

GREENER
SHADES OF GRAY

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GREEN PLANET, BRIGHT FUTURE



BRIGHT FUTURE



In an era defined by innovation and sustainability, **JK Lakshmi Cement Limited (JKLC)** stands as a beacon of progress in the cement industry, propelling itself towards a brilliant future. With a rich legacy of excellence and a commitment to shaping tomorrow's infrastructure, JK Lakshmi Cement Limited (JKLC) envisions a future where construction is not just about structures but about sustainable, intelligent, and enduring solutions.

To align the company's operations with ESG parameters and SDGs this year JK Lakshmi Cement Limited (JKLC) has adopted '**Green Planet, bright Future-Integrating Sustainability for generations to come**' as their theme for sustainability report 2021-22 & 2022-23. At the heart of JKLC's vision for a brilliant future lies a dedication to technological advancement. Embracing cutting-edge manufacturing processes and materials, we redefine the standards of quality, efficiency, and environmental responsibility in the cement industry. Our forward-thinking approach is not merely a promise; it's a commitment to delivering products that not only meet but exceed the evolving needs of the construction landscape.

JKLC is not just a cement company; it is a catalyst for positive change. We understand the imperative to build in harmony with the environment and society. Our sustainability initiatives are ingrained in every facet of our operations, from responsible sourcing of raw materials to the development of eco-friendly cement formulations. A brilliant future, for us, means contributing to a greener, healthier planet for generations to come.

Innovation is the cornerstone of our journey towards a brilliant future. JKLC invests in research and development to pioneer breakthroughs that redefine what is possible in construction materials. By leveraging state-of-the-art technologies, we create cement solutions that enhance durability, reduce carbon footprints, and elevate the overall resilience of structures. As we forge ahead, we see a landscape where buildings are not just erected but are living, breathing entities that adapt and thrive.

Collaboration is key to unlocking a brilliant future, and JKLC is a partner of choice for architects, engineers, and builders alike. Our commitment to fostering a collaborative ecosystem extends beyond delivering quality products. We actively engage in knowledge-sharing, providing resources, and supporting initiatives that drive the industry towards sustainable practices and groundbreaking achievements.

A brilliant future, to JKLC, is a fusion of tradition and progress, craftsmanship and technology, responsibility, and innovation. As we continue to pave the way for a dynamic and sustainable construction future, we invite you to join us in shaping a world where brilliance is not just a goal but a shared reality. Together, let's build a future that stands the test of time—a future that is as resilient and enduring as the structures we create.

Our Sustainability Report¹

The reporting period covered in this disclosure is 1st April 2021 to 31st March 2023 (Financial years 2021-22 and 2022-23). This corresponds to the financial reporting period for the FY 2021-22 and 2022-23, hence this is aligned with the financial reporting. The report is being published in the month of June 2024. No restatement of Information has been made from any of the previous reports.

JKLC has made a comprehensive effort to seek external third party verification of the report. The senior executives from the concerned departments have played an active role in the conduct of the assurance and the process has been overseen and guided by the Board.

The assurance of the report has been carried out by M/s BSI Group India Private Limited. The period considered for the verification of Sustainability Report is Financial years 2021-22 and 2022-23. The option for choosing the level of reporting is With reference. The Level of assurance sought is Type-2 Moderate Level assurance. The Assurance Standard used for the process is AA1000AS V3. The Independent opinion statement is being attached as Appendix-1.

Name and contact details of the person who may be contacted in case of any queries on this sustainability report :

Shri Arun Kumar Shukla

President & Director

Tel. Number : +91 11 68201877

E-mail id : arun.shukla@jkmail.com

¹GRI 2-3, 2-4, 2-5



CMD's MESSAGE²

Dear Stakeholders,

At **JK Lakshmi Cement Limited**, we strongly believe that a sustainable business organisation has to continuously contribute to the improvement of triple bottom line i.e., Planet, Profit & People. The guiding principle for Company's sustainability is ingrained in the believe that for a shared and sustainable future we must build a foundation of compassion, responsiveness and inclusivity that strengthens not only our organisation but also create positive environmental and social impacts and bring unparalleled delight and experience to various stakeholders and the communities we serve. At JKLC we are committed to our consistent pursuit towards sustainable and inclusive ways of doing business and our overarching focus lies in **consuming less to manufacture more**, while maximizing net positive environmental and social impacts.

We are deeply committed to responsible corporate practices. Our sustainability journey is anchored in resource efficiency, circularity, and a steadfast focus on reducing our environmental footprint. Over the past decade, we've prioritized energy and water efficiency, aiming for Net zero across Scopes 1, 2, and 3. We proudly adhere to Science Based Target Initiatives.

In our pursuit of sustainability, our green power share now stands at 35%, and we aspire to meet all electrical energy requirements through renewables by 2040. Doubling energy productivity by 2040 is a key commitment as part of EP100. As one of the least-cost producers of cement, we're unwavering in our commitment to becoming a net-zero company by 2047.

To bolster the circular economy, we are increasing our thermal substitution rate and plan to reach 20% by FY 2029-30. The introduction of LNG trucks will significantly cut our logistics emissions by 270 metric tons annually.

Expanding our capacity to 30 million tons by 2030, we aim to rank among the top 5 EBIDTA/ton earning cement companies. Our water-positive target, aiming to be 5 times water positive by FY 2024-25, reflects our commitment to preserving this precious resource. Expansion and innovation remain at the forefront, with acquisitions, RMC business expansions, and the setup of a greenfield putty plant in Alwar. We look forward to investing on R&D activities to commit to minimizing the hazards that may directly or indirectly affect our manpower and facilities.

Committed to offering SMART building solutions, we anticipate significant growth in our product line, aspiring to become the best-in-class construction solutions provider.

At JK Lakshmi Cement, we value suppliers who share our commitment to reducing environmental impact and following laws. Sustainability is a joint effort, and we expect our partners to share our values. Sustainable sourcing is an ongoing process, and we adapt to changing standards. We assess suppliers' environmental performance and collaborate for improvement. Our commitment to sustainable sourcing reflects our proactive approach to environmental responsibility. By prioritizing sustainability, we aim to build a resilient and eco-friendly future for industry and the planet.

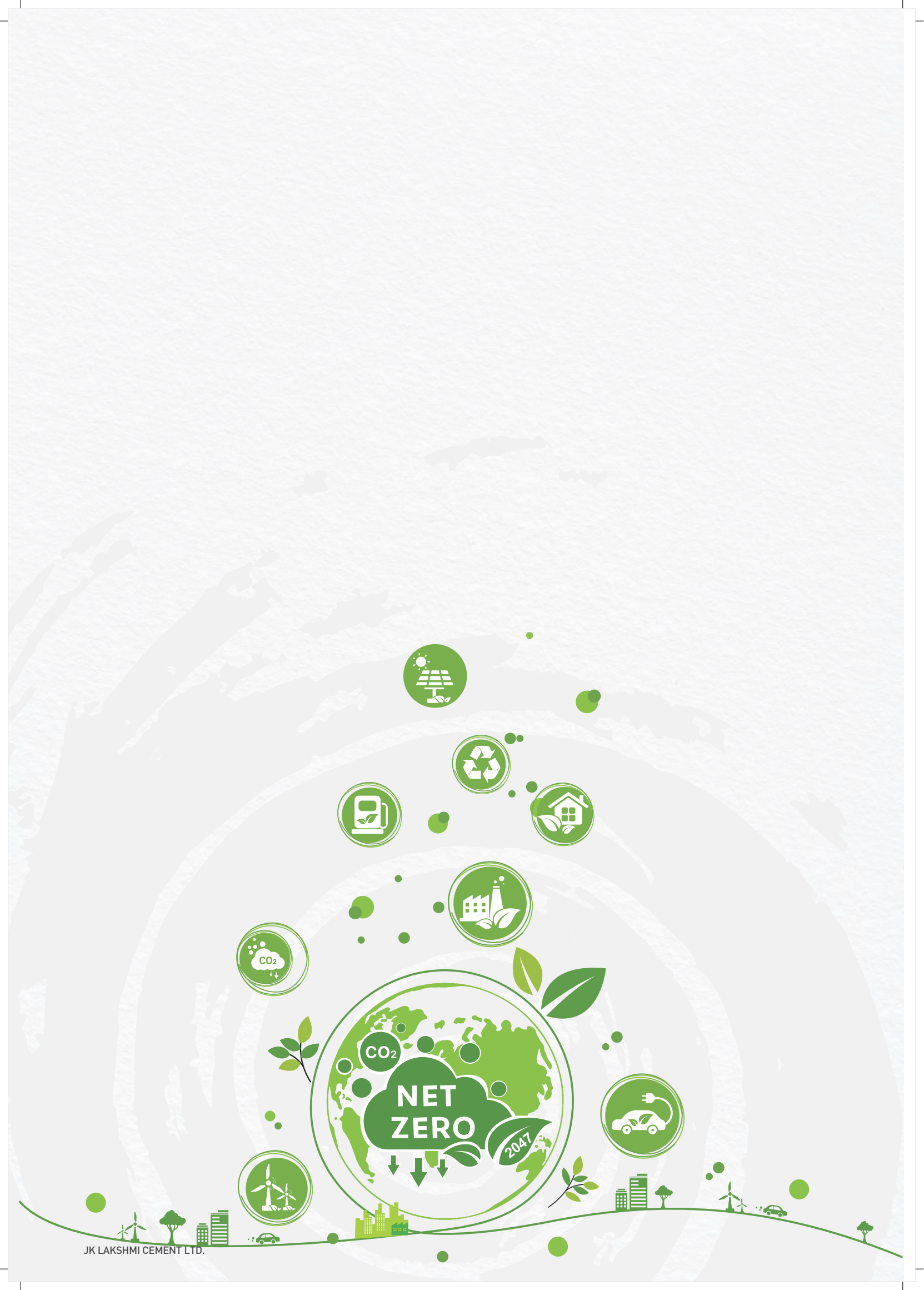
Our dedication to community well-being is evident through impactful CSR projects in education, healthcare, skill development, and environmental conservation. We've positively impacted over 2,25,000 lives, earning recognition and accolades, including the Golden Peacock Award for CSR excellence.

So far, the success attained is meticulous and obtaining more achievements stipulates a collective effort. I believe this uptrend will progress and I express my gratitude to our team, channel partners, and supplier partners. Your trust and support fuel our journey towards a successful future. As we reflect on our achievements, we are assured to embrace new opportunities and overcome challenges confidently.

Thank you for your ongoing trust and support.



Sincerely,
Vinita Singhania
Chairperson &
Managing Director



NET
ZERO
2047

PRESIDENT & DIRECTOR'S MESSAGE



Dear Stakeholders,

JK Lakshmi Cement Limited is a part of the prestigious JK Organisation which is an eminent business house with over hundred-and thirty-nine-years legacy and have operations in India and abroad. We are a renowned and well-established name in the Indian Cement Industry, and has a formidable presence in Northern, Western and Eastern India's cement markets. The combined capacity of the company today stands at 13.9 million MT Per Annum and its brand enjoys a premium position in its markets and known for its immaculate quality and services.

As a responsible corporate, JKLC is striving to drive its business sustainably through focused action, collaboration, advocacy and thought leadership. Sustainability lies at the heart of the company's ethos, permeating all aspects of our business ventures. As a responsible business, we have set out nearly 15 strategic goals to align with the ambitions for the organization and thrilled to announce that JKLC is committed to the grass-root level on becoming a net-zero company by the year 2047. We have drafted a clear road map to improve our current ESG rating and expanding our market presence in a sustainable manner.

At JK Lakshmi Cement Ltd., our focus is on enhancing various aspects of our company. We aim to elevate our human capital through people-centric initiatives, improve manufacturing excellence, and contribute to green growth for the preservation of natural capital. Our commitment to community development strengthens our social capital, while ongoing innovation supports our intellectual capital. These efforts collectively drive improvements in both our top-line and bottom-line performance, reinforcing our financial capital.

In terms of finance during the FY 2022-23, turnover of the Company registered a healthy growth of 20% to cross 6,000 Crore mark. The Company's cement sales growth was about 12% as against all India cement growth of 9%. Further, the Company's capacity utilization for FY 2022-23 at 80% was higher than the Industry average during the year. Despite challenges, we have continuously been focusing on reducing the debt over the last several years and it is enthralling to announce that we are a 'Net Debt-free Company' as of 31st March, 2023.

ESG parameters are of paramount importance to us to stay ahead of the curve in the competitive global market. Complying with all regulatory standards is the backbone to a successful business of any domain, especially JKLC has maintained the track record all these years of growth and business expansion. Sustainability is ingrained in our company's ethos, influencing all our business ventures. We are dedicated to achieving net-zero targets by 2047 and actively engage with global agencies and industry associations to reduce greenhouse gas emissions. Our initiatives towards sustainability include promoting LNG trucks for reduced CO₂ emissions, achieving a water positivity level of 4X³ (aiming for 5X by 2025), and targeting a Thermal Substitution Rate (TSR) of 20% by 2030. In FY 2022-23, our renewable energy usage reached 35%. It is putting all efforts into considerably shrinking the lead distances to optimize logistics cost further and increase the share of blended cement in its product portfolio.

We also embrace digitalization, executing multiple projects that enhance operational efficiency and customer experience. The dedicated team of data analytics has escalated to aid us in decision making and creating new business models. This year, we have progressed a lot in using computer vision algorithms and equipped with necessary tools to prevent data leaks and have implemented mitigation techniques in place to fight cyber threats that may have a profound impact on our business at any time and in any manner.

The concept of socially responsible business is deeply ingrained in our corporate DNA from the very beginning. Over the years, we have been at the forefront, pioneering and delivering numerous CSR projects for those in need and vulnerable communities and families. The company has been unwavering in its commitment to enhancing the lives of marginalized communities near its plant locations through high-impact and need-based CSR projects in key areas of nation-building such as education, healthcare, skill development, livelihood intervention, water and sanitation, rural development and environmental conservation. More than 65% of our project beneficiaries are women, girls, children, and other vulnerable groups. Our commitment to social performance improvement extends across the entire value chain.

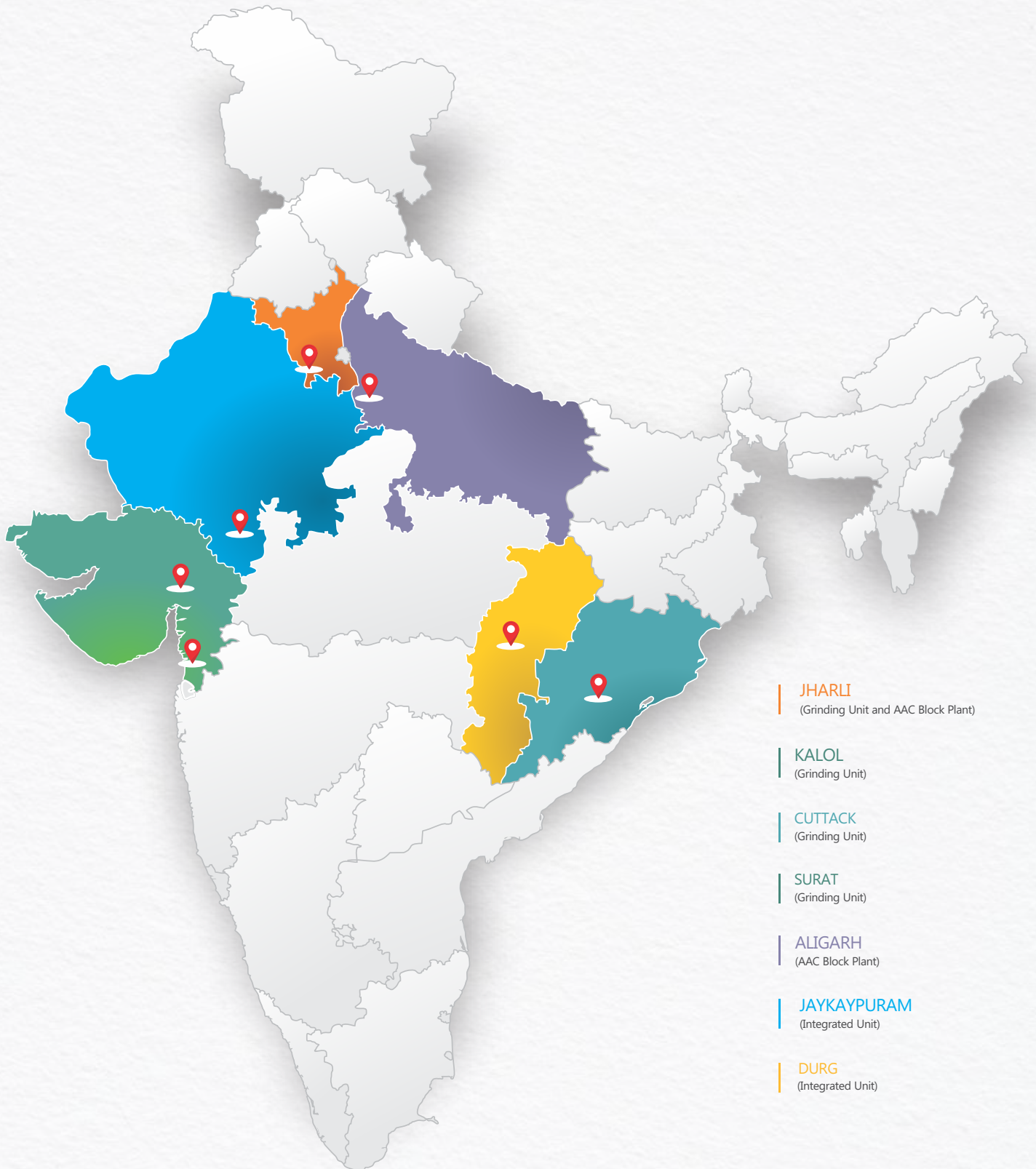
I applaud the team at JK Lakshmi Cement Ltd. for their significant achievements in FY 2022-23, marked by an 11% increase in consolidated volume and approximately 11 million ton of consolidated cement sales. The adoption of commendable and innovative practices, along with the numerous prestigious awards received by our plants, reflects the dedication of our team. Congratulations to each team member for their invaluable contributions, and I am confident that our forward-thinking approach will continue to propel us ahead in this dynamic business landscape.

Sincerely,
Arun Kumar Shukla
President & Director

³Excluding Durg site.

OUR OPERATIONAL FOOTPRINTS⁴

Jk Lakshmi Cement Limited (JKLC) is the legal name of the organisation having registered office at Jaykaypuram, Distt.: Sirohi-307 019, Rajasthan. It is a Public listed company (Listed in BSE, India) having 2 integrated cement plants and 4 grinding units⁵. These business activities are considered in this report. The disclosures are made on a standalone basis in this report.



⁴ GRI 2-1, 2-2

⁵ AAC Block plant of Aligarh and the RMC plants are not considered as a part of this report

ABOUT US

In this fast-paced market place, things change in the blink of an eye. While the macro-economic landscape is moving towards a sustainable growth, the micro-economic situation of market, channel partners, influencers and customers' behaviour is rapidly getting more complex and personalized.

Cement Industry in India is at the cusp of responsible mining, manufacturing and business operations. Responsibility towards people and environment, and company's performance are now two sides of the same coin.

Traditionally, Financial and manufactured capitals were always the mainstay of the business; however, now intellectual, human, natural and social & relationship capitals are the foundations on which financial and manufactured capitals are built.

Our current research focuses on enhancing value through the creation of value-added products, utilizing waste effectively, producing blended cement, and adopting sustainable technologies. In the realm of digital advancement, there's rapid innovation in developing and implementing apps, ERP solutions, IoT, etc., aiming to seamlessly integrate our business operations throughout the value chain. Upholding strict compliance with UN Human Rights, we maintain a zero-discrimination and equal opportunity environment for all. Meanwhile, our technical services team continually seeks innovative approaches to engage customers, while our field and regional teams promptly interact with channel partners and influencers on a regular basis.

OUR PRODUCT PORTFOLIO⁶

JK Lakshmi Cement Ltd. has a wide product portfolio catering to the varied construction requirements of the discerning customers. It is our endeavour to become a complete solution provider to the customer looking to make his dream home.

The product range includes an array of cement products like Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and newly introduced Composite Cement

In addition to cement products, we provide a host of value-added products and services viz. Ready-mix Concrete, Gypsum Plaster, Wall Putty, Autoclaved Aerated Blocks, Construction Chemicals and Adhesives.



JK Lakshmi Cement

is an eco-friendly cement that can be used for various construction needs. This cement is used in construction of buildings, independent houses, hotels, bridges, airports, dams, etc. It is an ideal choice for constructing sustainable buildings as this cement helps the structures to remain strong and durable.

Available in – OPC, PPC, PCC



JKLC Sixer Cement

is determined to make each futuristic construction better, stronger and more durable. It has been formulated with the best technology and has come across as a premium product. This ultra-modern product is made to fulfil the increasing needs of construction processes in modern times.

Available in – OPC, PPC, PCC



Platinum Heavy Duty Cement

is a specialist in 'Heavy Duty Nirmaan' of any type of construction.

High reactive fly-ash resists sulphates and chloride attacks; protecting reinforced bars from the menace of rust. The result being your house remains fresh as ever and durable for years.

Available in – OPC, PPC, PCC

⁶GRI 2-6



JK Lakshmi PRO+ Cement

is an innovative premium product that has transformed the realm of construction. Based on an analysis of worldwide trends and consumer insights of India, a team of dedicated professionals worked on the formulation of this revolutionary product. It has attained the distinction of being the No. 1 premium cement in Northern India.

Available in – PPC, PSC, PCC



Super Sixer Weather Guard Cement

is specially made to overcome unique Indian construction problems with its superior strength and weather guarding qualities which makes your home 'Har Mausam Mai Not Out'. It is a premium product manufactured with advanced EPS, which gives protection from the extreme weather conditions, dampness on wall / floor, delay in construction due to initial strength and rusting on rebar.

Available in – PPC



Platinum Supremo Cement

Its Particle Packing Technology produces extra solid concrete compared to regular cement and keeps the problem of leakage and dampness away. Its packaging is tamper-proof and assures easy handling and clean storage, making sure that every house build from this has a strong roof.

Available in – PPC, PCC

VALUE-ADDED PRODUCTS



JK Lakshmiplast Gypsum Plaster - is a superior quality gypsum plaster with exceptional whiteness that can do wonders for home interiors. From decorative cornices, ceiling flowers, ornamental columns to fire-resistant cladding for structural steel work, JK Lakshmiplast is the most ideal solution.

JK Lakshmiplast Smart Wall Putty - is a contemporary solution to cover unevenness and pin holes on surfaces. It is typically used as a filler / sealing agent and applied before painting of the wall in both internal and external applications.

JK Lakshmi Power Mix Ready Mix Concrete - is made of high-end concrete technology. It is the perfect blend of aesthetic qualities that results in high standards of construction. With the introduction of such a path-breaking innovation in the realm of building materials, architects and individual house builders are independently creating textures, surfaces and shapes that were complex and impossible to create before.

JK Smartblox Autoclaved Aerated Concrete (AAC) Blocks - are produced in a state-of-the-art plant with German machinery and technology, incorporating technological innovations such as 'Green Separation' and 'Horizontal Autoclaving' capable of delivering unmatched consistency in the product quality.

JK Smartbond Mortar - is a ready-to-mix jointing material for joining AAC blocks, fly-ash bricks, concrete blocks, etc. It comes with water proofing and self-curing polymers that are made from cement and graded aggregates.

JK Lakshmi Smart Serv Cement - is a premium service, equipped with latest technology-enabled features like GPS tracker, quality check sensor, anti-theft lock, etc. It's a funnel-shaped silo for storage and distribution of upto 5-7 tons of cement.

JK Lakshmi Smart White Cement - gives the finest whiteness with the smoothest finish and can be used on all internal and external surfaces.

JK Lakshmiplast Smart Wall Primer - primer is a water-based undercoat which provides ideal finish to the interior walls after the finishing paint. It blocks out stains and odours, seals the wall and provides smooth surface.

The value chain of the organization includes the suppliers of raw materials like limestones, fuels and other associated products, transportation of the raw materials and the finished products to the distributors. JKLC also widely engages with vendors for different purposes which are also a valuable part of the supply chain.

There is a robust supply chain department which manages all the supply chain related relationships.

OUR ACTUAL COMMITMENTS

To take our ESG drive to the next level, we at JK Lakshmi Cement Ltd., have delineated commitments which are as follows:

- SBTi – Under the science-based target initiative we have committed to limit the global temperature rise to 1.5°C above pre-industrial level and we are also committed to net-zero targets⁷.
- RE 100 – We have set the target to meet 100% of our total electrical energy requirements through renewable energy by 2040 and the same has been committed to RE 100 at group level.
- EP 100 – Under EP 100 – membership we have taken the target of doubling our energy productivity by 2040 from the baseline year 2015 at group level.
- UN Global Compact – Under the membership of UNGC we are committed to demonstrating progress made against the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs).
- GCCA – India – To align our sustainable goals and to develop our targets in line with Indian cement industries, we have taken the membership of GCCA – India on group level basis.
- Voluntarily committed to the Task Force for Climate-related Financial Disclosure (TCFD).
- Become 5 times Water Positive Company.
- Impacting the lives of marginalized groups and communities with high impact and inclusive community development projects. Touching the lives of more than 5 lakh people by 2030.



⁷The approval of the SBTi targets is underway and the status will be updated in the Integrated report 2024-25.

INCREASING OUR ASPIRATIONS



PRESENT ACHIEVEMENTS



On renewable power, our green power share (on a consolidated basis), has increased to **35%** of the total power requirement in FY 2022-23.



Utilizing alternative fuels at its integrated units and our thermal substitution rate has gone up to about **4.1% in FY 2022-23**



Under the carbon offset programme, migrated over **1,84,000** rural families from traditional cooking to sustainable cooking methods, helping reduce deforestation and air pollution, as well as enhancing the health of the women of the households



NEW GOALS



By 2040, we aim to meet all our electrical energy requirements through renewable energy, as committed to RE100. We have also committed to doubling our energy productivity⁸ by 2040, based on the 2014-15 baseline, as part of EP100



Plans to take it up to **20% by FY 2029-30**. Rolling out of the LNG fleet of trucks for our logistics operations will reduce **270 metric tons** of CO₂ per annum.



Committing to becoming a **NET-ZERO** company by 2047

⁸Energy productivity is calculated as Energy in GJ / Total revenue in INR

RESILIENCE AND GROWTH

At JK Lakshmi Cement, we are committed to creating higher value for all stakeholders through ethical and sustainable practices. The Company has demonstrated resilience and durability, even in the face of a challenging external environment. Our meticulous financial management approach translates into higher productivity, profitability and long-term economic growth and overall well being of the stakeholders. By leveraging a strong balance sheet, achieved through cost-optimization and access to cost-effective capital, we have been able to explore numerous opportunities in a dynamic operational landscape.

In these financial years, we continued to demonstrate remarkable strength by increasing our revenue while effectively achieving our business objectives. Furthermore, we successfully completed a capital raise, securing essential resources to drive our future growth initiatives. In FY 2022-23, the Company also accomplished the remarkable feat of becoming a 'Net Debt-free Company', strengthening our position for future growth and financial stability.

ECONOMIC VALUE- HIGHLIGHTS FY 2022-23

Crossed ₹ 6,000 Crore Turnover
Sales growth at 12% as against all India growth of 9%
One of the least cost producers of cement in the Industry
Long-term Rating at AA (Double A) with a stable outlook
Credit Rating of A1+ (A One Plus) for its short-term borrowings
Gross Debt to EBIDTA Ratio at 1.06 times as of 31st March, 2023
Net Debt to EBIDTA Ratio is at negative levels as of 31st March, 2023

Economic Value Generated (Amount in Cr. ₹)	FY 21-22	FY 22-23
Revenues	5,040.78	6,071.05
Economic Value Distributed		
Cost of Materials Consumed	806.97	925.69
Power and Fuel	1,065.64	1,543.91
Transport, Clearing & Forwarding Charges	1,042.82	1,208.60
Depreciation	190.52	193.54
Employees, Welfare and Community Development	326.44	349.13





CLIMATE CHANGE RISKS AND OPPORTUNITIES ALIGNED WITH FINANCIAL STRATEGY

At JKLC, we have identified our exposure to risks and opportunities by putting in place a risk management strategy. A complex financial risk management mechanism has been implemented, utilizing instruments such as stress testing and sensitivity analysis.

These tools present both domestic and international economic trends and policies and are used to quantify the effect of different risks on the Company's financial health.

The Risk Management Committee at the Board is responsible to ensure proactive management and mitigation of risks, including climate related risks. Functional and Unit heads are responsible to identify risks, develop mitigation plans, and update and review their respective risk registers as per the defined process. Consolidated risk report is submitted to the Corporate Risk Management Committee on a quarterly basis which further presents findings to the Board committee. Committee meetings occur quarterly to review the progress and prepare mitigation plans. A feedback mechanism is in place that allows employees to directly report on potential risks in an anonymous way. Risk management Committee has a reward system for encouraging employees towards risk identification and reporting. On a regular basis, online and in-person training programs are conducted to map emerging climate change risks and opportunities for internal stakeholders to create awareness and share best practices on risk identification and mitigation.

JKLC is planning to carry a comprehensive risk assessment review to identify climate-related physical and transition risks in coming years.

The preliminary discussion based on our overall understanding of the climate related risks is being presented below.

Physical Risks:

Risks resulting from event driven or longer-term change in climatic patterns causing damage to assets or supply chain disruption.

Acute Physical Risks:

Floods, cyclones, and droughts

Chronic physical risks:

Variation in temperature, precipitation patterns and water stress

Transition Risks:

Risks emerging from transition to low-carbon business pathway that involves regulatory changes, technology, and market changes to address mitigation and adaptation requirements related to climate change Governance



Once this process is completed and the results are available, this will be integrated into our overall risk management framework. We have established a robust governance framework to oversee strategies for driving climate change related actions. This framework consists of Risk Management Committee at the Board, Corporate and Unit-level committees to drive sustainability performance across business functions and verticals. The Board-level committee comprises of Chairperson & Managing Director, and Chief Finance Officer. The committee will meet quarterly to oversee progress against climate change related targets and commitments, and to review developments in external environment and climate-related risks and opportunities.

CLIMATE CHANGE RELATED STRATEGIES

Our company is actively incorporating climate-related risks and opportunities into its business strategy as part of its commitment to making the shift to a low-carbon operation. The strategic long-term plan, which links anticipated business growth with a reduction in GHG emissions, reflects this. The company is relying on a multifaceted approach that includes diversifying its business throughout the building and construction industry's value chain, concentrating on low-carbon products, and decarbonizing the energy mix.

STRATEGIC FOCUS AREAS:



RISKS MANAGEMENT:

Based on a preliminary assessment over a period of years, the following steps are in implementation at the organization level to manage the risks that arise as a result of climate change.

- Invest in energy-efficient technologies and alternative fuels to emissions, health & safety, reduce carbon intensity transparency & disclosure
- Explore carbon capture and storage (CCS) technologies to stakeholder engagement, capture and store CO₂ emissions
- Implement energy management systems to optimize energy use community and others and reduce waste
- Increase the use of renewable energy sources & Conduct energy audits to identify efficiency improvements and prioritize investments
- Implement water management strategies to recycle and reuse water within the production process wherever feasible
- Establish comprehensive health and safety programmes with clear policies and procedures
- Regularly train employees on safety protocols and provide necessary protective equipment
- Implement environmental monitoring & control measures to minimize emissions, dust and noise
- Engage in transparent and proactive communication with local communities
- Support community development initiatives and contribute to local infrastructure improvements
- Ensure compliance with labor laws, including fair wages, working hours, and employee benefits compliance of corporate governance norms

OUR GOALS FOR SUSTAINABILITY

MONITORING DEVELOPMENT AND PLANNING FOR THE FUTURE

Reducing Emissions

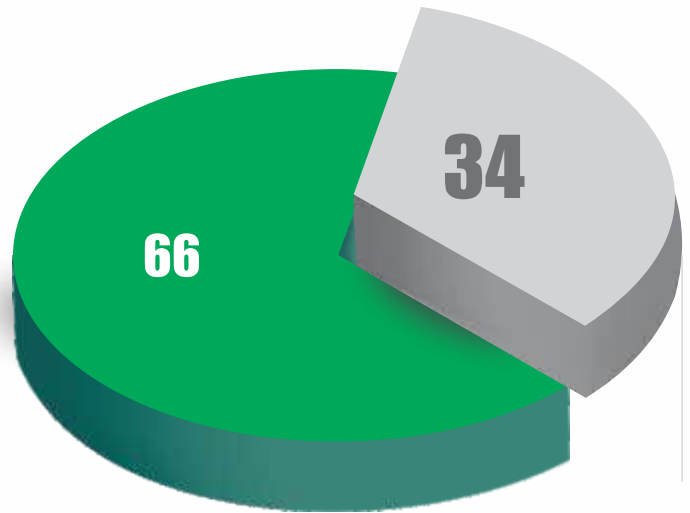
FY 22 - 558 Net CO₂ (Kg / Ton Cement Equivalent)
 FY 23 - 554 Net CO₂ (Kg / Ton Cement Equivalent)

JKLC-Product Ratio for FY 2023

■ Blended Cement (In%) ■ Opc (In%)



v/s



TARGET OF **ACHIEVING 76%**
 BLENDED CEMENT BY FY 2030

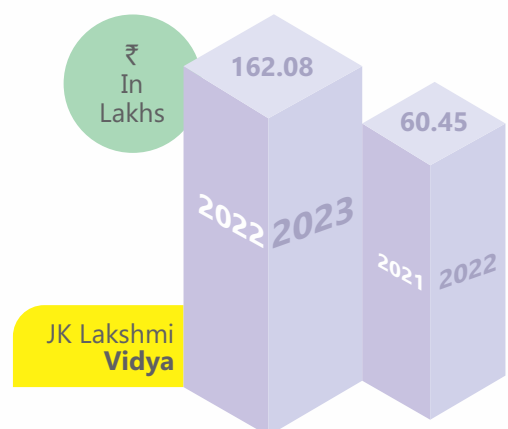
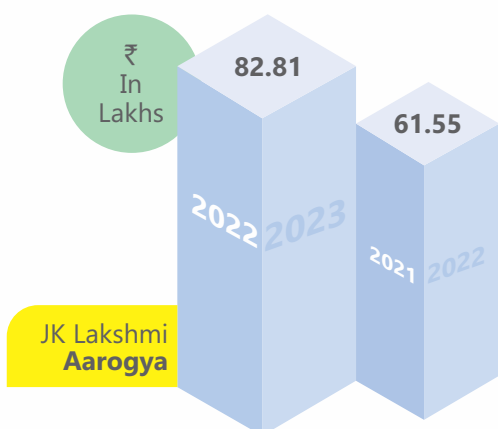
Reducing waste

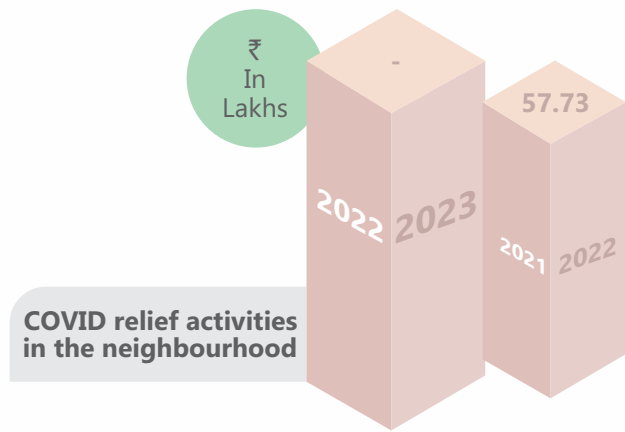
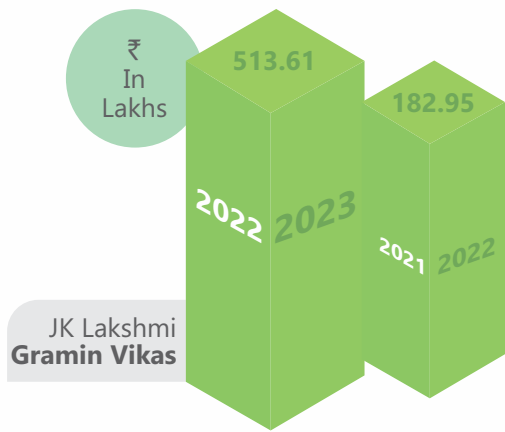
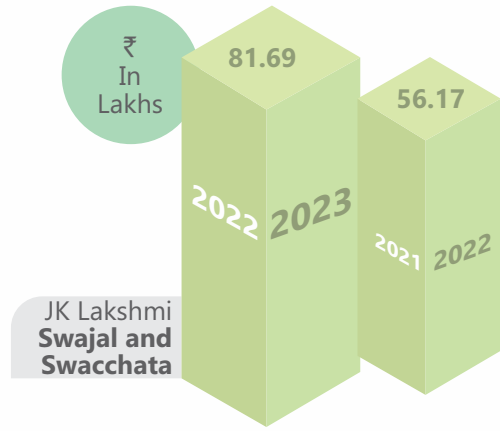
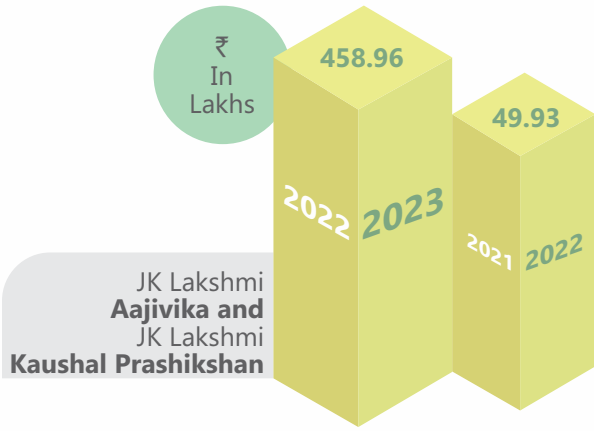
Waste Generation v/s Recycling	FY 2022-23	FY 2021-22
Total Waste Generated (MT)	33,646.44	66,606.01
Total Waste Recovered (MT)	30,827.20	64,581.27

Striving to achieve optimal customer contentment Trade-centric business

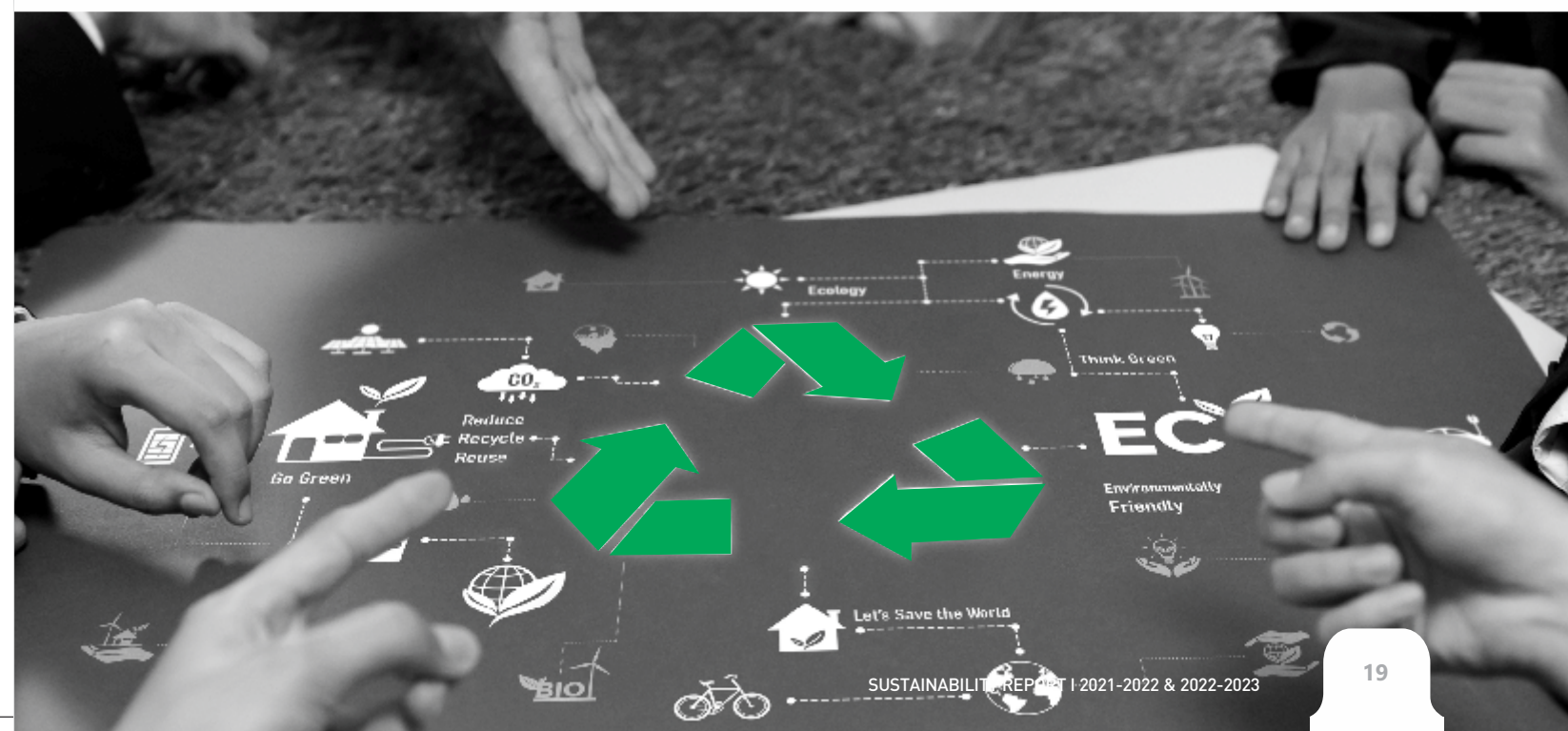
FY	2021-22	2022-23
Trade%	57%	56%
Non-Trade%	43%	44%

Striving towards the holistic welfare of the community





	FY 2022-23	FY 2021-22
TOTAL	939.15 ₹ In Lakhs	468.78 ₹ In Lakhs



APPROACH TO SUSTAINABILITY

Sustainability is deeply ingrained in every aspect of our company and throughout our value chain.

OUR STRUCTURE

SUSTAINABILITY FRAMEWORK

JK Lakshmi Cement Limited is a part of the prestigious JK Organization which is an eminent business house with over hundred- and thirty-nine-years legacy and have operations in India and abroad with a leadership presence in the fields of tyre, cement, paper, power transmissions, sealing solutions, dairy products, and textiles. The Company is a renowned and well-established name in the Indian Cement Industry, and has a formidable presence in Northern, Western and Eastern India's cement markets.

The combined capacity of the company today stands at 13.9 million MT Per Annum and its brand enjoys a premium position in its markets and known for its immaculate quality and services. With an operational footprint pan -India, the Company maintains a broad network comprising of over 400 cement dumps, generating an annual turnover of ₹ 6,133 cr as on FY 2023.

JK Lakshmi Cement strongly believes that a sustainable business organization has to continuously contribute to the improvement of triple bottom line i.e., Planet, Profit & People. The guiding principle for Company's sustainability is ingrained in the believe that for a shared and sustainable future we must build a foundation of compassion, responsiveness and inclusivity that strengthens not only our organization but also create positive environmental and social impacts and bring unparalleled delight and experience to various stakeholders and the communities we serve. At JKLC, we are committed to our consistent pursuit towards sustainable and inclusive ways of doing business and our overarching focus lies in consuming less to manufacture more, while maximizing net positive environmental and social impacts.

As a responsible corporation, JKLC is striving to drive its business sustainably through focused action, collaboration, advocacy and thought leadership. Decarbonization; operational and resource efficiency; natural resource optimal utilization and conservation; circularity; unparalleled customer delight and stakeholder experience; empowering human capital; innovation; technology and ethical governance are the foundation of our sustainability programme.

SUSTAINABILITY POLICIES⁹

At the core of Company's purpose is to provide "SMART building solution for better lives". Our vision is to be the most trusted brand providing innovative building solutions, delivering excellence and unparalleled stakeholder experience by empowering human capital and harnessing the power of technology.

At JKLC, sustainability is a way of doing our business on day to day basis. It is overarching and integrated in all our business functions. We have also developed various sustainability policies which includes: Sustainable sourcing and Supply chain policy, Energy & Carbon Policy, Responsible Care & Well-Being policy (Focused on at risk vulnerable groups inter alia), Diversity & Inclusion policy, Biodiversity Conservation Policy, Human Right Policy, Water resource management policy, Occupational Health & Safety Policy, Sustainability Policy etc.

Every policy has made a specific commitment for the concerned aspect and the strategies and subsequent KPIs are based on these Policies. The Polices are approved at the senior most executive level and with the consideration of the respective Board committees. The policy commitments apply to the entire organization and certain aspects even extend to the value chain¹⁰.

These policies guide the organization in day-to-day transactions and reflects strongly on our commitment to further accelerate our sustainability footprints in the critical areas, our footprints and impact. The policies are made available for the public perview¹¹ and are widely circulated within organization and its value chain. The policies are translated into procedures and are being reviewed periodically by the management. Goals and targets are set annually which are derived from Company's Strategic Business Plan. Specific sustainability targets have been identified and the timelines for achieving carbon neutrality are being defined. All other specific targets – long term and short term – are periodically reviewed and approved by management. The details of implementation and review are elaborated in the Section B of the BRSR published by JKLC¹².

SUSTAINABILITY FRAMEWORK & PILLARS

Company's Sustainability approach and framework is based on following pillars:

- Decarbonization towards achieving net zero carbon emission
- Circular economy
- Responsible product and sustainable supply chain
- Biodiversity and natural resource conservation
- Empowering human capital / employee engagement and wellbeing
- Unparalleled stakeholder experience
- Harnessing the power of technology
- Strategic CSR



⁹GRI 2-23, 2-24

¹⁰<https://www.jklakshmicement.com/wp-content/uploads/2023/05/Sustainable-sourcing-supply-chain-policy.pdf>

¹¹<https://www.jklakshmicement.com/esg-policies/>

¹²(Page 129)

BOLSTERING OUR SYSTEM OF GOVERNANCE

At our company, we take sustainability seriously and have made it a key part of our operations at every level, from the day-to-day tasks to the highest levels of leadership. Our governance structure has been carefully crafted to ensure that we remain accountable for our actions, transparent in our decision-making processes, and always striving to improve our environmental, social, and governance (ESG) initiatives. We believe that by integrating sustainability into every aspect of our business, we can make a positive impact on the world around us while also ensuring the long-term success of our company.



ENHANCING THE PERPETUITY OF OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ENDEAVORS.

BOARD OF DIRECTORS¹³

The full Board of Directors is responsible for overseeing the company's principles and strategy pertaining to environmental, social, and governance (ESG) matters. This involves regularly reviewing with management the progress made towards achieving our ESG-related goals, as well as discussing any strategic issues that may arise in this area. The Board understands the importance of ESG considerations in today's business landscape and is committed to ensuring that our company operates in a sustainable and responsible manner across all aspects of our operations.

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company.

The core values of the Company are:

- **Caring for people.**
- **Integrity including intellectual honesty, openness, fairness and trust.**
- **Commitment to excellence.**

Corporate Governance Framework



The aspects related to Economy, Environment and people are combinedly handled by all committees collectively. JKLC is in the process of formation of ESG committee to handle the matters pertaining to ESG. As on 31st March 2023, the Board of Directors of the Company consists of Eight Directors comprising two Executive Directors and six Non-executive Directors (NED) out of which four are Independent Directors (IND).

¹³GRI 2-9, 2-10, 2-11, 2-15, 2-19, 2-20, 2-21, 405-1

Sr. No.	Name of Directors	Name of Listed Company	Category of Directorship
1	Shri Bharat Hari Singhania	JK Agri Genetics Limited JK Paper Limited JK Tyre & Industries Limited Bengal & Assam Company Limited	Non-Executive Non-Executive Non-Executive Non-Executive
2	Smt. Vinita Singhania	JK Paper Limited HEG Limited Udaipur Cement Works Limited Bengal & Assam Company Limited	Non-Executive Non-Executive Non-Executive Non-Executive
3	Shri Nand Gopal Khaitan	Mangalam Cement Limited Reliance Chemotex Industries Limited India Power Corporation Limited Agi Greenpac Limited Hindware Home Innovation Limited Shyam Metalics and Energy Limited	Independent Non-Executive Independent Independent Independent Independent
4	Dr. Raghupati Singhania	JK Agri Genetics Limited Radico Khaitan Limited JK Tyre & Industries Limited Bengal & Assam Company Limited	Non-Executive Independent Executive Non-Executive
5	Shri Ravi Jhunjunwala	HEG Limited RSWM Limited Maral Overseas Limited BSL Limited India Glycols Limited	Executive Non-Executive Non-Executive Non-Executive Independent
6	Amb. Bhaswati Mukherjee	Jindal Stainless Limited Udaipur Cement Works Limited Petronet LNG Limited	Independent Independent Independent
7	Shri Sadhu Ram Bansal	Hindusthan Urban Infrastructure Limited KEI Industries Limited GMR Airports Infrastructure Limited	Independent Independent Independent
8	Shri Arun Kumar Shukla	Does not hold directorship in any other Listed company.	

The Chairman of the Company is Non-executive w.e.f. 1st October 2021.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company. The Board has identified the following as core skills/expertise/competencies required in the context of the Company's business and sector for it to function effectively and on this basis only the members are selected / Nominated by the board. Financial and accounting knowledge;

- (i) Strategic expertise;
- (ii) Risk governance;
- (iii) Legal & corporate governance expertise;
- (iv) Technology / knowledge pertaining to Cement industry;
- (v) Commercial experience;
- (vi) Community service, sustainability and corporate social responsibility; and
- (vii) Quality and safety experience.

The inputs are taken from various stakeholders before finalization of the nomination / selection of the Board members along with diversity aspects.

All the Board Members possess above skills collectively that enable them to make effective contribution to the Board and its Committees.

The core skills of individual Directors are:

- a) The Executive Directors of the Company; namely - Smt. Vinita Singhanian is an Industrialist and Entrepreneur with long diversified Industry experience including Cement & Paper, etc.;
- b) Shri Arun Kumar Shukla - Professional having technical knowledge pertaining to Cement industry, Quality, Safety, Risk governance, Sustainability and Community service, with experience in Commercial, Marketing, improving plant efficiency parameters and fixed cost reductions, etc.;
- c) The Non-executive Directors of the Company; namely - Shri Bharat Hari Singhanian;
- d) Dr. Raghupati Singhanian and Shri Ravi Jhunjunwala are eminent Industrialists and Entrepreneurs with long diversified Industry experience;
- e) Shri Nand Gopal Khaitan - Attorney-At-Law having Corporate Governance Expertise and experience in Corporate and Arbitration matters, Commercial and Civil litigation, Merger & Acquisitions and Joint Ventures coupled with Financial and Accounting Knowledge;
- f) Amb. Bhaswati Mukherjee - former Ambassador of India to Netherlands, Educationist and prolific Writer having rich experience on International Relations, Human Rights and Community Service and
- g) Shri Sadhu Ram Bansal, Ex Chairman & Managing Director of Corporation Bank and Executive Director of Punjab National Bank, having wide Banking & Financial knowledge and a competent Administrator.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. With a view to foster an improved compliance reporting and monitoring in the Company, the Company has a web based legal compliance tool called "Compliance Manager" developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors), which is strictly adhered to. In terms of the provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company.

The said Code is available on the Company's website (www.jklakshmicement.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Smt. Vinita Singhanian, Chairperson & Managing Director. We have representation of women in the board. There is wide stakeholder representation in the group including Employees, shareholders, Academia and civil society.

Members of board of directors and senior management are structured around a documented Code of Conduct that serves as an ethical standard to maintain the company's business conduct and ensures adherence to legal regulations and internal guidelines. It lays down guidance for the principles and standards that should govern the actions of the Company and its employees and also advises employees on issues such as corporate business opportunities, ethical ambiguity, corruption, bribery as well as conflict of interest. The members sign an undertaking for the absence of the conflict of interest in their participation of the activities of the board.

NOMINATION AND REMUNERATION

The Company's Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, inter alia, specifies the role and the criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The Policy is available at the website of the Company and the weblink is https://www.jklakshmicement.com/NRC_Policy.pdf. The salient features of the Policy are as follows:

- (i) The role of the Nomination and Remuneration Committee of Directors (the Committee) shall, include formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy relating to the nomination and remuneration for the Directors, Key Managerial Personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; recommendation to the Board of Directors of all remuneration, in whatever form, payable to senior management and for every appointment of an Independent Director, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.
- (ii) The Committee shall take into consideration the following criteria for recommending to the Board appointment of any Director of the Company: (a) Qualifications & experience; (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc.; (c) In case the proposed appointee is an Independent Director, he/she should full the criteria for appointment as Independent Director as per the applicable laws & regulations and (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of applicable Laws.
- (iii) The Committee will recommend to the Board appropriate compensation to be paid to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other relevant factors. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

¹⁴The procedures related to conflict of interest are detailed in the company's code of conduct - <https://www.jklakshmicement.com/code-of-conduct/>

(iv) The Board will review the performance of the Board of Directors, its Committees and individual Director as per the parameters and manner of performance evaluation specified by the Committee from time to time.

(v) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, Financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.

(vi) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

CAPACITY BUILDING¹⁵

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors /	2	(i) Updates on Sustainability initiatives including CSR initiatives undertaken.	100%
Key Managerial Personnel	4	(ii) Updates on Whistle Blower Mechanism and Code of Conduct for Members of Board and Senior Management. The Board members has been updated with the above and the underlying principles thereby adding values.	100%

Performance Evaluation: The Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the specified performance criteria. Also, Independent Directors assess the performance of the Non-independent Directors, Board as a whole and the Chairman.

SUSTAINABILITY GOVERNANCE¹⁶

The company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources. Consistent endeavor is required to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

Our Board regularly evaluates our sustainability performance and are well placed to achieve our targets in a responsible and sustainable manner through periodic reviews of policies, strategies and different departmental KPIs, interactions with different stakeholders (Through Periodic meetings, town halls, and other feedback mechanisms conducted and reported by the management) and taking their feedback for the betterment of sustainability programmes (Confirming that the objectives of the programmes are met and where needed modified to suit the requirements). These reviews happen once per annum or on lesser frequency on case to case basis.

In accordance with our operational strategy, strong ESG execution directly leads to economic performance and long-term value development for our shareholders for which regular performance-based analysis of sustainability risks and opportunities is necessary.

As a result, our Board of Directors and Executive Leadership Team steer our ESG initiatives while also keeping tracking of our progress.

Board oversight plays an imperative role in tracking various ESG related performance KPIs, preparing policies & solving issues at the earliest. Periodic sustainability disclosures are also reviewed and confirmed by the Board before being made available for other stakeholders.

We are in the process of constituting a dedicated Sustainability / ESG committee which will oversee all matters related to ESG at board level.

¹⁵GRI 2-17, GRI 2-18

¹⁶GRI 2-12, 2-13, 2-14, 2-25, 2-26

Composition Ratio

Sr. No.	Particulars	Male		Female	
		Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
1	Board of Directors (BoD) - Executive Director (ED)*	1	2,39,97,695	1	21,52,47,675
2	BOD - Non EDs**	5	17,40,000	1	15,15,000
3	Key Managerial Personnel (KMP)***	2	4,16,88,593	-	-
4	Employees other than BoD and KMP	1,473	10,58,184	14	12,13,968
5	Workers	223	5,45,999	-	-

*The remuneration of two Executive Directors (ED), who relinquished their office w.e.f. from 01.08.2022, is not considered in median calculation as their remuneration is only for the part of year.

SENIOR LEADERSHIP TEAM

Headed by our President & Director, our Senior Leadership Team (SLT) provides guidance on global sustainability issues that are most material to JK Lakshmi Cement Ltd. (JKLC) and our key stakeholders. The SLT ensures that sustainability remains a central component of our business strategy. The Board level committees have provided comprehensive delegation and associated power to the management to carry out the sustainability prerogatives in an efficient manner and on priority basis. The following section delineates the structure established for the management of impacts both at the senior and other employee levels.

JKLC- ESG TEAM ROLES & RESPONSIBILITIES

ESG APEX COMMITTEE

- Provide organizational vision and overall direction for ESG program
- Review and approval on public disclosures on ESG
- Allocate resources required by ESG Core Working Group

ESG MENTOR

- Provide specific guidance and operational insights for ESG Core Working Group and ESG Project Champions
- Provide quarterly review of activities led by ESG Project Champions Head - ESG
- Coordination of ESG Apex Committee meeting on annual basis or as and when required
- Develop ESG disclosures and Sustainability Reporting with inputs from Functional Heads, CRO, MR-IMS, Head-BEx
- Facilitate ESG Project Champions for independent validation, audit and assurance of ESG initiatives for public disclosures

ESG CORE WORKING GROUP

- Identifying material issues and risks with management approach for disclosures in public domain
- Provide all data, inputs, information for ESG requirements and reports for public domain
- Engagement with stakeholders incl. external rating agencies and auditors relevant to ESG
- Formulate long-term and short-term plan in line with achieving ESG vision as directed by Apex Committee

ESG CHAMPIONS

- Lead the assigned ESG project with 4-5 member cross-functional team
- Coordinate monthly team meetings for progress on respective ESG Projects
- Report progress on monthly basis to Head ESG and on quarterly basis to ESG Mentors

GRIEVANCE REDRESSAL

JKLC has adopted an efficient Grievance Redressal mechanism. This process manages concerns, issues, complaints and grievances of stakeholders systematically. JKLC is committed to being a fair workplace. We are bias-free and neutral towards markers like age, gender, religion, caste, marital status, sexual orientation and disability. We are proud to state that in FY2021-22 and FY 2022-23 there were no complaints recorded on human rights issues such as sexual harassment, discrimination, child/forced labour, etc. Any critical concerns / grievances are communicated to the board during reviews and also on as required basis and the action taken for the mitigation / amelioration of the concerns.

¹⁷GRI 2-16

COMPLIANCE MANAGEMENT

The organization has a robust compliance management across different departments and divisions. There are outstanding cases against the organization except once case from Competition commission of India. The details of the same have been furnished in the company's BRSR report.

FAIR TRADE PRACTICES AND FAIR COMPETITION

With a steadfast commitment to ethical sourcing and equitable partnerships, JKLC adheres unwaveringly to fair trade practices. We prioritize transparency and integrity throughout our supply chain, ensuring fair wages and safe working conditions for all employees involved in production. Our partnerships with local communities emphasize mutual respect and empowerment, fostering sustainable development initiatives that benefit both our business and the regions we operate in. By championing fair trade principles, we strive to not only deliver high-quality products but also contribute positively to social and environmental welfare, driving meaningful change in the cement industry and beyond.

Competition Commission of India (CCI) vide its order dated 19th January 2017 had imposed a penalty on certain cement companies including a penalty of Rs 6.55 Crores on the Company pursuant to a reference filed by the Government of Haryana. The Company has filed an appeal with Competition Appellate Tribunal (COMPAT) against the said order. COMPAT has granted a stay on CCI's order. After the merger of COMPAT with National Company Law Appellate Tribunal (NCLAT), the Company's case also stands transferred to NCLAT. Based on the legal opinion, the Company believes that it has a good case in the matter.

MEMBERSHIP IN ASSOCIATIONS

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Cement Manufacturers Association	National
2	PHD Chamber of Commerce & Industry	National
3	Rajasthan Chamber of Commerce	State
4	Udaipur Chamber of Commerce	State
5	Federation of Indian Mineral	National
6	Coal Consumer's Association of India	National
7	Indian Chamber of Commerce	National
8	National Safety Council	National
9	Ready Mixed Concrete Manufacturers	National
10	GCCA India (P) Ltd.	National

COLLECTIVE BARGAINING ARRANGEMENTS²¹

JKLC has several unions and they are made part of the collective bargaining arrangements of the organization. The details of the employee involvement is being provided in the table below.

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association (s) or Union (B)	%(B/ A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union (D)	%(D/C)
Total Permanent Employees	342	0	0	352	0	0
- Male	338	0	0	347	0	0
- Female	4	0	0	5	0	0
Total Permanent Workers	219	219	100%	218	218	100%
- Male	219	219	100%	218	218	100%
- Female	0	0	0	0	0	0

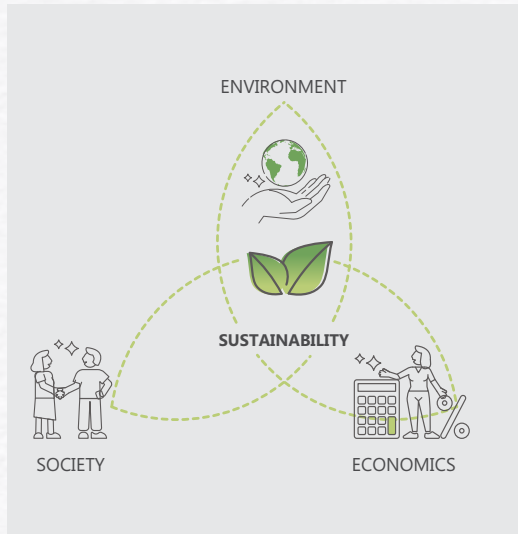
¹⁸GRI 2-27 ¹⁹<https://www.jklakshmicement.com/AR22-23.pdf> (Page No. 133) ²⁰GRI 2-28 ²¹GRI 2-30

ESG STRATEGY

TAKING CARE OF OUR PILLARS

Our corporate strategy for value creation and operational performance is closely intertwined with our ESG (Environmental, Social, and Governance) strategy. Our ESG strategy has eight major pillars that guide our actions. These pillars are crucial in ensuring that we operate in a sustainable manner while creating long-term value for all stakeholders.

SUSTAINABILITY APPROACH AND FRAMEWORK IS BASED ON FOLLOWING PILLARS



- Decarbonization for zero carbon emissions
- Responsible product development and sustainable supply chain
- Empowering human capital, employee engagement, and well-being
- Technology utilization for sustainability
- Circular economy
- Biodiversity conservation and resource management
- Superior stakeholder experience
- Strategic corporate social responsibility

DECARBONIZATION TOWARDS ACHIEVING NET ZERO CARBON EMISSION

JKLC is working towards reducing carbon emissions to combat climate change. Initiatives include promoting renewable energy sources like solar and wind power, enhancing energy efficiency in industries, and promoting electric vehicles. The goal is to achieve net-zero carbon emissions by technological and management interventions by stipulated time.

CIRCULAR ECONOMY

JKLC is emphasizing a circular economy by promoting waste reduction, reuse, and recycling. Policies and programs focus on reducing single-use plastics, encouraging sustainable manufacturing practices, and promoting a circular approach to product lifecycles. The aim is to minimize waste generation and create a more sustainable and resource-efficient economic model.

RESPONSIBLE PRODUCT AND SUSTAINABLE SUPPLY CHAIN

In JKLC, the focus is on fostering responsible production and sustainable supply chains. This involves ensuring ethical sourcing of raw materials, minimizing environmental impact during production, and promoting fair labor practices. Business unit leaders are encouraged to adopt sustainable packaging, reduce waste, and create transparent supply chains to meet the growing demand for eco-friendly products.

BIODIVERSITY AND NATURAL RESOURCE CONSERVATION

JKLC is committed to preserving its rich biodiversity and natural resources. Conservation efforts include protecting endangered species, promoting afforestation and reforestation, and implementing sustainable agriculture practices. The emphasis is on maintaining a balance between economic development and environmental preservation to ensure the long-term health of ecosystems.

EMPOWERING HUMAN CAPITAL / EMPLOYEE ENGAGEMENT AND WELL-BEING

There is a growing recognition of the importance of employee engagement and well-being. JKLC is investing in initiatives to enhance employee satisfaction, mental health support, and skill development. The focus is on creating a positive work environment, fostering diversity and inclusion, and ensuring the overall well-being of the workforce.

UNPARALLELED STAKEHOLDER EXPERIENCE

The emphasis in JKLC is on delivering an unparalleled experience for stakeholders, including customers, employees, and communities. Company is investing in customer-centric approaches, transparent communication, and community engagement. This involves understanding and addressing the unique needs and expectations of diverse stakeholders to build trust and long-term relationships.

HARNESSING THE POWER OF TECHNOLOGY

JKLC is leveraging technology for sustainable development. This includes adopting digital solutions for resource management, implementing smart and sustainable urban planning, and promoting digital literacy. The aim is to harness technology to address environmental challenges, improve efficiency, and foster inclusive growth across various sectors.

STRATEGIC CSR

Corporate Social Responsibility (CSR) in India is evolving into a strategic function aimed at creating long-term positive impacts. JKLC is aligning CSR initiatives with their core business values and goals. This involves targeted investments in education, healthcare, and community development, with a focus on sustainable and measurable outcomes to contribute effectively to social and environmental progress.



A CLOSER LOOK

DETERMINING OUR MATERIAL TOPICS²²

JKLC is a company that prioritizes managing and reporting on matters that are important to its stakeholders. To ensure that the company's sustainability initiatives and reporting align with both its business and stakeholders' priorities, JKLC conducted materiality analysis for the first time during 2014-16. The results of same has been Instrumental in guiding the sustainability prerogatives of the organization till FY 2022-23. The set of material topics determined are the same in this report and the previous Sustainability Report. We believe that these are relevant material topics (From impact materiality perspective) as they also reflect our vision, action plans and progress towards the diverse challenges faced by us across various aspects of sustainability. A revised and comprehensive Materiality assessment will be carried out in FY 2023-24 which will form the basis of the sustainability strategy for next 5-7 Years.

This process was led by the Head Sustainability at JKLC, with support from the respective departmental teams. The goal of this assessment was to identify and validate the company's material topics and assess their associated impacts throughout its value chain.

To determine these material topics, JKLC analyzed inputs from a variety of internal and external stakeholders. The company consulted various global sustainability standards and frameworks, including the GRI (Global Reporting Initiative), Sustainability Accounting Standards Board (SASB), and United Nations Sustainable Development Goals (UNSDGs). Additionally, current and potential legislations, key stakeholder expectations, and leading industry ESG practices and initiatives were evaluated. The exercise included internal stakeholders of the Company from various functions like operations, power, environment, mines, accounts, purchase, health & safety, CSR, marketing services and others. External stakeholders included public shareholders, Investors, Industry associations, customers, value chain partners, communities and the statutory bodies. Following the same, we conducted an extensive review of literature to identify issues considered as material.

We also tried to understand expectations expressed in international standards and agreements. Information was drawn from annual reports, sustainability reports and ISO 26000 guidance on social responsibility. An internal perspective on risks – as identified through organizational processes like risk assessment studies, Financial reports and sustainability reports using disclosure frameworks was considered in the process. The outcome of all of them has been the basis for determination of key material aspects and further reporting on their performances and targets for our stakeholders. Identification of relevant stakeholders and their selection was done based on whether they were external / internal, the mode of engagement, key aspects and concerns related to them, and the frequency of interaction.

PRIORITIZATION OF MATERIAL TOPICS:

After thorough analysis, these topics were then reviewed by key decision-makers throughout JKLC. We prioritized based on the significance of their impacts as well as their importance to stakeholders. By conducting this refreshed materiality assessment, JKLC has demonstrated its commitment to managing what matters most to its stakeholders while aligning with global standards for sustainable business practices.

12 MATERIALITY ISSUES

The Company has identified detailed risks on key material aspects that relate to all dimensions of sustainability to mitigate and create opportunity through innovation and consistency. Some key risks identified out of material aspects are given below:

- Economic Value & Business Performance
- Customer Satisfaction
- Integrity and Transparency
- Compliance to Regulation
- Human Capital Development
- Community Development
- Occupational Health And Safety
- Energy and Emissions
- Water Management
- Resource Conservation
- Supply Chain Management
- Operational Efficiency

²²GRI 3-1, 3-2, 3-3

POTENTIAL IMPACTS OF THE MATERIAL TOPICS

Material Aspect	Business Risk	Financial Risk
<p>Economic Value & Business Performance</p> 	Poor business performance affects employee morale, productivity and innovation. It further hampers the reputation of the Company.	Poor business performance implies reduced business opportunities for an enterprise, meaning lower dividends for shareholders and increased cost of capital.
<p>Customer Satisfaction</p> 	Insufficient initiatives towards sustaining customer satisfaction hampers customer loyalty, leading to reduced market reputation and lower revenue from sales.	Inadequate initiatives towards sustaining customer satisfaction implies lower revenue from sales.
<p>Integrity and Transparency</p> 	Economic crimes such as corruption and bribery are unethical and consistently harmful to a Company's intangible assets such as reputation, business relationships and staff morale.	Unethical acts by an enterprise can bring about substantial reputational damage to a Company hence affecting its future earnings besides regulatory penalties.
<p>Compliance to Regulation</p> 	Involvement of an enterprise in cases of non-compliance may lead to reduced trust from stakeholders. Additionally business units may face closure due to non-compliance.	Sanctions and financial penalties may be imposed on an enterprise by the regulatory authorities for acts of non-compliance.
<p>Human Capital Development</p> 	Lack of human capital development initiatives will lead to reduced employee productivity and poor turn-around time, leading to weak performance at the operational level.	Insufficient investment towards employee development will hamper the Company's overall performance and its progress towards its strategic targets leading to decline in revenues.
<p>Community Development</p> 	Lack of community development initiatives can bring about hostility and unrest among the local community, thus endangering the Company's social license to operate.	An enterprise may incur fines in case of insufficient investment towards community development programme.
<p>Occupational Health and Safety</p> 	Insufficient investment towards ensuring occupational health and safety of employees has a direct negative impact on labour costs through lower productivity.	Lower performance not only poses threat to a Company's reputation and staff morale, but also results in increased operating costs in the form of fines and other contingent liabilities.
<p>Energy and Emissions</p> 	An enterprise having a poor track record in energy consumption and emissions management is likely to experience reduced trust from investors and stakeholders.	The regulatory authorities may impose penalties on the enterprise due to poor energy and emissions performance.
<p>Water Management</p> 	Lack of water management initiatives will lead to depletion of water resources in an area and impacting social and biodiversity value.	Purchasing water from external sources would lead to higher operating costs and reduced margins for the enterprise.
<p>Resource Conservation</p> 	Poor resource management will have impact on Company's long lasting existence and performance, it will also lead to resource depletion.	Quality resource will be expensive and scarce in future which will impact the production cost leading to lower profitability for stakeholders.
<p>Supply chain management</p> 	Unsustainable supply chain and its inefficient management impacts business performance in terms of top-line and bottom-line and may be a reputational risk for the Company.	Poor supply chain management implies reduced profitability and business opportunities for an enterprise, meaning lower dividends and increased cost.
<p>Operational Efficiency</p> 	Low operational efficiency results in high cost and reduced competitiveness.	High operational cost impacts the profitability of the Company.

At the same time, addressing these risks in an appropriate manner also presented an opportunity for the organization to propel its sustainability stand and Business growth. The impacts, actions taken to manage the topic and the respective KPIs are discussed in the concerned sections.

OUR PRIORITY

EVALUATING THE EFFECTS ACROSS OUR VALUE CHAIN

As part of our materiality assessment, we conducted an analysis of the impacts associated with our operations along the value chain. This evaluation enables us to target opportunities that enhance value creation for our stakeholders and improve management of any potential or actual impacts resulting from our business activities.

The cement industry presents a diverse range of hazards such as dust, chemicals, high temperatures, heavy machinery, electrical hazards, slip trip & falls, noise pollution and manual handling which can lead to serious injuries or fatalities. To mitigate these risks and ensure safety in the workplace environment, proper safety procedures are implemented while workers are provided with necessary personal protective equipment (PPE) and trained to perform their tasks safely.

A culture of safety is developed by implementing a Behavior-Based Safety Management System. Regular risk assessments are carried out to ensure that the safety measures are effective. The policies and procedures designed to achieve Zero Harm - a safe and healthy work environment-are communicated clearly across all employees at every level within the organization; We are also updated regularly based on changing conditions.

Safety training is given periodically to all employees including new hires and contractors. Equipment facilities too undergo periodical audits & inspections ensuring We remain safe for use throughout their life span. Employees as well as contract workers are encouraged to report any hazardous situations or near-miss cases without hesitation.

Occupational disease prevention is ensured through workplace hygiene monitoring coupled with engineering control and implementation of work practices tailored towards preventing diseases plus continuous training/awareness programs aimed at equipping them with appropriate PPE's when required. Medical examination forms another critical aspect in occupational disease prevention program thereby offering not only preventive but also curative care where needed. Workers participation and consultation is ensured in safety management by involving them in Hazard identification and Risk Assessment, safety observation, safety committee meeting, Cross Functional Teams (CFT) meeting, and safety suggestion etc.



VALUE CHAIN IMPACTS

RAW MATERIALS & SUPPLY

Our ecological footprint encompasses the extraction and refinement of primary resources. Collaboratively, we strive to reduce our environmental impact through close partnership with our suppliers.

TRANSPORT OF RAW MATERIALS

Our facilities are strategically positioned in close proximity to our suppliers, thereby minimizing the distance and emissions associated with transporting heavy raw materials.

MANUFACTURING OPERATIONS

The production of goods entails the release of pollutants and byproducts, consumption of energy and natural resources, as well as dependence on our workforce. Our paramount concerns are centered on pioneering advancements, streamlining operations for optimal productivity, and ensuring the safety of all personnel involved.

DISTRIBUTION OF OUR PRODUCT

Our products are utilized , in the key markets of Northern; Eastern and Western India necessitating transportation from the manufacturing facility to the designated work location. We give precedence to local shipping whenever feasible.

USE OF OUR PRODUCT

Our resilient products are manufactured to endure, and our fiber cement cladding effectively assimilates CO₂ throughout its lifespan.



PRODUCT MAINTENANCE

Our products are designed to withstand harsh weather conditions, ensuring climate resilience and reducing the necessity for maintenance.

DEMOLITION AND DISPOSAL

Waste from concrete construction can be recycled by crushing, sorting, and screening it into recycled aggregate. Concrete for use in building and road construction can be made from this recycled aggregate. JKLC is taking measures to improve the recyclability of the materials thereby contributing towards circularity.

We consider the district of operation and the neighbouring districts as the “Local areas” for the purpose for providing economic opportunities for the organizations surrounding our facilities. The following are the procurement details in the FY 2021-22 and FY 2022-23.

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs / small producers	PP Bags 71%	PP Bags 75%
Sourced directly from within the district and neighbouring districts	AFR 18%	AFR 24%

JKLC’s culture of continuous improvement and LEAN manufacturing is deployed through our JKLC Manufacturing System. It integrates our network of plants and our people, driving continuous improvement in our manufacturing and environmental performance through employee engagement and empowerment, cross-functional collaboration, knowledge sharing of best practices, elimination of variability and promotion of accountability across the entire organization. Through this system, our best practice policies and processes are being standardized globally, with specific regional regulatory requirements and product lines taken into account. In addition to a central management team, we have managers at every plant, yielding reduced environmental impacts, better products for consumers and safer work environments. Our Management plays a key role in our sustainability initiatives, continually driving improvements in manufacturing efficiency, resource conservation, waste reduction and safety.



COMMUNITY INPUTS

INTERACTING WITH STAKEHOLDERS²³

At JKLC, we prioritize open and ongoing communication with our key stakeholders. We recognize the importance of understanding their perspectives and concerns, especially when it comes to sustainability-related issues. Through a diverse range of engagement methods, we actively seek out feedback from our stakeholders to identify any actual or potential impacts that may result from our business activities. Our commitment to stakeholder engagement is reflected in the various ways we interact with them on a regular basis, as shown in the table below. This transparent and collaborative approach allows us to build strong relationships with our stakeholders and work together towards sustainable solutions that benefit all parties involved.

STAKEHOLDER GROUPS	METHODS OF ENGAGEMENT
Communities	Community outreach and development contributions and employee engagement activities
Consumers	Market Research and development insight studies Direct feedback
Customers and Architects	Satisfaction surveys and periodic questionnaires Direct meetings, emails and other communications Product collaborations and trainings Conferences and industry events
Employees	Employee surveys regional meetings, town hall meetings and discussion roundtables Ongoing company intranet and internal communications Career development, performance reviews and training opportunities Employee Resource Groups (ERGs)
Investors	Annual shareholder meeting financial reporting and quarterly earnings calls Meetings with analysts and investors Investor Days Surveys and requests from ESG ratings and rankings agencies
Suppliers	Supplier Code of Conduct Vendor risk assessments Performance monitoring Direct meetings, emails and other communications



²³GRI 2-29

PLANET

As a responsible entity, we are taking proactive measures to manage our impact on the environment. Our focus is on promoting circularity and reducing greenhouse gas emissions. We understand the importance of preserving our planet for future generations and are committed to doing our part in achieving this goal. Through various initiatives and strategies, we aim to minimize any negative effects that may arise from our operations. With sustainability at the forefront of our minds, we strive to create an eco-friendlier future for all.

MANAGEMENT APPROACH

SETTING PRIORITIES

As we continue on our path towards sustainability, we have recognized the need to enhance and refine our objectives in order to showcase our advancements and aspirations towards becoming a more robust entity. Our primary focus lies in reducing our carbon footprint, decreasing the amount of waste generated and conserving water resources. By adopting a conservation-based approach that emphasizes on renewing and recycling natural resources, we are contributing towards safeguarding the environment while also bolstering the resilience of local communities.

Our commitment to this cause is an essential component of our overarching purpose, vision, mission, and values. We have established an Environmental Protection Policy that is disseminated amongst all our employees, contractors, and customers as a testament to our unwavering dedication towards this endeavor.

ESTABLISHING LOFTY OBJECTIVES AS ACCOUNTABLE CARETAKERS



GREEN POWER

By 2040, we aim to meet all our electrical energy requirements through renewable energy, as committed to RE100. We have also committed to doubling our energy productivity by 2040, based on the 2014-15 baseline, as part of EP100

WASTE REDUCTION

JK Lakshmi Cement applied for Extended Producers Responsibility (EPR) registration under the Plastic Waste Management (PWM) Rules 2016 as amended. We have achieved the 25% target for FY 2021-22 and we have achieved the 70% target for FY 2022-23.



WATER POSITIVITY

JK Lakshmi Cement is a business that generates surplus water, as evidenced by its impressive water positivity index of 4.0X.

Our aspiration is to amplify our water positivity level five-fold by the year 2025.

ENERGY AND EMISSIONS

TAKING ON THE CHALLENGES OF A WORLD IN TRANSITION

At the core of our operations lie the sources of Greenhouse Gas Emissions (GHG emissions), which include cement production, raw material, and finished product transportation. However, we remain steadfast in our primary goal to manufacture products that have a low-carbon footprint.

Our commitment to sustainability is evident in our road map for climate action, which lays out clear targets aligned with prioritized strategic areas aimed at building a low-carbon future while enhancing resilience against the impacts of climate change.

We understand the importance of reducing our carbon footprint and are dedicated to implementing measures that will enable us to achieve this goal. By adopting sustainable practices throughout our operations, we hope to contribute positively towards creating a better future for generations to come.

DETAILS OF TOTAL ENERGY CONSUMPTION (IN JOULES OR MULTIPLES) AND ENERGY INTENSITY^{24,25,26}

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (In GJ)	24,23,080	23,00,410
Total fuel consumption (B) (In GJ)	2,23,50,590	2,41,51,012
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C) (In GJ)	2,47,73,670	2,64,51,422
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (in GJ/₹)	0.0004080	0.000525

DETAILS OF GREEN HOUSE GAS EMISSIONS (SCOPE 1 AND SCOPE 2 EMISSIONS)²⁷ & ITS INTENSITY²⁸

Parameter	Unit	FY 2022- 23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	53,80,820	52,99,169
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4,34,543	6,03,374
Total Scope 1 and Scope 2 emissions		58,15,363	59,02,543
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity (in Kg Co ₂ / ₹ turnover)		0.09579	0.11710

In the calculations of Scope 1 emissions, the following needs to be taken into consideration.

- Emissions from Fuel supply for the contracted vehicles has not been considered for Durg plant.
- The emissions from Captive power plant has been considered in Scope 2.

These aspects will be corrected in our subsequent Integrated report.

²⁴Energy consumption from the employee colonies are also part of the Energy Inventory.

²⁵GRI 302-1, 302-2

²⁶Fuel in trucks is considered as value chain energy. This will be evaluated and considered in future disclosures.

²⁷The calculations are based on GCCA CSI tool Version 3.1 and GHG protocol for corporate GHG Inventories.

²⁸GRI 305-1, 305-2, 305-4

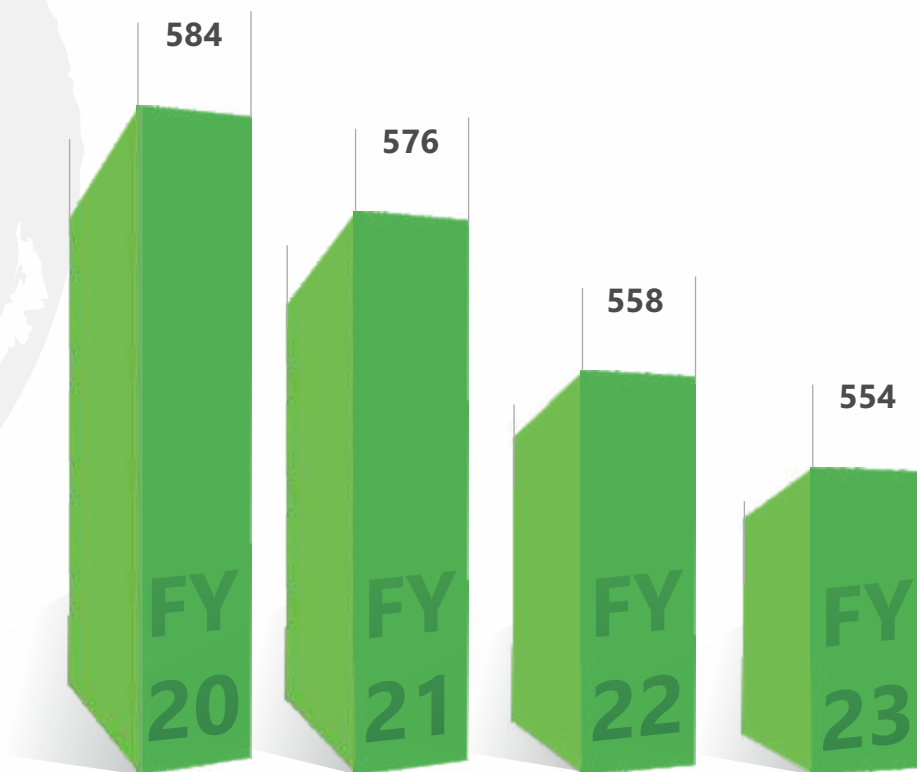
DETAILS OF TOTAL SCOPE 3 EMISSIONS & ITS INTENSITY²⁹

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,25,528	1,32,557
Total Scope 3 emissions per rupee of turnover	Kg CO ₂ / ₹	0.0020676	0.0026297
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

For FY 2022-23 under Scope-3 emissions, we have considered CO₂ emissions in upstream & downstream logistics operations and through employee commuting. However, FY 2022 we have inventorized CO₂ emission through upstream and downstream logistics operations

GHG EMISSION REDUCTIONS

YEAR OF YEAR REDUCTION IN GHG EMISSIONS (KGC0₂/TONNE OF CEMENT MANUFACTURED)³⁰



- In order to reduce our carbon footprint, all our plants have started using renewable energy sources by setting up a solar power plant at their plant premises. In addition, we have tied up with various off set wind and solar power suppliers to use wind and solar power instead of using electricity generated from coal fired power plants.
- JK Lakshmi Cement Ltd. prefers to procure from suppliers who are proactive in reducing their environmental impacts and expects its suppliers to comply with relevant laws and regulations. JK Lakshmi Cement Ltd. has the right to exclude suppliers who do not exhibit the aforesaid measures. We buy local materials and try to minimize distance between source & project site to reduce transportation emission.
- Under our Plantation Drive initiative, we distribute free plants and saplings every year not only to schools but also to the villages, police stations, and communities and distribute free Tree Guards for the plants. As we know that trees are the perfect solution to mitigate GHG emission.

²⁹GRI 305-3

³⁰This includes scope 1 & 2.

CREATED FOR CLIMATE

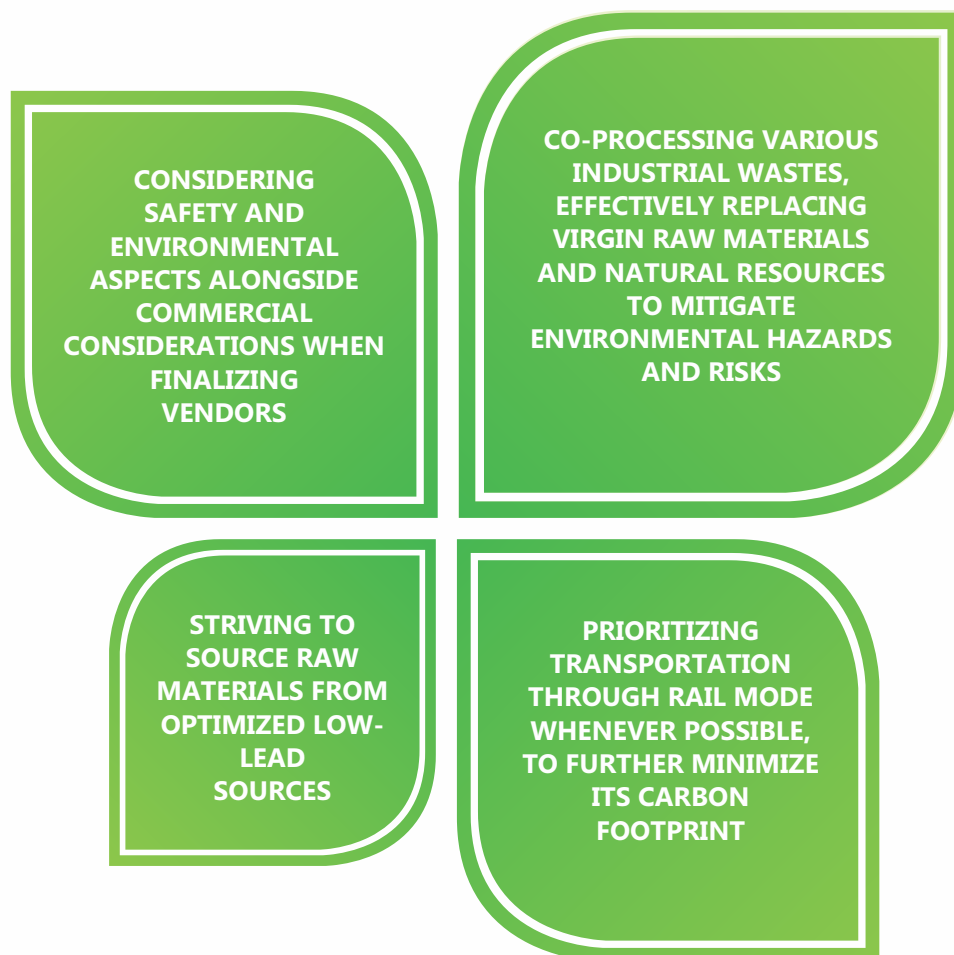
BUILDING VALUE

Sustainable sourcing for manufacturing is an essential practice for responsible and environmentally conscious businesses within the industry. Cement production is typically associated with high energy consumption and greenhouse gas emissions. However, embracing sustainable sourcing methods can significantly reduce the environmental impact of these operations. Sustainable sourcing involves procuring raw materials such as limestone, clay, and other minerals from responsibly managed sources, taking into account factors like biodiversity conservation and minimizing habitat disruption.

Company is committed to sustainability often prioritize recycled materials, such as fly ash or slag, as supplementary cementitious materials. This approach reduces the need for virgin resources, thereby reducing environmental degradation and promoting resource conservation. Additionally, sustainable sourcing also involves adopting efficient production processes to minimize waste and reduce carbon emissions.

Embracing sustainable sourcing not only aligns with global efforts to combat climate change but also helps ensure the industry's long-term viability by addressing resource scarcity and fostering a more circular economy. Sustainable sourcing reflects a proactive commitment to balancing economic growth with environmental stewardship and ensuring a more sustainable future for both the construction sector and the planet. By adopting sustainable sourcing practices, businesses can reduce their environmental impact and contribute to a greener, more sustainable world.

JK Lakshmi Cement places a strong emphasis on sustainable sourcing during its procurement practices through focusing on four core key areas.



At JK Lakshmi Cement, we prioritize suppliers who demonstrate a commitment to reducing their environmental impact and complying with applicable laws and regulations. We believe that sustainability is a shared responsibility and expect our partners to align with our values and goals. As such, we reserve the right to exclude suppliers who do not exhibit the measures mentioned above. We understand that sustainable sourcing is an ongoing process, and we are committed to upholding practices in line with evolving standards. We recognize that the industry's sustainability landscape is continually changing, and we strive to remain agile and adapt to new challenges. We continually evaluate our suppliers' environmental performance and work collaboratively with them to identify opportunities for improvement. Our commitment to sustainable sourcing reflects our proactive approach to environmental stewardship and our belief in balancing economic growth with environmental responsibility. By prioritizing sustainability in our supply chain, we aim to build a more resilient and sustainable future for the industry and the planet.

OUR ACCOUNTABILITY

REDUCING OUR GREENHOUSE GAS (GHG) EMISSIONS

In light of the urgent need to address climate change and reduce carbon emissions, we have come to recognize that setting a mere intensity goal is insufficient. Therefore, we have taken the initiative to update our Scope 1+2 GHG emissions goal to an absolute reduction, which is in line with climate science. This decision was not taken lightly, as we understand the significant shift required to achieve this new goal. We ensured that this target is both realistic and aligned with our business strategy.

To achieve this updated target, in FY23, we conducted a thorough analysis of our GHG emissions. This involved reviewing our operations and exploring viable opportunities for reducing emissions. We also created, cross-functional task forces that were responsible for charting a path forward towards achieving this ambitious target.

We understand the importance of taking action on climate change and recognize that it requires a concerted effort from all stakeholders. As such, we remain committed to working towards reducing our carbon footprint and contributing to a low-carbon world.

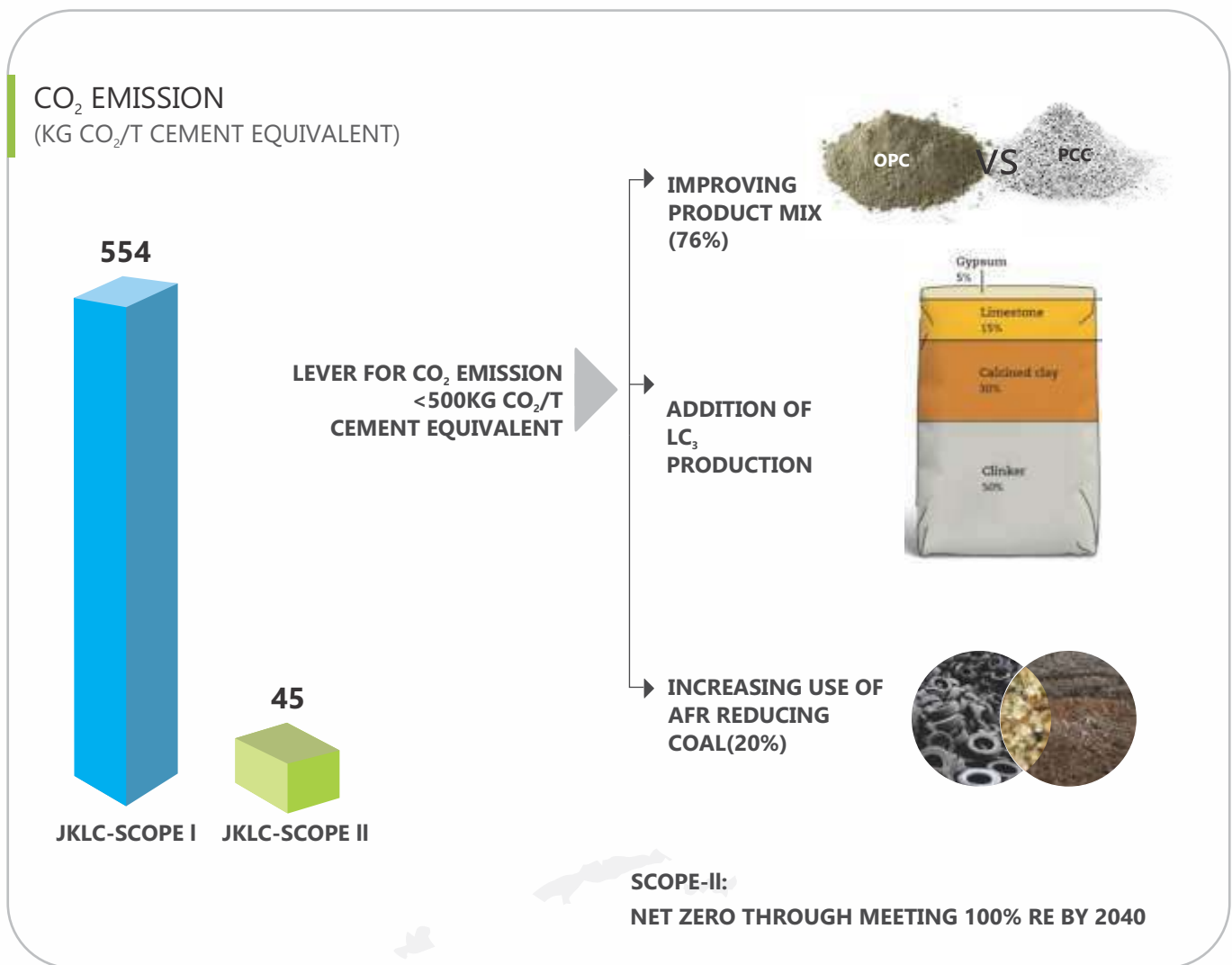


Fig: Primary levers of decarbonization at JKLC

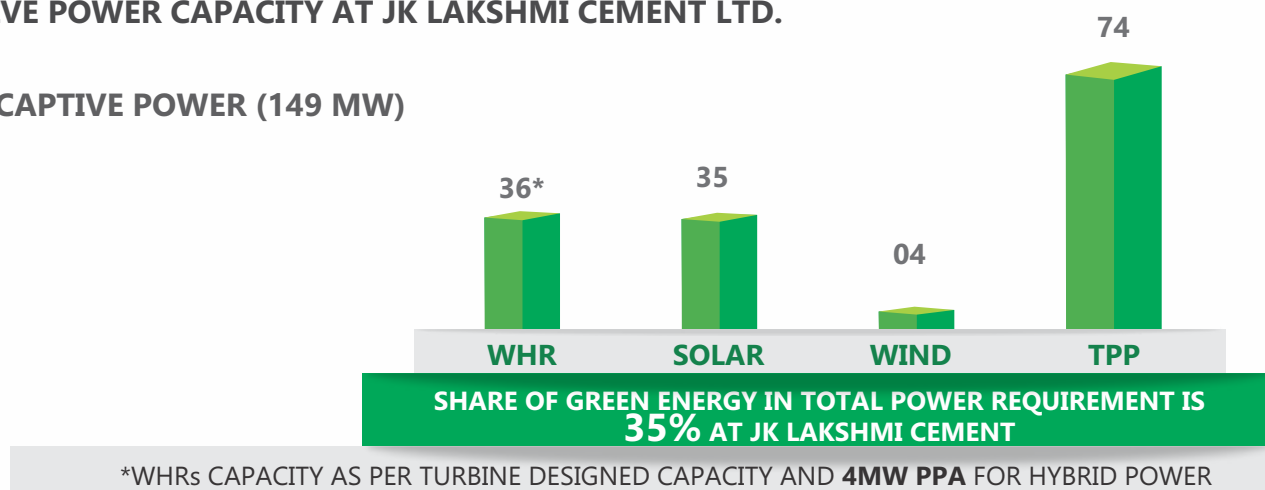
PHASING OUT THE USE OF NON-RENEWABLE ENERGY SOURCES

JK Lakshmi Cement has significantly enhanced its utilization of renewable energy; accounting for 35% of the total power requirement in FY 2022-23. We are well on track to surpass the 50% milestone by the year 2025 with the aim of achieving a renewable energy share of 80% or more by the year 2030.

GREEN POWER

SHARE OF RENEWABLE ENERGY IN TOTAL INSTALLED CAPTIVE POWER CAPACITY AT JK LAKSHMI CEMENT LTD.

JKLC-CAPTIVE POWER (149 MW)



In an effort to decrease our impact on the environment and reduce our carbon footprint, we have implemented a series of measures at all of our plants. One such measure includes the installation of solar power plants directly on the premises, allowing us to utilize renewable energy sources in a more efficient and cost-effective manner. Additionally, we have collaborated with various wind and solar power suppliers in order to offset our reliance on electricity generated from coal-fired power plants. By taking proactive steps towards sustainability and embracing alternative energy sources, we are committed to doing our part in protecting the planet for future generations.

Throughout our company's history, we have made significant strides in reducing our carbon emissions. However, we recognize that there is always more work to be done in order to protect the planet and ensure a sustainable future for generations to come. As a result, we are currently implementing several initiatives aimed at further reducing our Scope-I CO₂ emissions. One of the key strategies we are employing is maximizing the utilization of alternative fuels. By relying less on conventional fuels and instead prioritizing cleaner, more sustainable options, we can significantly decrease our environmental impact. Additionally, we are taking steps to procure materials locally whenever possible. This not only reduces transportation-related emissions but also helps support local communities and businesses.

In addition to these efforts, we have also begun using LNG trucks in our logistic operations. This move has helped us reduce our Scope-III CO₂ emissions by minimizing the amount of greenhouse gases released during transport. Overall, we remain committed to doing everything in our power to minimize our carbon footprint and promote a more sustainable future for all.

UTILIZING SUSTAINABLE SOURCES OF POWER

As part of our unwavering commitment to utilizing renewable energy sources, we have successfully enacted a 500 KWp solar power plant at our Cuttack grinding unit. This significant undertaking is a milestone in our efforts to transition to clean and sustainable energy sources. Furthermore, we have successfully commissioned an 8 MWp solar project at our Sirohi unit, which now accounts for 44% of the unit's total electricity consumption, supplied by renewable sources.

In line with our continued efforts to promote renewable energy, we have placed an order for a 56 MWp solar project in Open Access Group Captive mode for our Durg unit. This new project will help us achieve our goal of fulfilling approximately 80% of our total electricity demands through renewable energy sources.

AIR POLLUTION

The following are the air pollution values for the reporting years 2021-22 and 2022-23

	FY 2021-22	FY 2022-23
Nox (Tonnes per year) ³¹	1,313	1,342
Sox (Tonnes per year)	289	258
Particulate matter (PM) (Tonnes per year)	28	17

³¹The value is based on the data cumulated at the site based on the average observed instant values.

WASTE AND CIRCULARITY

IMPROVING RESOURCE EFFICIENCY³²

WASTE MANAGEMENT

Our organization is dedicated to achieving our ambitious goal of zero waste in landfills. To make this happen, we focus on minimizing waste, investing in recycling technology, and streamlining our systems and processes. We are continuously working towards reducing waste by adopting sustainable practices in our operations. However, the biggest differentiator is our on-campus treatment of all organic waste. This includes food waste, garden waste, and Sewage Treatment Plant (STP) sludge. By following a true net-zero approach, we ensure that none of this waste ends up in a landfill. Instead, we convert it into useful resources.

We firmly believe in the concept of 'waste to wealth' and have been following the 'Reduce - Reuse - Recycle' (3Rs) principle since the project's inception. This approach helps us minimize the amount of waste we generate while maximizing the value we can extract from it. We are committed to making our operations as sustainable as possible and leaving a positive impact on the environment.

DETAILS RELATED TO WASTE GENERATION & RECYCLING BY JKLC

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	29.53	41.69
E-waste (B)	0.186	3.52
Bio-medical waste (C)	0.192	0.180
Construction and demolition waste (D)	0	0
Battery waste (E)	14.40	8.13
Radio active waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	33.51	30.75
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	33,568.63	66,521.77
Total (A+B+C+D+E+F+G+H)	33,646.44	66,606.01
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	16.70	29.77
(ii) Re-used	30,810.50	64,551.50
(iii) Other recovery operations	0	0
Total	30,827.20	64,581.27

DETAILS RELATED TO WASTE DISPOSAL AND METHODS BY JKLC

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.19	0.17
(ii) Landfilling	0	0
(iii) Other disposal operations	2,815.71	2,025.00
Total	2,815.90	2,025.17

WASTE GENERATION V/S RECYCLING	FY 2022-23	FY 2021-22
Total waste generated (MT)	33,646.44	66,606.01
Total waste recovered (MT)	30,827.20	64,581.27

³²GRI 306-1, 306-2, 306-3, 306-4, 306-5

KEY INITIATIVES UNDERTAKEN BY THE COMPANY IN FY 2022-23 TO ENSURE EFFECTIVE WASTE MANAGEMENT

JK Lakshmi Cement applied for Extended Producers Responsibility (EPR) registration under the Plastic Waste Management (PWM) Rules 2016 as amended. We have achieved the 25% target for FY 2021-22 and we have achieved the 70% target for FY 2022-23. Our product, cement, is packaged in Polypropylene (PP) bags that are often reused for construction or storage purposes. We do not reclaim the same material used in our product packaging material but the discarded plastic bags are recycled by authorised waste recyclers. JKLC efficiently utilizes waste as Refused Derived Fuels (RDFs) in co-processing cement kilns. Additionally, we have successfully met our targets with the assistance of recyclers authorized by CPCB.

Our cement manufacturing process does not generate any e-waste. However, e-waste is produced solely through office operations, and it is sold to registered recyclers approved by Central Pollution Control Board (CPCB)

During cement manufacturing, we utilize only the used oil generated by operational machinery in our plant. This used oil, considered hazardous waste, is stored at designated locations within our plant boundary. We sell this used oil to recyclers authorised by the State Pollution Control Board (SPCB) or Central Pollution Control Board (CPCB). Additionally, we employ hazardous waste from other industries as alternative fuel and raw materials (AFR) in our cement manufacturing process.

We have adopted the Vermicompost process in our plant to convert organic waste into nutrient-rich Vermicompost. Additionally, we have used 5-year-old lab-tested cemented cubes to create walkways. In our efforts to reduce paper waste, we follow paperless processes through the implementation of the S/4HANA SAP system. We have also implemented a closed-loop cement manufacturing process, ensuring that any waste generated during manufacturing is utilized within the cement manufacturing process.



RECYCLED OR RE-USED INPUT MATERIAL³³

JKLC is dedicated to promoting sustainable practices by prioritizing the use of environmentally friendly alternatives in our products. Our company places emphasis on the substitution of hazardous and toxic chemicals in favor of safer alternatives. As a result, our products are entirely free of such harmful substances. Furthermore, we have successfully integrated alternative raw materials, including fly-ash, chemical gypsum, and granulated slag, into our cement production processes. This has allowed us to minimize our environmental impact while maintaining the high quality of our products.

³³GRI 301-2

INPUT MATERIAL	RECYCLE OR RE-USED INPUT MATERIAL TO TOTAL MATERIAL	
	FY 2022-23	FY 2021-22
CHEMICAL GYPSUM / GYPSUM WASTE	4%	4%
FLY-ASH	18%	20%
RED OCHRE	1%	2%
MARBLE WASTE	1%	1%
IRON SLAG	2%	2%
GRANULATED SLAG	1%	1%

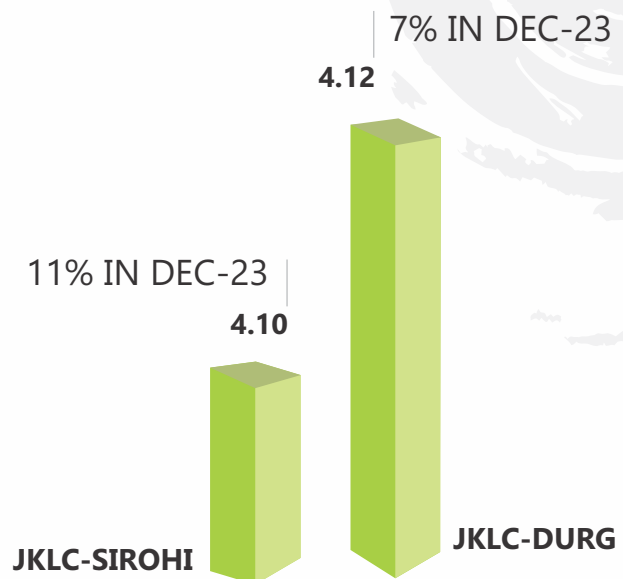
The production of cement requires the use of raw materials such as Fly-ash, Gypsum, and Slag. This practice of sustainable sourcing significantly reduces the need for virgin natural resources. In order to ensure that our enterprise maintains a sustainable sourcing model, we have implemented a policy that requires vendors to register digitally. During registration, vendors are required to provide information on various aspects such as social accountability, ESG (Environmental, Social, and Governance) factors, waste management, and ISO registrations. Vendors must successfully complete the survey before proceeding with registration.

PRODUCT CATEGORY	RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIAL AS% OF PRODUCTS SOLD IN RESPECTIVE CATEGORY	
CEMENT AND PP BAGS	25% (FY 2021-22)	70% (FY 2022-23)

IMPROVEMENT IN THERMAL SUBSTITUTION RATE

JKLC is currently working on enhancing the AFR (Alternative Fuel purposes and Raw Material) capability at our cement plants. Our goal is to achieve a Thermal Substitution Rate (TSR) of 20% by FY 2029-30. To kickstart this initiative, we have placed an order for an AFR pre and co-processing system for one of our kilns in Sirohi. Additionally, we have begun renovating our existing AFR facilities in two other kilns at Sirohi. In the First phase of the project, we aim to increase our TSR to 12% and in the second phase, we will further raise it to the desired 20% level.

THERMAL SUBSTITUTION RATE (TSR %) IN FY 2023



CIRCULARITY IN FOCUS

At JKLC, we have a strong commitment to the circular economy, with a focus on conserving resources, reducing CO₂ emissions and managing waste in an efficient manner. As part of our efforts to achieve this goal, we have implemented a range of comprehensive circular economy practices and programmes across all our operations during FY 2022-23. One of the key ways in which we are actively contributing to the preservation of natural resources and mitigating climate change is by limiting the disposal of waste in landfills. By doing so, we are taking concrete steps towards ensuring that our planet remains healthy and sustainable for generations to come.

In addition to our waste management initiatives, we are also dedicated to producing environmentally beneficial slag-based cement. This reinforces our commitment as a sustainable manufacturer and underscores our ongoing efforts to minimize our environmental impact while maximizing the positive contributions that we make to society at large.

Overall, we are proud of the work that we have done so far in pursuit of these important goals. We look forward to continuing our efforts in this regard and making even greater strides towards creating a more sustainable future for all.

OUR PRODUCTS

- 100% of hazardous waste generated from auxiliary processes (such as used oil, used grease, etc.) is recycled through authorised recyclers approved by the Central / State Pollution Control Board
- Solid organic waste is converted into nutrient-rich compost and vermicompost
- 100% of domestic wastewater generated is treated in Sewage Treatment Plants (STPs) and the treated water is utilised for plantation and greenbelt development
- 100% of fly-ash, generated as waste from captive power plants, is utilized in the production of blended cement

LOW CARBON PRODUCT PORTFOLIO

Low carbon cement is an excellent response of construction industry to global demand of sustainable and environment friendly practices which successfully aligns with the principles of sustainable development, incorporating environmentally conscious materials and methods that prioritize resource efficiency, waste reduction, and long-term durability.

Our blended cement has also been granted the Green Products & Services Council certification by CII. In FY 2022-23 JKLC has achieved 68% blended cement.



NEW SOLUTIONS

INVESTING IN WATER OPTIMIZATION³⁴

Water is a critical resource that is essential for human survival and the sustainability of our planet. It is a shared resource, and JKLC recognizes its responsibility as a corporate citizen to use water efficiently and responsibly. We are committed to maximizing the efficient use of water and minimizing waste, and we are investing more resources into water optimization on a scale to achieve this objective. To accomplish this, we are leveraging the latest technologies and bringing together experts from across our company to evaluate potential new solutions to help us conserve and recycle water. We are exploring new ways to reduce water consumption in our production processes, improve wastewater treatment, and increase the use of recycled water. Through our efforts, we aim to reduce our water footprint and contribute to the broader goal of sustainable water management. We believe that by working together, we can help ensure that future generations have access to the water resources We need to thrive.



WATER MANAGEMENT³⁵

Efficient water management is a crucial aspect of our environmental performance and sustainability strategy, both within and outside our premises. Our management approach and policy reflect our unwavering commitment to preserving water resources in and around our sites, with a focus on conserving water quantity and maintaining water quality. We are dedicated to minimizing freshwater withdrawal and consumption by implementing recycling systems and promoting responsible and efficient water usage and discharge practices. Specifically, at our Sirohi and Durg sites, the water usages were 0.16 and 0.07 per ton of cement, respectively. It is our priority to ensure that our water management practices are both environmentally responsible and sustainable, and we strive to continuously improve our approach to achieve our goals.



WATER WITHDRAWAL STATISTICS OF JKLC³⁶

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	4,19,357	5,77,718
(ii) Ground water	7,31,891	6,14,255
(iii) Third-party water	0	0
(iv) Seawater/desalinated water	0	0
(v) Others	797	539
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	11,52,045	11,92,512
Total volume of water consumption (in kilolitres)	11,52,045	11,92,512
Water intensity per rupee of turnover (Water consumed / turnover) (in KL/₹)	0.0000190	0.0000237

³⁴GRI 303-1

³⁵GRI 303-3

³⁶The water included as other is from Narmada canal. This value will be considered as surface water going forward from next reporting year Fy 2023-24.

RAINWATER HARVESTING

Rainwater harvesting is an essential method for sustainable water management. Proper collection and utilization of rainwater can reduce consumption of fresh water and minimize dependence on water supply systems. One notable way to achieve this is by installing a scientifically designed cooling tower. Cooling towers are an essential component of most industrial and commercial facilities. We use water to absorb heat from equipment and expel it into the atmosphere. Due to their higher water consumption, cooling towers can significantly contribute to water scarcity and pollution. The installation of a cooling tower that utilizes harvested rainwater can be a significant milestone towards sustainable water management. By using harvested rainwater for makeup, the consumption of fresh water can be minimized effectively, reducing dependence on municipal water supply systems. This not only helps conserve water resources but also reduces the impact of cooling tower discharges on the environment. In summary, using harvested rainwater for cooling tower makeup is an innovative method that can help industries and businesses reduce their water consumption, minimize their environmental impact, and promote sustainable water management practices.

ZERO LIQUID DISCHARGE³⁷

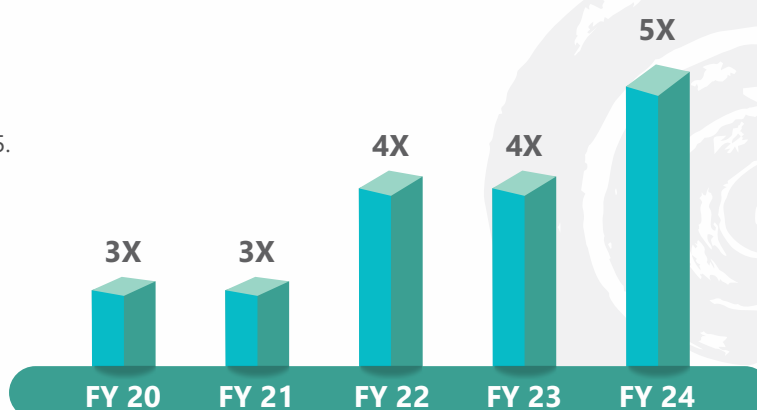
The process of manufacturing cement typically uses a dry method that requires no direct use of water. This water is used for cooling purposes in the industry, and no wastewater is produced during the process of making cement. JKLC maintains its Zero Liquid Discharge (ZLD) status by implementing several measures. We have strategically placed Sewage Treatment Plants (STPs) to handle domestic sewage, while Effluent Treatment Plants (ETPs) effectively treat the wastewater generated from automobile workshops. The treated water is entirely recycled to ensure compliance with ZLD requirements. This recycled water is subsequently reused for essential purposes, such as dust suppression and greenbelt development. Essentially, the entire water withdrawn is being consumed at the facility.

WATER DISCHARGE STATISTICS

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment(in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) To Ground water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Sea water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kilolitres)	0	0

WATER POSITIVE INDEX (JKLC):

THE COMPANY'S TARGET IS TO BECOME 5 TIMES WATER POSITIVE BY FY 2025.



³⁷GRI 303-2, 303-4, 303-5

Figure: Improvement in water positivity in JKLC

INNOVATION MANAGEMENT

We are fully committed and confident in our ability to transform cutting-edge technologies into top-notch, sustainable products, solutions, and building practices.

MANAGEMENT APPROACH

INNOVATION DRIVEN BY THE MARKET

Our company has a strategy for creating innovative products that cater to market needs while also expanding our portfolio of offerings. We understand that consumer insights play a crucial role in developing new and better solutions that enhance the lives of homeowners. Therefore, we place great emphasis on gathering and analyzing feedback from our customers to create products that are tailored to their needs.

Our approach to research and product development is centered around the philosophy of continuous improvement. We are committed to delivering superior value to our customers by consistently improving our research and development processes. This helps homeowners build better and more sustainable communities by providing them with products that deliver long-lasting performance and meet their specific needs.

We continuously invest in our R&D capabilities to enhance them further. Our innovation platforms are designed to introduce new designs, aesthetics, and materials, providing endless possibilities for homeowners to create their dream homes. In conclusion, we are committed to delivering innovative solutions that are tailored to the needs of our customers. Our focus on continuous improvement in research and product development, leveraging our global scale and expertise, ensures that we remain at the forefront of innovation.

INNOVATION PROCESS

PERSPECTIVES ON INNOVATION

At JKLC, we are committed to designing and manufacturing products that are durable and resilient, with a focus on meeting the needs of end-users and consumers. We recognize the importance of maintaining relevance in an ever-changing market, and as such, we prioritize ongoing engagement, research, design, and testing. By proactively involving stakeholders, we are able to identify potential products of the future, drawing upon key mega trends and leveraging in-depth discovery and testing to generate insights. These insights enable us to prioritize product and platform concepts that address unmet market needs and create value for JKLC and all our stakeholders. Our approach is rooted in a commitment to innovation, collaboration, and excellence, and we are dedicated to bringing the best possible products to market.

OUR INNOVATION PROCESS



OUR INNOVATION ROADMAPS

DRIVING A BETTER FUTURE

At our company, we believe that innovation is a critical factor in staying ahead of the competition. We are proud of our innovative capabilities, which are supported by rapid digitalization and aggressive brand-building strategies. To ensure that we remain at the forefront of innovation, we have established R&D centers, IT Innovation Lab, and Centre of Excellence (CoE) as the pillars of our Intellectual Capital.

These centers are equipped with state-of-the-art facilities and staffed by a team of highly skilled and experienced professionals. Our central team collaborates closely with our network of regional team members to encourage innovation across all our markets. They work hand-in-hand with our commercial teams to provide our customers with customized building solutions that meet their needs from concept to completion. Our team of building experts is in constant touch with end-users and influencers such as masons and engineers, ensuring that they are up-to-date with the latest building technologies and trends.

In addition to our building experts, we have a team of experts in artificial intelligence and data mining, who play a vital role in providing insights and informed decision-making. Our AI-powered systems analyze data to identify patterns and trends that inform our innovation drive. This data is used to make informed decisions and to develop new products and services that meet our customers' evolving needs. We are committed to providing innovative solutions that exceed our customers' expectations. With our focus on innovation, we are confident that we will continue to lead the industry and provide the best possible solutions for our customers.

KEY ACHIEVEMENTS SALES EFFECTIVENESS

- Live EBITDA Tracking
- 9 Box Grid sales geo mix
- Channel mix analysis tool
- Salespedia - Responsive Dashboards, analytical reports, and insights
- Sales academy for employees
- Rewards and recognition contest

EMPOWERING BUSINESSES THROUGH DIGITAL ENGINE

- Leading development and roll-out of mobile apps for internal and external stakeholders as part our digital reach through Salesforce
- WhatsApp Chatbot

ANALYTICS AND DATA SCIENCE

We have taken analytics enablement to the next level to facilitate business in decision-making and creating new business models. To ensure the best outcome, we employ the best-in-class scientific methods, processes, algorithms, and emerging technologies to extract insights from both structured and unstructured data. We process a large volume of data to identify patterns using data science, machine learning, and artificial intelligence techniques.

This year, we have made significant progress in utilizing computer vision algorithms to interpret and understand digital images and videos. Our computer vision applications include object recognition, facial recognition, imaging analysis, vehicle number plate recognition, and personal protective equipment compliance. We use deep learning algorithms extensively to solve complex vision tasks. We have implemented cutting-edge techniques to enable the interpretation of digital images and videos. Our object recognition algorithm can identify and classify objects within the image, while our facial recognition algorithm is capable of identifying and verifying individuals. For imaging analysis, we have developed algorithms that can detect and recognize specific features within an image. Our vehicle number plate recognition algorithm can detect and recognize license plates to assist in traffic management and law enforcement. Lastly, our personal protective equipment compliance algorithm can detect and verify whether or not individuals are wearing the required protective gear in hazardous work environments.

We have progressed significantly in using computer vision algorithms to identify and process digital images and videos. By utilizing deep learning algorithms, we have improved our ability to solve complex vision tasks. We remain committed to exploring and developing new techniques to provide businesses with the best possible analytical insights.

DATA LAKE AND DATA WAREHOUSE

Our advanced analytics platform is designed to provide a comprehensive framework for data collection, organization, processing, and consumption. We have implemented cutting-edge technologies, including native connectors and CDC, to ensure seamless and instantaneous extraction of data. Our team utilizes Dataiku, a powerful data science platform, to manage and process data efficiently. For data visualization and consumption, we rely on QLIK, Tableau, and Power BI, industry-leading tools that provide a user-friendly interface and exceptional data representation capabilities.

We are committed to ensuring governance, transformation, and security of our information systems, thereby making real-time data available to concerned decision-makers, enabling them to take informed decisions.

SELF-SERVING ANALYTICS

In our organization, we have found that self-serving analytics is a particularly valuable outcome. Rather than relying on the central IT function to develop dashboards and reports, we have transitioned to a new approach where the IT team helps business teams to learn how to generate their own. This approach has been made possible through the use of no-code platforms, such as Dataiku. By democratizing the use of analytics throughout the organization, we have seen increased engagement and better decision-making.

COMMUNITIES

We are building and sustaining an inclusive culture within our business and supporting the communities where we live and work.

MANAGEMENT APPROACH

INTRODUCING A NEW FRAMEWORK ROOTED IN OUR MISSION

Our company is dedicated to creating jobs that not only benefit our business but also help to drive local economies.

We believe that a thriving local economy is essential for the growth and success of our community, and we want to do our part to contribute to this.

To achieve this goal, we have developed a culture that values inclusion, innovation, equity, performance, and growth. We believe that by fostering a work environment that encourages these values, we can attract, develop, engage and retain top talent. We are committed to building a skilled and diverse workforce that encompasses different viewpoints, expertise, attributes, and life experiences.

We understand that each employee brings their unique strengths and experiences to the table, and we want to leverage these to contribute to our culture and operating performance. We strive to create a workplace that promotes employee engagement, responsibility, and accountability, where each employee feels valued and empowered to take an active role in their work.

Our commitment to our employees and our community is unwavering. We believe that by creating a positive and supportive work environment, we can drive innovation, increase productivity and profitability, and ultimately contribute to the success of our business and our community.

- Honour our commitments
- Collaborate for greatness
- Embrace our diversity
- Be bold and progressive
- Do the right thing



OUR FRAMEWORK

In 2023, our company embarked on a journey to develop a new strategic plan that focuses on managing and developing our workforce in alignment with achieving our overall business goals. We recognized that our people are our greatest asset, and we needed to create a comprehensive strategy that would help us attract, develop, and retain the best talent in the industry.

We developed a new people strategy that is comprised of three pillars. The first pillar is dedicated to building and retaining a strong talent pool. We will be investing in our recruitment and onboarding processes to ensure that we attract the right people for the right job. Additionally, we will be providing our employees with the tools and resources they need to grow and develop their skills, and we will be creating a culture that values diversity, equity, and inclusion.

The second pillar is focused on expanding technical and leadership capabilities. We recognize that our industry is constantly evolving, and we need to stay ahead of the curve to remain competitive. To achieve this, we will be offering our employees opportunities to learn and develop new technical skills, as well as providing leadership training to help our managers become more effective at leading their teams.

The final pillar is centered around inspiring and engaging employees to enable their best selves. We believe that when our employees feel motivated and engaged, they are more likely to perform at their best. To achieve this, we will be creating a positive work environment that fosters collaboration, innovation, and creativity. We will also be implementing initiatives that recognize and reward our employees for their hard work and dedication.

We are committed to implementing new processes and initiatives across each pillar in the coming years. We believe that this new people strategy will help us achieve our business goals, while also creating a workplace that our employees are proud to be a part of.

ATTRACTING AND NURTURING TALENT

At JK Lakshmi Cement, selecting people with the appropriate values is just as crucial as selecting people with the necessary skills. Many procedures, from development to selection, are in place to guarantee this. Candidates are put through a rigorous screening process, which includes panel interviews and online assessments, for positions up to the level of DGM. Candidates ranked GM and higher participate in an Assessment Center with outside evaluators and conduct interviews, one of which is with senior management. Additionally, paper-and-pencil tests pertaining to skill and cultural fit are conducted to evaluate candidates' overall fit and prospects for long-term growth with the company.

TRAINING AND DEVELOPMENT

At our organization, we recognize the importance of continuous learning for our workforce. We understand that in order to remain competitive in today's rapidly changing business landscape, we need to equip our employees with the necessary skills and knowledge. Therefore, we have implemented a comprehensive training program that focuses on continuous learning and development. Our program is designed to help our employees acquire new skills and knowledge that are relevant to their roles, as well as to prepare them for future challenges. We provide them with up-to-date ideas and best practices through various channels, including online courses, workshops, seminars, and conferences. Our training materials are carefully curated to ensure that they are timely, relevant, and practical.

Furthermore, we encourage our employees to take ownership of their learning and development by setting personal goals and objectives. We also provide them with the necessary tools and resources to achieve these goals, such as access to online libraries, mentoring programs, and coaching sessions. Overall, we believe that our commitment to continuous learning and development is essential to the success of our organization. By empowering our employees with the skills and knowledge they need to succeed, we are able to navigate the changing business landscape with adaptability, agility, and innovation.



OUR PRINCIPLES IN ACTION

EMBRACING HUMAN RIGHTS

Human rights play a central role in our approach. As the cornerstone of our corporate ethics, we support the basic freedoms and rights of workers as stated in the Indian Constitution. We uphold the human rights of our employees, communities, and other relevant parties, such as suppliers and contractors. Our procedures follow established frameworks.

THE COMPANY IS COMMITTED TO

- Prohibiting all forms of harmful child labor, forced / trafficked labor, discrimination and harassment
- POSH: SHAW committee is in force to take care of the Sexual Harassment at Workplace, which meets quarterly to review and quarterly returns are sent to The District Programme Officer
- All employees have right to freedom to practice their religion and professional endeavors
- All employees have right to freedom of professional expression and suggestions
- All employees must live with social dignity

DIVERSITY AND INCLUSION

At our organization, we strongly believe that creating a work environment where employees feel like they belong, are comfortable, and can perform their best work is crucial for their overall well-being. We understand the immense value that comes with diverse perspectives, experiences, skills, and capabilities, and we aim to foster an environment that recognizes and values this diversity. We expect all our employees to treat each other with respect, regardless of where they are working, whether it is in the office, at a customer or vendor site, or in the plant. Our commitment to diversity and inclusion is not just a statement, it is our culture, and we strive to maintain this culture by attracting, retaining, and engaging highly skilled, innovative, and diverse talent. We believe that a workforce that reflects the communities we serve is key to our success.

To achieve this, we have a Workplace Diversity Policy that outlines our expectations for creating and maintaining an inclusive environment that supports diversity and is free from discrimination and harassment. We unequivocally reject any form of intolerance, and we take any complaints of discrimination or harassment seriously. Our goal is to build and sustain an inclusive culture that naturally drives the attraction, retention, and engagement of our employees. We understand that creating an inclusive culture is not a one-time effort, but a continuous journey. We strive to create an environment where everyone feels valued, respected, and supported, and we continuously work towards achieving this goal.

RAISING OUR LEVEL OF AMBITION ON DIVERSITY

- 1.11 % of Female Employees
- 9.18% of Female Workers
- 16 hours of dedicated programme for the concerned employee per year

SENIOR FEMALE LEADERSHIP:

CMD Smt. Vinita Singhanian is a distinguished leader in the manufacturing industry, who has made exceptional contributions to both the industry and society as a whole. As the first female president of the Cement Manufacturers Association, her leadership has been exemplary, forging the way for other women in the industry. Her achievements have been recognized with numerous accolades, including the 'Outstanding Woman Leader in Manufacturing' award in 2019 and the 'Business Today - Most Powerful Women in Business' award in 2020. Under her leadership, the Cement Manufacturers Association has spearheaded several initiatives, including promoting sustainable development, enhancing safety and quality standards, and promoting the use of advanced technologies in manufacturing. Her vision of creating a sustainable and inclusive future for the industry and society has been instrumental in driving change in the industry.

Apart from her contributions to the industry, CMD Smt. Vinita Singhanian is also known for her philanthropic activities. In summary, CMD Smt. Vinita Singhanian is a remarkable figure in the manufacturing industry, who has demonstrated exceptional leadership, made significant contributions to the field, and led philanthropic initiatives to serve society.

INITIATIVES UNDERTAKEN

- Established mentorship programme for the female executives in our organization to provide them platform to excel
- POSH compliance and ICC to safeguard the interest of women
- Induction of female staff at shop floor
- Hiring based on merit
- Recruiting people from nearby villages and small towns, and educate them by giving various required training for their betterment
- Fresh campus recruitments of GETs / MTs from across India providing equitable opportunities
- Equal treatment for contractual / outsourced employees with access to organization facilities (canteen, transport, dispensary, health check-up, etc.)
- Equal opportunities provided to employees on various occasions such as Energy Conservation Day, World Environment Day, National Safety Week, Mines Safety Week, etc. to showcase their unique skills of creativity

LOCAL COMMUNITIES

RESPONSIBLE SOURCING AND DISTRIBUTION

JKLC is committed to being a responsible corporate citizen and making a positive impact on society. To achieve this, we actively engage with marginalized and vulnerable communities and other stakeholders such as masons, petty contractors, and drivers. Our CSR interventions are designed to address the specific needs of these communities and stakeholders. To ensure that our interventions have a real impact, we use participatory methods to gather feedback and assess the effectiveness of our programs. By doing so, we are able to identify the most pressing needs and tailor our efforts to make the biggest difference.

In addition to our ongoing CSR work, we have also provided essential COVID-19 relief to our various stakeholders. This includes communities around our plants, as well as masons, employees, workmen, and business partners. We believe that it is our responsibility to support these communities during these difficult times, and we are committed to continuing our efforts to make a positive impact on society.

SYNERGISTIC AND SUSTAINABLE PARTNERSHIPS

Effective channel partner management has been a key factor in JK Lakshmi Cement's success in fostering strong collaborations. The company has achieved this through a combination of strategic alliances, exceptional technical support and network management. By ensuring that their channel partners remain motivated, engaged and satisfied, JK Lakshmi Cement has been able to build long-lasting relationships based on mutual trust and support.

One of the ways in which JK Lakshmi Cement keeps its channel partners satisfied is by maintaining brand visibility around the catchment areas of their shops. This is achieved through a range of marketing activities, such as wall and shop painting. These activities not only help to promote the JK Lakshmi Cement brand but also act as a constant reminder to customers of the quality products and services offered by the company.

In addition to wall and shop painting, JK Lakshmi Cement also provides in-shop branding, merchandising items, display standees and boards to its channel partners. These branding materials help to maintain the brand visibility at their partners' shops, ensuring that customers are always aware of the company's products and services.

Overall, JK Lakshmi Cement's commitment to effective channel partner management, strategic alliances, exceptional technical support and network management has enabled the company to build strong collaborations with its partners. This, in turn, has helped to cement its position as a leading player in the cement industry.



DEALERS AND DEPOTS	FY 2021-22	FY 2022-23
NO. OF DEALERS	4,993	5,189
NO. OF DEPOTS	241	265

Some of the initiatives undertaken in FY 2022-23 include:

- 2,500+ dealer boards
- 3,000+ retailer and small consignee boards
- 440+ dealer shop hoardings
- 500+ in-shop branding

LOYALTY PROGRAMME

We have implemented a loyalty programme called JK Lakshmi SKY specifically designed for our dealers. The primary goals of this programme is to enhance product sales, motivate participants, foster engagement and provide aspirational value. We have introduced exciting new ways for members to earn bonus points and incorporated additional touchpoints.

To enhance the sense of belonging and exclusivity, we have renamed the dealer categories as Royal, Elite, Aristocrat and Classic Clubs for increased dealer participation.

92% dealers covered in loyalty programme In FY 2022-23, we introduced a prestigious tier called the "President Club" exclusively reserved for exceptional achievers. Members of this club receive special benefits, exclusive gifts and recognition throughout the year.

They were also privileged to attend an exclusive Meet and Greet programme with our esteemed brand Ambassador, Mr. Rohit Sharma.

SOME NOTABLE HIGHLIGHTS OF FY 2022-23

- Fulfilled complete redemption of all loyalty programme members
- 41% increase in the President's Club members
- Personalized Innovative gifts for President Club members
- Engagement campaigns - 'Diwali Dil Se', 'Hit it' with Rohit and show your hidden talent with a participation rate of 20% members

INFLUENCER RELATIONSHIPS

In order to foster stronger relationships with masons and contractors, we have created a mobile app-based loyalty program that currently has over 100,000 members. This program is designed to incentivize these individuals to recommend our products to others, and we are constantly seeking ways to engage with them and provide value in return for their loyalty. To enhance the technical knowledge and craftsmanship of our program members, we host quizzes on our app that test their skills and provide valuable information. We also organize competitions for the children of program members to create a more holistic experience for the families of our members.

As part of our commitment to corporate social responsibility, we provide accidental insurance coverage to members under a group personal accident policy. We also regularly conduct training sessions and meetings for contractors to help them develop their skills and stay up-to-date on the latest construction practices.

INFLUENCER ENGAGEMENT ACTIVITIES IMPLEMENTED IN FY 2022-23:

735+ mason meets	2,510+ engineers' engagement
44+ architect and engineers' meetings	1,045+ contractor meets
41,300+ concrete labour gang meets	2,467+ shop counter meets of contractors and masons

MAKING POSITIVE IMPACT

WORKING TOWARDS THE OVERALL WELL-BEING OF THE COMMUNITY

At our core, we uphold ethical values and strive for economic development while enhancing the lives of our workforce, their families and the wider community. We believe that the Company's long-term viability and ability to produce value are tied to how much it contributes to the life of communities in which it operates. The commitment to corporate social responsibility at JK Lakshmi Cement is exemplified through a comprehensive life cycle approach, encompassing projects that cater to the needs of all age groups. From pregnant mothers to infants, children, youth, adults and the elderly, we have designed and delivered impactful CSR initiatives.

These purpose-driven projects were meticulously designed and implemented to address the specific needs of marginalized and vulnerable families. Not only did they make a tangible difference in people's lives, but they also aligned with and contributed to the broader Sustainable Development Goals 2030. By undertaking initiatives that both address community needs and align with the SDGs, we are able to create a lasting impact and contribute to the global guidelines and milestones.



PROJECT	FY 2022-23	FY 2021-22	₹ in lakhs
JK LAKSHMI AAROGYA	82.81	61.55	
JK LAKSHMI VIDYA	162.08	60.45	
JK LAKSHMI AAJIVIKA AND JK LAKSHMI KAUSHAL PRASHIKSHAN	458.96	49.93	
JK LAKSHMI SWAJAL AND SWACCHATA	81.69	56.17	
JK LAKSHMI GRAMIN VIKAS	153.61	182.95	
COVID RELIEF ACTIVITIES IN THE NEIGHBOURHOOD	-	57.73	
TOTAL	939.15	468.78	

Fig: CSR initiatives across different CSR programmes.

MAJORITY OF OUR BENEFICIARIES ARE FROM VULNERABLE AND MARGINALISED GROUPS		
S.NO.	CSR PROJECT	NO. OF PERSON DIRECTLY BENEFITED / IMPACTED
1.	JK LAKSHMI AAROGYA	59,732
2.	JK LAKSHMI VIDYA	10,366
3.	JK LAKSHMI AAJIVIKA AND JK LAKSHMI KAUSHAL PRASHIKSHAN	11,939
4.	JK LAKSHMI SWAJAL AND SWACCHATA	48,335
5.	JK LAKSHMI GRAMIN VIKAS	53,909
	TOTAL BENEFICIARIES	1,84,281
More Than 50% Targeting Of Vulnerable And Marginalised Families / Individuals In All Projets		

Fig: Number of direct beneficiaries of CSR programmes

MECHANISMS TO RECEIVE AND REDRESS GRIEVANCES OF THE COMMUNITY

The CSR team diligently works towards building and maintaining strong relationships with communities. They regularly visit these communities and engage with various stakeholders, including beneficiaries, panchayat representatives, and others. This process of continuous engagement with the community is ongoing and plays a vital role in the success of the CSR projects. The frequency of engagement and interaction with the stakeholders is directly proportional to the nature of the stakeholder.

The team interacts with project beneficiaries in local communities daily and weekly to address their concerns and gather their feedback. They interact with panchayats and government line departments fortnightly and monthly to understand their perspective and address their concerns. These interactions help the CSR team gather feedback and complaints, which are used to improve and modify CSR projects. This system is informal but effective as it helps to resolve issues and respond to the demands of stakeholders to their satisfaction.

In addition to this, the company also undertakes materiality analysis periodically as part of its sustainability reporting initiatives. Based on this analysis, respective departments undertake engagement and activities to address materiality issues. Plants have a system of monthly review of all departments that have external stakeholders' interface. This review helps in identifying areas for improvement and ensures that the plants are meeting the expectations of the stakeholders. Overall, this process of continuous engagement and review helps the company in building a strong relationship with its stakeholders and ensures that the CSR projects are impactful and sustainable.

NO HARM

With our Zero Harm culture, we seek to ensure the safety of our products, employees, partners, customers and communities.

SAFETY IS EMBEDDED IN OUR CORPORATE CULTURE

- Foundational, non-negotiable element of our global culture
- A conviction that every incident is preventable
- Proactive actions made continually
- Embedded in our behavior 24/7

MANAGEMENT APPROACH

PRIORITIZING SAFETY

At our organization, safety is our top priority, and we approach it with a global commitment through our No Harm policy. We believe in embedding safety practices in our corporate culture to ensure that everyone involved, including our employees, customers, and visitors, is protected. We work around the clock, 24/7, to implement safety protocols that help us maintain a safe working environment. Our Code of Business Conduct plays a crucial role in guiding our actions to ensure that we act ethically, fairly, and with integrity. The "No Harm" policy is a global initiative that relies on every employee's participation, as safety is everyone's responsibility. To ensure that new hires have a solid foundation in our safety protocols, we provide hands-on training that emphasizes safety practices. Safety protocols are standardized across all employees, contractors, and visitors to our facilities, ensuring that everyone is on the same page when it comes to safety.

We take a collaborative and cross-functional approach to safety through No Harm. Safety is discussed at the beginning of every meeting, and we hold safety phone conferences twice a week to ensure that everyone is on the same page. Our incident rates are well below industry averages, which gives us pride in our safety practices. Our Operations team, which adopted our No Harm policy and best practices after acquisition, has made significant progress. We continuously strive for critical risk reductions by following a focused approach to standardizing best practices and improving continuously. We believe in taking every possible measure to ensure that our employees, customers, and visitors are safe and protected at all times.

OUR PEOPLE, PLACES AND SYSTEMS

TALENT MANAGEMENT

JK Lakshmi Cement remained dedicated to developing talented individuals with the following objectives in mind:

- **Support a culture of innovation**
- **Supporting business by leveraging human capital**
- **Talent management**
- **Training for effective engagement**
- **Being brand ambassadors**

The decisions about leadership development and performance improvement are made through a Strategic Business Plan, Goal Setting Workshop and various Management Committee Meetings. In order to align development efforts with the business goals, talent development plans and programmes are aligned with Strategic Business Plan (SBP) of the Company.

Our Talent Management System aims to identify, develop and motivate skilled employees. It follows the "Grow Your Timber" philosophy for internal leadership pipeline, aligning talent with future company needs and bridging gaps through strategic planning and action. Once selected, the identified candidates undergo development at centres in partnership with world leaders at various levels.



Training Man-days:
4.1 man-days / person

One Training Per Quarter is conducted for all Sales and Technical Services Team on basics of cement, sales and business orientation

We focus on fostering connections with educational institutions and providing valuable insights to students through lectures, presentations, seminars, job fairs and industrial training opportunities. In the financial year, the Company undertook various initiatives to attract top talent from reputed B-Schools and Engineering Colleges.

SENIOR EXECUTIVES' VISITS:

Delivering presentations at educational institutions, conferences and workshops on management, technical Fields and industry practices

INDUSTRY TOURS:

Organizing plant visits for B-schools and Engineering Colleges students for practical exposure to real-world applications and processes

INDUSTRIAL TRAINEES:

Inviting trainees each year to learn under expert guidance, gaining hands-on experience

THOUGHT LEADERSHIP:

Holding key positions in prestigious associations such as FICCI, CII, QCFI and ISTD

JOB FAIR PARTICIPATION:

Actively engaging in local job fairs to attract fresh and experienced talent

EMPLOYEE STATISTICS³⁸

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent (D)	1,476	1,461	99%	15	1%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D+E)	1,476	1,461	99%	15	1%
WORKERS						
4.	Permanent (F)	223	223	100%	0	0
5.	Other than Permanent (G)	2,069	1,871	90%	198	10%
6.	Total workers (F+G)	2,292	2,094	91%	198	9%

Table : Employees and workers (Including Differently abled)³⁹

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	8	2	25%
Key Management Personnel *	4	1	25%

* Including two Executive Directors

Table : Participation / Inclusion / Representation of women

COMMITTING TO NO HARM⁴⁰

JK Lakshmi Cement takes safety very seriously and strives to create a secure work environment with zero risks. We follow a range of measures to ensure safety in our processes, including safety training, awareness building, and safety processes. These measures are designed to prevent accidents, injuries, and illnesses. In addition, we encourage our subsidiaries, vendors, and dealers to implement health and safety measures. We believe that everyone involved in our operations should prioritize safety and follow best practices.

To ensure proactive hazard identification, we conduct SAP-based Hazard Identification and Risk Assessment. This process helps us to identify potential hazards and implement appropriate control measures to mitigate risks. We also closely monitor our safety systems, including HAZOP study and fire load assessment, to ensure they are effective and up-to-date. Moreover, we hold regular safety committee meetings to ensure compliance with Occupational Health and Safety (OHS) standards and to address identified hazards. We believe that regular meetings are essential for identifying potential risks and implementing appropriate control measures. The OH&S system covers 100% of the employees and workmen.

³⁸GRI 2-7-a, 2-8, 401-1

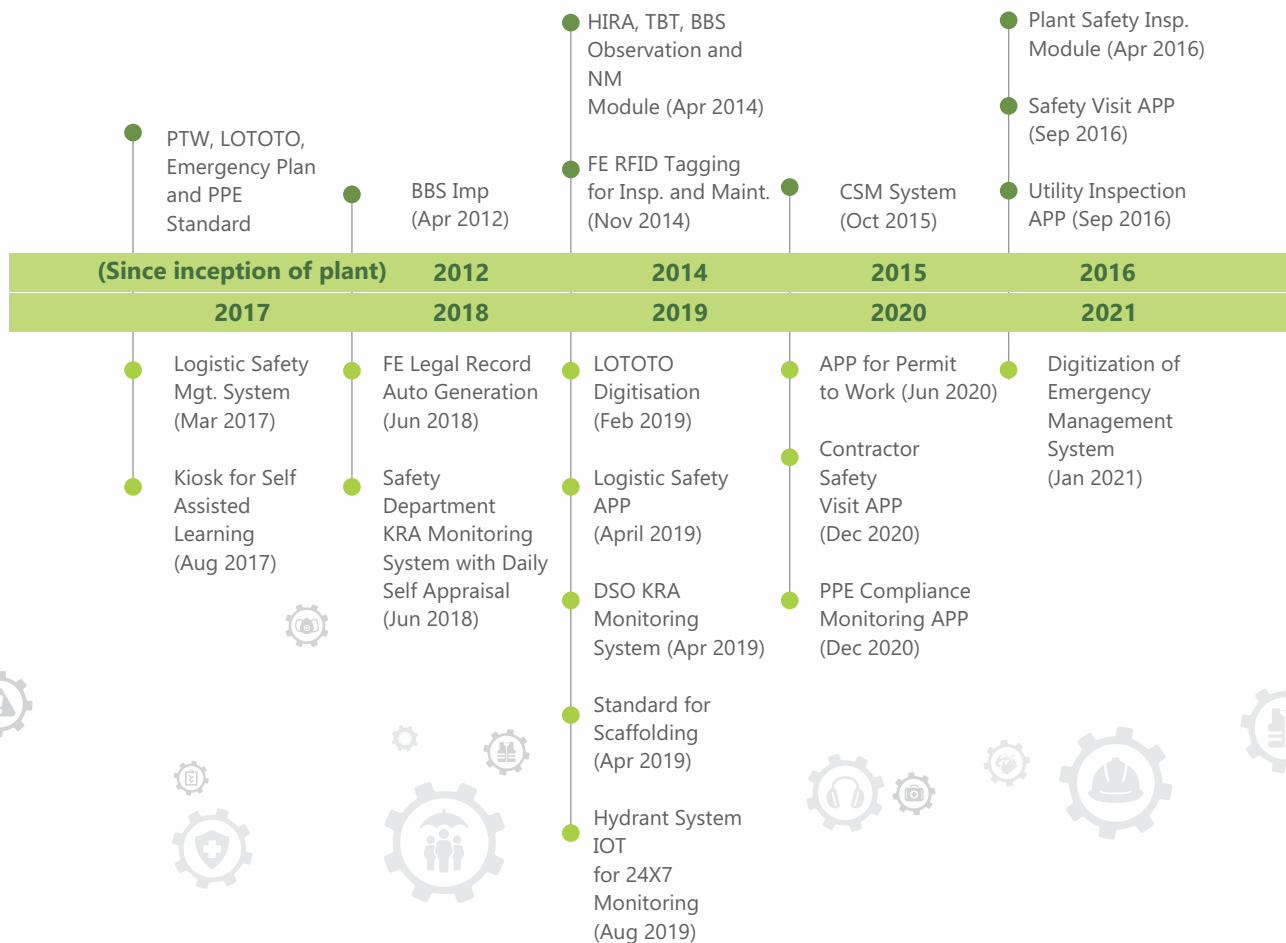
³⁹As per the definition of the Labour code of India and the count is taken at the end of reporting period.

Regionwise split is not provided during the present disclosure. This will be added in subsequent disclosures.

⁴⁰GRI 403-2, 403-3, 403-8

JK Lakshmi Cement also aligns with various OHS standards, including ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System, ISO 50001:2018 for Energy Management System, and ISO 45001:2018 for Occupational Health & Safety Management System. We believe that aligning with these standards helps us to ensure that our operations are safe, efficient, and sustainable.

JOURNEY OF EXCELLENCE IN SAFETY



OH&S VISION

To be a recognized leading company promoting healthy and safe workplace for achieving goal of 'Zero Harm'



OH&S MISSION

To develop and implement user-friendly and effective OH&S Management System that fits to the organization and drive Risk Prevention Culture

The environment policy applies to the Company's operational spaces and aims to promote a healthy environment on the premises and in the surrounding area.

MAKING SAFETY A WAY OF LIFE AT OPERATIONS⁴¹

In FY 2022-23, multiple safety initiatives were implemented to ensure compliance with safety standards, address potential hazards and embed a culture of well-being. JKLC has a process for hazard identification that is ongoing and proactive. The processes consider the criteria as per Clause 6.1.2.1 of ISO 45001:2018. HIRA module is there in SAP system for carrying out Hazard identification and Risk Assessment and is available online for shop floor use. HAZOP study is done for SNCR system and Fire load assessment is done for deployment of active and passive control measures.

Our commitments reflect in our OH&S policy, We encourage our employees to report identified near miss incidents through digital platform i.e., near miss reporting system, BBS observation module and Safety visit app as well as near miss reporting form available in hard form. We have Suggestion scheme for suggestions including safety suggestion and section level safety committee meetings are conducted monthly and apex level safety committee meetings are conducted quarterly for ensuring occupational health and safety and address identified work-related hazards.

All the employees including workmen have access to non-occupational & healthcare services in our plants. We have fully equipped Occupational Health Centers (OHC) in our township. Our OHC is opened for all staffs including workmen & their family members.

OUR OHC HAVE FOLLOWING FACILITIES:

- One well experienced & certified doctor & two nurses (Male & Female) always available.
- X-Ray, lab & ECG facility.
- Separate wards for male & female.

SAFETY INCIDENT/NUMBER CATEGORY FY 2021-22 & FY 2022-23

Safety Incident/Number	Category	FY 2021-22 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) ⁴²	Employees	0	0
	Workers	0	0.18
Total recordable work-related injuries	Employees	0	0
	Workers	0	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities) (Permanent disability and occupational disease)	Employees	0	0
	Workers	0	0

DETAILS OF TRAINING GIVEN TO EMPLOYEES AND WORKERS:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health Safety Measures		On Skill Upgradation		Total (D)	On Health Safety Measures		On Skill Upgradation	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
Male	1461	1461	100%	1271	87%	1445	1445	100%	1277	88%
Female	15	15	100%	14	93%	17	17	100%	15	88%
Total	1476	1476	100%	1285	87%	1462	1462	100%	1292	88%
Workers										
Male	223	223	100%	198	89%	218	184	84%	177	81%
Female	0	0	0	0	0	0	0	0	0	0
Total	223	223	100%	198	89%	218	184	84%	177	81%

⁴¹GRI 403-4, 403-5, 403-6, 403-7, 403-9

⁴²Man hours related to Head office are not considered in the calculation of LTIFR. This will be incorporated from the reporting of FY 2023-24 onwards.

SAFETY FORUMS AND PROTOCOLS

- Formation of safety and risk forums, including EHS Policy, CFT, Risk Mitigation Team and Safety Committee
- Regular Internal & External Audit and Assessments
- Safety Golden Rules: Familiarize employees, visitors and business partners with safety policies, procedures and guidelines
- Distribute "Surksha Margdarshika" safety manual and "Agni Suraksha Margdarshika" fire safety pocket guide
- Display key SOPs and do's and don'ts prominently

FIRE SAFETY PREPAREDNESS

- Fire Hydrant and Smoke Detector System installed
- Periodic mock drills conducted for fire and other identified emergencies
- Utilize Kevlar suits for heat and flame protection
- Pre-recorded audio alarms for alerts during cyclone unblocking and conveyor start-ups
- Ensure healthiness of portable fire extinguishers with RFID tagging

WELL-BEING PROGRAMS

- Managing stress and holistic health workshops
- Gym room and fortnightly yoga sessions
- Acupressure camp held quarterly
- Club House canteen / cafeteria for employees

SAFETY EQUIPMENT AND TRAINING

- Workers and drivers trained in adopting various behaviour-based safety practices
- Personal Protective Equipment (PPE) provided to employees for workplace safety
- Digital Emergency Management System and Installation of CCTV Cameras
- Training to educate employees on the proper use of tools, equipment and machinery
- Labels and signs at hazardous areas and materials with appropriate signage
- Staff trained in administering first aid identified and first-aid kit placed at conspicuous locations with marking

HIGH-RISK AND HEIGHT WORK

- Use CCTV cameras for remote monitoring
- Employ Suspended Rope Platforms (SRP System) for inspection and repair work on silos and chimneys
- Equip mining equipment with various safety features like cameras, proximity sensors and emergency braking systems

INTEGRITY

IMPLEMENTING ETHICAL VALUES AND PRINCIPLES

At JKLC, we place a high value on the trust and confidence of our stakeholders. To ensure that we maintain these values, we have established a Code of Business Conduct that guides the business ethics of our Board of Directors and every one of our employees worldwide. The foundation of our Code is based on sound ethical values and principles of integrity, accountability, transparency, responsibility, and fairness.

Our Code covers a wide range of policies that are designed to ensure our business operates with the highest level of ethical standards. These policies include insider trading, anti-trust, anti-bribery and corruption, diversity and inclusion, and environmental sustainability. We believe that these policies are essential to building a sustainable and responsible business that is committed to making a positive impact on society and the environment.

To ensure that our Code is being followed, the Audit Committee of our Board of Directors oversees it and reviews the policy on an annual basis. This ensures that we are constantly improving and adapting to the changing business landscape. We believe that our commitment to ethical business practices is essential to building a strong and successful business that is trusted by our stakeholders. The Company also has in place a policy on Vigil Mechanism⁴³ and Whistle Blower Policy⁴⁴ for the Directors and Employees of the Company to report their genuine concerns or grievances. The said Codes / Policy further extends to the Suppliers / Contractors / NGOs / Others, as applicable, and any other event which would adversely affect the interests of the business of the Company. Therefore, the Company encourages its Suppliers / Contractors / NGOs / Others to practice to the same extent in a fair manner.

Regular training and capacity building is provided across different departments to understand different aspects of avoidance of corruption and adherence to vigil / Whistle blower policies. Periodic risk assessments are carried out to address the preparedness of different departments related to aspects of corruption. There are no cases of corruption against any of the Board members/ Key managerial personnel / Employees / Workers during the reporting period.

⁴³<https://www.jklakshmicement.com/Vigil-Mechanism.pdf>

⁴⁴<https://www.jklakshmicement.com/wp-content/uploads/2023/05/Anti-Bribery-Policy.pdf>

GRI CONTENT INDEX

Statement of Use	M/s JK Lakshmi Cement Ltd. has reported the information cited in this GRI content index for the period starting from 1st April 2021 to 31st March 2023 (Financial years 2021-22 and 2022-23) with reference to the GRI Standards
GRI used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Location	Page No.
GRI 2: General Disclosures 2021	2-1 Organizational details	Our operational Footprints	10
	2-2 Entities included in the organization's sustainability reporting -	Our operational Footprints	10
	2-3 Reporting period, frequency and contact point About sustainability reporting	Introduction, Our Sustainability report	05
	2-4 Restatements of information ESG data summary	Introduction, Our Sustainability report	05
	2-5 External assurance	Introduction, Our Sustainability report	05
	2-6 Activities, value chain and other business relationships	About us, Our product portfolio	11
	2-7 Employees	Our people, places and systems – Talent management	56
	2-8 Workers who are not employees	Our people, places and systems – Talent management	56
	2-9 Governance structure and composition	Bolstering our system of governance, Board of Directors	21
	2-10 Nomination and selection of the highest governance body	Bolstering our system of governance, Board of Directors	21
	2-11 Chair of the highest governance body	Bolstering our system of governance, Board of Directors	21
	2-12 Role of the highest governance body in overseeing the management of impacts	Bolstering our system of governance, Sustainability governance	24
	2-13 Delegation of responsibility for managing impacts	Bolstering our system of governance, Sustainability governance	24
	2-14 Role of the highest governance body in sustainability reporting	Bolstering our system of governance, Sustainability governance	24
	2-15 Conflicts of interest	Bolstering our system of governance, Board of Directors	21
	2-16 Communication of critical concerns	Sustainability Governance, Grievance redressal	25
	2-17 Collective knowledge of the highest governance body	Bolstering our system of governance, Capacity Building	24

GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Bolstering our system of governance, Capacity Building	24
	2-19 Remuneration policies	Bolstering our system of governance, Board of Directors	21
	2-20 Process to determine remuneration	Bolstering our system of governance, Board of Directors	21
	2-21 Annual total compensation ratio	Bolstering our system of governance, Board of Directors	21
	2-22 Statement on sustainable development strategy	CMD's Message	07
	2-23 Policy commitments Policies	Approach to Sustainability, Sustainability Policies	20
	2-24 Embedding policy commitments	Approach to Sustainability, Sustainability Policies	20
	2-25 Processes to remediate negative impacts	Sustainability Governance.	24
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Governance, Grievance redressal	24
	2-27 Compliance with laws and regulations	Sustainability Governance, Compliance management	26
	2-28 Membership associations	Sustainability Governance, Membership in associations	26
	2-29 Approach to stakeholder engagement	Community Inputs, Interacting with stakeholders	34
2-30 Collective bargaining agreements	Sustainability Governance, Collective bargaining	26	

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Page No.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	A closer look, Determining our material topics	29
	3-2 List of material topics	A closer look, Determining our material topics	29
	3-3 Management of material topics Local communities	A closer look, Determining our material topics	29

GRI Standards	Disclosure	Location	Page No.
GRI - 201	3-3 Management of material topic	Resilience and growth	15
	201-1 Direct economic value generated and distributed Local communities	Resilience and growth	15

	Procurement Practices 2016			
GRI - 204	3-3 Management of material topics Local communities	OUR PRIORITY, Evaluating the effects across our value chain	29	
	204-1 Proportion of spending on local suppliers	OUR PRIORITY, Evaluating the effects across our value chain	30	
	Anti-corruption 2016			
GRI - 205	3-3 Management of material topics Integrity	INTEGRITY, Implementing ethical values and principles	59	
	205-2 Communication and training about anti-corruption policies and procedures	INTEGRITY, Implementing ethical values and principles	59	
	205-3 Confirmed incidents of corruption and actions taken	INTEGRITY, Implementing ethical values and principles	59	
	Anti-competitive behavior 2016			
GRI - 206	3-3 Management of material topics Integrity	Sustainability Governance; Fair trade practices and Fair competition.	26	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Governance; Fair trade practices and Fair competition.	26	
	Materials 2016			
GRI - 300	3-3 Management of material topics Waste and circularity	Planet, Recycled or Re-used Input Material	42	
	301-2 Recycled input materials used	Planet, Recycled or Re-used Input Material	42	
	Energy 2016			
	3-3 Management of material topics Management approach	Planet, Taking on the challenges of a world in transition	35	
	302-1 Energy consumption within the organization	Planet, Taking on the challenges of a world in transition	36	
	302-3 Energy intensity	Planet, Taking on the challenges of a world in transition	36	
	3-3 Management of material topics Management approach	Planet, Investing in water optimization	44	
	303-1 Interactions with water as a shared resource	Planet, Investing in water optimization	45	
	303-2 Management of water discharge-related impacts	Planet, Zero Liquid discharge	46	
	303-3 Water withdrawal	Planet, Water management	45	
	303-4 Water discharge	Planet, Zero Liquid discharge	46	
	303-5 Water consumption	Planet, Zero Liquid discharge	46	

GRI - 300	Water and effluents 2016		
	3-3 Management of material topics Management approach	Planet, Reducing our greenhouse gas (GHG) emissions	39
	305-1 Direct (Scope 1) GHG emissions	Planet, Taking on the challenges of a world in transition	36
	305-2 Energy indirect (Scope 2) GHG emissions	Planet, Taking on the challenges of a world in transition	36
	305-4 GHG emissions intensity	Planet, Taking on the challenges of a world in transition	36
	Waste 2020		
	3-3 Management of material topics Management approach	Planet, Waste and Circularity	40
	306-1 Waste generation and significant waste-related impacts Waste and circularity	Planet, Waste and Circularity	41
	306-2 Management of significant waste-related impacts Waste and circularity	Planet, Waste and Circularity	41
	306-3 Waste generated	Planet, Waste and Circularity	41
306-4 Waste diverted from disposal	Planet, Waste and Circularity	41	
306-5 Waste directed to disposal	Planet, Waste and Circularity	41	
GRI - 400	Employment 2016		
	3-3 Management of material topics Management Approach	Our People, places and systems; Talent management	55
	401-1 New employee hires	Talent management; Employee statistics	56
	Occupational health and safety 2018		
	3-3 Management of material topics Management approach	No Harm, Prioritizing safety	55
	403-1 Occupational health and safety management system Our people, places and systems	No Harm, Committing to No Harm	56
	403-2 Hazard identification, risk assessment, and incident investigation Our people, places and systems	No Harm, Committing to No Harm	56
	403-3 Occupational health services	No Harm, Committing to No Harm	56
	403-4 Worker participation, consultation, and communication on occupational health and safety Our people, places and systems	No Harm, Making Safety a Way of Life at Operations	58
	403-5 Worker training on occupational health and safety Our people, places and systems	No Harm, Making Safety a Way of Life at Operations	58

GRI - 400	403-6 Promotion of worker health	No Harm, Making Safety a Way of Life at Operations	58
	403-8 Workers covered by an occupational health and safety management system	No Harm, Committing to No Harm	56
	403-9 Work-related injuries	No Harm, Making Safety a Way of Life at Operations	58
	Diversity and equal opportunity 2016		
	3-3 Management of material topics Our values in action	Communities, Diversity and Inclusion	29
405-1 Diversity of governance bodies and employees	Bolstering our system of Governance, Board of Directors	21	



INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No: SRA-IND-806343

JK Lakshmi Cement Limited Sustainability Report 2021-22 & 2022-23

The British Standards Institution is independent to JK Lakshmi Cements Limited (hereafter referred to as JKLC in this statement) and has no financial interest in the operation of JKLC other than for the assessment and verification of the sustainability statements contained in this report.

This Independent assurance opinion statement has been prepared for the stakeholders of JKLC only for the purposes of verifying its statements relating to its environmental, social and governance (ESG), more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the Independent assurance opinion statement may be read.

This Independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by JKLC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to JKLC only.

Scope

The scope of engagement agreed upon with JKLC includes the following:

1. The assurance covers the sustainability report for the period 2021-2022 & 2022-2023, prepared with reference to GRI standards 2021 and focuses on systems and activities of JKLC covering 2 integrated production units, 4 grinding units and 1 head office at New-Delhi, all located in India, for the reporting period 1st April 2021 to 31st March 2022 & 1st April 2022 to 31st March 2023.
2. The evaluation of the nature and extent of the JKLC's adherence to all four AA1000 AccountAbility Principles and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 moderate level of AA1000AS v3 sustainability assurance engagement.

Opinion Statement

We conclude, that the Sustainability Report Review provides a fair view of JKLC's sustainability programmes and performances during FY21-22 & FY22-23. We believe that the sustainability report economic, social and environment performance indicators are fairly represented.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. We planned and performed this part of our work to obtain the necessary information and

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explanations we considered to provide sufficient evidence that JKLC's description of their approach to AA1000 Assurance Standard and their self-declaration of compliance with the GRI standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant to JKLC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on JKLC's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles Standard (2018).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out below:

Inclusivity

This report has reflected a fact that JKLC is seeking the engagement of its stakeholders. The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers JKLC's inclusivity issues, that demonstrates participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

This report focuses on the activities undertaken by JKLC covering 6 locations (2- integrated units, Sirohi and Durg, 4 grinding units at Jhajjar, Cuttack, Kalol, Surat locations & 1 HO at New Delhi), all of these locations are in India. The report covers the period of FY 21-22 and FY 22-23.

Materiality

JKLC publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance. The material topics identified are Economic values & business performance, customer satisfaction, integrity & transparency, compliance to regulation, human capital development, operational efficiency, occupational health & safety, Energy & Emissions, water management, resource conservation, supply chain management, operational efficiency. The material topics assessment has

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been conducted first time during 2014-16 integrated report which has been assessed every year to ensure the relevance. The adequacy of material topics was assessed internally for the FY21-22, FY22-23 reporting period and same topics have been adapted for this reporting period. In our professional opinion the report covers the JKLC's material issues, by using internal and external stakeholder consultation and boundary mapping. However, JKLC is revisiting their materiality matrix for FY23-24 to come up with more comprehensive and detailed reflection of their commitment to sustainability in-line with varying stakeholder concerns.

Responsiveness

JKLC has implemented the practice to respond to the expectations of its stakeholders, i.e. they have CRM portal in place to register customer grievances, resolve them and respond. Feedback from the internal stakeholder representatives were collected along with a few selected external stakeholders. In our professional opinion the report covers the JKLC's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Encouraging to demonstrate strong engagement with providing the correlation among sustainability concerns raised by stakeholders, frequency of engagement and adequately responding to them.

Impact

JKLC has demonstrated a process on identify impacts that encompass a range of environmental, social and governance topics, and fairly represented the impacts in the report. JKLC has done material topic analysis from impact materiality lens and also have demonstrated their climate related risk-based approach via assessing various risks under 2 major categories i.e., physical and transitional risks. In our professional opinion the impact assessment done and the outcome in terms of risk and opportunities identified by JKLC are appropriate to their business and are addressed for their actions that affect the economy, environment, society, and the organization itself.

GRI-reporting

JKLC provided us with their self-declaration of compliance within GRI Universal Standards 2021, with reference to 'option for reporting. Based on our review, we confirm that social responsibility and sustainable development indicators are reported with reference to the GRI universal standards 2021.

In our professional opinion the self-declaration covers JKLC's Corporate's social responsibility and sustainability issues. Based on the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe the following sustainability disclosures as stipulated in the GRI Standards.

GRI 201 Economic Performance 2016- 201-1

GRI 204 Procurement Practices 2016- 2014-1

GRI 205 Anti-Corruption 2016- 205-2, 205-3

GRI 206 Anti-competitive Behaviour 2016- 206-1

GRI 301: Materials 2016- 301-2

GRI 302: Energy 2016- 302-1, 302-3

GRI 303: Water & Effluents 2018- 303-1, 303-2, 303-3, 303-4, 303-5

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GRI 305: Emissions- 305-1, 305-2, 305-4

GRI 306: Waste 2020- 306-1, 306-2, 306-3, 306-4, 306-5

GRI 401: Employment 2016- 401-1

GRI 403: Occupational Health & Safety 2018- 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9

GRI 405: Diversity & Equal Opportunity 2016- 405-1

Assurance level

The type 2 moderate level assurance provided is in accordance with AA1000 Assurance Standard v3 in our review, as defined by the scope and methodology described in this statement. Under this assurance level, the assurance providers assess the adherence to AA principles, reliability and quality of the specified sustainability performance and disclosed information. Due to limited extent of information, limitation of scope and time available for gathering evidence the level of assurance engagement risk is higher in a Type 2 moderate level than in Type 2 high level because of the different nature, timing or extent of evidence-gathering procedures.

"Based on our work described in the verification report, nothing has come to our attention that causes us to believe that data and information stated in the JKLC's Sustainability Report, FY 21-22 & FY 22-23 is not correctly presented or with omission, in any material respects or that Inclusivity, Materiality Responsiveness and Impact based on AA1000 criteria are not correctly addressed."

Responsibility

It is the responsibility of JKLC's senior management to ensure the information presented in the sustainability report is accurate. It is also left to the decision of the JKLC management on the publishing / submission of the report to any of their stakeholders. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead Auditors and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14064-1, ISO45001, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901.

Issue Date: 06/06/2024



For and on behalf of BSI:

BSI representative

Managing Director BSI - Theuns Kotze

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