



SUSTAINABILITY REPORT

2022

SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT CO.

www.sharjahcements.com

*“Grow Sustainably with
Continuous Quality in
Products, Process
and People”*

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About This Report

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Sharjah Cement & Industrial Development Co. PJSC (SCIDC) has always remained committed to operating sustainably and setting high standards of Environmental, Social and Governance objectives to pioneer a sustainable future.

We are pleased to present our sustainability report, incorporating our key environmental, social, and governance performance for the year 2022 which highlights our initiatives that have been implemented to help us build trust and align the vision of our company along with our sustainability efforts.

This report has been prepared in accordance with the GRI standards, including the United Nations Sustainable Development Goals (UN SDGs), the United Nations Global Compact (UNGC) Principles and Abu Dhabi Economic Vision 2030.

Scope of the Report

YEAR

The report covers our environmental, social and governance performance for the year 2022.

ENTITIES

All entities mentioned in this report refer to entities owned by SCIDC including Sharjah Cement Factory, Paper Sacks Factory, Gulf Rope and Plastic Products LLC and other Investment Operations.

COUNTRIES

The report covers our operations in the United Arab Emirates only, unless otherwise indicated.

MONETARY VALUES

All monetary values in this report are in Arab Emirates Dirhams (AED), unless otherwise indicated.

FINANCIAL PERFORMANCE

The financial performance and economic impact figures used in the report are drawn from all entities owned by SCIDC, including Sharjah Cement Factory, Paper Sacks Factory, Gulf Rope and Plastic Products LLC, and other Investment Operations. For further information regarding our financial performance, please refer to our annual report available on our website.

TERMINOLOGY

Use of the terms “SCIDC” or “Sharjah Cement” in this report refers to Sharjah Cement and Industrial Development Co.

CONTACT POINT

For more information about this report and our sustainability approach and performance, please contact:

Name: [Uday Ghelani](#)

Designation: [Deputy CEO](#)

Email: scidcho@sharjahcementfactory.ae

EXTERNAL ASSURANCE

Our internal team created this sustainability report, which was further reviewed and approved by the internal stakeholders and management to ensure the accuracy of the information reported. We chose not to appoint an external party to audit our sustainability report. However, it remains an option that we may consider in the future.

The content presented in this report is a result of thorough stakeholder engagement and materiality analysis, which is covered in the chapter titled “Sustainability at SCIDC.” We believe that all the content and data provided throughout this report were represented with utmost integrity, honesty, and transparency to provide our stakeholders with clear and accurate insights on all our business activities and footprint.

Report Highlights 2022

Sustainable Growth

Shareholder equity is AED 1,274 Million.

Book value per share is AED 2.09.

No Incident of Non-compliance with External Laws and Regulations

No Incident of Non-compliance with the Code of Conduct

Health, Safety and Wellbeing of our People

Diverse workforce of 1074 employees from more than 12 different nationalities at SCIDC.

Provided 5,485 hours of training for our employees, Sponsored Students and Trainees including health seminars.

9% Employee Turnover Rate.

No fatality or major accident at work.

Environmental Leadership

Reduced 70,000 tons of annual Carbon emission reduction with Waste Heat Recovery System.

Zero waste to Landfill.

Ensured all waste water is completely recycled and no fresh water is drawn for plant.

Planted 2,000 trees during 2022 and continue to do so in the foreseeable future.

Invested AED 70 million so far in technology to make use of alternative fuels to reduce coal consumption and replace it with recycled waste.

Corporate Social Responsibility

31.25% employees with monthly salaries above AED 8,000 are UAE nationals.

74.52% of total production cost including payroll are procured from local suppliers.

Invested AED 508,000 invested in Community Development and Support.



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

On behalf of the Board of Directors and myself, I am delighted to share SCIDC's sustainability report for the year 2022. In this report, we share our efforts and performance in the arena of sustainable growth, environment, our people and our broader social responsibility.

We recognize our responsibilities towards preservation of Environment and have worked actively to remain strategically aligned with the UAE Green Agenda and Abu Dhabi Economic Vision 2030.

We contribute positively to these visions and directives by contributing to our local communities and embedding sustainability into everything we do. The company's Sustainability Framework has been aligned with the United Nations Sustainable Development Goals, United Nations Global Compact and the Global Reporting Standards.

This report highlights our environmental, social and governance performance and contribution to national and global sustainability targets.

UAE Environment Law requires all cement companies in the UAE to use at least 10% alternative fuel in place of coal from 2021. We are pleased to announce that we had already achieved that goal in 2019. We have signed multiple agreement with various Waste Management Organizations for supply of more than 200,000 tons of Solid Recovered Fuel (SRF) generated from industrial and commercial waste in its landfill annually, allowing us to reduce our carbon emissions further. With these agreements and other ongoing arrangements, we plan to replace more than 30% of fossil fuel with alternative fuels during 2023. We are also pleased to announce that we are investing in technology and actively partnering with Municipalities and other private players to enhance the use of alternative fuels further.

We are working closely with Sharjah Municipality and the Ministry of Environment in keeping the dust and other emissions in and around the factory well below the statutory limits. We also help Sharjah Police to ensure safe and environment-friendly disposal of hazardous waste and other contraband materials. Our factory campus hosts more than 6000 trees, and we are proud to be one of the greenest factories in the UAE.

We have partnered with Sharjah Municipality to recycle wastewater generated by their water treatment plant in Sharjah. We have used 32 million gallons of wastewater in our cement plant during 2022. We are proud to announce that we use zero fresh water in the plant and the entire plant now runs on recycled water.

The company continues to support many charitable organizations and social institutions to fulfill its corporate social responsibilities. For the development of Emirati youth, the company organizes visits to the cement plant and provides regular training in association with various schools and universities.

I would also like to thank the Fellow Board Members, Management and Employees of the company for their dedicated efforts and devotion in achieving the company's sustainability objectives.

Othman Sharif
Chairman

About Us

Sharjah Cement and Industrial Development Co. (PJSC) (“the Company”) was incorporated in Sharjah, the United Arab Emirates, in 1977 under an Emiri Decree issued by H.H The Ruler of Sharjah and has since been registered as a public joint-stock company.

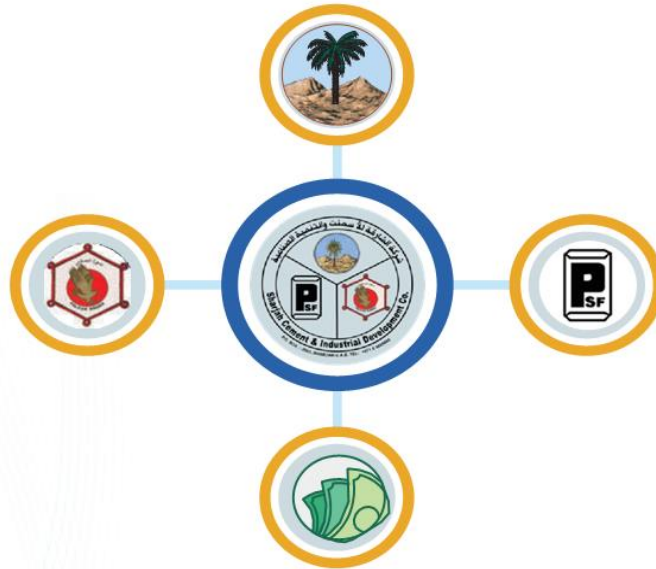
The registered office of the Company is P.O. Box 2083 Sharjah, United Arab Emirates.

The shares of the company are listed on the Abu Dhabi Securities Market.

SCIDC is engaged in the manufacturing and supply of cement, paper sacks and plastic ropes. The Group invests its surplus funds in investment securities, private equities, and properties.

The Group operates from Sharjah, United Arab Emirates and sells its products within UAE and many other countries, including the Middle East, Africa, and Asia.

**SCIDC’s MOTTO is to
“Grow Sustainably with
Continuous Quality in
Production, Process &
People”.**



Our Group Entities

SCIDC group is composed of four main business units operating across the UAE.

SHARJAH CEMENT FACTORY - (SCF)

SCF has been the market leader in the production of its Portland cement and GGBS products since the company commenced production in 1977. The company prides itself in moving forward by fully understanding the aspects, including the technical and engineering principles of both its products and its processes.

We specialize primarily in producing and processing Portland cement and Iron Blast furnace slags into ground granulated Blast furnace slag for the construction industry. Furthermore, we also produce Oil-well Cement conforming to API Specifications 10 A, Class A and G.



All our products are manufactured strictly in compliance with the relevant European and American standards and are manufactured carefully and precisely by aptly using selected raw materials.

We undertake strict quality control throughout each stage of the manufacturing process to ensure that a consistent final product is achieved. The factory capacity ensures to meet the market requirements and to offer a premier service to our suppliers and customers we operate a dedicated fleet of bulk delivery tankers.

SCF Operates under ISO 9001-2015 Quality management System. We have also been awarded ISO 14001-2015 for Environmental Management Systems, ISO 45001-2018 for Occupational Health & Safety Management Systems and ISO 50001-2018 for Energy management Systems. SCF is committed to promote the highest standards in health, safety and environmental preservation and protection.

GULF ROPE AND PLASTIC PRODUCTS CO. LLC - (GRPP)

Established in 1994, GRPP is the largest synthetic rope and baler twine manufacturer in UAE. GRPP manufactures synthetic ropes under the brand name FALCON at its modern plant in Sharjah, UAE. While incorporating state-of-the-art technology, all types of equipment are of European origin. It is the first ISO 9001-2015 certified synthetic rope factory in the Middle East. GRPP has a proactive approach towards the Health and Safety of its employees. Additionally, their products are exported to more than 25 countries worldwide in the Middle East, Europe and Africa.



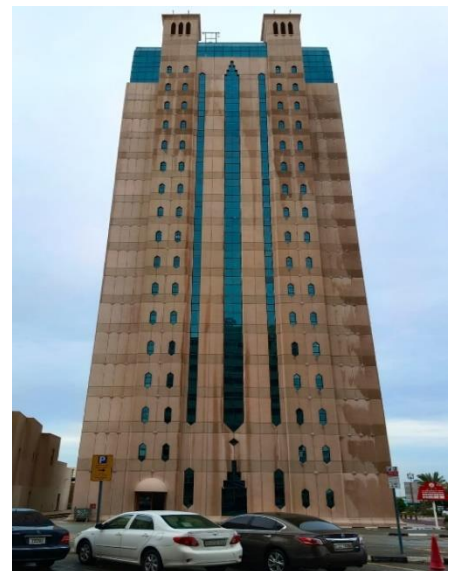
PAPER SACKS FACTORY – (PSF)

PSF was established in the year 1975 for the promotion of industries in Sharjah, UAE. PSF is ISO 9001:2015 certified and a leading manufacturer of multiwall, glued/pasted valve type empty paper sacks for packing cement, fertilizers, chemicals, flavors, sugar, minerals and many more. PSF has the most modern equipment of European make with an installed capacity of 120 million sacks per annum with up to 6 piles and colored print as per customer specifications. We export our high-quality paper sacks across the Middle East, Africa, Asia and other overseas markets.

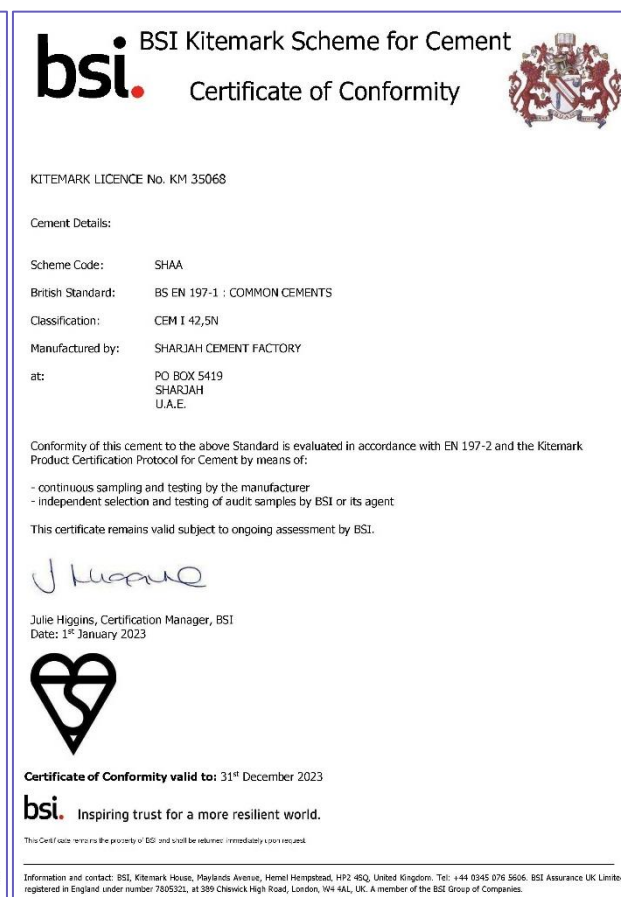
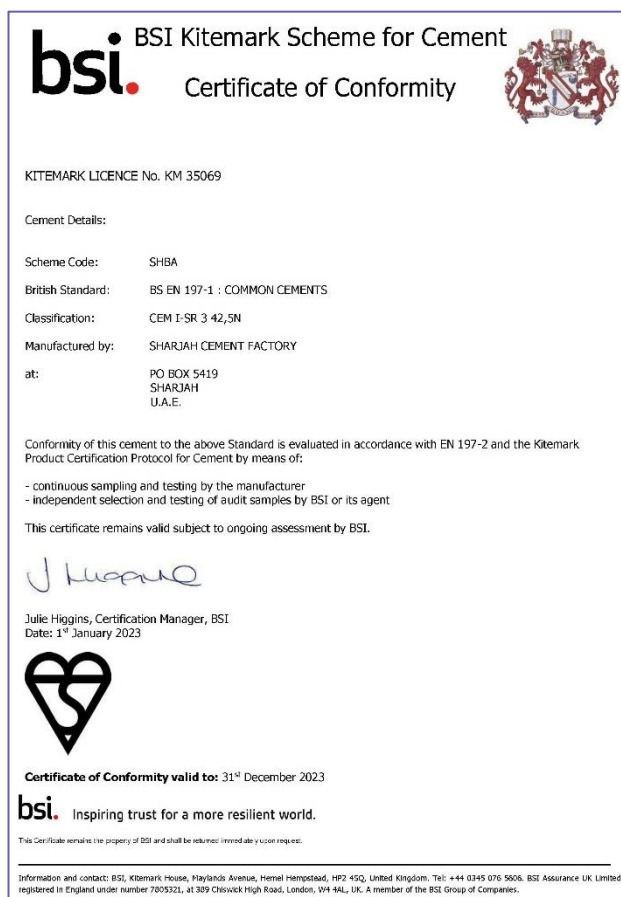


INVESTMENT OPERATIONS

SCIDC maintains a significant portfolio of Real Estate and Equity Investment in order to generate a steady flow of income and capital appreciation.



- CERTIFICATES & ACCOLADES



bsi.  

Certificate of Registration

ENVIRONMENTAL MANAGEMENT SYSTEM - ISO 14001:2015

This is to certify that: **Sharjah Cement Factory**
Sharjah-Dhaid road
PO Box 5419
Sharjah
United Arab Emirates

Holds Certificate No: **EMS 565757**

and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope:

Manufacture, handling, storage and delivery of Portland cement, sulphate resisting cements and GGBS.

For and on behalf of BSI: 
Theuns Kotze, Managing Director Assurance - IMETA

Original Registration Date: 2011-01-10 Effective Date: 2023-01-11
Latest Revision Date: 2022-11-03 Expiry Date: 2026-01-10

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Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2015

This is to certify that: **Sharjah Cement Factory**
Sharjah-Dhaid road
PO Box 5419
Sharjah
United Arab Emirates

Holds Certificate No: **FM 34670**

and operates a Quality Management System which complies with the requirements of ISO 9001:2015 for the following scope:

The manufacturing and marketing of Portland Cement, Portland Sulphate-resisting Cement, blast furnace cements, ground granulated blast furnace slag and Portland Cement clinker.

For and on behalf of BSI: 
Andrew Laun, EMEA Systems Certification Director

Original Registration Date: 1996-08-07 Effective Date: 2022-01-10
Latest Revision Date: 2021-11-25 Expiry Date: 2025-01-09


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bsi. BSI Kitemark Scheme for Cement 

Certificate of Conformity

KITEMARK LICENCE No. KM 58897

Cement Details:

Scheme Code: SHGGBS

British Standard: BS EN 15167-1 : GROUND GRANULATED BLASTFURNACE SLAG

Classification: GGBS


Manufactured by: SHARJAH CEMENT FACTORY

at: PO BOX 5419
SHARJAH
U.A.E.

Conformity of this cement to the above Standard is evaluated in accordance with EN 197-2 and the Kitemark Product Certification Protocol for Cement by means of:

- continuous sampling and testing by the manufacturer
- independent selection and testing of audit samples by BSI or its agent

This certificate remains valid subject to ongoing assessment by BSI.


Julie Higgins, Certification Manager, BSI
Date: 1st January 2023



Certificate of Conformity valid to: 31st December 2023

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This Certificate remains the property of BSI and shall be returned immediately upon request.

Information and contact: BSI, Kitemark House, Haylands Avenue, Hemel Hempstead, HP2 4SQ, United Kingdom. Tel: +44 0345 076 5606. BSI Assurance UK Limited, registered in England under number 7805321, at 389 Chiswick High Road, London, W4 4AL, UK. A member of the BSI Group of Companies.



certificate of registration

GCAS certifies that the Quality Management System of

GULF ROPE & PLASTIC PRODUCTS Co. LLC.

P.O.Box - 21422
Sajaa Industrial Area, Dhaid Road
Sharjah, UAE

has been assessed by GCAS and found to be in conformance with

ISO 9001:2015

The scope of registration applies to the:

Manufacturer of 3 Strand Ropes, 4 Strand Ropes, 8 Strand Ropes, Synthetic Baler/Binder Twines, Cable Fillers and Rope Articles



Certificate No.: ME/06/1074
Date of Current Approval: September 26, 2021
Valid Until: September 20, 2024
Date of First Approval: September 21, 2006


GCAS Representative



The certificate remains the property of GCAS Quality Certifications. This certificate will remain valid as long as periodic annual surveillance audits are conducted, client management system conformance to the certified standard and conditions as set out in the terms & conditions. To check this certificate validity, please visit www.gcasquality.com or contact P.O. Box 65061, Dubai, email info.dubai@gcasquality.com. Further clarification regarding scope of certificate and the applicability of the management system requirements may be obtained by consulting the registration.

Making Challenges into Prosperity





CERTIFICATE OF MEMBERSHIP

This is to certify that

GULF ROPE & PLASTIC PRODUCTS CO. LLC.

In my quality of Secretary General of EUROCORD

This is to award GULF ROPE

An **Affiliate Member** of EUROCORD in 2022

August 10th, 2022
Date

Philippe Verschueren
Secretary General

EUROCORD - FEDERATION OF EUROPEAN ROPE, TWINE AND NET INDUSTRIES
"Norway House", 17 Rue Archimède (3rd floor) - 1000 BRUSSELS - BELGIUM - Tel 00 32 475 44 99 45
E-mail: eurocord@eurocord.com - Web site: www.eurocord.com

IMPA MEMBER 2023



CERTIFICATE OF
MEMBERSHIP

This is to certify that

Gulf Rope & Plastic Products Co. LLC.

February 2023 - January 2024

has been approved as a **Supplier Member**
of the International Marine Purchasing Association

IMPA1013329

Membership Number

Susan Koefoed
IMPA Chair & CEO



Founded in 1978, the International Marine Purchasing Association has been the leading Association for marine purchasing and supply professionals across the globe. The present member has fulfilled all requirements related to the application process and commits to observing the Association's Bylaws.



Page 1 of 1
Certificate No: LR2079876TA-01
Issue Date: 07/12/2020
Expiry Date: 06/12/2025

Type Approval Certificate

This is to certify that the undernoted product(s) has/have been tested with satisfactory results in accordance with the relevant requirements of the Lloyd's Register Type Approval System.

Manufacturer	Gulf Rope & Plastic Products CO LLC.
Address	Sajaa Industrial Area, Dhaid Road, P.O. Box 21422, Sharjah, United Arab Emirates
Type	Mooring Ropes
Description	Polypropylene + Polyethylene
Trade Name	Gulf Rope
Application	Mooring lines
Specified Standard	OCIMF (MEG 4) 4th edition, appendix BB BS EN ISO 10572:2009 Mixed Polyolefin Fibre Ropes
Ratings	Rope diameters: 32mm to 96mm

This certificate is not valid for equipment, the design, ratings or operating parameters of which have been varied from the specimen tested. The manufacturer should notify Lloyd's Register EMEA of any modification or changes to the equipment in order to obtain a valid Certificate.

The Design Appraisal Document LR2079876TA and its supplementary Type Approval Terms and Conditions form part of this Certificate.

Mayur Jogia
Lead Specialist - Non-Metals to Lloyd's
Register EMEA
A member of the Lloyd's Register group

71 Fenchurch Street, London, EC3M 4BS, United Kingdom

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TA01 1.0.0

Our Value Chain

RAW MATERIALS

- **Extraction & Procurement:**

SCF procures its raw materials from local and international suppliers. Extraction materials are also extracted from our own quarrying sites.

PSF purchases paper in international markets and other raw materials such as glues and colors are procured locally.

GRPP procures raw materials from local and international market.

MANUFACTURING & PRODUCTION

- **Cement, Paper Bags, Ropes and Plastic Products:**

SCF, PSF and GRPP factories work round the clock and all our products are manufactured at our own factories with none of the manufacturing activities being outsourced.

CUSTOMERS

- **Public & Private Sector Customers:**

We supply our products to public and private sector customers both locally and internationally.

INVESTMENT HORIZON

- **SCIDC invests in real estate, shares and securities. All of the real estate investments are within UAE. Investments in shares and securities are mainly within UAE and other GCC countries.**



3

Sustainability at SCIDC

Climate change, sustainable development and social justice are amongst the most pressing challenges facing humanity today.

Governments and businesses are responding to these challenges by aligning their strategies around global directives and initiatives that seek to minimize the impact of these risks.

Sustainable development encourages us to conserve and enhance our resource base, by gradually changing the ways in which we develop and use technologies.

At SCIDC, we are conscious of our consumption of natural resources and carbon emissions and work tirelessly towards conservation of natural resources and to reduce our emissions.

We are continuously investing and seamlessly integrating the latest technologies to reduce our carbon footprints, promote recycling of all wastes, and lower consumption of natural resources to leave a significant impact on our environment.

PUTTING SUSTAINABILITY INTO CONTEXT

We refer to the following guidelines and frameworks to define our sustainability priorities. Elements of each of these frameworks have been mapped to our focus areas, which are presented in this report.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

Sustainable Development Goals represent the world's most pressing sustainability issues. They collectively outline a model for the future, where economic growth is achieved without compromising the environment or individuals in the society.

This blueprint consists of 17 overarching goals focused on environmental, social and economic global challenges that everyone in the global community needs to address.

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

THE UNITED NATIONS GLOBAL COMPACT (UNGC)

The UNGC is a directive issued by the United Nations that aims to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation. The compact calls all companies to align their strategies and operations with universal principles on human rights, environment and anti-corruption, and work collectively to advance societal goals.

THE GLOBAL REPORTING INITIATIVE (GRI)

The Global Reporting Initiative (GRI) is an international, not-for-profit organization working in the public interest towards a vision of a sustainable global economy where organizations manage their economic, environmental, social, and governance performance and impacts responsibly. Thousands of corporate and public sector reporters in over 90 countries use the GRI Guidelines. GRI's activities are twofold: firstly, the provision of sustainability reporting guidelines and secondly, the development of engagement activities, products and partnerships to enhance the value of sustainability reporting for organizations.

THE INTERNATIONAL INTEGRATED REPORTING COUNCIL (IIRC)

The International Integrated Reporting Council (IIRC) is a group of international leaders from the corporate, investment, accounting, securities, regulatory, academic, standard-setting and civil society areas with a mission to create the Integrated Reporting framework. The Framework will provide material information about an organization's strategy, governance, performance and prospects in a concise and comparable format, a fundamental shift in corporate reporting.

ABU DHABI ECONOMIC VISION 2030

The Government of Abu Dhabi announced a long-term plan for transforming the economy, including reducing the economy's reliance on the oil sector and increasing the focus on knowledge-based industries. The Abu Dhabi Economic Vision 2030 establishes the current economic environment and identifies critical areas for improvement to achieve the goals laid out in the Policy Agenda.

Listening to our Stakeholders

We value our stakeholders equally and recognize that each group has different needs and expectations. For this reason, we acknowledge the importance of identifying each group and how best to engage them so we can implement their views into our business operations. We frequently interact with our stakeholders through various communication channels, allowing us to receive meaningful feedback from those affected by our business. The below table maps our key stakeholders, their main topics of concern and how we engage with them.

STAKEHOLDER GROUP	KEY TOPICS AND CONCERNS	APPROACH OF ENGAGEMENT
Employees	<ul style="list-style-type: none"> Acknowledge employee's issues through formal/informal channels. Support employee's career progression through learning and development opportunities. Transparent policies and procedures. 	<ul style="list-style-type: none"> We have an open-door policy for all employee-related complaints and escalations. Enhance employees' skills and capabilities by providing relevant training. Publish updated policies and procedures are published and accessible to all employees.
Customers	<ul style="list-style-type: none"> Maintain highest level of product and service quality. Respond to customers' grievances through all channels, i.e. telephone, e-mail or website. Monitor customer satisfaction, formally and informally, for continued improvement. 	<ul style="list-style-type: none"> Quality labs work independently of the production team and reports directly to the top management. Customer Service team has stringent delivery targets which are monitored regularly. Provide open channels to obtain customer feedback on products and services and address their grievances in a timely manner. Senior management Team meets customers regularly to monitor customer satisfaction and devise improvement methods accordingly.
Shareholders	<ul style="list-style-type: none"> Profitability Transparency Sustainability 	<ul style="list-style-type: none"> Ensure timely decisions that support the growth objectives of the company. Conduct an Annual General Meeting for shareholders. Disclose annual performance in the Annual Report, Governance and Sustainability Report.
Suppliers	<ul style="list-style-type: none"> Transparency in the bidding/procurement process. Ensure supplier safety while on-site. 	<ul style="list-style-type: none"> Ensure a transparent procurement process, where information is shared with all internal and external parties. Take care of supplier's working conditions and safety while on-site.
Local Communities	<ul style="list-style-type: none"> Environmental pollution from industrial activities. Local community events. Employment opportunities 	<ul style="list-style-type: none"> Our HSE department ensures stringent compliance with environmental laws. Work with ministries for development of UAE nationals. Participation in employment and job fairs.
Authorities, government agencies and regulators	<ul style="list-style-type: none"> Compliance with various government rules and regulations. 	<ul style="list-style-type: none"> Complete Compliance with all regulatory requirements. Cooperate with government agencies and entities to maintain good practice for sustainable development.

Materiality

Our materiality analysis aims to pinpoint the most relevant sustainability topics to our organization. An Internal team of management across all factories was constituted to brainstorm and identify key focus areas, assess their impact, and identify and implement sustainable and long-term solutions. This process involved the following stages:

Research, Benchmark and Brainstorm

Identify a list of potential material issues based on global reporting standards, peer reviews, national visions such as the Abu Dhabi Economic Vision 2030 and international directives including the Sustainable Development Goals.

Impact Assessment

Prioritized material issues around an applied stakeholder mapping and engagement process and SCIDC's sustainability focus

Assess material topics to rank the most important issues.

Management Ratification and Alignment

Review of the list of material issues by SCIDC's senior management and sustainability team.

Regular follow ups

List of material issues:

- Ethics and compliance
- Customer relations and satisfaction
- Employee development
- Waste management
- Market expansion
- Health and Safety
- Water management
- GHG emissions
- Product innovation
- Reduce environmental impact
- Energy management
-

Our Sustainability Framework & Goals

Sustainability is SCIDC's motto and core principle that we religiously follow in everything we do. SCIDC's sustainability management framework allows us to monitor and enhance our social, environmental, and economic performance continuously. This framework stands on four pillars that take into consideration our business needs and our impact on society, the environment, our workplace, and performance.



Responsible, Ethical and Profitable Growth

Our business is conducted in a fair manner that benefits all our stakeholders by ensuring ethical and good corporate governance. We are contributing to the sustainable development of UAE and its people with:

- Reasonable economic growth
- Highest quality products
- Product and market development
- Customer satisfaction
- Complete Compliance with local laws and regulations

Health, Safety & Wellbeing of our People

Our employees are the largest contributors to our success. We strive to improve the health, safety and well-being of our people with the following key goals:

- Respect and equality amongst all people
- Continuously improve the health and safety of all our people
- Gender equality
- Quality training and knowledge distribution

Environmental Leadership

SCIDC works continuously to ensure that our operations causes no harm to the surrounding living environment, reduce our carbon footprint, minimize our operational waste and water consumption. We contribute to our aim of greener planet with the following key goals:

- Use of Waste Heat Recovery Systems, increasing the share of renewable energy and alternative fuels to reduce coal consumption.
- Zero waste to landfill and complete reuse and safe disposal of all plant waste.
- Operate the plant with recycled water and zero consumption of fresh water in the plant.
- Work with private and public sector players for recycling and safe disposal of waste.
- Continuously invest in the state of the art environment-friendly technology for efficient production, distribution and use of energy and alternative fuels.
- Stringent compliance with all environmental regulatory requirements.

Corporate Social Responsibility

In line with the Abu Dhabi Economic Vision 2030, we seek to drive local economic development and contribute to our local community with:

- Improved Emiratization
- Increase in local procurements
- Community development

Responsible, Ethical & Profitable Growth

We conduct our business for the long-term benefits of all our stakeholders with ethical business practices and adequate corporate governance. We are committed to contributing to the sustainable development of the UAE and its people with our highest quality products and complete compliance with laws and regulations.

2022 continued to be a challenging year due to significant supply chain issues and multifold increase in commodity prices. While the hospitality, real estate and other sectors bounced back post Covid, construction activities and cement demand in the UAE are yet to see the improvements. In addition, very high energy costs throughout the year, drained our resources and made cement production very expensive. As a result, company reported losses during 2022. The company however managed all other costs wisely and ensured that the company's EBIDTA remained strongly positive during 2022. Company also managed its cash flows to manage its debts. Thus the company was successful in maintaining the shareholders' equity.

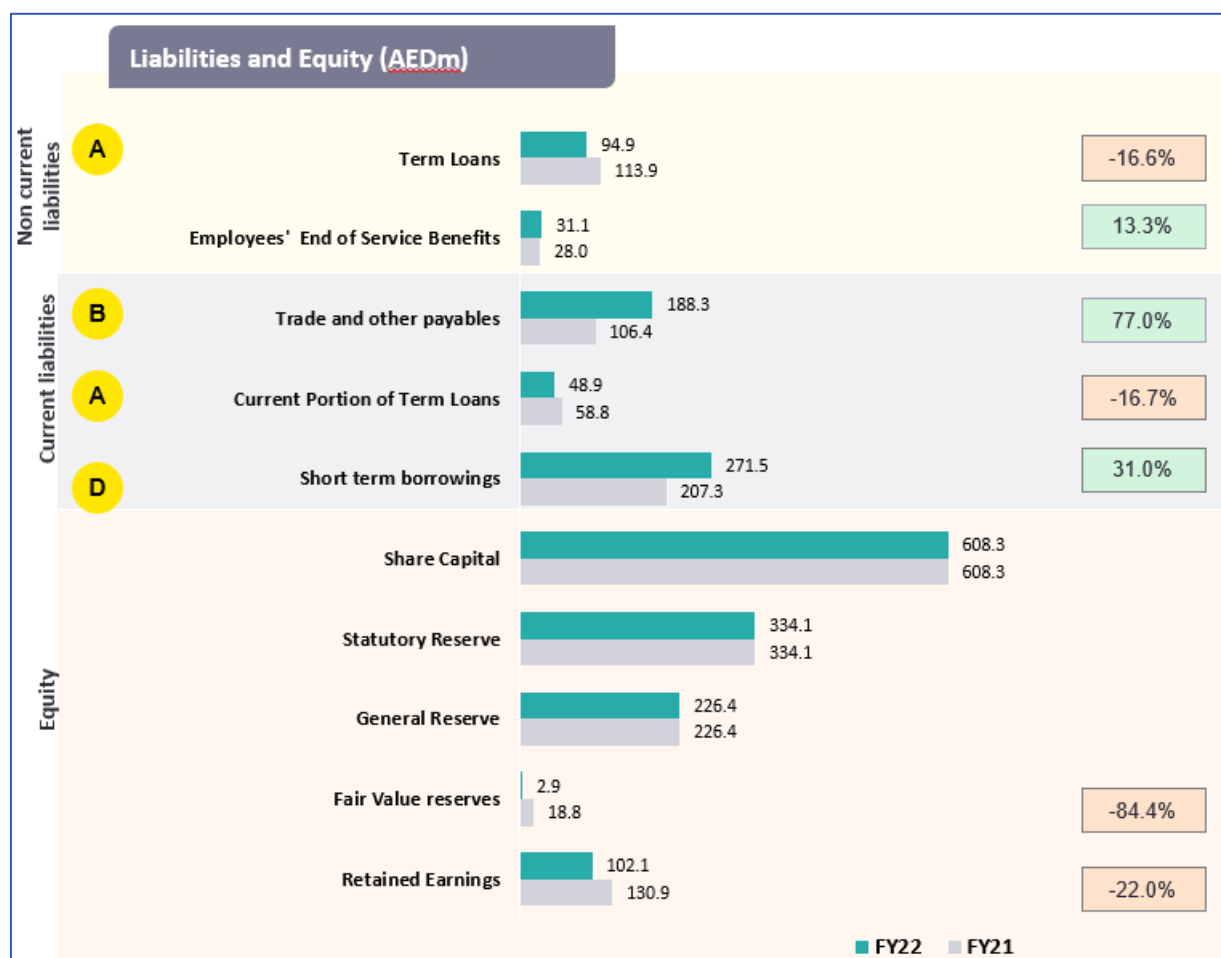
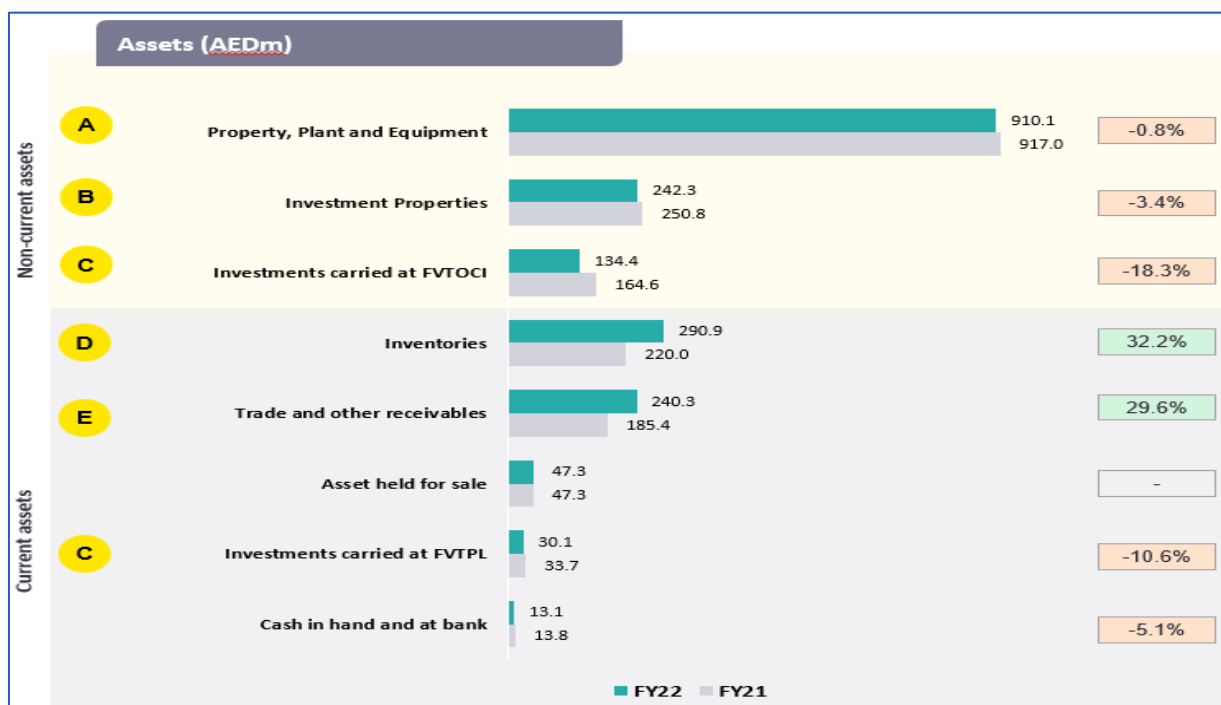
All other cement companies in the country also faced similar challenges and recorded significant losses.

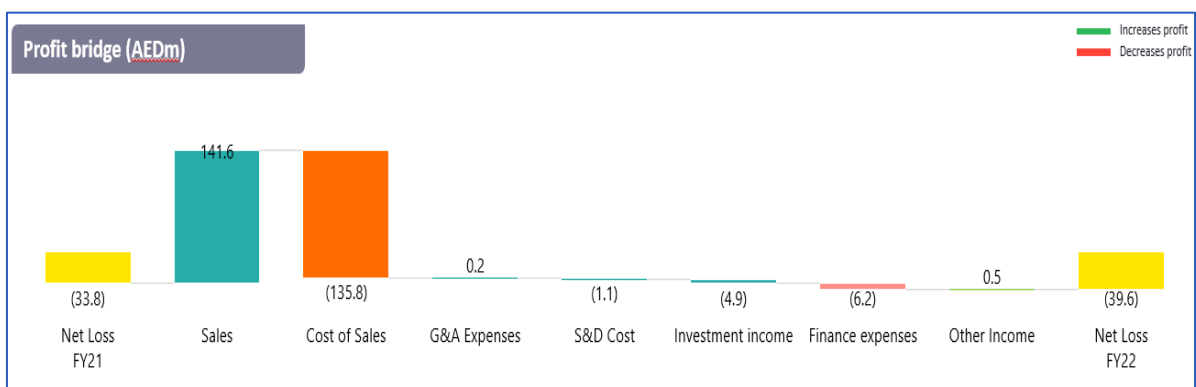
Despite challenges, the company had a turnover of 635.4 million dirhams from the factory operation in 2022, compared to a turnover of 493.9 million dirhams showing an impressive growth of 29% in the revenue. Investment operations resulted in a profit of AED 5.8 million in 2022. The net loss for 2022 was AED 39.6 million, compared to a net loss of AED 33.8 million in 2021.

Our Economic Performance

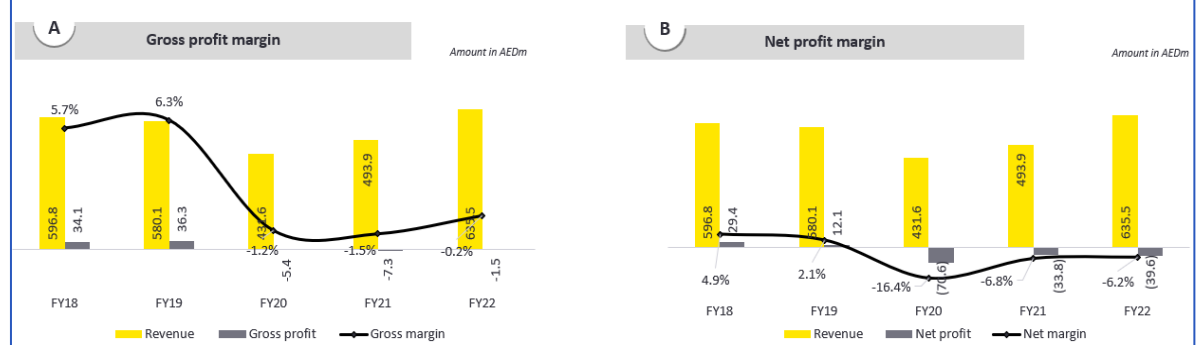
As a major cement producer, we play a significant role in the economic development of the Emirates of Sharjah and UAE. Our 2022 and 2021 performances are highlighted below:

Particulars	FY22 (AEDm)	FY21 (AEDm)	Variance %
Sales	635.4	493.9	28.6
Cost of Sales	(637.0)	(501.2)	27.1
Gross Loss	(1.6)	(7.3)	-78.1
G&A expenses	(20.7)	(20.9)	-1.0
Selling and Distribution Cost (S&D cost)	(7.8)	(6.7)	16.4
Investment income	5.8	10.7	-45.8
Finance expenses	(18.7)	(12.5)	49.6
Other Income	3.4	2.9	17.2
Loss for the year	(39.6)	(33.8)	17.2





Profitability analysis



Profitability analysis



Liquidity analysis and financial leverage



Performance & Efficiency

All three factories of SCIDC have been established on the strong footing of QUALITY. Our products command quality premiums in the maintaining very high standards of quality management and operating systems.



People Quality

- All factory managers have more than 35 years of relevant industry experience.
- All departmental heads have more than 25 years of relevant industry experience.
- Support of young and dynamic teams of professionally qualified people.
- Regular trainings of our people to expand their knowledge to keep pace with rapidly expanding technological innovations.

Product Quality

- State of the art quality labs with latest equipment.
- Online and continuous testing of product quality.
- Strict compliance with local and international quality norms.

Process Quality

- Strict adherence to local and international quality standards (ISO, ASTM and BSEN standards).
- Online and continuous product quality monitoring.
- Preventive daily, weekly, monthly, and annual maintenance schedules for all plant and equipment.
- Regular plant upgrades to adopt latest technologies.



Good Corporate Governance

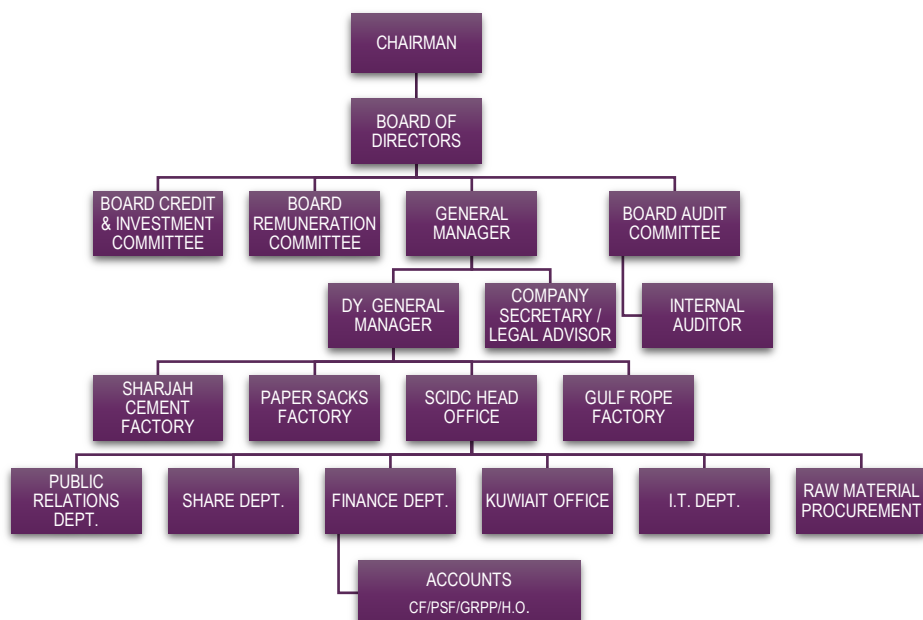
SCIDC realizes the importance of the efforts made by the Securities and Commodities Authority ("SCA") as well as, all the regulatory authorities.

We applaud their efforts in creating and adding control systems for developing the supervisory and regulatory process in regulating the affairs of public joint-stock companies.

We strictly abide by and implement all the directives issued by SCA, which are based on the fundamental principles of accountability, transparency, disclosure, responsibility and equality for protection and balance between all company stakeholders and equality among all shareholders.

The company has established standard policies and procedure manuals for strict application of the code of conduct and accountability with respect to the application of the guidelines included in the "SCA Resolution".

Organization Chart



Board of Directors

The Board of SCIDC consist of highly experienced members drawing on many years of industry experience and the young dynamic members who bring in lot of passion to learn from the senior members.

Our Board consists of 9 members of which 7 are independent and the rest are non-executive members. During the year 2022, the Board met four times.



Mr. Othman Mohamed Sharif Abdalla Zaman
Chairman



H.E. Dr. Saeed Abdullah Juma AlMutawa
Vice Chairman



H.E. Abdulrahman Mohammed Nasir Alowais
Member



Mr. Omar Ibrahim Abdalla Ahmed AlMulla
Member



Mr. Rashid Abdalla Mohamed Ali Burehaima
Member



Mr. Khalid Mohammed Abdullah AlKhayyal
Member



Mr. Nawaf Abdullah Muhammad AlRefae
Member



Mr. Mohamed Ahmed Omar Salem AlKarbi
Member



Mr. Ahmed Salem Abdulla Salem AlHosani
Member

The Board Committees

A) Audit & Compliance Committee

1. Acknowledgment by the Chairman of the Audit Committee of his responsibility for the committee's functioning:

The Chairman of the Audit & Compliance Committee acknowledges the responsibility for effective and efficient working of the committee in accordance with the Charter approved by the Board. The Committee met 4 times during the year 2022.

2. The Audit & Compliance Committee is composed of the following Board members:

Dr. Saeed Abdullah Juma AlMutawa	(Committee Chairman)
Mr. Omar Ibrahim Abdalla Ahmed AlMulla	(Member)
Mr. Khalid Mohammed Abdullah AlKhayyal	(Member)
Mr. Mohamed Ahmed Omar Salem AlKarbi	(Member)

3. Responsibilities and duties of the committee in accordance with the directives of Article 61 of the Authority's decision regarding the 2020 Governance Guide:

Resolution No .(3/ r.m) for the year 2020 issued by the Securities and Commodities Securities regarding Governance Guide confirmed the role and the importance of the Audit Committee. It stressed that all members of the Committee should have the knowledge and experience in matters of finance and accounting. It is the most important committee formed by the Board of directors and it supports of the board with regard to the responsibilities entrusted to it by the shareholders of the company, especially those related to the company's financial and accounting policies and procedures.

B) Nomination and Remuneration Committee

1. Acknowledgment by the Chairman of the Nomination and Remuneration Committee of his responsibility for the committee's functioning:

The Chairman of the Nominations and Remuneration Committee, acknowledges his responsibility for the effective and efficient working of the committee in accordance with the Charter approved by the Board. No meeting was held during the year 2022 as there were no significant matters to discuss.

2. Nomination & Remuneration Committee comprises the following Board members:

Mr. Khalid Mohammed Abdullah AlKhayyal	(Committee Chairman)
Mr. Rashid Abdalla Mohamed Ali Burehaima	(Member)
Mr. Omar Ibrahim Abdalla Ahmed AlMulla	(Member)
Mr. Ahmed Salem Abdulla Salem AlHosani	(Member)

3. Responsibilities and duties of the Nomination & Remuneration Committee:

The Nominations and Remunerations Committee supervises and sets policies and procedures related to structure of the Board of Directors, candidacy for membership in the Board of Directors with the obligation to diversify between genders. It also supervises the preparation of the policy for granting remunerations, benefits, incentives and salaries for the members of the company's Board of Directors, which are commensurate with the performance of the company, and its employees. The committee also defines the competencies required at the level of senior executive management and training in the company.

C) Investment Committee

1. Acknowledgment by the Chairman of the Investment Committee of his responsibility for committee's functioning:
The Chairman of the Investment Committee acknowledges his responsibility for the effective and efficient working of the committee in accordance with the charter approved by the Board. The Committee met 3 times during the year 2022.
2. The Investment Committee consists of the following members:

H.E. Dr. Saeed Abdullah Juma AlMutawa	(Committee Chairman)
Mr. Omar Ibrahim Abdalla Ahmed AlMulla	(Member)
Mr. Rashid Abdalla Mohamed Ali Burehaima	(Member)
Mr. Mohamed Ahmed Omar Salem AlKarbi	(Member)
3. Responsibilities and duties of the Investment Committee:
The committee's tasks in general include setting up policies and procedures for the investments of the company and to supervise, monitor and effectively evaluate the company's investment assets in order to achieve the desired returns on investment and security of the investments. Committee also establishes procedures and standards for monitoring, evaluating and comparing performance results on a regular basis and reports performance to the Board of Directors.

Our Internal Audit Department

Our Internal Audit Department is an independent, objective assurance function reporting directly to the Board Audit and Compliance Committee. The Internal Audit Function of the company is Co-Sourced to Aswaar Management Consultancy (AMC), which is a premier management consultancy firm which focuses on providing boutique financial and internal audit services with a view to support the business leaders on decision making and also on execution. AMC consists of specialists from Big four, financial, banking, and business back grounds and its leaders have worked for two to three decades in the UAE.

The Board Audit & Compliance Committee approved the two years internal audit plan (2023-2024) to cover all business units and focus on core business areas including; production, maintenance, sales, supply chain and support service processes such as finance activities, human resources, administration, corporate governance and compliance. Internal audit reports are presented to the Board Audit & Compliance Committee.

The Internal Audit and Compliance Department performs three different types of audits:

- **Compliance Audit**
The compliance audit aims to review financial and operational activities with the aim of determining their compliance with specific policies & procedures, rules, and regulations. The Internal Audit Department uses the risk-based audit approach to provide independent assurance to the Board.
- **Performance Audit**
Performance audits benchmark the performance of the company against set goals and industry best practices for performance evaluation and opportunities for improvements.
- **IT Systems Auditing**
The IT systems audit is designed to review the strengths and weaknesses of current IT policies and procedures, IT infrastructure, IT systems change management process, IT security measures, compliance with regulatory requirements and suggest improvements.

In 2022, the Internal Audit and Compliance Department conducted 11 audits as per the scope agreed with the Board Audit & Compliance Committee.



Health Safety & Wellbeing of our People

5

World Health Organization describes Health is a state of complete mental, social and physical wellbeing, not merely the absence of disease or infirmity. Fostering and promoting wellbeing is good for both employees and organization as organizations can only thrive when positive working environments are created, and this can be a core enabler of employee engagement and organizational performance. We are aware that the work environment and the nature of the work are important influences on health and safety, and they have been the key focus of SCIDC. As an organization, we too play a key role in taking care of and promoting the physical and emotional health, safety, and wellbeing of our employees.

Human Rights

Principles of Human Rights guide our relationship with employees, suppliers, customers, and the communities we operate in. We are committed to ensuring that all our employees are safe, supported and always respected.

We encourage all employees to report any possible violations of our code of ethics through various channels in place.

We fully comply with the Labour Law in vogue and abide by all the policies laid out by the Ministry of Human Resources and Emiratization and ensure that this also extends to all our subcontracted personnel. We subcontract from companies approved by the Ministry of Interior and conduct a Health Safety and Environment induction training for new personnel.

Our suppliers and partners are also expected to adopt responsible practices to create a positive work environment.

Our Human Capital

People cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets. Education, training, and health are the most important investments in human capital. The value of an individual's experience and skills is the repository of human capital that any organization possesses. These attributes are important as they help employees to perform their jobs more effectively and efficiently.

Employees at SCIDC are a determined team, together we have achieved several important milestones to ensure that the plant is run efficiently. Two projects that are worth mentioning are the Dry Mortar Plant to produce Dry Mortar products, Jumbo Bag Filling stations and Jumbo bag Manufacturing plant. Expertise in project management and technical skills has helped SCIDC in the completion of these projects on time.

Diversity and Inclusion

In a diverse and inclusive environment all employees establish a sense of belonging, this is the reason employees feel connected at work and tend to deliver their best and produce quality work. This in a natural way brings in large gains to the organization by keeping the employees engaged, continuous innovation, improving business results and decision making. To strengthen engagement and accelerate trust in our employees we believe in the following principles when it comes to diversity and inclusion.

- Branding and Culture
- No top-down approach
- Focus on increasing employee potential.
- Sense of belonging
- Interconnect to positive change.
- Compassionate Leadership

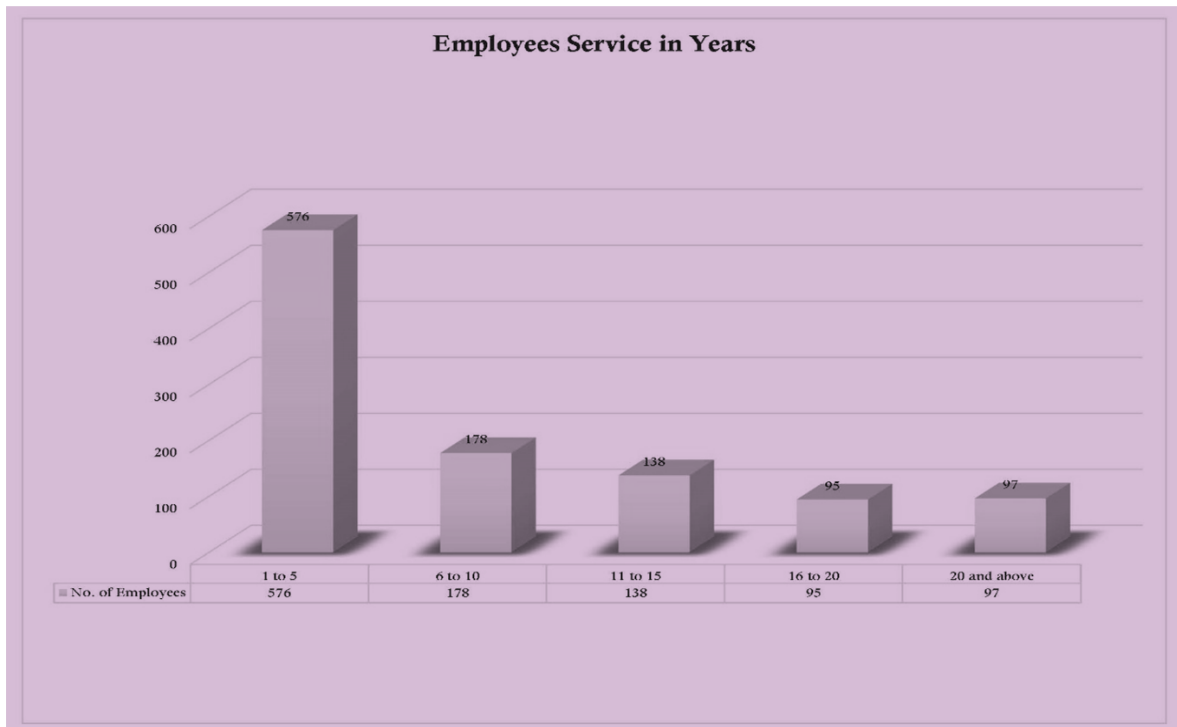
Employee Attraction and Retention

“You’re not just recruiting employees but are sowing the seeds of your reputation.” This quote is sensitive in all respects. It is a highly competitive environment where everyone is fishing from the same small talent pool and to successfully attract a resource from that pool is like getting people through the door which is only half the battle.

We have managed to attract as well as retain talent, as an organization by adopting the following practices:

- A positive and pleasant work culture
- Professional development
- Appealing living conditions and benefits
- Treating everyone equally
- Technological advancement
- Inclusion in decision making
- Career Advancement

Our average years of retention of employees is above 11 years.



Employee Training

One of the best ways to enhance knowledge and skills is through training. By providing employees with training relevant to industry can help improve performance and efficiency in the workplace. This also helps the organization in preparing the employee to take up higher responsibilities and also reinforces the fact that they are valued. High potential employees are provided with opportunities to learn “on the job” which directly impacts the employee’s career advancement program. Classroom type training is also conducted throughout the year to improve people’s knowledge of advancement in technologies, product development and best practices in the industry.



Safety training is an ongoing activity throughout the year this encompasses , First Aid, CPR, Firefighting for both employees and family members residing in the Factory accommodations, Training for Heavy Duty Drivers on Road Safety, Safe offloading of cement and Safe Tipping of raw material, training on Cement Technology both for manufacturing and maintenance related and on various quality, Health, Environmental, Energy standards and to be updated with recent amendments in Labour laws.

We are proud to highlight that SCIDC has actively participated in the SALAMA training program on Health and Safety initiated by the Government of Sharjah for the last 2 years.



A total of 1086 employees were trained, and 5,485 man hours have been dedicated for training activities during 2022.





Employee Engagement

When we invest in employee engagement and team building activities it encourages resilience and helps nurture a culture of growth and development in the workplace. A recent study done by Gartner, a research consultancy firm, has found that 82% of employees are motivated to stay and perform better when they are valued and engaged. Employee engagement is a beautiful platform when employees are recognized and rewarded, as an organization we realize that disengagement leads to lower employee productivity, lower customer engagement and higher employee attritions and to address these and build trust and transparency among employees we have been recognizing and rewarding employees on following best safety practices , timely project completion and execution of special tasks.





We conduct internal Cricket, Football, Volleyball, Badminton, Table Tennis, Carroms and Chess tournaments for employees and family members and also encourage participation of employees in tournaments organized by external sports councils in the UAE ,Rashid Al Leem Premium League, Sharjah Cricket Club, RAK Badminton, Volleyball by RAK Hospital, Badminton Sports Academy, Dubai, Sharjah Municipality to name a few.

Our organization has provided ample space with facilities like Cricket and Football ground, Tennis Court, Badminton Court, Gymnasium, and a Children play area for the residents.



For the enhancement of mind and body, a yoga, meditation room along with a gymnasium with the latest equipment have been provided and for brisk walkers a walking track in a garden atmosphere to walk, exercise and relax for employees and family members is a crowning accomplishment as this encapsulates a 360 degrees of people's engagement.





Occupational Safety

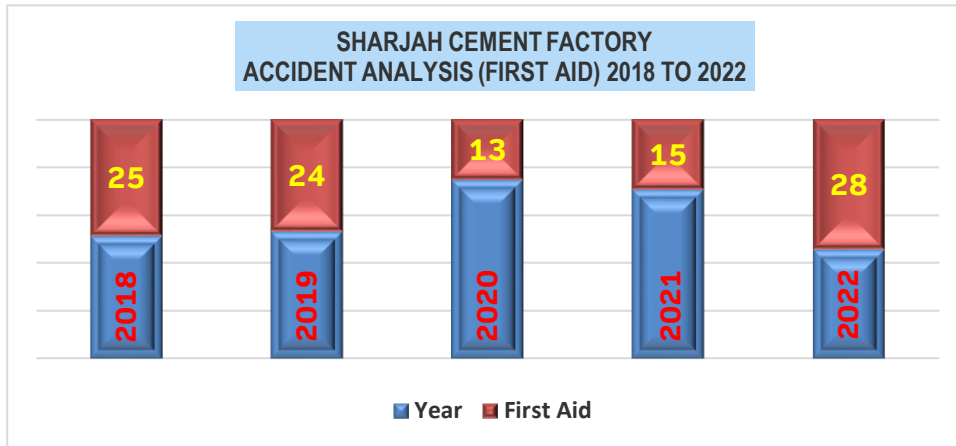
SCIDC Adopts ISO 45001-2018 (OHS) management systems by British Standard Institution (BSI). The HSE department of the company is headed by a full time safety officer who is a qualified International Diploma Health and Safety Engineer.

He is also a CQI/IRCA Qualified Lead Auditor for ISO 45001-2018 & Affiliated member for IOSH also.

Our Safety record with graphs for five years:

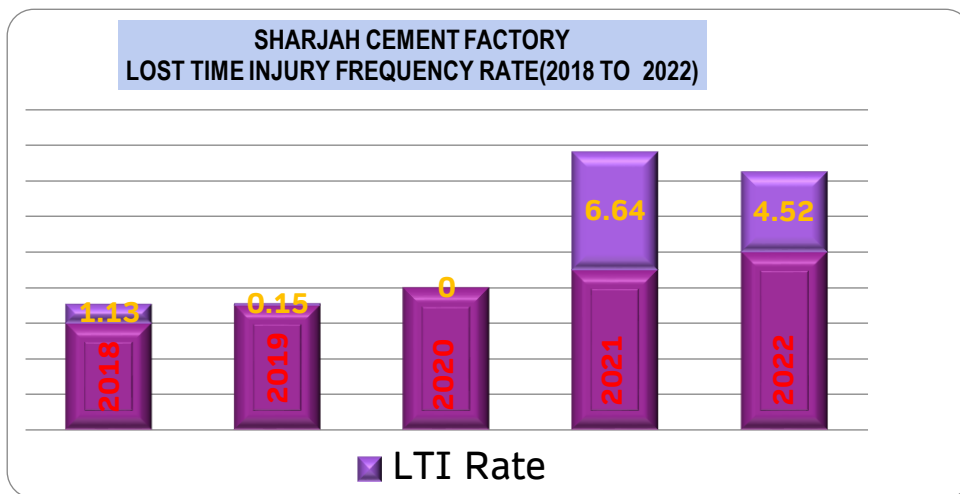
The company is proud of its safety record and has consistently improved its safety performance as shown in the six year graph below:

1. Accident First Aid and Lost time Injury Analysis (2018 to 2022)



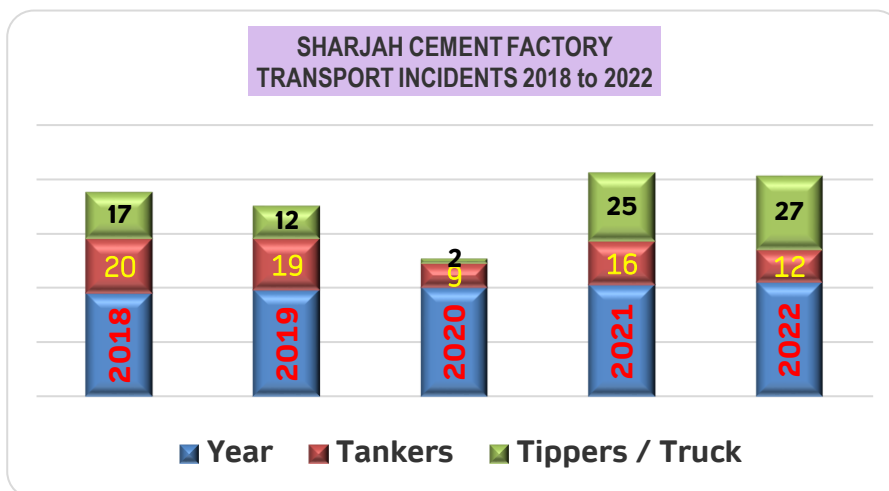
Year	First Aid
2018	25
2019	24
2020	13
2021	15
2022	28

2. Lost time Injury Analysis (2018 to 2022)



Year	LTI Rate
2018	1.13
2019	0.15
2020	0
2021	6.64
2022	4.52

3. Transport incident (2018 to 2022).



Year	Tankers	Tippers / Truck
2018	20	17
2019	19	12
2020	9	2
2021	16	25
2022	12	27



6

Environmental Leadership, Vision and Mission

Sharjah Cement Factory was established in 1976 and has gained more than four decades of experience in manufacturing various types of quality cement and other cementitious products in strict compliance with relevant European and American Standards.

SCF operates under ISO 9001-2015 Quality Management Systems. We have also been awarded ISO 45001-2018 for Health, Safety and Environment Systems and ISO 50001-2018 for Energy Management System.

Our Environmental Vision

As a leading cement manufacturer in the region, we strive to be an eco-friendly organization that plays a pivotal role in protecting and sustaining the environment for the benefit of the current and future generations.

Our Environmental Mission

- Reduce the use of Coal and other fossil fuels.
- Reuse all plant waste to ensure zero waste to landfill.
- Recycle water, plastic and other wastes generated in the country in partnership with public and private players.
- Complete Compliance with all environmental regulatory requirements.

Environmental Goals and Achievements

Our Environmental Goals

- Use of Waste Heat Recovery Systems, increasing the share of renewable energy and alternative fuels to reduce coal consumption.
- Zero waste to landfill and complete reuse and safe disposal of all plant waste.
- Operate the plant with recycled water and zero consumption of fresh water in the plant.
- Work with private and public sector players for recycling and safe disposal of waste.
- Continuously invest in the state of the art environment-friendly technology for efficient production, distribution and use of energy and alternative fuels.
- Stringent compliance with all environmental regulatory requirements.

Our Achievements

- **Waste Heat Recovery System**
 - Company's Waste Heat Recovery system was established in 2015 to generate up to 9 MW of electricity from exhaust gases of the Kilns which resulted in annual reduction of 70000 tons of carbon and heat emissions into the atmosphere.
- **Waste to Energy**
 - Sharjah Cement Factory invested more than USD 15 million in the latest technologies to upgrade its plant to burn alternative fuels instead of coal.
 - Sharjah Cement Factory has signed multiple agreements with various Waste Management Organizations for supply of around 200,000 tons of Solid Recovered Fuel (SRF) generated from industrial and commercial waste in its landfill annually. This will replace coal and thereby reduce our carbon emissions and improve our environmental performance.
 - With this agreement and other ongoing arrangements with Bee'ah and other public and private sector establishments, Sharjah Cement Factory will replace more than 30% of fossil fuel with alternative fuels. This has surpassed the minimum 10% prescribed by the law.



BEEAH RECYCLING AWARDS CEMENT FACTORY FOR LOWERING EMISSIONS

SHARJAH, 18th January, 2023 (WAM) -- BEEAH Recycling, the waste processing and material recovery business of BEEAH Group, has awarded the title of "Green Partner" to Sharjah Cement Factory for being among the UAE's first

cement production facilities to utilize lower emission fuels, contribute to net-zero emissions targets and support the circular economy.

The awarding ceremony was held at the BEEAH Group stand at the World Future Energy Summit (WFES) during Abu Dhabi Sustainability Week (ADSW) in the presence of Issa Al Hashemi, Assistant Under-Secretary for the Sustainable Communities Sector and Acting Assistant Under-Secretary for the Green Development and Climate Change Sector, Ministry of Climate Change and Environment and Khaled Al Huraimel, the Group CEO of BEEAH Group.

- **Recycling of Waste**

- Sharjah Cement factory has implemented “Zero waste to Landfill” whereby all waste including green waste, ash and other factory waste is recycled.

- **Reuse of Water**

- Sharjah Cement Factory has signed a reuse agreement with Qatra Water Solutions whereby Qatra will provide dry sludge and treated water from its water treatment plant.
- The entire factory now runs on treated waste water. We use Zero fresh water in the plant.
- Sharjah Cement Factory has established a water treatment Plant to recycle all household and factory waste water which is then used for plantations.

- **Safe Disposal of Waste**

- We assist various Government departments and private companies for safe disposal of contraband, old paint, cloth, used oil and lubricants, construction waste, E-waste, tyres and such other items in strict compliance with emission norms.

- **Green Plant**

- Sharjah Cement Factory boasts to be the greenest plant in the region. During 2022, we have achieved a feat of planting more than 2000 trees inside the factory campus in collaboration with the Sharjah Municipality & Ministry of Environment to increase green foliage cover.



- **Efficient Generation, Distribution and Utilization of Energy**

- We have adopted latest and efficient plant load management systems like First Bus Transfer (FBT) & Variable Frequency Drive (VFD) to ensure most efficient utilization of electricity.

- **Compliance with Emission Norms**

- All our plants are built with latest technologies to reduce the SOx, NOx, dust and other emissions to the levels far below the limits set by Ministry of Environment.



Corporate Social Responsibility

7

Emiratization

- In tune with the vision of HH Dr. Sheikh Sultan Al Qasimi, Ruler of Sharjah, for development of Emirati youth, we provide on the job training in technical aspects in collaboration with local universities. We also facilitate factory visits for schools and college students to get acquainted with the finer aspects of Cement Manufacturing Technology.

Local Procurement and Supplier Management

- The company contributed more than 74.52% towards local procurement and supplier management during the year 2022. We are consistently trying to improve this % through our vendor development system based on the source of quality products.

Community Investment

- We participate in the Environment Day celebrations in the Emirate and continuously spread the message of Greener planet through various events.
- We sponsor various Municipalities in the Emirate to develop the greenery landscape in the desert land.
- The Company also supports many charitable organizations and social institutions with donations to fulfill its corporate social responsibilities.



**SHARJAH CEMENT AND
INDUSTRIAL DEVELOPMENT
CO. PJSC**

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