

Stakeholder Engagement Framework

We have developed a comprehensive Stakeholder Engagement Framework that is effectively implemented across all our local operations and integrated into our supply chain activities. This strategy empowers us to identify affected communities and a broad range of local stakeholders, including local communities. As part of this program, we perform Social Impact Assessments for all new projects, enabling us to conduct thorough assessments of local stakeholder and community impacts, helping to identify and mitigate potential negative effects on local communities.

The framework directs the company in establishing a systematic approach to identify and prioritize stakeholders. This process involves recognizing both direct and indirect stakeholders affected by our site or project, as well as verifying their representatives. We explicitly identify vulnerable groups, such as marginalized and disadvantaged individuals, indigenous populations, and local tribes during this phase to ensure their unique needs and concerns are addressed. Our local stakeholders include community members and representatives, self-help groups, district government authorities, NGOs, and Panchayati Raj Institutions (PRIs). Additionally, we consider local communities specifically those impacted by any adverse environmental or social repercussions stemming from our operations.

We ensure regular engagement with local stakeholders as part of our comprehensive engagement strategy. To facilitate open communication, we conduct periodic meetings with surrounding communities to address their needs, concerns, and emerging issues. Additionally, we hold regular surveys and reviews to gauge local stakeholders' perceptions regarding our engagement strategy, allowing for necessary adjustments and improvements. HR & CSR Functions along with the Plant Head oversees stakeholder engagement at local operations.

Our governance structure features a strong grievance mechanism that provides local stakeholders with clear communication channels to voice their concerns. They are encouraged to reach out via email to our community relations team, either at the corporate office or at specific plant locations, to report their grievances. Our defined escalation process ensures that grievances are tracked effectively; notably, we have received zero complaints from local communities in the past reporting year.

If the standard grievance mechanism is not accessible, stakeholders can approach the CSR/HR offices located at each site. This dedicated channel allows local stakeholders to communicate their grievances to the CSR & HR departments responsible for Stakeholder Engagement. Our systematic approach enables us to comprehend the grievances raised by local communities and maintain a comprehensive register of all documented concerns.

Moreover, we are committed to capacity building for local stakeholders, establishing programs that empower them to participate fully in dialogue with the company. This approach underscores our dedication to fostering open lines of communication and ensuring that our stakeholder engagement programs apply consistently across all local operations and throughout our supply chain.

Overall, our Stakeholder Engagement Framework is designed to ensure that we maintain robust engagement with all local stakeholders, identify vulnerable groups, provide mechanisms for grievance resolution, and foster transparency in our operations.

Double Materiality Assessment

At JSW Cement, our stakeholder engagement and materiality assessment are closely tied together to understand the key Environmental, Social and Governance (ESG) issues that have the ability to impact our business strategy, activities, and capability to create and preserve value. We review our materiality assessment every year to ensure our sustainability efforts are aligned with the strategic priorities, stakeholder expectations and evolving ESG trends.

This year - 2024, we conducted a double materiality assessment to assess our outward impacts and how environmental and social factors affect our financial viability. Guided by AA1000 Accountability Principles, the assessment incorporated inputs from both internal and external stakeholders, ensuring a holistic understanding of our ESG performance and impact. We employed wide array of methods to gather a mix of quantitative and qualitative data. This approach encompassed stakeholder surveys, one-on-one discussions, environmental impact analyses, and benchmarking against industry standards. We further referred to GRI 3: Material Topics and SASB to align our material topics with sector-specific and international standards.

By integrating double materiality into our operations, we aim to make informed decisions that promote sustainable practices, mitigate risks associated with environmental and social challenges, and capitalize on opportunities. It serves as a strategic tool for fostering trust and cascading responsible business practices. The results of this assessment shall be integrated into our Enterprise Risk Management (ERM) process, ensuring that materiality is considered throughout our operations.

Process



Top Material Topics Identified

- GHG Emissions and Energy Management
- Circular Economy
- Occupational Health and Safety

Impact Identification						
Material Topic	Impact Identified	Description of Impact	Type of Impact		Risk or Opportunity	
			Actual/Potential	Positive/Negative	Risk	Opportunity
Emissions and Energy Management	Contribution towards Climate Change due to Increased Greenhouse Gas (GHG) Emissions	Cement operations contribute to climate change primarily through greenhouse gas (GHG) emissions associated with cement production. Examples include heat treatment of raw material to approximately 1400°C in kilns, chemical process of clinker production, fuel combustion, transportation emissions.	Actual	Negative	<ul style="list-style-type: none"> • Regulatory & Market Pressures • Partnership Obligations • Reputational Damage • Litigation Risks • Operational Disruptions 	<ul style="list-style-type: none"> • Innovation and Market Leadership • Operational Efficiencies • Enhanced Brand Value and Competitive Advantage • Access to Green Financing
	Climate Change mitigation by reducing the GHG emission	Climate change mitigation efforts include investing in renewable energy and improving production efficiency, like using industrial by-products and low-carbon technologies, to meet decarbonization goals. Cement demand is rising, particularly from housing and infrastructure sectors. Given cement production's high	Actual	Positive		

		energy consumption and its contribution to around 8% of global CO2 emissions, there is increasing pressure from societal and regulatory bodies to enhance efficiency and minimize environmental impact. This is being addressed through incentives and the exploration of alternative raw materials for construction projects				
	Enhanced energy security and reduced dependency on fossil fuels	Enhancing energy security by integrating renewable energy sources into its operations. The company has made significant investments in solar and other renewable technologies, which not only reduce reliance on fossil fuels, but also contribute to a more sustainable energy landscape.	Potential	Positive	<ul style="list-style-type: none"> • Fossil fuel dependency • Volatile fuel costs • Operational Inefficiency • Possible Supply Chain Disruptions 	<ul style="list-style-type: none"> • Renewable energy transition • Energy Security • Circular Economy Contribution • Market Positioning and Visibility • Innovation and optimization
Circular Economy	Increased optimization of raw material to enhance eco-efficiency and contribute to circular economy	Improving operational eco-efficiency through raw material conservation such as incorporating consumption of fly ash/slag/pozzolana. Use of alternatives of fuels like biomass, waste derived fuels.	Actual	Positive	<ul style="list-style-type: none"> • Compliance and Legal risks • Operational Inefficiencies • Negative impacts on land resources • Technological Obsolescence 	<ul style="list-style-type: none"> • Innovative waste-to-resource strategies • Sustainable Supply Chain • Regulatory Incentives and Partnerships • Resource Efficiency

Occupational Health and Safety	Increased injury and health issues for workers and employees due to exposure to hazards and accidents at workplace	The cement industry involves heavy machinery, high temperatures and use of potentially hazardous materials which increase the risk of accidents. Repetitive task and heavy lifting can lead to musculoskeletal disorders as well.	Potential	Negative	<ul style="list-style-type: none"> • Supply Chain Vulnerability • Legal liabilities • Compliance risks • Damage to Reputation 	<ul style="list-style-type: none"> • Increased productivity and efficiency • Regulatory compliance and reduced legal risk
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We measure output as well as Impact metrics for our top material topics that are identified. We have also taken targets for the top material topics, and we measure and report our performance through our Annual Report.

<i>Material topic</i>	<i>Associated Target</i>	<i>Output Metric</i>	<i>Impact Metric</i>
Emissions and Energy Management	<ul style="list-style-type: none"> • 15% net CO₂ emission intensity reduction by 2026 (base year 2021) • Net zero emissions by 2050 • 60% green power by 2030 	<ul style="list-style-type: none"> • Energy intensity • % Clean energy portfolio • GHG emission intensity • TCO₂ Emissions avoided due to clean energy consumption 	<ul style="list-style-type: none"> • % <i>Low carbon cement production</i>
Circular Economy	<ul style="list-style-type: none"> • TSR rate of 30% by 2030 • >5 times Plastic negative by 2030 	<ul style="list-style-type: none"> • % alternative raw material consumption • Quantity of waste utilized as alternate fuel 	<ul style="list-style-type: none"> • % reduction in specific raw material consumption (limestone, bauxite, iron ore) • % Reduction in specific coal consumption thereby reducing consumption of fossil fuel • Extending life of mines (coal and limestone) • Reducing waste burden on landfill and associated pollutants

Occupational Health and Safety

- Zero harm year on year
- Number of fatalities
- Lost time injury frequency rate (LTIFR)
- Number of days without injury
- Number of facilities with zero injury

All KPI's pertaining to above topics are a part of annual performance of relevant employees including senior management.