

*Sustainable Environment,  
Sustainable Tomorrow*









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## Our Journey





# About the Report

## Our Approach

Sanghi Industries Limited (hereafter referred to as 'SIL', 'The Company', 'we', 'our' etc.) with one of India's largest limestone reserves is led by its vision to be the business leader and deliver superior value to all our stakeholders. To take forward our vision, we are pleased to present our first Sustainability Report for Financial Year (FY) 2021-22. The report shares transparent insights into our performance on Environment, Social and Governance (ESG) parameters against the backdrop of our business growth to provide our stakeholders with a comprehensive view of the shared value we have created during the reporting period.

## Reporting Principles

This report has been prepared following the Global Reporting Initiative (GRI) standards. Additionally, the ESG disclosures are aligned with the United Nations Sustainable Development Goals (UN SDGs).

## Reporting Scope and Boundary

The scope and reporting boundary of this report cover all our manufacturing units and bulk terminals located in Gujarat, Maharashtra and Kerala. The report includes a detailed overview of the sustainability measures implemented by Sanghi Industries as a response to the material challenges identified through extensive stakeholder engagement.

## Assurance

The management believes this report covers information important to our stakeholders across key issues. The Company's performance is highlighted in this report to deepen transparency around our governance measures, risk management and internal controls.

## Approach to Materiality

The report describes our approach to and performance on the material issues identified based on our interactions with our internal and external stakeholders as well as suggestions from our senior management. The assessment process helped finalise the material issues critical for meeting our sustainability goals while ensuring transparent disclosures to our stakeholders.

## Forward-looking Statement

This report includes projections for our future performance based on our current assumptions and expectations, as well as statements regarding other business plans, initiatives and goals in addition to our ESG targets, goals and programmes. Verbs like "will," "aim," "anticipate," "believe," and "drive" are frequently used in these sentences. "Estimate," "expect," "intend," "may," "plan," "project," "strategy," "target," or terms with similar meaning. The realisation is dependent on business decisions as well as outside factors.

### Contact Point

We encourage our stakeholders to share their feedback on this report with us so that we can refine and improve our disclosures further.

Please reach out to  
Nimesh Patel,  
DGM - Corporate EHS & Sustainability  
E-mail : nimesh.patel@sanghicement.com

Reporting Period	April 1, 2021 to March 31, 2022
Reporting Cycle	Annual
GRI Standards in accordance	Core Option
Location of the headquarter	Ahmedabad, Gujarat, India



## Message from the Chairman & Managing Director

### **Dear Stakeholders,**

As we step out of the shadows of the pandemic to accelerate our business and sustainability progress, I express my gratitude to our employees, vendors and business partners who have gone above and beyond their responsibilities and exhibited exemplary resilience through the difficult times.

### **A Proud Moment in our Sustainability Journey**

It gives me great pleasure to present the very first sustainability report of Sanghi Industries to you. For over two decades, Sanghi Industries has marched steadily towards its business goals with an ingrained sense of responsibility towards the environment and the communities around us. This report is an effort to document and disclose the progress we have made on this journey, our challenges and future goals transparently with our stakeholders.

### **Our Focus Areas**

Our business imperatives are led by sustainability principles designed to contribute to global initiatives to address climate change, and India's goal is to achieve Net Zero by 2070.

We have identified three focus areas to realise our sustainable growth goals:

- Energy management and use of alternative fuel
- Natural resource management and Circular economy
- People and Communities

### **Guided by United Nations Sustainable Development Goals (UN SDGs)**

Our holistic approach to sustainability is designed to contribute to the UN SDGs that guide countries and organisations to move toward a low-carbon future. Our business operations and practices contribute to 13 SDGs through 3 focus areas. Adhering to global standards like GRI and the UN SDGs also creates new opportunities to enhance our efficiencies by transforming processes and using input materials like recycled waste that help us save costs. Sustainability-led endeavours also help us generate new revenue streams through innovative products like blended cement.

### **Way Forward**

The cement industry, including Sanghi, is taking decisive steps toward a cleaner future through pioneering measures like recycling waste from other industries and introducing greener products. Investments in Research and Development will foster innovations that will help reduce GHG emissions and the carbon footprint further. An aligned ecosystem of partners, employees, customers and communities will continue to be integral to the industry and our sustainability journey.

We thank all our stakeholders for their trust and engagement as we chart new paths and climb new heights to create a better tomorrow for all.

Warm Regards,

**Ravi Sanghi**

Chairman & Managing Director







## Message from the Director

### Dear Stakeholders,

I welcome you to Sanghi Industries' first sustainability report that shares a transparent update on our ESG led growth journey, achievements and challenges. At the outset, I would like to thank the entire Sanghi Industries team for the tremendous spirit they have displayed during the last two years as we combatted COVID-19 to ensure that operations could continue and even thrive despite the difficult conditions. This spirit has powered Sanghi Industries' success over the years, and this year was no exception.

Since the very beginning, our values have put the transition to a circular economy at the core of our business. By publishing our first ESG Report, we are further crystalizing our circular endeavours and deepening transparency around our progress and challenges with our stakeholders.

### Business Growth

Our employees and vendors went above and beyond the call of duty through the pandemic to deliver remarkable results across manufacturing, distribution and sales performance. FY 2021-22 saw us generate revenues of INR 1140.52 Cr with sales at INR 1,122.69 Cr and EBITDA of INR 202.88 Cr with a net profit of INR 40.62 Cr. We are confident that our talented people will help us win many more laurels in the coming years.

### Creating Shared Value

Our sustainability efforts go beyond using nature's resources efficiently and staying compliant. It is centred on our mission to create shared value by empowering our employees and communities to improve their lives, enabling our value chain partners to prosper as we expand our footprint and, above all, delivering quality products to our customers.

### Towards a Circular Future

Circularity for us is about balancing the financial wellbeing of our company with employment generation, mitigating a zero waste policy and nurturing socio-economic development to benefit all our stakeholders.

It is our goal to pave circular driven paths to produce cement with zero waste as much as feasible, reducing our carbon footprint and Green House Gas (GHG) emissions. Using recyclable industrials, reducing the use of coal and PET coke, modifying our product mix to include greener blended cement, and deploying waste heat recovery systems to reuse hot waste gas are just some of the measures we are taking to reduce our carbon footprint. In line with our efforts to decrease





the production of waste and increase the adoption of alternative fuels and raw materials, we are in the process of commissioning solar and wind energy assets at our locations.

### **Our People, Our Strength**

Our employees are the most valuable resource for us, and we have an unwavering focus on ensuring their safety, health and professional development. Care for our communities and all others whose lives are linked with our Company is part of our ethos and first principles of business. We are proud of the work our Sarvodaya Trust is doing across healthcare, education, senior care and community building to improve lives and livelihoods for people in the vicinity of our operations.

### **Deepening Transparency**

Since our inception, we have considered our stakeholders as partners in our success story. We have communicated transparently and frequently with our stakeholders, so they feel a sense of ownership of our mission and help us create shared value. Our first sustainability report is yet another step in that direction to broaden our disclosures to our stakeholders.

### **Way Forward**

This sustainability report is one of the many steps we are taking to create a greener future for our company and the larger ecosystem. I am sure the coming years will see more visible results from our steps so far. We thank our stakeholders for their continued belief in Sanghi Industries as we surge ahead with our mission of transforming lives, protecting our planet and delivering sustained value to our stakeholders.

Warm Regards,

**Aditya Sanghi**  
Director







“ Growing Sustainable Together ”





## Financial Highlights

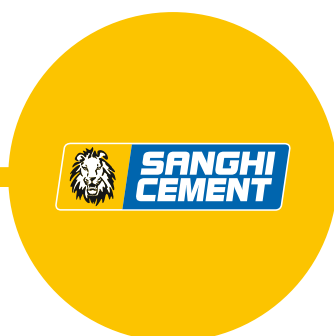
19,95,613 MT  
Clinker Production



19,46,301 MT  
Cement Production



1Billion MT  
Limestone Reserves



INR 1140.52 Cr  
Revenue



INR 202.88 Cr  
EBITDA



INR 40.62 Cr  
Profit After Tax

For more details  
Please refer our Annual report - 2022  
on [www.sanghicement.com](http://www.sanghicement.com)





## Environment



### 0.134 KL/MT Cement

Specific Water Consumption

100%

Water Requirement Met  
by Rainwater

4 Times

Water Positive Company  
in 2022

1.36 Lacs KL

Waste Water Recycle

Zero

Liquid discharge  
From Cement Plant

5.95 Lac MT

Alternative Fuel & Raw Materials  
Consumed in the Plant in 2022

9.65%

Thermal Substitution Rate  
attained through the waste fed

29.14%

Recycled materials in  
total cement raw material

0.780

GHG Emission Intensity  
tCO<sub>2</sub>e/T of Cement eq.

7.05%

Reduction in GHG Intensity  
compared to the Year 2020

4.87 GJ

Specific Energy Consumption  
per MT Cement

0.0874 TOE

Gate to Gate Energy  
consumption per  
MT Cement

18.96%

Reduction in Specific Energy  
Consumption as Compared to  
the FY 2019

16.0%

of the Total Energy Requirement  
is met from Green Energy (WHRS)

99.76%

of the total power requirement  
from captive sources

29.78 Grams per MT  
cementitious material  
SO<sub>x</sub> Emission

726 Grams per MT  
cementitious material  
NO<sub>x</sub> Emission

56.81 Grams per MT  
cementitious material  
SPM

## Sustainability Highlights



## Social



**1492**  
Total Employee strength

**11386**  
Training hours

**1923**  
Training participants

**5.92**  
Average Hour of Training  
per Employee

**Zero**  
Fatalities

**11**  
Lost Time Injuries

**0.26**  
Lost Time Injury  
frequency Rate

**23548**  
Number of CSR  
beneficiaries in FY 2022

**INR 157 Lac**  
CSR spending in FY 2022

**610 Acres**  
Green Cover at the sites

## Governance



**Zero**  
Grievances Pending at  
the end of the year

**100%**  
Compliance Management

**INR 118 Lac**  
R&D Spend





# Vision

To be the business leader,  
delivering superior value to  
all our stakeholders.

# Mission

Achieve profitable growth & customer delight  
through innovation, operational excellence,  
leadership and teamwork to add value for  
all stakeholders and society

# Values

- Care for all stakeholders.
- Continuous learning and growth.
- Commitment to excellence.
- Concern for society.
- Corporate governance based on trust and integrity.

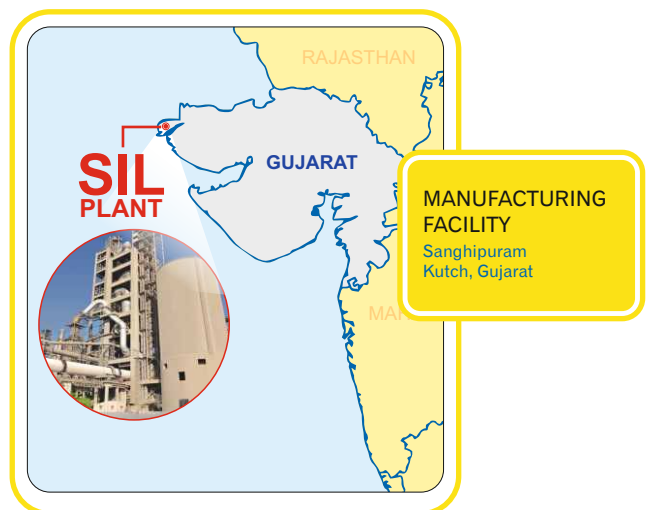


# About Us

Commissioned in 2002, Sanghi Industries is one of the leading cement manufacturers in India, providing quality and sustainable building solutions to individual home builders and professional construction companies. Headquartered in Ahmedabad in Gujarat, India, we produce and sell top-of-the-line Ordinary Portland Cement (OPC), Pozzolana Portland Cement (PPC) and Pozzolana Slag Cement (PSC). We have a significant presence across India's western, central and southern markets and were one of the country's largest exporters of bagged cement.

Superior grade limestone and other raw materials, cutting-edge manufacturing techniques, stringent quality control systems and sustainable practices have made Sanghi Industries – a preferred choice of builders. We have one of the largest limestone reserves in India, which offers 'Superior' grade marine limestone. A fully automated modern plant in Kutch, Gujarat, has manufacturing capacities for 6.6 MMTPA clinker and 6.1 MMTPA cement and houses a 143 MW captive power plant.

'Because  
we care for  
sustainability'







#### BULK CEMENT TERMINALS

Navlakhi - Gujarat  
Dharamtar - Mumbai  
Kochi - Kerala



#### CAPTIVE POWER PLANT

130 MW-TPP + DGPP  
(standby)+ 15 MW WHRS



#### MINING RESERVE

1 Bn MT



EMPLOYEES - 1492  
Dealers - 1025  
C&F agents - 47  
Vendor engagements - 1503



#### Domestic markets

Gujarat, Rajasthan, Maharashtra,  
Madhya Pradesh and Kerala

With a robust manufacturing and distribution infrastructure designed to scale seamlessly, we are considered one of India's most cost-efficient cement manufacturers and counted among the largest single location Integrated Cement plants in Gujarat.

In our nearly two-decade journey, we have always imbibed and been led with sustainable and responsible principles. Our operations across mining, manufacturing, distribution and products have been recognised as eco-friendly and resource-efficient over the years. Our sustainability endeavours include increasing the share of alternative fuels and raw materials, replacing fossil fuels with renewable energy, expanding our portfolio of greener products like blended cement and accelerating innovation to enhance efficiencies. Robust people-centric policies and practices help us engage and energise our workforce and supply chain partners, who are critical to achieving our sustainable growth ambitions. Beyond business, we undertake a range of impact-led activities to empower the communities around our locations taken forward by the Sarvodaya Trust. We stay committed to bringing sustainable and quality products to our customers to strengthen trust every day.



#### International markets

Middle East, Africa and  
the Indian subcontinent



## Our Product Portfolio



### Ordinary Portland Cement (OPC 53 & OPC 43)

#### Features

Sanghi OPC is ideal for general construction, providing durability and high strength. Available in two grades OPC53 and OPC43, unique features include:

- High fineness for high strength development at all stages
- Low heat of hydration ensures crack-free construction
- Low C3A content reduces material degradation and chances of early cracking
- Low Chloride content prevents corrosion
- Low Alkali content increases the setting time and improves compressive strength

#### Usage

Widely used for constructing high-rise buildings, dams, bridges, flyovers, pavements and commercial and industrial complexes. OPC is also used for making grouts and mortars.



### Portland Slag Cement (PSC)

#### Features

Sanghi PSC is suitable for use in concrete, either as a separate component or blended with cement. This product conforms to the IS 455: Portland Slag Cement Standards. It offers long-lasting construction in saline and sulphated land.

When mixed with Portland cement, it:

- Improves the properties of fresh concrete
- Increases concrete strength and elastic modulus
- Reduces permeability and inhibits corrosion
- Improves resistance to alkali-aggregate reaction
- Reduces heat and cracking in mass concrete
- Increases life cycle of structures

#### Usage

PSC is used in almost all concrete applications like concrete roads, pavements, flyovers, pile foundations, mass concrete works like dams, marine constructions, precast – prestressed concrete and concrete pipes and blocks.



### Portland Pozzolana Cement (PPC)

#### Features

Sanghi PPC is best suited for use in harsh construction conditions. This eco-friendly product conforms to the IS 1489 (Part I):1991, Portland Pozzolana Cement Standards. The unique features of this cement are:

- Increased long term strength
- Low heat of hydration ensures crack-free construction
- Corrosion resistance
- Increased workability & reduced water demand
- low water permeability
- Improved surface finish

#### Usage

Widely used for constructing high-rise buildings, dams, bridges, flyovers, pavements and commercial and industrial complexes. PPC is also used for making grouts and mortars.



## Mining

- Own one of India's largest limestone mines, with Reserve 1 billion MT.
- Limestone, extracted through an eco-friendly surface mining method.
- High mineral grade with a purity of more than 90% which ensure high recovery & low wastage.
- The raw material is transported from mines to the manufacturing unit using a conveyor belt of a length of 3 kms, which controls dust and helps in reducing emissions by eliminating road transport & diesel use.

## Operational Excellence



## Manufacturing

- A fully automated plant with one of the largest rotary kiln with Variable Frequency Drive (VFD) increases the life of our mechanical systems and reduces maintenance and operating expenses.
- The alkali bypass system ensures low alkalinity in the final product.
- Our captive power plant, ports and waste heat recovery system make us one of India's most efficient cement plants.

## Quality

- Well-equipped NABL-accredited laboratory with strong quality controls in place.
- Fully automated process with minimal manual interference.
- Homogenised raw materials due to the use of stackers and reclaimers.
- Limestone quality is analysed in real-time with the help of a cross belt analyser.
- Accredited with BIS, BS-EN, ASTM, SABS and SLS Standards.

## Distribution

- The use of multi-modal transportation ensures timely supply.
- Own two vessels of 4400 DWT capacity.
- Distributor network with more than 1500 dealers.
- Bulk Cement Terminals at Navlakhi-Gujarat, Dharamtar-Maharashtra, Kochi-Kerala.
- Largest bagged cement exporter from India.



## Achievements and Accreditations

Best Operation' awards, consecutively since 2006 till 2020, by the Indian Bureau of Mines & Directors of Mines Safety, Government of India, on various aspects of mining erations

India's Most Trusted Company 2017' award by IBCC, USA

Capexil Award for recognition for outstanding performance in export of Cement and Clinker, consecutively from 2013 to 2017

Greentech Environment Excellence Gold Award 2014, for outstanding performance in Environment Management

Business Excellence Waste in Management Initiatives Award 2014

Most Preferred Cement Brand of Real Estate Sector Award 2017' by DNA's Real Estate and Infra Round Table and Awards

Greentech Environment Excellence Gold Award 2008, for outstanding performance in Environment Management

Brand Leadership award for Corporate CSR 2018 by ABP News

Sanghi Industries's achievements, including sustainability initiatives, have been recognised by several eminent organisations in Indian and globally. These awards are a testimony to our operational excellence and best practices. They also point to the culture of innovation and quality that guides all our actions for business.

5-star awarded by IBM to Jadua-Limestone mine of SIL for exemplary performance in implementation of Sustainable Development Framework

### Accreditations









## Our Approach to ESG



Concern for the environment is the cornerstone of our mining, manufacturing and distribution activities. At Sanghi Industries, we are conscious of our environmental responsibilities and committed to the sustainable growth of one and all. Sustainability for us is about balancing economic success, environmental stewardship and social progress to create value for all our stakeholders. We have woven sustainability into our strategic intent and business processes. Our execution framework is focused on taking forward multiple sustainable development and green business practices. Supported by the spirit and energy of Sanghi Industries employees, partners, communities and other stakeholders, we pursue operational excellence while causing minimal environmental damage. Together, these factors help us positively impact Environmental, Social and Governance (ESG) factors related to our business, led by our focus on the three pillars.

## Sustainable Development

At Sanghi Cement, we advance with a vision to be sustainable and as a part of this journey, we have outlined several sustainability objectives which underline all our activities at an operational level. Our dynamic framework allows us to define targets and execute and evaluate processes. It covers every stage of our operations and follows the highest standards of ethics, governance and transparency.

### Identifying risks and opportunities

We appointed an external assessor to undertake a maturity assessment in 2022 to understand the gaps in our organisation's ESG practices as it stands currently. This assessment has provided an objective view of where we stand on our ESG-led journey and any gaps within. It serves as a starting point to outline the goals to meet the expectations of different stakeholders and redefine our strategic framework to align our ESG ambitions with the company's long-term business goals. The parameters assessed as part of this exercise have been mapped against a broad range of criteria, including requirements of sustainability rating agencies, regulatory and compliance norms and indicators outlined by various global standards. The maturity assessment was followed by an in-depth materiality assessment covering our stakeholders to understand the issues that concerned them the most and had the highest ability to impact our business. These material issues form the pillars of our ESG roadmap to enhance our performance and bridge identified gaps.

### Developing the ESG Roadmap

We continuously assess the external environment, the markets as well as the underlying economic, political, social and environmental drivers that shape them. Our ability to achieve our strategic ambitions hinges on how we respond to competing forces. Collaborations with stakeholders help us identify the most critical issues which require our response. Key imperatives of our ESG roadmap have been interwoven with our business strategy, operational framework, including project planning and execution, and the decision making process. A thorough assessment of ESG factors is part of our investment analysis to assess the risks comprehensively and take appropriate action to ensure sustained financial returns for our stakeholders.

### ESG Goals and alignment with United Nations Sustainable Development Goals

We have established tangible and pragmatic ESG goals and priorities to steer our sustainable growth journey that aims to enhance financial and non-financial value for our stakeholders. We are working on multiple fronts to reduce our carbon footprint through energy and water conservation, waste reduction, and the use of alternative fuels and raw materials, amongst others. As a responsible organisation committed to caring for people and the planet, we have aligned our operations and ESG approach with the UN SDGs. Our business operations and practices contribute to 13 SDGs through 3 focus areas.





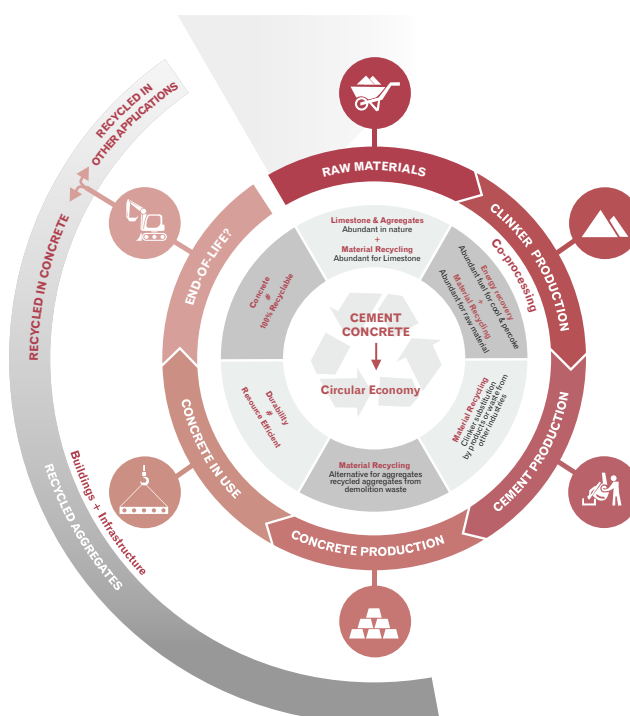
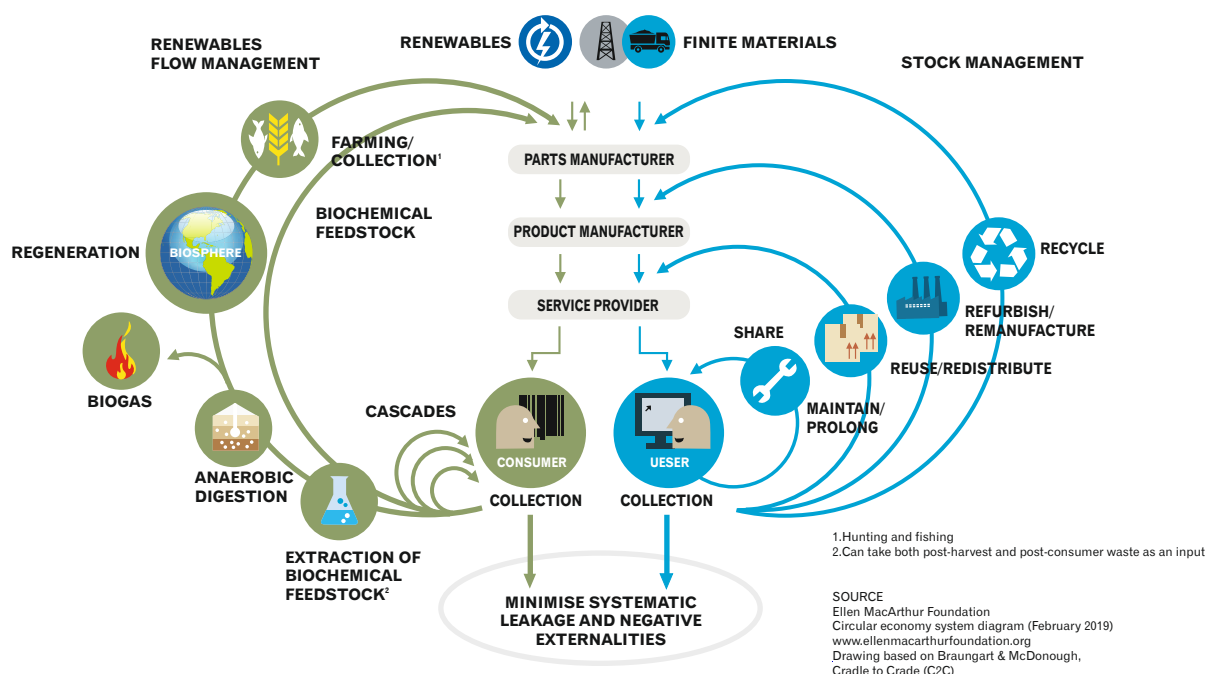
## Circular Management

The most frequently used man made material in the world is concrete, and Circular Economy solutions will be essential to resolving the numerous issues that will arise from its use both now and in the future. Despite a sharp increase in academic interest in creating Circular Economy solutions for concrete, this has mostly concentrated on material and product-scale technical and environmental challenges. There has been a dearth of holistic approaches that take into account broader social and political elements as well as perspectives at the systemic level.

The butterfly diagram, which depicts the circular economy system, demonstrates the constant flow of materials in a circular economy. The technological cycle and the biological cycle are the two main cycles. In the technological cycle, materials and

products are retained in use through procedures like recycling, reusing, repairing, and remanufacturing. The nutrients from biodegradable materials are returned to the Earth via the biological cycle to renew nature.

At Sanghi Cement, all water outlets inside our plant have sensors and meters, and their usage is monitored online. We ensure zero liquid discharge (ZLD) by utilising water discharged from RO and boiler units for horticultural purposes. We have installed drip irrigation at our plantations to optimise water usage. A Root Zone Treatment System enables us to recycle wastewater. Our abandoned mined pits are converted into rainwater reservoirs. The rainwater thus harvested provides water for plant operations and surrounding villages, which is a boon in a dry area like the Kutch district. Four check dams help to provide water to villagers in the vicinity to meet their agricultural and horticultural needs and for domestic consumption.



Source : Cembureau, 2016 Cement, concrete & the circular economy

## Energy management and use of alternative fuel

### Reduction in carbon footprint :

We adhere to the ISO:14064-1:2006 and the Intergovernmental Panel on Climate Change (IPCC) recommendations to monitor our CO<sub>2</sub> emissions and undertake several measures to reduce our footprint. The increasing use of alternative fuels and raw materials helps us reduce the reliance on fossil fuels. Other initiatives include reusing the heat released during our manufacturing process instead of releasing it into the atmosphere, thereby converting it into green energy. Both carbon and particulate emissions are monitored in real-time and corrective actions are immediately taken. We also share emission data transparently on the Central and State Pollution Control Boards' servers or digital platforms.

To know more about our activities to reduce carbon footprint, refer to the Environmental Commitments section in this report.

## Development of green belt

We have successfully created a green belt within and around our plant by planting as many as 400,000 trees. The green belt thus created has helped control dust and reduced the ambient temperature by a few degrees.

We employ local community members to conduct our plantation activities, thereby generating employment. We encourage organic farming and the planting of local flora. Our green belt houses plants like amla, which have medicinal uses, and the ever popular indigenous Kesar mangoes.

To know more about our activities on Conservation, recycling, reuse of water and Circular economy refer to the Environmental Commitments section in this report.





## Community development

Apart from expanding employment opportunities for the communities around our operations, we also implement interventions to improve access to healthcare and education in these areas. Our Health Care Centre at Sanghipuram provides quality medical care to employees and other people living in villages around our facilities. We run a pre-school for the children and a CBSE affiliated full fledged high school - Smt. Kamla Rani Sanghi Public School in Sanghipuram. A 'Dada-Dadi Park' created and maintained by Sanghi Industries allows senior citizens can get some fresh air and socialise with others of their age. We regularly organise cross cultural fine arts activities like art camps, music and dance programmes to promote local talent and celebrate festivals that matter to our community members.

During droughts or water scarcity, we provide free water and fodder for cattle owned by the local villagers and set up rehabilitation camps and undertake relief activities in the difficult times of natural disasters like earthquakes, cyclones, etc.

## ESG Governance

A robust and comprehensive corporate governance structure empowers our Board of Directors to set the strategic direction for the Company, including ESG goals, maintain oversight of our operations and steer our growth. A dedicated focus on ESG governance helps us set pragmatic goals and take forward our sustainability initiatives to create tangible and sustainable impact in line with our stated ambitions.

Our comprehensive policies are designed to enhance our ESG performance. They encompass strategic parameters, including Board oversight, sustainability planning, identification of key material issues, addressing stakeholder concerns, making timely disclosures etc.









# Stakeholder Engagement

The support and faith of our stakeholders, including customers, investors, employees, community members, partners, vendors, regulators and others, has been the mainstay of our steady progress. Our ongoing engagement with them allows us to seek their insights and understand their concerns as we set new goals and redraw the contours of our business to meet the changing needs of our customers, regulations and the planet. They play a vital role in ensuring that we promote the holistic and inclusive wellbeing of all and steer our Company on the path of sustainable growth.









## Our stakeholders



# Key

## Stakeholder Groups

	Why they are Important	Modes of Engagement	Points of Discussion	Frequency
 <p>Employees</p>	Sanghi Industries emphasises human development, which leads to better organisational development.	Sanghi Industries emphasises human development, which leads to better organisational development.	Working environment, safety Compliance Efficiency of operations	Regular/ Ongoing
 <p>Communities</p>	We strive to create a positive impact on the local communities in which we operate to strengthen social licence to operate.	Corporate Social Responsibility (CSR) activities	<ul style="list-style-type: none"> <li>• Healthcare</li> <li>• Education</li> <li>• Optimal utilisation of resources sourced locally</li> <li>• Mutually rewarding relations with the industry</li> </ul>	<ul style="list-style-type: none"> <li>• On-Going</li> <li>• Need-based</li> </ul>
 <p>Shareholders &amp; Investor</p>	Provide financial capital and monitor the organisation's performance and governance procedures.	<ul style="list-style-type: none"> <li>• Conference Calls</li> <li>• Meetings</li> <li>• Investor meets</li> </ul>	<ul style="list-style-type: none"> <li>• Financial &amp; non-financial (ESG) performance</li> <li>• Opportunities for growing the portfolio</li> <li>• Share transferring</li> <li>• Annual/ Sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>• Regular/Quarterly</li> <li>• Need-based</li> </ul>
 <p>Vendors</p>	Play a crucial role in supplying raw materials and other input materials and critical services that ensures the continuity of operations.	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Visits</li> <li>• Supplier audits</li> <li>• Facility visits</li> </ul>	<ul style="list-style-type: none"> <li>• Payment timelines</li> <li>• Capacity building on SG aspects</li> <li>• Grievance mechanism platform</li> </ul>	Regular
 <p>Customer</p>	Customers are at the heart of our success, and meeting their expectations is our primary goal	Website, direct communication	<ul style="list-style-type: none"> <li>• Availability of finished products</li> <li>• Technological Advancement</li> </ul>	On-going, Need-based
 <p>Media</p>	It helps and acts as a voice of the brand Spread awareness of our achievements and activities	Meeting In person or via virtual platforms	<ul style="list-style-type: none"> <li>• Compliance with all local and central laws for environment protection and employee wellbeing</li> <li>• Community development</li> <li>• Resource management</li> </ul>	Need-based

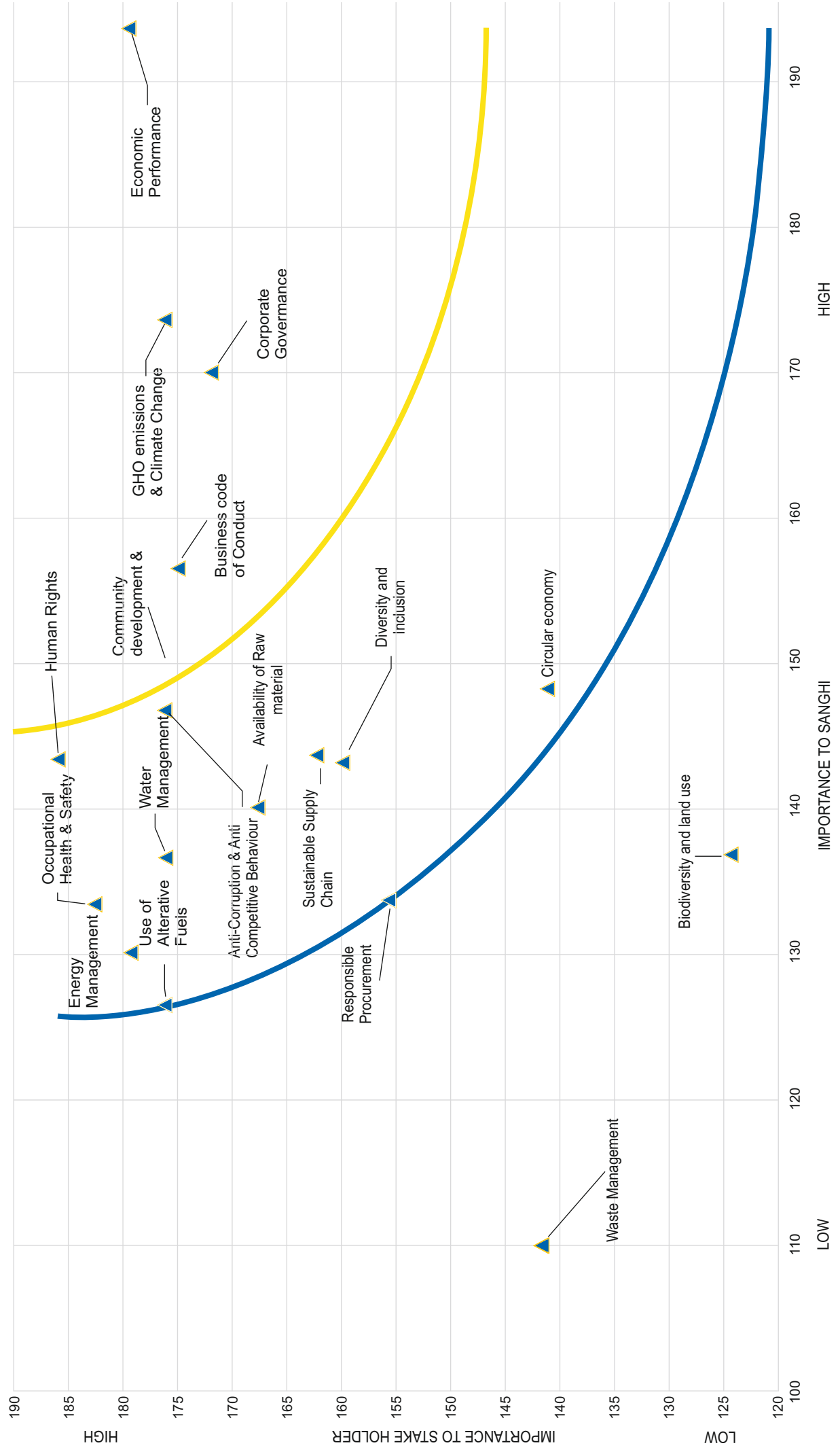


# Materiality Assessment

As part of strengthening our ESG operational framework and solidifying our performance goals, we conducted our first materiality assessment covering our key stakeholders in FY 2021-22. A detailed five-step materiality assessment exercise helped identify these issues as material to our business and stakeholders. We evaluated external environment trends and issues identified by industry peers and referred to globally accepted sustainability standards to outline risks and opportunities relevant to our business. Thereafter, we engaged a sample size of stakeholders representing all groups, including internal stakeholders like our senior management, to arrive at a set of issues that mattered most to them. We then derived the final set of material issues that will form the foundation of our business and sustainability strategies, goals and execution pathways. These material issues lie at the cross-section of parameters that are most important to our stakeholders and have the biggest impact on our value creation abilities and business continuity. Sanghi Industries plans on conducting the materiality assessment every three years to account for changes in business priorities and stakeholders perspectives. This report covers the material impact conducted for the financial year 2021-22.



# SANGHI MATERIALITY ASSESSMENT







# Sanghi Industries's

## Material Issues



### ENVIRONMENT

#### High Priority

GHG Emissions and  
Climate Change

#### Medium Priority

Circular Economy  
Energy Management  
Use of Alternative Fuels  
Water Management  
Availability of Raw Materials

#### Low Priority

Waste Management  
Biodiversity and land use



### SOCIAL

#### High Priority

Community Development &  
CSR

#### Medium Priority

Human Rights  
Occupational health & Safety  
Sustainable Supply chain  
Responsible procurement



### GOVERNANCE

#### High Priority

Business Code of Conduct  
Corporate Governance  
Economic Performance

#### Medium Priority

Anti-Corruption and Anti  
Competitive Behaviour







# Material Topic & Our Perspective



## Environment

### **GHG emissions and climate change**

Our emissions are monitored by external third-party agencies every quarter. We have introduced measures to reduce our GHG emissions and carbon footprint. In FY 2021-22, our emissions intensity stood at 0.780 MT/MT Cement

### **Energy Management**

We are committed to the conservation of energy, for which we are taking various initiatives and moving towards the use of renewable energy to the maximum extent wherever possible.

### **Use of alternative fuels**

Considering the expected scarcity of fossil fuels in the future, we are exploring opportunities to use alternative fuels to mitigate the shortage of fuel supply, if any.

### **Water Management**

Water is the most crucial resource for maintaining our manufacturing activities. We have a relentless focus on reducing usage and improving conservation to promote water stewardship across our operations.

### **Availability of raw materials**

Our operations depend entirely on the timely availability of high-quality raw materials, which is

why our manufacturing facility is set up very close to our limestone mines.

### **Waste Management**

Reducing waste generation and recycling/reusing waste where possible helps us contain the negative impact on the environment. We have taken several measures to recover energy from waste and are replacing fossil fuels with thermal energy obtained from heat recovery.

### **Circular Economy**

Sanghi Industries actively seeks to turn its practices and operations more circular. Our outlined use of renewable and recovered energy, alternative fuels as well as local raw material sourcing ensure our responsible manufacturing. Furthermore, we reloop materials and resources within our production system by recovering and reusing these in our processes. We are thus able to avoid unnecessary waste. One initiative is the reuse of our cement bags recovered from customers.

### **Biodiversity and landuse**

We acknowledge that maintaining a balance in the ecosystem, preserving biodiversity, and managing natural resources responsibly are essential to sustainable development and generating wealth in the region where we conduct our operations.



### Community Development & CSR

Sanghi Industries is dedicated to the development of the community. We undertake various activities for the welfare of the local community while ensuring that their cultural heritage and values remain intact. We have spent INR 157 Lacs on CSR in FY 2021-22.

### Human Rights

Sanghi Industries ensures that every individual in the company acts in accordance with applicable laws and supports the protection of human rights, abolition of child labour, avoidance of forced labour and any form of slavery.

### Occupational health and safety

A safety committee has been constituted to take care of the safety of people and materials across all our operational facilities. Our primary motto is to have an accident-free workplace, for which we have standard operating procedures in place. We have workshop-level interactions that ensure safety protocols are understood and implemented on an ongoing basis.

### Diversity and inclusion

We are actively recruiting a diversified workforce across our operational facilities; we are an equal opportunity employer and provide a safe and inclusive workplace.

### Sustainable supply chain

A resilient supply chain is crucial to ensure sustainable operations. We procure our input raw materials responsibly from local sources. Besides the use of new resources, we also recirculate materials from waste as well as energy within our value chain. At the final end of our supply chain, we encourage our vendors to adhere to ESG norms in their procurement, operations, and further business practices.

### Responsible Procurement

With our responsible procurement practices, we aim to contribute to the closed material and energy loops within our supply chain and, simultaneously, limit the environmental impact and waste generation across our manufacturing process. We source our input materials from committed local suppliers. This supports our local community's livelihood as well as reduces our cycle times. It contributes to reducing our GHG emissions through shorter transportation lengths.

## Social





## Governance

### **Business Code Of Conduct**

Our operational facilities follow our Business Code of Conduct (CoC). Every employee and vendor is made aware of the CoC so that they follow the applicable laws and regulations and do not indulge in any form of racism and unethical behaviour. We take strict action against any case that is reported.

### **Corporate Governance**

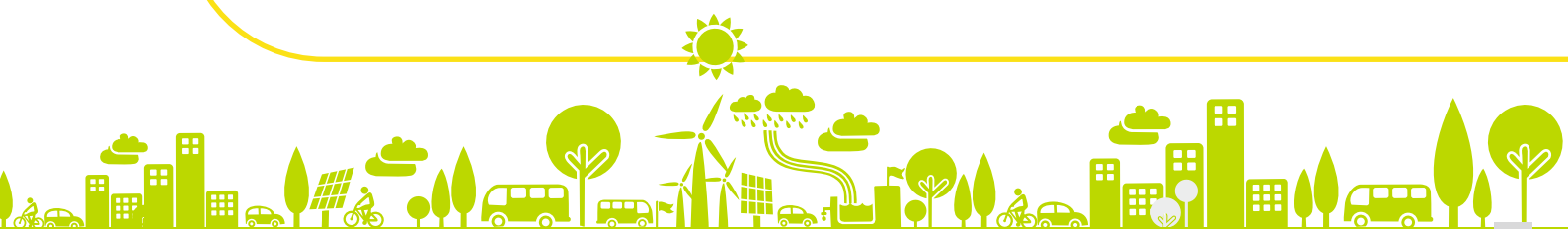
We have robust systems to monitor all the ESG and CSR aspects, including implementation and assessment of results.

### **Economic Performance**

Our financial results depend on sound economic performance supported by good governance structures, airtight risk mitigation measures, and operating procedures.

### **Anti-Corruption and Anti-competitive behaviour**

We have internal controls and systems in place to monitor all the activities in the organisation and take strict action against those who engage in any unlawful or unethical activity.





# Environmental

## Commitments

As a leading player in the cement industry, we have significant opportunities to set the pace for environmental conservation in the sector. Sustainability is an integral part of our strategy. We have set high goals to uphold our obligations to minimise our environmental and carbon footprint, and we seek to set the industry standard towards carbon neutrality. Our environmental commitments are driven by strong governance frameworks that monitor the impact of our operations and deploy innovation-led responsible solutions to improve performance.

### Combating Climate Change

According to the Inter-Governmental Panel of Climate Change (IPCC), the rise of global temperatures must be limited to below 1.5C ( compared to pre-industrial levels) to contain the devastation of climate change. These impacts include rising land and ocean temperatures, more frequent heat waves, droughts and increased

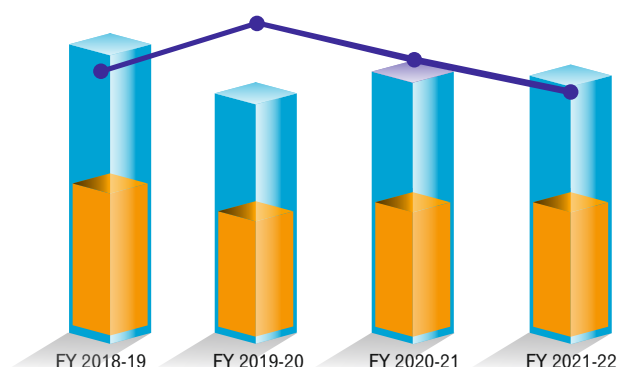
precipitation throughout most regions. Additionally, new hazards in the food, water and energy sectors could intersect, generating unknown risks and escalating existing ones that could impact an increasing number of people and countries. At Sanghi Industries, we recognise the importance of reducing emissions to protect our planet. We are taking steps to conserve our environment through better energy, water and waste management and increasing the share of alternative fuels and raw materials (AFR).

### Energy Management

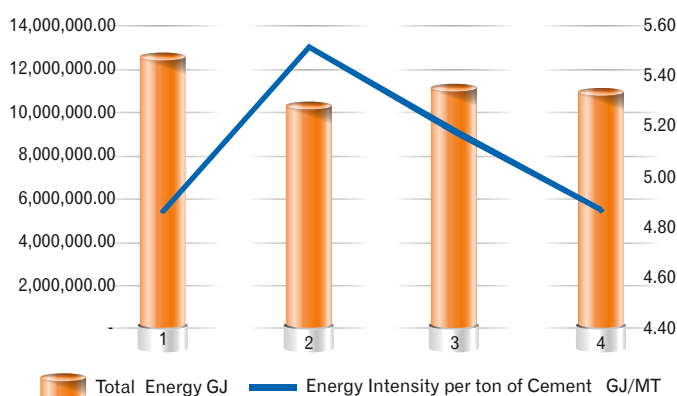
Our comprehensive energy conservation and management efforts start by assessing division-wise energy needs, setting efficiency targets and monitoring performance daily to optimise energy consumption by considering specific operational issues and priorities. Below are energy consumption trends at Sanghi Industries since FY 2018-19.



### Energy Consumption



### Energy Intensity



### Continuous Energy Monitoring

At Sanghi Industries, we have installed an Automated Online Energy Management System (AOEMS) for accounting and monitoring energy usage trends. The energy efficiency team uses this tool to continuously monitor the energy flow within the organisation, record the trends and identify leakages and potential gaps for possible energy savings. The team reports the gaps or leakages and the proposed solutions to the concerned departments. Actions to improve include using more efficient raw materials, equipment or processes.

### E-Certification

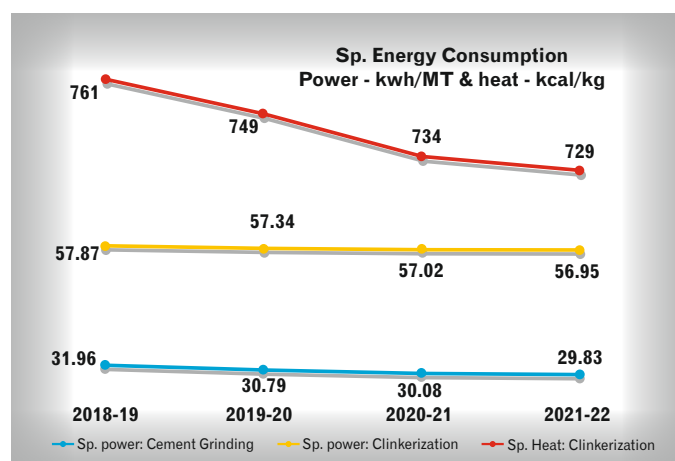
We have received 69228 nos of ESCert issued by the Bureau of Energy Efficiency under PAT scheme for Cycle-II. The certification aims to regulate, audit, monitor and improve energy efficiency.

### Energy Efficiency Measures

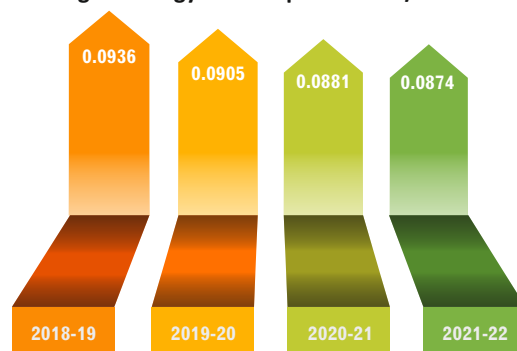
We have implemented a series of energy efficiency projects over the years covering process redesign, conversion and retrofitting of equipment and operational changes include:

- Installation of Variable Frequency Drive (VFD) in cooler
- Environmental Control Systems (ECS) upgradation & installation of PXP system in Clinker Plant & Grinding Unit
- Replacement of BFP with new energy-efficient pump
- Installation of automated alternative fuel feeding system
- Process Optimisation at clinker plant and grinding unit
- Upgradation of raw and coal mills
- Modification of Raw Mill Cyclones duct and fans
- Installation of VVFD in all process fans
- Replacement of reciprocating compressors with screw compressors
- Modification of Kiln inlet
- Installation of Slip Power Recovery
- System (SPRS) in all seven major process HT fans

- Process optimisation & reduction in false air ingress
- Installation of Duoflex burner and ABC inlet
- ECS upgradation
- Installation of PXP system
- Upgradation of Kiln outlet seal
- Auto control of water pumps network
- Installation of 3 km long Mines Belt Conveyor
- Installation of turbo blower etc.



### Gate to gate Energy Consumption - TOE / MT Cement



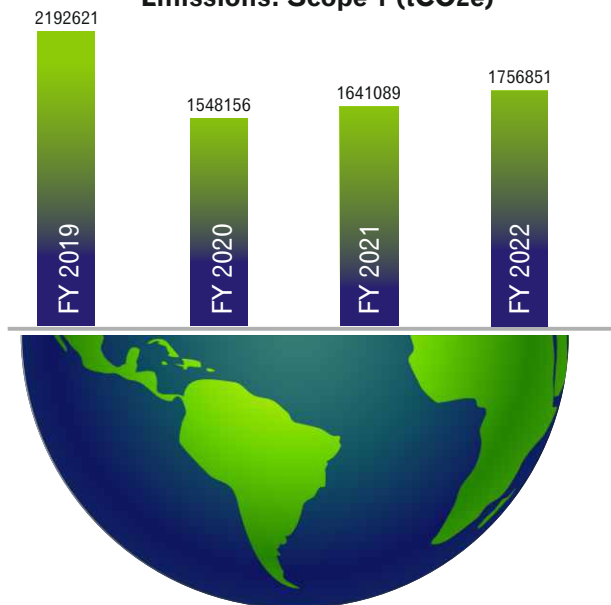
green energy share stands at about 16% of total energy consumption. We have reduced Special Heat & Power consumption by 28% and Gate to Gate energy consumption by 35.6%.



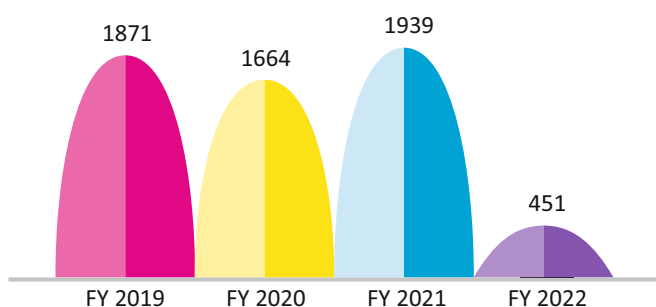
## Monitoring and Reducing GHG Emissions

In the cement industry, emissions are generated from the burning of limestone. The manufacturing process involves the chemical transformation of limestone ( $\text{CaCO}_3$ ) into lime ( $\text{CaO}$ ), which produces carbon dioxide as a by-product of clinker manufacture.

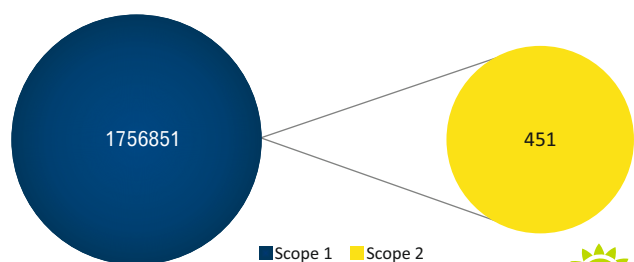
**Emissions: Scope 1 (tCO<sub>2</sub>e)**



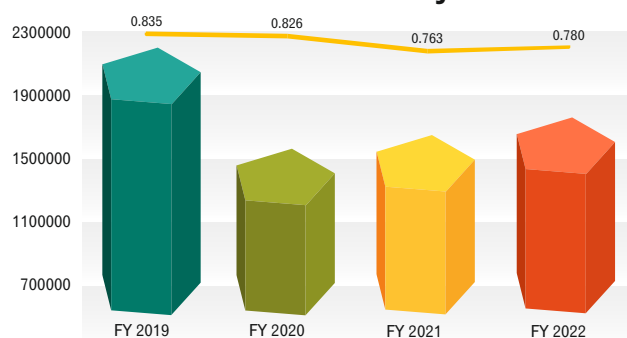
**Emissions: Scope 2 (tCO<sub>2</sub>e)**



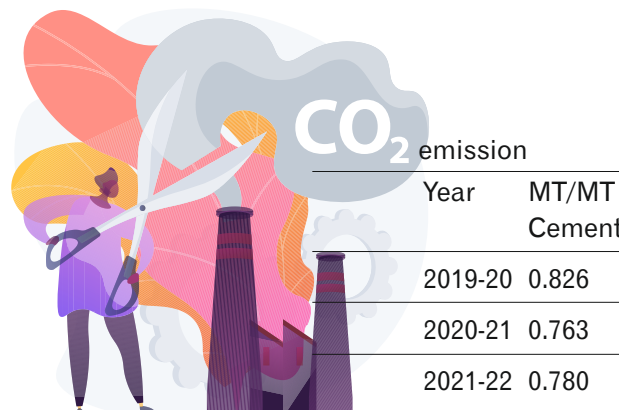
**Emissions (tCO<sub>2</sub>e) FY 2021-22**



**Emission Intensity**



Sanghi Industries has developed short, medium and long terms de-carbonisation targets over a time frame of ten years. The amount of carbon dioxide released per tonne of cement produced is used to evaluate the environmental impact of the manufacturing process to track emission intensity. We are committed to reducing the negative environmental impact of our operations by using alternate fuels, replacing older equipment with more energy-efficient ones and increasing the share of renewable energy in the mix, among others. Over the last three years, we have succeeded in reducing the carbon dioxide emissions from 0.826 per MT of cement produced in FY 2020 to 0.780 tCO<sub>2</sub>e/MT



**4.87 GJ**

Specific Energy Consumption per MT Cement

**18.96%**

Reduction in Specific Energy Consumption as Compared to the Year 2019

**0.0874 TOE**

Gate to Gate Energy consumption per MT Cement

**0.78**

GHG Emission Intensity tCO<sub>2</sub>e/T of Cement eq.

**7.05%**

Reduction in GHG Intensity compared to the Year 2020

**0.42 Million MT**

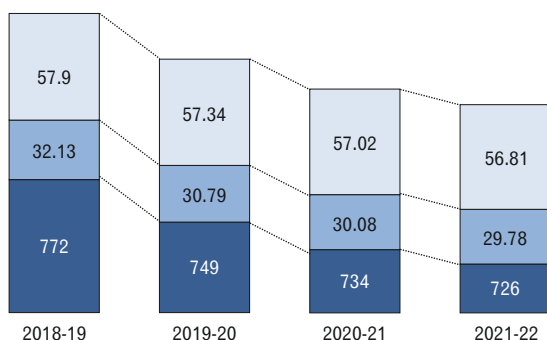
Co<sub>2</sub> Saving During FY 2022



## Controlling Air Emission (SOx, NOx and PM)

An Online Environment Monitoring System has been installed to monitor and control air pollutants. We invite third-party vendors to monitor and assess our emissions so that we can adhere to stipulated norms. The emission of gaseous and particulate matter has steadily reduced across our operations over the last four years, as outlined below:

### Emissions - Grams / cementitious material



## Transitioning to a Greener Future

Generating electricity from fossil fuels is responsible for 25% of global Green House Gas (GHG) emissions (IPCC AR5 2014) that aggravate climate change. Increasing renewable energy is a key imperative to reducing GHG emissions. One of the most effective ways of reducing CO2 emissions in cement manufacturing is using alternate fuels instead of fossil fuels. Moreover, using alternate fuels minimises the risk to operations if fossil fuels become unavailable or are in short supply in the near future.

## Green Energy

The adoption of green energy has been one of the major strategic focus areas outlined in the our sustainability road map through the substitution of conventional sources of power. The use of alternative fuels, waste heat recovery (WHR) systems and renewable energy sources form the pillars of our energy management efforts and also help reduce our reliance on fossil fuels. We are putting plans in place for commissioning our first solar and wind energy assets at our sites. The green energy share forms 16% of the total power consumption. Our target is to increase the green energy share to 35% of the total energy requirements by the end of 2024.

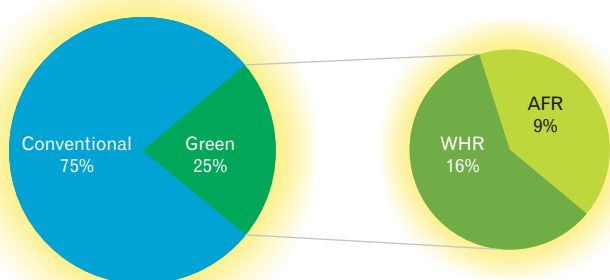
## Circular Economy : Co - Processing as the Future

Globally as well as at Sanghi Cement, we are dedicated to ensuring that there is enough cement available to meet society's needs, while also lowering the amount of fuel and raw materials needed, as well as the associated emissions.

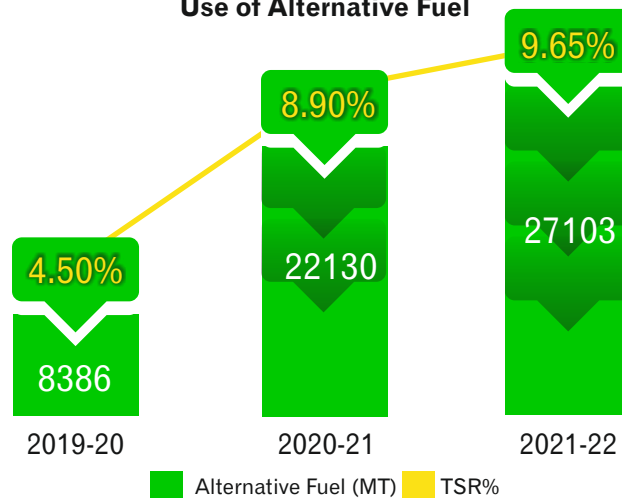
These goals are furthered through co-processing, a term used to describe the utilisation of waste materials in the cement industry. In order to substitute natural mineral resources (material recycling) and fossil fuels like coal, petroleum, and gas (energy recovery) in industrial operations, co-processing is the use of waste as a raw material, a source of energy, or both. The cement industry achieves the greatest possible non-renewable material substitution through the co-processing of waste.

Sanghi Industries is the first Indian company in the sector to start using pond ash in the raw mix of clinker and co-processing of coal tar or waste from ceramic industries. We have utilised more than 3.5 million tons of industrial waste in the production of cement over the last decade.

### Energy Portfolio : 2021-22



### Use of Alternative Fuel



**SOx Emission**  
29.78 Grams per MT cementitious material

**NOx Emission**  
726 Grams per MT cementitious material

**SPM**  
56.81 Grams per MT cementitious material

**99.76%**  
of the total power requirement from captive sources

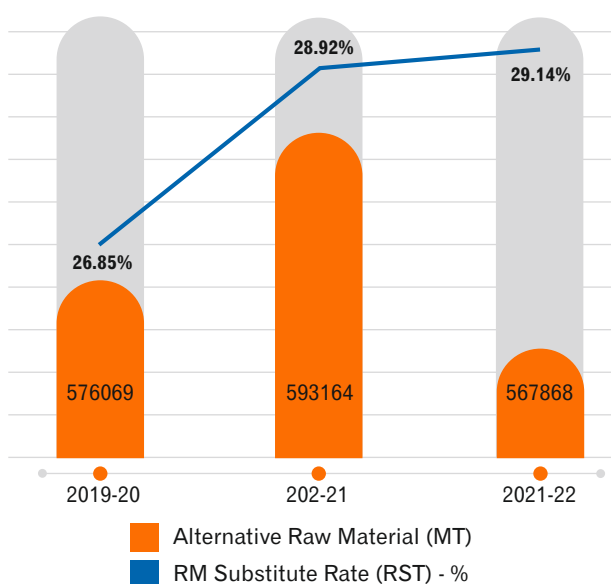
**16.0%**  
of the Total Energy Requirement is Met from Green Energy (WHRs)



According to the Global Cement and Concrete Association's (GCCA) net-zero roadmap, by 2030 more than 20% and more than 40%, respectively, of the energy used to produce cement and concrete would originate from alternative fuels like biomass, which includes industrial, municipal, and agricultural waste. The share of alternative fuels being used in our kilns is steadily increasing. In FY 2021-22, our alternative fuel consumption stood at 27103 MT, a jump of more than 300% from FY 2019-20, when the consumption stood at 8386 MT. As a result, our Thermal Substitution Rate (TSR) more than doubled from 4.50% in FY 2019-20 to 9.65% in the reporting year.

We also utilised about 6 lac tonnes of waste derived alternative raw materials like fly ash, slag, chemical gypsum, pond ash, etc. The Raw Material Substitution Rate (RST) has increased from 28.92% to 29.14% YoY in FY 2021-22.

Use of Alternative Raw Material



### Waste Heat Recovery Systems

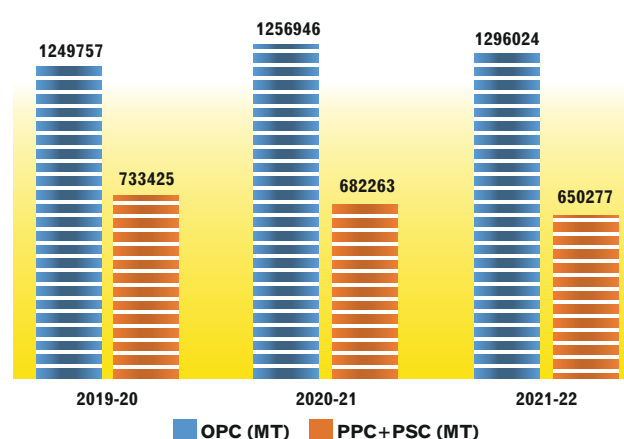
Sanghi Industries has also put up advanced solutions like Waste Heat Recovery System (WHRS) to trap and convert the waste gases emitted by its plant to greener energy. We took up this project as a part of a Memorandum of Understanding with the Government of Gujarat at the prestigious Vibrant Gujarat Summit in 2017 and completed the entire project in a record time of 14 months. Today we are generating 15 MW of power from this WHRS to serve as a partial substitute for natural resources like coal. We aim to double the capacity of the waste heat recovery system by 2024.

### Green Products

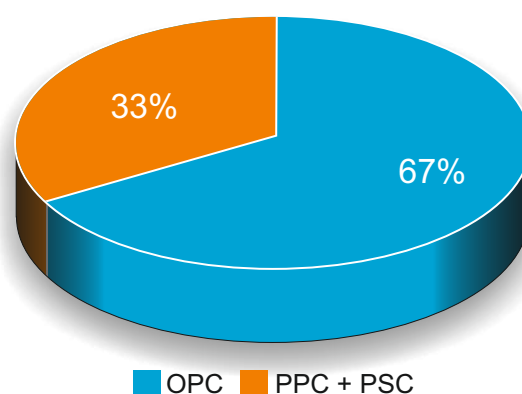
The concrete and cement value chain can directly recycle byproducts from other sectors, contributing to the waste treatment problem. Co-processing, for instance, can be used to extract raw materials from mining waste or the ashes of burned fuels.

When producing recovered clinker (mineralization) or new concrete, for instance, CO<sub>2</sub> emissions that were previously caught during production operations can be reintroduced into the value chain (carbon curing). Throughout their lifetime, concrete structures absorb a sizable amount of CO<sub>2</sub>. Any leftover carbon that was gathered throughout the procedure can be saved or utilised in other ways. The largest decarbonization lever on the road to net zero is carbon capture, utilisation, and storage (CCUS), which presents a tremendous opportunity for innovation.

Cement Product Mix



Cement Product Mix FY 2021-22



9.65%

Thermal Substitution Rate attained through the waste fed

29.14%

Recycled materials in total cement raw material

84.30%

Clinker Factor in 2022



### **ZERO Liquid Discharge (ZLD)**

To further ensure better water management with an avowed policy to maintain Zero Liquid Discharge (ZLD), we ceaselessly seek ways to manage water resources efficiently. The water used in the plant for industrial cooling is recycled through cooling towers to ensure effective reuse.

To ensure effective water usage, we erected a 400 KLD Sewage Treatment Plant (STP) to treat the sewage from the colony. This STP is built on the innovative "Root Zone Treatment technology", which cleans discharged water and makes it safe to use once more for dust control and greenbelt development. We constantly strive to surpass our own records. In FY 2021-22, we used more than 16% recycled and reused water.

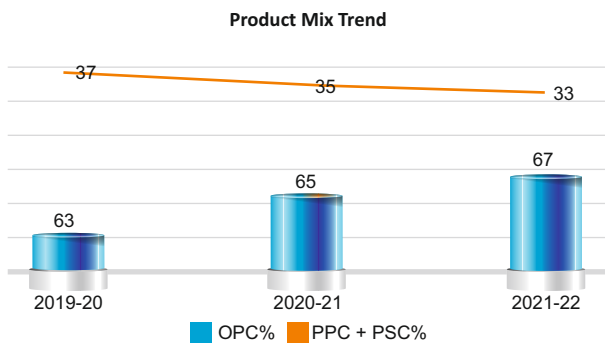




## Waste to Products

The entire quantity of fly ash and bottom ash generated from our captive power plant is used to replace an equal volume of clinker to produce Portland Pozzolana Cement (PPC). This prevents the need to dispose of ash dust as well as reduces the volume of resource-intensive clinker used in production. We also use fly ash from other power plants to reuse waste and optimise clinker use in our manufacturing process. Our third product category, Portland Slag Cement (PSC), is a blended cement that uses slag, a waste or by-product of the metal industry, as an additive.

The share of PPC and PSC, which are types of blended cement with a lower carbon footprint form 30 to 40% of the total cement produced by Sanghi Industries.



## Water Management

Managing water use is one of the primary focus areas of our sustainable development plan. As our cement plant is located in one of the most arid desert areas of the Kutch district, water conservation is critical for our operations. The area has a drought that is almost perpetual and faces severe water shortages and extremely dry weather. A multi-dimensional approach that includes water demand reduction, rainwater harvesting, groundwater recharge, water recycling, pond deepening and integrated water management practices has helped us convert this arid land into a flourishing green belt, with water surplus made available for use by the communities around us.

We conduct water audits regularly to identify potential conservation opportunities. Blueprints and action plans are developed to execute on recommend conservation measures. An automated online water management system ensures effective distribution, monitoring and management of water use. Since our plant is based on the dry manufacturing process, the water requirement is low compared to other industry peers who use the wet processes. Our method requires water only for cooling purposes in raw mills, compressors, heat exchangers and conditioning towers.

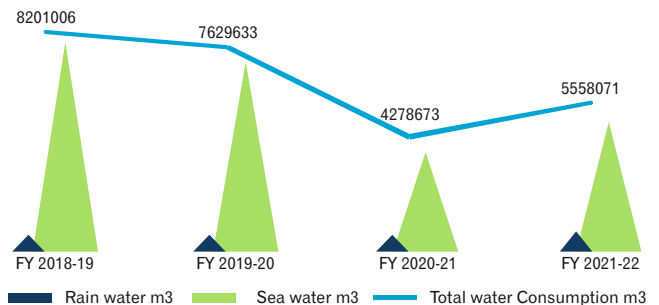
At Sanghi Industries, we have implemented an integrated water resource management system encompassing both demand and supply to rationalise water use, reuse and recycling.

### Water Management : Demand Side

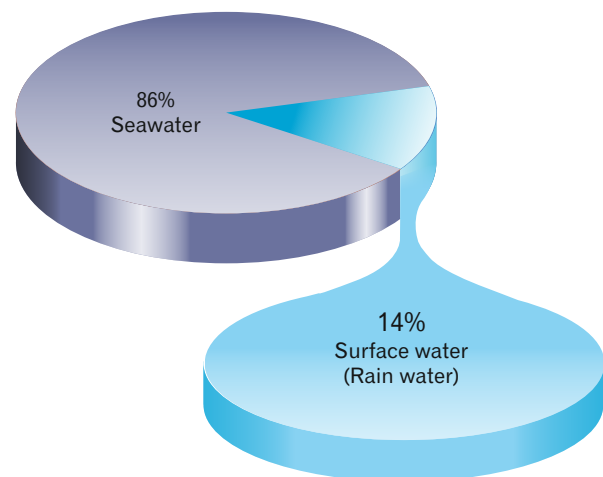
At Sanghi Industries, we aim to minimise fresh water usage by increasing the efficiency of use, conservation and planned recycling of water. We have installed and upgraded various advanced water spraying systems to ensure optimum water consumption. Drip irrigation techniques have been adopted for greenbelt development, gardening, and vegetable and orchard farming in the factory area. Following the government's 'more crop per drop' vision, we promote low water-intensive crop farming. To expand the holistic reach of our endeavours, we encourage community members living around our factory to use drip irrigation.

Sr. No.	Type of source	Units	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
1	Surface water (Rain water)	m3	583148	626908	620924	755737
2	Ground water	m3	0	0	0	0
3	Seawater	m3	7617858	7002725	3657749	4802334
4	Produced water	m3	0	0	0	0
5	Third-party water	m3	0	0	0	0
Total water Consumption		m3	8201006	7629633	4278673	5558071

### Water Consumption



### Water Consumption FY 21-22



# 100%

Water Requirement  
Met by Rainwater

# 0.134 KL/MT

## Cement

Specific Water  
Consumption

# 4 Times

Water Positive  
Company in 2022

# 1.36 Lac KL

Waste water recycled

# Zero

Liquid discharge  
from cement plant

“”

To meet the region's water needs, we aggressively deploy rainwater harvesting and other initiatives to capture excess rainwater. We converted our mined pits into enormous water reservoirs to collect rain water from the nearby region. This is a simple yet intriguing practice that has been used over the years to collect rainwater. Visitors to this area will find these former mine pits that have been transformed into water reservoirs a soothing sight. Additionally, these water bodies have improved the local ecosystem, attracting thousands of migratory birds every season. We have also constructed check dams for water collection with a capacity of 15 Lakh Kilo Litres. Furthermore, we have deepened the nearby ponds. The water requirements of the industry and the nearby areas is fulfilled by the water thus harvested.

“”

Sanghi Industries has one of the largest rainwater collection capacities in the Kutch district, which stands at around 50 Lac KL.





## Water Management: Supply Side

Given that our manufacturing facility is located in the arid region of Kutch, the uninterrupted water supply is one of our critical issues. Our dedicated water management efforts and partnership of our employees and community members play a crucial role in overcoming this challenge. We have actively implemented rainwater harvesting and other initiatives to cater the water requirements of the entire region.

Our journey of conserving and storing water for future use began with the construction of three check dams around our plant with a combined capacity of 15 lakh kL. Today, our water management efforts have borne fruit, and we no longer need to draw on the dams for our needs. Our water requirements are completely met through the rainwater harvested at the mined pits. Additionally, we have implemented initiatives like groundwater recharge and khet talavdi or pond deepening, in and around our operational area.

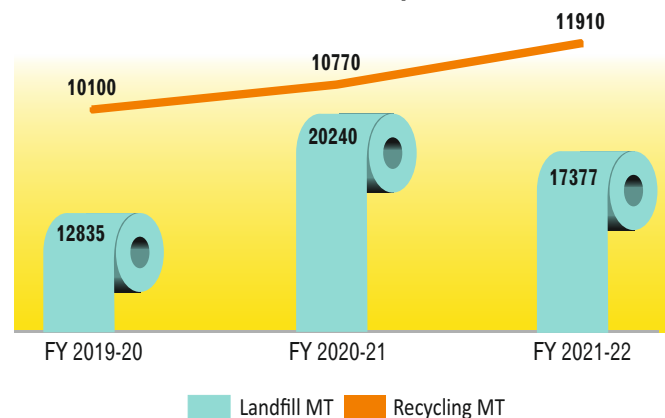
In keeping with our commitment to holistic and inclusive development, the water from the check dam is also used by 2578 community members in 15 villages for cattle feed, domestic consumption and irrigation purposes.

## Waste Management

We have an integrated waste management framework founded on the circularity principles of reuse, reduce and recycle the volumes of waste generated across our processes. Solid waste is produced as part of the manufacturing process during raw meal grinding, pyro processing and cement grinding. These are collected again during manufacturing process itself by using RABH, ESP & BFs and being injected back into the process to maintain a clean environment and successfully conserve raw materials.

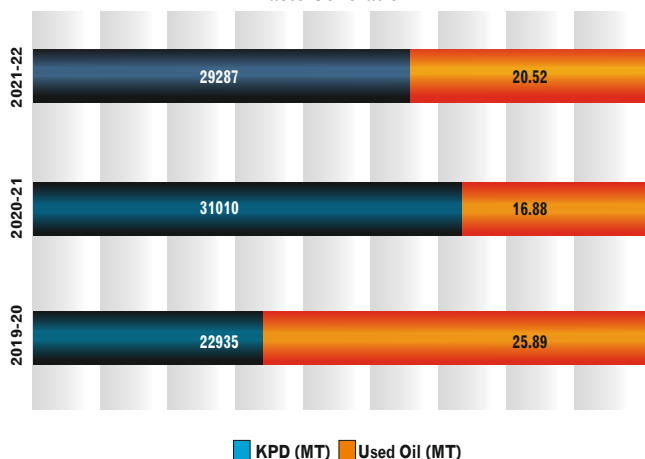
The Kiln Process Dust (KPD) is generated during our pyro process, which is partly recycled in our cement manufacturing process and balance is disposed by landfill in designated pit. Waste generated from the maintenance and repairing activities in workshops is segregated and items like oil-soaked cotton waste and used oil are co-processed in the cement kiln. Other wastes such as steel scrap and used batteries are sold to the authorised recyclers and appropriate returns are filed with the concerned regulatory body. In line with our focus on circularity, Sanghi Industries partners with industries in other sectors like Power Plant, Pharmaceuticals and chemical to utilise their waste for coprocessing, thereby enhancing waste management in the larger ecosystem.

### Kiln Process Dust Disposal (KPD)



The volume of Kiln process dust generated in FY 2021-22 stood at 29287 MT, down from 31010 MT in FY 2020-21. The volumes of Kiln Process Dust (KPD) being sent to landfills has been steadily decreasing in our operations from 20240 MT in FY 2020-21 to 17377 MT in FY 2021-22. The volumes of KPD being recycled has gone up from 10770 MT to 11910 MT in the same period. The volumes of used oil recycled after due treatment went up from 16.38 MT in FY 2020-21 to 20.52 MT in FY 2021-22. These achievements result from our efforts to increase recycling and reuse such waste as additives in our portfolio of mixed cements.

### Waste Generation



## 5.95 Lac MT

Alternative Fuels & Raw Materials (AFR) consumed in the plant in 2022





## Biodiversity

None of our manufacturing sites operates in the immediate vicinity of specific biodiversity zones, World Heritage sites or IUCN category I-IV protected areas and we commit not to open new sites or explorations within such areas as per group policy. Limestone is sourced from our captive mines in the vicinity of our plants. Mining operation is being carried out by Surface miner where drilling and blasting is totally eliminated.

Our plant is located in District Kutch – Most backward area of the Country. It is desert land with barren and arid land. The region suffers from virtual perennial drought, non-availability of water and extreme weather conditions. The first major step was constructing 3 check dams towards the transformation of this barren landscape to impound the rain water harvesting. The objective to make surrounding area attractive to aquatic and other birds which achieved by a planned microhabitat development program. The creation of perennial water source gave a great boost to tree plantation activities and arising of nurseries. Simultaneously several fast growing trees were planted to create natural shade as quickly as possible.



**100%**

Limestone mining  
by Surface miner

**610 Acres**

Green Cover at the sites

Capacity of

**15 Lac KL**

Check Dams - 3 Nos.

Capacity of

**50 Lac KL**

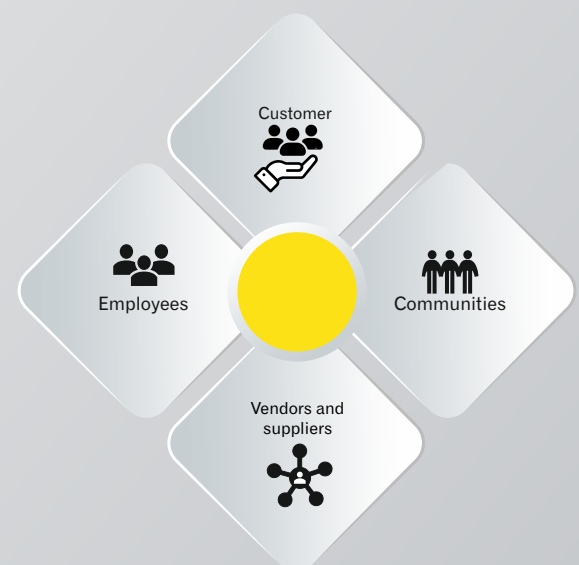
Mines Rain water pit





## People and Communities

**Our universe of people  
who are at the core of our business**



We have well-designed policies and strategic frameworks that allow us to understand the needs of our people and meet their expectations through impact led interventions.

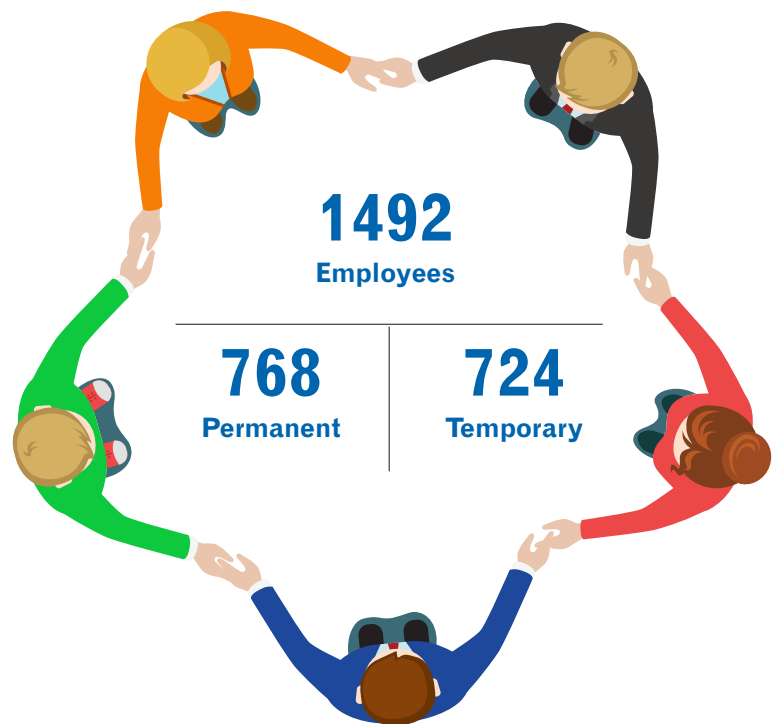






## Our Employees

Sanghi Industries owes its success to the calibre and contribution of our workforce. A diverse workforce that brings the best of varied talent and experiences is crucial for our long-term sustainable growth and prosperity. We employ experts from many professions to bring various perspectives and expertise to our operations. Nurturing our employees so they can grow professionally and personally is critical to realise our ambitions of a sustainable tomorrow. We have a structured learning and development framework to impart training on upskilling and refreshing existing skills. We are an equal opportunity employer and roll out several measures to attract, motivate and retain talent.





We take pride in being an opportunity employer and give preference to talent and performance above all other factors. The details of our employee new hires are given below:

Employee Strength as on 31 March 2022	Total Number	Age Group (Year)			Gender	
Employee Category		<30 yrs	30-50 yrs	>50 yrs	Male	Female
Asst.Manager & Above	222	2	63	157	215	7
Below Jr.Eng.	210	43	35	132	203	7
Jr.Eng to Sr.Eng.	336	98	26	212	327	9
Total	768	143	124	501	745	23

S.No.	New Hires (Nos.)	Age Group (Year)			Gender		FY 2021-22
	Employee Category	<30	30-50	>50	M	F	Total
1	Senior management	0	0	6	6	0	6
2	Middle management	30	0	0	30	0	30
3	Junior management	19	47	1	66	1	67
4	Staff	96	71	11	172	6	178
	Total	145	118	18	274	7	281

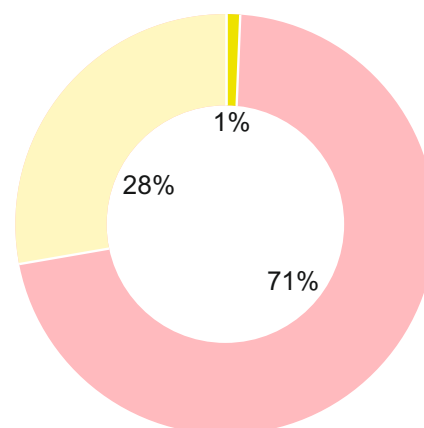
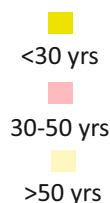
## Diversity and Inclusion

We draw talent from a wide range of backgrounds, age groups, education, experience and skill sets. Diversity is upheld at all levels in the organisation, including on the Board, in line with our corporate governance norms. As a company, we ensure our workforce is diverse in terms of not only gender but also race, social or cultural origins, age, and experience. We have a growing share of women in the workforce managing several critical business roles at different levels. The majority of our employees are in the 50 and above age bracket. They provide invaluable guidance to our teams and bring the depth of experience and expertise we need to catapult our business into the next stage of its evolution. In line with our future goals, we are focusing on enhancing the gender and demographic balance across the organisation.

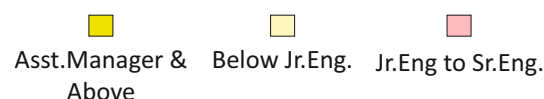
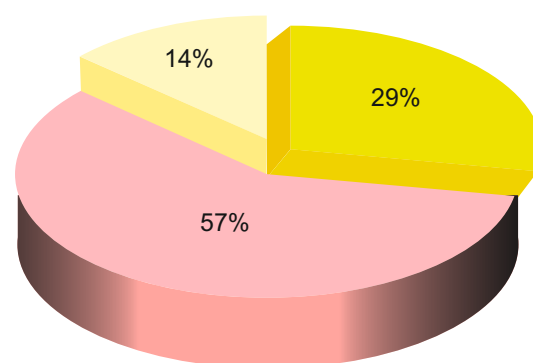
## Employee wellbeing

Sanghi Industries strives to provide a secure, free and fair work environment that empowers our people to thrive and build fulfilling careers and personal lives. We respect the diversity and differences in employees' backgrounds and skills that enrich our organisational culture and capability. We are an equal opportunity employer and also provide equal access to vendor opportunities for all eligible partners without any form of discrimination.

### Age wise Employment



### Female Representation







Beyond competitively benchmarked salaries, we offer several other benefits to our employees as listed below:

- Uniforms, safety shoes and safety helmets
- Canteen facilities with subsidised food and tea (also for contractual employees)
- Fast food stalls at subsidised rates
- Use of guest house
- Bus facility providing pick up and drop
- Ambulance facilities and Medicine expenses (also for contractual employees and nearby villagers)
- Free electricity (units as per hierarchy) and water
- Free maintenance services at staff quarters and hygiene improvement measures inside the township
- Free furnished accommodation

### Benefits Provided to Employees

Benefits	On roll	Contractual
Insurance	Yes	Yes
Parental Leave	Yes	No
Medicclaim	Yes	Yes
Transportation	Yes	Yes (Highly skilled Workers)
Housing Facilities	Yes	Yes



#### Parental leave

During the reporting period, only one female employee was entitled to and availed of maternity leave. She duly reported back to work after availing of her leave.

#### Entitled

1 female

#### Availed

1 female

#### Returned after availing leave

1 female



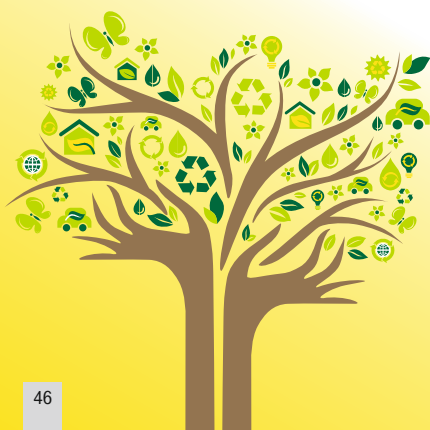


## Learning and Development

We believe in nurturing our in-house talent, for which we emphasise talent development through various learning activities and training programmes. Sanghi Industries has taken a comprehensive approach to employee development. Various training programmes are conducted to sharpen their abilities and knowledge and keep employees abreast of the latest advances in the industry. Additionally, we provide specific technical programmes to enhance skills. In certain cases, financial support is also offered for undergoing external training.

Sr. No.	Employees	Unit	FY 2021-22		
			Male	Female	SubTotal
1	Senior Management	Person-hours	2235	44	2,279
2	Middle Management	Person-hours	4271	51	4,322
3	Junior Management	Person-hours	4641	144	4,785
	Total				11,386

Our employees underwent a cumulative 11,386 person-hours of learning through FY 2021-22. Of this, the time invested in learning activities across middle and junior management, including men and women, were comparable at 4,322 and 4,785 Person hours, respectively. This stands testimony to the vibrant culture of learning prevalent in the company, creating a strong foundation of sustainable growth.



**11386**

Training hours

**1923**

Training participants

**5.92**

Average Hour  
of Training per  
Employee



## Employee participation in training programmes: FY 2021-22



A wide range of learning platforms and training programmes available for our employees

Topic	No. of participants	Topic	No. of participants
Lean Manufacturing	27	Electrical safety	94
Methods of physical searches	5	Operational intelligence for continuous improvement	21
Mines road safety	55	Information Security Management System	14
CPR and first aid	10	EHS best practices	69
Continuous improvement – PDCA	6	Theory of constraints	11
Developing a lean culture	125	Permit Systems	374
Project Management production plans	9	Creating effective	10
Cement Technology performance	25	Understanding shopfloor	21
Cement plant maintenance	84	Labour codes and rules	6
Quality improvement	21	Safety induction	249
Kiln shell scanning TDS and TCS	26	New income tax	99
New reporting framework during shutdown	5	Safe work practices	109
Selecting the right problem-solving tools	18	EFS induction	10
Safety induction monitoring systems	249	Continuous emission	9
Shopfloor stability	22	Hydraulic systems	12
Darwinbox	5	Power plant maintenance and operations	123

**Performance evaluation, Rewards and recognitions:** Appreciation at work is one of the best ways to acknowledge our high performers and motivate others to rise to those levels of achievement. We have an objective appraisal process in place, and we also reward employees who have shown exemplary initiative and drive to go above and beyond what is expected of them.

### Employee Engagement

We believe that employees must be happy with their work and aligned with our aspirations to be productive and engaged at the workplace. We have a series of activities throughout the year that keeps our employees engaged and lets us stay in tune with their satisfaction levels.

Benchmarking for quality improvement

Project management

Cemtech Next Live Webinar

Continuous monitoring system understanding

e-learning External platforms

Decoding the new income tax rules & TDS

Training on new report framework

Selecting the right problem tools

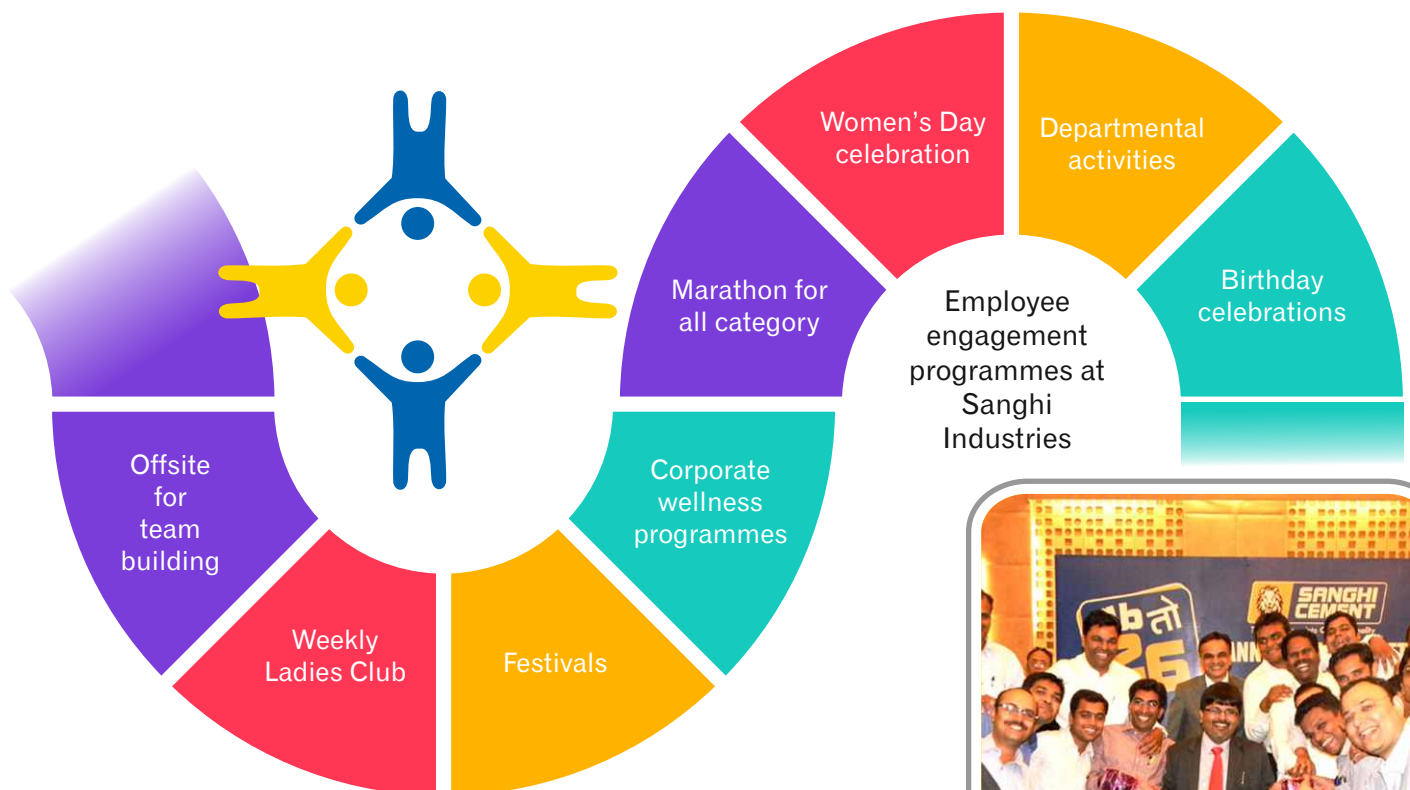
Explanation of lean manufacturing

Hilti India- Sanghi Industries Webinar





## Employee Engagement





**Healthy minds in healthy bodies:**

We want our employees to work hard, but we also encourage them to stay healthy and take care of themselves. Sporting activities help our employees shake off stress while encouraging teamwork and collaboration. We have a Khel Mahakumbh every year in which employees are encouraged to participate along with their families. This also includes indoor games like badminton, table tennis, chess etc. Additionally, we have sports tournaments involving departmental teams in volleyball and cricket. We have a marathon in which men, women, children and senior citizens are invited to participate. International Yoga Day is celebrated with great enthusiasm on the 21st of June every year.

**Celebrating our special days together:**

We have an annual Founder's Day celebration to commemorate the birth of our founding fathers and their vision that defines our success. The celebration is an opportunity for us at Sanghi Industries to renew our commitment to the ideals that guided the formation of the company. Employees completing landmark tenures like 10, 15, 20 and 25 years with Sanghi are honoured and rewarded on this occasion. The birthdays of our Directors are observed, and employee birthdays are celebrated within their teams and departments. We also celebrate Sanghi Day on the 13th of April every year.

**Our women, our pride:**

At Sanghi Industries, we are making efforts to bring greater gender parity at the workplace, and our efforts have begun to bear fruit. We organise Women's Day events annually to sensitise all employees about the professional advances our women colleagues have made at Sanghi Industries. There is a weekly Ladies Club where spouses of employees meet and socialise. These programmes provide platforms for the women of Sanghi Industries to collaborate and learn from each other.

**Activities outside work:**

We believe that cultivating productive hobbies outside work can energise our employees and improve performance and encourage them to spend time on activities like gardening. An annual

gardening competition is organised for employees to showcase the produce of their residential gardens. Corporate wellness programmes and team-building exercises help our employees rejuvenate and get to know their strengths and that of their colleagues better.

Sanghi Industries celebrates a number of religious festivals throughout the year, like Mahashivratri, Holi, Hanuman Jayanti, Janmashtami, Vijaya Dashami, Christmas and Diwali.





## Building a Safety Culture

724

Workers

100%

Coverage of workers under health and safety training programmes

2556

Person-hours Training (Contractual)

11386

Person-hours Training (Permanent)

4950

Hours of training on OHS



**Zero**  
Fatalities

**0.26**  
LTIFR

**11**  
Lost Time Injuries

**4.23 Million**  
Total Safe man hours working



We are committed to creating a healthy and safe work environment for all our employees, contractors, and people engaged directly or indirectly with our operations.

Our Company's leadership is dedicated to developing, executing, and continuously improving objectives, policies and goals for Occupational Health and Safety (OHS). We believe that all workplace injuries, illnesses, and events are avoidable. Over the last few years, we have increased our OHS efforts through robust systems and governance to achieve excellence and benchmark performances.

A defined Health, Safety and Environment (HSE) policy strengthens our commitment to safety. Our senior management promotes a culture of safety that cascades down the hierarchy, and every employee lives these principles at the workplace.

With the overarching goal of 'Zero harm to life,' our activities are certified with the ISO 9001, ISO 14001 & ISO 45001 standards, and the safety of our people remains our priority. Several organisational checks and balances are in place, supported by appropriate policies and management systems. We conduct awareness and training sessions, so our employees understand these policies and their role in ensuring a safe workplace.

### Safety performance

The nature of our operations exposes our employees and workers to workplace hazards, such as working near live electrical systems and working at heights, among others. Our rigorous and comprehensive health and safety management system at all locations enables successful hazard identification, risk management, and implementation of appropriate control measures. Furthermore, why-why and route cause analysis is used when an incident occurs. These findings are shared with other sites of the group to share learnings, develop preventive measures and adopt best practices.

#### Confidentiality of workers and Health-Related Information

- Health records for all employees are maintained securely
- As mandated by law, occupational health reports are only shared with relevant Government authorities or certified doctors and surgeons
- No information is provided to any other private medical group or pharmaceutical group that can create any bias in their treatment of our workers

### Occupational Health services

- On-site presence of trained and experienced medical experts with formal training in industrial and occupational health
- Medical checks for all the employees done regularly
- Annual internal audits to ensure improvement in occupational health and safety

### Safety Governance

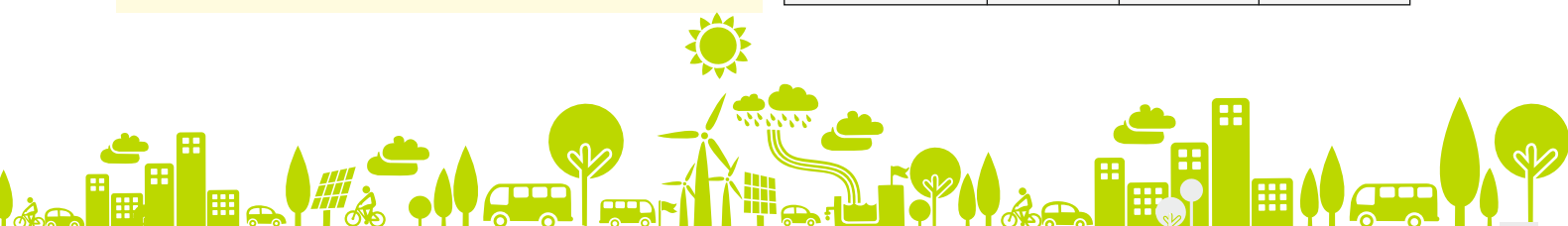
The three pillars of our safety governance are a high safety culture, robust safety management at the site, and an efficient control mechanism. Appropriate systems and controls back these three pillars to offer a work environment that is risk conscious and equips our people to stay aware and responsive to existing and evolving safety risks.

### Safety Committee

We have formed a dedicated safety committee led by our Chairman. The primary goal of this committee is to manage workplace occupational health and safety. To safeguard the health of our workers, we have an established process to minimise risks and enable effective identification and elimination of work-related hazards.

### Safety Linked Metrics

Permanent Employees	UOM	Male	Female
Near Misses	No.	174	0
Non-reportable injuries	No.	11	0
Reportable Injuries	No.	0	0
Lost days	No.	3.7	0
Contractual Employees	UOM	Male	Female
Non-reportable injuries	No.	19	0
Reportable Injuries	No.	0	0
Lost days	No.	0	0







# Sustainable Supply Chain

Effective supply chain management with ESG parameters embedded within can reduce environmental impact and production costs significantly. Additionally, it promotes holistic and inclusive development, empowers value chain partners to improve their socio-economic prospects, and helps us meet customer expectations of quality and timely delivery.

To develop a sustainable supply chain that is transparent, responsible and aligned with our ESG goals, we have designed robust policies and practices. Where possible, we procure goods and services locally. This enables us to create employment opportunities for local communities. We also deliver relevant training to community members to enhance their capabilities and livelihood opportunities.

However, as our plant is located in a remote location, we have to build a responsive supply network beyond our region of operation. We have a Supplier's Code of Conduct and Business Ethics Policy. All our suppliers/vendors/third-party vendors are mandated to adhere to this policy, and we have no tolerance for any kind of unethical behaviour.

**Supplier Screening** – A well-developed assessment system ensures that we offer equitable opportunities for all eligible suppliers to apply for business opportunities with Sanghi Industries on fair terms. We expect our suppliers to share our commitment to ethical and responsible practices, including adherence to human rights and having strict policies covering anti-corruption and anti-bribery aspects and following applicable labour laws. Preference is given to those suppliers and dealers that have upheld product quality while integrating sound environmental and social principles into their daily operations.







# Community Engagement

## SARVODAYA TRUST



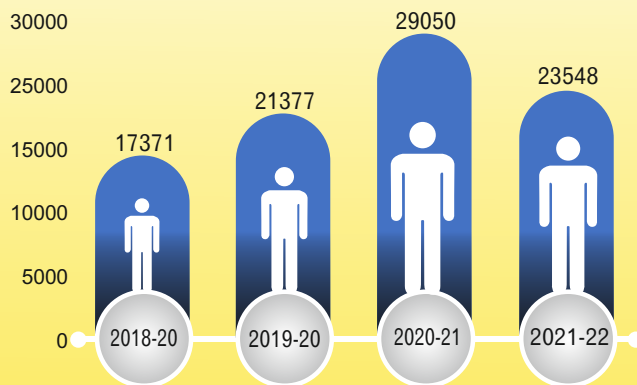
The "SARVODAYA TRUST", established as a non-governmental organisation in 1996, takes forward the company's socio-economic welfare activities in the areas around our operations focused on:

- Rural development
- Public welfare and charitable work
- Health
- Education
- Drinking water supply
- Horticulture
- Conservation of wildlife
- Protection of environment
- Supply of fodder to cattle through Nira Kendra
- Sanitation and hygiene
- Medical help for the poor and needy people of the region



A dedicated team at Sanghi Industries is entrusted with the responsibility of taking forward our work with the community, identifying its needs and implementing social enablement projects. The impact and effectiveness of the programmes are measured through regular audits wherein the local stakeholders, including the beneficiaries, share their feedback which are documented, and gaps addressed.

### Value Shared - No. of new beneficiaries



## INR 157 Lac

CSR spending

## 23548

Number of CSR beneficiaries

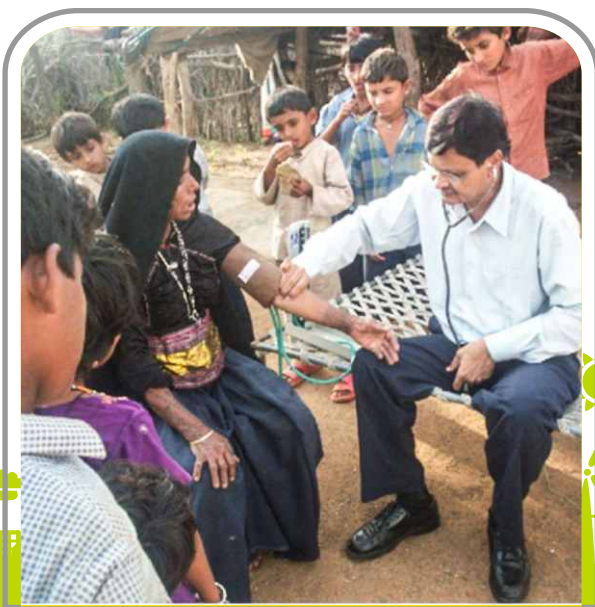




## Health Care

We operate a well-equipped Health Care Centre with a fully functional pathological lab at the Company township, Sanghipuram. This hospital caters to our employees as well as people from the surrounding 15 villages. We maintain digital medical record for all employees and users of hospital. The medical centre provides the following facilities:

- A senior medical officer and a nurse available round-the-clock
- Free medical check-ups and medicines to the villagers
- Fully equipped ambulance for emergency services
- Special healthcare-related drives for COVID, Malaria, etc.
- Awareness programmes for health and hygiene
- Blood donation and vaccination camps for COVID, DPT, MMR, measles, polio, etc.
- Polio Immunization Camps and other immunization for children.





Community Health Initiatives	Beneficiaries			
	2018-19	2019-20	2020-21	2021-22
No of people treated at Sarvodaya Health Centre	25920	24120	21642	18952
No. of people treated through mobile medical checkup	5760	4860	3615	2090
No. of Health Camp conducted	11	14	18	20
No. of people treated during health camp	1815	2380	3204	3611
No. of health awareness program (HIV/AIDS, Covid 19, malaria, diabetes, anemia, family planning, Vyasana Mukti, etc)	24	28	36	42
No. of people participated in health awareness program	864	1120	1620	1739
No. of Schools covered under Yuva Unstoppable scope	5	9	14	15
No. of students benefited under Yuva Unstoppable scope	436	630	1120	1178
No. of blood donation camp	4	4	4	4
No. of people participated in blood donation camp	147	169	180	172
No. of villages covered to construct toilet blocks	3	4	6	0
No. of people benefited by toilet blocks	180	350	500	0
No. of people benefited under drive of Covid 19 fight	0	2700	25300	924

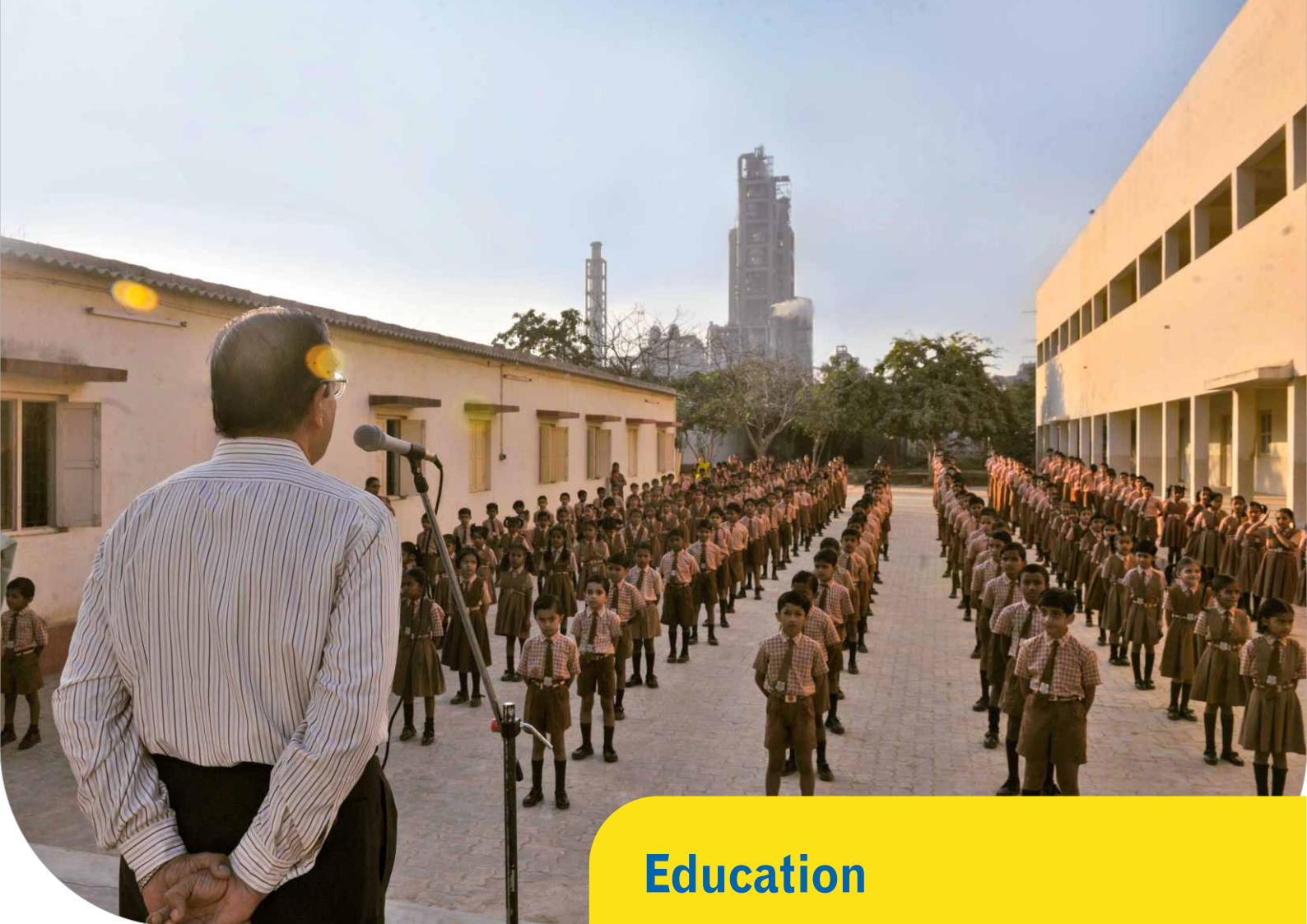
### Livelihood Opportunities

We are focused on expanding livelihood opportunities through initiatives that focus on

- Imparting education for Society's future
- Direct and indirect employment
- Explore possibilities for the Grih & Laghu Udhyaog Vocational training
- Supporting animal husbandry
- Infrastructure development

We have established the Kutch Uday Trust to help implement these initiatives.





## Education

Sanghi Industries believes that education empowers the mind and paves the path to progress for society. In our endeavour to provide a holistic learning environment for the children of nearby villages and our employees, we run a CBSE-affiliated high school – Smt. Kamla Rani Sanghi Public School – at Sanghipuram. The school premises include laboratories, a library, and a playground for sports activities. Our other initiatives related to education include:

- A balwadi (pre-school) for the children of our factory workers. The children are also provided with healthy meals, in keeping with the government's balwadi nutrition programme
- Provision of balwadis in the villages in the vicinity
- 'Adult Education' programmes for the villagers

### Technical Training

Sanghi Industries believes in empowerment through training and education facilities to enhance the employability of community members. Led by this vision, we have adopted and upgraded the Industrial Training Institute (ITI) under the Public Private Partnership Scheme with the Ministry of Labor and Employment, Government of Gujarat. The project included infrastructure development, the addition of new courses and organising teacher and other vocational training workshops.

### Direct and Indirect Employment

We are undertaking steps to provide opportunities for direct and indirect employment to villagers living in the vicinity of our facilities through:

- Direct employment opportunities in garden development, horticultural development, housekeeping, hospitality and other allied services





- Indirect employment opportunities in transportation, retail selling, contractor workforce, etc

We also organise an Industrial Shibir for developing the Grih Uddhyog ( Cottage Industries) and Laghu Uddhyog ( Micro and Small Industries) in the community under the C.E.D plan for self-development in partnership with the District Industrial Development Centre.

### Animal Husbandry

For villagers in the arid region where our plant is located, agriculture does not offer a way to earn a living. Therefore, a majority of the population depends on cattle farming as a means of income. We offer several support mechanisms to encourage villagers to enhance their earning prospects through animal husbandry. As part of our manufacturing, we have constructed check dams to address the shortage of water for our operations as well as for the communities and their animals.

We organise training camps on animal husbandry and techniques to develop fodder farms in the Gochar land in collaboration with the Kutch Dairy,

District Animal Husbandry Department & Gujarat Agro Industries Ltd for the villagers periodically. We also organise free cattle treatment camps through the District Animal Husbandry Department and provide free fodder for the animals during natural calamities like drought.

### Infrastructure Development

To ensure that our community members have the desired infrastructure to enhance the quality of their lives and livelihoods, we have undertaken several infrastructure development activities in the areas around our plant. These include:

- Construction and maintenance of a 30 KM road
- Develop communication facilities within a 25 Km radius with wireline telephone connectivity, mobile coverage, internet facility, etc
- Provided infrastructure for banking facilities and a Post Office
- Set up the infrastructure to help community members run small shops and eateries
- Arrange State Transport and private bus facilities to service the locality
- Repair panchayat offices and instal solar streetlights

### Measuring Outreach

Livelihood Support:	Beneficiaries			
	2018-19	2019-20	2020-21	2021-22
Establishment of school	313	345	360	405
Operation of Balwadies	126	139	155	150
Adult Education	391	360	305	283
Supports to local Government school	615	692	750	869
Adoption of ITI under PPP scheme	290	290	290	0
Vocational Training workshop	164	192	240	302
No. of persons trained in COPA, welding, fitter, electrician & auto skills	290	290	290	0
Direct employment	375	387	415	467
Indirect employment in raw material & product transportation, retail selling and contractor	1315	1593	1740	1816
No. of people facilitate in Industrial Shibir	129	163	195	177
No. of people facilitate in Animal husbandry Shibir	627	698	755	1050
No. of free cattle treatment camp	6	8	12	14





## Community Engagement

We take special interest in ensuring that the cultural heritage and values of local communities are protected and nurtured. We regularly organise events and functions at local and regional levels, celebrating festivals and other occasions with great enthusiasm.

Caring for the rural areas around our township Sanghipuram has become a part of the Company's mission. As a part of our social service drives, we organise:

- Cross-cultural fine arts activities like art camps, music and dance programmes to promote local talent
- Free water and fodder for cattle owned by the local villagers during drought or water scarcity
- Seva Camps near the pilgrimage – Mata-no-Madh - to provide food and medical assistance to the visiting pilgrims
- Rehabilitation camps and relief activities in the difficult times of natural disasters like earthquakes, cyclones, etc.

### Women Empowerment

At Sanghi Industries, we are committed to creating opportunities and empowering women not only at our workplace but also in the communities in which we operate to elevate the overall socio-economic well-being of the ecosystem. A wing of the ladies club at the plant actively supports the company's women empowerment endeavors. We undertake several initiatives in this regard, including:

- Interventions to renegotiate the place of women within the families
- Reactivated and formed 6 Self Help groups of women in nearby villages, benefitting nearly 950 women. Of these, 645 women have opened a saving account in the post office
- Organise vocational training in cooking, bakery, dairy product & food processing for employment opportunities





- Run awareness programmes to further girls' education, child care, family planning, HIV/AIDS, COVID 19 and sunstroke care
- Conduct social engagement programmes like Women's Day & Husband's Day celebrations

### Providing Water to the Community

The Kutch region is drought-prone and has an acute shortage of water. To alleviate the water problems of our community members, we have installed a desalination plant with a capacity of 5500 M3/day and supplied drinking water to the surrounding 83 villages through the government water board. The three check dams we constructed help address the community's water demand through rainwater harvesting. Villagers use the water from the dams for cattle feed, domestic consumption and irrigation purposes.

Water Initiatives	Beneficiaries			
	2018-19	2019-20	2020-21	2021-22
No. of villages covered	12	15	17	18
No. of population reach through piped water	2700	3133	3303	3351
No. of population reach through tankers	540	482	708	726
No. of household benefitted by Check dams	1296	1446	1604	1679
No. of livestock benefitted by Check dam	18144	20967	24060	27358
No. of new people trained in rain water harvesting & water conservation	324	362	401	453

### Senior Care

One of the projects that has given us immense satisfaction and is a matter of pride for Sanghi Industries is the development of a 'Dada-Dadi park' in 2005 at our district headquarters in Bhuj, as a part of our initiatives for the senior citizens.

It has become a popular centre where the elderly come for morning and evening walks, spend time meeting friends, and participate in various cultural and literary activities and programmes specially organised for them regularly. We consider this a fitting tribute to the elderly generation, who form the very foundation of our society today.





## 'Enhancing Resilience during COVID-19'

The COVID-19 pandemic and nationwide lockdown posed enormous challenges for the world. We factored in the dangers of such external shocks into our business continuity planning so that our operations could continue despite the risks.

We took several initiatives to fulfil our commitment to helping our stakeholders combat the pandemic and its impact on their wellbeing. We worked closely with the government and community organisations around our operations to provide relief to the affected. A COVID Isolation Centre was set up in Naliya in association with local authorities.





Created rural awareness around health and hygiene measures to help combat the COVID-19 outbreak.

Prepared double-layered cloth face masks (reusable) and distributed sanitisers, spray bottles, dry ration, food packets and immunity boosters to nearby villages

Donated COVID-19 testing machine (True NAT) to the Collector of the Kutch district, and oxygen concentrators to nearby government hospitals & Public Health Centres

Company hospital and medical facilities made available round the clock to for support.

Developed quarantine facilities in the colony premises capable of accommodating 50 people at a time



Provided 400 oxygen cylinders to the local administration and operated a 100-bed COVID centre in Naliya for 6 months

Installed pipeline to supply oxygen to 15 beds in the Public Health Centre, Vayor



Zero

Grievances Pending at  
the end of the year

2

Women in Board

100%

Compliance Management

50%

Independent Directors

100%

Average Board  
attendance in 2022

6

Committees of the Board





# Corporate Governance & Risk Management

Sanghi Industries has always believed instituting and adhering to sound governance procedures is key to achieving sustainable growth. Benchmarked management practices, compliance with all applicable regulations and conducting business with the highest standards of integrity and ethics define our organisational culture. These principles have helped us earn the trust and goodwill of its stakeholders, including customers, employees, partners and local communities.

## Our Board of Directors

We have a competent Board of Directors comprising experienced and adept leaders who share our values and commitment to sustainability. The Board of Directors are at the helm of our organisation and represents the

highest level of our Corporate Governance framework. The Board exercises appropriate controls to ensure that the Company is managed in the best possible manner so as to meet its strategic objectives and stakeholder expectations.

The Board's primary objective is to provide our Senior Management with strategic direction and guidance while also upholding its fiduciary duties. The Board sets organisational goals, formulates strategies, oversees the execution and mandates strict adherence with compliance to applicable laws, regulations and Code of Conduct. In line with our focus on encouraging diversity at all levels, we focus on including Directors with varied competencies as well as women leaders to be a part of our governance structure.



**Ravi Sanghi**  
Chairman & Managing Director



**Aditya Sanghi**  
Executive Director



**Alok Sanghi**  
Executive Director



**Bina Engineer**  
Executive Director



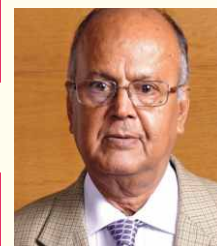
**N. B. Gohil**  
Whole Time Director



**Gurudeo M Yadwadkar**  
Independent Director



**Sudhir Nanavati**  
Independent Director



**S Balasubramanian**  
Independent Director



**Raina Desai**  
Independent Director



**Arvind Agrawal**  
Independent Director



Our 10 -member diverse Board comprises competent leaders and subject matter experts, including two women members who bring a broad spectrum of skills to the table. To know more about our Board Members, please visit our website.

### **Code of Conduct**

Our corporate governance framework is built on ethics, integrity, accountability and transparent and ongoing communication with our stakeholders. These principles are enshrined in our Code of Conduct (CoC) which covers fair business practices against the backdrop of applicable laws and regulations. It applies to employees and vendors as well as the Board and senior management.

The CoC outlines our commitment to corporate ethics and ensures compliance with applicable laws. In the event of a violation, we take the required steps to uphold the CoC's principles. There are robust whistleblower mechanisms in place which encourage employees to report violations of any central or state laws or any breach related to the Company's CoC.

Corruption can jeopardise an organisation's reputation and ability to comply with regulations. Every type of corruption, whether direct or indirect, has been considered in our governance system and our Enterprise Risk Management (ERM) system. The following areas have been identified that could be vulnerable to corruption:

- Conflict of interest
- Corporate opportunities
- Use and protection of assets and information
- Intellectual property
- Confidentiality
- Recruitment Processes
- Incentives for top management
- Hospitality and gifting
- Relationship of the Company with third parties
- Selection of Vendors

The CoC outlines our policies on Anti-bribery, Anti-corruption and the prevention of insider trading.

The CoC and its principles are communicated to all our suppliers and vendors, and their acceptance is sought before signing any contract.

In FY 2021-22, there were no reported cases of breaches of the Code of Conduct

### **Committees of the Board**

Our Board and its various Committees ensure that we adhere to robust governance processes that oversee every aspect of our business, including responsible utilisation of resources in a manner that meets stakeholder aspirations and societal expectations.

The Committees are constituted under the formal approval of the Board to carry out clearly defined roles executed by the members as a part of good governance practice. The Board supervises the execution of responsibilities by the Committees and is finally accountable for their actions. The minutes of the meetings of all Committees are placed before the Board for review from time to time, ensuring effective monitoring of the Board's performance and contribution to the business. As on date, the Sanghi Industries Board has established the following Committees:



# Committees of the Board

## Corporate Social Responsibility Committee

S. Balasubramanian,  
Chairman : Non Executive / Independent  
Aditya Sanghi, Member : Executive  
N. B. Gohil, Member : Executive

S. Balasubramanian,  
Chairman : Non Executive / Independent  
Raina Desai  
Member : Non Executive / Independent  
Bina Engineer  
Member : Executive

## Stakeholder Relationship Committee

## Nomination and Remuneration Committee

Sudhir Nanavati,  
Chairman : Non Executive / Independent  
G M Yadwadkar,  
Member : Non Executive / Independent  
Raina Desai,  
Member : Non Executive / Independent

Arvind Agarwal, |  
Chairman : Non Executive / Independent  
G M Yadwadkar,  
Member : Non Executive / Independent  
Sudhir Nanavati,  
Member : Non Executive / Independent

## Audit Committee

## Risk Management Committee

Arvind Agarwal  
Chairman : Non Executive / Independent  
Ravi Sanghi  
Member : Executive  
N. B. Gohil  
Member : Executive

Ravi Sanghi, Chairman : Executive  
Aditya Sanghi, Member : Executive  
Alok Sanghi, Member : Executive  
Bina Engineer, Member : Executive  
N B Gohil, Member : Executive

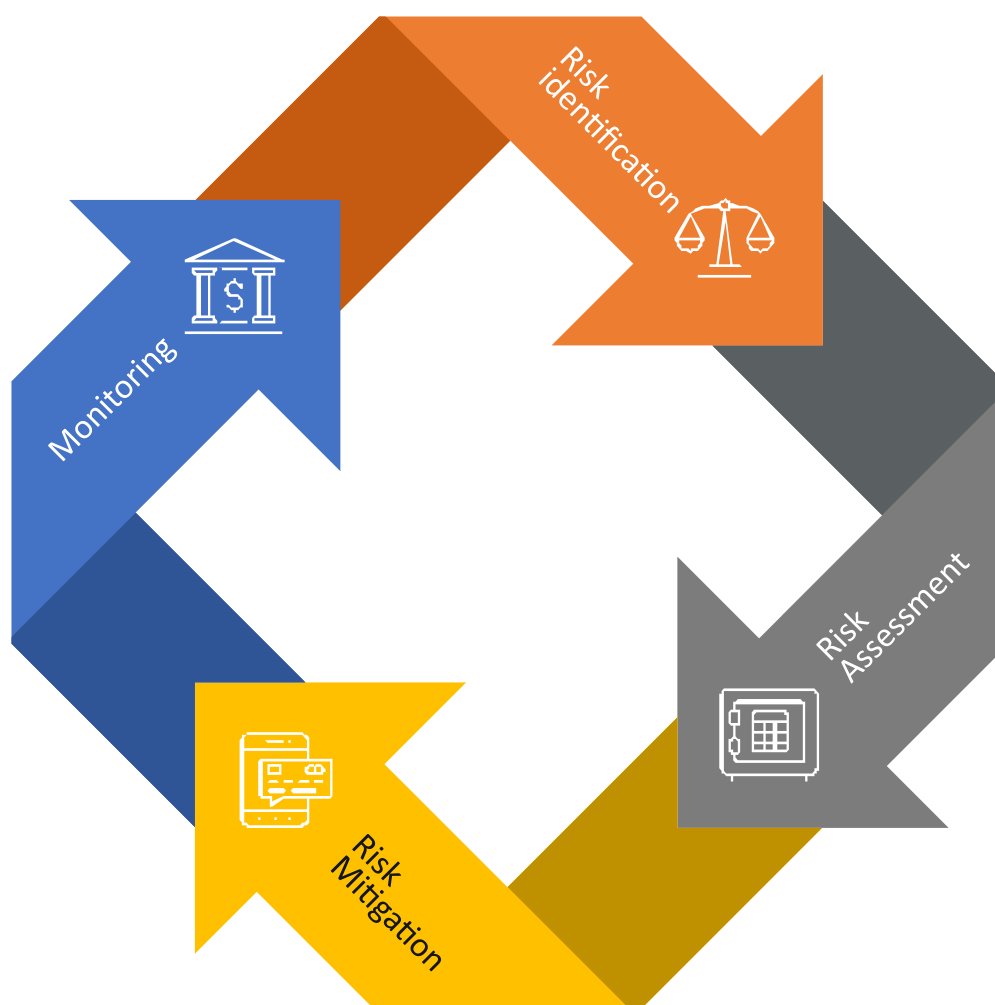
## Business Operations and Finance committee



### Risk Management Framework

Our Enterprise Risk Management (ERM) is integral to our efforts to enhance value for our stakeholders and is embedded in our governance and decision-making processes. The ERM Framework guides us in monitoring existing and potential risks and opportunities that arise from changing market, political, economic and regulatory conditions, evolving technology and environmental changes. A documented risk management policy is available on the Company's intranet and available to all employees.

The ERM framework is designed and overseen by the Board and executed by the Senior Management with the support of functional heads. All functional heads are responsible for identifying the probable risks in their area of operation, which are shared with the management team along with mitigation strategies for their consideration. A comprehensive 'risk register' is continuously updated to capture new risks/threats and assess the likelihood of occurrence and possible impact arising from changes in the internal/external environment. Our senior management periodically evaluates the Company's risk management framework, policies and performance to ensure we have adequate risk management measures in place.



### Risk Governance

Our Finance Team ensures that risks are identified, measured, and managed following the Company's policies and objectives. They also ensure that an adequate financial and non-financial risk governance framework is in place.

Our risk management team has identified six business risks and developed appropriate mitigation plans for each as outlined below





Risk identified	How it affects Sanghi Industries	Mitigation Measures
Regulatory	The regulatory landscape could change in light of the country's Net Zero goals impacting the supply of raw materials, fuel sources, land use rules, waste management etc. Increased calls for fair hiring practices, workplace safety, compliance and reporting are other aspects that can affect our operations.	We are committed to complying with all central and state regulations relevant to our operations. A robust ERM framework enables us to monitor changing regulations and our preparedness to comply. Sanghi Industries is duly certified as per ISO 9001, ISO 14001 & ISO 45001 standards.
Operational	An uninterrupted production cycle depends on the timely availability of raw materials, power, transportation, equipment etc.	Captive limestone mines ensure the easy availability of our primary raw material. Our supply chain includes local suppliers, so we have access to other inputs needed, including equipment repair, parts replacements etc.
Market Demand	Customer preferences could change. There is the risk of better products and distribution strategies being introduced by competitors.	Our R&D efforts are focused on developing new variants of our products to meet changing customer behaviour and uphold quality. The sales and distribution team works closely with the marketing team to ensure that Sanghi Industries enjoys top of the mind recall with its bouquet of high quality products
People and Security	Being a manufacturing unit, we are at risk of workplace accidents which could cause harm and injury to employees or damage the equipment. We carry the risk of theft or pilferage at our mines and plant.	We have policies in place for workplace safety. Regular training and awareness programmes are conducted by experts from within and outside Sanghi Industries.
Alternate fuel	Using fossil fuels impacts our carbon footprint, which we are committed to reducing. The costs and availability of fossil fuels in the foreseeable future might also pose challenges to operations	We are actively using alternative fuels that can reduce the use of fossil fuels. Additionally, we are exploring the use of solar and wind energy.
Enterprise governance	A lack of corporate governance could lead to waste, corruption and negligence of work. We need enterprise governance to ensure that the company's operations are aligned with the overall strategy and vision of the organisation.	We have a Board of Directors that is helped by senior management in its oversight functions. There are detailed policies for different aspects of our workplace, which our employees, vendors and channel partners are mandated to follow.



# Policies

We have robust policies and frameworks for managing and monitoring our business conduct across all operational parameters. Our policies, as outlined below, are available on our website: <https://www.sanghicement.com/policies/>. Beyond these, several other policies govern our business conduct are published on our internal communication channels, including the intranet, wall displays etc., and can be accessed by all employees.

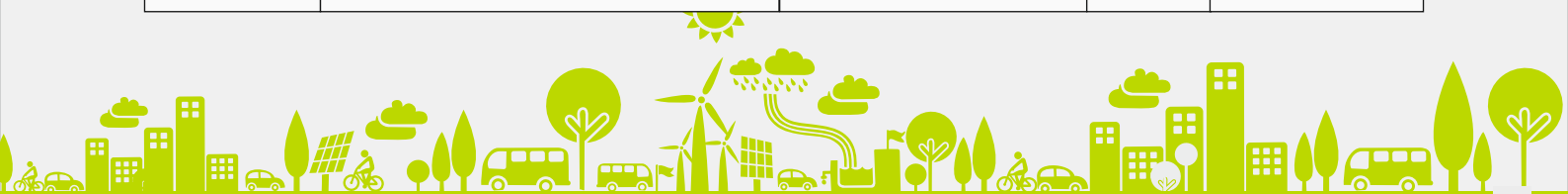
- Archival policy
- Code of Business Conduct & Ethics
- Code of Conduct & Fair Disclosure
- Code of Conduct for Vendors & Ethics Policy
- Corporate Environment Policy
- Corporate Social Responsibility Policy
- Disclosure of Material Events and Information Policy
- Dividend Distribution Policy
- Integrated Management System Policy
- Related Party Transaction Policy
- Whistleblower Policy



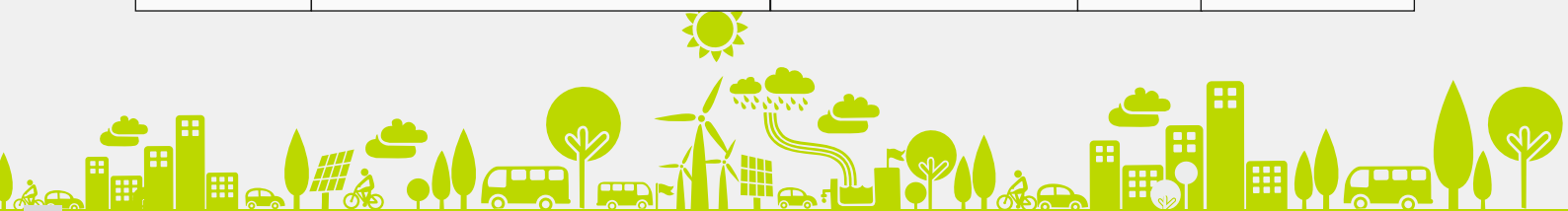


## GRI Content Index

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GRI 102-5	Ownership and legal form			
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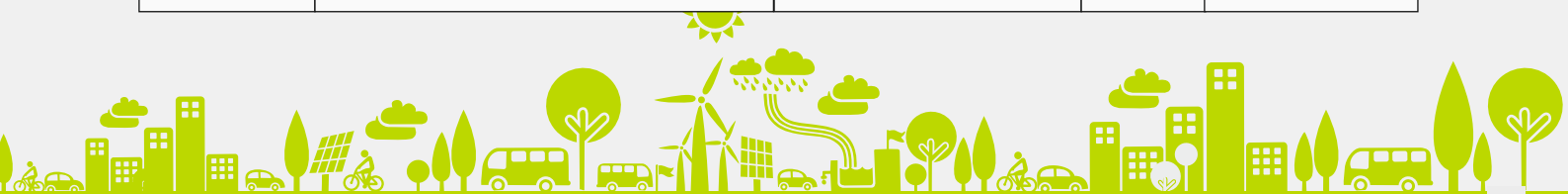


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GRI	Description	Section of the Report	Page No.	Mapping with SD
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