

At SCL, we operate a conscious and conscientious business, thinking ahead and fostering an inclusive and long-term approach. Preserving the environment, contributing to the well-being of our employees and progressing with our communities are imperative to our way of running a responsible enterprise, backed by best-inclass governance practices.



Environmental, Social and Governance (ESG)

56
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Naturally responsible

In order to protect the environment, we follow a precautionary approach. We take steps to prevent environmental degradation. With the help of technology and process innovation, we have been able to conscientiously bring down our environmental footprint, helping preserve the world for future generations. The process of cement production is resource and energy intensive, and results in substantial waste generation. Hence, we are constantly thinking of new ways to mitigate this impact, optimise resource use and manage waste generation effectively. We comply with all applicable environmental laws and regulations.

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We are cognisant of conforming with sustainable mining practices and employ controlled basting to mitigate dust, noise and emission. We also add to the fauna surrounding our quarry sites, manufacturing facilities, residence, and nearby areas.

27% consumption

Source of RENEWAR Solar

Hydro ele

WHRS Renewab NON-REN

Thermal

Non-rene TOTAL



Safeguarding biodiversity

199.75 acres

Green belt sites

Green cover at the sites

We strategically assess the impact of operations and the biodiversity of the region before embarking on projects and mining. Once mines are closed, we rehabilitate the mine sites by planting native flora so that the natural ecosystem is reinstated. We also support conservation initiatives in the area.

Energy conservation

2,36,637 MWh

Total energy consumption

79.15 KWh/ton of Cementitious Material

Renewable Energy

1767.18 MW Solar Power

In order to mitigate our impact and minimise energy use and costs, we rely on a fuel mix that includes both renewable and non-renewable energy. Innovative practices together with the use of best-in-class technology help supplement energy production while keeping costs, waste and environmental degradation to the minimum.

Consumption

f energy	Installed capacity	Location
BLE		
	1.25 MW	Mattampally, Telangana
	80 KW	Corporate office, Hyderabad, Telangana
	120 KW	Bayyavaram
ectric	4.30 MW	Guntur, Andhra Pradesh
	4.0 MW	Kurnool, Andhra Pradesh
	8.80 MW	Mattampally, Telangana
le total	18.55 MW	
NEWABLE		
	25 MW	Gudipadu, Andhra Pradesh
	18 MW	Mattampally, Telangana
wable total	43 MW	
	61.55 MW	

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Mitigating **Responsible water** emissions impact consumption



Greenhouse Gases (GHG), SOx and NOx are some of the primary emissions that are generated during the production of cement. In addition to complying with all prevalent standards, we proactively mitigate the impact of such emissions through the usage of state-of -the-art technology, innovation, high-end equipment and machinery that cut down emissions. One of our objectives is to decarbonise our footprint by 15% by FY2023.

Carbon emissions in the past three years (tCO_2e)

Year	FY2021	FY2020	FY2019
Scope 1	18,84,489	20,30,741	20,64,650
Scope 2	44,541	74,012	1,09,666
Scope 3	69,450	72,981	92,186
Total	19,98,480	21,77,734	22,66,503

GHG emissions intensity

$701 \text{ Kg net CO}_2/\text{ton}$ **Cementitious Material**

13.57 13.26 360.59 mg/nm³ mg/nm³ mg/nm³ SOx emissions NOx emissions SPM

GHG emissions reduction:

- · Usage of alternate fuels to reduce dependence on carbonbased energy sources
- Installation of energy-efficient equipment to control energy intake
- Green belt development to achieve carbon sequestration
- Reduction in clinker factor
- Regular maintenance of vehicles to optimise fuel consumption • Opting for bulk transport and rail transport wherever possible to reduce the overall carbon footprint

Dust, NOx and Sox emissions reduction:

- Replacement of the conventional bag filter with Polytetrafluoroethylene (PTFE) coated filter bags in identified areas
- Installation of the latest generation Reverse Air Bag House (RABH) for main stack to handle kiln and raw mill (vertical roller mill) gases
- NOx control pre-heater technology for line-2 kiln
- De-dusting and prover coverage of cargo to avoid air pollution

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Water is a crucial resource that needs to be carefully used, re-used and conserved where possible. We aim to achieve water neutrality across our operations and our sites.

1.77.246 KL Freshwater withdrawal

48.611 KL Wastewater recycled

100% Industrial water requirements met by harvested rainwater.

Zero Liquid discharge

0.10 KL/ton **Cementitious Material**

Specific water consumption

Water use at SCL (KL)

Source of water	Quantity consumed in FY2021	Quantity consumed in FY2020	Quantity consumed in FY2019
Harvested water	1,34,218	1,34,390	1,80,051
Bore well	1,77,246	1,93,178	2,64,207
Total water	3,11,464	3,27,568	4,44,258
Cement production	30,67,099	30,44,236	32,54,038
Specific water consumption (kL/t of cement)	0.10	0.11	0.14



In order to minimise water usage, mitigate pollution and reuse where possible, we have adopted the following initiatives:

- Zero liquid discharge
- Upgradation of water-efficient technologies
- Rainwater harvesting in plants, mine and colonies
- Installation of a softener plant
- Installation and upgradation of Sewage Treatment Plants (STPs)
- Building awareness among employees and communities







Total hazardous waste disposed

Type of waste		Unit	FY2021	FY2020	FY2019
Waste lubricant oil	Generated	I	27,740	37,279	24,104
	Consumed		22,210	28,879	13,544
	Sold		5,530	8,400	15,460
Waste grease with cotton waste	Generated	kg	6,442	5,363	1,971
	Consumed		2,970	1,403	1,971
	Sold		3,472	3,960	0
E-waste	Generated	kg	401	231	1,250
	Disposed		401	167	1.250

Total non-hazardous waste disposed

Type of waste	Unit	FY2021	FY2020	FY2019	Disposal mechanism
Metal scrap	Т	333.68	739.40	946.43	Sold to third party
Belt scrap	Т	7.00	60.24	16.30	Sold to third party
Office, in-house packing and socked cotton	Т	0.00	9.62	8.70	Processed in kiln
Tyre scrap	Numbers	0.00	4	37	Sold to third party
PP Scrap	Т	44.88	50.44	43.44	Sold to third party

We are able to collect the solid waste that is generated during our operations through methods such as RABH, Precipitator (ESP) and blast furnaces. Subsequent to this, the waste is reinjected into our operations to achieve resource conservation and minimise waste generation.

Raw material optimisation

3.31 MnT Limestone mined

We employ hi-tech mining equipment for mineral extraction and ensure strict compliance with existing regulations on mining. We use advanced software such as CBX and Ramco to ensure resource optimisation by blending low-grade limestone with high-grade limestone, leading to zero rejects from mines. At the same time, we use high grade coal and pet coke for fuel in clinker manufacturing.



PPC manufacturing utilises the fly ash that is generated from CPP. Similarly, slag and gypsum are consumed in our operations. Other waste generated from plant maintenance such as used oil and metal scrap are disposed off in a responsible manner in compliance with regulatory guidelines.

Effluents

In line with our objective of Zero Discharge, we are able to prevent our waste and effluents from contaminating water bodies. For this purpose, we constantly upgrade our existing Sewage Treatment Plants and install new STPs whenever there is such need.

Waste-to-landfill

During the reporting period, all waste generated by our operations were responsibly handled and no hazardous waste was directed to landfill



Circular Economy

In addition to this, we also process waste from other industries, which is co-processed at SCL (in MT).

Waste from Other Industries

Type of waste	FY2021	FY2020	FY2019
Red Mud	9,336.00		
Bed Ash from CPP	3,204.15		
Blast Furnace Slag – Dry	2,48,980.08	1,57,414	3,05,786
Chemical Gypsum	76,529.87		
Fly Ash from CPP	32,720.39		
Fly Ash Out Source	2,53,893.02	2,52,506	2,65,131
Blast Furnace Slag – Wet	49,871.44		
Iron Sludge	2,441.00		
Alternate Fuels	17,835.10		
Spent carbon	6,921.00	3,950	3,141
Carbon black	835.10	2,010	179

Industrial waste utilised

2,89,818 MT Fly ash consumed

2,98,851 MT Slag used in cement production

76,530 MT Gypsum consumed

Staying committed

At SCL, we aim to meet the requirements and aspirations of all our stakeholders including employees, customers, suppliers, and communities. From ensuring the quality of our products, maintaining a sustainable supply chain, investing in communities for the enhancement of livelihood opportunities, to promoting talent for building a safe work environment, we ensure our commitment to both partners and beneficiaries in our journey towards sustained value creation.



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100% Customer

100% Customer complaints resolved

ATT:

Vendor engagement and training

664



Supplier engagement

664

Catering to customers

Customer satisfaction

satisfaction score

acquisition 18,986

Customer

Customers

20% YoY growth of customer base

Order fulfillment

Zero Stock outs

100% Average fulfillment rate

Commitment to channel partners

Distribution presence

Vendors onboarded to the ERP system

308 New distributors Transport and logistics

295 km Average lead distance

Zero Road accidents

Our Suppliers

Quality and reliability of suppliers

Suppliers on boarded on the ERP system

7,597 Suppliers

95% Average supplier availability

2% Supplier defect rate

Our responsibility to communities

SAGAR CEMENTS LIMITED

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20,000+ Beneficiaries 35% Preventive healthcare and promotion of safe drinking water 38% Rural development 7% Training and education 20% Training and promotion of sports 4 QUALITY EDUCATION

₹130 Lakhs

CSR Spend

Breakup (%)

CSR

STATUTORY REPORTS

We are constantly widening the focus of our CSR initiatives which are targeted at creating more resilient communities through the promotion of healthcare, sports, education, and livelihood choices.

Some of the initiatives undertaken by us:

• Established the Sagar Vidya Mandir in Mattampally to provide education and give children a place to learn and grow. We also distributed books and stationary during the year.



Established a medical centre in Mattampally that provides primary healthcare for the communities



• In addition to conducting various health camps, we have established an ambulance facility for villagers. We also hold free eye camps for truck drivers and support staff

• Provision of clean drinking water and irrigational support at facilities in Mattampally

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Taking care of our people

At SCL, we believe that it is the passion and commitment of its people that propel an organisation towards success. We owe our success to our people and ensure that we are able to enhance employee experience while promoting their learning and development that help them meet their career aspirations. We treat our people with equality and respect, irrespective of gender, caste, race, ethnicity. In doing so, we make no distinction between our regular and contractual staff.

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In order to build a transparent culture within the organisation and ensure that all voices are heard, we have adopted an open door policy where employees can freely approach the management and senior leadership.

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Engaging with employees

2,204

Total number of employees(including contract workers)



Employee incentives

In addition to a learning conducive work environment, we provide our employees with a number of amenities, including residence and recreation, healthcare and medical insurance, Group Term Life Insurance, Group provident fund, assistance in getting credit, fair compensation and other benefits.

Open-door policy

Rewards and recognition

We are quick to recognise and reward top performers and acknowledge the contribution our employees make towards the success of the organisation. We ensure a fair assessment, we have a points-based reward system. In addition to this, we issue corporate gifts and recognition through awards.





8.129 Total training hours

576 Employees trained

152 Safety trainings conducted

734 Safety induction sessions

2.204 Total number of employees

75

New hires

To ensure that our employees are equipped with the relevant skills required for a competitive dynamic market, we host training sessions and workshops on subjects spanning from safety and technical behaviour to organisational behaviour and culture, which are usually conducted by industry experts.

Programs for upgrading employee skills and transition assistance

- Training in Energy Management, Environment Management and waste Management.
- Onsite safety training by National Safety Council team.
- Onsite training on energy and utility management provided by CII team.
- Onsite training on efficient and safe operation of power plants by Venus energy audit systems.
- Training and Financial support for appearing Energy Manager / Energy Auditor Certification examination being conducted by BEE (Bureau of Energy Efficiency)
- Inhouse training provided by external experts on solar power plant & waste heat energy power plant operations.
- Onsite training provided by CII Experts on waste material management and consumption in cement process.

New Hires by Age &	
Gender (2020-21)	

			-		
Age Group	Male	Female	Age Group	Male	Female
<30	31	0	<30	14	
30-50	40	1,250	30-50	29	
>50	4	1,250	>50	17	1

Employee Attrition by

Age & Gender (2020-21)

Employee strength by Age and Gender (2020-21)

Age Group	Male	Female
<30	96	1
30-50	509	6
>50	179	0



Employee work-life balance and human rights

2,204 ₹**7.636 Lakhs**

Total value of employee benefits disbursed in FY2021

Employees covered under social security schemes

We give our employees the benefit of a secure livelihood and provide them fair compensation and an open, inclusive and diverse work environment. Term insurance, accidental insurance, mediclaim, EDLI benefit, Workmen compensation, gratuity and leave encashment are benefits provided to full time employees. Notice Period is 3 months for employee separation from the organization and 7 days for internal transfer.

Diversity of governance bodies and employees (by gender and age) (2020-21)

Gender Diversity by Management Category	Male	Female
Junior Management	632	7
Middle Management	111	0
Senior & Top Management	41	0

Board strength by Age and Gender (2020-21)

board Strength by Age an					
Age Group	Male	Female			
<30					
30-50	3	1			
>50	3	2			

Occupational health and safety	
Zero LTI (Mattampally)	Zero LTIFR (Mattampally)
Zero	35

Fatalities Near-miss incidents

35,38,009 Safe man-hours





Given the nature of our operations, occupational health and safety is critical to our work processes. It is important that our employees feel safe and secure in their work environment. Hence we retain a steady focus in health and safety training while ensuring their emotional well-being. We are a compliant organisation and ensure that we meet industry standards with regard to safety processes, and other rules and regulations that safeguard our employees.

Occupational Health and Safety Management System has been implemented and certified to ISO 45001-2018 standard, AP Fire Rule(NBC) -2016 Guidelines, Factory Act 1948, Andhra Pradesh Factories Rules 1950, Boiler Act 1923 Guidelines & Petroleum Act 1934 & Rules 2002.

Our safety trainings programs include, Monday safety gate meet, following safety systems Like PTW, LOTO, JSA, HIRA. We ensure 100% usage of PPE. We are conducting toolbox talk regularly in every section. We are motivating all levels of employees from manager level to casual labour level to follow safety measures in their duty and to wear suitable PPE compulsory. We are supervising work location and maintain house keeping. We are monitoring worker activities as per Standard Operating Procedures (SOP). Related SOP's are displayed in local language "Telugu" at required places. We are conducting periodic checking of machinery and vehicles.

We identify hazards and associated risks and subsequently establish procedures for the elimination of safety risks and hazards. We are addressing all the high consequence routine & non-routine jobs with a "Hazard Identification Risk & Assessment (HIRA) procedure set up. We are following hierarchy control system. HIRA is carried out for all departments based on the HIRA procedure for the company.

If any person is having work related affect, proper counselling is given by Occupation Health Centre(OHC) Medical Officer stationed at the plant. Annual Medical check-up is conducted and suitable Medical Treatment is given if required.

If any incident occurred, an Investigation Team analyzes root cause and suggests corrective action. Incident Investigation report is prepared and shared with the management.

At the time of joining, safety Induction training is given to all employees on all important safety aspects. As per Annual Training Calendar, different types of training classes are conducted for Work at height, Hot work and confined spaces. At SCL, the following comprise our OHS function:

- Strategies and action plans with quantitative targets for improvement
- Health and safety management with the involvement of the individuals concerned
- Comprehensive training programme on health and safety
- Continuous improvement by regular review of all safety procedures and systems of work
- Periodical health check-ups to ensure employee well-being
- Safety park to instill a safety culture and train employees, visitors and others on desired safety practices

GOVERNANCE

Inspiring to perform

At SCL, we are led by an able and experienced leadership who bring to the table their collective expertise and insight. The Board and its committees uphold best practices, ensure ethical business conduct and provide strategic direction to the Company.

Zero Whistle-blower cases Zero Corruption/bribery cases received versus resolved

₹41,651 Lakhs Total contribution to Government

exchequer

Zero Notices received on non-compliance



Board profile

We are guided by our strong and diverse Board that sets our long-term vision and strategic direction. Their prudence navigates our way forward.

37.5 % of Independent Directors

3 Female representation on Board

57 Average age of Board members



1 K. Thanu Pillai Chairman and Independent Director

K. Thanu Pillai started his career with State Bank of Travancore (SBT), in the year 1958, and was vested with varied assignments. He has rich operational experience and has demonstrated much appreciated performance throughout his long-standing career and in 1997, he was elevated to the position of Chief General Manager at SBT and was deputed to other associate banks of State Bank of India. In February 1992, he was designated as Managing Director of State Bank of Hyderabad, Hyderabad.

2 V. H. Ramakrishnan Independent Director

V. H. Ramakrishnan has extensive experience spanning over 35 years in both domestic and international banking with his long stint with Bank of India (BOI), from where he retired as the General Manager in April 2001. During his tenure at BOI, he headed various departments such as International Operations, Comptrollers Department, Treasury and Subsidiaries.

He also has significant international banking exposure, first as Manager Nairobi Branch and then as Executive Director of Allied Bank of Nigeria Ltd. Post retirement he was a Shareholders' Director in Andhra Bank for 6 years from 2006-12. He was also a director in a few companies as Nominee of UTI and IDBI. Canara Bank had also appointed him as a director in their Joint Venture Canara Rebeco AMC Ltd for a period of about 4 years.

Mr Ramakrishnan is a Chartered Accountant and a Cost Accountant

3 O. Rekha Independent Director

Mrs.O.Rekha holds a B.Com degree from Osmania University and M.B.A. from Samford University, USA and is an Associate Member of the Institute of Chartered Accountants of India. She has worked in a Directorial capacity in Fur Fur Chemical Private Limited and Swan Vacuum Systems Private Limited and serves as a director on the board of VA Champ Industries Private Limited and Sagar Cements (R) Limited.

A N. Sudha Rani

Nominee Director - Andhra Pradesh Industrial Development Corporation (APIDC)

Smt.Naga Sudha Rani, Nominee Director from APIDC, who is currently positioned as Manager (EPM & Accounts) in TSIDC, a demerged company of APIDC.

5 Dr. S. Anand Reddy Managing Director –

Promoter Group

As part of the promoter group, Dr. S. Anand Reddy joined SCL as our Director (Marketing and Projects) in 1992. At present, he is the Managing Director of the Company. Under his guidance, SCL has emerged as one of the most economical cement plant in Telangana. In the year 2008, he was appointed as the Joint Managing Director and later member of several companies including CFE, as Managing Director in 2018.

6 S. Sreekanth Reddy

Joint Managing Director -Promoter Group

As part of the promoter group, S. Sreekanth Reddy joined SCL in 2002 as a Technical Consultant and was later appointed as a Director. In 2008, he was appointed as an Executive Director and in 2018, as our Joint Managing Director. During his tenure, SCL grew its capacity from 1.32 Lakhs TPA to 57.50 Lakhs TPA and witnesses the adoption of modern technology in all areas of its operations.

7 John-Eric Bertrand Non-Executive Director

John-Eric Bertrand is a member of the Executive Committee of Ackermans & van Haaren. AvH is a diversified listed group focused on a limited number of strategic participations. The group, founded in 1876, is part of the BEL20 index of Euronext Brussels. John-Eric is active at AvH since 2008 and acts as Chairman or board DEME, Agidens, Manuchar, Extensa Group and Telemond. Before joining AvH, John-Eric worked as a Senior Consultant at Roland Berger Strategy Consultants (2006-2008) and as Senior Auditor at Deloitte (2001-2004). John-Eric graduated magna cum laude as a Commercial Engineer from University of Louvain (UCL) and obtained a master's degree in International Management from the Community of European Management schools (CEMS).He also holds an MBA from INSEAD

8 Van Nieuwenborgh Jens

Alternate Director to John-Eric Bertrand

Jens Van Nieuwenborgh holds a master's degree in Civil Engineering from the University of Ghent and an MBA from Harvard Business School. He is an investment manager at Ackermans & Van Haaren since September 2014. He previously worked at McKinsey & Company as associate partner. He serves as a Director with AvH Resources India Pvt. Ltd. and Boston Ivy Healthcare Solutions Pvt. Ltd.

9 Smt. S. Rachana

Non-Executive Director -Promoter Group

Smt. S. Rachana is an Executive Director in Panchavati Polyfibres Limited and a Promoter Director of RV Consulting Services Pvt. Ltd.

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Management Profile

Our able and efficient senior management is responsible for overall organisational performance, delivering on strategy and ensuring business continuity.







Dr. S. Anand Reddy brings with him a vast experience of more than 30 years. He has a M.B.B.S. degree from Nagarjuna University. He joined SCL as Director (Marketing & Projects) in 1992 and has risen to the current position of Managing Director. Mr. Reddy is also a Director at Panchavati Polyfibres Ltd., Super Hydro Electric Pvt. Ltd., Jajpur Cements Pvt. Ltd, and Satguru Cement Pvt. Ltd.

S. Sreekanth Reddy Joint Managing

Director

S. Sreekanth Reddy brings with him more than 20 years of industry experience. He has a bachelor's degree in Industrial and Production Engineering and has a diploma in Cement Technology. He joined SCL in 2002 as its Technical Consultant and was later appointed as its Director. Under his guidance, SCL has emerged as one of the most sustainable cement plants in Telangana.



K. Ganesh Group President

K. Ganesh comes with a rich experience of more than 35 years in project execution and operations of cement plants. He holds a Bachelor's degree in Mechanical Engineering. He has served as a Senior Engineer in Bhagawati Priya Consulting Engineers Limited, Mumbai. He has been associated with SCL since 1992 and has been a crucial part of the Company's growth story.

K. Prasad Chief Financial Officer

K. Prasad heads the Finance & Accounts function of the Group. Has more than 25 years of experience. He is a qualified Chartered Accountant and also holds an M.Com. degree. He is associating with us since 2003. Before joining us, he served as the Senior Manager in Sagarsoft (India) Limited.



Rajesh Singh Chief Marketing Officer

Rajesh Singh has 28 years of experience in Marketing. He holds a PG Diploma in Business Management from Osmania University. He is associated with us since 2008.He has worked with Suzlon Energy and Orient Cements Limited before joining SCL.

His 31 years of professional journey is as follows: TTK Pharma, Chambal Fertilisers & Chemicals Ltd, Orient Cement, Suzlon Energy, & Sagar since 2008 onwards

Anji Reddy Chief Sustainability Officer

Anji Reddy has a postgraduate degree in Engineering from the Andhra University and has been working for the cement industry since 1985. During the course of his 35 years of service, he has worked in a wide range of functions for the cement and power sectors. He is also a certified expert in Climate Change and Environment Sustainability by the Confederation of the Indian Industry (CII).



R. Soundararajan

Company Secretary, Chief Compliance Officer

R. Soundararajan has more than 40 years of rich experience. He holds a Post Graduate Degree in Commerce and a Law Degree. He is also a fellow Member of the Institute of Company Secretaries of India and an associate Member of the Institute of Cost Accountants of India. He heads the Secretarial & Compliance functions of the Group. He is associated with the company since 1996.