

BRSR Limited Assurance Report



Independent Limited Assurance Statement to Sanghi Industries Limited on their Business Responsibility & Sustainability Report (BRSR) FY2023-24

To the Management of Sanghi Industries Ltd., Ahmedabad, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by Sanghi Industries Limited ("SIL") to provide an independent limited assurance on its BRSR (Business Responsibility & Sustainability Report) selected disclosures for FY2023-24 ("the Report"). The scope of the Report comprises the reporting periods of FY2023-24. The Report is prepared by SIL based on SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures in alignment with BRSR requirements, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Annual Report 2023-24 of Sanghi Industries Limited.

Responsibilities

The management of SIL is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to error.

Intertek's responsibility, as agreed with the management of SIL, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability performance disclosures presented by SIL in its Report. The assurance boundary included data and information for the operations of Sanghipuram, Gujarat and SIL (Corporate Office) in accordance with SEBI's BRSR guidelines. Our scope of assurance included verification of data and information on selected disclosures reported as summarized in the table below:



Section A: General Disclosures

- Total number of permanent employees
- Total number of permanent and other than permanent workers
- Total number of female employees and workers
- Total number of differently abled employees and workers (permanent and other than permanent)
- Turnover rate for permanent employees and permanent workers

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

- Number and percentage of employees covered under health insurance, accident insurance and maternity benefits
- Number and percentage of workers covered under health insurance, accident insurance
- No. of employees covered as a percentage of total employees under the benefits of Provident Funds (PF), Gratuity and Employee State Insurance (ESI)
- No. of workers covered as a percentage of total workers under the benefits of PF, Gratuity and ESI
- Return to work and retention rates of permanent employees and workers that took parental leave
- Safety data (fatalities, loss time injuries and recordable work-related injuries)
- Percentage of plants and offices that were assessed for health and safety practice and working conditions
- Number of complaints made by employees and workers on working conditions and Health and Safety
- Number and Percentage of employees and workers covered under training on health and safety related measures and skill upgradation

Principle 5: Businesses should respect and promote human rights

- Number and percentage of employees and workers covered under training on human rights policy and issues
- Minimum wage paid to employees and workers

Principle 6: Businesses should respect and make efforts to protect and restore the environment

- Total electricity and fuel consumption by renewable and non-renewable sources
- Energy intensity
- Total water withdrawn and consumption
- Water discharge data by destination and treatment
- Water intensity
- Air emissions (other than Greenhouse Gases)
- Scope 1 and 2 emissions data and emission intensity (scope 1 and 2)
- Hazardous and non-hazardous waste generation, utilization, and disposal data

Assurance Criteria

Intertek conducted the assurance work in accordance with requirements of 'Limited Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2024 at SIL's corporate office in Ahmedabad. Our assurance task was planned and carried out during May 2024. The assessment



included the following:

- Review of the Report that was prepared in accordance with the SEBI's BRSR guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available at SIL's operational sites, corporate office and digitally.
- Conducted online interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by SIL for data analysis.
- Review of BRSR disclosures on sample basis for the duration from 1st April 2023 to 31st March of 2024 for SIL was carried out remotely.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details would be provided in a separate management report.

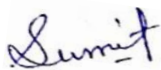
Conclusions

Intertek reviewed selected BRSR disclosures provided by SIL in its Report. Based on the data and information provided by SIL, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct. The report provides a fair representation of BRSR disclosures and is in accordance with the SEBI's BRSR guidelines to the best of our knowledge.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.



Sumit Chowdhury, Verifier
Sr. Manager-Sustainability
Intertek Assuris



Elizabeth Mielbrecht, Reviewer
Project Director
Intertek Assuris

23rd May 2024

No member of the verification team (stated above) has a business relationship with Sanghi Industries Ltd. stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

ACRONYM TABLE

Acronym	Meaning
SIL	Sanghi Industries Limited
ACIL	American Council of Independent Laboratories
ACL	Ambuja Cements Limited
ACW	asbestos-cement waste
AEL	Adani Enterprises Limited
AFR	Alternative Fuels and Raw Material
AGM	Annual general meeting
AI	Artificial Intelligence
AKC	Ambuja Knowledge Centre
APFC	Automatic power factor controller
API	American Petroleum Institute
asst. mgr.	Assistant Manager
AVP	Assistant Vice President
BIS	Bureau of Indian Standards
Bn	Billion
bn	Billion
BoD	Board of Directors
BRSR	Business Responsibility and Sustainability Reporting
BSE	Bombay Stock Exchange Limited
BSEN	British Standards European Norm
C3A	Tricalcium aluminate
capex	Capital Expenditure
CAPEXIL	Chemical and Allied Export Promotion Council
CBA	Cross belt analyzer
CDSL	Central Depository Services (India) Limited
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CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CGU's	Cash Generating Units
CH ₄	Methane
CIN:	Corporate Identification Number
CLT	Cross Laminated timber
CLT	Linking Clinker loading terminal
COC	Code of Conduct

Acronym	Meaning
CODM	Chief Operating Decision Maker
CRM	Customer Response Management
CU	Clinker unit
CU-1	Clinker unit-1
CU-2	Clinker unit-2
CVD	Chemical Vapour Deposition
DCS	Distributed Control Systems
DCs	Designated consumers
DCS logic	Distributed Control Systems
DIN	Directors Identification Number
DLP	Data Loss Prevention
DTA	Domestic Tariff area
DTL	Deferred tax liabilities
EGM	Extraordinary General Meeting
EHS	Environment, Health & Safety
EIR	Effective Interest Rate
EMC	Environmental Management Cell
ERM	Enterprise Risk Management
ERP	Enterprise Resource planning
ESIC	Employees' State Insurance Corporation
ESP	Electrostatic Precipitators
ESPs	e-voting service Providers
EUR	Euros
FAC	First Aid Cases
FRP	Fibre-reinforced plastic
FVTPL	Fair value through profit or loss
GCCI	Gujarat Chamber of Commerce & Industry
GHG	Green House Gas
GMIA	Gujarat Mineral Industry Association
GU	Grinding unit
Hac	High Alumina Cement
HAP	Hazardous air pollutants
HFCs	Hydrofluorocarbons
HPSV	High Pressure Sodium Vapour
HRB	Hydraulic road binder
HRP	Hybrid Recycled Powder
HUF	Hindu Undivided Family

Acronym	Meaning
ICD	Inter-Corporate Deposit
ICs	Internal Complaints Committees
IEC	International Electrotechnical Commission
IEPF	Investor Education and Protection Fund
Ind AS	Indian Accounting Standards
IoT	Internet of Things
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature
JV	Joint Venture
kCalkg	Kilocalorie Per Kilogram
KI	Potassium iodide
KL	Kilolitre
KL/t	Kilolitre per tonne
KLD	Kilo Liters per day
km	Kilometre
KMPs	Key Managerial Personnel
KV	Kilovolt
KVA	Kilo-volt-amperes
KW	Kilo Watts
LED	Light-emitting diode
LSSR	Life Saving Safety Rules
LT VFD	LT Variable Frequency Drive
LTI	Lost Time Injury
LTIFR	Lost time Injury frequency rate
MCA	Ministry of Cororate Affairs
MFA	Multi-Factor Authentication
MIS	Management Information System
mm	Millimetre
MMPA	Million Metric Tonnes per Annum
Mnt	Million Tonne
MOA	Memorandum of Association of the Company
MOEFCC	Ministry of Environment and Forest and Climate Change
MoSPI	Ministry of Statistics and Program Implementation
MSMED Act	Micro, Small and Medium Enterprises Development Act

Acronym	Meaning
MSMEs	Micro, Small and Medium Enterprises
MTC	Medical Treatment Cases
MTC	Manufacturer's test certificate
MV	Medium voltage
MW	Megawatt
N2O	Nitrous oxide
NA	Not Applicable
NABL	National Accreditation Board for Testing and Calibration Laboratories
NAREDCO	National Real Estate Development Council
NCDs	Non-Convertible Debentures
NCDs	Non-Convertible Debentures
NF3	Nitrogen trifluoride
NGOs	Non-Governmental Organisations
NRC	Nomination and Remuneration Committee
NSDL	National Securities Depository Limited
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OAVM	Other Audio Visual Means
OCI	Orascom Construction Industries
OEM	Original equipment manufacturer
OPC	Ordinary Portland Cement
PA	Palm Ash
PAT	Profit After Tax
PCC	plain cement concrete
PFCs	Perfluorochemicals
PFCs	Pore Free Concrete/Porosity Free Concrete
PM	Particulate matter
PMS	Performance management system
POA	Power of Attorney
POP	Persistent organic pollutants
PPC	Pozzolana Portland Cement
PPE	Property, Plant & Equipment
PPP	Purchasing Power Parity
PSC	Pozzolana Slag Cement
QC	Quality Check

Acronym	Meaning
R&D	Research & Development
RAL	Radial Analysis Bond Log
RAV	Rotary Air Lock Valves
RCC	Reinforced Cement Concrete
RFID	Radio Frequency Identification
RMC	Risk Management Committee
RMH	Raw Material Handling
RO	Registered Office
ROC	Registrar of Companies
RoCE	Return on Capital employed
RoE	Return on equity
RPT	Related party transactions
RTA	Registrar and Share Transfer Agent
RWC	Restricted Workday Cases
SAP	Systems Applications and Products
SAs	Standards on Auditing
SEBI	Securities and Exchange Board of India
SF6	Sulphur Hexafluoride
SIEM	Security Information and Event Management
SPA	Share Purchase Agreement
SRC	Stakeholders' Relationship Committee of Directors
STP	Sewage Treatment Plant
TIFR	Total Injury frequency rate
TPH	Tonnes per hour
TPP	Thermal Power Plant

Acronym	Meaning
TPP-1 APH	
TSR	Thermal Substitution Rate
UN SDGs	United Nations Sustainable Development Goals
UPSI	Unpublished Price Sensitive Information
US\$	US Dollars
USD	US Dollars
VC	Video Conferencing
VFD	Variable frequency drives
VOC	Volatile organic compounds
w.e.f.	With effect from
WHRS	Waste Heat Recovery Systems
XRF	X-Ray Fluorescence Analysis
ZLD	Zero Liquid Discharge