

JSW Cement Limited

Environmental, Social and Governance (ESG) Databook

FY 2025 - 26

Environment

Return on Environmental Investments

During the reporting year, we invested INR 4.5 crore in capital expenditure and INR 1.3 crore in operating expenditure towards environmental protection initiatives, resulting in estimated savings of INR 14.5 crore. Key projects included initiatives focused on air emission control systems, alternative fuel handling infrastructure, rainwater harvesting, sewage treatment plant (STP) installations, etc.

Revenues from Sustainable Products

Our product portfolio comprises cement, blended cement, and other cementitious materials, and our activities are found to be compliant with manufacture of cement activity under the EU Taxonomy framework. When compared, our low carbon products are found to be compliant with the Do No Significant Harm (DNSH) safeguards.

In FY 2025-26, sustainable construction materials (low-carbon products) contributed 78% of our total revenue, amounting to INR 5,084.59 crore. In the previous year, these products account for 79% of total revenue, equivalent to INR 4,571 crore.

Biodiversity Exposure and Assessment

Biodiversity assessments were completed for all eight operational sites, covering 1,014 hectares. Two sites, spanning 335 hectares, are located near biodiversity-important areas considering 0-10 km radius, and biodiversity management plans have been established for both. However, considering 0-2 km radius none of the sites have significant biodiversity impacts.

Financial Risk of Climate Change

As part of our risk assessment, we have identified both physical and transition risk.

One of the key transition risks arises from India's Carbon Credit Trading Scheme (CCTS), particularly as CO₂ reduction targets transition from voluntary to mandatory compliance. Some of our plants have been assigned mandatory CO₂ reduction targets starting this financial year. While we expect to achieve compliance in the near term, meeting targets beyond the next two years may be challenging due to stricter benchmarks and technological limitations. Non-compliance could lead to penalties or carbon credit purchases, with an estimated financial impact of ~₹1 crore.

To mitigate this risk, we plan to implement a range of decarbonization initiatives, including energy efficiency improvements, increasing the share of renewable energy from the current 24% in FY 2025-26, and enhancing the Thermal Substitution Rate (TSR) from the current level of approximately 13%. These will require commissioning of solar and wind plants, installing chlorine bypass system and other emission reduction initiatives. The total estimated investments are ~150 crore over next two to three years and is expected to support long-term compliance and cost control.

We have also identified potential physical climate risks associated with coastal flooding at certain operations in India, particularly the Dolvi cement plant in Maharashtra. Located within a vulnerable coastal zone and dependent on slag supplied by the adjacent JSW Steel facility, the plant is exposed to a high risk of extreme rainfall events and flooding over the next five to seven years. Such events could disrupt plant operations, resulting in temporary production losses and supply chain interruptions. The estimated financial impact of this risk is approximately ₹6 crore, while the anticipated cost of adaptation and response measures is estimated at ₹2 crore.

Emissions

During FY 2025-26, our gross Scope 1 emissions (including CPP) were 3,355,352.93 tCO₂e, while net Scope 1 emissions (including CPP) stood at 3,241,140.41 tCO₂e. Scope 2 emissions (market-based) amounted to 308,961.80 tCO₂e, and Scope 2 emissions (location-based) were 370,291.60 tCO₂e. In addition, our total Scope 3 emissions were 1,876,121.8 tCO₂e. Our Scope 1, 2 and 3 emissions have been verified by third party, and the assurance report is part of our Integrated Annual Report FY 2025-26.

Social

Workforce Breakdown

Employee Bifurcation by Region				
Region	Workforce number	Share in total workforce (%)	Total management	Share in total management (%)
North	305	17	177	17
East	519	28	247	24
West	392	21	278	27
South	632	34	338	33
Total	1,848	100	1,040	100

All our operations are based in India with 100% employees of Indian nationality.

Gender Pay

At the Executive level, the average base salary is 191.57 lakhs. When considering base salary plus additional cash incentives at this level the average is 236.19 lakhs. At the Management level, men receive an average base salary of 22.03 lakhs, compared to 19.16 lakhs for women. Including base salary and other cash incentives, the average compensation rises to 24.63 lakhs for men and 20.99 lakhs for women. At the non-management level, the average base salary for men is 7.12 lakhs, whereas for women it is 6.56 lakhs.

Based on our analysis, the mean gender pay gap stood at 18.85%, while the median gender pay gap was 12.26%. The mean bonus gap was 11.22%, and the median bonus gap was -38.1%.

Workforce Training

During the reporting period, following was the average hours of training provided to employees as per age and gender:

Age Group	Male	Female	Total
Below 30 years	9.6	10.8	9.7
30-50 years	11.6	13.9	11.6
More than 50 years	11.7	12.1	11.7
Total	11.6	12.2	11.6

The above reflects our strategic focus on nurturing early-career talent, supporting mid-career growth, and enabling continued engagement for experienced professionals.

Employee Turnover Rate

Covering 100% of all FTEs globally, our total employee turnover rate for FY 2025-26 was 13.38%, while our voluntary turnover rate for FY 2025-26 was 12.2%.

Governance

Board Accountability

During FY 2025-26, the average attendance of directors at Board meetings was 94%. As of 31st March 2026, the average tenure of the Board was 6.93 years.

Management Ownership

As of March 31, 2026, the shareholding multiple of base salary, calculated based on the market value of shares held relative to base salary, was 14.80 for Mr. Parth Jindal, 10.58 for Mr. Nilesh Narwekar, and 8.79 for Mr. Narinder Singh Kahlon. We have considered the share price of ₹110.19 ([as per data on NSE website](#)) at the end of reporting period.

Remuneration

At JSW Cement, the CEO's compensation is designed to reinforce the Company's focus on sustainable growth, operational excellence, and long-term value creation. The variable component of remuneration is linked to a comprehensive performance assessment framework that evaluates the achievement of key business and strategic objectives. Financial performance indicators, including Sales Revenue, Operating Income, Operating EBITDA, and Debt-to-EBITDA ratio, form a core part of the evaluation and serve as important drivers of value creation metrics such as Return on Equity (ROE) and Return on Invested Capital (ROIC). In addition, relevant ESG Key Performance Indicators (KPIs) such as CO₂ emissions reduction, energy efficiency, TSR, water conservation, health and safety, diversity and inclusion and ethical business conduct are also incorporated into the performance assessment. Besides this, comparative benchmarks, including stock price movement relative to industry peers, competitiveness, and other relevant performance parameters, are considered to ensure market alignment and stakeholder accountability.

Performance evaluations are conducted through a structured and transparent governance process overseen by the Nomination and Remuneration Committee and the Board, ensuring that executive compensation remains aligned with the Company's strategic priorities, financial performance, sustainability and long-term shareholder interests.

In FY 2025-26, the ratio between total annual compensation of the CEO and the median employee compensation was 40.35:1. The ratio between total annual compensation of the CEO and the mean employee compensation was 25.21:1.

We granted stock options to our CEO, Mr. Nilesh Narwekar, under the first, second, third, and fourth grant cycles of the ESOP Plan 2021. These stock options are subject to a four-year vesting period, aligning leadership incentives with our long-term objectives.

Business Ethics

During FY 2025–26, we received a total of 5 complaints, of which 2 were related to bribery and corruption and 3 related to other topics including working conditions. Additionally, we received 2 complaints concerning sexual harassment, all of which were resolved as of March 31, 2026. We recorded zero instances of conflicts of interest, money laundering or insider trading and data breaches in the reporting year.

In the past four years, we have not made any contributions towards lobbying, interest representation, political campaigns, or other forms of political spending.

Supply chain

During the reporting year, we engaged 2,199 unique Tier-1 suppliers, of which 70 were identified as significant suppliers, based on sustainability risk and business relevance. We are also in the process of tracking details of non-Tier-1 suppliers. As part of our supplier assessment and development program, 55 significant suppliers were supported through development measures, including ESG awareness sessions, one-to-one consultations, capacity-building training programs and technical guidance designed to improve supplier ESG performance. In addition, we conducted ESG assessments through a digital platform and desk-based reviews for 55 significant suppliers. The assessments identified 19 significant suppliers with substantial actual or potential negative ESG impacts. In line with our responsible sourcing commitments, corrective action plans were agreed with all 19 suppliers identified with substantial impacts, and we provided ongoing support and technical guidance to facilitate the implementation of the identified corrective and preventive measures, strengthen ESG practices, and drive continuous improvement. No significant suppliers with substantial actual or potential negative environmental, social, or governance impacts were terminated during the reporting period due to ESG-related concerns.