

# Building for a better tomorrow

In the post-pandemic world fraught with rising geopolitical disruptions, businesses across the globe have been adopting stringent measures to combat inflation and navigate the volatility to move towards stable economic activity. We, at JSW Cement, have continued to demonstrate agility and vigour while tackling the challenges in our macroenvironment. With our strong foundations and a resilient workforce, we are making great headway in achieving our vision of becoming a 25 MTPA eco-friendly cement player in the country.



As the government strives to reinvigorate the economy through infrastructure development, we aim to contribute to India's nation-building agenda through our expertise in producing sustainable green cement. In FY 2022-23, the demand for cement is slated to grow by 7-8% to ~382 million MT. We are continuously expanding our production capacity, which is 15.1 MTPA across all manufacturing units, to meet these growing requirements.

As we focus on scaling our capacities, we are also determined to champion the idea of inclusive growth. With a progressive, ingenious and innovative approach to business, we are on a mission to create a more sustainable future, starting with the greening of our own operations to reach our set targets. 88% of our product portfolio comprises blended cement and cementitious products. With the lowest specific CO<sub>2</sub> emissions intensity, we are the most eco-friendly cement manufacturing company in the world.

Aligned with our sustainability goals, we are undertaking initiatives to use 50% renewable energy through captive solar and wind power plants, along with sourcing it through PPA. Additionally, we are working to initiate the installation of Waste Heat Recovery Systems (WHRS), encourage rainwater harvesting in all our locations and develop greenbelts to conserve the biodiversity in and around our operating areas. We have collaborated with several academic and research institutions to foster innovation, investing in the development of eco-friendly building materials and reduced carbon emitting process technology. Bolstered by our ability to consistently deliver lasting value to our stakeholders, we strive to build a better tomorrow, one that is greener and cleaner, for generations to come.

With our first-ever Integrated Report, we are attempting to communicate our progress across the triple bottom line to all our stakeholders. As we continue to expand our capabilities and refine our offerings, we aim to create industry benchmarks that enable consumers to make conscious and responsible choices, contributing to the making of an inclusive and sustainable future.

## A year marked by sustained resilience

With the COVID-19 pandemic peaking twice in quick succession, FY 2021-22 posed several challenges to business as a whole. Despite a muted beginning, the third quarter of the financial year saw business pick up in earnest, backed by sustained rural housing demand and a pronounced acceleration of infrastructure activity. An effective business model, cost optimisation measures and continued

digital adoption helped us manage the challenges effectively and improve capacity utilisation. At the same time, we implemented our strategic plans to expand capacity, diversify our portfolio and grow new revenue streams as a green cement company. Despite the rising input prices and other challenges, we put up another year of resilient performance.

### Financial

**₹4,669 Cr**  
Revenue

**₹233 Cr**  
PAT

**₹744 Cr**  
EBITDA

### Operational

Y-o-Y Growth

**↑ 11%**  
**8.82 MT**  
Cement production

**67%**  
Capacity utilisation

**↑ 10%**  
**8.8 MT**  
Cement sales and GGBS

### ESG Highlights

**219.7 Kg per tonne**  
Cementitious materials Scope 1 gross CO<sub>2</sub> emissions

**3.6%**  
Share of renewable energy in total power consumption

**52,488 m<sup>3</sup>**  
Water recycled, used for industrial purpose

**1.23+ Lakh**  
CSR beneficiaries

**ZERO**  
Fatalities

**4.5%**  
Diversity in the total workforce

## ABOUT THE REPORT

## Our approach to reporting

This is the first integrated report of JSW Cement and it has been prepared in accordance with the International Integrated Reporting framework published by the International Integrated Reporting Council (IIRC) (now the IFRS Foundation) and the Global Reporting Initiative (GRI) Core Option. The JSW Cement Integrated Annual Report 2021-22 has been published to transparently communicate to the stakeholders of the Company of its ability to create value in the short, medium and long term.

## Reporting frameworks and standards

We have followed the guiding principles as per the Global Reporting Initiative GRI standards (core option). Our efforts are aligned with and contribute to the United Nations Sustainable Development Goals. We are a member of the Global Cement and Concrete Association (GCCA) since 2019 and this report includes disclosures as per GCCA KPIs to demonstrate our responsible leadership in manufacturing cement. This report also showcases our contribution to the United Nations Global Compact (UNGC).

## Reporting cycle

Annual

## Reporting period

01<sup>st</sup> April 2021 - 31<sup>st</sup> March 2022

## Precautionary principle

We follow a precautionary approach towards minimising our negative impact on the environment. We consistently undertake efforts to reduce our overall environmental footprint.

## Approach to materiality and stakeholder engagement

This report contains information that, we believe, is of interest to our stakeholders. We identify our stakeholders as interested individuals or organisations and/or those whose actions impact our ability to execute our strategy. We regularly engage with these stakeholder groups to understand and actively respond to their concerns and issues. In order to understand their views on topics material to us, we have conducted a thorough materiality assessment this year by engaging with internal and external stakeholders. The Board and senior management have a significant role in determining the material topics for the Company. This report presents a discussion around our material topics identified through the materiality assessment process and showcases the impact of our operations on the environment and community.

## Responsibility statement

The integrity of the information presented in this report has been assured by the Company's Board and Management, as Those Charged with Governance (TCWG).

Board's profile 126

## Feedback

Any questions/feedback regarding the non-financial disclosure can be submitted to the below email id: monika.shrivastava@jsw.in

## Assurance

The non-financial information is assured by DNV Business Assurance India Private Limited, a third-party assurance provider.

## Scope and boundary

The scope of non-financial disclosure made in this report covers six manufacturing facilities of JSW Cement Limited in India, which covers ~100% of our operations.

### Integrated unit

- › Nandyal, Andhra Pradesh
- › Shiva Cement Limited, Kutra Plant, Odisha

### Grinding unit

- › Vijayanagar, Karnataka
- › Dolvi, Maharashtra
- › Salboni, West Bengal
- › Jajpur, Odisha



## Report navigation

To aid navigation and to indicate cross-referencing, the following icons have been used through this report.

### Our capitals



#### Financial capital

Economic resources and access to funds to operationalise business and drive maximum output



#### Manufacturing capital

Business network of integrated and grinding units across India backed by warehousing and logistics capabilities



#### Intellectual capital

Innovation and technology used in business operations



#### Human capital

Team of diverse employees with varied skills and expertise



#### Social and relationship capital

Managing and maintaining relationships with our customers, community and suppliers



#### Natural capital

Natural resources used and impacted by our business operations

### Forward looking statements

Certain statements in this report concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition within the cement industry, including those factors that may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed price, fixed time frame contracts, our ability to commission mines within

contemplated time and costs, our ability to raise the finance within time and cost, client concentration, restrictions on immigration, our ability to manage our internal operations, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, withdrawal of fiscal/governmental incentives, impact of regulatory measures, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorised use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.