both short term and long term, and competitive interest rates, which positively impacts our cash flows.



Our response

Our Consistent Cash Flow with double digit volume growth (higher than Industry) and good debt to equity ratio resulted in improvement of Long Term Rating from AA to AA+ there by getting funding at lower Interest rate.

Linkages to Strategic objectives



Linkages to Capitals



FR2: Liquidity risk

It is associated with the cash flow of the Company.



Potential impact

It can affect us in not being able to meet our operational and financial obligations.



Our response

PAT has improved despite inflationary pressure on input raw material, power and fuel and logistic cost. Thus, the consistent cash flow from operations would help business to grow. Additionally, the Company has maintained sufficient and healthy liquidity at all times.

Linkages to Strategic objectives



Linkages to Capitals



FR3: Interest rate risk

This is associated with the change in the value of investments which impacts our cash flow.



Potential impact

Any movement in the interest rate can impact the profit of the Company, market value and financial results.



Our response

- Optimise the Company's position with regards to interest income and interest expenses to manage the interest rate risk
- Treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio
- Maintain a good interest ratio coverage

Linkages to Strategic objectives



Linkages to Capitals



FR4: Credit risk

We sell our products to large projects on credit which exposes us to customer credit risk.

**Potential impact**

Counterparts failing to comply with their commitments, it adversely affects the Company's ability to maintain the required cash flow.

**Our response**

- Conduct regular assessment of the reliability and credit risks of our customers
- In the wake of COVID-19 outbreak, we closely monitored the risk of increase in bad debts
- Daily Sales Outstanding is regularly monitored using technology tools such as credit monitoring software

Linkages to Strategic objectives

S01 S02

Linkages to Capitals

Strategic objectives

Growing business for good

We have identified seven Strategic Objectives (SOs) that can enable our sustainable and profitable growth. These span across building our operational caliber, developing deeper links with our markets and customers, and finally, transforming towards a more sustainable business.





Strategic objectives	Short term	Medium term	Long term	Linkage with risks
S01 Capacity expansion	4 MTPA expansion at Panna, MP along with a split grinding unit at Hamirpur, UP under implementation	Plan to increase capacity to 25 MTPA by FY 2024-25	Roadmap for 30 MTPA of cement capacity has been developed	FR1, OR1, OR2
S02 Operational efficiency	Increase use of AFR and decrease clinker factor	Increase share of blended cement, and work on fuel and power efficiencies	Be amongst the top 3 lowest cost producers of cement in the industry	OR1, OR2, OR4, OR5, OR6, OR7, OR8, OR9
S03 Consolidate market position	<ul style="list-style-type: none"> Maintain and improve market share in existing market for all products. Enter untapped markets of UP and MP for Grey Cement 	<ul style="list-style-type: none"> Reinforce leadership position in the White Cement business by improving utilisation and increasing distributed (toll) manufacturing of value added products Consolidate position in UP and MP markets for grey cement 	Drive market share gains with increased capacity and be among the top 3 in market share in each of our markets	ER1, ER2, ER4, FR1
S04 Widen visibility	<ul style="list-style-type: none"> Enhance brand visibility further through print and online media and consumer promotions Maintain market share 	<ul style="list-style-type: none"> Expand and improve distribution network Engage with key influencer and channel partners Best-in-class Customer Technical Services and strong brand equity leading to rising share in trade segment 	Strengthen our brand equity and reinforce our position as a premium brand	ER1, ER2, ER4, OR6
S05 Premium and value added product portfolio	Increased volume of premium and value-added products	<ul style="list-style-type: none"> Grow proposition of VAP across existing and new markets Increase share of premium products in grey cement to 25% of trade volume Launch new value-added products 	Entering into Paints business to leverage our white business network	ER1, ER2, ER3, ER4, FR1
S06 Customer centricity	<ul style="list-style-type: none"> Meet customers' rapidly changing expectations Provide rich customer experience Resolve customer grievances 	<ul style="list-style-type: none"> Supply quality products at the right price Strengthen Customer Technical Services and engagement with different customer segments including IHB, contractors, etc. Leverage technology such as GPS enabled trucks for faster delivery of products 	To become the preferred supplier of our products	OR6, FR2
S07 Sustainable operations	<ul style="list-style-type: none"> Work towards reducing water footprint. As of FY 2021-22, we reduced water withdrawal intensity by 12% Work towards renewable energy capacity Use of alternate fuels with lower emissions impact; manage waste focussing on reduce, reuse and recycle Currently we have 17.2 MW of Renewable Energy (Solar and Wind) and it is proposed to increase to a total capacity of 55.7 MW by FY 2022-23 	<ul style="list-style-type: none"> In our clean power portfolio, we have WHRS installed at Nimbahera and Mangrol having a total capacity of 42.3 MW. Further to increase the WHRS capacity, 42 MW of WHRS is planned, taking the total to 84.3 MW by FY 2023-24 	Strive to reduce air emissions associated with cement industry through innovation in operations and greener technologies to meet out targets set out for 2030	OR1, OR2, OR3, OR4, OR5, OR6, OR7, OR9, FR1, FR2

Sustainability strategy

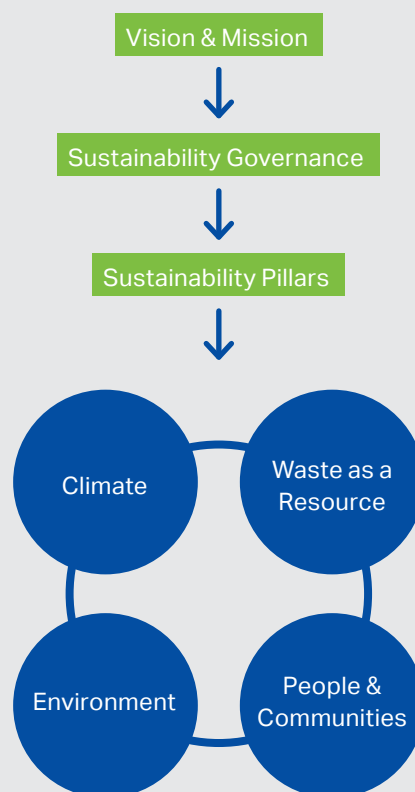
Taking incremental steps towards a more sustainable future

Our sustainability charter reflects our holistic view on the kind of business we want to become. Taking a consultative, osmotic approach we have involved all our stakeholders and incorporated the most innovative approaches to design our plan.

We aspire to provide our stakeholders with long-term economic benefit. Our sustainability plan, which is based on our vision and mission, was developed through comprehensive internal and external consultations, peer benchmarking, and alignment with national and international goals. We have established a meticulous and methodical sustainability governance structure through constant monitoring, accountability and transparency.

Strategic framework - Dynamic foresight to retain a competitive edge

Our sustainability framework rests on four pillars – climate, waste as resource, environment, and people and communities. These pillars are mapped with our strategic interventions as well as UN SDGs.





Our focus areas



Climate

Key focus areas

Strategic interventions

Energy efficiency and use of clean energy

- Increased use of green power in manufacturing units
- Increase captive renewable generation capacity
- Increase Waste Heat Recovery System (WHRS) capacity
- Improved thermal and electrical energy efficiency in manufacturing units

Low-carbon transportation and logistics

- Encourage rail transportation to transition towards greater use of electric energy/renewable sources
- Incentivise and build the capacity of suppliers to make our supply chain green

Resilient and sustainably built environment

- Collaborate with the construction and infrastructure sector to develop climate-resilient infrastructures, provide customised solutions, and durable and resilient building materials (cement)
- Partner with research institutions to develop sustainable and innovative products



Environment

Key focus areas

Strategic interventions

Water and biodiversity conservation

- Increase use of low-grade limestone and in the process reduce dependency on high-grade limestone and extend quarry life
- Increase green belt of entire occupied area
- Scale up rainwater harvesting efforts
- Reduce dependency on ground water by increasing mine water utilisation
- Increase biodiversity conservation initiatives: development of a Biodiversity park in 50 hectare of area along with Miyawaki plantation, which will be completed in three phases by FY 2024-25



Sustainability strategy



Waste as resource

Key focus areas

Strategic interventions

Increase use of AFR

- Increase replacement of virgin raw materials and fuels with alternative raw materials and other substitutes
- Reduce clinker ratio
- Increase production of blended cements



People & Communities

Key focus areas

Strategic interventions

Skills enhancement

Link Company-specific initiatives for state and national skill development

Enhance diversity and inclusiveness

- Increase the share of women in total workforce
- Scale involvement and access to local vendors and suppliers

Skills enhancement

Achieve zero harm/incidents/accidents

Communities

Increase beneficiaries of CSR initiatives

Transport safety

- Develop a safety rating system for drivers
- Extend health and safety measures to market fleet





Our targets and performance

We have defined certain targets that are mentioned below which relate to our prioritised material topics. We also have mechanisms in place to ensure that the Company strives to achieve these targets such as recognition awards on meeting milestones, adequate capital expenditure to build capacity for achieving our targets and linkages of employee compensation to targets by setting suitable KRA that align with the target milestones. A few examples of KRAs aligned to our targets include:

- Targets applicable to AFR department on the thermal substitution rates of the plants to ensure we are able to reduce our CO₂ emissions

- Disclosure and ESG ratings related KRAs applicable to Corporate Sustainability Team
- Safety incident related KRAs applicable to line managers and plant heads
- Plantation targets applicable to environment team to ensure reforestation in quarries and plant vicinity

The progress on these targets are mentioned in the Natural Capital and Human Capital sections of the Integrated Report.

Climate change - GHG emissions intensity




Sp. direct net CO₂

	FY30	465
	FY22	553
	FY21	589

KgCO₂/tonne cementitious
(Scope (1+2) excluding CPP & AFR)

Waste as a resource

TSR rate %

	FY30	35
	FY22	8.9
	FY21	6.5



Environment - Water positivity

Times

	FY30	5
	FY22	4.6
	FY21	3




Climate change - Green power

Green Power %

	FY30	75
	FY22	32
	FY21	25




People - Training per permanent employee

Man hours

	FY30	20
	FY22	11
	FY21	6

People - Share of women in total workforce

%

	FY30	5
	FY22	2.4
	FY21	1.8

Sustainability strategy

Sustainability governance structure

At JK Cement, we have a well-defined governance structure in place for ensuring sustainable operations. The CSR and Sustainability Committee of the Board oversees the workings of the Sustainability Steering Committee comprising of the Managing Director, C-Suite and the Environment and Sustainability Head.

CSR Committee

The Committee's prime responsibility is to assist the Board in discharging its sustainability responsibilities by way of formulating and monitoring implementation of the Company policies on sustainable operations, observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.

Sustainability Steering Committee

The role of this committee is to provide inputs to the CSR and Sustainability Committee, which reports

to the Board on a quarterly basis. The Board sets the overall objectives and provides direction to the management to achieve sustainability goals within the given framework.

Corporate Sustainability Council

This Council is represented by Plant and Functional heads and is charged with the implementation of sustainability initiatives across JK Cement's operations. It plays a major role in developing sustainability awareness across the organisation and is responsible for communication, reporting, alignment with the global best practices. The Council also facilitates sustainability audits, participating in environmental and social awards, and providing relevant information and disclosures to the stakeholders as well as sustainability rating bodies.

Our Sustainability Champions across plant locations interact with the Council. They collectively provide inputs to the Sustainability Steering Committee.





Our Sustainability Governance Structure



Capital wise performance

Financial Capital

Financial stability fuels our future ambitions

Generating optimal economic returns for our stakeholders has always been our primary focus. To achieve this goal, we continuously conduct our business with dynamism and prudence so that we can build a solid bedrock for greater competitive leverage.

Our key financial activities include investments in niche expansion programmes, ramp-up of capacities, extensive process reorientation to optimise costs and opportunistic leveraging of all emerging avenues help to create our competitive advantage. A strong financial foundation reinforces all other capitals and creates great resilience.





Impact of financial capital on other capitals



Manufactured capital

Increased capital for building and expanding operations and our manufacturing facilities



Intellectual capital

- Improved R&D capabilities
- Capital for new product deployment



Natural capital

Increased Capital for initiatives aimed at meeting environmental and climate change targets



Human capital

- Improved living wages for the workforce
- Increased hiring, training and retention of skilled workforce



Social and relationship capital

- Greater CSR investment in communities
- Robust foundation for dealer and supplier engagement

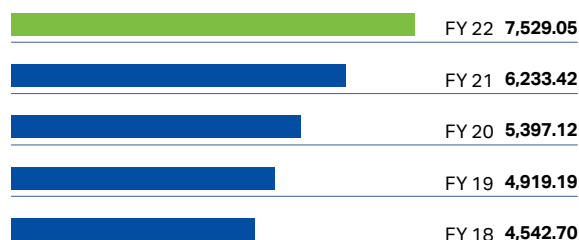
Capital wise performance

Financial Capital

Financial KPI trends (Standalone)

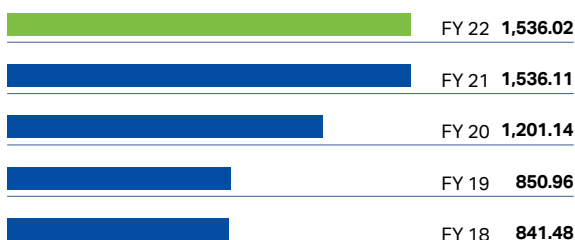
Net Sales

₹ Crores

4-year CAGR **13.46%**y-o-y **20.79%**

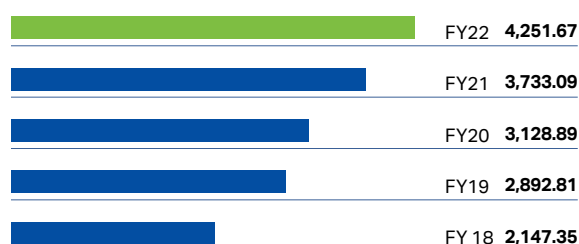
EBITDA

₹ Crores

4-year CAGR **16.24%**y-o-y **Flat**

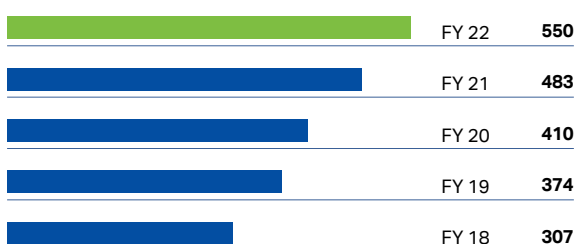
Net Worth

₹ Crores

4-year CAGR **18.62%**y-o-y **13.89%**

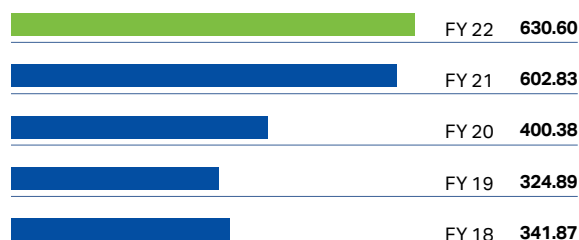
Bookvalue per share

₹

4-year CAGR **15.69%**y-o-y **13.87%**

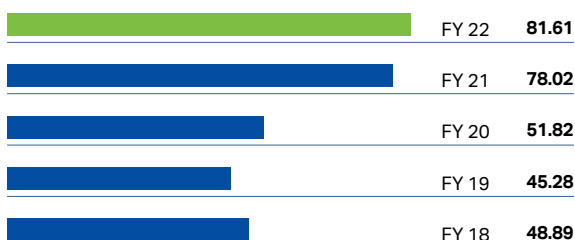
Profit After Tax

₹ Crores

4-year CAGR **16.54%**y-o-y **4.64%**

Earnings per share

₹

4-year CAGR **13.67%**y-o-y **4.60%**



Free cash flow

₹ Crores

4-year CAGR **18.48%**

	FY 22	846.00
	FY 21	1,346.00
	FY 20	759.83
	FY 19	307.78
	FY 18	429.40

y-o-y **(59)%**

Market capitalisation

₹ Crore

4-year CAGR **27.55%**

	FY 22	18,788
	FY 21	22,362
	FY 20	7,260
	FY 19	6,653
	FY 18	7,098

y-o-y **(15.98)%**

Capital Allocation

Ongoing projects

We have allocated ₹2,970 Crores capital expenditure for greenfield Grey cement expansion project having capacity of 4 MTPA at Panna & Hamirpur with WHR of 22 MW. Work is in progress as per schedule with a capex of ₹ 1,535 Crores as on 31 March 2022.

Financial Closure of Consortium Project Loan for ₹1,680 Crores from Banks is completed at an interest rate of 7.20% p.a. Also availed disbursement to the tune of ₹489 Crores in FY2022.

New projects

We intend to increase our production capacity to 25 MTPA in next three years, from our current capacity.

Besides the above, we have a sustenance CAPEX of around ₹250 Crores per annum.

Debt profile

Our standalone gross debt stood at around ₹2,850 Crores and consolidated gross debt at ₹3,434 Crores as on 31 March 2022.

	FY18	FY19	FY20	FY21	FY22
Debt equity ratio	1.04	0.76	0.84	0.80	0.76
Interest coverage ratio	3.62	4.09	5.06	7.36	6.60
Current ratio	1.32	1.34	1.31	1.94	1.64
Fixed asset coverage ratio	1.61	1.65	1.70	1.58	1.67

Capital wise performance

Manufactured Capital

Growing business, growing capacities

Our plans for the future are linked to the manufacturing capabilities that we are building today. With an existing presence in North, West and South India, we are now expanding to other parts of Central and Northern India.

We hope to achieve our ambitious growth sustainably and are creating green capabilities in energy and through responsible mining practices. Synergies that add to our operating efficiencies are the location of our integrated and split grinding units near rail and road networks, making it possible for us to reach our markets easily and cost effectively.





Impact of financial capital on other capitals



Financial capital

Continuous production to generate revenues



Intellectual capital

R&D to develop new products



Natural capital

Consumption of resources such as land, water, fuel and raw material



Human capital

Employment of people.
Educating people on technical as well as non-technical subjects



Social and relationship capital

Strengthen relationship with dealers and customers with reliable product supply

Capital wise performance

Manufactured Capital

Target

Increase production capacity to ~25 MTPA in the next three years, by expanding its footprints in Central and Northern India

Progress

Work is on full swing for new capacity addition in central India and increase in the existing facilities.

Enhancing our grey cement capacity

We have significantly enhanced our manufacturing capacities for production of grey cement so that we can fulfil the enhanced demand across India. We are adding capacities in the Central and North regions, in addition to our existing facilities in North, West and South India which will greatly help our logistical reach.

Ongoing projects

The Nimbahera Line 3 upgradation was completed and commissioned in September 2021. This resulted in energy efficiency and increase in clinker production.

The 4 MTPA Greenfield Grey Cement project at Panna in Madhya Pradesh is under construction along with a split grinding unit at Hamirpur in Uttar Pradesh. It is expected to become operational in the near future.

Enhancing market position

Under our new campaign – 'Maati ka Laal', we are expanding our outreach in untapped markets of Uttar Pradesh and Madhya Pradesh.

New Projects

We plan to increase our cement production capacity to 25 MTPA by FY 2024-25





14.7 MTPA

● Grey Cement Total

4.25 MTPA

Nimbahera, Chittorgarh
(Rajasthan)

1.50 MTPA

Jharli, Jhajjar (Haryana)
(Split grinding unit)

3.25 MTPA

Mangrol, Chittorgarh
(Rajasthan)

1.50 MTPA

Aligarh (Uttar Pradesh)
(Split grinding unit)

3.00 MTPA

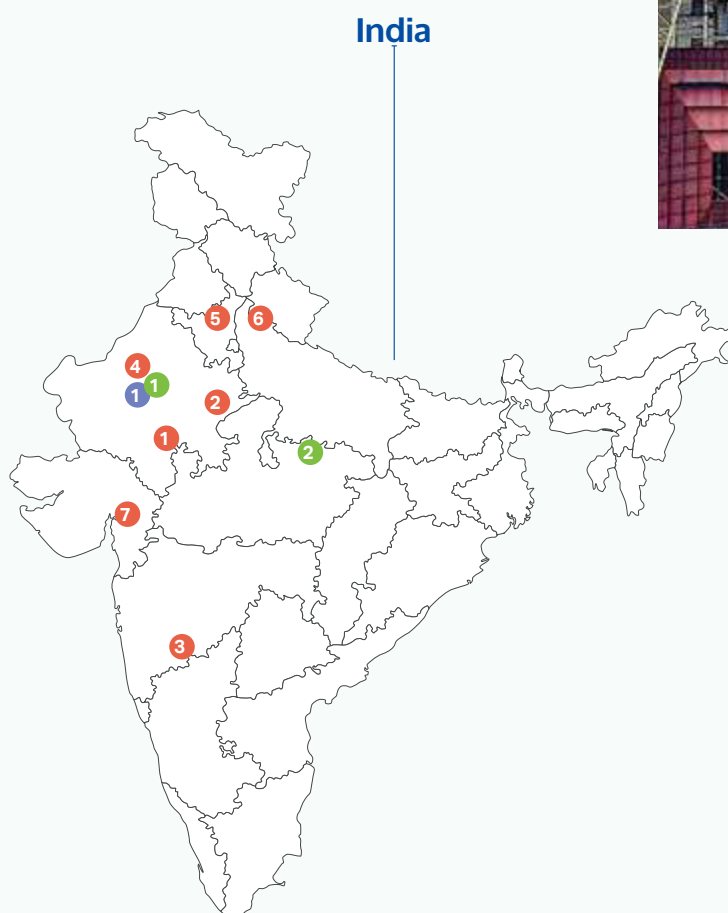
Muddapur
(Karnataka)

0.70 MTPA

Balasinor (Gujarat)
(Split grinding unit)

0.47 MTPA

Gotan, Nagaur
(Rajasthan)



1.5 MTPA

● White Cement Total

0.88 MTPA

Gotan, Nagaur
(Rajasthan)

0.60 MTPA

Fujairah
(UAE)

1.3 MTPA

● Wall Putty Total

0.63 MTPA

Gotan, Nagaur
(Rajasthan)











0.70 MTPA

Katni
(Madhya Pradesh)

Capital wise performance

Manufactured Capital

Revenue mix

Grey Cement			White cement (including value-added products)		
		%			%
	FY 22	77		FY 22	23
	FY 21	74		FY 21	26
	FY 20	71		FY 20	29
	FY 19	70		FY 19	30
	FY 18	71		FY 18	29





Our energy capacity

Our expansion plans are based on setting up of energy-efficient plants.

- Our total thermal Captive Power Plant (CPP) capacity is 102.5 MW.
- Within our clean power portfolio, we have WHRS systems installed at Nimbahera and Mangrol, with total capacity of 42.3 MW. Further, 20 MW WHRS is planned at the Muddapur plant in Karnataka and 22 MW at Panna in Madhya Pradesh, which are expected to be completed by FY 2023-24
- Currently we have 17.2 MW of Renewable Energy (solar and wind) which is proposed to be increased, with total capacity reaching 55.7 MW by FY 2022-23

Creating a sustainable supply chain _____

As a part of our sustainable supply chain, our Maliakheda Mines are connected with our Mangrol Plant through high-speed Overland Belt Conveyor to avoid the transportation of limestone via road.

This has significantly reduced CO₂ emissions by reducing our fuel consumption for limestone transportation via road. The high-speed Overland Belt Conveyor travels at a speed of five metres per second. This project has also eliminated safety hazards like over-speeding of vehicles, material spillage due to overfilling, and road accidents.



Capital wise performance

Intellectual Capital

Sharpening our innovation-led competitive strengths

Our R&D capability is the most critical part of our business model. A high-growth vector, immense competition and growing customer needs have turned the market into a product-led one. Our pedigree of strong R&D based product development has meant that we have a varied product portfolio that is able to address unique needs.

The outcome of our R&D activities build our competitive advantage, and enable us to build new competencies. In FY 2021-22, ₹ 1.9 Crores was spent on R&D by the Company.





Impact of financial capital on other capitals



Financial capital

Technology upgrades, digitisation, and process improvements to enhance long-term profitability



Manufactured capital

Innovations and procedural improvements for better efficiency



Natural capital

Clean technology to improve operational efficiency and reduce negative environmental impact



Human capital

Enhanced capabilities of workforce by leveraging various digital learning tools



Social and Relationship capital

Improved customer satisfaction and digitalisation of value chain

Capital wise performance

Intellectual Capital

Technology infrastructure**Augmenting R&D capabilities with our new Cement Concrete Lab (CCS)**

The inauguration of the Concrete Lab significantly adds to the capabilities of the existing state-of-the-art R&D lab at our Muddapur plant. The lab aims to set new benchmarks in innovation and will help us to test the strength of fresh and hardened concrete.

Furthermore, our Muddapur plant is equipped with a Robo Lab and an Automatic Blain Analyser, which aids in process control and quality control using the best available technologies. Our entire plant's operations are managed by Central Control Room (CCR), which also includes Fuzzy Operation.

₹ 1.9 Crores
Spent on R&D activities

**Management approach to using R&D for responsible business operations**

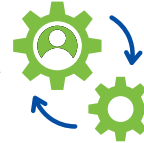
Carry out R&D activities to enhance the use of additives such as fly ash and slag to boost blended cement production



Reduce natural resource consumption



All units certified with ISO 9001:2015, ISO 14001: 2015, OHSAS 18001: 2007 and ISO 50001: 2017



Continuous process optimisation for better energy efficiency and lower costs

The importance that JK Cement place on R&D is reflected in our use of R&D as a means of constant improvement. Our cutting-edge labs at our plants in Nimbahera, Mangrol, and Gotan help in constant enhancement of process control instrumentations and quality control systems.



Product development

Our technological progress has enabled us to launch innovative new products. Some examples in FY 2021-22 are listed below:

We have launched seven new colour shades in TileMaxX Grouts range and eight new colour shades in Epoxy Grout and Cementitious Grout.



Going digital

We initiated our Digital Journey a few years ago, automating services and switching to paperless operations. Process control and calibration was also moved to digital platforms. In FY 2021-22, we have inaugurated newer capabilities that further extend the digitalisation of our operations.



Laboratory Information Management System (eLIMS)

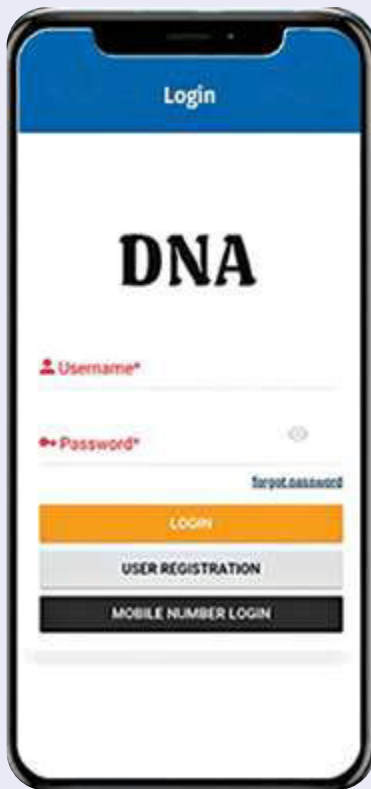
To become future ready, we introduced "eLIMS," a central repository for all the quality data of Laboratory and to trace and track all the samples they received/carried out tests/record results automatically. Our latest digital initiative acts as an interface for the data from automated lab testing equipment. It automatically creates sample records of incoming raw materials quality data, which was earlier maintained in excels. This initiative helped us achieve a more robust data management systems at a cost of ₹ 1.1 Crores.

Capital wise performance

Intellectual Capital

Launch of apps to speed up stakeholder communications

We have launched a range of apps for our stakeholders within the distribution channel, who are associated with our product categories/brands and act as brand influencers or direct intermediaries. Through these apps we share our best practices and knowledge and provide easy access to benefits – so that their all-round welfare is supported. Some of these functions are briefly described here:



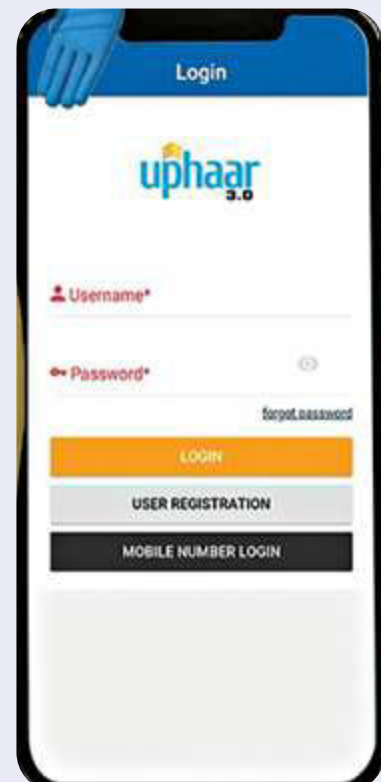
Dealer Network App - Real- time Distribution

The proprietary DNA app is a real-time Distribution Management System that connects and empowers our channel partners and provides them with a self-service portal for their day-to-day business needs. Benefits include 24x7 visibility, finance management, performance management, inventory management, sales management and procurement management.



Painter Loyalty Programme App

The Uphaar app runs a point-based loyalty programme, exclusively designed for the painters connected with JK White Cement's distribution network. Through the app JK Cement tries to make a positive difference in their lives by offering benefits like life and accidental insurance cover, scholarship funds, as well as, business enablement tools. Through the app, training workshops are offered and interested painters can enhance their skills and get educated on using new-age tools.





Contractor Loyalty Programme App

The Shoorveer app is an exclusive reward and recognition programme for contractors who are regular users of JK Super Cement. Through the app, the company shares knowledge on the best construction practices, enabling contractors to adopt, learn and progress. Shoorveer rewards its programme members for their continuous support in brand-building for the Company and for actively engaging in the programme activities. The programme members enjoy special privileges that are customised for them.



Dealer Loyalty Programme App

Samridhi is a loyalty programme exclusively designed for the channel partners of JK Super Cement. The programme aims at recognising the dedicated dealers of JK Cement for their longstanding relationship with the company and providing them with a platform to grow their business. The programme members enjoy special privileges that are customised for them.



Contributing to the development of India's hi-tech medical research capabilities _____

Innovation-led development creates the foundation for long-lasting growth. Spurred by this belief, JK Cement has always supported public endeavours to build capabilities in science and research.



We have entered an MoU with the Indian Institute of Technology at Kanpur to collaborate in the Institute's ambitious programme of setting up a School of Medical Research and Technology. JK Cement will be funding the development of a Super Specialty Hospital which is part of this programme and has committed ₹ 60 Crores for this purpose. Centers of excellence on futuristic medicines are also planned as a part of this overarching programme. Developing critical research infrastructure is crucial if the nation has to meet its developmental goals, as breakthroughs in research help achieve goals in swifter and more optimal ways.

Our mentor-leader Shri Yadupati Singhania was an alumnus of the esteemed IIT-Kanpur, and the proposed super specialty hospital will carry his name. JK Cement is extremely proud to be part of this venture, as it allows us to contribute towards nation-building in the modern era, while also showcasing the rich heritage and public involvement that the company has always demonstrated. The hospital bearing our leader's name will stand testimony to the role played by Yadupati Singhania in growing JK Cement to become one of the world's largest cement makers. We are proud of where we have reached today and feel humble to be able to contribute towards the development of India's research capabilities.

Capital wise performance

Natural Capital

Adapting to sustainability needs and discovering new value

We have a strong commitment towards sustainable manufacturing. While the cement industry has little choice but to turn aggressively sustainable, our focus has always been opportunistic. We view sustainability considerations as the new lens for recasting business profitability and rediscovering new sources of value.

We, at JK Cement understand that operating sustainably is a journey and not a destination. We are constantly improving ourselves through our responsible behaviours, technology interventions, process optimisation and environment-friendly operations. During the reporting period, no fines, penalties or non-compliances regarding environment were recorded, and this is testimony to the success of our efforts.





Impact of financial capital on other capitals



Financial capital

Greater investments in green energy and environment-friendly processes



Manufactured capital

Installation of pollution control equipment and judicious use of resources



Intellectual capital

Need for innovation for resource optimisation and circular economy



Human capital

Train our workforce on best practices of environment conservation



Social and relationship capital

Improved health and wellbeing due to better environment

Energy and Climate Change

JK Cement is always striving to reduce its carbon footprint. We are also actively working on improving our energy efficiency.

Building a platform for meeting our energy efficiency objectives through Green Yodha and Energy Compact

JK Cement, along with other leading Indian firms, has recently committed to the Green Yodha initiative to conserve and multiply the impact created by digitalisation towards reducing carbon emissions. We have partnered with Schneider Electric's EcoStruxure Solution to optimise energy and fuel consumption. EcoStruxure is an integrated one stop solution for electrical distribution, control and automation which will lead to seamless integration of all energy measurement tools and adoption of digitisation solutions.

Our commitment towards The Energy Compact, a transition program by the UN for clean energy hosted by MNRE in India, demonstrates the key role that renewables play in our future strategy. The Energy Compact initiative is building a green future for the cement industry across the world and will serve to create great synergies and accelerate the process of change. JK Cement has committed to targets for its renewables adoption, with more than 75% of our energy requirement coming from green sources by 2030. We are excited to partner in the transition as we all build a greener tomorrow, together.



Capital wise performance

Natural Capital

Energy and GHG management measures implemented at JK Cement



Lowering our
clinker factor



Increasing share of
blended products



Transitioning to
renewable energy



Expanding our
WHRs capacity



Committed to SBTi-
evaluating corporate-
level target



Increasing our
Thermal Substitution
Rate (TSR)



Process optimisation to
improve energy efficiency





Incentives for Climate Change risk management

In order to manage and adapt to the risks identified due to climate change, we incentivise our employees who support the climate change ambitions of the Company. Climate targets is one of the important KPIs which is linked with the employee annual appraisal. We have also implemented KAIZEN to address the climate risk.



JK Cement is one of the Indian Cement Company to Submit **Energy Compact** with the Ministry of New Renewable Energy

Water reduction projects: For any innovations which have led to reduction in water consumption, 'Monetary Rewards' are given.

Energy efficiency: For any suggestion of innovative ideas related to energy reduction and efficient production etc. 'Recognition Award' is given

Circular Economy Recognition award: Awards are given for any suggestion/improvement in TSR%, waste utilisation, waste management, low grade limestone utilisation, etc.

We have committed to SBTi in line with 2 degree scenario to meet the Paris Agreement and accordingly our Company has aligned the entire business with UN SDG's. By implementing various measures of decarbonisation we will cut GHG emissions (Scope 1 + Scope 2) by 21.7% between FY 2019-20 to FY 2029-30. The various measures proposed are - to increase the share of green power mix (RE+WHRS) to the level of 75%, decrease clinker factor to the tune of 65% by producing more blended cement and to increase the TSR to the level of 35% by partially replacement of Kiln fossil fuel with Biomass & AFR. Over the years, JKCL has taken numerous initiatives for clean and green technology perspective.

Turning to bamboo for a sustainable way out of the fossil fuel loop

Bamboo has several advantages as a carbon-neutral alternative.

It is a fast-growing grass that produces forests easily. A hardy and durable native species, bamboo trees can be used as alternatives for timber/wood and even coal for combustion in the kilns. Its easy replaceability and carbon sequestration advantages are a bonus.

Energy farm is a pilot project that JK Cement is running at the Nimbahera plant to meet the threefold objectives of reducing our carbon footprint, maximising our land utilisation and finding AFR. As part of the project, 1,570 bema bamboo saplings have been planted, which are a self-generating species. Planted over an area of 1.6 acres, the bamboo plantation has attained a height of approximately 15 feet in six months and is expected to attain full growth the next three years. We are expecting a yield of 63 tonnes/year for the first harvest, which will be the third

year for the plantation. A stabilised average yield of 94 tonnes/year is expected for the 1,570 trees planted.

We also have a bamboo garden at our Muddapur mines and here we have started using drip irrigation in order to avoid the use of tanker water or direct withdrawal from the mines. As a result of drip irrigation, 768 m³ of water consumption has been avoided saving ₹ 36,000 per day.

Bamboo has proved to be an effective alternative in several ways and could be adapted more extensively across our facilities to lessen our carbon footprint and also act as an on-premise biosphere. JK Cement is taking the lead with such initiatives to build a greener tomorrow through comprehensive impact.



Capital wise performance

Natural Capital

Modernisation of Line No. 3 at Nimbahera

To reduce our carbon emissions in line with our target reduction of 21% by FY 2029-30, we are constantly upgrading the technologies we use. With a focus on becoming an energy-efficient plant, our Line No.3 of Nimbahera plant has been upgraded with the replacement of the old four-stage preheater (SCL) with a modern five-stage preheater (ILC). The other alterations that have been done include replacement of VRM with Horizontal Roller Press for Raw Meal Grinding, and replacement of old Ball Mill with VRM for coal and pet coke grinding, replacement of reciprocating compressors (water Cooled) with Screw Compressors (Air Cooled).

Benefits of the Initiative:

Reduction of Specific power and heat consumption.

**Electric Vehicles for employee commuting**




Moving towards low- and zero-emission transportation, the first battery operated vehicle for ferrying employees was inaugurated at our Nimbahera plant. This service is being made available to those employees who commute to the plant in their personal vehicles or by company vehicle. This initiative has helped us reduce emissions, increase energy efficiency, and also improve the quality of life of the people and wildlife living in the adjoining areas.





Green power out of total power consumed

%

	FY 22	32
	FY 21	25
	FY 20	22

Specific thermal energy

GJ/t of clinker

	FY 22	3.12
	FY 21	3.07
	FY 20	3.09




Specific electrical energy

(kWh/t of cement)

	FY 22	62.5
	FY 21	68.3
	FY 20	73.6

Thermal substitution rate

%

	FY 22	8.9
	FY 21	6.5
	FY 20	6

Specific Net CO₂ emission (Scope 1 + 2)

kg/t of cementitious products)

	FY 22	553
	FY 21	589
	FY 20	593

GHG Intensity

Targets for FY 2029-30

Specific Direct and Indirect net CO₂ emissions to be reduced to 465 kg/ tonne of cementitious products from 593 kg/ tonne of cementitious products in baseline year FY 2019-20

Progress as on FY 2021-22

553 kg/tonne of cementitious products. We are on track to meet the targets of FY 2029-30

Green Power Mix

Targets for FY 2029-30

Increase Green power (Wind/Solar/WHRS) to 75% from baseline year: FY 2019-20

Progress as on FY 2021-22

32% green power

TSR

Targets for FY 2029-30

Increase thermal substitution rate by 35% from baseline year: FY 2019-20

Progress as on FY 2021-22

8.9% thermal substitution rate

Capital wise performance

Natural Capital

Air emissions

We are conscious of the potential negative impact of our operations on the air quality and take stringent measures to curb air emissions. This includes measures to reduce SOx, NOx, and dust emissions. We have installed electrostatic precipitators (ESPs) and baghouse filter to control air emissions quality. Our Continuous Emissions Monitoring Systems (CEMS) monitor and help us regulate the air emissions resulting from our combustion and kiln processes. We diligently comply with local regulations of the areas we operate in. Our plants' ambient air quality is also monitored, and emission levels in FY 2021-22 were confirmed to be below permissible limits. As a proactive action and to further improve the ambient air quality, we have also installed pulse radio wave technology to handle airborne pollutants at our factory premises in Nimbahera, Rajasthan.

Circular economy

Alternative fuels and raw materials

We are committed to reducing our natural resources consumption and we have taken calibrated steps in this direction. We utilise the refuse from other industries like fly ash and slag as Alternative Raw Materials (ARM). In addition, we use waste as Alternative Fuel Resources (AFR) like agro-waste, carbon black, fibre mass, plastic waste, liquid mixed waste, RDF/municipal waste and solid mixed waste are used in kilns to partially replace fossil fuel.

2.5 MnT **8.9%**

Fly ash and Slag consumed

TSR rate



Plastic negative operations

We are conscious of the impacts of microplastics on our environment and endeavour to help in diversion of plastic waste from landfills. We actively collect plastic waste which includes burst or waste cement bags and have been co-processing plastic waste in our AFR to generate energy. This helps in serving the dual purpose of reducing waste footprint and increase of TSR percentage. In FY 2021-22 we co-processed 2.4 times the plastic waste introduced into the environment by us through plastic packaging bags of our cement.

JK Cement has signed an agreement with multiple Municipal Corporations to collect, segregate, pre-process RDF and MSW for co-processing in our cement kilns at Nimbahera and Mangrol in Rajasthan and at Muddapur in Karnataka. Our efforts are aimed at cleaning the cities under the Swachh Bharat Mission and to co-process the plastic contents being introduced by our products sale as part of our EPR obligation under Plastic Waste Management Rules.





Waste management

We are committed to actively monitoring, minimising, reusing, and recycling the waste we generate from business operations. Both hazardous and non-hazardous waste, generated at our manufacturing facilities, are disposed in accordance with local laws and regulations. In addition to reusing alternative raw materials, we undertake co-processing at our facilities which allows us to divert non-recyclable waste streams to waste heat recovery processes.

Plastic Awareness Programme at the Muddapur Plant

JK Cement Works, Muddapur celebrated a Plastic awareness programme at the City Municipal Council Hall, Bagalkot, during Azadi Ka Amrut Mahatso celebrations. The team distributed 500 cloth bags amongst the public and corporation officials present at the event to create awareness about doing away with "single-use plastics".



Responsible mining and biodiversity protection

We ensure that the mining operations in our limestone quarries and surrounding areas follow responsible mining practices and are in compliance with the applicable laws and regulations.

We conduct thorough inspection and surveillance programmes and installed latest equipment on-site for monitoring safe storage as well as for the transfer of fuels.





Our environmental policy and biodiversity policy clearly define our commitment and guide our plant specific biodiversity action plans for environment conservation by working with local communities and plant horticulture teams. In FY 2021-22, we spent ₹ 4.6 Crores on the new plantation and on maintaining the existing plantation.

Our biodiversity management process includes the following:

- Mining plans in place that are approved by regulatory authorities that clearly define our reforestation plans and timelines. We conduct Environmental Impact Assessments (EIA) as part of the mining approval plans submitted to regulatory authorities. As of FY 2021-22, there are no designated forest lands which are part of our quarries, hence there is no deforestation taking place.
- Evaluation of quarry land status after use to determine reforestation steps to be applied
- Development of green belt through sapling plantation based on the reforestation plans
- Documentation of sapling survival rate for monitoring of reforestation progress

We adhere to the compliance and statutory requirements related to spillage and subsequent recovery.

Investments in Plantation management

	(₹ Cr.)
	FY 22 4.6
	FY 21 2.6
	FY 20 2.8
	FY 19 2.8

Preserving local biodiversity, greening arid zones:

How JK Cement is helping to build a greener tomorrow

JK Cement believes that to build a greener tomorrow, incremental change at the grassroots level, can make all the difference. At our Ahirpura Mines, located near our Nimbahera plant, we have created a biodiversity park as a secure habitat for local flora and fauna where native species are preserved. The park also helps improving the ecological footprint of the organisation by acting as a carbon sink that serves as an offset for our carbon emissions.

The biodiversity park is being developed in three phases across a 50-hectare area where more than 50,000 saplings will be planted in phases stretching till FY 2025.

- Target Phase 1 –
20 ha, 20,000 saplings in FY 2023
- Target Phase 2 –
15 ha, 15,000 saplings in FY 2024
- Target Phase 3 –
15 ha, 15,000 saplings in FY 2025

We are also targeting to carry out biodiversity assessments across all Integrated plants having quarries at Nimbahera, Mangrol and Muddapur by

2025. We conduct periodic biodiversity risk exposure assessments and develop sapling plantation targets based on area of coverage and sapling survival rate.

To further ensure a positive impact, we are partnering with third party experts for biodiversity impact assessment. All seven quarries have environmental clearances and biodiversity protection plans in place.

Miyawaki forests at Muddapur

At JKCL, we are not only committed to protecting the existing biodiversity but also to create the right habitat in urban areas to ensure that it flourishes. Our Muddapur mines needed a thick green cover. So, since 2021, we have adopted Miyawaki plantation technique which grow trees in two to three years and are self-sustaining plantation areas. This has not only increased the green cover but also has helped lower temperatures in concrete islands, reduce air and noise pollution, attracted local birds and insects, and create carbon sinks.



Capital wise performance

Natural Capital

Water management

Water management has undergone a recent paradigm shift in our cement businesses as water scarcity is increasingly becoming a major concern because most of our operations are in dry, water-scarce areas. We work continuously towards limiting our water usage and improving our water recharge reserves as well as raising awareness among our stakeholders about its optimal use.

All our manufacturing facilities are zero-water-discharge plants that treat and reuse all domestic and industrial wastewater generated on-site. Although we rely on surface water (river water) for water consumption, we reuse the treated wastewater for a variety of purposes. These include plantation and gardening, green belt development, machinery cooling, and coal yard dust reduction, among others.

Water Positive

Times

	FY 22	4.6
	FY 21	3
	FY 20	3.2

Investments in Water management (₹ Cr.)

	FY 22	10.9
	FY 21	2.7
	FY 20	0.9

5 times water positive

Target for FY 2029-30





For all our manufacturing facilities:

We use a variety of methods to reduce freshwater withdrawals, including rainwater harvesting, process water efficiency improvements, and the development of innovative products. Since Rajasthan (one of our plant locations) is a semi-arid region, we integrated Air Cooled Condensers (ACC) with Captive Thermal Power Plants (CPP), which reduced water usage by more than 90% compared to standard water-based cooling towers. We also installed mine water treatment plant for utilising the mine pit water for drinking and domestic purposes in plant and colony premises to reduce the dependency on groundwater.

Some of our initiatives are:

1. Switching from Water to Air Cooled Condenser at CPP resulting in reduction of water consumption to increase the life of our water resource.
2. Installation of Drip Irrigation system in our green cover plantations. It will provide the opportunity for increasing green cover with better survival.
3. Use of City Sewage Water for Plantation for fulfilling the need for additional green cover with better survival.
4. Terminatin leakages by replacing old storage and pipelines.
5. Connecting of all mine pits by laying pipelines to increase water storage at our own mines.
6. We constructed a water pond in our nearby village area which is filled with rainwater collected in our mine pit to meet the water requirement for agriculture purposes etc.
7. Installation of mine pit water treatment plant for drinking and domestic purposes at plant and colony which has facilitated in reducing the dependency on groundwater. The groundwater will be available to society for various purposes including agriculture etc.

Capital wise performance

Natural Capital

Sustainable products

We strive to deliver high quality products that are beneficial to the environment. Our green cement products are made up by following the principles of responsible production. We emphasise to maximise the production of blended cement by replacing the conventional cement with minimum use of natural resources. We provide environmental and health and safety product declarations on our product brochure which can be found on our website for each of our products. The notable characteristics of our construction products are:

- Locally extracted or recovered materials from the mines surrounding our plants
- Low embodied carbon materials such as PSC and PPC by recycling fly ash, slag as well as AFR.
- VOC from the product manufacturing is negligible (see sustainability scorecard)
- All products are packaged with recyclable packaging materials

62%

Revenue from Green cement /Blended cement/ Green construction material

- PSC has eco-friendly benefits
- All our products disclose potential health hazards
- We don't include any hazardous materials in our cement manufacturing process such as mercury, cadmium, formaldehyde (added), chlorofluorocarbons (CFCs), halogenated flame retardants, lead, PVC, and others harmful substances

In line with our sustainability journey, we are adopting various sustainable construction practices. In continuation to our journey, we are in the process of obtaining GreenPro Certification for Cement products manufactured by JK Cement Ltd.

New product development –

We conducted studies at our plants to further reduce the Clinker usage by other use SCMs, these trials are:

- Limestone Calcined Clay Cement (LC3)
- Composite cement based on fly ash and Limestone
- Portland Composite cement (PLC)
- Portland Dolomatic Limestone Cement (PDC)
- Multicomponent blended cement.





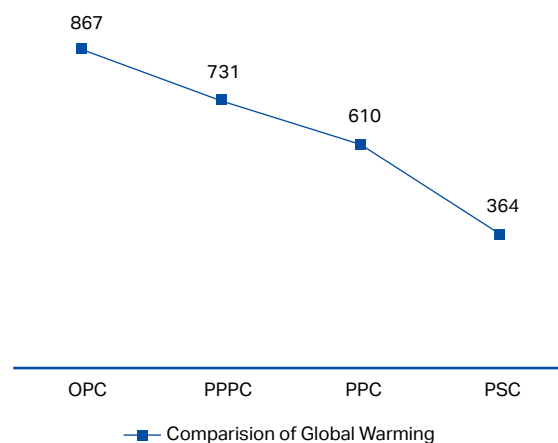
Impact assessment of our products

Life Cycle Assessment (LCA) study has been carried out by SimaPro using ISO 14040/44 standards for various products at our Nimbahera, Mangrol and Muddapur plants. The inputs for the LCA study included raw material extraction, transportation and emissions during different processing stages until the product exits the factory gate. The functional unit for the study is one tonne of each type of cement. Cradle to gate study approach was adopted and all the data considered for this study was obtained from primary sources. Hence, the need for assumptions was eliminated.

Comparative analysis has been done for the environmental profiles of various types of cement manufactured to analyse the impact on climate change, ozone layer depletion, particulate matter, acidification, eutrophication, land use and impacts on human health. The ReCiPe is a method for the life cycle impact assessment (LCIA). The primary objective of the ReCiPe method is to transform the long list of life cycle inventory results into a limited number of indicator scores. The outcomes of the LCA study reveal that the blended cement has less impact on the environment as compared to the Ordinary Portland Cement.

"PPC, PPCP and PSC have 30%, 16% and 58% lower global warming impact as compared to OPC" Findings of LCA Impact Assessment in our Muddapur Plant

Global Warming kg CO₂ eq



Capital wise performance

Human Capital

Long-lasting connections built on a foundation of trust and empowerment

We have a strong commitment towards our employees, which is demonstrated through our industry-leading employee welfare practices and a culture of working together. We use modern technology to understand our employees' individual needs and customise their growth path.





Impact of financial capital on other capitals



Financial capital

Investment in knowledge and skill development of employees helps better productivity



Manufactured capital

Improved efficiency and quality across plants and processes



Natural capital

Greater effort on initiatives towards resource conservation



Intellectual capital

R&D ideas and participation for more innovation



Social and relationship capital

Enhanced employee experience through voluntary participation in community engagement drives

Capital wise performance

Human Capital



Building connections with our people

We have digitalised many of our HR systems and processes leading to greater efficiency and transparency for employees across multiple locations. We use the SAP Success Factors cloud-based HR management system for our business processes, and this platform is integrated with our mainstream HR operations, leading to paperless operations. Digitalisation of HR covers our recruitment, performance management and learning systems. This has contributed greatly towards process excellence.

JK Cement wins Great Place to Work for the 3rd consecutive year

The values of integrity, quality, trust and care imbue the initiatives we design for our People. Their physical and mental wellbeing is of great significance to us and we strive hard to create a workplace that is stimulating, inclusive and supportive. For reasons like these, J.K. Cement has been certified as a 'Great Place to Work®' for FY 2021-22, which is the third year in a row.



Employee engagement

We are an equal opportunity employer and strive to ensure that we take into consideration our employees' views in all relevant business operations. During recruitments, we exercise judicial selection in favour of socially disadvantaged communities, provided the prospective candidates fulfil our merit-based criteria.

We also recruit fresh graduate hires who are given the opportunity to interact with Leadership during the orientation sessions. In addition, we also have celebrations in our plants for Diwali, Engineer's day, Women's day, and other festivals. In FY 2021-22, we received zero complaints from employees on human rights and employee wellbeing issues.



The musical evening with KK, held virtually on 21st January 2022 during the third wave, lifted the spirit and morale of our employees. Unfortunately, KK is not with us, but he is still alive in the hearts of all the employees of JK Cement and we pay the great artiste our respects.

Initiatives at JK Cement

1

Project UDAY is aimed at grooming the leaders of tomorrow and empowering young talent in the organisation to take on higher responsibilities.

2

Project SAARTHI - Lead to Inspire enable. Focuses on building capabilities of young managers and helps them develop their people management skills. Especially of newly promoted first-time managers.

3

Project SAKSHAM, we became the first company in the Indian cement sector to fully adopt an end-to-end cloud-based HR platform.

4

Project SHRUTI Employee Assistance Programme. Aims to ensure physical, emotional and mental health of our employees.

5

Project PRAWAH An initiative to understand the feedback from new hires (3-4 months old) to understand their concerns.

6

YOUR VOICE MATTERS Our continuous feedback tool in collaboration with Great Places to Work Institute. Employees can give weekly feedback which is confidential.

7

In an advent to support women workforce at JK Cement, "**SHAKTI**", a **women connect platform** was launched on 8th March, 2022 to facilitate women-friendly environment and support the organisation's vision to become a great place to work for women.

Capital wise performance

Human Capital



Talent attraction and retention

JK Cement manages its diverse talent pool of capable and ambitious professionals by offering a nurturing environment, benchmarked compensation, accelerated, merit-based career-progression and best in class people policies. JK Cement's employee value proposition follows a timeless culture that prioritises high-performance, efficiency, safety, and integrity. The talent management function focuses on fresh hires and mentoring programmes and our talent team is actively involved in retaining and nurturing talent through job management development programme, among others.

In FY 2021-22, we recruited new management trainees from various campuses. The learning module has been designed for the new entrants in the JK Cement family, with the objective to lay strong foundation to execute effectively and achieve success in their roles.

Learning and development

Continuous learning and professional development are a core part of our Company. Multiple on-the-job, classroom and other forms of trainings, learning opportunities and structured programmes are offered to the employees in order to help build world-class competencies, regularly reskill and upskill, and provide an environment of continuous improvement. Our Flagship Talent development programme 'UDAY', is a structured process with an aim to build the future talent pipeline and to institutionalise the culture of learning in the

organisation to inspire our young employees. Successful role elevations of young minds to higher responsibility echoes the robust process laid down to strengthen the talent pipeline.

Similarly, we have also launched the programme 'SARATHI' to build the capabilities of young managers to develop their required skills.

Total training hours for permanent workforce

Hours

	FY 22	37,360
	FY 21	22,233
	FY 20	35,996

₹2.11 Crore

Spent on trainings in FY 2021-22

Project Horizon

To streamline the talent management system, we have implemented a new programme that will clearly define an employee's job role, consistently measure performance, benchmark performance and ensure smooth functioning.



Diversity and inclusion

We are an equal opportunity employer and do not discriminate.

One of the key focus areas remain to encourage more and more women to be a part of the JK Cement team. We ensure our workplace is free from any harassment and discrimination and take stringent action against any incidents found. As a leading manufacturing Company in India, JK Cement has been consistent in its efforts to create more opportunities and provide a safe and empowered working environment for women. We also recruit local youth from and around our operating locations.

2.4%

Permanent female employees and workers



Human rights and POSH

At JK Cement, we have zero tolerance for all kinds of discrimination and harassment. We stand with our team in the event of any violation and ensure that strict action is taken. We are committed to establishing a workplace which adheres to strict guidelines. JK Cement also does not tolerate any violation of human rights on plant and mines premises such as human trafficking, child labour, forced labour, etc. We are certified with SA 8000 in our plants that ensures we have robust internal management systems to prevent human rights violations.

Our processes of Human Rights Risk Mitigation

Screening workmen for underage persons by verifying ID

Securing consent for working from each worker

Reporting process for complaints on discrimination or harassment

Complying with minimum wage requirements of the area

Capital wise performance

Human Capital

We are cognisant of the fact that every individual brings a different and unique set of perspectives and capabilities to our team and, as such, JK Cement is fully committed to employing people solely on the basis of their ability to do the job, prohibiting any discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity, religion, disability, family status, social origin, and so on.

We periodically assess all our plants and mines operations for instances of human rights violations. We undertake appropriate due diligence in our own operations to ensure that human rights practices are upheld. We also provide sensitisation and awareness sessions in our operational facilities on anti-discrimination and anti-harassment topics. Each site has a risk mitigation and incident resolution/remediation procedure that is guided by our Human rights policy. We include all our stakeholders in our risk assessment scope such as contract workers, permanent workers, women, etc. The remediation procedure consists of an investigation of violations, root cause analysis of identified violations and corrective actions with dedicated responsibilities and timelines. This is followed by trainings and sensitisation sessions for our

workforce. In the case of sexual harassment incidents, all complaints are directed to the Internal Complaints Committee which undertakes investigation of all harassment incidents.

During FY 2021-22, there were no cases of human rights violation, including child labour, forced labour, below minimum wage payment, discrimination or harassment in our plants, mines, or offices. JK Cement recognises our workforce's right for freedom of association and collective bargaining. We ensure all permanent workers are paid as per the legal requirements of minimum wages.

Health and safety

Safety is a core focus area at JK Cement and are committed to the continuous improvement of our safety performance. The Company is committed to providing a safe, healthy and conducive working environment for all employees and stakeholders. An injury- and fatality-free workplace are key objectives of the Company, and a fully-integrated Health & Safety (H&S) system is one of the core focus areas of our businesses.



Safety Handbook – quick and easy safety reference

In order to ensure the SOPs and standards developed are better organised to understand the basic health safety requirements, our JK Cement Works plant at Gotan came up with a unique solution. We developed a safety handbook for easy and ready reference and to prevent accidents by enabling our workers to adopt proper working procedures. The safety handbook represents the minimum standards on matters of Safety & Health.





Our Zero Harm programme, which began in FY 2019-20, is all about continuous improvements in achieving zero fatalities and injuries, both on-site and off-site. We also went beyond legal requirements and implemented a fully-integrated Environmental, Health & Safety (EHS) management system at all our manufacturing plants and is based on ISO 45001. We are in the process of adopting safety targets at the Group level. We organised various awareness and counselling programmes across plants covering occupational health and safety, and lifestyle and common seasonal diseases. We also have Suraksha Apps, JKCL EHS for safety observations and JKCL EPTW for permit to work available.

New Safety Initiative – Self Commitment Safety Culture across all plants

In an endeavour to achieve Safety Excellence, all the plants have launched Safety Cardinal Rules to achieve Zero Harm. Key activities undertaken:

1. Safety Protocol displayed at prominent location
2. Tip cards on Life Saving Cardinal Rules printed in three languages and distributed
3. Inclusion of Safety manual in Daily toolbox talks and training programmes

Hazard and Injury Management Approach

Encouraging employees and workers to report near misses and unsafe conditions to the Safety team at the earliest

Injury or fatality in the work premises is immediately reported to department lead as well as safety team

Investigation of reported incident or near miss and corrective actions are taken

Corrective action progress discussed in safety committee meetings

We ensure regular worker management discussion as part of safety committee meetings. In addition, we also conduct regular safety trainings to our employees and workers. We also provide regular health checkups to our workers and COVID-19 related assistance to our workforce.

Truck Tippler Platform modification work

People's safety has always been the first and foremost concerns at JKCL. The safety and mechanical department at JK White Cement Works, Gotan observed that sometimes truck drivers climbed on top of their trucks while unloading of raw material into hoppers, to dislodge raw materials. This was very dangerous as there was a risk of slipping and falling into the hopper. To avoid such situations, an extended steel platform has been constructed with increased height to accommodate the removal of leftover limestone through round bars. After modification for removing stuck materials, drivers do not climb the truck. Instead, they now use the new platform for removing limestone from the truck using rods. This initiative now makes our plant a safer workplace.

Annual health and medical camp at Balasinor

Annual Health and Medical Camp organised for all our Staff and Contract Workmen. The event witnessed 100% participation.



Capital wise performance

Social and Relationships Capital

Creating strong relationships for a durable future together

Our long-term relationships with customers, suppliers, retailers, dealers, and communities are key to our business sustainability. Nurturing these relationships in the long term is integral to our business strategy.

We believe in creating value for the customer over and above the contractual obligations, and seek to continuously build relationships of trust with them.





Impact of financial capital on other capitals



Financial capital

Greater brand loyalty of customer, dealer, retailers and other key stakeholders



Manufactured capital

Better products and process through stakeholder engagement



Intellectual Capital

Greater innovation based on customer insight



Human capital

Greater engagement with stakeholder to gather feedback and share knowledge



Natural Capital

Improved health and wellbeing of society based on stakeholder needs

Capital wise performance

Social and Relationships Capital

Building long-term trust

At JK Cement, all stakeholders play vital roles in ensuring our growth and viability as a business. We operate a consumer-centric business model where suppliers form an integral part of our business. We also work with our partners across our value chain to ensure their operations are sustainable. Our ESG policy for suppliers, contractors, consultants and transporters requires them to adopt responsible business practices.

Customer centricity and value-added support

We believe in creating long-term value for our customer by delivering beyond their expectations. We actively engage with our customers at multiple levels to meet and understand their expectations. Our grievance mechanism provides a platform to our customers for registering their complaints, with a dedicated helpline available online. In FY 2021-22, we conducted a customer satisfaction study and received 1,883 complaints from customer and of which 100% resolved by the end of financial year.

We launched our Cement Xpress service to ensure superior customer service. Our Cement Xpress service provides a unique way to bring us closer to our consumers by allowing customers to order any amount of cement. The cement is delivered to their doorstep with same-day delivery.





Supply chain partners

At JK Cement, suppliers are an integral part of our business, who contribute to our growth and viability as a business. We engage regularly with our suppliers to ensure that our overall ecosystem functions with a sense of responsibility, integrity, and overall compliance. JK Cement is committed to its environmental, social and governance (ESG) goals to create sustainable long-term value for all its stakeholders. We require all our suppliers who come under the ESG Policy to comply with the policy's requirements and submit acceptance before commencement of activities at our plants. In addition, we ensure ethical and labor standards are met during vendor evaluation at the time of screening the suppliers. We have taken proactive steps to identify the most significant environmental and social challenges within the value chain and screen our suppliers based on these areas.

Total Vendors of JKCL are 25,486 and Tier 1 suppliers are 1,729 which have been shortlisted on the basis of top spent which could directly affect the business. Out of 1,72,950 are critical based on 77% of spent and 1,679 are non-critical. All the Tier 1 vendors have been served and made aware of the ESG Policy and an online survey based on the ESG policies being implemented by our suppliers in their business was shared with all the Tier 1 suppliers.

Supplier risk assessment

We engage with our suppliers on a regular basis, and this helps us in risk identification as well as monitoring for compliance to our ESG policy. We require our suppliers to fill a self-assessment questionnaire annually which includes questions on their environment, social and governance practice related systems and performance. In addition, we also conduct physical verification of sample suppliers selected post self-assessment to ensure authenticity of information. In case of any risks or concerns identified, we undertake corrective actions to ensure adherence to our ESG policy requirements.

Dealers

Our dealers are the core drivers of our distribution channels and ensure we are up to date with customer preference and expectations. Our dealer network includes our distributors, painters as well as contractors. We make sure that our dealer network is well-recognised for all their hard work and regularly reward them for excellence in performance.

COVID-19 related initiatives

In our ongoing efforts to help the nation combat the COVID-19 pandemic, we rolled out new initiatives in FY 2021-22.

At our Muddapur plant, our Medical officer launched an initiative where teams of doctors visited nearby hospitals and primary health centres in Mudhol, Lokapur and Metgud. The team also distributed 12 jumbo oxygen cylinders and 10 oxygen concentrators to Taluk Hospital, Mudhol and 35 jumbo oxygen cylinders to District Hospital, Bagalkot. An oxygen generation plant was installed at Mangrol. In addition, 4 oxygen concentrators were given to Government Hospital, Lokapur.

At our Panna plant, 10 oxygen concentrators were distributed to nearby district and tehsil government hospitals.



Donation to Women & Child Development Department

JK Cement aided 24 children who lost their parents during the pandemic. A cheque of ₹ 48,000 for the first-month installment was handed over to the Women & Child Development Department of Madhya Pradesh Government.

Capital wise performance

Social and Relationships Capital

Amplify our outreach

Introduced two fresh content buckets, **#MadeWithMaxX** and **#MaxXMoment** using our social media platforms to educate, inspire and engage with our target group. The brand has achieved a reach of 13 Lacs with an engagement of 35k from these social media posts.

#MadeWithMaxX & #MaxXMoment for MaxX Range of Products



#AndarSeSundar

Celebrating the simple acts of goodness that make the world a better place!

#AndarSeSundar
A campaign by JKCement WallMaxX to celebrate the innate goodness of our everyday heroes!

Investing in our communities

At JK Cement, we strongly believe in giving back to the community to enhance the quality of life of our fellow citizens and ensuring lasting relationships with the communities we operate in. Our local community stakeholders can reach out to our location level teams anytime by contacting us through details mentioned on our website. In addition, the local community stakeholders can also engage with our location level Plant teams.

We aim to achieve a 25% increase in beneficiaries of our CSR initiatives by 2025. Our Corporate Social Responsibility efforts are guided by our CSR Policy and based on need-assessments conducted in locations. Our CSR policy reflects our socio-economic development agenda, under which we have identified the focus areas – water, health and sanitation, energy conservation, pollution-free atmosphere, clean technology, and primary healthcare.

~ 5 Lacs

Beneficiaries touched through our CSR activities

We partner with local NGO and other implementation partners, who are monitored by local CSR teams at our plants. We conduct need assessment before the introduction of any intervention programme and also conduct periodic impact assessment studies to understand the effectiveness, efficiency, relevance, and sustainability of the interventions. In FY 2021-22, we spent ₹ 16.96 Crores on community development out of our CSR budget.

CSR expenditure

₹ Crores

	FY 22	16.96
	FY 21	12.26
	FY 20	9.35



Education

Our development initiatives are focussed on educational support and infrastructure for schools including equipment, buildings, and furniture.

1. YPS- Education Upliftment Programme - UTKARSH

We are skilling 30 youths from the villages around our Panna plant. They will receive free education at Yadupati Singhania Institute of Technology, Nimbahera under our community development programme. The Company is bearing their expenses for the next two years while they complete their vocational training programmes. The expenses include tuition fee, boarding and lodging expenses, uniform and travel expenses etc. After completing their training, they will be offered employment in Panna plant.

2. A Projector was donated to the Government High School at Halki Village located near Halki mines from our Muddapur plant.
3. On the occasion of the first death anniversary of JK Cement's former CMD, Shri Yadupati Singhania, JK Cement created a record by constructing 251 ramps for better accessibility by disabled people in various government schools in the district of Jaipur, Rajasthan in a single day. The initiative is aimed to give access to education for all children, thereby fostering an inclusive academic ecosystem in the process.



Infrastructure development

We strive towards improving the standard of living of our communities by providing them better infrastructure. Over the years, we have helped develop roads, drainage systems, community halls, temples, and schools.

1. During FY 2021-22, we constructed concrete roads in nearby villages. Financial aid was given to Panchayats for rural development.
2. Drainage system construction is done at Karunda Village for better health and hygiene. Construction of rest rooms in village for travellers. Also helped in the renovation of the Merta Railway Station under Jodhpur division. Constructions of Public road and installation of RCC benches at public places.



Capital wise performance

Social and Relationships Capital

Healthcare

We strive to provide our community with access to better healthcare services, by providing financial assistance to various clinics and healthcare service providers near our plants.

1. SPANDAN – YPS Health & Sanitation Mission (YPS-HSM)

JK Cement team donated an ambulance to Simariya Government Hospital. The ambulance was inaugurated and handed over to the hospital by the Hon'ble Member of Parliament and State President of BJP Shri. VD Sharma and Minister of Mineral Resources and Minister of Labor department, Government of Madhya Pradesh Shri. Brijendra Pratap Singh.

2. An eye camp for Cataract was organised for villagers surrounding the plant operations. A total of 73 people were screened out of which 11 people were selected and cataract operations carried out.
3. The success of our business operations lies in the health and wellbeing of the community and in turn the productivity of the workforce. Having said this, we signed Memorandum of Understanding with IIT Kanpur to collaborate for setting up a super specialty hospital as part of the School of Medical Research & Technology (SMRT).
4. We ensure employees health and wellness through organising various health care initiatives. This year we organised health and wellness programme



Mobile Medical Unit under YPS-Health & Sanitation Mission (YPS-HSM)

For the benefit of 25 villages surrounding the Jaykaycem (Central) Limited, Panna plant & mines we inaugurated a Mobile Medical Unit (MMU) with all necessary infrastructure and testing facilities, supported by a qualified medical practitioner and paramedical staff. MMU is equipped with the following infrastructure and facilities for free consultation by doctors, free medicine, X-ray facility and ECG, Sample testing for blood, sugar, urine etc.

Community welfare

We seek to serve humanity by empowering and enabling underprivileged people to improve their lives through various community welfare programmes.

1. SHEERVARDHAN - YPS: Cattle Breed Improvement Project

At Panna, an Artificial Insemination Process project has been implemented to improve the health & breed of local cattle. The objective of this project is to increase the income of farmers by increasing milk production, providing veterinary services and advising the villagers on how to grow low-cost fodder for cattle.

2. Further, to promote cattle cross breeding in rural areas we also made contribution to JK Gram Vikas Udyog.

3. As a part of new philanthropic initiative, our team at Jharli donated ₹ 2,51,000 for the construction of boundary wall around the cowshed at Danvir Balla Jakhar 36 Khap Gausala Sahawas. Moreover, the team at Muddapur inaugurated a new cow shed at Shri Yadureshwar Mahadev Temple, Padamnagar.





Other activities

4. We also distributed food and blankets to specially abled children of Shiva Shakthi Society, a residential school at Mudhol.
5. A High-Mast lighting system installed near Ramakrishna petrol pump at Lokapur – Yadwad Road as a lifesaving road safety measure.
6. Road Safety Initiative: Attention has been paid to the needs of employees and their inputs has been taken in the development of initiatives at JK Cement. One such

example is 'Road Safety Awareness' at JK plant. To tackle the frequent road accidents involving Company workers, a team of officials from safety, civil and security organized a road safety awareness for all truck drivers and helpers. The motive was to ensure road safety and significant decrease in accidents.

Anganwadi Renovation Project

Our Nimbahera/Mangrol plants undertook a project of Anganwadi Renovation to provide a better place for children where they can get vital nutrition supplements, counselling for parents/expectant mothers and pre-schooling preparation for children.

The idea to set up Angawadis was well appreciated by the villages but our concern was to sustain this given the current situation of most Anganwadis located in the rural areas.

As a part of our company CSR initiative we have undertaken the renovation of a few centres by partnering with an NGO for a span of three years.

The NGO has conducted a survey and identified 45 Anganwadi Centres for this project where there's an urgent need for renovation.

We have provided the following facilities in these Anganwadis :

- Study tables
- Water bottles
- White board
- Toy house
- Uniforms for school children
- Stationary
- Wall colouring
- Light and fans
- Maintenance/renovations
- Plantation



Renewing water sources: Vision of a greener tomorrow

In a grass-roots level initiative, JK Cement Works, Muddapur has taken on the onus of improving the agricultural infrastructure of neighbouring Budhani village and also making it a cleaner place. JK Cement was first approached by the farmers of this village, who requested the Company to initiate some environment-promoting activities. Our executives visited Budhani village and inspected an irrigation check dam that had fallen into disrepair and was lying in a clogged and unusable condition. We decided to initiate work for repairing the dam under the Swachhata Abhiyan – an initiative which was already underway, and in which the security

team at Muddapur Plant participated each Sunday. A team of volunteers got together to revive and restore the dilapidated and clogged check dam. After its repair and revival, around 20 neighboring sugarcane farmers owning more than 50 acres of land have been benefited. The dam has also improved water recharge in the region and led to more effective rainwater harvesting. Now the village has a dedicated source of clean water for both consumption and irrigation purposes.



Capital wise performance

Social and Relationships Capital

Sparsh Sanitary Napkin Production & Distribution Project

At JK Cement Works- Nimbahera/Mangrol our aim is to focus on social development that can fulfil the basic needs of the communities. The "**Sparsh Sanitary Napkin Project**" would not only create awareness around menstrual health and hygiene but will also generate employment thereby empowering rural women.

For the execution of this project, we collaborated with one of the local NGO called '**Arunima Seva Sansthan**' for a period of five years. All the expenses incurred are borne by the Company under our CSR. After this timeframe the project will be independently managed by the NGO.

The cost of this project is ₹ **27.56 Lacs** per year, that includes procurement of the Sanitary Napkin Machine, Raw Materials, Packaging Machines, Infrastructure, Transport etc. All the above facilities were provided by JK Cement.

Through this initiative the NGO that we partnered with received a good ROI that in turn were used for their other initiatives to empower women.

Through the Sparsh Sanitary Napkin Project, the community, especially the women are directly and indirectly benefitted through:

Direct benefit:

- Generating employment for women
- Improving mensuration hygiene and health
- Provided sanitary napkins on minimal cost to rural women.
- Achieving our social development goal
- Till date, we have given 2,000+ women direct employment
- Sparsh Sanitary Napkins market areas: Pune, Indore, Bangalore, Rajasthan, MP, etc.

Indirect benefit:

- Awareness towards women hygiene
- Educating villagers on women's health and its importance
- Empowering other rural women by providing employment
- Making women self-reliant
- Empowering micro-business ideas





Environment

We work diligently to ensure environmental protection as part of our CSR initiatives.

1. NEER - YPS: Drinking Water Project (YPS-DWP)

In an endeavour to improve water quality in surrounding areas, a detailed hydrology and hydro-geology study has been initiated through a water consultancy firm. This initiative will help to improve the quality and quantity of water that will benefit thousands of villagers.

2. We always focus on optimum utilisation of the available resources. Our team in Muddapur transformed a barren patch of land into an attractive lush green garden by utilising internal resources. The land was situated in the vicinity of Temple in Padamnagar which was turned into a clean and green spot with statues and water fountains attracting the local communities.



Energy conservation

At JK Cement, our focus is to conserve energy by utilising alternate sources of energy.

1. On the festive month of Diwali, we launched a campaign- Kare Harr Raah Roshan #LightOfHappiness. Under this initiative, we identified the dark alleys and by-lanes in the villages where pedestrians found it difficult or unsafe to cross the streets due to inadequate lighting.
2. We installed 160 solar-powered street lights in the streets of different villages across India, impacting a population of 12 Lacs. It helped in preventing road accidents and other road-related incidents.

CSR reach and impact

No. of Districts

	Haryana	2
	Karnataka	5
	Uttar Pradesh	5
	Rajasthan	22



Our board

Corporate Governance and Ethics

Leading with foresight and passion

We have institutionalised good governance led by robust corporate governance guidelines, a Code of Conduct, and financial ethics. We stay committed to achieving value-based growth without compromising ethical standards.

Our Governance Structure

A board comprising of 14 individuals from diverse backgrounds who possess the requisite qualifications and experience to contribute to our growth and decision-making processes leads us. Seven out of our 14 directors are independent, helping us strike the right balance between in-house and external perspectives.

The Board meets regularly to review strategic, operational, and financial matters. The Board has formulated policy and charters for various committees, which sets out their respective roles and responsibilities, composition and scope of authority.

Our corporate governance principles guide us to conduct our business with integrity, fairness and transparency. It decrees making necessary disclosures and decisions in compliance with the laws of the land, be accountable and responsible towards stakeholders and conduct business ethically at all times.

Our committee details

- Audit committee
- Nomination and remuneration committee
- Stakeholder relationship committee
- CSR committee
- Risk management committee



Smt. Sushila Devi Singhania
Chairperson (Non-Executive
Non-Independent)



Dr. Nidhipati Singhania
Vice Chairman



Mr. Ajay Narayan Jha
Non-Executive
Independent Director



Mr. Ashok Sinha
Non-Executive
Independent Director



Mr. Paul Hugentobler
Non-Executive Non-Independent
Director (Civil Engineer & Degree
in Economic Science)



Mr. Satish Kumar Kalra
Non-Executive
Independent Director





Dr. Raghavpat Singhania
Managing Director



Mr. Madhavkrishna Singhania
Deputy Managing Director
& CEO



Mr. A.K. Saraogi
Deputy Managing Director
& CFO



Mrs. Deepa Gopalan Wadhwa
Non-Executive
Independent Director



Dr. K. B. Agarwal
Non-Executive Independent
Director (Graduate of Law, PhD,
ICWA and CS)



Mr. Mudit Aggarwal
Non-Executive
Independent Director



Mr. Saurabh Chandra
Non-Executive
Independent Director



Mr. Sudhir Jalan
Non-Executive
Non-Independent Director



Our board

Corporate Governance and Ethics

Our new and retiring directors (eligible for reappointment), are elected individually in our Annual General Meetings through postal ballots. Since our Chairperson is Non-Independent/Promoter as per SEBI (LODR) Regulations, Independent Directors shall constitute 50% strength of the Board and balance 50% strength may be Non-Executive, Non-Independent Director. Our Board of Directors are required to at least attend one meeting as a minimum attendance as prescribed under the Companies Act, 2013. We also conduct regular annual independent assessment of board performance in the First Quarter of the calendar year.

Diversity in our Board

At JK Cement, we strive to ensure that our Board reflects our diversity commitments and has adequate representation of meritorious women. We ensure no discrimination in terms of age, gender, ethnicity, nationality, race or religion in our selection of Board of Directors and we also have a Board Diversity policy for the same.

Ethics and transparency

JK Cement is firmly committed to adhering to the best ethical standards. Our Code of Conduct details our stand on ethical behaviour and transparent communication. We have strong internal controls to ensure all aspects of our Code of Conduct are implemented appropriately. We assess our operations regularly for breach in Code of Conduct.

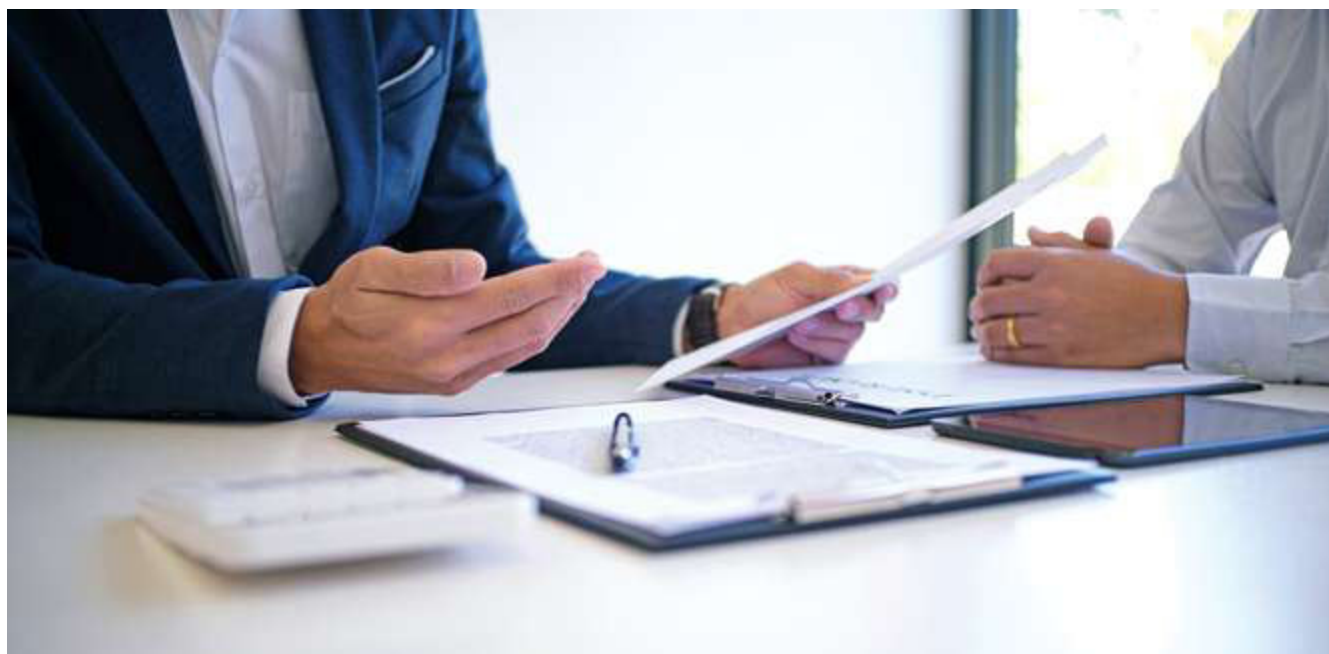
Our Board also reviews Company's policies and internal controls regularly to ensure all checks are in place.

We also assess our operations for safety and human rights risks and ensure stringent measures are taken in case of any incidents.

Significant policies governing our business

- Privacy Policy
- Corporate Environment Policy
- Dividend Distribution Policy
- Internal Financial Control Policy
- Archival Policy
- Policy for determination of materiality of events information
- Policy on preservation of documents and records
- Policy on evaluation of performance of directors and the board
- Policy for determining Material Subsidiaries
- Human Rights Policy
- Prevention of Sexual Harassment Policy
- CSR Policy
- Related Party Transaction Policy
- Whistle Blower Policy
- Code of Ethics and Business Conduct
- Risk Management Policy
- ESG Policy
- Internal code of conduct to regulate, monitor and report trading by designated persons
- Biodiversity Policy

The above can be accessed from <https://www.jkcement.com/policies>.





Awards and recognition



JK Cement is proud to be certified
A GREAT PLACE TO WORK
For the 3rd consecutive year



JK Cement is honoured to be recognised as the
FASTEST GROWING CEMENT COMPANY
By the 5th Indian Cement Review Awards 2021



Maliakhhera Limestone Mines
of JK Cement Works,
Nimbahera presented with
FIVE STAR RATING
by Ministry of Mines



JK Cement Works, Muddapur
achieved State Level 1
**"UNNATHA SURAKSHA
PURASKARA"**
Award - 2021 for Excellence in Safety



JK Cement Works,
Mangrol was awarded the
**RAJASTHAN ENERGY
CONSERVATION AWARD
(RECA2021)**



The Bureau of Energy Efficiency (BEE) presented JKCement,
Muddapur with a Certificate of **Merit (COM)** at the 31st National
Energy Conservation Awards (NECA-2021).



JK Cement Works Mangrol wins
**GOLD AWARD FOR OCCUPATIONAL
HEALTH AND SAFETY**
by apex India safety award 2021

Sustainability Scorecard

Production	Units	FY 2019-20	FY 2020-21	FY 2021-22
Cement	MTPA	9.56	11.00	13.11
Clinker	MTPA	7.02	8.11	8.97
Cementitious	MTPA	9.8	11.4	13.4

Economic Indicators

GRI 201-1

Economic value generated	Units	FY 2019-20	FY 2020-21	FY 2021-22
Income from operations	(₹ Crores)	5,549.65	6,441.63	7,821.38
Economic value distributed	(₹ Crores)	5150.54	5,837.44	7,186.90
A) Cost of Material Consumed	(₹ Crores)	871.99	967.57	1,155.39
B) Power & Fuel	(₹ Crores)	1,011.53	1,106.2	1,571.87
C) Employee Benefit & Wages	(₹ Crores)	390.90	412.14	504.17
D) Finance Cost	(₹ Crores)	222.87	223.16	249.31
E) Tax Expenses	(₹ Crores)	251.64	389.72	332.86
F) Others	(₹ Crores)	2401.61	2,738.15	3,373.26
Economic value retained	(₹ Crores)	399.11	604.19	634.48

Environment Indicators

GRI 301-1

Material consumption (Non-Renewable Materials)	Units	FY 2019-20	FY 2020-21	FY 2021-22
Limestone (Clinkerisation)	Tonnes	1,00,71,779	1,19,84,396	1,27,87,062
Clinker	Tonnes	65,81,965	74,93,389	85,71,132
Gypsum	Tonnes	4,88,569	6,74,114	10,34,204
Puzzolana	Tonnes	31,754	24,779	32,936

GRI 301-2

Recycled Input Materials	Units	FY 2019-20	FY 2020-21	FY 2021-22
Slag	Tonnes	1,19,628	1,30,013	1,42,960
Fly ash	Tonnes	14,64,502	17,99,967	23,52,512

GRI 302-1

Energy consumption in the organization	Units	FY 2019-20	FY 2020-21	FY 2021-22
Non-Renewable Sources (A)	GJ	3,06,85,600	3,20,28,582	3,37,76,349
Fossil Fuel and AFR combustion (Kiln + Non-Kiln)	GJ	2,96,73,000	3,07,07,000	3,19,54,519
Non-Renewable Electricity purchased from Grid	GJ	5,69,000	5,88,334	9,98,074
Energy from WHRs	GJ	3,81,698	5,88,334	7,08,585
Electricity sold externally	GJ	61,902	1,44,914	1,15,172
Renewable Sources (B)	GJ	1,86,700	3,00,700	8,37,847
Biomass combustion (Kiln + Non-Kiln)	GJ	1,84,000	1,99,000	8,18,095
Renewable (Solar + Wind) Electricity generated and consumed	GJ	2,700	1,01,700	19,752
Total Energy consumption (A+B)	GJ	3,08,72,300	3,23,29,282	3,46,14,196
Other Indicators				
Energy Intensity	GJ / tonne cementitious material	3.15	3.77	2.57
Kiln fuel	TJ	21,736	24,933	27,948
Non – Kiln fuel	TJ	8,121	5,993	4,824
Solar Generated	TJ	2.3	2.7	19.75
Specific thermal energy	GJ/t of clinker	3.09	3.07	3.12
Specific electrical energy	KWH/t of cement	73.6	68.3	62.5



GRI 302-4

Reduction of energy consumption	Units	FY 2019-20	FY 2020-21	FY 2021-22
Energy Saved	GJ			19,42,187

GRI 303-3

Water withdrawal	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total freshwater (TDS <= 1,000 mg/L)	ML	1,519	1,704	1,360
Total other water (TDS >1,000 mg/L)	ML			435
Groundwater freshwater (TDS <= 1,000 mg/L)	ML	855	634	403
Groundwater other water (TDS >1,000 mg/L)	ML			435
Surface water freshwater (TDS <= 1,000 mg/L)	ML	665	1,070	957
Surface water other water (TDS >1,000 mg/L)	ML			0
Other indicators				
Percentage Surface water withdrawal	%	44	63	53
Percentage Ground water withdrawal	%	56	37	47

GRI 303-4

Water discharge	Units	FY 2019-20	FY 2020-21	FY 2021-22
Discharged quantity	ML	0	0	0

GRI 303-5

Water consumption	Units	FY 2019-20	FY 2020-21	FY 2021-22
Consumption (Withdrawal – Discharge)	ML	1,519	1,704	1,795
Recycled and Reused	ML	433	332	307
Other indicators				
Percentage Water recycled/reused	%	28.5	19.5	17.1
Specific water intensity	m ³ / tonne cement	0.16	0.16	0.14
Water positivity	times	3.2	3	4.6

GRI 305-1, 2, 3, 4, 5, 6, 7

GHG and Other Air Emissions*	Units	FY 2019-20	FY 2020-21	FY 2021-22
Scope 1 Emissions (including CPP fuel usage)	tCO ₂ e	65,32,699	72,06,969	77,84,307
Scope 2 Emissions	tCO ₂ e	1,29,599	2,03,639	2,38,321
Scope 3 Emissions	tCO ₂ e		10,22,991	13,65,166
GHG emissions intensity (Scope 1+2)	tCO ₂ e/tonne cementitious material	0.680	0.645	0.596
GHG emissions intensity (Scope 1+2+3)	tCO ₂ e/tonne cementitious material	0.680	0.734	0.697

* Scope 1 and 2 have been calculated by using WBCSD Guidelines Cement Sustainability Initiative CO₂ Emissions Inventory Protocol, Version 2.0 (GNR Sheet) and Scope 3 has been calculated as per Cement Sector Scope 3 GHG Accounting and Reporting Guidance by considering DEFRA and Datasets-CKAN emission factors

Sustainability Scorecard

Initiatives for Reduction of GHG emissions	Units	FY 2019-20	FY 2020-21	FY 2021-22
Emissions from Kiln due to use of AFR and Biomass	tCO ₂ e	1,08,303	1,31,300	2,13,521
Energy savings initiatives	tCO ₂ e			58,309
Use of WHRs	tCO ₂ e		1,29,107	1,55,495

Emissions of ozone-depleting substances (ODS)	Units	FY 2019-20	FY 2020-21	FY 2021-22
R22	Tonnes		0.358	0.48
R32	Tonnes		0.01	0.04
R407-c	Tonnes		0.04	0.01
R134A	Tonnes		0.02	0.01
Total	Tonnes	0.424	0.428	0.54

Air Emissions	Units	FY 2019-20	FY 2020-21	FY 2021-22
PM	Tonnes	604	723	753
SOx	Tonnes	1,262	1,325	1,851
NOx	Tonnes	8,853	9,638	8,133
Mercury emissions Hg	Tonnes			0.111
Other indicators				
Direct CO ₂ (includes CPP)	tCO ₂ e	65,32,699	72,06,969	77,84,307
Direct gross CO ₂ (excludes CPP)	tCO ₂ e	57,75,432	66,82,752	73,55,199
Direct net CO ₂ (excludes CPP and Kiln AFR and biomass)	tCO ₂ e	56,82,107	65,56,800	72,07,227
Indirect CO ₂ (external power)	tCO ₂ e	1,29,599	2,03,639	2,38,321
Specific direct net CO ₂ emissions	kgCO ₂ e /tonne cementitious product	580	571	535
Specific indirect CO ₂ emissions	kgCO ₂ e /tonne cementitious product	13	18	18

GRI 306- 3

Waste generated	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total Hazardous Waste (Solid)	Tonnes	14	21	32.40
Battery	Tonnes	13.41	11.05	28.28
Biomedical waste	Tonnes	0.13	0.14	0.12
E-Waste	Tonnes	0	10.23	4
Total Hazardous Waste (Liquid)	L	45,458	85,718	83,540
Used Oil	L	36,848	46,637	72,440
Contaminated Oil	L	8,610	25,451	100
Biomedical Waste	L	0	30.3	0
Waste Oil	L	200	13,600	11,000
Total Non-Hazardous Waste	Tonnes	4,430	6,546	19,241²

Waste Disposed	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total Hazardous Waste (Solid)	Tonnes	14	21	32.40
Battery	Tonnes	13.41	11.05	28.28
Biomedical waste	Tonnes	0.13	0.14	0.12
E-Waste	Tonnes	0	10.23	4
Total Hazardous Waste (Liquid)	L	45,458	85,718	69,690



Waste Disposed	Units	FY 2019-20	FY 2020-21	FY 2021-22
Used Oil	L	36,848	46,637	69,590
Contaminated Oil	L	8,610	25,451	100
Biomedical Waste	L	0	30.3	0
Waste Oil	L	200	13,600	0
Total Non-Hazardous Waste	Tonnes	4,430	6,456	18,916

GRI 306- 4

Waste diverted from landfill (sent to recyclers and authorised vendors)	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total Hazardous Waste (Solid)	Tonnes	14	21	32.40
Battery	Tonnes	13.41	11.05	28.28
Biomedical waste	Tonnes	0.13	0.14	0.12
E-Waste	Tonnes	0	10.23	4
Total Hazardous Waste (Liquid)	L	45,458	85718	69,690
Used Oil	L	36,848	46,637	69,590
Contaminated Oil	L	8,610	25,451	100
Biomedical Waste	L	0	30.3	0
Waste Oil	L	200	13,600	0
Total Non-Hazardous Waste	Tonnes	4,430	6,456	18,916

GRI 306- 5

Waste directed to disposal	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total Hazardous Waste (Solid)	Tonnes	0	0	0
Total Hazardous Waste (Liquid)	Liters	0	0	0
Total Non-Hazardous Waste	Tonnes	0	0	0
Total Non-Hazardous Waste	Numbers	0	0	0

Biodiversity

Parameter	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total number of saplings planted	Nos.	9,08,127	10,23,238	11,30,137 ³
Sapling survival rate	%	82	84	80 ⁴

GRI 413-1

Parameter	Units	FY 2019-20	FY 2020-21	FY 2021-22
Operations with local community engagement, impact assessments and development programs		We implement local community development initiatives all over our India operations in line with the CSR regulation of Companies Act, 2013		
Details of CSR activities	Units	FY 2019-20	FY 2020-21	FY 2021-22
Total CSR beneficiaries	Nos.	4,09,449	7,28,120	5,02,013 ⁵



GRI 401-1 Hired

India - Permanent Employees	Unit	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22					
				<30	30-50	>50	M	F	Total
Category									
Senior Management	Nos.		3	0	4	4	8	0	8
Middle Management	Nos.		32	8	30	2	37	3	40
Junior Management	Nos.		278	401	383	3	757	34	791
GET/DET	Nos.		39	74	0	0	58	16	74
Permanent Workers	Nos.		11	0	0	0	0	0	0
Total hired - Male	Nos.	604	355						860
Total hired - Female	Nos.	14	8						53
Hiring rate	%	17%	24%						26%
Open positions filled by internal candidates	%								7%
Average hiring cost/ FTE	INR								43,000

GRI 401-1 Separation

India - Permanent Employees	Unit	FY 2019 - 20	FY 2020 - 21	FY 2021 - 22					
				<30	30-50	>50	M	F	Total
Category									
Senior Management	Nos.		11	0	0	5	5	0	5
Middle Management	Nos.		34	3	22	15	39	1	40
Junior Management	Nos.		234	143	261	42	432	18	450
GET/DET	Nos.		46	21	0	0	21	0	21
Permanent Workers	Nos.		57	21	18	19	58	0	58
Total turnover - male	Nos.	422	232						555
Total turnover - female	Nos.	6	150						77
Turnover rate	%	12%	24%						18%
Voluntary attrition rate	%		9%						14%

GRI 403-9

Work related injuries	Units	FY 2019-20	FY 2020-21	FY 2021-22
Fatalities – Permanent employees and workers	Nos.	0	0	0
Fatalities – Contract workers	Nos.	0	0	0
High consequence work related injuries – Permanent employees and workers	Nos.	0	0	0
High consequence work related injuries – Contract workers	Nos.	0	0	0
Lost time injuries – Permanent employees and workers	Nos.	0	0	2
Lost time injuries – Contract workers	Nos.		3	3

Sustainability Scorecard

GRI 404-1

Average hours of training per year per employee	Units	FY 2019-20	FY 2020-21	FY 2021-22
Male Senior Management	Manhours	1,027	230	457.5
Female Senior Management	Manhours			0
Male Middle Management	Manhours	3,110	1,267	3230.54
Female Middle Management	Manhours			9.5
Male Junior Management	Manhours	22,083	18,437	32,094
Female Junior Management	Manhours			415
Male GET/DET	Manhours			732
Female GET/DET	Manhours			79
Male Permanent Workers	Manhours	3,312	118	342
Female Permanent Workers	Manhours			0
Male Contract Workers	Manhours	6,464	2,281	4,609
Female Contract Workers	Manhours			0
Male - Others	Manhours			837
Female - Others	Manhours			10
Total hours for Permanent Male Employees and Workers	Manhours	35,996	21,973	36,856
Total hours for Permanent Female Employees and Workers	Manhours		359	504
Total hours for Non-Permanent Male Workers	Manhours	6,464	2,281	5,446
Total hours for Non-Permanent Workers	Manhours			10
Average for Permanent Employees and Workers	Manhours		6	11
Average for Non-Permanent Workers	Manhours			1.8

GRI 405-1

Diversity of governance bodies and employees	Units	FY 2019-20	FY 2020-21	FY 2021-22
Board of Directors – male	%		87%	86%
Board of Directors – female	%		13%	14%
Senior Manager – male	%		98%	100%
Senior Manager – female	%		2%	0%
Middle Manager – male	%		98%	97%
Middle Manager – female	%		2%	3%
Junior Manager – male	%		97%	97%
Junior Manager – female	%		3%	3%
GET/DET– male	%		85%	66%
GET/DET – female	%		15%	34%
Permanent Worker – male	%		100%	100%
Permanent Worker – female	%		0%	0%
Total male	%	98.3%	98.2%	97.6%
Total female	%	1.7%	1.8%	2.4%



Other ESG indicators

CEO and other executive Performance metrics	
Variable pay	At the end of each Financial Year at the recommendation of Nomination and Remuneration Committee the Board of Directors approves payment of Performance Link Incentive and Commission to MD, DMD & CEO and DMD and CFO
Linkages to variable pay	
Management share ownership	The Board has not implemented ESOP scheme in the Company for any level of Official/ executive of the Company.
Political contribution	
	Political contribution worth INR 10 Crore during FY2021-22 has been made through Electoral Bonds.
IT security and cybersecurity	
Board level governance	Our Risk Committee headed by Mr. Mr. Saurabh Chandra is charged with oversight and review of risk management and identification of emerging risks. These risks include cybersecurity and IT risks as well as periodic risk assessments in these aspects.
Executive Management Responsibility	Our Chief Digital Officer, who is a part of our Executive Management Team is in charge of execution of IT security and cybersecurity across our plants and offices. We have started the Journey towards ISO 27001 certification. We also implemented VAPT (Vulnerability and Penetration Testing) for each and every deployment at JKCL Software through an external agency. We also engaged third party agency for periodical Audit of our IT security systems

Ethical performance	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Number of corruption or bribery cases in reported year	0	0	0	0
Number of substantiated anti-competitive cases reported in year	0	0	1	1
Number of human rights complaints including sexual harassment	0	0	0	0
Number of environmental fines	0	0	0	0
Number of community stakeholder complaints on social, water or other environmental issues	0	0	0	0

Supply chain performance	
ESG screening	We sign contracts with our vendors and drivers to ensure that ESG aspects like child labour, forced labour, hazardous waste spills and biodiversity damage are prevented. We also conduct frequent audits of our suppliers to ensure all suppliers are covered in a span of three years. While we source most primary raw materials from our leased mines, the dependence on suppliers for critical raw material is low. All our vendors are expected to comply with our ESG Policy to ensure there is no adverse impact due to business operations.
Local sourcing	Majority of our suppliers are located within the same state as our plants. Hence we ensure that there is ample local sourcing which includes small and medium vendors as well as large establishments.

Employee Pay Indicators	Male	Female
Executive level: Average Base salary	Available	Not applicable as there are no female employees in this level
Management level: Average Base salary	Equal for both male and female	Equal for both male and female
Non-management level : Average salary	Equal for both male and female	Equal for both male and female

¹ Includes electricity purchased for consumption in cement plants and mines only

² The reason for increase in non-hazardous waste is due to large number of metal machinery scrap being discarded.

³ Cumulative values reported since FY2018 of plantation activities. Numbers are based on approximate saplings planted per species

⁴ Approximate values based on assessment at the end of 3 years

⁵ Approximate headcount based on assumption of beneficiary populations in villages or schools

GCCA Index

Parameter	Units	FY 2019-20	FY 2020-21	FY 2021-22
Clinker production	MTPA	7.02	8.11	8.97
Cement production	MTPA	9.56	11.00	13.11
Cementitious production	MTPA	9.80	11.48	13.46
CO₂ Emissions				
Total direct CO ₂ emission-Gross (with CPP and AFR)	tCO ₂	65,32,699	72,06,969	77,84,307
Total direct CO ₂ emission-Net (excluding CPP and AFR)	tCO ₂	56,82,107	65,56,800	72,07,227
Specific direct CO ₂ emission-Gross	kgCO ₂ /tonne cementitious product	667	628	578
Specific direct CO ₂ emission-Net	kgCO ₂ /tonne cementitious product	580	571	535
Emissions				
Overall coverage rate	%	100	100	100
Coverage rate continuous measurement	%	100	100	100
PM - Absolute Emissions	Tonnes	604	723	753
PM - Specific Emissions	g/tonne clinker	86	89	84
SOx - Absolute Emissions	Tonnes	1,262	1,325	1,851
SOx - Specific Emissions	g/tonne clinker	180	163	206
NOx - Absolute Emissions	Tonnes	8,853	9,638	8,133
NOx - Specific Emissions	g/tonne clinker	1,261	1,188	907
VOC/THC	Tonnes/year	-	-	131.57
VOC/THC	g/tonne clinker	-	-	14.67
Hg	kg/year	-	-	0.11
Hg	mg/tonne clinker	-	-	0.01
PCDD/F	mg/year	-	-	2.20
PCDD/F	ng/tonne clinker	-	-	0.24
Heavy Metals (HM) 1	kg/year	-	-	0.10
Heavy Metals (HM) 1	mg/tonne clinker	-	-	0.01
Heavy Metals (HM) 2	kg/year	-	-	1.78
Heavy Metals (HM) 2	mg/tonne clinker	-	-	0.20
Fuels				
Kiln fuels	Tonnes	8,73,046	10,21,858	12,51,930
Total Energy from fuels used in clinker production	TJ	21,736	24,913	27,948
Alternative fuels	Tonnes	1,36,458	1,85,895	2,92,783
Energy from alternative fuels	TJ	1,163	1,567	1,859
Alternative fuel rate (kiln fuels)	%	5.4%	6.3%	6.7%
Biomass fuels	Tonnes	8,061	3,635	49,063
Energy from biomass fuels	TJ	137	49	615
Biomass fuel rate (kiln fuels)	%	0.6%	0.2%	2.20%
Total alternate fuel rate (kiln fuel)	%	6%	6.5%	8.9%
Specific heat consumption for clinker production	GJ/tonne clinker	3.096	3.074	3.116
Raw Materials				
Total raw materials for clinker produced	MnT		12	14
Total alternative raw materials for clinker produced	MnT		0.12	0.14
Total Raw Materials for cement produced	MnT	2.78	3.37	4.50
Total alternative raw materials for cement produced	MnT	1.58	1.98	2.50
Alternative Raw Materials rate	%		19%	19.8%
Clinker/cement (equivalent) factor	%	70.3%	69%	65.6%



Parameter	Units	FY 2019-20	FY 2020-21	FY 2021-22
Water				
Water withdrawal	m3	15,19,358	17,04,457	17,95,310
Water discharge	m3	0	0	0
Number of sites	Nos.	8	9	9
Number of sites with a water recycling system	Nos.	7	7	9
Water Consumption (Total Water withdrawal – Water Discharge)	m3	15,19,358	17,04,457	17,95,310
Amount of Water Consumption per unit of product	m3/tonne cementitious material	0.16	0.16	0.14
Health & Safety:				
Number of fatalities: directly employed	Nos.	0	0	0
Number of fatalities: contractors and sub-contractors	Nos.	0	0	0
Number of fatalities, third parties	Nos.	0	0	0
Number of reportable lost time injuries - directly employed	Nos.		0	2
Number of reportable lost time injuries: contractors and Sub-contractors	Nos.		2	3
Lost time injury frequency rate : directly employed	Rate		0	0.56
Lost time injury frequency rate : contractors and Sub-contractors	Rate		0.23	0.23
Lost days : directly employed	Nos.	41	0	19
Lost days : contractors and Sub-contractors	Nos.		151	90
Lost time severity rate: directly employed	Rate		0.0	5.3
Lost time severity rate: contractors and Sub-contractors	Rate		11.7	7
Quarry Rehabilitation and Biodiversity Management				
Percentage (%) of quarries with high biodiversity value where biodiversity management plan is implemented.	%	100	100	100
Percentage (%) of quarries where rehabilitation plan is implemented.	%	100	100	100

GRI Content Index

Mapping of Integrated Report for FY 2021-22 (IR) with Global Reporting Initiative (GRI) Standards 2020 in accordance with 'Core' option

GRI Standard	Title	Reference	Pg. no.
Organizational profile			
102-1	Name of the organization	J.K. Cement Ltd.	102-1: 4
102-2	Activities, brands, products, and services	Product Range	102-2: 8-9
102-3	Location of headquarters	Geographic Presence > Our plants	102-3: Back Cover
102-4	Location of operations	Geographic Presence > Our plants	102-4: 10-11
102-5	Ownership and legal form	About Us and Financial statements	102-5: 3-4
102-6	Markets served	Geographic Presence > Markets served	102-6: 11
102-7	Scale of the organization	About Us	102-7: 3-5
102-8	Information on employees and other workers	About Us and Scorecard (headcount)	102-8: 108-109
102-9	Supply chain	Product Range and Social and Relationship Capital	102-9: 91
102-10	Significant changes to the organization and its supply chain	Reporting boundary and scope	102-10: 2
102-11	Precautionary Principle or approach	Risk Management	102-11: 24-25
102-12	External initiatives	Reporting Framework	102-12: 2
102-13	Membership of associations	Sustainability Strategy > Our membership of associations	102-13: 7
102-14	Statement from senior decision-maker	Leadership Messages	102-14: 14-17
102-15	Key impacts, risks, and opportunities	Risk Management	102-15: 26-33
Ethics & Integrity			
102-16	Values, principles, standards, and norms of behavior	About Us	102-16: 6-7
102-18	Governance structure	Corporate Governance and Ethics	102-18: 100-102
102-40	List of stakeholder groups	Stakeholder Engagement	102-40: 20-21
102-41	Collective bargaining agreements	Human Capital	102-41: 86
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	102-42: 20-21
102-43	Approach to stakeholder engagement	Stakeholder Engagement	102-43: 20-21
102-44	Key topics and concerns raised	Stakeholder Engagement	102-44: 20-21
102-45	Entities included in the consolidated financial statements	Reporting boundary and scope	102-45: 2
102-46	Defining report content and topic boundaries	Reporting boundary and scope	102-46: 2
102-47	List of material topics	List of material issues	102-47: 23
102-48	Restatements of information	None	102-48:
102-49	Changes in reporting	None	102-49:
102-50	Reporting period	Reporting period	102-50: 2
102-51	Date of most recent report		102-51:
102-52	Reporting cycle	April 2021 to March 2022	102-52: 2
102-53	Contact point for questions regarding the report	shambhu.singh@jkcement.com, sunilk@nsdl.co.in / nileshb@nsdl.co.in	102-53: Back Cover
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	102-54: 2
102-55	GRI content index	GRI Content Index	102-55: 114-116
102-56	External assurance	Assurance statement	102-56: XX
GRI 200 Financial Topics			
103-2	Management Approach	Financial Capital	103-2: 42-43



GRI Standard	Title	Reference	Pg. no.
GRI 201	Economic Performance		
201-1	Direct economic value generated and distributed	Financial Capital> Economic Value Generated	201-1: 44, 45
GRI 300	Environmental topics		
103-2	Management Approach	Manufactured Capital, Natural Capital	103-2: 48, 50-51, 62-79
GRI 301	Materials		
301-1	Materials used by weight or volume	Natural Capital, Score card	301-1: 72, 104
301-2	Recycled input materials used	Natural Capital, Score card	301-2: 72, 104
GRI 302	Energy		
302-1	Energy consumption within the organization	Natural Capital, Score card	302-1: 71, 104
302-4	Reduction of energy consumption	Natural Capital, Score card	302-4: 105
GRI 303	Water and Effluents		
303-1	Interactions with water as a shared resource	Natural Capital> Water management	303-1: 76
303-2	Management of water discharge-related impacts	Natural Capital> Water management	303-2: 76
303-3	Water withdrawal	Natural Capital, Score card	303-3: 105
303-4	Water discharge	Natural Capital, Score card	303-4: 105
303-5	Water consumption	Natural Capital, Score card	303-5: 105
GRI 305	Emissions		
305-1	Direct (Scope 1) GHG emissions	Natural Capital, Score card	305-1: 105
305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital, Score card	305-2: 105
305-3	Other indirect (Scope 3) GHG emissions	Natural Capital, Score card	305-3: 105
305-4	GHG emissions intensity	Natural Capital, Score card	305-4: 71, 105
305-5	Reduction of GHG emissions		305-5: 106
305-6	Emissions of ozone-depleting substances (ODS)	Natural Capital, Score card	305-6: 106
305-7	Nitrogen oxides (NOX), Sulphur oxides (SOX), and other significant air emissions	Natural Capital, Score card	305-7: 106
GRI 306	Waste		
306-1	Waste generation and significant waste-related impacts	Natural Capital> Waste management	306-1: 73
306-2	Management of significant waste-related impacts	Natural Capital> Waste management	306-2: 73
306-3	Waste generated	Natural Capital, Score card	306-3: 106-107
306-4	Waste diverted from disposal	Natural Capital, Score card	306-4: 107
306-5	Waste directed to disposal	Natural Capital, Score card	306-5: 107
GRI 400	Social Topics		
103-2	Management Approach	Human Capital, Social and Relationship Capital	103-2: 80-95
GRI 401	Employment		
401-1	New employee hires and employee turnover	Human Capital, Score card	401-1: 109
GRI 402	Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	21 days (as per Industrial Disputes Act, 1947)	402-1:

GRI Content Index

GRI Standard	Title	Reference	Pg. no.
GRI 403		Occupational Health and Safety	
403-1	Occupational health and safety management system	Human Capital	403-1: 85-87
403-2	Hazard identification, risk assessment, and incident investigation	Human Capital	403-2: 85-87
403-3	Occupational health services	Human Capital	403-3: 85-87
403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital	403-4: 85-87
403-5	Worker training on occupational health and safety	Human Capital	403-5: 86-87
403-6	Promotion of worker health	Human Capital	403-6: 86-87
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	403-7: 86-87
403-9	Work-related injuries	Human Capital, Score card	403-9: 109
GRI 404		Training and Education	
404-1	Average hours of training per year per employee	Human Capital, Score card	404-1: 84,110
GRI 405		Diversity and Equal Opportunity	
405-1	Diversity of governance bodies and employees	Human Capital, Score card	405-1: 110
GRI 413	Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital, Score card	413-1: 90-99,107



Independent Assurance Statement



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Independent Assurance Statement

The Management and Board of Directors
JK Cement Limited
Kamla Tower,
Kanpur 208001, Uttar Pradesh, India

Scope

We have been engaged by JK Cement Ltd. to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on JK Cement Ltd.'s Integrated Report FY 2021-22 (the "Subject Matter") for the period from 1st April 2021 to 31st March 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by JK Cement Ltd.

In preparing the Integrated Report FY 2021-22, JK Cement Ltd. applied the Integrated Reporting Framework by International Integrated Reporting Council (IIRC), GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative (Criteria). Such Criteria were specifically designed for Integrated Report; As a result, the subject matter information may not be suitable for another purpose.

JK Cement Ltd's responsibilities

JK Cement Ltd's management is responsible for selecting the Criteria, and for presenting the Integrated Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and the terms of reference for this engagement as agreed with JK Cement Ltd's on 07th March, 2020 and its subsequent amendment on 16th December 2020. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.



We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, 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.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Integrated Report and related information, and applying analytical and other appropriate procedures.

Our procedures included:

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the period 1st April 2021 to 31st March 2022. The scope and boundaries of the sustainability performance disclosures cover JK Cement's operations across India as set out in the Report in the section 'Reporting boundary and scope'.

We conducted, on a sample basis, review and verification of data collection / calculation methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:



- Remote verification of data, on a selective test basis, for the following units/ locations, through consultations with the Site Team and Sustainability Team;
 - Gotan White (Rajasthan)
 - Mangrol (Rajasthan)
 - Muddapur (Karnataka)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed.
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting.
- We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2021 to 31st March 2022)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Reports, Corporate Social Responsibility Reports, previous Sustainability Reports, or other sources available in the public domain;
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Integrated Report for the period from 1st April 2021 to 31st March 2022, in order for it to be in accordance with the Criteria.

Chaitanya Kalia
For and on behalf of Ernst & Young Associates LLP.
22nd July, 2022
Mumbai, India