



Sustainable progress

SGC was one of the first cement companies in South India to have a well-defined and holistic ESG Vision, framework and targets. Keeping sustainability at the heart of our business, we focus on circularity initiatives to utilise industrial waste, increase the share of decarbonated raw materials, develop a portfolio of green products, implement fossil fuel substitution and initiate process optimisation efforts to maximise resource efficiency.



 New Preheater Installed at Dachepalli Plant, Andhra Pradesh





ESG Vision 2030

Positive transformation of the environment around us;
the people amidst us; the conduct among us.

Aligning ESG focus areas to material topics



Environment

The environment around us

Conserving and preserving the natural environment across the length of the business value chain

- ⚡ Energy**
 - ◆ Energy efficiency
 - ◆ Energy transformation

- 🔥 Emissions**
 - ◆ Advanced technologies
 - ◆ Green factories & products
 - ◆ Responsible partners

- 🚛 Resources**
 - ◆ Waste management and circular economy
 - ◆ Responsible consumption
 - ◆ Responsible sourcing and alternate raw materials

- 💧 Water**
 - ◆ Water-less systems
 - ◆ Water conservation
 - ◆ Water harvesting

- 🗑️ Waste management**
 - ◆ Waste management and circular economy

- ★ Biodiversity**
 - ◆ Biodiversity management
 - ◆ Sustainable land use, relocation and rehabilitation



Social

The people amidst us

Treating every human with respect and dignity, and nurture relationships with all stakeholders including employees, communities, partners, and others through active engagements

- ❤️ Employee well-being**
 - ◆ Benefits, fair compensation and social security
 - ◆ Employees' work-life balance and human rights
 - ◆ Employee relations and engagement
 - ◆ Employee training and development

- 🛡️ Health and safety**
 - ◆ Occupational health, well-being and safety

- 🤝 Customers and partners**
 - ◆ Transport and logistics
 - ◆ Responsible sourcing and alternate raw materials
 - ◆ Vendor engagement and training
 - ◆ Quality and reliability of suppliers
 - ◆ Supplier engagement

- 🏡 Communities**
 - ◆ Local economic value creation
 - ◆ Social responsibility and engagement



Governance

The conduct among us

Continuously raise the bar in corporate governance and corporate behaviour and strive to be a model corporate citizen in every sense of the term

- 🏢 Corporate governance practices**
 - ◆ Economic performance and profitability
 - ◆ Order fulfilment
 - ◆ Fair business operations business ethics and good governance
 - ◆ Interest payment
 - ◆ Tax and economic contribution
 - ◆ Return on investment
 - ◆ Business growth
 - ◆ Risk management

- 🗣️ Transparency and stakeholder engagement**
 - ◆ Customer satisfaction
 - ◆ Brand reputation
 - ◆ Customer acquisition
 - ◆ Public policy and advocacy

- 🏛️ Ethics and compliances**
 - ◆ Compliance



ESG VISION 2030

ESG governance

Board's role

At SGC, Board Risk Management and ESG Committee drives the ESG priorities, including climate action activities. It consists of five Board members and is chaired by the Joint Managing Director. The Committee meets twice a year to integrate ESG practices into the Company's operations and is also responsible for developing and overseeing climate-related strategies. It helps align ESG policies with the Company's mission and vision, ensuring effective oversight of the ESG Vision roadmap and its implementation.

Leadership oversight

Sagar Cements follows a target-driven approach for integrating sustainability efforts. We made our ESG Roadmap in 2022 under the guidance of the Board and the Company's leadership team and are committed to achieve these. Leadership team reviews progress of material topics against ESG Roadmap targets every month, across all the plants and sets the direction for improvements. The corporate teams support the performance improvement plans with the support of other team members.

Plant-level implementation

A two-way approach is followed to implement ESG efforts and fulfill ESG Roadmap targets across our Cement manufacturing plants. The Plant Head-led ESG Committee identifies areas for improvement specific to the Plant for target implementation. ESG Committee comprises all Function Heads, including Production, Process, Thermal Power Plant, Mines, Health & Safety, Human Resources, Environment, Civil. The performance is evaluated and shared to the leadership team on a monthly basis. The Budget allocation is done from the central team.

Decarbonisation Roadmap for the Indian cement industry by GCCA and TERI

SGC is a member of GCCA India and contributed to the development of the 'Decarbonisation Roadmap for the Indian Cement Industry: Net Zero CO₂ by 2070' by GCCA India and TERI. We are currently monitoring and reporting CO₂ emissions and following GCCA India guidelines.

CASE STUDY



GreenCo certification for multiple plants



Reiterating our commitment to sustainable cement manufacturing, 3 out of 6 SGC plants have received GreenCo certification. **Mattampally and Bayyavaram** plants received 'Gold' and 'Platinum' ratings in 2023 and 2025, respectively. The **Gudipadu** plant, previously certified 'Gold', has also commenced the renewal process with a focus on expanding renewable energy installations including solar and waste heat recovery projects. We benchmarked our plants against national and international sustainability standards.

The teams at Mattampally and Bayyavaram implemented best practices for adoption of solar, hydel, and waste heat recovery systems to increase renewable energy usage, established zero water discharge systems and integrated

alternative fuels into the production process. These measures significantly improved energy efficiency, waste management and emission reduction. Independent audits were conducted by CII GreenCo-accredited assessors confirmed that both plants met the required scoring criteria, enabling them to secure Gold and Platinum certifications.

We are now going for the 3 remaining plants for the GreenCo Certification. Capacity-building efforts will play a crucial role in this journey. During the year we organised extensive training programmes and workshops to enhance employee awareness about energy efficiency, emissions control, material management and safety.

3
out of 6 plants
GreenCo certified



STAKEHOLDER ENGAGEMENT

Focused on shared value creation

We believe effective communication is key to building a sustainable organisation. At Sagar Cements, we regularly engage with stakeholders to gather valuable insights, understand and meet stakeholder expectations and ensure sustained value creation.



Employees

Importance of relationship

- ◆ Key to organisational success; a talented, dedicated and diverse workforce supports our sustainable growth ambitions.

Engagement platform

- ◆ Townhalls
- ◆ Newsletters
- ◆ Social events
- ◆ Surveys

Value Created

- ◆ Career growth
- ◆ Reward and incentive structure
- ◆ Training and development
- ◆ Healthy and safe work environment
- ◆ Work life balance
- ◆ Compensation
- ◆ Career development path
- ◆ Health and well-being



Customers

Importance of relationship

- ◆ Central to the existence of the organisation
- ◆ Organisation is driven by the desire to provide consistent supply of high-quality products to ensure customer satisfaction and repeat business

Engagement platform

- ◆ Exhibitions
- ◆ Sales calls
- ◆ Site visits

Value created

- ◆ Cost
- ◆ Good quality products
- ◆ Consistent supply
- ◆ Troubleshooting
- ◆ Competitive prices



Investors

Importance of relationship

- ◆ Providers of financial resources essential to fund growth

Engagement platform

- ◆ Annual General Meeting
- ◆ Investor/analysts meets
- ◆ Quarterly earnings call
- ◆ Integrated Report

Value created

- ◆ Company performance
- ◆ Financial health
- ◆ Return on Investment (RoI)
- ◆ Clear and concise communication of business strategy
- ◆ A progressive ESG programme
- ◆ Identification of key risks and mitigation plan
- ◆ Delivering above average RoI through dividends and creating shareholder value through business and ESG initiatives



STAKEHOLDER ENGAGEMENT



Suppliers and contractors

Importance of relationship

- ◆ Partners for resource supplies for long term success of the Company

Engagement platform

- ◆ Phones
- ◆ Suppliers meet
- ◆ Emails

Value created

- ◆ Vendor approval
- ◆ Engagement
- ◆ Transparent feedback
- ◆ Demand for products and services



Regulators

Importance of relationship

- ◆ Setting best standards in corporate governance
- ◆ Enables ease of doing business

Engagement platform

- ◆ Exhibitions
- ◆ Site visits
- ◆ Sales calls

Value created

- ◆ Compliance
- ◆ Reporting transparency
- ◆ ESG disclosure
- ◆ Contributing to the economy through direct and indirect taxes



Communities

Importance of relationship

- ◆ Provides social licence to operate

Engagement platform

- ◆ CSR events
- ◆ Volunteering

Value created

- ◆ Sustainable livelihood
- ◆ Health
- ◆ Education
- ◆ Community infrastructure
- ◆ Generating employment opportunities
- ◆ Helping to reduce migration from rural to urban areas



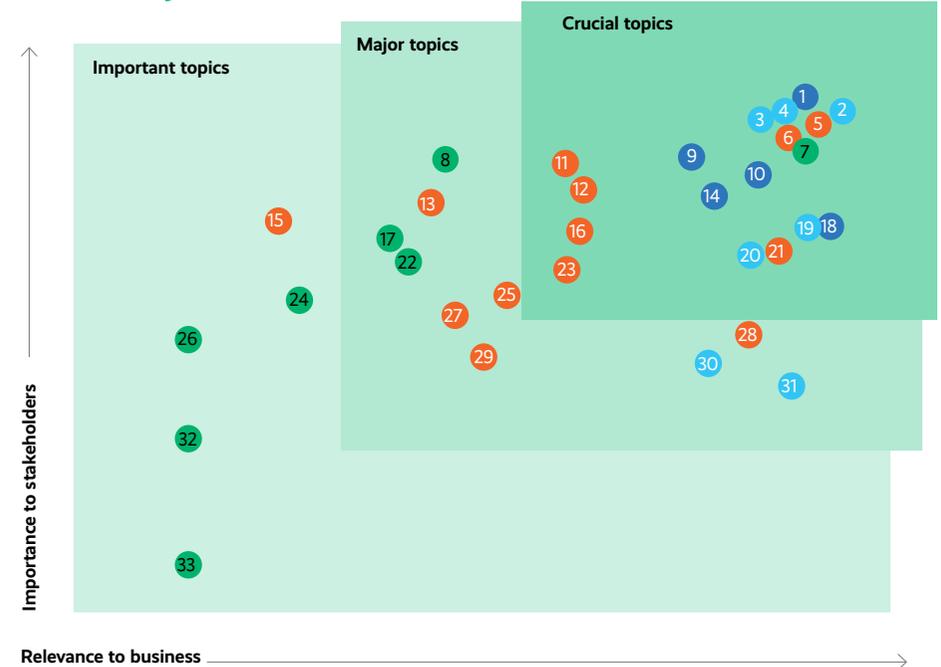
MATERIALITY

Defining critical issues

To ensure alignment with stakeholder expectations and address relevant issues, we periodically assess material topics. By identifying material issues, we manage risks effectively, seize opportunities and maintain transparent and responsible business operations that benefit both the organisation and its stakeholders. We review the performance of our material topics and focus on improvements.



Materiality matrix



Material topics

Most critical

- 1 Economic performance and profitability
- 2 Order fulfilment
- 3 Fair business operations, business ethics and good governance
- 4 Compliance
- 5 Customer satisfaction
- 6 Brand and reputation
- 7 Transport and logistics
- 8 Waste management and circular economy
- 9 Interest payment
- 10 Tax and economic contribution
- 11 Benefits fair compensation and social security

- 12 Occupational health, well-being and safety
- 13 Employees work-life balance and human rights
- 14 Return on investment
- 15 Local economic value creation
- 16 Employee relations and engagements
- 17 Climate and energy
- 18 Business growth
- 19 Customer acquisition
- 20 Technology and process innovation
- 21 Distribution presence
- 22 Responsible consumption
- 23 Employee training and development

Critical

- 24 Responsible sourcing and alternate raw materials
- 25 Social responsibility and engagement
- 26 Biodiversity management
- 27 Vendor engagement and training
- 28 Quality and reliability of suppliers
- 29 Supplier engagement
- 30 Risk management
- 31 Public policy and advocacy
- 32 Sustainable land use, relocation and rehabilitation
- 33 Renewable energy

● Environmental ● Social ● Governance ● Economic