

STAKEHOLDER ENGAGEMENT

Nurturing relationships
and creating long-term value

Our constant drive to safeguard stakeholders' interests through robust engagement is instrumental in delivering value and sustainably enabling growth. We continuously engage with the stakeholders, including investors, employees, suppliers, regulators, communities and customers.

This approach helps us understand their concerns and needs, seek feedback, and find ways to meet their expectations through business strategy and plan modifications. Our inclusive and transparent dialogue with stakeholders enhances the outlook towards the budding material issues and helps identify key improvement areas to mitigate evolving risks and challenges.

Internal stakeholders

We use periodic, structured engagement methods to interact with our internal stakeholder groups. We aim to facilitate unbiased bilateral communication and gain a clear understanding of the real-time requirements of our stakeholders. Based on these discussions, we formulate strategies and determine our Company's direction.

External stakeholders

We engage with our external stakeholder groups through regular meetings with pre-determined agendas and ad-hoc meetings as needed. Our objective is to communicate the Company's strategy and impacts clearly and concisely. During these meetings, we focus on material topics that significantly influence our stakeholders and the Company.



Muddapur Plant

Stakeholder group	Engagement mechanism	Purpose of engagement	Frequency	Key stakeholder concerns	How we create value for them?
Internal Stakeholders					
Employees 	<ul style="list-style-type: none">Training programmes, Events, Seminars, WorkshopsAwards – Plant level reward programmesSurveys, Employee centric applications	<ul style="list-style-type: none">InnovationEmployee motivation and team buildingDiscussion and issue resolutionPrevention from accidents and health hazards	Periodically	<ul style="list-style-type: none">Career growth and progressionPerformance managementEmployee motivationEmployee involvement	We create value for our employees career progression by providing appropriate remuneration, trainings, health, and wellbeing initiatives
External Stakeholders					
Shareholders 	<ul style="list-style-type: none">Annual General MeetingAnnual ReportShareholder meetingsSustainability reportGrievance redressal mechanism	Share financial performance, strategic insights, new projects, changes in ESG performance	Periodically	<ul style="list-style-type: none">Timely dividend paymentsTransparency in reportingCompany's financial health, growth, and performance	We create value for our shareholders by delivering above average return on investments and engaging in ethical business practices
Dealers 	<ul style="list-style-type: none">Dealer meetingsDealer surveys	Building stronger relationships and getting feedback from market	Periodically	<ul style="list-style-type: none">Product benefits and featuresProduct quality and feedbackBuilding relationships and trustNew product development	We provide loyalty programs aimed at recognising long relationships of our channel partners and provide special privileges to them
Customers 	<ul style="list-style-type: none">Customer care service to address query, get feedback, etc.Social media	Feedback to streamline operations, services and build better products	Periodically	<ul style="list-style-type: none">Product benefits and featuresProduct quality and feedbackBuilding relationships and trustNew product development	Through our comprehensive products portfolio including many additional products such as putty, paints, tile adhesive, tile grout, gypsum, plaster etc, we are becoming a preferred partner for many building needs beyond cement.
Regulatory & Statutory Bodies 	<ul style="list-style-type: none">Regular compliance reportsStatutory audits	Disclosures on compliance as required by government	Periodically	<ul style="list-style-type: none">Business ethics and complianceDisclosure on ESG	We contribute through direct and indirect taxation and comply with regulations as applicable
Media 	<ul style="list-style-type: none">Media meetsPress conferenceManagement interviews	Communicate progress made in the financial year, enhance brand perception, etc.	Periodically	<ul style="list-style-type: none">TransparencyDisclosure on compliance	We reach out to a wider audience to build brand recognition through ethical promotions
Local Communities 	<ul style="list-style-type: none">Daily informal interactionsRegular field surveys	Feedback of communities on the issues they face and performance of CSR initiatives	Periodically	<ul style="list-style-type: none">Building relationshipsImproving living standardsDirection and deployment of resourcesAwareness on social issues	We give back to the community and have many initiatives in place for their welfare

MATERIALITY ASSESSMENT

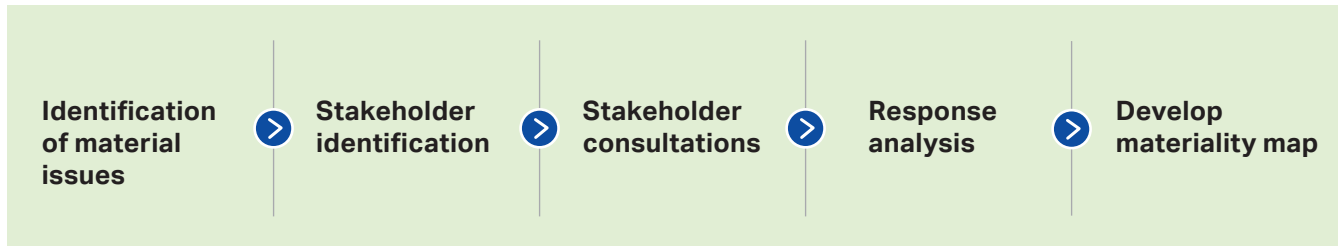
Prioritising issues integral to value creation

Materiality assessment allows us to identify and prioritise key environmental, social, and governance (ESG) issues that may significantly impact our business, investments, environment, and society at large. We obtain tangible and intangible benefits by adopting a comprehensive approach to materiality assessment. We consider all material issues, associated risks, and opportunities while formulating business strategies. This system enables us to integrate sustainability considerations into our decision-making process and foster a more responsible and resilient approach to conduct our operations.



In response to the evolving ESG landscape and dynamic business environment, we proactively monitor the existing material topics and identify new focus areas. In FY 2022-23, we revisited our material topics. We conducted a comprehensive materiality assessment to identify the key material issues that can impact value creation for all our stakeholders.

Materiality assessment exercise



Identification of material issues

- JKCL conducted a comprehensive desk review to identify sector specific material issues as per the global standards (GRI, SASB, GCCA) and the ESG rating agencies (MSCI, DJSI).
- We reviewed existing and emerging industry trends, best practices, and priorities of peer companies.
- We created a bucket list of material issues relevant to JKCL and the stakeholders.

Stakeholder identification

- We identified internal and external stakeholders based on their potential to impact or influence on the organisation.
- External stakeholders include shareholders, dealers, customers, government, regulatory & statutory bodies, media, local communities.
- Internal stakeholders are our employees.

Stakeholder consultations

We have taken an inclusive approach by actively seeking inputs from all relevant stakeholders and business segments.

Internal stakeholders

We conducted random surveys for selected employees and consultations for senior management from all the business units to get a snapshot of our company's business goals as well as understand emerging risks and opportunities associated with each material issue.

External stakeholders

We conducted consultations with the suppliers, investors, and other key stakeholders to understand their concerns and expectations from the company and to integrate their perspective of each material topic in the business strategy.

Response analysis

We collated the responses received from the stakeholders and assigned weightage to each material issue. After an in-depth analysis of both the qualitative (consultations) and quantitative (online survey) responses, material issues were rated - ranging between high, medium, low.

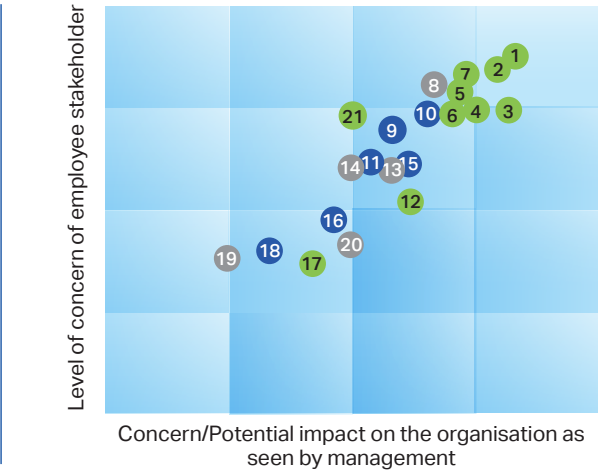


MATERIALITY ASSESSMENT

MATERIALITY MATRIX

Based on the feedback we received from stakeholders, we developed material matrix.

In FY 2022-23, we arrived at 21 material topics, of which 10 were identified during the year under review. These material topics were ranked based on business priorities and stakeholder expectations and were also mapped with the relevant United Nations Sustainable Development Goals (UN SDGs). We also identified the focus areas of each material issue and potential risk and opportunities. (Read more in the Risk Management section)



- 1

Circular Economy
- 2

Occupational health & safety
- 3

Energy management
- 4

Water management
- 5

Emissions management
- 6

Waste management

7

Availability of raw material

8

Corporate Governance

9

Sustainable Supply Chain

10

Employee engagement and development

11

Employment and labour relations

12

Sustainable Construction

13

Branding & reputation

14

Economic Performance

15

Community Development

16

Human Rights

17

Biodiversity Management

18

Diversity & Inclusion

19

Cybersecurity

20

Customer Relationship Management

21

Product Life Cycle Management

Linkage of material issues with SDGs

Environment		
Material Issues	Definition	SDGs impacted
Availability of raw materials	Efficiently manage resources being utilised in our business through product and technology innovations such as use of alternate materials	
Biodiversity management	Disclosure to report information about impact of the project and the operations on the biodiversity and their habitat, and how they manage these impacts	
Circular economy	Promoting use of alternative fuels and raw materials (AFR) to have minimal environmental impacts	
Emissions management	Constantly strive to reduce Air and 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	
Energy management	Comprehensively mapping our energy use and various sources, and constantly work towards reducing our energy footprint	
Product lifecycle management	Cradle-to-grave or cradle-to-cradle analysis technique to assess environmental impacts associated with all the stages of a product's life, which is from raw material extraction through materials processing, manufacture, distribution, and use	
Sustainable construction	Use of low carbon cement in construction which is an environmentally responsible behaviour and resource-efficient	
Waste management	Manage our waste properly with focus on 9 R's approach (Rethink, Refuse, Reduce, Reuse, Repair, Recover, Restore, Recycle and Review)	
Water management	As our operations are mainly in dry and water scarce areas, work towards reducing our water footprint and generate awareness among our stakeholders regarding judicious use of water	

Social		
Material Issues	Definition	SDGs impacted
Community development	An organisation's activities and infrastructure can have significant economic, social, cultural, and/or environmental impacts on local communities where possible, organisations are expected to anticipate and avoid negative impacts on local communities	
Diversity and inclusion	Establishing a balanced workforce which reflects the societies in which we operate, including efforts to eliminate all discriminations and to ensure opportunity for people from all backgrounds to succeed. Embrace diversity throughout our organisation and recruit to build an inclusive workforce.	
Employee engagement and development	Invest in our employees, implement systems and practices for their continuous skill and career development	
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	
Human rights	Respect fundamental human rights in our operations, our value chain, and in the communities where we operate and adhere to guidelines of Universal Declaration of Human Rights and International Labour Organisation's (ILO) conventions	
Sustainable supply chain	Ensure high standards in health, safety, social, environmental, and business integrity in the value chain. Also, encouraging sourcing from local vendors/ suppliers as much as possible and performing supplier environmental and social assessment	

Governance		
Material Issues	Definition	SDGs impacted
Branding & reputation	Effectively communicate and reach out to our diverse customer segments, maintain high customer perception of a Company's reputation.	
Corporate Governance	Set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders. It encompasses comprehensive oversight of business strategies, ensuring complete accountability, ethical corporate behaviour, transparency, and fair treatment to all stakeholders	
Customer relationship management	Ensure that all our products and services are in line with the customer expectations by having regular dialogues with them	
Cyber security	Practice of protecting critical systems and sensitive information from digital attack and data breach	
Economic Performance	Includes the economic value generated and distributed (EVG&D) by an organisation; its defined benefit plan obligations; the financial assistance it receives from any government; and the financial implications of climate change.	

CORPORATE GOVERNANCE

Upholding transparency and accountability

JKCL considers corporate governance in its broadest sense, akin to trusteeship, which encompasses integrity, transparency, accountability, and compliance with laws. These pillars of good governance are integral to our business practices that foster ethical and responsible leadership at both the Board and management levels.

Our corporate governance philosophy focuses on improving the Company’s long-term economic value and delivering sustainable returns to our stakeholders. To achieve this goal, we adopt the best corporate practices fairly and transparently while aligning the company’s interests with that of our stakeholders.

Our corporate governance principles mandate us to conduct our business with integrity, fairness, and transparency. We are committed

respective roles and responsibilities, composition, and scope of authority. to making necessary disclosures and decisions in compliance with the laws of the land – by being accountable and responsible towards all the stakeholders and conducting business ethically.

The Board

The Board of Directors (BoD) acts as the fulcrum of our corporate governance practices and ensures that the management works in the best interests of all our stakeholders. To preserve the sanctity of corporate governance in the organisation, we need an active, well-informed, and independent Board.

Size and composition of the Board

JKCL is led by a Board of 14 members with diverse backgrounds, possessing the requisite qualifications and experience to contribute to our growth and decision-making processes. Seven of the 14 directors are independent, which enables us to achieve the right balance between in-house and external perspectives. The Board convenes regularly to review strategic, operational, and financial matters. The Board has established policies and charters for various committees, outlining their

Our new and retiring directors (eligible for reappointment), are elected individually in our Annual General Meetings or 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 the balance 50% strength may be Non Executive, Non-Independent Director. Our Board of Directors are required to attend at least one meeting as a minimum attendance as prescribed under the Companies Act, 2013. We also conduct regular annual independent assessments of board performance in the first quarter of the calendar year.

Diversity in the Board

Our Board reflects our commitment to diversity and inclusivity. Currently, we have two female members on the Board. We believe in providing equal opportunities to all individuals, regardless of age, gender, ethnicity, nationality, race, or religion. To ensure diversity, we have a policy that guides our selection process for the Board of Directors.

Competency mapping indicators

Strategic Leadership and management experience Experience in guiding and leading management teams, leading and managing people, strategic planning, understanding of organisational systems and processes and appreciation of long-term trends/choices.	Other sector expertise Knowledge and experience in other sector to provide strategic guidance to the management in fast changing environment.	Industry and sector experience or knowledge Knowledge and experience in cement sector to provide strategic guidance to the management in fast changing environment.	Financial and risk management Wide-ranging financial skills, relevant experience of accounting and reporting, corporate finance, and internal controls, including assessing quality of financial controls to identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices.	Governance Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of compliance, corporate ethics, and values.
Global Business/ International expertise Experience of leading large organisations having international/ global businesses and understanding of multiple geographies and cross-cultural business environment.	Law and public policy Understanding of the legal and regulatory landscape and policy developments on national and global scale including its impact on dynamic business environment.	Social impact/ philanthropy Relevant experience in the matters of corporate social responsibility and sustainability for long term value-creation.	Climate Change/ESG Experience in climate-related such as risk and opportunities decisions related to product and service offerings, investments in renewable energy, and reviewing major capital allocations for improving companies’ resilience.	

CORPORATE GOVERNANCE

Board of Directors



Smt. Sushila Devi Singhania
Chairperson



Dr. Nidhipati Singhania
Vice Chairman



Dr. Raghavpat Singhania
Managing Director



Mrs. Deepa Gopalan Wadhwa
Non-Executive Independent Director



Dr. K. B. Agarwal (ceased w.e.f. 31.3.2023)
Non-Executive Independent Director



Mr. Madhavkrishna Singhania
Deputy Managing Director & CEO



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



Mr. Ajay Narayan Jha
Non-Executive Independent Director



Mr. Mudit Aggarwal
Non-Executive Independent Director



Mr. Saurabh Chandra
Non-Executive Independent Director



Mr. Ashok Sinha
Non-Executive Independent Director



Mr. Paul Hugentobler
Non-Executive Non-Independent Director



Mr. Satish Kumar Kalra
Non-Executive Independent Director



Mr. Sudhir Jalan
Non-Executive Non-Independent Director

Our committees

The Board oversees five committees which in turn oversee various functions of the organisation. All the members of the Board come with specific skill sets, experience and expertise that best suit each committee of the Board.

Audit Committee

The audit committee is responsible for overseeing the financial reporting and disclosure process. It also monitors the process of accounting policies and principles and appoints an external auditor.

Nomination and Remuneration Committee

This committee is responsible for considering and recommending to the Board remuneration of an organisation. This committee evaluates the performance of the Board members and selects suitable candidates for the Board.

Stakeholder Relationship Committee

This committee is responsible for resolving security holders' grievances. They are given the charge of resolving all the complaints of all security holders – like shareholders and debenture holders.

CSR Committee

This committee defines the scope of CSR activities and ensures compliance with CSR policy and sustainability obligations.

Risk Management Committee

This committee monitors and approves the risk policies and associated practices of the company. It also reviews and approves risk documents and disclosures in the public domain.

CORPORATE GOVERNANCE

Board memberships (Non-Executive Independent Directors) – Indian listed companies

Sl. No	Name of Director	Name of Listed Company (ies) (other than JKCL)	Designation
1	Dr. K.B. Agarwal**	Key Corp Limited	Non-Executive- Independent Director, Chairman
2	Mrs. Deepa Gopalan Wadhwa	JK Paper Limited	Non-Executive- Independent Director
		Bengal & Assam Company Limited	Non-Executive- Independent Director
		Artemis Medicare Services Limited	Non-Executive- Independent Director
		NDR Auto Components Ltd.	Non-Executive- Independent Director
		Sapphire Foods India Ltd.	Non-Executive- Independent Director
3	Mr. Ashok Sinha	Cipla Limited	Non-Executive- Independent Director
		The Tata Power Company Limited	Non-Executive- Independent Director, Shareholder Director
		Navin Fluorine International Limited	Non-Executive- Independent Director
		Tata Communications Limited	Non-Executive-Independent Director
4	Mr. Saurabh Chandra	-	-
5	Mr. Mudit Aggarwal	-	-
6	Mr. Ajay Narayan Jha	-	-
7	Mr. Satish Kumar Kalra	PNB GILTS LTD.	Non-Executive-Independent Director
		Can Fin Homes Ltd	Non-Executive- Independent Director
		INDBANK Merchant Banking Services Limited	Non-Executive- Independent Director

** Ceased w.e.f. 31.3.2023

Ethics and transparency

JKCL is fully committed to upholding the highest ethical standards in all its operations. Our Code of Conduct declares our unwavering stance on ethical behaviour and transparent communication. We have a robust system of internal controls to ensure that all aspects of our Code of Conduct are implemented effectively. We conduct regular assessments of our operations to identify any breaches in our Code of Conduct and take necessary steps to address them promptly.

The Board of Directors at JKCL conducts regular reviews of the company’s policies and internal controls to ensure that all necessary checks and balances are in place. Additionally, we conduct assessments of our operations to identify and mitigate any potential safety and human rights risks.

Value creation with Corporate Governance

Our corporate governance practices aim to bolster trust, accountability, and transparency among our internal and external stakeholders. This approach will promote financial stability, business integrity and investor confidence and create more value for the Company.

Primary policies governing the organisation:

- 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 the 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
- Code of conduct for supply chain

AWARDS AND RECOGNITIONS

Acknowledged for excellence



- JK Cement Works, Muddapur
- Received GreenCo Platinum Award 2022-2025
- From CII Sohrabji Godrej Green Business Centre, India
- For best technologies in decarbonisation, process optimisation, waste management, clean energy, biodiversity management, water stewardship



- JK Cement Works, Mangrol
- GreenCo Gold Rating 2022-25



- JK Cement, Balasinor
- Received Occupational Health & Safety Award in 2022



- JK Cement Works, Aligarh
- Received National Award for Excellence in Energy Management 2022



JK Cement honoured with the “Certificate of Merit” by the South Asian Federation of Accountants in the category of Manufacturing sector at SAFA best presented Annual Report Awards, 2021



- JK Cement Works, Balasinor
- Received National Award for Excellence in Energy Management 2022



- JK Cement Works, Muddapur
- Received National Award for Excellence in Energy Management 2022



- JK Cement Works, Muddapur
- Was declared the ‘National Leader’
- Received the National Award for Excellence in Energy Management 2022



- JK Cement Works, Nimbahera
- Was declared winner for ‘The Best Case Study on addressing electrical safety through compliance and system approach’



- JK Cement Works, Jharli
- Received Platinum Award in 2022 For Occupational Health and Safety



- JK Cement Ltd received ‘The Economic Times Future Ready Organisations 2022’ award in the Large-Scale Category the Large-Scale Category the Large-Scale Category

RISK MANAGEMENT

Addressing challenges proactively

We have an organisation-level risk management approach that is detailed in our risk policy which includes an enterprise-level framework that encompasses emerging ESG risks and employs a rigorous risk management process. JKCL being a listed Company has statutory requirement to have a risk management committee (RMC).

Our Board-level risk committee primarily constitutes independent directors of the Board as members to the committee. The RMC meets twice a year wherein the entire risk environment is presented and discussed including EHS, operational, strategic, people and other risks. Our risk horizon encompasses long-term strategic risks, short to medium-term risks, and single events.

Given the current volatile economy, our systematic approach identifies potential risks and continually updates our risk register. We assess risks from two perspectives, considering both the likelihood and impact. Based on this analysis, we continuously monitor our risk management abilities and take necessary steps to minimise the

impact. Our senior management plays an active role in reviewing the entire process on a quarterly basis and suggests corrective measures when required.

Risk Management process



Integration with strategy and business plan



We analyse each identified risk to comprehend its effects on our operations. We measure impacts in financial and non-financial metrics such as operating cash flows, brand value, license to operate, employee retention, business operations, fatalities and injuries, fines and legal action, and opportunity cost. Depending on the likelihood of occurrence and impact on the business, we rate the risks and generate a final rating for each identified risk.

The risks with higher ratings are subjected to scenario modelling and stress testing to evaluate their impact on our business under various timelines and intensities to safeguard our business. We consider several risks, including financial, operational, climate, water, and regulatory risks as a part of our risk management framework.

We assess climate-related risks using a 1.5-degree scenario analysis and use water risk identification tools to determine probable outcomes of water stress.



RISK MANAGEMENT

External Risks			
<div>ER1</div> <div>Market Changes</div> <p>Changes in market scenario, affects the demand in product.</p> <p>Potential impact</p> <p>JK Cement's performance is affected by the change in construction demand, which in turn is driven by economic growth. As the economy grows the demand for construction also rises, leading to increase in cement sales and prices. A shift in consumer behaviour may result in increase in product substitution.</p> <p>Response</p> <p>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.</p> <div><div>Linkages to Strategic Objectives</div><div>S03S04S05</div><div>Linkages to capitals</div><div></div></div>	<div>ER2</div> <div>Competition</div> <p>The leading companies are established players in a capital-intensive industry who are highly competitive. As a result, it becomes difficult to increase or maintain the market share and keep up with the bigger players.</p> <p>Potential impact</p> <p>The cement industry is witnessing market consolidation, and it is expected that larger players will dominate the industry soon.</p> <p>Response</p> <ul style="list-style-type: none">We are expanding capacity through greenfield and brownfield projects to maintain our growth trajectory.We are consolidating our position in North and Central India. <div><div>Linkages to Strategic Objectives</div><div>S03S04S05</div><div>Linkages to capitals</div><div></div></div>	<div>ER3</div> <div>Political Risks</div> <p>Potential, economic, and social instability risks may arise due to political uncertainty and alterations in state or local regulations.</p> <p>Potential impact</p> <p>Operational uncertainty can result from direct and indirect effects of economic, social, and political instability – which can impact the cement industry.</p> <p>Response</p> <p>Our presence is not limited to one state. We are present in various states in different regions – this gives us the power to absorb shocks without affecting our margins too much. We have a crisis management handbook in place to manage risks due to changes in regulations.</p> <div><div>Linkages to Strategic Objectives</div><div>S05</div><div>Linkages to capitals</div><div></div></div>	<div>ER4</div> <div>Pandemic and epidemic</div> <p>Infectious disease outbreaks can hinder economic growth, particularly in emerging economies, by causing lockdowns, worker migrations, and disruptions in the supply chain. As a result, business operations may stagnate, affecting the Company's revenues, workforce, and growth.</p> <p>Potential impact</p> <p>Pandemics or epidemics can have a significant impact on the lives of our employees, customers, influencers, and other stakeholders, leading to operations downtime and a reduction in demand that can negatively affect the Company's economic performance.</p> <p>Response</p> <ul style="list-style-type: none">We focused on employees, customers, and other stakeholder's wellbeing and safety.We undertook adequate steps for well-being of employees during COVID-19.We sustained and grew operations during the pandemic. <div><div>Linkages to Strategic Objectives</div><div>S03S04S05</div><div>Linkages to capitals</div><div></div></div>



RISK MANAGEMENT

Operational Risks

OR1

Sustainability risk

Environmental, Social and Governance (ESG) risks such as human rights, air emission, biodiversity management, water, waste, local community, employment and labour relations.

Potential impact

Our failure to meet the ESG goals may lead to fines and business disruptions when controversies get escalated, it can damage our brand reputation.

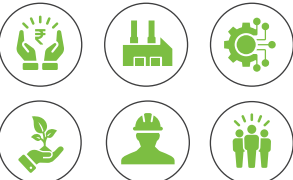
Response

- We regularly conduct performance assessments and monitor progress towards our set targets, disclosing them on a periodic basis.
- We have developed new techniques for efficient utilisation of natural resources, striking a balance between our ESG commitments and business performance.

Linkages to Strategic Objectives



Linkages to capitals



OR2

Greenhouse gas emissions and climate change

The cement industry is associated with high levels of CO₂ emissions, and companies operating in this sector must comply with numerous regulatory frameworks to reduce emissions. Failure to comply with these frameworks may negatively impact business operations and damage brand value.

Linkages to Strategic Objectives



Linkages to capitals



OR2-A: Physical risks

With the persisting climate change impacts, there are occurrences of many climatic events in near-term and long-term time horizons causing damage to assets and/or supply chain disruptions. The near-term risks are termed acute physical risks linked to the perennial climatic events viz. floods, cyclones, and droughts. The long-term risks are termed chronic physical risks viz. temperature variation, change in precipitation and water stress.

Potential impact

Increasing climate change can adversely impact site operations and disrupt the supply chain – upstream in sourcing the raw materials and downstream in transporting the products. These risks can potentially lead to the downtime of plant facilities, directly impacting the business revenues. The continuing increase in temperature could likely impact the employees' health and efficiency.

Response

We have strategised a robust emergency response plan for each site to alleviate and circumvent all these physical risks at near-term and long-term horizons. We have been practicing several operational preparedness, health and safety training, storage infrastructure, fiscal insurance plans, supply chain strengthening, efficient water management practice, and plantation exercises, among others.

OR2-B: Transition risks

The transition towards a low-carbon scenario might involve extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. The low carbon transition process may pose varying financial and reputational impacts to the companies. The transition risks are broadly categorised into four types viz.

- **Policy and legal risks –** Continuous policy and legal regulations will be introduced nationally and internationally to curtail greenhouse gas emissions. These policy levers focus on shifting energy use towards lower emission sources, adopting energy-efficiency solutions, encouraging more significant water efficiency measures, and promoting more sustainable land-use practices
- **Technology risks –** Technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system can significantly impact organisations by displacing the old systems and disrupting some parts of the existing economy.
- **Market risks –** Increasing climate change impacts might influence and disrupts the shifts in supply, demand and increased price for certain commodities, products, and services. Increasing awareness about climate change inclines the consumer to opt for more sustainable and eco-friendly products.

- **Reputation Risk –** The Company may face such risks from quality issues, environmental incidents, ethical conduct lapses, and supply chain concerns. These risks can undermine customer trust, attract public backlash, erode stakeholder confidence, and damage the company's overall reputation.

Potential impact

These risks could impact the business revenues and reputation for our non-achievement of committed climate targets and sustainability agenda. Non-fulfilling climate targets under mandatory policy regulations/schemes may lead to financial implications

Response

As part of our low-carbon transition journey, we are constantly implementing several energy efficiencies, renewable energy and increasing the green cement (blended cement) share to our total production. We committed to achieving 75% of green power and a 35% thermal substitution rate (TSR) to reduce our dependency on conventional fuels by 2030. We strategised to gradually decommission our fossil-based power generation to alleviate its associated greenhouse gases. The 25 MW capacity of a captive power plant at Muddapur is proposed to retire by 2025.



RISK MANAGEMENT

Operational Risks					
<div><div>OR3</div><div>Legal and compliance risks<p>Non-compliance of any legal obligation can lead to lawsuits, fines, investigations, and proceedings.</p><p>Potential impact Regulatory violations can disrupt operations and impact overall reputation of the Company.</p><p>The Company may incur investigation costs, financial penalties, disqualification, bans and profit disgorgement.</p><p>Response Our compliance programme is designed to guide and maintain regulatory adherence. It comprises five key elements, namely risk assessment, controls, communication and training, monitoring, and reporting.</p></div><div><div><div>Linkages to Strategic Objectives</div><div>S07</div></div><div><div>Linkages to capitals</div><div></div></div></div></div>	<div><div>OR4</div><div>Energy prices<p>Globally, the energy market is very volatile. As a manufacturing industry we incur high energy costs, and as the price of energy rises, our costs go up – which impacts our bottom line.</p><p>Potential impact</p><ul style="list-style-type: none">• Production cost shoots up when energy cost rises.• It impacts our pricing and reserves/cash flow.<p>Response We are trying to mitigate the impact by becoming more energy efficient, having the right fuel mix, and exploring more fuel options.</p></div><div><div><div>Linkages to Strategic Objectives</div><div>S01S07</div></div><div><div>Linkages to capitals</div><div></div></div></div></div>	<div><div>OR5</div><div>Raw materials (including energy components and fuel)<p>When we are unable to avail raw materials at the right price, our production costs go up.</p><p>Potential impact Shortage of raw materials and fuel, stricter regulations on fossil fuel consumption can disrupt our supply chain.</p><p>Response</p><ul style="list-style-type: none">• Expanding our blended cement portfolio.• Focussing our R&D activities on alternate raw materials to preserve natural resources.• Utilising low-quality fuels are also utilised as additives to high-quality fuels at our plants.• Participate in auctions to secure high-quality fuels and import high grade fuels.• Maintaining a steady supply of raw materials and increase the use of alternate fuels.• Maintaining adequate reserves of limestones – acquiring limestone mines for the same.• Diversifying our vendor base across geographies</div><div><div><div>Linkages to Strategic Objectives</div><div>S02S07</div></div><div><div>Linkages to capitals</div><div></div></div></div></div>	<div><div>OR6</div><div>Health and Safety Risks<p>This includes risks related to health and safety of employees at the workplace. It also includes health and safety issues that may impact the local communities.</p><p>Potential impact Any injuries or fatalities within the factory premises can disrupt operations and the business in general. Any incident outside the premises can also cause mayhem and disturb/suspend operations.</p><p>Response</p><ul style="list-style-type: none">• Following the zero-harm policy meticulously.• Conducting health and sanitation awareness programmes on a regular basis.• Conducting safety trainings for all employees, especially those working in factories.</div><div><div><div>Linkages to Strategic Objectives</div><div>S02S04S06S07</div></div><div><div>Linkages to capitals</div><div></div></div></div></div>	<div><div>OR7</div><div>Information Technology and Cyber threat risks<p>This includes cyber-attacks, loss of data, network outages, computer malware and human error.</p><p>Potential impact With remote working becoming a practice, the risk of IT related threats have gone up.</p><p>Response</p><ul style="list-style-type: none">• Implemented Vulnerability and Penetration Testing (VAPT) through an external agency.• Conducted periodical audit of our IT security system through a third-party agency.• Fine-tuned the organisation-wide ISMS architecture.• Improved policies and procedures for managing digital and IT in the organisation.</div><div><div><div>Linkages to Strategic Objectives</div><div>S02S07</div></div><div><div>Linkages to capitals</div><div></div></div></div></div>	<div><div>OR8</div><div>Talent Management<p>This comprises the risks which can arise due to the lack of an adequate talent pool.</p><p>Potential impact Right talent for the right function is imperative for the organisation to succeed.</p><p>Response</p><ul style="list-style-type: none">• To foster a vibrant work culture, we follow a people-centric approach and incentivise star performers.• Our talent management strategy includes various initiatives such as virtual learning sessions, employee assistance programmes, and feedback sessions to enhance the skills, engagement, and well-being of our workforce.• We undertake Skill skill development initiatives for local communities to fostering employment.• Introduced variable pay for middle & senior management.</div><div><div><div>Linkages to Strategic Objectives</div><div>S02S07</div></div><div><div>Linkages to capitals</div><div></div></div></div></div>

RISK MANAGEMENT



Gotan Plant

Financial risks

FR1

Risk involving credit ratings

Cement is a capital-intensive sector. We require financing both for short-term and long-term requirements. To receive financing, we need to keep our credit ratings high.

Potential impact

A higher credit rating enhances our ability to access funding sources, both short-term and long-term, at competitive interest rates, which in turn positively impacts our cash flows.

Response

Maintaining high credit ratings leads to consistent cash flow, a good debt to equity ratio, improvement in long- term ratings and access to cheaper funds.

Linkages to Strategic Objectives



Linkages to capitals



FR2

Liquidity risks

This refers to risks associated with the cash flow of the Company.

Potential impact

Lack of adequate liquidity can affect operations and the smooth running of the organisation.

Response

Planning cash flow well in advance to avert crisis and keeping adequate cash balance.

Linkages to Strategic Objectives



Linkages to capitals



FR3

Interest rate risks

This is the risk associated with volatility in the fiscal environment and their impact on cost of debt, in a rising interest rate environment.

Potential impact

Movement in interest rates can affect bottomline of the Company especially when credit costs are going up.

Response

- To manage the interest rate risk, we optimise our position in terms of interest income and interest expenses.
- The treasury department performs comprehensive corporate interest rate risk management by balancing the proportion of fixed-rate and floating-rate financial instruments in its portfolio.
- Maintain a good interest ratio coverage.

Linkages to Strategic Objectives



Linkages to capitals



FR4

Credit risks

This risk is associated with delayed payments by customers and dealers, either in large projects or at the dealer level.

Potential impact

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

Response

- Assess the reliability of our customers prior to supplying our products on credit.
- Sales outstanding is regularly monitored and never allowed to go beyond safe levels.

Linkages to Strategic Objectives



Linkages to capitals



STRATEGIC OBJECTIVES

Shaping a sustainable future

At JK Cement, we are committed to delivering profitable growth while making our operations more sustainable. We have thus defined seven strategic objectives (SOs) by factoring in stakeholder expectations and material issues that have significant impact on our ability to create value. We continuously monitor and evaluate our progress against those objectives and evolving risks to stay on track to our long-term goals.



Strategic objectives	Short term	Medium term	Progress (until FY 2022-23)	Risks mapped
<div>S 01</div> <div>Capacity expansion</div>	Achieve 25 MnTPA of grey cement capacity by FY2024-25	Achieve 30 MnTPA of grey cement capacity	Added 6 MnTPA capacity in FY 2022-23 also to reach 20.7 MnTPA Another 3.5 MnTPA under installation, to come on stream in FY 2023-24; ahead of schedule to meet our near-term target Roadmap for 30 MNTPA capacity in place, including adequate limestone reserves	<div>FR1</div> <div>OR1</div> <div>OR2</div>
<div>S 02</div> <div>Operational efficiency</div>	Increase the use of AFR and clean energy Improve energy efficiency and decrease clinker factor	Be among the top sustainable low-cost producers of cement in India	TSR increased by 5% with reduced clinker factor	<div>OR1</div> <div>OR2</div> <div>OR4</div> <div>OR5</div> <div>OR6</div> <div>OR7</div> <div>OR8</div> <div>OR9</div>
<div>S 03</div> <div>Consolidate market position</div>	Leadership in white cement by improving utilisation Strengthen position in Uttar Pradesh and Madhya Pradesh markets for grey cement	Drive market share gains with increased capacity and be among the top-three in market share in each of our markets	Central India expansion achieved 60% capacity utilisation with positive EBITDA in first full quarter of operations	<div>ER1</div> <div>ER2</div> <div>ER4</div> <div>FR1</div>
<div>S 04</div> <div>Widen visibility</div>	Expand and improve distribution network Engage with key influencer and channel partners	Strengthen our brand equity. Equity and reinforce our position as a premium brand	Best-in-class customer Technical services and strong brand equity, leading to rising share in the trade segment	<div>ER1</div> <div>ER2</div> <div>ER4</div> <div>OR6</div>

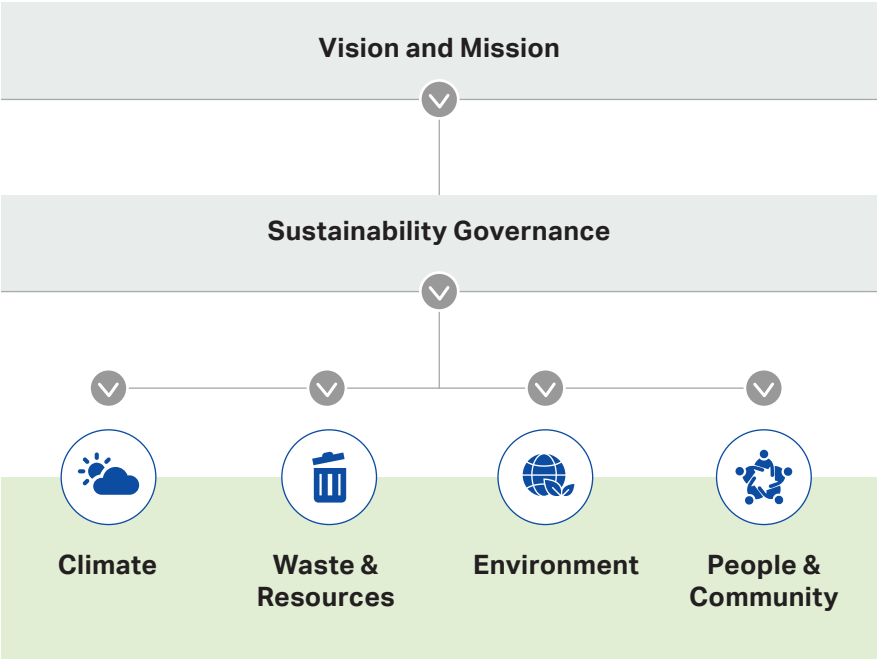
Strategic objectives	Short term	Medium term	Progress (until FY 2022-23)	Risks mapped
<div>S 05</div> <div>Premium and value added product portfolio</div>	Grow value-added products across existing and new markets Increase the share of premium products in grey cement to 25% of our trade volume	Entering the paints business to leverage white cement network	Increased share of value-added products; premium products 10% of trade sales in FY 2022-23 Entered the paints business to leverage our white business network	<div>ER1</div> <div>ER2</div> <div>ER3</div> <div>ER4</div> <div>FR1</div>
<div>S 06</div> <div>Customer centricity</div>	Supply quality products at the right price Strengthen technical services and engagement with different customer segments including IHB and contractors, among others Leverage technology such as GPS-enabled trucks for faster delivery of products	Become the preferred supplier of our products	Meeting customers' rapidly changing expectations Providing rich customer experience Resolving customer grievances in a timely manner	<div>OR6</div> <div>FR2</div>
<div>S 07</div> <div>Sustainable operations</div>	Consistently reduce emission; increase the use of clean and green power; improve thermal substitution rate and improve water positivity	Reduce specific net scope 1 emissions to 465 kg per tonne of cementitious material Increase green power mix to 75% Improve thermal substitution rate to 35% Become 5 times water positive	16 MW of WHRS under installation at Muddapur; 22 MW at Panna, taking the total to 80 MW by FY 2023-24 Specific net scope 1 emission down 10% from 2020 base year 44% green power mix 13.95% thermal substitution rate 4.5 times water positive	<div>OR1</div> <div>OR2</div> <div>OR3</div> <div>OR4</div> <div>OR5</div> <div>OR6</div> <div>OR7</div> <div>OR9</div> <div>FR1</div> <div>FR2</div>

SUSTAINABILITY STRATEGY

Making sustainability our ethos

Our approach to sustainability is comprehensive; encompassing our vision for the kind of business we aim to be. We have taken a consultative and collaborative approach while engaging all stakeholders and integrating innovative strategies to develop our sustainability charter.

Our goal is to deliver sustainable economic benefits to all our stakeholders. We have designed our sustainability plan based on our vision and mission, leveraging extensive internal and external consultations, peer benchmarking, and alignment with national and international objectives. To ensure effective implementation, we have established a rigorous sustainability governance structure emphasising constant monitoring, accountability, and transparency.



Strategic framework - Dynamic foresight to retain a competitive edge

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

Our targets and performance

We have established specific targets pertaining to our prioritised material topics. To ensure that the Company endeavours to meet these targets, we have implemented a recognition

mechanism and instituted awards for reaching milestones, allocated adequate capital expenditure to enhance capacity, and linked employee compensation to targets by setting key result areas (KRAs) that align with target milestones. Several 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.
- KRAs related to disclosure and ESG ratings made applicable for the corporate sustainability team.

- Safety incident related KRAs made applicable for line managers and plant heads.
- Plantation targets applicable to the environment team to ensure reforestation in quarries and in the vicinities of the plants.

The progress on these targets is mentioned in the natural capital and human capital sections of the integrated report.

Sustainability governance structure

JKCL has established a robust governance framework to promote sustainable operations. The CSR and sustainability committee of the Board is responsible for overseeing the activities of the sustainability steering committee, which includes the managing director, c-suite members, and the head of environment and sustainability.



CSR Committee

The primary objective of the committee is to support the Board in fulfilling its sustainability obligations by formulating and monitoring the implementation of company policies on sustainable operations. The committee is also responsible for promoting corporate governance practices at all levels and recommending appropriate corrective actions when necessary.

Sustainability Steering Committee

This committee provides recommendations to the CSR and Sustainability Committee,

which reports to the Board every quarter. The Board sets the overarching objectives and guides the management to accomplish sustainability targets within the established framework.

Corporate Sustainability Council

The council comprises plant and functional heads and executes sustainability initiatives across JK Cement's operations. It has a significant role in raising sustainability awareness throughout the organisation and oversees communication, reporting, and alignment with globally best

practices. The council facilitates sustainability audits, participates in environmental and social awards, and delivers relevant information and disclosures to stakeholders and sustainability rating agencies.

The sustainability champions at our plant locations collaborate with the council and provide inputs to the sustainability steering committee.

An insight into our sustainability philosophy

We evaluate our performance across the six capitals of the IR (Integrated Reporting) framework. These are financial, manufactured, intellectual, natural, human, and social & relationship. These six capitals collectively form a robust foundation for growth and value creation for stakeholders.

They represent a blend of top-tier talent, state-of-the-art manufacturing capabilities, cutting-edge technologies, world-class R&D facilities, strong financials, robust governance practices, and utmost transparency, contributing to our success.

JKCL follows a meticulous planning and evaluation process to allocate resources, which includes a rigorous approach to achieving desired return on investments and ensuring optimal results.



In this section...

	Financial Capital	Pg. 50
	Manufactured Capital	Pg. 54
	Intellectual Capital	Pg. 60
	Natural Capital	Pg. 66
	Human Capital	Pg. 80
	Social & Relationship Capital	Pg. 90

FINANCIAL CAPITAL



Demonstrating prudence,
driving growth

Performance highlights

₹8,999 crores
Revenue from operations

₹1,346 crores
EBITDA

Material topic
Economic Performance

Contribution to SDGs



Impact on other capitals



Human capital
Improved capabilities
for talent attraction
and retention



Manufactured
capital
Increased CAPEX
for expansion



Intellectual capital
Increased Investment in
new Product Development



Social &
Relationship
capital
Increased investment
in CSR and supply
chain initiatives



Natural capital
Greater capital
towards emissions
reduction and
resource optimisation
initiatives

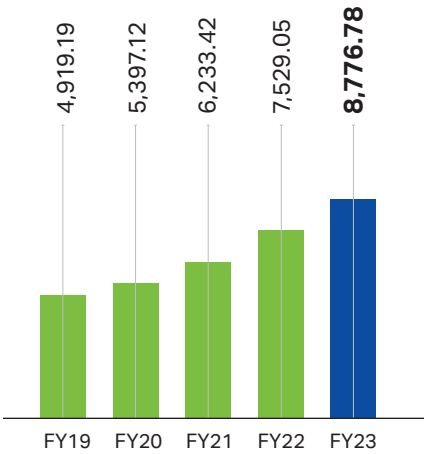
FINANCIAL CAPITAL

We invest in niche expansion programmes, ramp up capacities, optimise costs through extensive process reorientation, and leverage emerging opportunities to gain a competitive advantage. Our strong financial foundation provides resilience and supports the growth of other capitals.

Key performance indicators - Standalone

Net sales

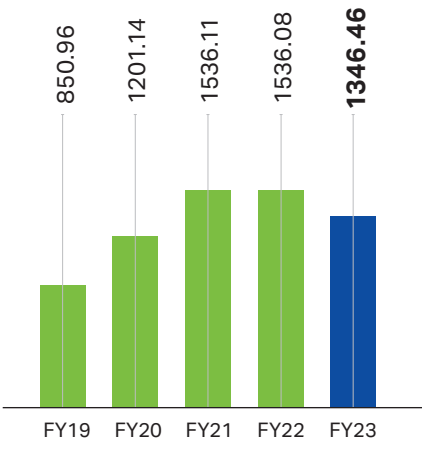
(₹ crore)



YOY  16.57% CAGR* 15.57%

EBITDA

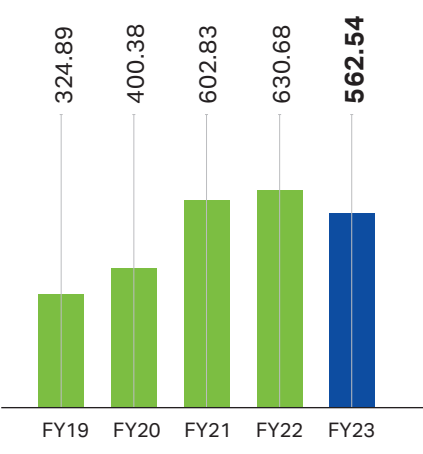
(₹ crore)



YOY  12.34% CAGR* 12.17%

PAT

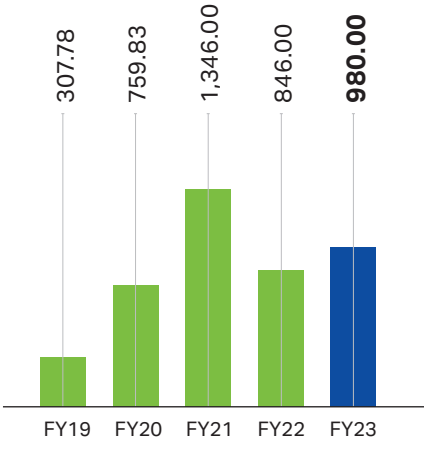
(₹ crore)



YOY  10.80% CAGR* 14.71%

Free cash flow

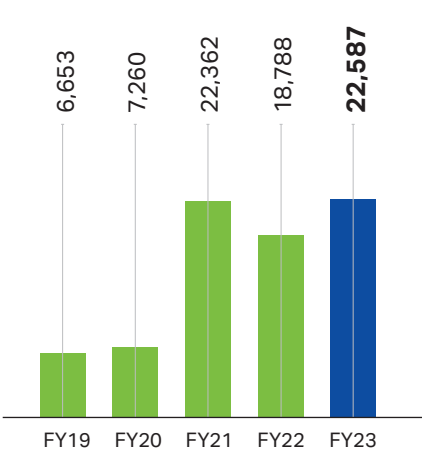
(₹ crore)



YOY  15.83% CAGR* 33.58%

Market capitalisation

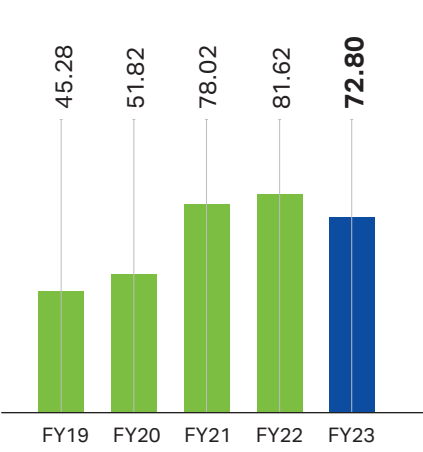
(₹ crore)



YOY  20.22% CAGR* 35.74%

Earnings per share

(₹)



YOY  10.81% CAGR* 12.60%

* 4 year CAGR

Capital allocation

Ongoing Projects

We have allocated ₹1,400 crore for FY 2023-24 for the balance capex on our Central India expansion, greenfield split grinding units in Ujjain, MP and Prayagraj, UP and for the acquisition of Toshali Cement Private Ltd, Odisha. This also includes the installation of a 16 MW WHRS capacity at Muddapur, Karnataka, the upgradation of the acquired paint business and sustenance capex. Further, we have earmarked an additional ₹700 crore for FY 2024-25 towards the ongoing expansion of Ujjain and Prayagraj capacities as well as sustenance capex. These expansions enable

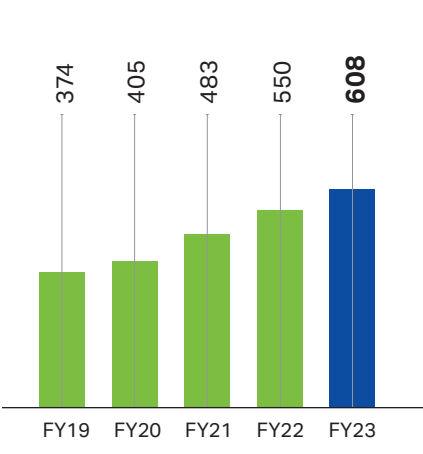
us to enter untapped markets, explore new growth avenues and drive incrementally value-accretive growth.

Debt Profile

Our consolidated gross debt stood at around ₹4534 crores as at March 31, 2023. This is stable despite the rapid ramp up in capacity. Although we have nearly ₹2,100 crores of capex outlay planned for the next two years, we do not foresee the debt levels going up. Along with this, as the new capacities come on stream and start contributing to EBITDA, our Debt to EBITDA ratios will significantly improve.

Book value per share

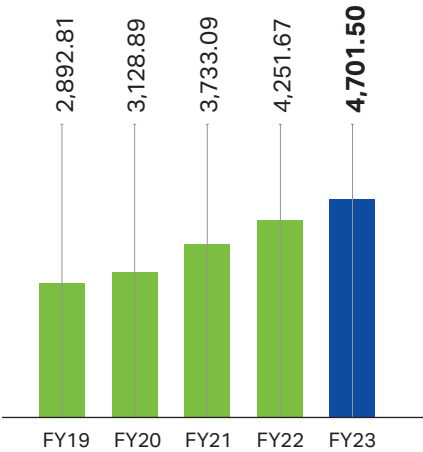
(₹ crore)



YOY  10.54% CAGR* 12.91%

Net worth

(₹ crore)



YOY  10.58% CAGR* 12.91%

* 4 year CAGR



Key Financial Ratios

	FY2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Debt equity ratio	0.84	0.80	0.76	0.68
Interest coverage ratio	5.06	7.36	6.60	5.61
Current ratio	1.31	1.94	1.64	1.54
Fixed asset covering ratio	1.70	1.58	1.67	1.97



Ramp-up of Panna operations

Despite a volatile external environment and significant inflationary pressures, we have successfully commissioned the greenfield project of 4 MnTPA at Panna in Madhya Pradesh, along with a split grinding unit at Hamirpur in Uttar Pradesh, as per schedule.



Highlights

4 MnTPA
Central India
Grey Cement Capacity

75%
Capacity utilisation
achieved

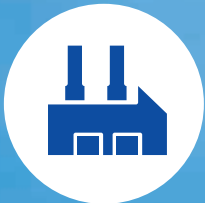


This 4 MnTPA installed capacity in central India recorded 75% capacity utilisation within few months of commissioning.

Given the plant's strategic location and huge limestone reserves, we see immense potential to grow and establish our leadership in the central India by catering to the markets of entire UP and MP.

With the commissioning of grinding units in Ujjain and Prayagraj, installed capacity in central India will increase to 7.5 MnTPA and our market share in all the major districts of Central India will be in the range of 8-12% with the ramp up of these units.

MANUFACTURED CAPITAL



Augmenting capacity,
improving efficiency



Mangrol Plant

Performance highlights

14.77 MTPA
Total Grey & White Business production volume

87%
Capacity utilisation

Material topics

- Innovation
- Circular Economy

Contribution to SDGs



Impact on other capitals



Human capital
Adequate and competent manpower in safe working conditions



Financial capital
Increased revenue generation



Intellectual capital
Innovation to enhance productivity



Social & Relationship capital
Local suppliers supported and promoted



Natural capital
Consumption of natural resources

MANUFACTURING CAPITAL

Our future strategies are closely aligned with the manufacturing capabilities that we are currently developing. While we already have a strong presence in North, West, and South India, our focus is now on expanding to other regions in Central and Northern India.

Our plants are strategically situated and boost excellent connectivity to crucial markets via road and rail networks, enabling us to manage the demand-supply dynamics efficiently. We incorporate the most advanced technologies to enhance our efficiency, optimise natural resource consumption, minimise waste generation and reduce our carbon footprint.

Augmenting capacity

We have successfully commissioned the greenfield projects of 2 MnTPA at Panna in Madhya Pradesh, along with a 2 MnTPA grinding unit at Hamirpur in Uttar Pradesh. In addition, various debottlenecking initiatives across plants saw our capacity cross 20 MnTPA in 2022-23, a nearly 40% increase. However, we have lined up an additional ₹2,100 crores of capex (₹1,400 cr in FY 2023-24 and the balance in the subsequent year) towards various initiatives.

These include the addition of 1.5 MnTPA cement grinding capacity at Ujjain, Madhya Pradesh and 2 MnTPA at Prayagraj, Uttar Pradesh. We will also enhance the clinker production capacity at Panna and install an additional 38-MW waste heat recovery plant at Panna & Muddapur to increase use of renewable energy. We will also be investing in sustenance capex, and upgradation of our acquired paints facility. These investments will see us enter newer markets and create greater value along with a higher brand equity.



20.67 MnTPA
Grey Cement

- | | |
|--|--|
| 1 4.25 MnTPA
Nimbahera (Rajasthan) | 6 2.00 MnTPA
Jharli (Haryana) |
| 2 3.75 MnTPA
Mangrol (Rajasthan) | 7 2.00 MnTPA
Aligarh (Uttar Pradesh) |
| 3 3.50 MnTPA
Muddapur (Karnataka) | 8 0.70 MnTPA
Balasinor (Gujarat) |
| 4 0.47 MnTPA
Gotan (Rajasthan) | 9 2.00 MnTPA
Hamirpur (Uttar Pradesh) |
| 5 2.00 MnTPA
Panna (Madhya Pradesh) | |

3.50 MnTPA
Under Implementation

- | | |
|---|---|
| 1 1.50 MnTPA
Ujjain (Madhya Pradesh) | 2 2.00 MnTPA
Prayagraj (Uttar Pradesh) |
|---|---|

2.81 MnTPA
White Cement & Wall Putty

- | | | |
|-----------------------------------|--|--------------------------------|
| 1 1.51 MnTPA
Gotan (Rajasthan) | 2 0.70 MnTPA
Katni (Madhya Pradesh) | 3 0.60 MnTPA
Fujairah (UAE) |
|-----------------------------------|--|--------------------------------|



Target

Increase production capacity to ~25 MnTPA in the next two years, by expanding our footprints in Central and Northern India.



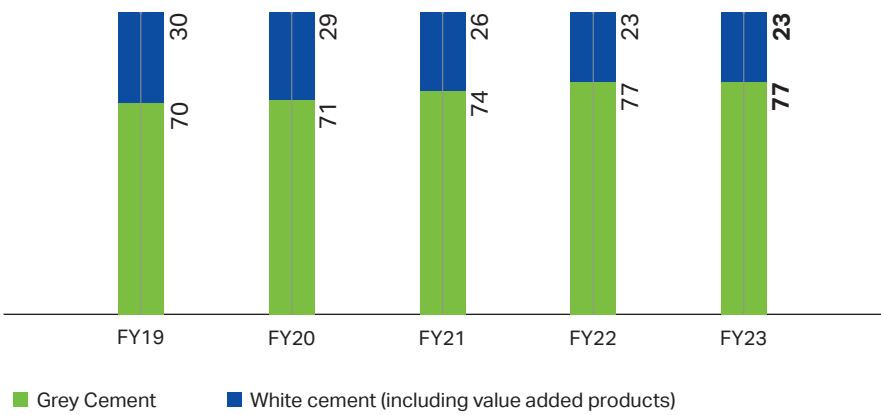
Progress

Work is on full swing for new capacity addition in Central India and increasing capacities at the existing facilities.



MANUFACTURING CAPITAL

Revenue mix (%)



Our Renewable Power

Our energy-efficient plants form the foundation of our expansion plans. Waste Heat Recovery system (WHRS) are installed at Nimbahera and Mangrol. In addition, we are expanding our renewable energy profile and setting up captive solar/wind power plants at Aligarh, Muddapur, Jharli & Hamirpur and installing the WHRS power generation capacity at Muddapur and Panna.



Renewable energy capacity (existing)

Site	WHRS (MW)	Solar/Wind Power (MW)
Nimbahera	13.20	7.02
Mangrol	29.10	6.93
Gotan	-	0.30
Muddapur	-	25.00
Jharli	-	0.30
Aligarh	-	4.50
Balasinor	-	1.80
Katni	-	1.00
Total (MW)	42.30	46.85

Proposed power capacity

Site	WHRS (MW)	Solar/Wind Power (MW)
Muddapur	16.00	13.98
Aligarh	-	10.00
Panna	22.00	-
Jharli	-	2.51
Hamirpur	-	20.30
Total (MW)	38.00	46.79

INTELLECTUAL CAPITAL



Enhancing our competitive edge

Performance highlights

₹1.6 crores
Invested in R&D activities

SAP S4 HANA
Being implemented

Material topic
Cybersecurity

Contribution to SDGs



Impact on other capitals



Human capital

Human productivity enhanced by digital usage



Financial capital

R&D investment towards innovative products and process/cost optimisation



Manufactured capital

Driving innovation and efficient processes



Social & Relationship capital

Improved supply chain management and enhanced customer satisfaction



Natural capital

Minimised environmental footprint due to technological improvements

INTELLECTUAL CAPITAL

Our R&D endeavours lend us a competitive edge and the acquisition of new competencies. In FY 2022-23, we invested ₹1.6 crores in R&D activities for sustainable cementitious product development.

At JKCL, exceptional R&D capabilities have contributed to our resilience. Our pipeline of new and innovative products leads our growth.

Our use of R&D as a tool for continuous improvement reflects the value that JKCL places on it.

At our Nimbahera, Mangrol, and Gotan facilities, state-of-the-art labs support ongoing improvements to process control instruments and quality control systems. The newly launched Concrete Lab at the Muddapur factory will propel this process.

We have set up a robo lab and an automatic Blaine analyser in our Muddapur factory, which use the most advanced technology to enhance process and quality control.

Management strategy for utilising R&D for responsible business practises

Some of the key areas our R&D activities are focused on are:



R&D to boost the production of blended cement by better utilising additives like fly ash and slag.



Reduce dependence on natural resources



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



Improving processes to make them more cost-effective



Research and Development is an important function at JKCL and we leverage our innovation to continuously improve our product portfolio.

Product development

With our focus on becoming a complete home solutions Company, we try to develop and launch new products. We try to increase our bouquet of product offering by leveraging our innovative capabilities.

Digitalisation

We inhabit a digitally driven world and as a result, it is necessary to upgrade our technology constantly to conduct business smoothly and provide excellent services to our stakeholders. We have added several digital platforms for process enhancement and real time data availability.

Adopting SYSTEME IO's OutSystems

At JKCL, we want to be agile and at par with the best in the industry with our digital process. Our aim is to digitally transform the way applications are developed and managed across the organisation. We have adopted SYSTEME IO's OutSystems high-performance, low-code technology as part of our strategy to transform sales management, land assets management and loyalty management processes. We also hope to redefine the experience of our customers, employees, and partners by building unique experiences on the OutSystems platform. employees, and partners by building unique experiences on the OutSystems platform.

Value creation through digitalisation



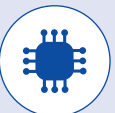
Investment to digitalise the value chain



Introducing the Central Control System to manage fuzzy operations



Implementing automation and opting for paperless operations



Connecting all stakeholders digitally

INTELLECTUAL CAPITAL

Journey towards digitalisation



Digitalisation for stakeholders:

Laboratory Information Management System (eLIMS)

This is a central repository for quality data and a way to track samples, test and record results, providing an interface for automated lab testing machinery to automatically build sample records.

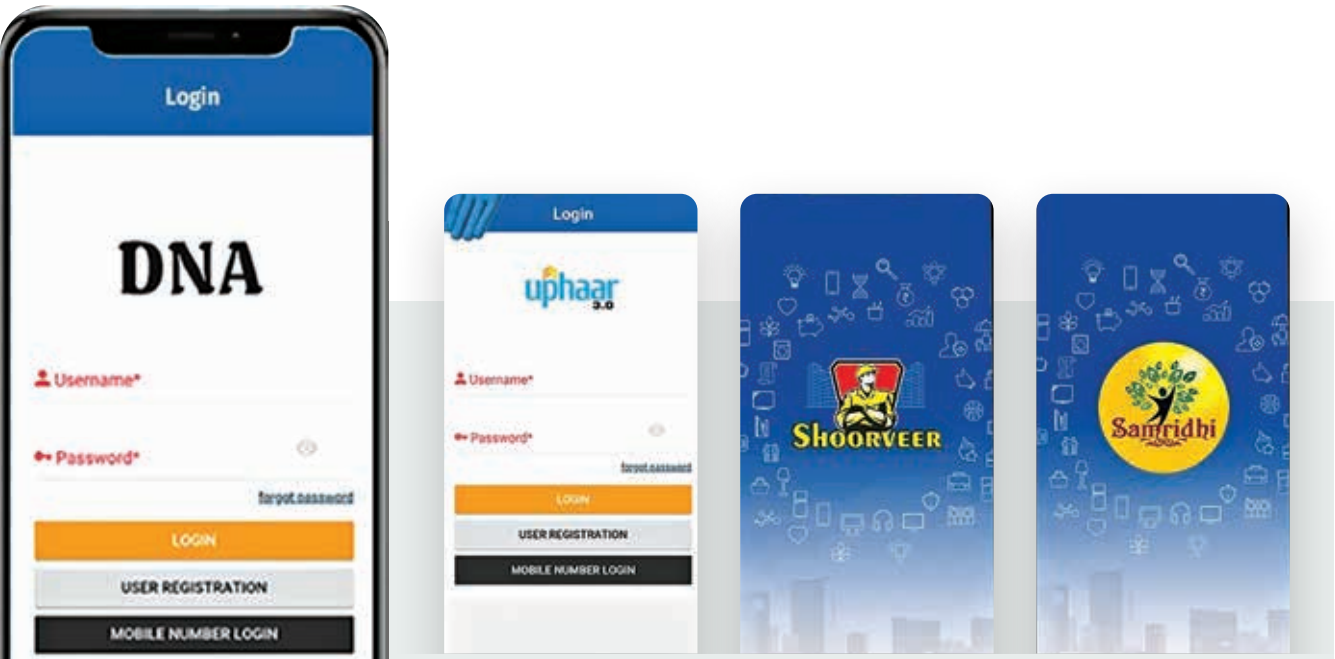
Launched application-based services for stakeholders

The business has released apps to identify and promote best practices, knowledge, and quick access for distribution channel stakeholders. These are linked to product categories and brands, and serve as middlemen or brand influencers.



R&D Lab, Mangrol

Apps for stakeholder engagement



Dealer network app - real-time distribution

Painter loyalty programme app

Contractor loyalty programme app

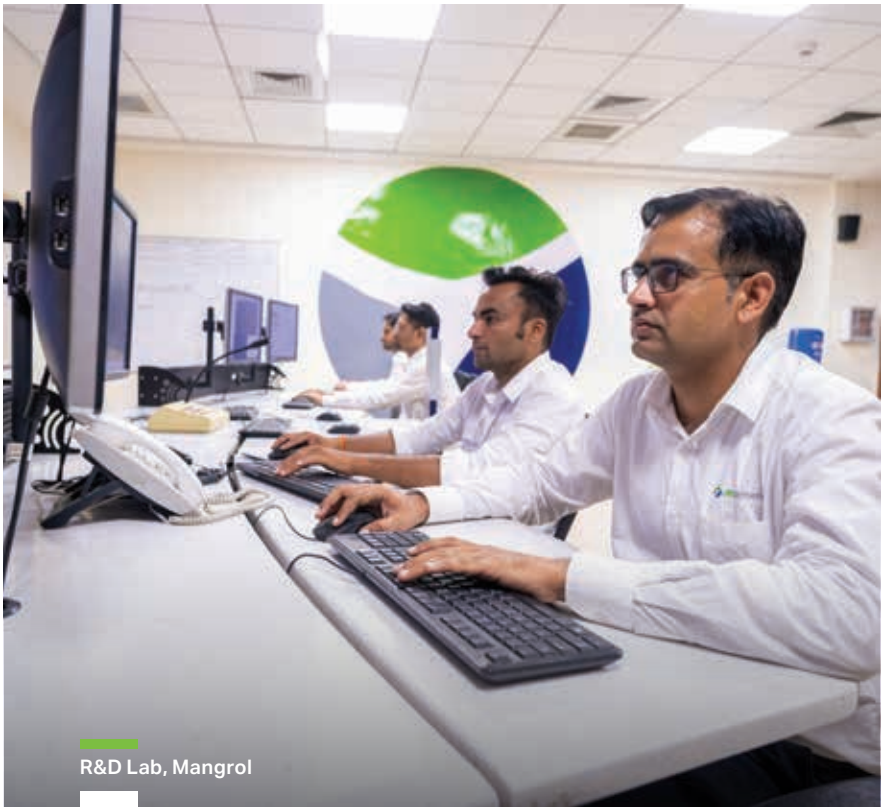
Dealer loyalty programme app

Acknowledging cyber security and future risks

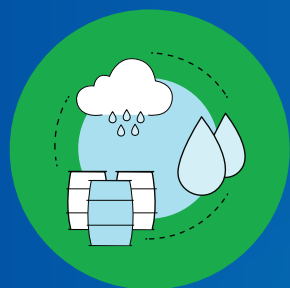
The chances of cyber-attacks are higher now with the deployment of digital technologies. This can potentially endanger operating procedures, damage businesses, and result in the loss of vital data.

The Company has taken several measures to eliminate or avoid those risks:

- Hired a third-party organisation to conduct a recurring audit of our IT security systems.
- Implementation of VAPT (Vulnerability and Penetration Testing) for deployment at their technical resource centre through a third-party.
- Organisation-wide ISMS architecture modification.
- JKCL has adopted many policies and guidelines for the seamless provision, administration, and governance of digital and IT resources.



R&D Lab, Mangrol



Contributing to a circular economy

At JK Cement, we believe the future is not just green, but it is also circular. Cement is an energy and resource-intensive industry. By adopting the 'circular economy' principle, we target to produce 80% green (blended) cement by FY 2029-30 while reducing the consumption of natural resources and increasing the use of waste and by-products.

Further, we are continuously lowering our dependence on conventional resources by adopting alternative raw materials (ARM), such as fly ash and slag sourced from other industries and using alternative fuel resources (AFR) in our kilns to substitute fossil fuel. The use of AFR enables us to embed circularity in our operations.

In addition, we have focused on responsible water use and have undertaken several initiatives to reduce consumption and increase recycling and reuse. All our manufacturing facilities are zero-water discharge plants that treat and reuse all domestic and industrial wastewater generated on-site. Rainwater harvesting, integrated air-cooled condensers (ACC) with captive power plants (CPP), installed mine water treatment plant add to our collective efforts to reduce water consumption across our operations.

Further, we generate power from waste flue gases, which also enables us to reduce the use of fossil fuel-based energy in cement production. We aim to have a captive WHRS capacity of 80.3 MW by FY 2023-24. In addition, we have instituted a circular economy recognition award, which rewards any suggestions/improvements in TSR, waste utilisation, waste management, and low-grade limestone utilisation, among others.

NATURAL CAPITAL



Nurturing nature's wealth

Performance highlights

2.8 million tonnes
Fly ash and slag consumed

13.9%
TSR rate

3.1x
Plastic negative

Material topics

- Biodiversity management
- Energy management
- Emissions management
- Water management
- Waste management
- Circular economy
- Availability of raw material
- Product life cycle management

Contribution to SDGs

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

11

SUSTAINABLE CITIES AND COMMUNITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

13

CLIMATE ACTION

15

LIFE ON LAND

Impact on other capitals



Human capital
Improved eco-consciousness among workforce



Financial capital
Increase investment forward reducing negative environmental impact



Manufactured capital
Installation of pollution control equipment and responsible use of resources



Social & Relationship capital
Improve health and well being, water security



Intellectual capital
Innovation to minimise environmental footprint

NATURAL CAPITAL

At JKCL, we recognise sustainability as an ongoing process, not a destination. We strive to enhance our operations by implementing responsible practices, adopting advanced technology, optimising processes, and prioritising eco-friendly methods. As a testimony to the success of our efforts, we incurred no fines and penalties for environmental non-compliances during the reporting period.

Our Company has implemented an environment management system (EMS) and established an environment protection cell. The EMS is a comprehensive framework that JKCL uses to identify, assess, and manage environmental risks

and impacts across its operations. The EMS enables the Company to identify opportunities for improvement of its environmental performance continuously. The EMS framework covers various ecological aspects, including air emissions, water use, waste management, and biodiversity conservation. Our environmental management system has been certified ISO: 14001:2018 by LRQA. We conducted surveillance audits at an interval of 18 months and two internal audits to ensure the effectiveness of EMS.

We are developing a biodiversity park spanning ~50 hectares and a Miyawaki plantation to create natural

habitat comprising local plants to improve the organisation's ecological footprint. The Company will complete these projects in three phases by FY 2024-25.



Jhajjar Plant

Energy and Climate change

JKCL aims to reduce its carbon footprint and has taken several initiatives. We are also striving to improve our energy efficiency.

Incentives for climate change risk management

To effectively address climate change risks, we motivate our employees to align with the Company's climate change goals. We provide incentives to our employees who support the climate change ambitions of the Company. Climate targets are a significant key performance indicator (KPI) that influences employee appraisals. Furthermore, we have implemented KAIZEN to mitigate climate risks.

Water reduction projects

JKCL offers monetary rewards for any innovative projects that reduce water consumption.

Energy Efficiency

This award is given for improvements and innovations related to energy reduction and efficient production, among others.

Circular Economy Recognition award

We recognise and reward any suggestion/improvement in TSR percentage, waste utilisation, waste management, and low-grade limestone utilisation, among others, through our circular economy recognition award.

By implementing various decarbonisation measures, we plan to cut GHG emissions (Scope 1 + Scope 2) by 21.7% between FY 2019-20 to FY 2029-30. Our action plan focuses on increasing the share of green power mix (RE+WHRS) to 75%, decreasing the clinker



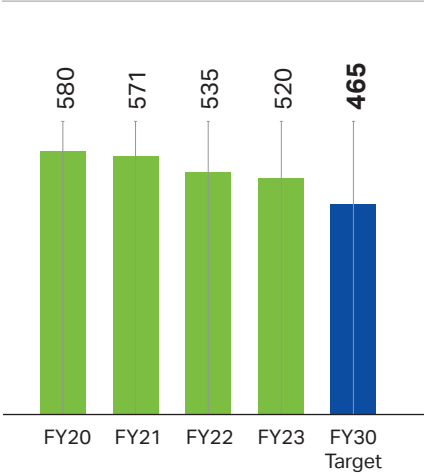
Mangrol Plant

factor to 65% by replacing clinker content in cement with alternative binding materials and increasing the TSR to 35% by partially replacing kiln fossil fuel with biomass

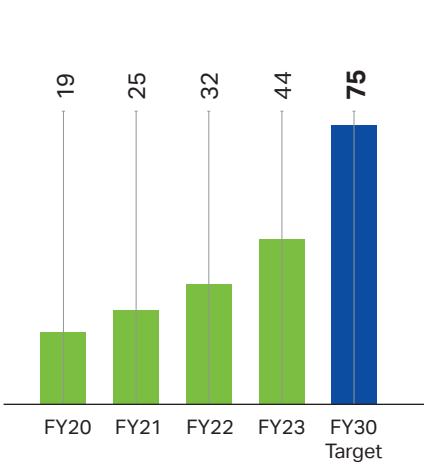
and AFR and energy efficiency. JKCL has undertaken numerous initiatives from a clean and green technology perspective.

NATURAL CAPITAL

GHG Intensity
Specific Direct Net CO₂
Emission (Net)
(kg per tonne)

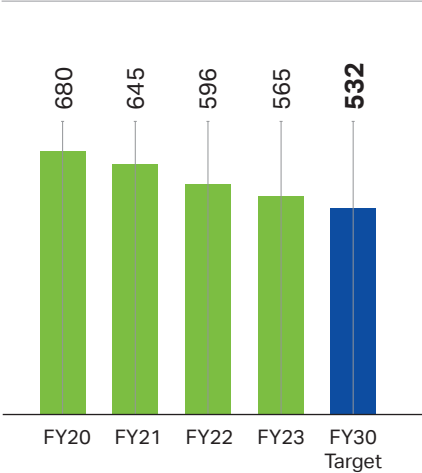


Share of green power out
of total power consumed
(%)

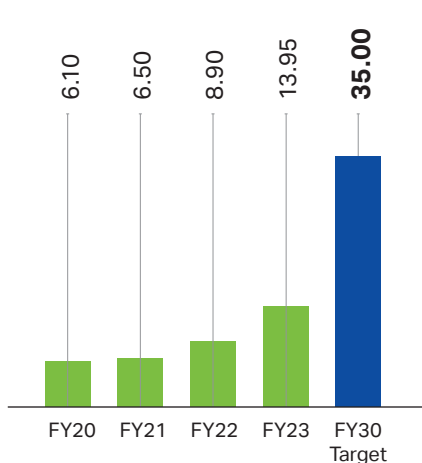


Today, JK Cement is fast moving towards creating alternate sources of power which are greener in nature, such as waste heat and solar. We have substantially reduced the use of coal based power plants, and converted them into a standby source of power. We are aspiring to ensure that more than three-fourths of our energy requirements come from these sources, and are committed to not adding any further capacities in coal based power plants or setting up new ones. From our 100+ MW, we have already put nearly 45 MW under accelerated depreciation, in order to phase it out.

GHG Intensity
Scope 1 & 2 (Gross)
(kg per tonne)



Thermal
substitution rate
(%)



Energy efficiency

Energy conservation

During FY 2022-23, we undertook various efforts to reduce the consumption of electrical & thermal energy to produce cement at our different manufacturing units. These energy conservation measures during 2022-23 have reduced power consumption by 330 lakhs kWh, equivalent to 3,148 Mtoe.

Energy-saving initiatives:

- Process optimisation with zero investment
- Installation of energy-efficient equipment
- Implementing in-house kaizen methods and modifications
- Downsizing of existing equipment
- Improving thermal efficiency
- Improving production and operational efficiency
- R&D activities and adopting new technology
- VFD installation in fans

Process optimisation

We achieved substantial savings by optimising various process parameters, interlockings, and logic. Monitoring the production process and data analysis is vital for energy conservation. By various process optimisations, savings worth INR 1068.82 lakhs were recorded by the Company along with a reduction of 185.70 lakhs kWh of electricity, equivalent to 1600 Mtoe at an expenditure of INR 109.918 lakhs.



We executed most of the optimisations with minimal investment.

Installation of energy-efficient equipment

The Company's decision to replace low-efficiency motors with high-efficiency motors, substitute high-power consumption lamps with energy-saving LED lamps and install other energy-efficient equipment equipped with the latest technology to improve the system's electrical efficiency saved 59.38 lakhs kWh equivalent to 672 Mtoe and INR 271.40 lakhs at an expenditure of INR 143.96 lakhs. The benefits are comparatively less due to the completion of some significant projects in the last quarter of FY 2022-23.

Implementing in-house kaizen methods and modifications

We adopted small energy-saving steps like kaizen-based methods in various sections of production and process as practical energy conservation tools. Such minor modifications resulted in savings of 18.42 lakhs kWh, equivalent to 158 Mtoe and INR 120.82 lakhs of electricity with INR 12.30 lakhs investment only.

Downsizing existing equipment

Utilisation of optimum loading on motors with respect to existing lower loading and rated KW, various motors were replaced by lower KW ratings resulting in improvement in loading factor and efficiency. Such steps in total resulted in savings of INR 3.32 lakhs by reducing 0.5 lakhs kWh of electricity with an investment of INR 2.96 lakhs.

Improvement in production and operational efficiency

Improvement in the production rate index of kilns with optimisation of process and operational parameters in which savings in terms of rupees as well as efficiency of the system are achieved. Through improvement in output and operational efficiency, the Company saved INR 463.50 lakhs by reducing 58.26 lakhs kWh of electricity equivalent to 646 Mtoe with a total investment of INR 13.84 lakhs.

VFD installation in fans

Replacement of existing drive system by VFD installation in fans resulted in savings worth 7.73 lakhs kWh and INR 50.27 lakhs of electricity with expenditure of INR 16.8 lakhs only.

NATURAL CAPITAL

Details of energy saved in FY 2022-23:

Energy-saving initiatives:	Investment (₹)	Savings, KWh	Savings (TOE)	Savings (₹)
Downsizing Existing Equipment	296305	50074	4	331741
Improving Production and Operational Efficiency	1384000	5826142	646	46350448
In-House Small Modifications	1229250	1842449	158	12081572
Installation of Energy Efficiency Equipment	14396204	5938204	672	27139804
Process Optimisation	10991800	18570724	1600	106882380
VFD Installation	1680000	773337	66	5026689
Total	29977559	33000930	3148	197812634



Technology absorption and R&D activities

Technology upgradation and R&D activities are done in the areas of process improvement, and clean energy management at JKCL. For FY 2022-2023, by R&D activities and energy-saving initiatives, expenditure of Rs. 1022.8 lakhs is done to save Rs 1,019 lakhs at the Mangrol and Gotan white cement units. The details of the same are mentioned below:

- CM-3 classifier upgradation and separate silo feeding arrangement to increase production with less energy consumption achieving saving of 21.15 lakhs kWh equivalent to 678.5 Mtoe and INR 148.05 lakhs with the expenditure of INR 1022.8 lakhs at the Gotan White unit.
- At the Magrol unit, WHR generation increased by 130.87 lakhs kWh equivalent to 1,125.02 Mtoe (generation in 2021-22 was 182,085,010 kWh and in 2022-23 it was 195,171,490 kWh), resulted in the saving of INR 871 lakhs. The plant commissioning was completed in October 2020.

Internal carbon pricing

JKCL has estimated an Internal Carbon Price (ICP) of USD 19/ tCO₂e (tonnes of carbon dioxide equivalent) for all its businesses to better manoeuvre in the dynamic regulatory environments. Putting a price on carbon emissions is a testament to our commitment to fostering a low-carbon economy and shows our sincerity towards reducing GHG emissions.

Integrating internal carbon prices in our business planning process helps our company to assess climate-related risks and opportunities, prepare for future climate regulations, steer investments towards low carbon technologies and assess the resilience of investments to such regulations. Setting a price on carbon enables our company to evaluate the attractiveness of projects in different scenarios and helps make better decisions to future-proof the business. This approach can also stimulate innovative ideas on allocating capital to deliver higher returns in a low-carbon economy.

Task force on climate related financial disclosure (TCFDs)

The Company monitors the changing business landscape and markets to identify feasible new prospects for a low-carbon economy transition. Climate change poses physical and transitional risks while giving an opportunity for businesses to grow. To improve transparency for organisations climate-related risks and opportunities, we have deployed a task force on climate-related financial disclosure (TCFD)'s recommendations and will be sharing our progress periodically. In line with the TCFD recommendations, JKCL has carried out a comprehensive risk assessment review to identify climate-related physical and transition risks across different time horizons.

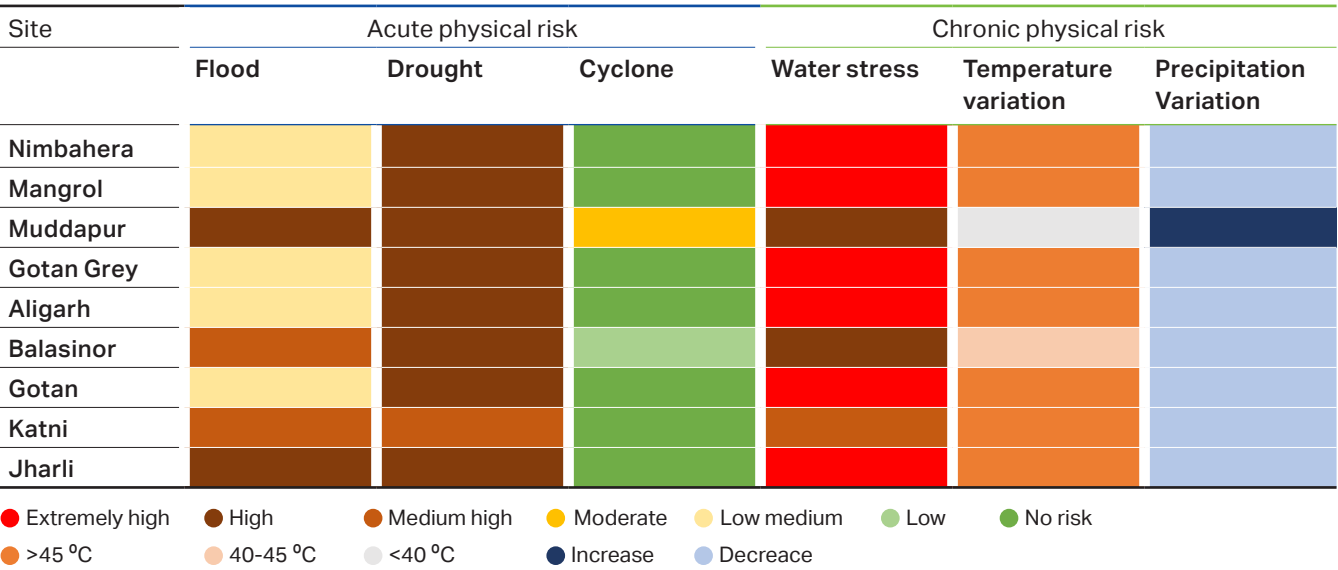
Scenario Analysis

Climate-related scenarios allow J.K. Cement Limited build up understanding of how climate-related physical and transition risks might plausibly impact the businesses over the time. Scenario analysis, therefore, evaluates a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints.

For physical (chronic) risks, we have considered the latest set of scenarios released mentioned in IPCC AR6 (6th Assessment report) released in 2021. These are known as Shared Socioeconomic Pathways (SSPs). SSPs are scenarios which are extension of RCPs (Representative Concentration Pathways) and have projected socioeconomic global changes up to 2100.

They are used to derive greenhouse gas emissions scenarios with different climate policies. We have assessed SSP 1.9, SSP 2.6, SSP 4.5, SSP 7.0, SSP 8.5 over different timeframes to assess the impact of chronic risks.

'For transitional risks, a scenario analysis was undertaken in accordance with Well-Below 2-degree Celsius (WB2C) scenario for J.K. Cement Limited. The possible impact of evolving climate policies has been considered to assess the Company's resilience as well as prospective decarbonisation paths in order to comply with policy mechanisms in near future.



NATURAL CAPITAL

Opportunities

Resource Efficiency

Optimisation of Natural Resources

JKCL commits to reduce consumption of natural resources and increase use of waste and by-products. We plan to increase tonne of cement produced per tonne of clinker. This gives us an opportunity to reduce natural resource usage such as limestone as well as GHG emissions.

Water conservation and replenishment:

The Company has focused on responsible water use and climate change has provided us with a potential opportunity to reduce consumption and increase recycling and reuse. All our manufacturing facilities are zero-water discharge plants that treat and reuse all domestic and industrial wastewater generated on-site. Rainwater harvesting, integrated air-cooled condensers (ACC) with captive power plants (CPP), installed mine water treatment plant add to our collective efforts to reduce water consumption across our operations. Our initiatives have resulted in significant water-use efficiency improvements, creating social equity and reduced water availability risks.

Use of Alternative Fuel & Raw Materials (AFR):

Use of AFR gives us an opportunity to reduce GHG emissions as well utilise waste from other industries, thereby embedding circular economy within our operations. JKCL's

AFR use is expected to grow four times from base year FY 2019-20. We have achieved a Thermal Substitution Rate (TSR) of 13.95% in FY 2021-22 and target to reach by 35% by FY30.

Increases use of Waste Heat Recovery (WHR)

JKCL generates power from waste flue gases, thereby giving us an opportunity to reduce our fossil fuel-based power usage. We have set a target of achieving 80.3 MW installed capacity of WHRS by FY24.

Energy Sources

Use of lower-emission sources of energy

Climate-related transition provides opportunity for J.K. Cement Ltd. To transition to low-carbon energy sources. The Company is committed to the UN Energy Compact, targeting a green power share of 75% in the total power mix by 2030.

Products and services

Use of lower-emission sources of energy

JKCL is focussing on producing green (blended) cements. By FY30, we aim to make 80% blended cement and make all our products green.

Markets

Access to new markets

JKCL is making efforts towards carbon neutrality which are ambitious as compared to the global cement sector. Carbon markets and emission trading schemes are expected to be introduced in the Indian market. Achievement of targets will lead to generation of energy certificates, which is expected to provide additional revenues.

Resilience

Development of climate adaptation and resilience

Moving towards a low-carbon economy helps build resilience towards future risks. JKCL has adopted near-term SBTi targets. These initiatives which also includes adoption of renewable energy are based on the prospect that it will help us build resilience in a future resource-constrained world, where costs and carbon markets may pose a risk to the organisation's operations. Our diverse operations in terms of geography as well as energy mix, gives us an edge and resilience to climate change.



Air emissions

Our operations can adversely affect air quality, so we take rigorous steps to limit air emissions. These measures involve reducing the emissions of SO₂, NO_x, and dust. We have implemented electrostatic precipitators (ESPs) and baghouse filters to manage the quality of air emissions.

Additionally, our Continuous Emissions Monitoring Systems (CEMS) keep track of and assist us in regulating air emissions that arise from our combustion and kiln processes. We diligently comply with local regulations of the areas we operate in. We also monitored our plants' ambient air quality and confirmed that the emission levels in FY2022-23 were below permissible limits.

2.8 million tonnes
Fly ash and slag consumed

Circular economy

Alternative fuels and raw materials

Our plan to decrease the consumption of natural resources is evident in the calculated actions we have taken. We are reducing our dependence on conventional resources by employing alternative raw materials (ARM), such as fly ash and slag sourced from other industries. Moreover, we have used alternative fuel resources (AFR) in our kilns, including agro-waste, plastic waste, liquid mixed waste, RDF/ municipal waste, solid mixed waste, among others to substitute fossil fuel partially.

EPR compliance and plastic positivity

We acknowledge the adverse effects of microplastics on our environment and strive to contribute towards reducing plastic waste in landfills. Our proactive approach involves collecting plastic waste, including damaged cement bags, and utilising them for co-processing in our AFR to generate energy. This not only helps in reducing our waste footprint but also increases our TSR percentage. In the fiscal year 2022-23, we co-processed 3.09x the amount of plastic waste introduced into the environment by us through plastic packaging bags of our cement.

We have co-processed 18,383 MT plastic waste against our EPR obligation of 12,883 MT during FY 22-23 which is 141% of target. In addition, we have also co-processed additional plastic waste in our cement kilns to replace the fossil fuel as part of our endeavour to reduce carbon footprints of our product and get rid of dependency on fossil fuel.

JKCL has entered into agreements with various municipal corporations to collect, segregate, and pre-process refuse derived fuel (RDF) and municipal solid waste (MSW) for co-processing in our cement kilns located in Nimbahera and Mangrol in Rajasthan and Muddapur in Karnataka. Our objective is to support the Swachh Bharat Mission and to co-process the plastic waste generated from the sale of our products, as per our extended producer responsibility (EPR) obligations under the Plastic Waste Management Rules.

3.09X
Plastic-negative

19.37 kilotonnes
Pre-consumer and post-consumer plastic introduced into the environment

60.57 kilotonnes
Plastic waste received for use as AFR

59.88 kilotonnes
Plastic waste co-processed as AFR

NATURAL CAPITAL

Waste management

We aim to actively monitor, minimise, reuse, and recycle the waste generated from our operations. We adhere to local laws and regulations when disposing of both hazardous and non-hazardous waste originating from our manufacturing sites. Moreover, we use of alternative raw materials and implement co-processing at our facilities, diverting non-recyclable waste streams towards waste heat recovery processes.

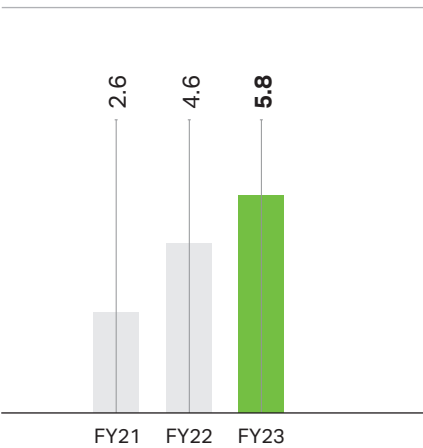
A significant portion of our used oil is co-processed within the plant. We ensure proper biomedical waste disposal through authorised agencies, adhering to regulatory norms. Additionally, we dispose of the e-waste and batteries through authorised recyclers.

Responsible mining and biodiversity protection

We ensure that the mining activities carried out in our limestone quarries and the surrounding areas adhere to responsible mining practices and comply with relevant laws and regulations. This is achieved through extensive inspection and surveillance programmes, as well as the installation of advanced equipment for monitoring secured fuel storage and transfer.

Our environmental and biodiversity policies show our dedication to environmental protection and preservation. These policies guide our plant-specific biodiversity action plans, which involve collaborating with local communities and plant horticulture teams.

Investments in Plantation management
(₹ in crores.)



Biodiversity management process

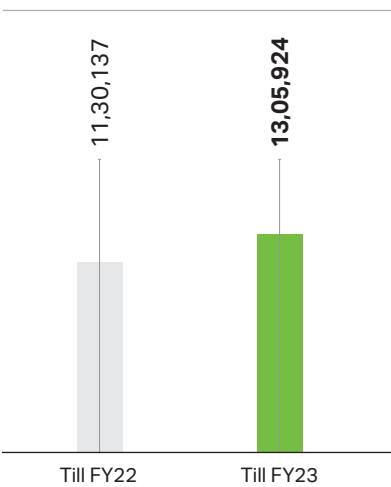
We have mining plans in place that are approved by regulatory authorities and clearly define our reforestation plans and timelines. As part of the mining approval plans submitted to regulatory authorities, we conduct environmental impact assessments (EIA). As on FY 2022-23, none of the designated forest lands are part of our quarries, therefore there is no deforestation taking place. After use, we evaluate the status of quarry land to determine the reforestation steps to be applied. Our reforestation plans include the development of a green belt through sapling plantation, and we document the

sapling survival rate to monitor the reforestation progress. We ensure compliance with all the statutory requirements related to spillage and subsequent recovery.

JKCL believes in the power of grassroots-level incremental change to build a greener tomorrow. At our Ahirpura Mines near the Nimbahera plant, we have established a biodiversity park to protect local flora and fauna, preserving native species. This park not only acts as a secure habitat but also helps improve our organisation's ecological footprint by serving as a carbon sink, offsetting our carbon emissions.

Till FY 2023, we have planted 13,05,924 saplings with a survival rate of 85%.

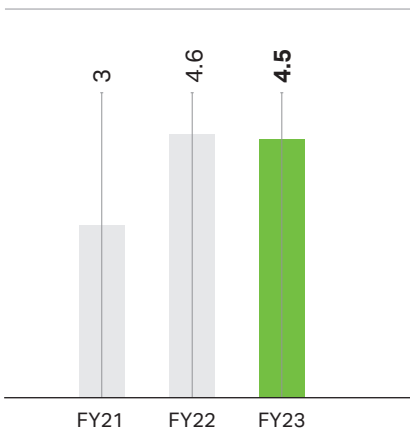
Total saplings planted
(No.)



Water management

Due to the increasing concern about water scarcity in our operational areas, we have recently changed how we manage water in our cement businesses. We focus on limiting water usage, improving water recharge reserves, and creating awareness among our stakeholders about optimal water use.

Water Positive
(Times)



NATURAL CAPITAL

Investments in water management (in crores)

We have implemented various initiatives within and outside our plant premises to minimise our freshwater usage and conserve more water, such as collecting rainwater and enhancing the efficiency of process water.

Nimbahera



- Replaced ball valves with push type taps to reduce leakage.
- Replacement of old pipeline with HDPE line in the colony.
- Change of GI pipeline with HDPE line.
- Reduction of borewell running hours by installation of timer.
- Construction of three rainwater harvesting structures.

Mangrol



Use of low TDS mine water for solar panel cleaning and gardening, among others.

Muddapur



- Development of recharge trenches at Halki and Muddapur mines
- Water conservation awareness programmes
- Drip irrigation
- Improves existing recharge structure at CPP coal shed
- Arresting the leakages of underground fire hydrant pipelines

Gotan



- Development of a new Miyawaki plantation within the plant premises
- Arrested water leakage in plant building and colony



Sustainable products

We aim to deliver high-quality products that are beneficial to the environment. We produce our green cement products with a focus on responsible manufacturing practices. We prioritise using blended cement, which minimises the need for conventional cement and reduces our reliance on natural resources. Our product brochures include each product's environmental, health, and safety declarations.

The distinguishing features 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 (refer sustainability scorecard).
- All our products are packaged with recyclable materials.
- PSC has eco-friendly benefits.

- All our products disclose potential health hazards.
- We do not include any hazardous materials in our cement manufacturing process such as mercury, cadmium, formaldehyde (added), chlorofluorocarbons (CFCs), halogenated flame retardants, lead, PVC, and other harmful substances.

As part of our ongoing commitment to sustainability, we are implementing a range of sustainable construction materials. As part of this journey, we are currently working towards obtaining GreenPro Certification for the cement products that we manufacture at JKCL.

New product development

Following are the new green cement products that have been studied by the National Council of Cement and Building Materials. Our units are ready to produce the below mentioned low-carbon cement after receipt of BIS approval for the new products:

- Limestone calcined clay cement (LC3)
- Composite cement based on fly ash and limestone
- Portland composite cement (PCC)
- Portland dolomitic limestone cement (PDC)
- Multicomponent blended cement

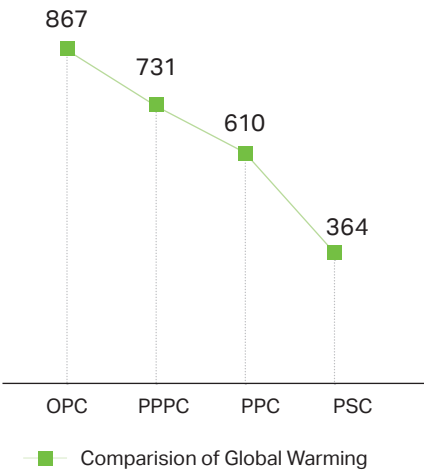
Impact assessment of our products

SimaPro conducted a Life Cycle Assessment (LCA) study in accordance with ISO 14040/44 standards for a variety of products at our Nimbahera, Mangrol and Muddapur plants. The study encompassed all stages of production, from raw material extraction and transportation to emissions during processing, up to the point of product exit from the factory gate. The functional unit for the study was one tonne of each type of cement. The study followed a cradle-to-gate approach and relied exclusively on primary data sources, eliminating the need for assumptions.

We conducted a comparative analysis of the environmental profiles of various types of cement to assess their impact on climate change, ozone layer depletion, particulate matter, acidification, eutrophication,

land use, and human health. We used the ReCiPe method for life cycle impact assessment (LCIA). The main objective of the ReCiPe method is to convert the extensive list of life cycle inventory results into a limited set of indicator scores. Our LCA study revealed that blended cement has a lower environmental impact than Ordinary Portland Cement.

Impact on global warming (kg CO₂ eq)



LCA Impact Assessment Findings

PPC, PPC and PSC have 30%, 16% and 58% lower global warming impact as compared to OPC"

In FY 2023, JKCL has reused/recycled 371 million litres of water, increase of 21% as compared to FY 2022.

HUMAN CAPITAL



Empowering minds,
building excellence



Caption to come

Performance highlights

3,216
Permanent employees

5,462
Temporary work force

824
New hires

43,928
Total training hours for permanent employees

Material topics

- Occupational health and safety
- Employment
- Employee and labour relations
- Diversity and inclusion
- Human rights

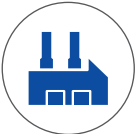
Contribution to SDGs



Impact on other capitals



Financial capital
Investment in learning and development of employees



Manufactured capital
Ensuring timeless and quality of deliverables



Social & Relationship capital
Greater employee satisfaction through voluntary participation in community development initiatives



Intellectual capital
More ideas for innovation



Natural capital
More initiatives carried out towards environment sustainability

HUMAN CAPITAL

Empower people with purpose-driven and inclusive work culture



JKCL wins Great Place to Work for the fourth consecutive year with a 85% score

Integrity, quality, trust, care, and people are the basic guidelines and timeless values that define our approach and helped J.K. Cement bag the 'Great Place to Work®' certification for the fourth year in a row in FY2022-23.

4th time in a Row.



We imbibe the belief of 'People First', which echoes in our fundamental assumption that 'if the Company takes care of the employees, employees will take care of the business going forward. Our exceptional employee welfare programs and collaborative work environment exemplify our dedication to our employees. We use modern technology to understand our employees' needs and customise their growth paths.

Our employees are the key to our accelerated long-term success. We trust that people who work for us are our greatest asset, and it has been our endeavour that we nurture and develop our people as our core strength. Our focus has dramatically increased in the last few years on nurturing talent and providing internal growth opportunities.

Empowering, inspiring and respecting people is one of the core values at JKCL. We have won 'Great

Place to Work' certification for the fourth consecutive year. Our core philosophy is to invest in people and to enable them to grow and develop.

We believe that digitalisation plays a huge role in today's time. At JKCL, we have long started digitalisation of our HR systems. We have adopted digital advancements and processes resulting in greater efficiency and transparency for all employees across multiple locations. We use SAP and Success Factors cloud-based HR management system for our business processes. We integrated this platform into our mainstream HR operations for process excellence and going paperless. Through this, we can automate our recruitment process and performance management system.

We have also digitalised our learnings through the SAP Success Factors platform.

Employee engagement

The employees and the organisation chart their growth paths by investing in each other. Growth and development of the organisation are interlinked with the professional journey of the employees. We nurture talent through employee engagement and create a talent pipeline with the right skillsets. We develop customised programmes to align individual goals with organisational goals.

Employee engagement is critical to enhancing employee productivity in the workplace. Employee engagement activities motivate the workforce and encourage them to pursue their passion and treasure success as a team. We are committed to creating a workplace which is inclusive, fair, safe, and free from any discrimination. We provide equal opportunities to all our employees irrespective of their caste, creed, sex, or religion. Through this we encourage a culture of diversity and inclusion in our workplace

Initiatives undertaken

Project UDAY

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

Project SAARTHI

This focuses on building capabilities of young managers and helps them develop their people management skills.

Project SAKSHAM

We became the first company in the Indian cement sector to fully adopt an end-to-end cloud-based HR platform.

Project SHRUTI (Employee Assistance Programme)

This aims to ensure the physical, emotional, and mental well-being of our employees.

Project PRAWAH

An initiative to get feedback from new hires (three or four months old) to understand their concerns.

YOUR VOICE MATTERS

Our continuous feedback tool in collaboration with Great Place to Work Institute. Employees can give weekly feedback which is confidential.

Project SHAKTI

This aims to facilitate a women-friendly environment and support the organisation's vision to become a great place to work for women.



HUMAN CAPITAL

Talent attraction and retention

Talent attraction and retention is crucial for any organisation's success as it helps build a solid and capable workforce proficiently in achieving its goals. At JKCL, we focus on the overall development of our employees. We aim to create a sustained learning culture to provide holistic learning opportunities to all employees through diverse learning media. Our focus is individual capability building and addressing employee aspirations as well as organisational goals through our various learning initiatives. Our employee value proposition follows a timeless culture that prioritising high-performance, efficiency, safety, and integrity.

JKCL has a strategic approach to attracting and retaining top talent by offering competitive compensation and benefits, providing opportunities for growth and development, fostering a positive work environment, promoting diversity and inclusion, and developing strong relationships with employees.

Through various training exercises, we also provide fair treatment for all our employees and adhere to human rights standards at par with global frameworks.



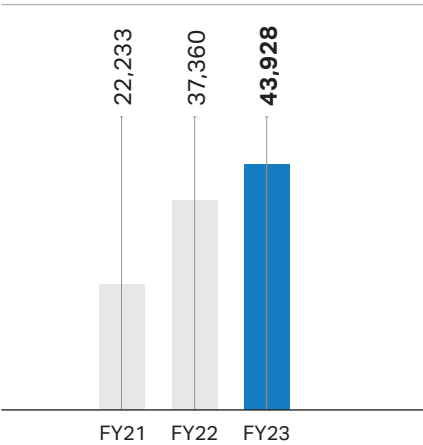
Learning and development

JKCL believes in developing leaders at all levels of the organisation. With a commitment to continuously enhancing their workforce's skills and knowledge, JKCL invests in various training and development programmes that focus on improving performance, increasing productivity, and enhancing job satisfaction. We offer a variety of training opportunities, both on-the-job and in traditional classroom settings, as well as other learning programmes to upskill our employees and upskill them on a regular basis. Our flagship talent development program, 'UDAY', is a structured initiative designed to cultivate future talent and establish a learning culture that inspires our younger employees. To create an effective talent pipeline, we promote our young and capable talents to senior positions.

Our 'SARATHI' programme helps us build young managers' capabilities to develop their required skills. Our Project Horizon streamlines

the talent management system by clearly defining an employee's role, consistently measuring performance, benchmarking performance and ensuring smooth functioning

Total training (hours)



₹2.92 Crore
Spent on trainings

Performance and career development review

Performance and career development reviews are critical to an organisation's talent management strategy. This process allows all employees to have a structured conversation with their managers regarding their performance, goals, strengths, areas for improvement, and opportunities for career development.

This exercise involves setting their KPIs, tracking their progress towards those goals, providing regular feedback on their performance, and assessing their overall performance at the end of a defined period. We also allow our employees to discuss their career interests and ambitions, identify skills and competencies that need to be developed to advance in their careers, and set goals for career growth. This exercise aims to create a culture of continuous improvement and learning.

Diversity and inclusion

JKCL places a high value on diversity and inclusivity in the workplace, recognising that these are critical drivers of growth and success. The Company has dedicated itself to creating a fair and transparent work environment with mutual respect for all. We strive to maintain workplaces free from discrimination or harassment based on race, sex, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law. We aim to create an environment where all employees feel valued, included, and empowered to contribute to the Company's success.

3%

Permanent Female employees and workers

A diverse and inclusive workforce can lead to better innovation, higher employee engagement, and improved business performance.

Human rights & POSH

At JKCL, we maintain a strict policy of zero tolerance towards any form of discrimination or harassment. Our commitment entails respecting human rights and seeking to avoid involvement in human rights abuses, identifying, assessing, and minimising potential adverse

impacts through due diligence and management of issues, and resolving grievances from affected stakeholders effectively. JKCL is committed to employing people solely based on 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 are committed towards providing a health and safe working environment for all the employees and workers. JKCL has formed an internal complaints committee in FY2022-23 that resolves the complaints raised against Prevention of Sexual Harassment at workplace. Anyone can raise concerns and report incidents at icc.corporate@jkcement.com.



HUMAN CAPITAL

Human rights risk mitigation

We conduct periodic evaluations of our plant and mine operations to identify any instances of human rights violations. Our operations undergo thorough due diligence to ensure we uphold human rights practices. Additionally, we conduct sensitisation and awareness sessions on topics such as anti-discrimination and anti-harassment in our operational facilities. Each site has a risk mitigation and incident resolution/remediation process guided by our Human rights policy. In our risk assessment scope, we encompass all stakeholders, including contract workers, permanent workers, and women. Our remediation procedure involves investigating identified violations, analysing their root causes, and implementing corrective actions with dedicated responsibilities and timelines. We follow this up with training exercises and sensitisation sessions for our workforce. In the case of sexual harassment incidents, we direct all complaints to the internal complaints committee, which investigates all harassment incidents.

During FY 2022-23, 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. JKCL recognises our workforce's right to freedom of association and collective bargaining. We pay all permanent workers as per the legal requirements of minimum wages.

Grievance redressal

Our Company has an effective grievance redressal mechanism to ensure that all our stakeholders feel heard and valued and that we promptly and effectively address any issues or concerns of theirs.

We have a grievance redressal mechanism for communities, employees, investors, customers,

and other stakeholders. The concerned person can drop a written complaint in drop boxes across the plants and offices. In addition, they can reach out to JKCL on our website or helpline numbers. We resolve all such concerns immediately and take all possible measures to prevent their reoccurrence.

Grievance redressal mechanism



Occupational Health & Safety

JKCL strongly emphasises safety and strives to enhance its safety performance constantly. We are dedicated to ensuring a secure, healthy, and favourable work environment for all our employees and stakeholders. Our top priority is to create a workplace free from injuries and fatalities, and one of the primary areas of focus for our operations is the implementation of a comprehensive health and safety (H&S) system.

Our Zero Harm initiative aims to make continual strides towards preventing both on-site and off-site fatalities and injuries. Our efforts surpass regulatory requirements and involve the implementation of a comprehensive environmental, health and safety (EHS) management system at all our manufacturing plants, which adheres to ISO 45001 standards. We have conducted various awareness and counselling programs across our plants, which cover topics related to occupational health and safety, as well as common seasonal diseases and lifestyle choices. We also offer the Suraksha Apps, including JKCL EHS for safety observations and JKCL EPTW for permit-to-work purposes. Suraksha Rath (Safety on wheels) was

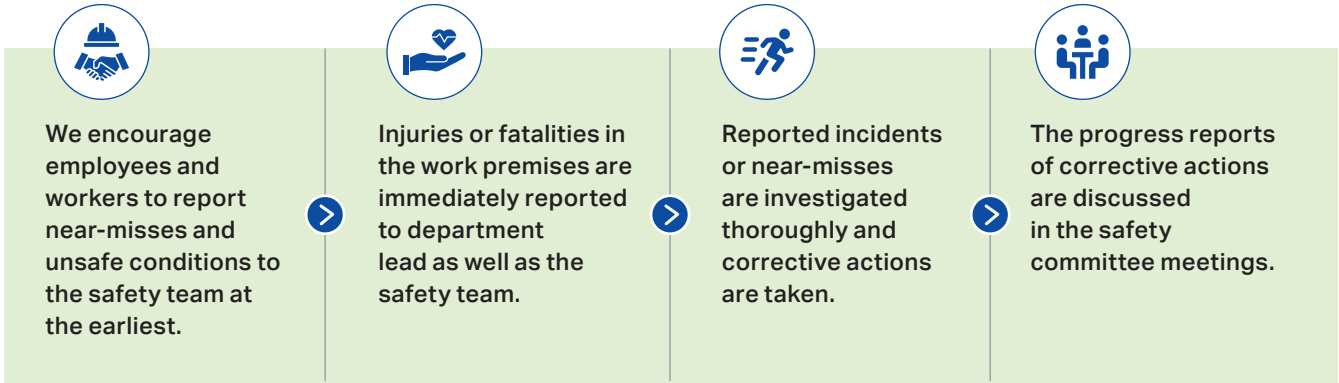


implemented in December 2022. It is a mobile safety van that offers first aid, emergency response, and safety training services on the go.

At each plant, we take few safety measures like:

- Safety induction is done before plant entry and safety training exercises are conducted on regular basis; wearing PPE is compulsory for workers inside the plant. Periodic health check-ups are organised by the medical team across all the plants.
 - Annual free eye check-up and operation camps are organised
- by the medical and welfare teams in association with renowned hospitals.
- Training drills on various safety topics are provided to employees and workers at regular intervals.
 - The safety department along with the corporate safety head conduct safety audits on various parameters like working at heights, working on steel structures, fire safety, and PPEs, among others.

Hazard and injury management approach



HUMAN CAPITAL

Road safety awareness programmes

'Every Hazard & Near miss Reporting from your end could save someone's life Keep Reporting as much as possible.

- Awareness session for drivers along with Logistics Team lead by Corporate Safety Head
- Awareness session for transport personnel
- Announcement of road safety precautions during shift changes.
- Awareness session for internal transport drivers, security rescue team and TPS drivers
- Awareness session for cement truck drivers
- Awareness session for electrical department staff and workers



Corrective and preventive action plan for Health and Safety

The health and safety of our workforce is of paramount importance, and we make every effort to create a best-in-class environment. In FY2022-23, there was an unfortunate fatality at our Muddapur facility when a contractual worker accidentally fell from a scaffolding. Besides providing every possible support to the workers' family, we conducted a thorough risk assessment, and identified potential hazards and risks. Consequently, we developed a corrective and preventive action plan (CAPA) to prevent such incidents from recurring.

- Workplaces with risk of falling objects must be thoroughly inspected before and during the job.

- Risk assessment required before starting the job.
- Material fall protection arrangement to be provided.
- Working at height safety arrangement required.
- 100% tie-off system required during working at height (use of full-body safety harness).
- Safe working platform to be provided.
- Trained and authorised persons to be deployed.
- Continuous supervision to be ensured.

Enhancing safety awareness and knowledge among workers: an ongoing programme

In any workplace, ensuring employees' safety and well-being is paramount. However, it was discovered that some workers lacked sufficient knowledge about safety standards, leading to instances of unsafe acts. The management initiated a department-wide safety campaign in the to-be-trained (TBT) organisation, recognising the issue's urgency. The ongoing programme has significantly increased workers' safety knowledge and awareness, fostering a safer work environment.



Objective

The primary objective of the ongoing programme is to enhance the safety knowledge and awareness of workers and employees across the organisation. By providing comprehensive safety training and conducting department-wide safety campaigns, the programme aims to minimise the occurrence of unsafe acts and create a culture of safety within the workplace.

The approach we followed included training initiatives where the management invested on workers safety training. This training focused on imparting knowledge about safety standards, best practices, and the potential consequences of unsafe acts. To this end, we implemented department-wide safety campaigns that engage workers and employees through regular safety meetings, workshops, and informational sessions.

Outcomes

Increased safety knowledge: Through the training initiatives and department-wide safety campaigns, the workers' understanding of safety standards and best practices have significantly improved.

Improved safety awareness: The programme has created a heightened sense of safety awareness among workers and employees. They now recognise the importance of adhering to safety protocols and actively contribute to maintaining a safe work environment.

Financial investment: The management planned to have future safety programmes, highlighting their commitment to sustaining and expanding the ongoing safety initiatives. This investment will enable the organisation to conduct more comprehensive training sessions, develop advanced safety resources, and continually reinforce the importance of safety throughout the organisation.

Conclusion

The ongoing safety programme in TBT is making significant strides in improving safety standards within the organisation. By investing in enhancing the knowledge and awareness of workers and employees, the programme is fostering a culture of safety and minimising the occurrence of unsafe acts. With the continued commitment of the management and the implementation of future safety programmes, TBT aims to become a benchmark for workplace safety, ensuring the well-being of its employees and the overall success of the organisation.



Empowering to build resilient communities



At JK Cement, responsibility commitment does not end with business growth and profitability. It extends far beyond to encompass the holistic impact we have on India's inclusive development and progress. As most of our plants are in economically disadvantaged regions of India, where communities grapple with a plethora of challenges, we believe JK Cement has a key role to play in developing sustainable solutions.

We have a well-defined CSR Policy, which serves as the foundation for our social initiatives that are designed based on local need evaluations. It also reflects our socioeconomic development agenda. We collaborate with local non-governmental organisations (NGOs) and other partners who are overseen by our local CSR teams at our plants. Before introducing any interventions, we conduct needs assessments and periodically conduct impact studies to determine the effectiveness, relevance, and sustainability of the interventions.

Impact highlights

4.8 lakh+
CSR beneficiaries

25%
Increase in CSR
beneficiaries by 2024

Focus areas of interventions



Education

Focusing on infrastructure for educational institutes such as school buildings, furniture, and tools to assist teaching



Infrastructure development

Improving the quality of life by constructing roads, drainage systems, community centres, temples, among others



Community welfare

Empowering and enabling underprivileged individuals to enrich their lives



Health

Providing access to quality healthcare services to the local communities



Environment

Working towards environmental protection contributing towards the development of the ecology

SOCIAL AND RELATIONSHIP CAPITAL



Creating strong relationships for a shared future together

Performance highlights

₹26.8 crores
CSR expenditure

25,500
Vendors

3.5%
Critical tier 1 suppliers were
assessed

Material topics

- Sustainable supply chain
- Local communities
- Customer relationship management

Contribution to SDGs



Impact on other capitals



Human capital

Enhanced stakeholder
engagement



Natural capital

Increase demand
for environmental
sustainability



Intellectual capital

Innovation driver by
customer insight



Financial capital

Increase customer
and supplier loyalty



Manufactured capital

Optimisation of
product portfolio basis
stakeholder discussions

SOCIAL AND RELATIONSHIP CAPITAL

Our focus areas

Community welfare

- Supplied water at railway station and temple
- Provided RCC bench to hospital
- Renovated community centre
- Provided AC to Mahadev Jan Sewa Nyas
- Organised light camp for women
- Fixed pipeline at Payri village and Malaiaakhera village
- Supplied water to villages

55,058
CSR beneficiaries

SDGs Impacted



States Impacted

Chittorgarh, Rajasthan;
Jhajjar, Haryana;
Kanpur, Uttar Pradesh

Environmental sustainability

- Planted saplings in college and other places

28,016
CSR beneficiaries

SDGs Impacted



States Impacted

Chittorgarh, Rajasthan

Healthcare

- Setting up a super speciality hospital at IIT Kanpur, Uttar Pradesh
- Eye camp, provided goat pox vaccine – Ramdev Medical Store
- Health camp at nearby village Halki
- Distribution of food to TB patients
- Installation of health ATM

39,184
CSR beneficiaries

SDGs Impacted



States Impacted

Kanpur, UP, Karnataka
Gujrat, Haryana

Livelihood development

- Sparsh Sanitary Pad Project for women self-help groups
- Organised training programmes for women's skill development
- Contributed to Hura Ba Go Sewa Sansthan
- Constructed hospital for cows
- Animal husbandry

1,92,287
CSR beneficiaries

SDGs Impacted



States Impacted

Chittorgarh, Rajasthan
Jhajjar, Haryana

Education

- Constructed rooms in school and paved boundary
- Provided new desks for government college
- Provided water cooler and water tank
- Contributed to the Bharat Lok Shiksha Parishad
- Contributed to the Rotary Foundation for uplifting of education system (distribution of smartboards)
- Upgraded Delhi-MCD school with smart classes
- Constructed rooms and toilets for new government school at Tukaliya
- Distributed track suits to school children

*Contribution to Anganwadi development project

29,907
CSR beneficiaries

SDGs Impacted



States Impacted

Nagaur, Chittorgarh,
Rajasthan; Kanpur, Uttar
Pradesh, Balasinor, Gujarat;
Bagalkot, Karnataka

Rural development

- Contribution to J.K. Gram Vikas Udyog for crossbreeding projects in rural areas
- Road infrastructure development
- Contributed to pooja/fair/festival/temple
- Renovated and redeveloped anganwadi
- Provided table and chair for police station
- Contributed to Gram Vikas society
- Installed streetlights at Badwara and Umaria
- Provided JCB on rent for Amrit Sarova Yojna at Pathra Taal
- Lloyd AC installed at Badward Thana
- Renovated Gotan bus stand floor, boundary wall and extended shelter for pedestrians

66,800
CSR beneficiaries

SDGs Impacted



States Impacted

Chittorgarh, Rajasthan

Sports

- Organised cricket tournament at Badoli Ghata and Chittorgarh
- Constructed Mangrol playground
- Supported in construction of gym
- Renovated basketball court
- Sponsored Khelo India Youth Games – 2022

18,400
CSR beneficiaries

States Impacted

Rajasthan, Chittorgarh; Bagalkot, Karnataka;
Mahisagar, Gujarat; Aligarh, Uttar Pradesh, Jhajjar,
Haryana; Bhopal, Madhya Pradesh

Arts and culture

- Har Ghar Tiranga campaign
- National Flag – Ghar Tiranga campaign

200
CSR beneficiaries

States Impacted

Chittorgarh, Rajasthan
Jhajjar, Haryana

SOCIAL AND RELATIONSHIP CAPITAL

CSR initiatives

At JKCL, we are committed to improving the well-being of the communities where we operate and building lasting relationships with them. We believe in giving back to the community and providing support to enhance the quality of life of our fellow citizens. Our local and corporate CSR teams are prompt in dealing with any concerns the local community stakeholders and their representatives raise.

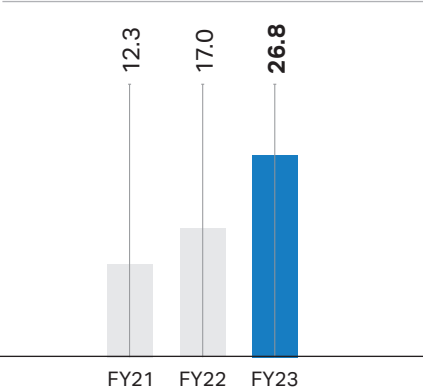
We aim to achieve a 25% increase in beneficiaries of our CSR initiatives by 2025. Our CSR Policy serves as the foundation for our corporate social responsibility initiatives, which are based on local need evaluations. Our CSR policy reflects our socio-economic development agenda, under which we have identified

the focus areas – water, health and sanitation, energy conservation, pollution-free atmosphere, clean technology, and primary healthcare.

In FY 2022-23, we reached the remarkable milestone of **> 4.8 lakh beneficiaries** through our CSR programmes.

We collaborate with local non-governmental organisations (NGOs) and other partners who are overseen by our local CSR teams at our plants. Before introducing any intervention programme, we conduct needs assessments and periodically conduct impact studies to determine the effectiveness, relevance, and sustainability of the interventions. In FY2022-23, we allocated ₹52.61 crores from our CSR budget towards community development.

CSR expenditure (₹ crore)



The Company firmly believes that the survival of its business depends on its long-term relationships with its clients, vendors, retailers, dealers, and communities. Our business model is heavily reliant on maintaining these connections over time. The Company has contributed to developing the surrounding areas where we operate by taking up various developmental activities. We firmly commit to supporting the environment, stakeholders, and society and working for their improvement. Our Company's CSR policy outlines our philosophy for CSR spending, focus areas and implementation approach. CSR initiatives are undertaken by the local CSR teams of each JKCL plant as they understand the local needs better.

The Company established a CSR committee and a sustainability steering committee to carry out these initiatives most effectively. To carry out these initiatives in the most effective way, the company established a CSR committee and Sustainability Steering committee. They are responsible for developing the necessary CSR policies and monitor its implementation and progress to create maximum impact.



Education

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Infrastructure Development

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Healthcare

Pg. 102



Community welfare

Pg. 104



Environment

Pg. 105



Education

At J.K. Cement, we understand and realise the importance of education for the younger generation and its impact on our society. Our development endeavours focus on infrastructure for educational institutes such as schools, including buildings, furniture, and tools to assist education.

Yadupati Singhania Institute of Technology (YPSIT)

Thematic areas

Vocational training centre to promoting 'Skill India Mission', the nation's dream project to develop skills to improve the employment. (JK Cement's SDG)

The first institute was founded in 1992 at Nimbahera (Rajasthan) based on the vision of our honourable former CMD the Late Shri Yadupati Singhania. Today, with > 30 years' experience of quality training, this institute is imparting top-class vocational training for the youth to get better employment opportunities.

The institute was started with only two trades that include electric and electronics mechanic. Today, it offers eight vocational training in different disciplines with annual capacity of > 600 candidates. The institute is counted among the top institutes in the country for world-class infrastructure, amenities, and training facilities. We have established ten YPSIT centres in Rajasthan, Madhya Pradesh and Uttar Pradesh. Four flagship are functioning in Rajasthan, Uttar Pradesh and Madhya Pradesh and six Government as an IMC partner.

Last year, we established the 'Yadupati Singhania Vocational Education Foundation (YSVEF)' under



which we pledged to set up a new institute for skill development every year to impart vocational skills to thousands of youngsters, to make them employable.

Accolades

Nimbahera centre has received a prestigious platinum-rated green building award.

YPSIT Nimbahera is a pioneer in the field of vocational training and is one of the first institutes in India to adopt the DST scheme of training. It has successfully implemented programmes across multiple trades. Our commitment to excellence has helped us achieve many accolades and recognitions.

Impact assessment

The students coming out of these institutes are readily placed as the curriculum equips them with updated knowledge and great performance.

Over the years, we have trained > 8,000 youth and placed 6,588 youth in the government and private sectors. Our trainees are working in top-tier government and private organisations like RAPP, BARC, Delhi Metro, ISRO, Tata motors, Larsen & Toubro, Prasar Bharti, Indian Oil, NTPC, and Proctor &

Gamble, among others. We also encourage self-employment and promote entrepreneurship.

Since 1992, over 30 of our trainees have attained the top position in the state merit list. Also, we have maintained an enviable track record of nearly 100% success rate on a yearly basis.

We have spent Rs 50 crores for development of infrastructure and Rs 40 crores as recurring expenditures so far.

Old desktops distributed in school

The programme aims to improve computer education in local schools and provide students with access to the latest technology. The old desktops were refurbished and upgraded to meet the minimum requirements of a computer lab. The distribution of the old desktops has had a positive impact on the students' education and their understanding of technology.



SOCIAL AND RELATIONSHIP CAPITAL



Infrastructure development

To raise the quality of life in our communities, we work to improve their infrastructure. Through our CSR programmes we have aided in the construction of roads, drainage systems, community centres, temples, and educational facilities over the years.

Constructed Link Road in Gotan

The construction of a link road in Gotan has brought immense relief to the locals. The new link road has also boosted the local economy as it has improved connectivity, allowing for more efficient transportation of goods and services. Additionally, it has created employment opportunities for the locals as we hired many labourers for the construction work.



Construction of rooms and toilets for new government school

The construction of the necessary infrastructure has ensured that the school can operate efficiently. The construction involved building new classrooms, toilets, and other essential facilities.

The new classrooms are equipped with modern technology and provide a comfortable learning environment for the students. The construction work has provided employment opportunities to many locals and has boosted employment.



Healthcare

The Company is providing healthcare services to the local communities through various drives on a regular basis.

Some of these initiatives included:

SPANDAN – YPS Health & Sanitation Mission (YPS-HSM):

- Deployed a mobile medical unit under the YPS-Health and Sanitation Mission (YPS-HSM)
- Organised a blood donation camp



We organised the camp in collaboration with local hospitals and medical centres, and it saw a large turnout of donors. The blood donation camp was a great example of the community coming together for a common cause. It helped raise awareness about the importance of blood donation and motivated people to donate blood regularly.

Yadupati Singhania Super Specialty Hospital, IIT Kanpur

Healthcare has always been a major focus for JKCL, and we look for the right partners to support this cause. In a joint initiative with IIT Kanpur, Yadupati Singhania Super Specialty Hospital is being setup in their campus. The super speciality hospital will be set up in two phases and JKCL will provide a funding of Rs 60 crores for it. This is part of IIT's ambitious move to set up School of Medical Research and Technology (SMRT).

The foundation stone of the Yadupati Singhania Super Specialty Hospital was laid at the IIT Kanpur campus on 16th July 2022. The first phase will include setting up a 500-bed Super Specialty Hospital over the next three to five years. Phase II of the project will involve increasing the hospital capacity to 1,000 beds, expanding clinical departments/centres and research areas, and including paramedical disciplines, alternative medicine, hospital management, sports medicine, and public health programmes. The second phase will take around seven to ten years to complete. This medical project will provide state-of-the-art emergency care services, including medical, surgical, paediatric, and obstetric care.

The Yadupati Singhania Super Specialty Hospital will benefit both the residents of Kanpur and those from other parts of the country.



This super speciality hospital will play an important role in driving IIT Kanpur's medical research and technology agenda.

SPARSH: a low-cost sanitary napkin project

JKCL has introduced the SPARSH Project for promotion of menstrual hygiene among women and girls and simultaneously contribute to women's economic empowerment. Every woman deserves access to hygiene, sanitation, and good health. The SPARSH Project helps women and girls in underprivileged communities to access low-cost pads to manage their periods.

JKCL contributes to the livelihood programme through the SPARSH sanitary napkin project for women's self-help groups. As part of our CSR efforts, JKCL provides structured setups and training for earning through the production and sale of low-cost sanitary pads in nearby villages of our cement complex at Nimbahera and Mangrol in Chittorgarh, Rajasthan.

Through this project we are addressing the issue of unavailability of sanitary napkins to women belonging to economically weaker sections. We provided them with trainings and the means to manufacture low-cost sanitary napkins thereby helping them with their financial stability. By empowering women, we fulfilled multiple sustainable development goals, SDG 1 – No Poverty, SDG 3 – Good Health and Well Being, SDG 8 – Decent work and economic growth, SDG 10 – Reduced Inequality. Economic empowerment leads to a stronger voice and meaningful participation in economic decision making within the household. As a result, this initiative has far reached effects for these women as well as for the society.

Till date the project has impacted approximately 60,000 adolescent girls and 1,40,000 women from 350 villages. This project has generated direct employment for > 500 women so far.

SOCIAL AND RELATIONSHIP CAPITAL



Community welfare

Our aim is to serve humanity by empowering and enabling underprivileged individuals to enhance their lives through various community welfare programs.

Yadupati Singhania Cattle Breed Improvement Centre (CBIS), Amanganj, Panna MP

Animal husbandry (Artificial insemination of cattle to boost milk production and the rural economy)

Objective: Integrated Livestock Development centres (ILDC) are established to upgrade the local indigenous low milk-yielding cows by crossbreeding them with the use of frozen semen from highly pedigreed exotic/indigenous bulls. The resulting crossbred/ upgraded calves will be better milk yielders and will help in improving the socioeconomic status of the farmers especially the ones who are landless, marginal landholders and poor.

- Create awareness among farmers for fodder development through demonstration of improved variety of fodder seeds and planting material at the farmer's field level.
- Improve productivity of the local cattle and buffalo through artificial insemination, balanced feeding, veterinary services, and management.
- Improve draft strength of good quality bulls produced through the "Cattle Breed Improvement Programme" through use of frozen semen of high-quality draft breed.



- To reduce the risk of milch animal and calf mortality by protecting them through prophylactic vaccinations.
- Use of large stock of non-descript non-productive cattle to produce next generation cross-breed and improved calves having higher economic value.

Impact: This is an ongoing programme, and the real impact will be seen from fifth year onwards. So far, 9,268 families have been registered in 230 villages. So far, artificial insemination has been done for 1,791 cattle. We expect a manifold increase in milk production. The centre has also trained the local people as a part of direct employment generation. Local villagers will get increased economic

stability, which will contribute to the farm-based rural economy.

Anganwadi project

Nimbahera unit has developed 45 anganwadis in the area that has benefitted around

1,920 students through this intervention. The establishment of these anganwadis has brought education closer to the doorsteps of families, ensuring that children from remote areas can receive quality education. These centres serve as vital learning spaces, providing essential pre-primary education, nutritious meals, and healthcare facilities to young learners. By focusing on holistic growth and cognitive development, the unit has laid a solid foundation for the children's future academic success.



Environment

The organisation works diligently towards environmental protection and actively participates through its CSR initiatives to contribute towards the development of the ecology.

Water saving beyond the fence – "Per Drop More Crop"

Irrigation is a challenge in many parts of the country, especially during the summer months. To ensure judicious use of water, we promote micro irrigation technologies which is also known as the drip/sprinkler system. We show the farmers the benefits of water saving technologies and try to drive home the concept of 'per drop more crop'.

We invest our time and energy to transform the lives of neighbouring communities and protect nature through sustainable living and livelihood. We hope to save 12.3 lakh KL water per anum through this method. We hope to be five times more water positive through sustainable water management by 2030.

Water challenge initiative from Karunda mines to village

The villagers of Karunda, Nimbahera, in Rajasthan, faced a huge water shortage. They found it difficult to access water for their household needs, agriculture, and cattle-rearing requirements. Farming and cattle rearing became a challenge due to the water crisis, especially during summer.

This area is adjacent to our Karunda mines. When we learned that around 200 families are facing a water crisis, we decided to find a solution for them. We have laid a 1.2-km pipeline from Karunda mines to supply water to Karunda village to recharge their



water bodies. With the water table rising, the villagers can now access clean water through seven to eight wells and 12 bore wells.

This availability of clean and plentiful water has improved the villagers' quality of life and provided a boost to their livelihood. This measure helps the villagers increase their agricultural produce and earn extra income by selling the surplus. Cattle rearing is no longer a challenge because of the yearly water availability. This intervention has impacted 1,500 people directly or indirectly and has provided a long-term solution to a recurring problem.

Defensive driving training for JKCL employees and ITI students

We arranged road safety sessions at our Gotan factory premises in

the current financial year to keep our employees and students safe. In these sessions we covered road safety and defensive driving topics like – hazards of speed driving, safe following distance, rules of overtaking, driving in the rain, night driving, following road signals, importance of using crash helmets and seat belts and more.

We developed in house training modules – with audio, video, and animation support for our defensive driving training. More than 550 employees and 135 students benefitted from these sessions. We held the training session at the JK White Cement Works, Gotan.



SOCIAL AND RELATIONSHIP CAPITAL



Supporting the National Tuberculosis Elimination Programme

Tuberculosis is a major health hazard and a rampant problem among people from economically weaker sections. To tackle this problem, the government has launched National Tuberculosis Elimination Programme. As part of our effort to support the government in this project, we have taken some initiatives around it. We have provided 240 nutritious kits to patients at the government hospital in Mudhol to help them recover quickly.

Building long-term trust

At JKCL, we recognise the importance of all stakeholders in ensuring our business growth and viability. Our consumer-centric business model relies on our suppliers as an integral part of our operations. Furthermore, we collaborate with our partners across the value chain to ensure the sustainability of their operations. To ensure responsible business practices, we have an ESG policy for suppliers, contractors, consultants, and transporters.



Customer centricity and value-added support

We strive to create lasting value for our customers by exceeding their expectations. To achieve this, we engage with our customers at various levels and try to understand their needs and expectations. Our grievance mechanism provides a

platform for customers to register their complaints, with a dedicated online helpline available for support. In FY 2022-23, we conducted a customer satisfaction study and received 1298 complaints. We are proud to say that by the end of the financial year, we resolved 100% of these complaints.



Supply chain partners

JKCL values the contributions of our suppliers to our business growth and viability. We regularly engage with suppliers to ensure integrity, responsibility, and compliance. We base our commitment to environmental, social, and governance (ESG) goals on creating sustainable and long-term value for all stakeholders.

All suppliers under our ESG policy must comply with policy requirements and submit acceptance before commencing activities at our plants. We uphold ethical and labour standards during supplier screening and evaluation. We have taken proactive measures to identify the most significant environmental and social challenges within our value chain, and suppliers are screened based on these areas.

JKCL has 25,500 vendors, of which 3,416 have been shortlisted by us as Tier-I suppliers based on their top spending and potential impact on our business. Among these, we have identified 86 as critical suppliers. Our critical suppliers contribute over 80% of the total expenditure, while the remaining 3,330 are non-critical.

In the current financial year, we developed our supplier code of conduct. We educated all Tier-I vendors about our new supplier code of conduct and ESG policy.

We have also conducted capacity building sessions for all our critical suppliers to brief them regarding the ESG risks and opportunities, JKCL suppliers code of conduct, JKCL ESG policy and other emerging sustainability best practices.



We also assessed 15% of our critical Tier-I suppliers on the supplier code of conduct parameters. We found that they abide by our supplier code of conduct. In the upcoming year, we aim to assess all our supplier's basic supplier codes of conduct along with ESG policy.

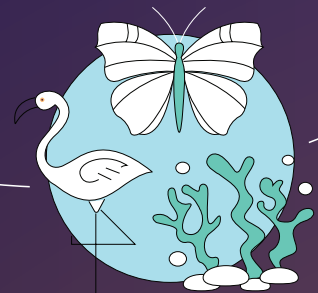
Supplier risk assessment

We engage with our suppliers regularly, which helps us in risk identification and monitoring for compliance with our ESG policy. We require our suppliers to complete an annual self-assessment questionnaire to ensure adherence to our policies. This questionnaire covers their environment, social, and governance practices and their performance. We also conduct physical verification of a sample of suppliers selected post-self-assessment to ensure the accuracy of the information provided. We take corrective actions to ensure compliance with our ESG policy

requirements if we identify any risks or concerns.

Dealers

Our distribution channels are largely driven by our dealers, who play a crucial role in keeping us informed of customer preferences and expectations. Our dealer network comprises distributors, painters, and contractors. We believe in recognising and rewarding the hard work of our dealers, and we regularly provide them with incentives for their excellent performance.



On course to net zero

Cement is at the very foundation of the modern world. However, cement production accounts for more than 8% of all greenhouse gases. If we must limit climate change to 1.5 degree Celsius and build a sustainable world, we must seriously rethink how we manufacture cement.

In October 2021, the global cement industry took a huge step forward and unveiled its 'Race to Zero' initiative. At JK Cement, we aim to achieve net zero by 2050. We have relentlessly focused on reducing emissions significantly even as we grow our capacities.

We are consistently improving efficiency in plant operations and resource consumption using best-in-class automation and data analytics technologies. Further, we have accelerated the adoption of alternative raw materials and made considerable advancements in utilising alternative clean fuels.

What we want to do is to transform commitments into actions and global visions into local requirements. By adopting efficient technologies and practices, we have set ourselves a goal to become five times water positive by 2030. We have conducted routine environmental impact assessments and devised management plans to ensure sustainability of our mining operations. As part of our 'Nature Positive' 2030 plan, we are establishing a ~50-hectare biodiversity park in Chittorgarh.

Our sustainability efforts have been recognised by the Confederation of Indian Industry with the GreenCo Platinum (Muddapur unit) and GreenCo Gold (Mangrol) certifications, underscoring our stringent adherence to established ecological norms and protocols.



We have-

Lowered our net Scope I emission by
10.3%
from 580 in FY20

Enhanced the share of green power in our fuel mix to
44%
from 19% in FY20

Boosted our thermal substitution rate to
13.95%
from 6% in FY20

Clocked a water positivity rate of
4.5x
compared to 3x in FY20

SUSTAINABILITY SCORECARD

Category	Units	FY2020	FY2021	FY2022	FY2023
Production					
Cement production	MTPA	9.56	11.00	13.11	14.57
Clinker production	MTPA	7.02	8.11	8.97	9.77
Cementitious production	MTPA	9.8	11.4	13.4	14.9
Economic Indicators GRI 201-1					
Income from operations	INR crores	5,549.65	6,441.63	7,821.38	9,081.53
Economic value distributed	INR crores	5,150.54	5,837.44	7,186.90	8,515.79
Cost of material consumed	INR crores	871.99	967.57	1,155.39	1,314.18
Power and fuel	INR crores	1,011.53	1,106.20	1,571.87	2,308.19
Employee benefit and wages	INR crores	390.9	412.14	504.17	563.21
Finance cost	INR crores	222.87	223.16	249.31	260.49
Tax expenses	INR crores	251.64	389.72	332.86	237.72
Others	INR crores	2,401.67	2,738.15	3,373.26	3,832.00
Economic value retained	INR crores	399.11	604.19	634.48	565.74
Environment					
Material consumption (non-renewable materials) GRI 301-1					
Limestone (for clinkerisation)	Tonnes	10,071,779	11,984,396	12,787,062	13,720,479
Clinker	Tonnes	65,81,965	74,93,389	85,71,132	94,64,823
Gypsum	Tonnes	488,569	674,114	10,34,204	10,24,347
Puzzolana	Tonnes	31,754	24,779	32,936	42,550
Recycled input materials GRI 301-2					
Slag	Tonnes	119,628	130,013	142,960	95,127
Fly ash	Tonnes	14,64,502	17,99,967	23,52,512	27,26,419
Energy consumption GRI 302-1					
Non-renewable sources (A)	GJ	30,685,600	32,028,582	33,776,349	32,578,568
Fossil fuel and AFR combustion (Kiln+ non-kiln)	GJ	29,673,000	30,707,000	31,954,519	29,889,767
Non-renewable electricity purchased from the grid	GJ	569,000	588,334	998,074	18,13,223
Energy from WHRS	GJ	381,698	588,334	708,585	871,781
Electricity sold externally	GJ	61,902	144,914	115,172	3,797
Renewable sources (B)	GJ	284,174	400,060	1,072,584	2,037,017
Biomass combustion (kiln + non-kiln)	GJ	184,000	199,000	818,095	14,24,468
Renewable Purchased	GJ	97,474	99,360	234,737	581,544
Renewable (Solar+ wind) Electricity generated and consumed	GJ	2,700	101,700	19,752	31,005
Total energy consumption (A+B)	GJ	30,969,774	32,428,642	34,848,933	34,615,585
Other indicators					
Energy intensity	GJ/tonnes	3.15	3.77	2.57	2.29
Kiln fuel	TJ	21,736	24,933	27,948	31,031
Non-kiln fuel	TJ	8,121	5,993	4,824	284
Solar generated	TJ	2.3	2.7	19.75	31.00
Specific thermal energy	GJ/t of clinker	3.09	3.07	3.12	3.18
Specific electrical energy	kWh/t of cement	73.6	68.3	62.5	61.8
Reduction of energy consumption GRI 302-4					

Category	Units	FY2020	FY2021	FY2022	FY2023
Energy saved	GJ	Not reported	80,802	19,42,187	173,259
Water withdrawal GRI 303-3					
Total freshwater (TDS </= 1000 mg/L)	ML	1,520	1,704	1,360	2,063
Total other water (TDS >/= 1000 mg/L)	ML	-	-	435	110
Groundwater freshwater (TDS </= 1000 mg/L)	ML	855	634	403	867
Ground water other water (TDS >/= 1000 mg/L)	ML	-	-	435	110
Surface water freshwater (TDS </= 1000 mg/L)	ML	665	1,070	957	1,197
Surface water other water (TDS >/= 1000 mg/L)	ML	-	-	0	0
Surface water withdrawal	ML	665	1,070	957	1,197
Other indicators					
Percentage surface water withdrawal	%	44	63	53	58
Percentage ground water withdrawal	%	56	37	47	42
Water discharge GRI 303-4					
Discharge quantity	m ³	0	0	0	0
Water consumption GRI 303-5					
Total water consumption (total water withdrawal -total water discharged)	KL	1,520	1,704	1,795	2,173
Water recycled/reused	KL	433	332	307	371
Other indicators					
Percentage water recycled/reused	%	28.5	19.5	17.1	17.1
Specific water intensity	m ³ /t of cement production	0.16	0.16	0.14	0.15
Water positivity	Times	3.2	3	4.6	4.5
GHG and other air emissions GRI 305-1,2,3,4,5,6,					
Scope 1 emissions (including CPP fuel usage)	tCO ₂ e	65,32,699	72,06,969	77,84,307	79,85,999
Scope 2 emissions	tCO ₂ e	129,599	203,639	238,321	419,203
Scope 3 emissions	tCO ₂ e	-	10,22,991	13,65,166	14,69,970
GHG emissions intensity- (Scope 1+scope 2)	tCO ₂ e	0.68	0.65	0.60	0.56
GHG emissions intensity- (Scope 1+Scope 2+Scope 3)	tCO ₂ e	0.68	0.734	0.697	0.66
Initiatives for reduction of GHG emissions					
Emissions from kiln due to use of AFR and biomass	tCO ₂ e	108,303	131,300	213,521	382,712
Energy-saving initiatives	tCO ₂ e	-	-	58,309	34,224
Use of WHRs	tCO ₂ e	-	129,107	155,495	171,935
Emissions from ozone-depleting substances (ODS)					
R22	tonnes	-	0.36	0.48	0.22
R32	tonnes	-	0.01	0.04	0.03
R407-C	tonnes	-	0.04	0.01	0
R134-A	tonnes	-	0.02	0.01	0
R404	tonnes	-	-	-	0.008
R410A	tonnes	-	-	-	0.016

SUSTAINABILITY SCORECARD

Category	Units	FY2020	FY2021	FY2022	FY2023
Total	tonnes	0.42	0.43	0.54	0.27
Air emissions					
PM	Tonnes	604	723	753	533
SO _x	Tonnes	1,262	1,325	1,861	278
NO _x	Tonnes	8,853	9,638	8,133	8,351
Mercury emissions (Hg)	Tonnes			0.11	0.01
Other indicators					
Direct CO ₂ (includes CPP)	tCO ₂ e	65,32,699	72,06,969	77,84,307	79,85,999
Direct gross CO ₂ (excluding CPP)	tCO ₂ e	57,75,432	66,82,752	73,55,199	79,72,412
Direct net CO ₂ (excludes CPP and Kiln AFR and biomass)	tCO ₂ e	56,82,107	65,56,800	72,07,227	77,40,698
Indirect CO ₂ (external power)	tCO ₂ e	129,599	203,639	238,321	419,203
Specific direct net CO ₂ emissions	kg CO ₂ /t of cementitious product	580	571	535	520
Specific indirect CO ₂ emissions	kg CO ₂ /t of cementitious product	13	18	18	28
Waste generated GRI 306-3					
Total hazardous waste (Solid)	Tonnes	13.54	21.42	32.40	76.60
Battery	Tonnes	13.41	11.05	28.28	42.30
Biomedical waste	Tonnes	0.13	0.14	0.12	0.23
E-waste	Tonnes	0	10.23	4	34.07
Total hazardous waste (liquid)	L	45,658	85,718	83,540	123,152
Used oil	L	36,848	46,637	72,440	106,344
Contaminated oil	L	8,610	25,451	100	9,872
Biomedical waste oil	L	0	30.3	0	0.00
Waste oil	L	200	13,600	11,000	6,936
Total non-hazardous waste	Tonnes	4,430	6,546	19,241	9,080
Waste disposed:					
Total hazardous waste (solid)	Tonnes	13.54	21.42	32.40	98.46
Battery	Tonnes	13.41	11.05	28.28	87.31
Biomedical waste	Tonnes	0.13	0.14	0.12	0.23
E-waste	Tonnes	0	10.23	4	10.93
Total hazardous waste (liquid)	L	45,658	85,718	69,690	106,092
Used oil	L	36,848	46,637	69,590	85,714
Contaminated oil	L	8,610	25,451	100	13,442
Biomedical waste oil	L	0	30.3	0	0
Waste oil	L	200	13,600	11,000	6,936
Total non-hazardous waste	Tonnes	4,430	6,456	18,916	8,507
Waste diverted from landfill (sent to recyclers and authorised vendors) GRI 306-4					
Total hazardous waste (solid)	Tonnes	13.54	21.42	32.40	98.46
Battery	Tonnes	13.41	11.05	28.28	87.31
Biomedical waste	Tonnes	0.13	0.14	0.12	0.23
E-waste	Tonnes	0	10.23	4	10.93
Total hazardous waste (liquid)	L	45,658	85,718.30	69,690	106,092

Category	Units	FY2020	FY2021	FY2022	FY2023
Used oil	L	36,848	46,637	69,590	85,714
Contaminated oil	L	8,610	25,451	100	13,442
Biomedical waste oil	L	0	30.3	0	0
Waste oil	L	200	13,600	0	6,936
Total non-hazardous waste	Tonnes	4,430	6,456	18,916	8,507
Waste directed to disposal GRI 306-5					
Total hazardous waste (solid)	tonnes	0	0	0	0
Total hazardous waste (liquid)	L	0	0	0	0
Total non-hazardous waste	tonnes	0	0	0	0
Total non-hazardous waste	Nos.	0	0	0	0
Biodiversity GRI 304					
Total number of saplings planted	Nos.	908,127	10,23,238	11,30,137	13,05,924
Sapling survival rate	%	82	84	80	85
Percentage of quarries with high biodiversity value, where biodiversity plan is implemented	%	0	0	0	0
Percentage of quarries where rehabilitation plan is implemented	%	0	0	0	0
Local communities GRI 413-1					
Operations with local community engagement, impact assessments and development programmes	We implement local community development initiatives all over our India operations in line with the CSR regulations of the Companies Act, 2013				
CSR:					
Total CSR beneficiaries	Nos.	409,449	728,120	502,013	488,526
Social					
Workforce indicators GRI 2-7 and 2-8 headcount					
India total employees details					
Total permanent workforce (male + female)	Nos.	3,678	3,751	3,941	3,767
Total permanent - Male	Nos.	3,615	3,683	3,847	3,653
Total permanent - Female	Nos.	63	68	94	114
Total contractual workforce	Nos.	2,600+	4,000+	2,637	3,695
India total headcount					
Senior management	%			2	2
Under 30 years	%			0	0
30-50	%			0	1
Over 50 years	%			1	1
Male	%			2	2
Female	%			0	0
Middle management	%			6	6
Under 30 years	%			0	0
30-50 years	%			4	4
Over 50 years	%			2	1
Male	%			6	5
Female	%			0	0
Junior management	%			77	76
Under 30 years	%			21	20
30-50 years	%			51	52

SUSTAINABILITY SCORECARD

Category	Units	FY2020	FY2021	FY2022	FY2023
Over 50 years	%			5	4
Male	%			75	74
Female	%			2	3
Permanent workers	%			14	15
Under 30 years	%			1	0
30-50 years	%			9	7
Over 50 years	%			4	8
Male	%			14	15
Female	%			0	0
GET/DET	%			1	1
Under 30 years	%			1	1
30-50 years	%			0	0
Over 50 years	%			0	0
Male	%			1	1
Female	%			0	0
Hired GRI 401					
India permanent employees					
Senior management					
Under 30 years	Nos.			0	0
30-50 years	Nos.			4	1
Over 50 years	Nos.			4	8
Male	Nos.			8	9
Female	Nos.			0	0
Total			3	8	9
Middle management					
Under 30 years	Nos.			8	0
30-50 years	Nos.			30	38
Over 50 years	Nos.			2	17
Male	Nos.			37	54
Female	Nos.			3	1
Total			32	40	55
Junior management					
Under 30 years	Nos.			401	269
30-50 years	Nos.			383	387
Over 50 years	Nos.			3	3
Male	Nos.			757	634
Female	Nos.			34	25
Total			278	791	659
Permanent workers					
Under 30 years	Nos.			0	24
30-50 years	Nos.			0	51
Over 50 years	Nos.			0	11
Male	Nos.			0	86
Female	Nos.			0	0

Category	Units	FY2020	FY2021	FY2022	FY2023
Total			11	0	86
GET/DET					
Under 30 years	Nos.			74	15
30-50 years	Nos.			0	0
Over 50 years	Nos.			0	0
Male	Nos.			58	11
Female	Nos.			16	4
Total			39	74	15
Total hired - Male	Nos.	604	355	860	794
Total hired - Female	Nos.	14	8	53	30
Hiring rate	%	17	24	26	22
Open positions filled by internal candidates	%	-	-	7	15
Average hiring cost/FTE	INR	-	-	43000	44000
Separation GRI 401-1					
India permanent employees					
Senior management					
Under 30 years	Nos.			0	0
30-50 years	Nos.			0	1
Over 50 years	Nos.			5	4
Male	Nos.			5	5
Female	Nos.			0	0
Total			11	5	5
Middle management					
Under 30 years	Nos.			3	0
30-50 years	Nos.			22	37
Over 50 years	Nos.			15	11
Male	Nos.			39	47
Female	Nos.			1	1
Total			34	40	48
Junior management					
Under 30 years	Nos.			143	264
30-50 years	Nos.			261	343
Over 50 years	Nos.			42	7
Male	Nos.			432	591
Female	Nos.			18	23
Total			234	450	614
Permanent workers					
Under 30 years	Nos.			21	18
30-50 years	Nos.			18	16
Over 50 years	Nos.			19	17
Male	Nos.			58	51
Female	Nos.			0	0

SUSTAINABILITY SCORECARD

Category	Units	FY2020	FY2021	FY2022	FY2023
Total	Nos.		57	58	51
GET/DET					
Under 30 years	Nos.			21	14
30-50 years	Nos.			0	0
Over 50 years	Nos.			0	0
Male	Nos.			21	10
Female	Nos.			0	4
Total			46	21	14
Total turnover - Male	Nos.	422	232	555	704
Total turnover - Female	Nos.	6	150	77	28
Turnover rate	%	12	24	18	19
Voluntary attrition rate	%	-	9	14	19
Work related injuries GRI 403-9					
Fatalities - Permanent employees and workers	Nos.	0	0	0	0
Fatalities - Contractual workers	Nos.	0	0	0	1
High-consequence work-related injuries - Permanent employees and workers	Nos.	0	0	0	0
High-consequence work-related injuries - Contractual workers	Nos.	0	0	0	0
Lost time injuries -Permanent employees and workers - GRI	Nos.	0	0	2	0
Lost time - Contractual workers - GRI	Nos.	-	3	3	7
Lost time injuries -Permanent employees and workers - GCCA	Nos.	-	-	-	2
Lost time - Contractual workers - GCCA	Nos.	-	-	-	11
Training GRI 404-1					
Average hours of training per year per employee	Man-hours	-	-	11	12
Male senior management	Man-hours	1,027	230	457.50	352
Female senior management	Man-hours	-	-	0	0
Male middle management	Man-hours	3,110	1,267	3,230.54	6,592
Female middle management	Man-hours	-	-	9.5	176
Male junior management	Man-hours	22,083	18,437	32,094	32,552
Female junior management	Man-hours	-	-	415	1,288
Male GET/DET	Man-hours	-	-	732	2,568
Female GET/DET	Man-hours	-	-	79	400
Male permanent workers	Man-hours	3,312	118	342	0
Female permanent workers	Man-hours	-	-	0	0
Male contractual workers	Man-hours	6,464	2,281	4,609	3,843
Female contractual workers	Man-hours	-	-	0	0
Male - Others	Man-hours	-	-	837	0

Category	Units	FY2020	FY2021	FY2022	FY2023
Female - Others	Man-hours	-	-	10	0
Total hours of permanent male employees and workers	Man-hours	35,996	21,973	36,856	42,064
Total hours of permanent female employees and workers	Man-hours	-	359	504	1,864
Total hours of non-permanent male workers	Man-hours	6,464	2,281	5,446	3,843
Total hours of non-permanent female workers	Man-hours	-	-	10	0
Average for permanent employees and workers	Man-hours	-	6	11	12
Average for non-permanent workers	Man-hours	-	-	1.8	1.04
Diversity of governance bodies and employees GRI 405-1					
Board of Directors					
Male	%		87	86	86
Female	%		13	14	14
Senior manager					
Male	%		98	100	100
Female	%		2	0	0
Middle manager					
Male	%		98	97	97
Female	%		2	3	3
Junior manager					
Male	%		97	97	96
Female	%		3	3	4
GET/DET					
Male	%		85	66	87
Female	%		15	34	13
Permanent workers					
Male	%		100	100	100
Female	%		0	0	0
Total male	%	98.3	98.2	97.6	97
Total female	%	1.7	1.8	2.4	3
Ethical performance					
Corruption and bribery cases	Nos.	0	0	0	0
Substantiated and anti-competitive cases	Nos.	0	1	1	0
Human rights complaints including sexual harassment	Nos.	0	0	0	0
Environmental fines	Nos.	0	0	0	0
Community stakeholders' complaints on social, water or other environmental issues	Nos.	0	0	0	0

OTHER ESG INDICATORS

CEO and other executive performance metrics	
Variable pay	At the end of each financial year, at the recommendation of the Nomination and Remuneration Committee, the Board of Directors approves the payment of performance- linked incentives and commissions to the MD, the DMD & CEO and the DMD and CFO.
Linkages to variable pay	
Management share ownership	The Board has not implemented an ESOP scheme in the Company for any level of official/executive of the Company.
Political contribution	
Political contribution Nil during FY2022-23 has been made through electoral bonds.	
IT security and cybersecurity	
Board- level governance	Our risk committee headed by 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 oversees 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 deployment at JKCL Software through an external agency. We also engaged third-party agency for periodical audit of our IT security systems.
Supply chain performance	
ESG screening	We sign contracts with our vendors and drivers to prevent ESG aspects like child labour, forced labour, hazardous waste spills and biodiversity damage. We also conduct frequent audits to cover all our suppliers in three years. While we source most primary raw materials from our leased mines, the dependence on suppliers for critical raw materials is low. We expect all our vendors to comply with our ESG policy to ensure no adverse impact due to business operations.
Local sourcing	Most of our suppliers are based in 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	Unit	Value
Executive level: Average base salary only for female employees	INR	NA
Executive level: Average base salary only for male employees	INR	121 lakhs
Executive level: Average (base salary + other cash incentives) for female employees	INR	NA
Executive level: Average (base salary + other cash incentives) for male employees	INR	121 lakhs
Management level: Average base salary only for female employees	INR	12.5 lakhs
Management level: Average base salary only for male employees	INR	11.77 lakhs
Management level: Average (base salary + other cash incentives) for female employees	INR	12.5 lakhs
Management level: Average (base salary + other cash incentives) for male employees	INR	11.77 lakhs
Non-management level: Average salary for Female employees	INR	NA
Non-management level: Average salary for male employees	INR	NA

GCCA INDICATORS

GCCA content index	Unit	2020	2021	2022	2023
Clinker production	MnTPA	7.02	8.11	8.97	9.77
Cement production	MnTPA	9.56	11	13.11	14.57
Cementitious production	MnTPA	9.8	11.48	13.46	14.87
CO ₂ emissions					
Total direct CO ₂ emission gross (with CPP and AFR)	tCO ₂	65,32,699	72,06,969	77,84,307	7985999
Total direct CO ₂ emission - net (excluding CPP and AFR)	tCO ₂	56,82,107	65,56,800	72,07,227	77,40,698
Specific direct CO ₂ emission -gross (Scope 1)	kgCO ₂ /tonne cementitious product	667	628	578	537
Specific direct CO ₂ emission -net (Scope 1)	kgCO ₂ /tonne cementitious product	580	571	535	520
Emissions					
Overall coverage rate	%	100	100	100	100
Coverage rate continuous measurement	%	100	100	100	100
PM - (Convention - Temperature - 273K, Pressure - 101.3 Tonnes kPa)		Not reported	Not reported	Not reported	488
So _x - (Convention - Temperature - 273K, Pressure - 101.3 Tonnes kPa)		Not reported	Not reported	Not reported	255
NO _x - (Convention - Temperature - 273K k, Pressure - 101.3 kPa Kpa)	Tonnes	Not reported	Not reported	Not reported	7653
Fuels					
Kiln fuels	Tonnes	873,046	10,21,858	12,51,930	14,32,453
Total energy from fuels used in clinker production	TJ	21,736	24,913	27,948	31,030
Alternative fuels	Tonnes	136,458	185,895	292,783	402,137
Energy from alternative fuels	TJ	1,163	1,567	1,859	2,905
Alternative fuel rate (kiln fuels)	%	5.4	6.3	6.7	9.4
Biomass fuels	Tonnes	8,061	3,635	49,063	108,951
Energy from biomass fuels	TJ	137	49	615	1,424
Biomass fuel rate (kiln fuels)	%	0.6	0.2	2.2	4.6
Total alternate fuel rate (kiln fuel)	%	6	6.5	8.9	13.95
Specific heat consumption for clinker production	MJ/tonne clinker	3,096	3,074	3,116	3,178
Raw Materials					
Total raw materials for clinker produced	MnT	Not calculated in 2019-20	12	14	15
Total alternative raw materials for clinker produced	MnT	Not calculated in 2019-20	0.12	0.14	0.21
Total raw Materials for cement produced	MnT	2.78	3.37	4.50	5.11
Total alternative raw materials for cement produced	MnT	1.58	1.98	2.50	2.82
Alternative raw materials rate	%	Not calculated in 2019-20	19	19.8	20.3

GCCA INDICATORS

GCCA content index	Unit	2020	2021	2022	2023
Clinker/cement (equivalent) factor	%	0.70	0.68	0.66	0.65
Water					
Water withdrawal	m³	15,19,358	17,04,457	17,95,310	21,73,387
Water discharge	m³	0	0	0	0
Number of sites	Nos.	8	9	9	9
Number of sites with a water recycling system	Nos.	7	7	9	9
Water consumption (total water withdrawal – water discharge)	m³	15,19,358	17,04,457	17,95,310	21,73,387
Amount of water consumption per unit of product	m³/tonne cementitious material	0.16	0.16	0.14	0.15
Health and safety:					
Number of fatalities: directly employed	Nos.	0	0	0	0
Number of fatalities: contractors and sub-contractors	Nos.	0	0	0	1
Number of fatalities: third parties	Nos.	0	0	0	0
Number of offsite fatalities	Nos.	-	-	-	0
Number of lost time injuries - directly employed - GRI	Nos.	-	0	2	0
Number of lost time injuries: contractors and sub-contractors- GRI (48 hours)	Nos.	-	2	3	7
Number of lost time injuries - directly employed - GCCA (24 hours)	Nos.	-	-	-	2
Number of lost time injuries: contractors and sub-contractors - GCCA	Nos.	-	-	-	11
Lost time injury frequency rate: directly employed - GRI	Rate	-	0	0.56	0
Lost time injury frequency rate: contractors and sub-contractors- GRI	Rate	-	3	0.22	0.54
Lost time injury frequency rate: directly employed - GCCA	Rate	-	-	-	0.53
Lost time injury frequency rate: contractors and sub-contractors- GCCA	Rate	-	-	-	0.84
Lost days: directly employed	Nos.	41	0	19	13
Lost days: contractors and Sub-contractors	Nos.	-	138	90	130
Lost time severity rate: directly employed	Rate	-	12.82	5.33	3.42
Lost time severity rate: contractors and sub-contractors	Rate			6.81	9.94

GRI CONTENT INDEX

	JK Cement Ltd			
Statement of Use	JKCL has reported in accordance with the GRI Standards for the period between 1 st April 2022 to 31 st March 2023.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Setor Standard(s)	None			
GRI Standard No.	Disclosure	LOCATION		
		Section	Sub-section	Page No.
GRI 2: General Disclosures 2021				
The organisation and its reporting practices	2-1 Organizational details	About us and operational presence	-	8-13
	2-2 Entities included in the organization's sustainability reporting	About the Integrated report	Rreporting boundary and period	Back of cover
	2-3 Reporting period, frequency and contact point	About the Integrated report	Rreporting boundary and period	Back of cover
	2-5 External assurance	Assurance statement	-	
Activities and workers	2-6 Activities, value chain and other business relationships	About us and operational presence	-	8-13
	2-7 Employees	Sustainability scorecard	Workforce indicators	117
	2-8 Workers who are not employees	Sustainability scorecard	Workforce indicators	117
Governance	2-9 Governance structure and composition	Corporate governance	Board of Directors	34-36
	2-10 Nomination and selection of the highest governance body	Sustainability scorecard	Other ESG indicators	122
	2-11 Chair of the highest governance body	Corporate governance	Board of Directors	34-36
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability scorecard	Other ESG indicators	122
	2-14 Role of the highest governance body in sustainability reporting	Sustainability scorecard	Other ESG indicators	122
	2-15 Conflicts of interest	Corporate governance	Ethics and transparency	36
	2-17 Collective knowledge of the highest governance body	Corporate governance	The Board	32-33
	2-18 Evaluation of the performance of the highest governance body	Sustainability scorecard	Other ESG indicators	122

GRI CONTENT INDEX

GRI Standard No.	Disclosure	LOCATION		
		Section	Sub-section	Page No.
Governance	2-19 Remuneration policies	Sustainability scorecard	Other ESG indicators	122
	2-20 Process to determine remuneration	Sustainability scorecard	Other ESG indicators	122
	2-21 Annual total compensation ratio	Sustainability scorecard	Other ESG indicators	122
Strategy, policies and practices	2-22 Statement on sustainable development strategy	Message from MD Message from CEO	-	20-21 22-23
	2-23 Policy commitments	Corporate governance	Value creation with corporate governance	36
	2-24 Embedding policy commitments	Corporate governance	Value creation with corporate governance	36
Stakeholder engagement	2-29 Approach to stakeholder engagement	Stakeholder engagement	-	24-25
	2-30 Collective bargaining agreements	Human capital	Human rights risk mitigation	94
Material Topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality assessment	-	26-29
	3-2 List of material topics	Materiality assessment	-	
Economic Performance				
GRI 201: Economic Performance 2016	3-3 Management of material topics	Financial capital	-	56-57
	201-1 Direct economic value generated and distributed	Sustainability scorecard	Economic indicators	114
	201-2 Financial implications and other risks and opportunities due to climate change	Natural capital	Taskforce on climate related financial disclosures	81-82

GRI Standard No.	Disclosure	LOCATION		
		Section	Sub-section	Page No.
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Social and relationship capital	Our focus areas	102-104
	203-1 Infrastructure investments and services supported	Social and relationship capital	Infrastructure development	106
	203-2 Significant indirect economic impacts	Social and relationship capital	CSR initaitives	105-111
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Social and relationship capital	Supply chain partners	111
	204-1 Proportion of spending on local suppliers	Sustainability scorecard	Other ESG indicators	122
Environmental Performance				
GRI 301: Materials 2016	3-3 Management of material topics	Natural capital	Circular economy	83
	301-1 Materials used by weight or volume	Sustainability scorecard	Material consumption	114
	301-2 Recycled input materials used	Sustainability scorecard	Recycled input materials	114
GRI 302: Energy 2016	3-3 Management of material topics	Natural capital	Energy and Climate change	77
	302-1 Energy consumption within the organization	Sustainability scorecard	Energy consumption	114
	302-3 Energy intensity	Sustainability scorecard	Energy consumption	114
	302-4 Reduction of energy consumption	Sustainability scorecard	Reduction of energy consumption	114
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Natural capital	Water management	85
	303-3 Water withdrawal	Sustainability scorecard	Water withdrawal	115
	303-4 Water discharge	Sustainability scorecard	Water discharge	115
	303-5 Water consumption	Sustainability scorecard	Water consumption	115

GRI CONTENT INDEX

GRI Standard No.	Disclosure	LOCATION		
		Section	Sub-section	Page No.
GRI 304: Biodiversity 2016	3-3 Management of material topics	Natural capital	Responsible mining and biodiversity protection	84
	304-3 Habitats protected or restored	Sustainability scorecard	Biodiversity	117
GRI 305: Emissions 2016	3-3 Management of material topics	Natural capital	Energy and Climate change	77
	305-1 Direct (Scope 1) GHG emissions	Sustainability scorecard	GHG and other air emissions	115
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability scorecard	GHG and other air emissions	115
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability scorecard	GHG and other air emissions	115
	305-4 GHG emissions intensity	Sustainability scorecard	GHG and other air emissions	115
	305-5 Reduction of GHG emissions	Sustainability scorecard	GHG and other air emissions	115
	305-6 Emissions of ozone-depleting substances (ODS)	Sustainability scorecard	GHG and other air emissions	115
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainability scorecard	GHG and other air emissions	116
GRI 306: Waste 2020	3-3 Management of material topics	Natural capital	Waste management	83-84
	306-3 Waste generated	Sustainability scorecard	Waste generated	116
	306-4 Waste diverted from disposal	Sustainability scorecard	Waste recycled	116
	306-5 Waste directed to disposal	Sustainability scorecard	Waste directed to disposal	117
Social Performance				
GRI 401: Employment 2016	3-3 Management of material topics	Human capital	Employee engagement	91
	401-1 New employee hires and employee turnover	Sustainability scorecard	Hired and Separation	118-120

GRI Standard No.	Disclosure	LOCATION		
		Section	Sub-section	Page No.
GRI 402: Labor/ Management Relations 2016	3-3 Management of material topics			
	402-1 Minimum notice periods regarding operational changes			
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Human capital	Occupational health and safety	95
	403-1 Occupational health and safety management system	Human capital	Occupational health and safety	95
	403-2 Hazard identification, risk assessment, and incident investigation	Human capital	Hazard and injury management approach	95
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human capital	Occupational health and safety	95
	403-5 Worker training on occupational health and safety	Human capital	Road safety awareness programmes	96-97
	403-8 Workers covered by an occupational health and safety management system	Human capital	Occupational health and safety	95
	403-9 Work-related injuries	Sustainability scorecard	Work related injuries	120
GRI 404: Training and Education 2016	3-3 Management of material topics	Human capital	Learning and development	92
	404-1 Average hours of training per year per employee	Sustainability scorecard	Training	120
	404-3 Percentage of employees receiving regular performance and career development reviews	Human capital	Learning and development	93
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Human capital	Diversity and inclusion	93
	405-1 Diversity of governance bodies and employees	Sustainability scorecard	Diversity of governance bodies and employess	121
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Human capital	Human rights & POSH	93
	406-1 Incidents of discrimination and corrective actions taken	Human capital	Human rights risk mitigation	94

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GRI Standard No.	Disclosure	LOCATION		
		Section	Sub-section	Page No.
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	Human capital	Human rights & POSH	93
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human capital	Human rights risk mitigation	94
GRI 408: Child Labor 2016	3-3 Management of material topics	Human capital	Human rights & POSH	93
	408-1 Operations and suppliers at significant risk for incidents of child labor	Human capital	Human rights risk mitigation	94
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Human capital	Human rights & POSH	93
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human capital	Human rights risk mitigation	94
GRI 413: Local Communities 2016	3-3 Management of material topics	Social and relationship capital	Our focus areas	102-104
	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability scorecard	Local communities	117
GRI 415: Public Policy 2016	3-3 Management of material topics	Corporate governance	Ethics and transparency	36
	415-1 Political contributions	Sustainability scorecard	Other ESG indicators	122

ANNEXURE

Name of the event	Brief about the award
Mangrol	
Environmental Excellence Award (North region)	By Mission Energy Foundation for its waste heat recovery system to the WHR team
CII National Energy Efficiency Circle Competition 2022	Best Energy Efficient Organisation
	Low Carbon Neutral Initiative
	Best Energy Efficient Designated Consumer
CII National Award	Excellence in Energy Management 2022
	Excellence in Water Management 2022
CII GreenCo Rating System	GREENCO Gold Rating 2022-2025
22 nd Greentech Environment Awards	Winner in the category of 'Environment Protection'
Aligarh	
23 rd National Awards (CII)	Excellence in Energy Management
FAME NATIONAL AWARD 2022	Platinum award for Excellence in Energy Efficiency
The Iconic Platinum Awards	Iconic Platinum award for Human Resource Department of the Year
EIILM Kolkata Presented 50 HR INNOVATORS	Award for Best 50 HR INNOVATORS Awards
Jharli	
Mission Energy Foundation Awards	Fly Ash Utilisation Award 2022 under the category of 'Green Building Material – Cement'
CII - 23 rd National Award for Excellence in Energy Management 2022	Excellent Energy Efficient Unit
APEX India Foundation 2022	Platinum award in the category of 'OHS in Cement Sector'
SEEM Gold Award 2021	Gold Award in Cement Category
NCB International Conference on Cement, Concrete and Building Materials	National Award for Energy Excellence in the Indian Cement Industry instituted by the National Council for Cement and Building Materials
Muddapur	
GreenCo Rating by CII	GreenCo Platinum rating certification by CII
23 rd National Award for Excellence in energy Management by CII	Cement Plant – Excellent Energy efficient unit for the fifth consecutive time
23 rd National Award for Excellence in Energy Management by CII	Conducted for all sectors in India to evaluate and award sectors and manufacturing units exceling in energy efficiency and energy management conducted by CII
NCCBM (National Council for Cement and Building Materials) National Awards	1. Third best award for energy excellence in integrated cement plants 2. Third best award for environment excellence in integrated cement plants 3. Second consolation prize for total quality excellence in integrated cement plants 4. Second best award for achieving circular economy in integrated cement plants
Annual HSE Strategy Summit & Awards	'First runner-up' in the 'Managing Risk and Risk Assessment at Work Award' by Invention Business Intelligence
"Evaluation of STAR Rating for Mining Leases"	5-star rating for mining lease under 'Evaluation of star rating for mining leases'
CII National Energy Efficiency Circle Competition - 2022	1. First runner-up in best energy efficient organisation (large category)
	2. Appreciation in innovations in energy efficiency (large category)
Samman, JK Cement organisation level	'PLANT OF THE YEAR' by Samman



Ernst & Young Associates LLP
Golf View Corporate Tower - B
Sector - 42, Sector Road,
Gurugram - 122002
Haryana, India

Tel: +91 124 464 4000
Fax: +91 124 464 4050
ey.com

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 2022-23 (the "Subject Matter") for the period from 1st April 2022 to 31st March 2023.

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 2022-23, 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) and GCCA Guidelines. 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 19th December 2022. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be 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 Management

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 Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or 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 2022 to 31st March 2023. The scope and boundaries of the sustainability performance disclosures cover JK Cement 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, for all the JKCL units (except Jaykaycem Central, Fujairah & other subsidiaries), through consultations with the Site Team and Sustainability Team;
- 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 Integrated 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 2022 to 31st March 2023)
- 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 Integrated 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 2022 to 31st March 2023, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of JK Cement Ltd. and is not intended to be and should not be used by anyone other than JK Cement Ltd.

Saunak Saha
For and on behalf of Ernst & Young Associates LLP
20-07-2023
Kolkata