



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

**“GROW SUSTAINABLY WITH  
CONTINUOUS QUALITY IN  
PRODUCTS, PROCESS  
AND PEOPLE”**

**Sustainability  
REPORT  
2020**

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ABOUT

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This Report

# About this Report

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 2020 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, Abu Dhabi Economic Vision 2030, and the UAE National Vision 2021.

# Scope of the Report

## YEAR

The report covers our environmental, social and governance performance for the year 2020.

## MONETARY VALUES

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

## CONTACT POINT

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

Name: **Uday Ghelani**  
Designation: **Deputy CEO**  
Email : **scidcho@eim.ae**

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.

## 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.

## 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.

## EXTERNAL ASSURANCE

Our internal team precisely 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.

## COUNTRIES

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

## TERMINOLOGY

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

# Report Highlights 2020



## SUSTAINABLE GROWTH

- Shareholder equity is **AED 1,320.6 Million**
- Book value per share is **AED 2.17**
- No Incident of Non-compliance with Laws and Regulations
- No Incident of Non-compliance with the Code of Conduct



## HEALTH, SAFETY AND WELLBEING OF OUR PEOPLE

- Diverse workforce of **900** employees from more than **10 different** nationalities work at SCIDC
- Provide **3,067 hours** of training for our employees, Sponsored Students and Trainees including health seminars
- **0.77% Employee** Turnover Rate
- We have no records of fatalities or accidents at work



## ENVIRONMENTAL LEADERSHIP

- Reduced **70,000 tons** of annual Carbon emission reduction with Waste Heat Recovery System
- **Zero waste** to Landfill
- Ensure all wastewater is completely recycled and no fresh water is drawn for the plant.
- Planted **5,000 trees** and continue to do so in the foreseeable future
- Invested **AED 55 million** so far in technology to make use of alternative fuels to reduce coal consumption and replace it with recycle waste



## CORPORATE SOCIAL RESPONSIBILITY

- **37%** Employees with monthly salaries above **AED 8,000** are UAE nationals
- **48%** of Procurement is from local suppliers and vendors excluding payroll cost
- **63%** of total production cost including payroll are procured from local suppliers
- Invested **AED 426,000** in Community Development and Support



**OTHMAN SHARIF**  
Chairman



## Message from **Our Chairman**

### **Dear Shareholders,**

On behalf of the Board of Directors and myself, I am delighted to share SCIDC's first sustainability report for the year 2020. In this report, we share our efforts and performance in the arena of sustainable growth, the environment, our people and our broader social responsibility.

We recognize our responsibilities towards preserving the environment and have worked actively to remain strategically aligned with the UAE Green Agenda and the UAE National Vision 2021.

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.

“

**It gives us the honour to express our sincere gratitude to H.H. Dr. Shaikh Sultan Bin Mohammed Al Qasimi, Ruler of Sharjah and Member of Supreme Council, for his continuous guidance and support.**



In our commitment to sustainable growth and greener earth, we continuously invest in technology to reduce our carbon footprints by reducing coal consumption. 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 an agreement with Bee'ah whereby Bee'ah will supply us with 73,000 tons of alternative fuels from Q3 2021, allowing us to reduce our carbon emissions further. With this agreement and other ongoing agreements with Bee'ah and other public and private establishments, we will replace more than 30% of fossil fuel with alternative fuels over the next two years.

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. We have planted more than 5,000 trees in the factory premises, and we are proud to be one of the greenest factories in the UAE.

We have signed a long-term agreement with Qatra Water Solutions LLC to recycle dry sludge and wastewater generated by their water treatment plant in Sharjah. We have used 26 million gallons of wastewater in our cement plant during 2020. 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

2

Us

# 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 Abu Dhabi Securities Market. Additionally, the company's shares were also listed on Kuwait Stock Exchange.

As approved by the company's shareholders and Kuwait Capital Market Authority, the company's shares have been voluntarily withdrawn from Kuwait Stock Exchange and 26th August 2021 was the last date for trading the company's shares on Kuwait Stock Exchange.

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.

# Our Group Entities

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)

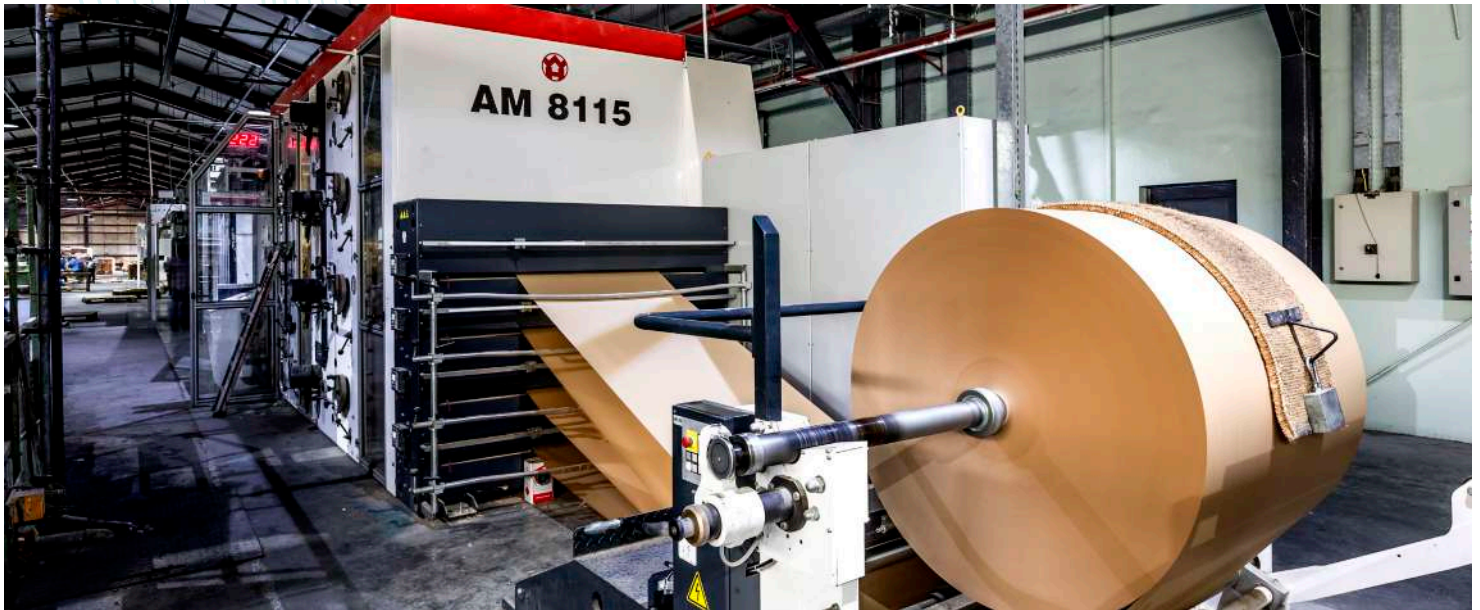
Established in 1994, GRPP is the largest synthetic rope and baler twine manufacturer in UAE. GRPP manufactures synthetic ropes under the brand name FALCON at its modern plant in Sharjah, UAE. While incorporating state-of-the-art technology, all types of equipment are of European origin. It is the first 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.



# Our Group Entities

## • 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



**American Petroleum Institute**



2025-2026 | Digital

**Certificate of Authority to use the Official API Monogram**  
**License Number: 10A-0119** **ORIGINAL**

The American Petroleum Institute hereby grants to  
**SHARJAH CEMENT FACTORY**  
**Dhaid Road**  
**Sajaa Industrial Area**  
**Sharjah**  
**United Arab Emirates**

the right to use the Official API Monogram® on manufactured products under the conditions in the official publications of the American Petroleum Institute entitled API Spec Q1™ and **API-10A** and in accordance with the provisions of the License Agreement.

In all cases where the Official API Monogram is applied, the API Monogram shall be used in conjunction with this certificate number: **10A-0119**

The American Petroleum Institute reserves the right to revoke this authorization to use the Official API Monogram for any reason satisfactory to the Board of Directors of the American Petroleum Institute.

The scope of this license includes the following: API Well Cement Class A at Grade(s) O; API Well Cement Class G, API Well Cement Class H at Grade(s) HSR, at Grade(s) MSR

QMS Exclusions: Design and Development; Servicing; Validation of Processes; Customer Property

**Effective Date: FEBRUARY 11, 2021**  
**Expiration Date: JANUARY 12, 2024**

*Deena O. Al-Fuqair*  
Vice President of Global Industry Services

To verify the authenticity of this license, go to [www.api.org/compositelist](http://www.api.org/compositelist).




By Royal Charter

## 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 Lamm*  
 Andrew Lamm, EMEA Systems Certification Director

Original Registration Date: 1996-08-07      Effective Date: 2019-01-10  
 Latest Revision Date: 2018-11-07      Expiry Date: 2022-01-09

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 Information and Contact: BSI, Elm Park, Gypsy Lane, Marlow, Bucks MK14 6EF, UK. Tel: +44 (0) 1628 550000.  
 BSI Assurance UK Limited, registered in England under number 7805322 at 389 Chiswick High Road, London W4 4AL, UK.




## Certificate of Registration

ENERGY MANAGEMENT SYSTEM - ISO 50001:2018

This is to certify that: **Sharjah Cement Factory**  
 Sajaa Industrial Area, Al Daid Rd.,  
 (8th Interchange), Sharjah, U.A.E.  
 Sharjah  
 5419  
 United Arab Emirates

Holds Certificate No: **ENMS 723593**  
 and operates an Energy Management System which complies with the requirements of ISO 50001:2018 for the following scope:

The manufacturing and sale 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 Lamm*  
 Andrew Lamm, EMEA Systems Certification Director

Original Registration Date: 2021-06-11      Effective Date: 2021-06-11  
 Latest Revision Date: 2021-06-23      Expiry Date: 2024-06-10

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# Certificates & Accolades

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## 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:   
Andrew Lamm, EMEA Systems Certification Director

Original Registration Date: 2011-01-10  
Latest Revision Date: 2019-11-22

Effective Date: 2020-01-11  
Expiry Date: 2023-01-10

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BSI House and UK Limited, registered in England under number 7805222 at 188-190 Chiswick High Road, London W4 4AL, UK.

**bsi.**  By Royal Charter

## Certificate of Registration

**OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - ISO 45001:2018**

This is to certify that:

Sharjah Cement Factory  
Sharjah-Dhaid road  
PO Box 5419  
Sharjah  
United Arab Emirates

Holds Certificate No: **OHS 575249**  
and operates an Occupational Health and Safety Management System which complies with the requirements of ISO 45001:2018 for the following scope:

Manufacture, handling, storage and delivery of Portland cement, Sulphate Resisting Portland cement, Ground Granulated blast furnace slag (GGBS) and Portland cement clinker.  
Previously registered to OHSAS 18001:2007 since 23.01.2012

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

Original Registration Date: 2019-11-28  
Latest Revision Date: 2020-11-16

Effective Date: 2021-01-24  
Expiry Date: 2024-01-23

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**bsi.** BSI Kitemark Scheme for Cement 

## Certificate of Conformity

KITEMARK LICENCE No. KM 58897

Conform Details:

Scheme Code: SHCCBS  
British Standard: BS EN 15167-1 - GROUND GRANULATED BLAST FURNACE 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: 1<sup>st</sup> January 2021



Certificate of Conformity valid to: 31<sup>st</sup> December 2021

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**bsi.** BSI Kitemark Scheme for Cement 

## Certificate of Conformity

KITEMARK LICENCE No. KM 35069

Conform Details:

Scheme Code: SHBA  
British Standard: BS EN 197-1 - COMMON CEMENTS  
Classification: CEM I-SE 3 42.3N  
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: 1<sup>st</sup> January 2021



Certificate of Conformity valid to: 31<sup>st</sup> December 2021

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**bsi.** BSI Kitemark Scheme for Cement 

## Certificate of Conformity

KITEMARK LICENCE No. KM 35068

Conform Details:

Scheme Code: SHAA  
British Standard: BS EN 197-1 - COMMON CEMENTS  
Classification: CEM I 0.5N  
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: 1<sup>st</sup> January 2021



Certificate of Conformity valid to: 31<sup>st</sup> December 2021

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# Certificates & Accolades





# Certificates & Accolades



# Our Value Chain



## RAW MATERIALS

### Extraction & Procurement:

- SCF procures all their raw materials from local and international suppliers. Additionally, Extraction materials are also extracted from our own quarrying sites.
- PSF purchases papers from international markets and other raw materials such as glues and colors are procured locally.
- GRPP procures raw materials from local and international markets.



## MANUFACTURING & PRODUCTION

### Cement, 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.



## INVESTMENTS

### 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.

The background is a night-time photograph of an industrial facility, likely a refinery or chemical plant. A tall, illuminated distillation column is the central focus, with other structures and lights visible in the distance. The scene is partially obscured by a semi-transparent yellow rectangular box. Overlaid on this box is a large blue number '3' with a white outline. To the left of the '3', the word 'ABOUT' is written vertically in white, uppercase letters. The overall aesthetic is modern and industrial, with a focus on sustainability.

ABOUT

# 3

Sustainability  
at SCIDC



## 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 need to address.



# Putting Sustainability into Context



## 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 is an international, independent standards organization that helps businesses, governments and other organizations understand and communicate their impact on issues including climate change, human rights, societal well-being and corruption, and executing benefits for all stakeholders.



## UAE NATIONAL VISION 2021

UAE Vision 2021 was launched by H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, at the closing of a Cabinet meeting in 2010. The vision aims for the UAE to be counted among the best countries in the world by the Golden Jubilee of the Union. In order to transform this vision into reality, the key pillars are portrayed as six national priorities, which represent the key focus sectors of the government action in the coming years.









## 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.

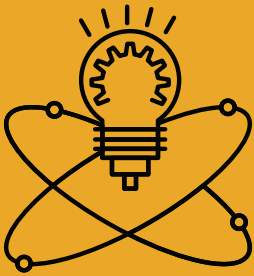
# Listening to Our Stakeholders

We value our stakeholders equally and recognize that each group has different needs and expectations. Therefore, we ensure to identify each group and devise effective strategies to engage with them to implement their views to improve our overall business operations. We routinely interact with our stakeholders through various communication channels, enabling 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.

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

# Materiality

Our materiality analysis aims to point the most relevant sustainability topics of our organization. Internal management across all factories was responsible for brainstorming and identifying key focus areas, assessing their impact, identifying and implementing 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 UAE National Agenda 2021, 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
- Market expansion
- Product innovation
- Customer relations and satisfaction
- Health and Safety
- Reduce environmental impact
- Employee development
- Water management
- Energy management
- Waste management
- GHG emissions



# 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. 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 & Profitable Growth

We ensure 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 strives continuously to ensure that our operations causes no harm to our surrounding living environment. Therefore, we ensure to 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 UAE's National Vision 2021 and 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



ABOUT

4

Responsible, Ethical &  
Profitable Growth



## 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.

2020 was a challenging year for the whole world due to Covid-19 Pandemic. UAE's economy is dependent mainly on Oil, Tourism, Trade and Real Estate. Oil prices tumbled to record lows, tourism came to a halt and real estate transactions declined sharply due to the pandemic. The entire economy was brought to a standstill for almost nine months. In the UAE, construction activities and cement demand fell to a level we had never seen before. We reacted immediately and shifted our focus on preserving cash, reducing losses and maintaining the shareholders' equity. To achieve these goals, we decided to shut down the clinker production plants for six months and concentrated on realizing inventory and reducing the receivables.

This strategy helped us reduce our borrowings significantly during the pandemic when a lot of our competitors were forced to reschedule their repayment terms with the banks and borrow more to survive. Although the company incurred losses due to impairment losses and closure of the kilns, our EBIDTA remained positive even through these challenging times. All other cement companies in the country also faced similar challenges and recorded significant losses.

The company had a turnover of 432 million dirhams and a gross loss of 5 million dirhams from the factory operation in 2020, compared to a turnover of 580 million dirhams and a gross profit of 36 million dirhams in 2019. As we explained earlier, this was due to a decrease in Cement demand and our closure of clinker production lines. Impairment losses equal to AED 11 million were recorded on our properties in Dubai. Investment operations resulted in a loss of AED 6 million in 2020 due to lower fair value of investments in securities, lower rental income and lower return on our investment in securities. The net loss for 2020 was AED 71 million, compared to a net profit of AED 12 million in 2019.

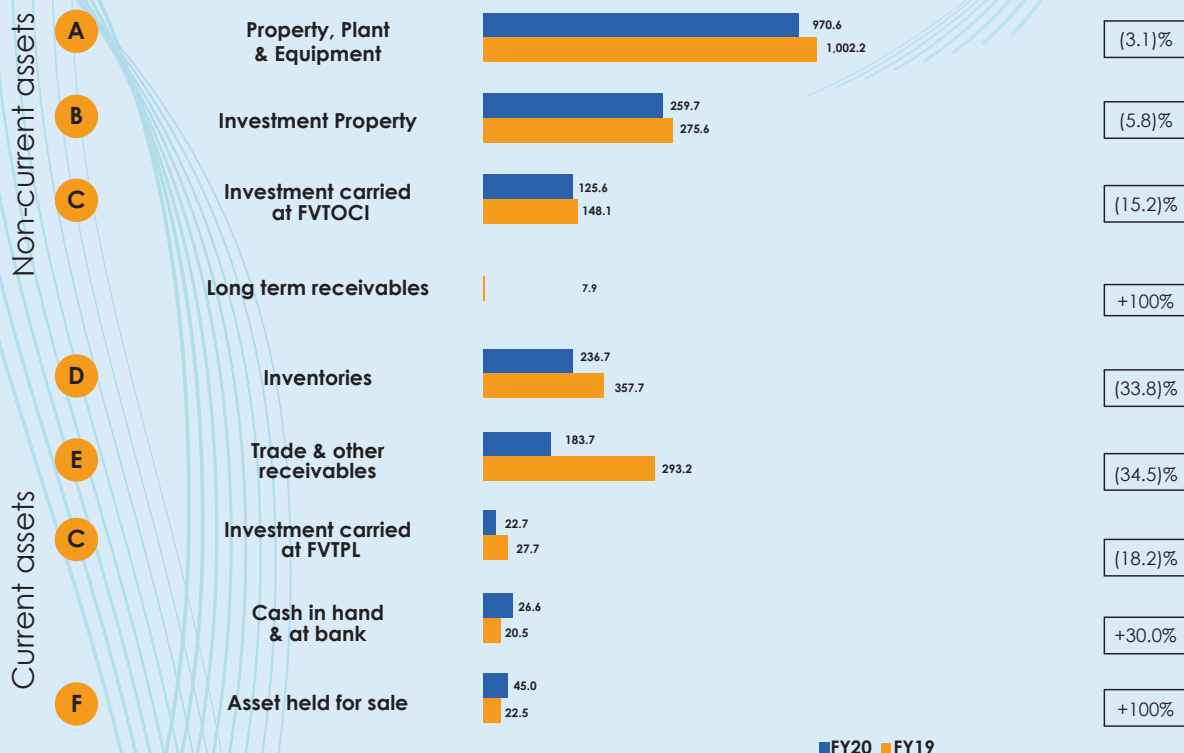
# Our Economic Performance

As a major cement producer, we play a significant role in the economic development of the Emirates of Sharjah and UAE. Our 2020 and 2019 performances are highlighted below:

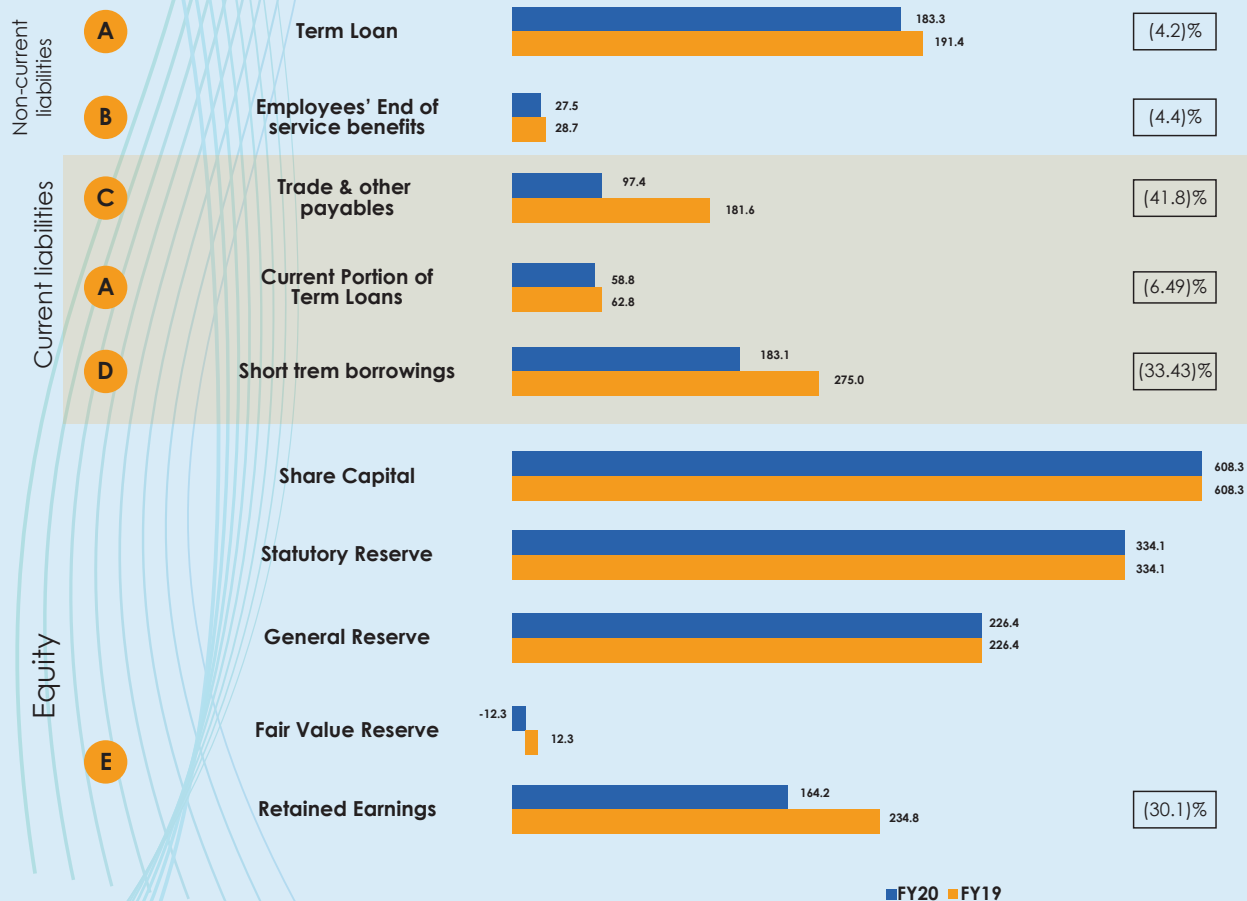
Particulars	FY20 (AED m)	FY19 (AED m)	Variance%
Sales	431.6	580.1	(26.0)
Cost of Sales	(437.0)	(543.8)	(19.6)
Gross (loss)/ Profit	(5.4)	36.3	-
G&A expenses	(18.5)	(17.9)	3.4
Selling and Distribution Cost (S&D cost)	(6.1)	(4.6)	32.6
Investment income	1.4	14.4	(90)
Operating (loss) / gain on investment properties	(7.7)	1.5	(600)
Impairment loss on investment Property	(11.3)	(7.0)	61.4
Finance expenses	(17.5)	(17.3)	1.2
Reversal of gain on sale of assets held for sale	(8.5)	2.5	-
Other Income	3.0	4.2	(28.6)
(Loss) / profit for the year	(70.6)	12.1	-

# Our Economic Performance

## Assets (AEDm)

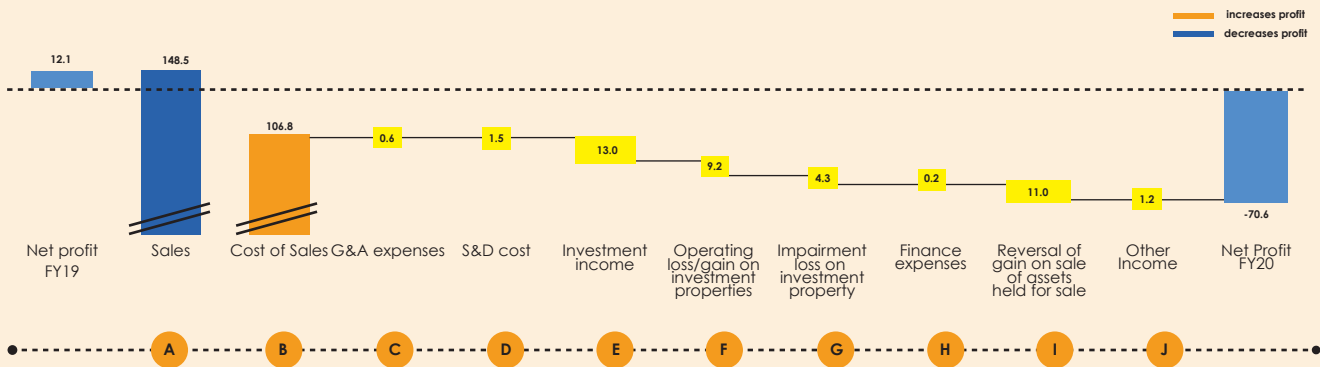


## Liabilities & Equity (AEDm)

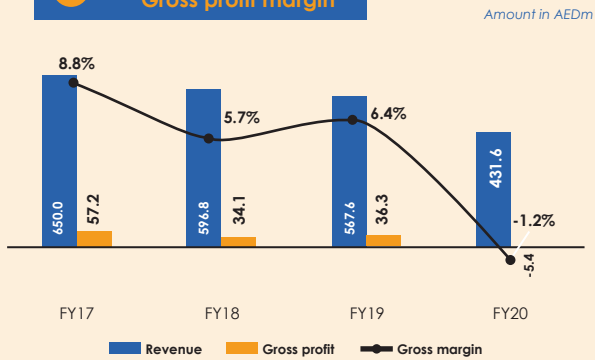


# Our Economic Performance

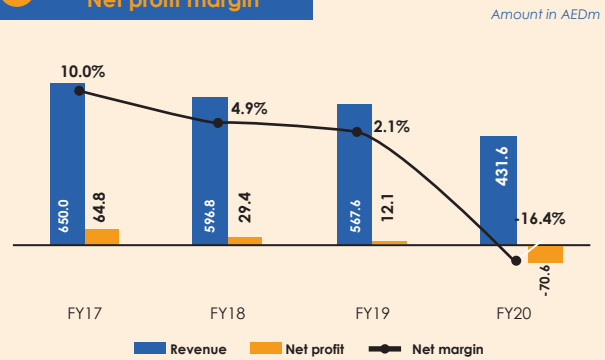
## Profit bridge (AEDm)



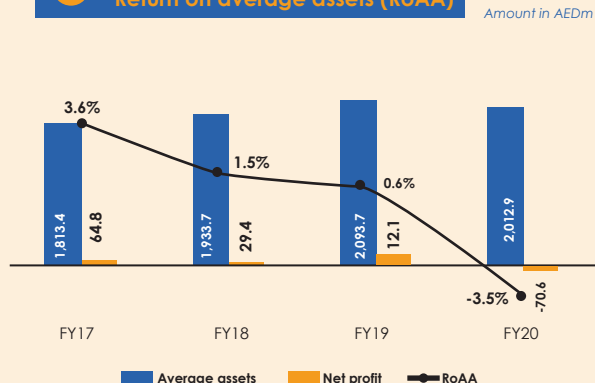
### A Gross profit margin



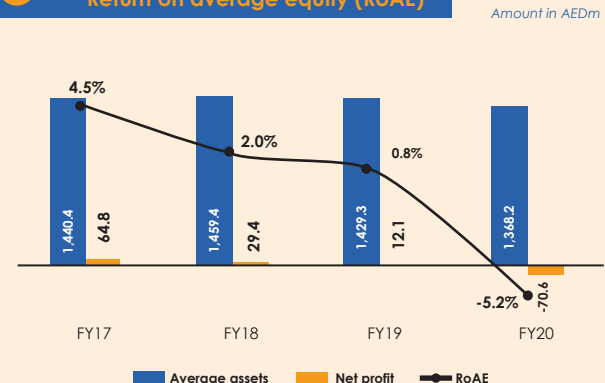
### B Net profit margin



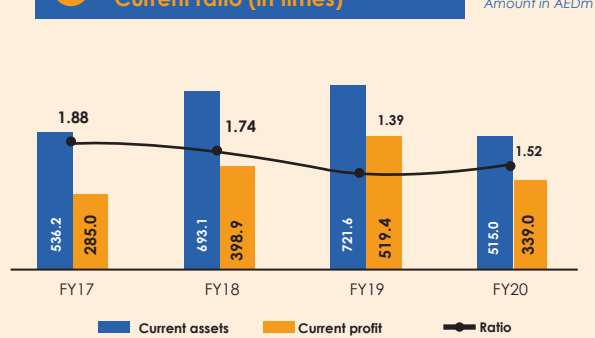
### C Return on average assets (RoAA)



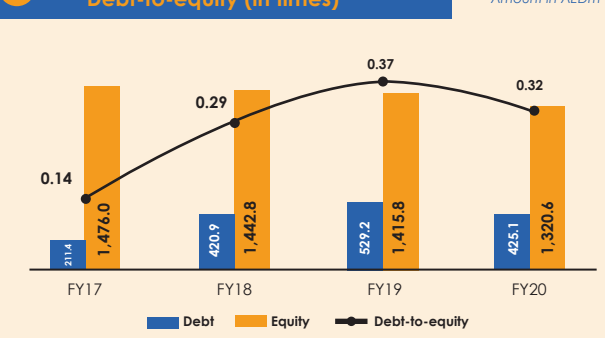
### D Return on average equity (RoAE)



### E Current ratio (in times)



### F Debt-to-equity (in times)



# Performance & Efficiency

All three factories of SCIDC have been established on the strong footing of QUALITY. Our products command quality premiums by 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
- Providing regular trainings to our people to expand their knowledge and to keep pace with the rapidly changing technological innovations



## Product Quality

- State of the art quality labs with latest equipment
- Ongoing 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)
- Ongoing 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.

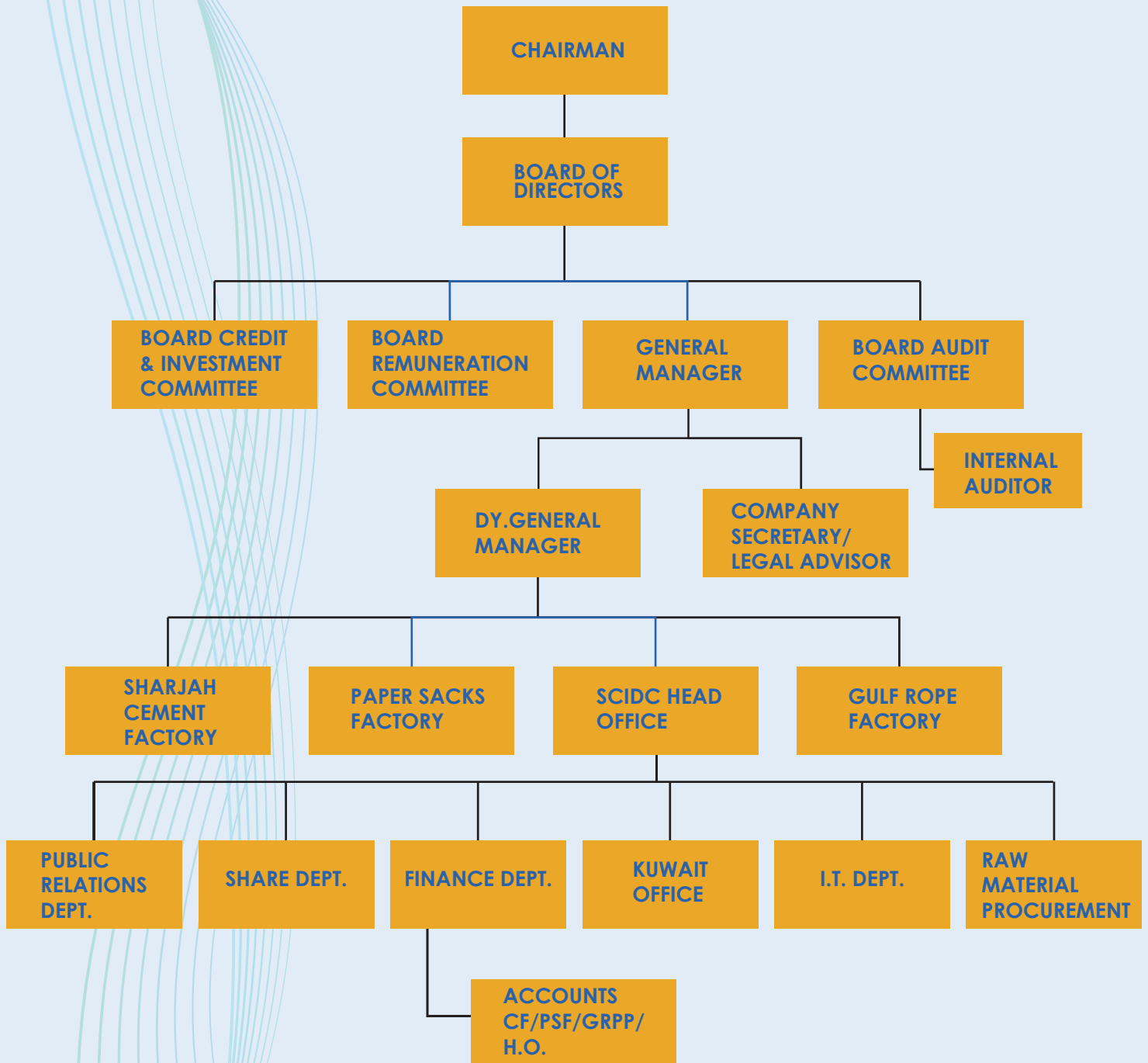
We applaud their efforts in creating and adding control systems for developing the supervisory and regulatory process in regulating the affairs of public joint-stock companies.

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" for the year 2020.



# Organisational 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 2020, the Board met five 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:

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 2020.

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

- H.E. Dr. Saeed Abdullah Juma AlMutawa (Committee Chairman)
- Mr. Mohamed Ahmed Omar Salem AlKarbi (Member)
- Mr. Omar Ibrahim Abdalla Ahmed AlMulla (Member)
- Mr. Khalid Mohammed Abdullah AlKhayyal (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 Authority regarding the Governance Guide confirmed the role and the importance of the Audit Committee. It stated that all members of the Committee should have the knowledge and experience in all aspects related to finance and accounting. It is the most important committee formed by the Board of directors and it supports the board with regards to the responsibilities entrusted 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. The Committee met once during the year 2020.

# The Board Committees

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

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

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

The Nominations and Remunerations Committee supervises and sets policies and procedures related to the structure of the Board of Directors and 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 the 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 once during the year 2020 in the presence of all committee members.

### **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 Nomination & Remuneration 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. The Committee also establishes procedures and standards for monitoring, evaluating and comparing performance results on a regular basis and reports the 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 company's Internal Audit Function is Co-Sourced to Aswaar Management Consultancy (AMC), a premier management consultancy firm that 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 the Big four, financial, banking, and business backgrounds and its leaders have the expertise for over two decades in the UAE.

The Board Audit & Compliance Committee approved the two years internal audit plan (2020-2021) to cover all business units and focus on core business areas including; production, maintenance, sales, supply chain and support service processes such as financial activities, human resources, administration, corporate governance and compliance. Internal audit reports are presented to the Board Audit and Compliance Committee.

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

## **1. 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.

## **2. Performance Audit**

Performance audit sets the benchmark for the performance of the company against set goals and follows the industry's best practices for performance evaluation and for improvements.

## **3. 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 2020, the Internal Audit and Compliance Department conducted 13 audits as per the scope agreed with the Board Audit & Compliance Committee.



ABOUT

# 5

Health, Safety &  
Wellbeing of Our People



## Health, Safety & Well-being of **Our People**

As the Arabian proverb goes, “He who has health has hope, and he who has hope has everything” we are aware that the work environment and the nature of the work are essential influences on health and safety, and they have been the key focus of SCIDC. As an organization, we play a crucial role in taking care of and promoting the physical and emotional health, safety, and wellbeing of our employees.

- **Human Rights**

Principles of Human Rights are guiding our relationship with employees, suppliers, customers and the communities we operate in. We are committed to ensure that all our employees are safe, supported and respected at all times.

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

We fully comply with the UAE Labour Law and the Federal Authority of Human Resources policies laid out. This also extends to our subcontracted personnel. We subcontract from companies approved by the Ministry of Interior and conduct a special HSE induction training for new personnel.

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

# Health, Safety & Well-being of **Our People**

## • **OUR HUMAN CAPITAL**

The value of an individual's experience and skills is the repository of human capital that any organization possesses. It largely constitutes education, skills, intelligence, training, creativity and abilities. These attributes are important as it helps employees to perform their jobs more effectively and efficiently.

Employees at SCF are a highly motivated team, their commitment has been clearly exhibited in various large-scale projects executed in the last two years, all before the targeted timelines.

Timely completion of projects like the 40 MW Captive Power Plant, Alternative Fuel Firing Systems, Product Silos, blending plant and the SAP ERP project integrating all the group companies in the last two years demonstrate the teamwork, skills, knowledge and commitment of our people.

## • **DIVERSITY AND INCLUSION**

We have realized that diversity and inclusion is a business imperative that determines what kind of a company we are, what we want to be and what the legacy will be. Following principles are close to our heart when it comes to diversity and inclusion:

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

## • **EMPLOYEE ATTRACTION AND RETENTION**

The term "war for talent" was coined by McKinsey's Steven Hankin in 1997 and the terminology was popularized by the book of that name in 2001. It refers to the increasingly fierce competition to attract and retain employees. We have managed to attract as well as retain talent, as an organization by adopting the following practices:

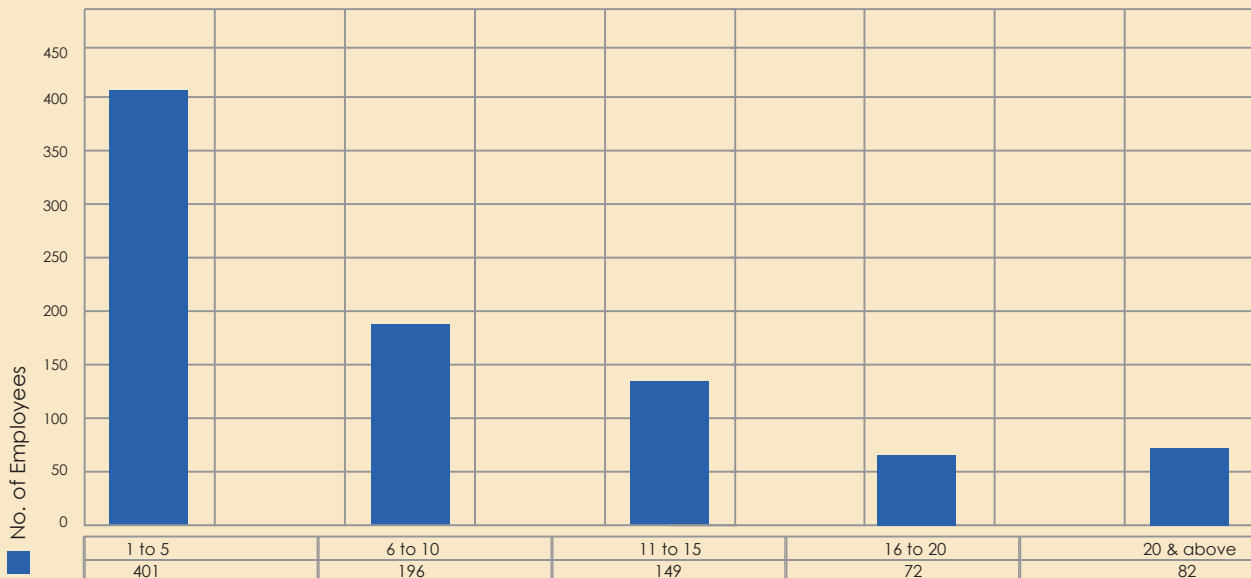
- A positive and pleasant work culture
- Appealing living conditions and benefits
- Technological advancement
- Career Advancement
- Professional development
- Treating everyone equally
- Inclusion in decision making

Our average years of retention of employees is above 10 years.



# Employee Training

## Employees Service in Years



### • EMPLOYEE TRAINING

Employee training would help employees enhance their capabilities, eventually increasing their productivity and benefitting the organization. Employees with high potential are identified and opportunities are provided to learn "on the job," which also helps in the employee's career advancement. Classroom type training are also conducted throughout the year to improve people's knowledge of advancement in technologies, product development and finer methodologies.



Regular training is provided on 'Safety' which covers, First Aid, CPR, Firefighting, Training for Heavy Duty Drivers on Road Safety, Safe offloading of cement, Safe Tipping of raw material. Training on Cement Technology both for manufacturing and maintenance related and on various Quality, Health, Environmental and Energy standards are also provided. A total of 3067 man hours have been dedicated for training activities during 2020.

# Employee Engagement

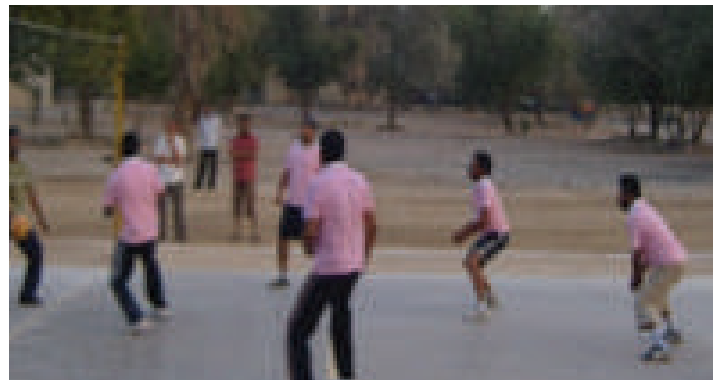


A strong feeling of pride, commitment and higher level of employee engagement have higher levels of customer satisfaction, profit and safety. We have always believed in transparency, empowerment, employee development, listening to people to improve systems, praise and recognition on safety related, project completion and execution of special tasks. Our employees are provided with certificates of recognition and cash awards to appreciate their efforts.



Our organization is blessed with ample space, which has been put to best use by providing various sports facilities including a Cricket and Football ground, Tennis and badminton Court, Gymnasium and a Children's play area for the employee's children.

We conduct internal Cricket, Football and Badminton tournaments and also participate in League matches organized by various sports organizations in the UAE. Our employees have actively participated in the Rashid Al Leem Premium League, RAK Badminton, and Sharjah Municipality.



In the interest of all the employees, even senior employees were encouraged to take part in the matches and have keenly participated in interdepartmental cricket league tournaments.

# Employee Engagement



For the well-being of the mind and body we have provided a hall for our employees who have a keen interest in performing yoga, meditation, gymnasium which is fully equipped. Some of our employees have indeed developed good physique which has motivated a few others.

Additionally, we also have a walking track and a garden to unwind and relax for family members which is an icing on the cake as this completes a full circle of people's engagement.



# Occupational Safety

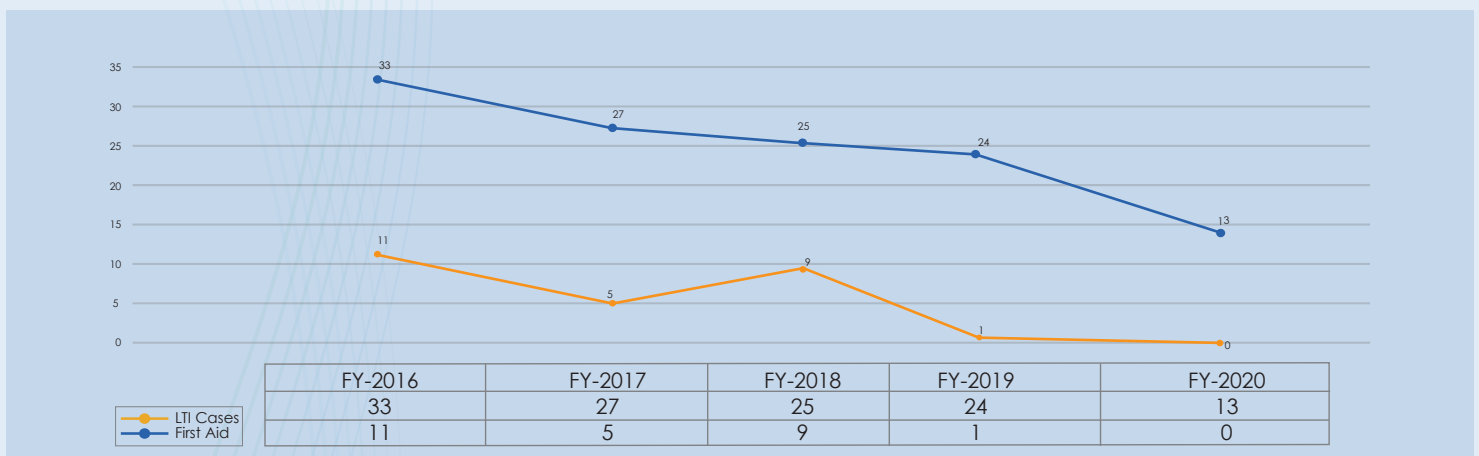
SCIDC Adopts ISO 45001-2018 (OHS) management systems by British Standard Institution (BSI). The HSE department of the company is headed by a full-time safety officer who is a qualified International Diploma Health and Safety Engineer.

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

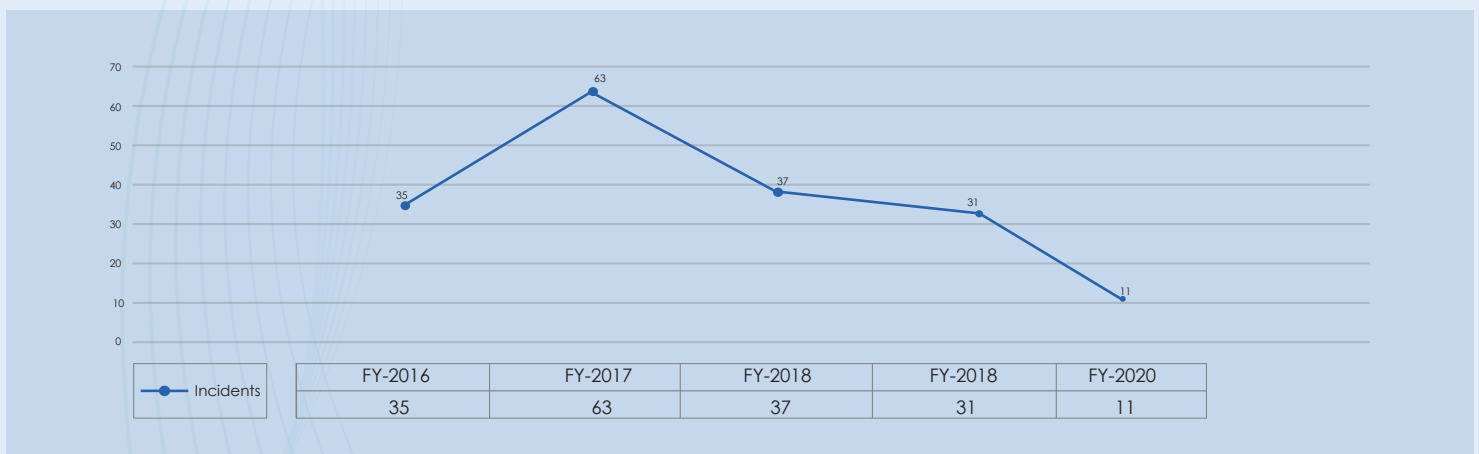
Our Safety record with graphs for five years:

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

## 1. Accident First Aid and Lost Time Injury Analysis (2016 to 2020)



## 2. Transport incident (2016 to 2020) – Show total incidents only



ABOUT



Environmental Leadership  
Vision & Mission



# Environmental Leadership, Vision and Mission

## 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

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.



# 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 investing 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

- The company's waste heat recovery system was established in 2015 to generate up to 9 MW of electricity from exhaust gases of the Kilns, resulting in an annual reduction of 70,000 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 an agreement with Bee'ah whereby Bee'ah will annually supply 73,000 tons of Solid Recovered Fuel (SRF) generated from industrial and commercial waste in its landfill. 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 of 10% prescribed by the law

### - Recycling of Waste

- Sharjah Cement factory has implemented "Zero waste to Landfill" wherein, all waste including green waste, ash and other factory waste is recycled





## Environmental Goals and Achievements

### - Reuse of Water

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

### - Safe Disposal of Waste

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

### - Green Plant

- Sharjah Cement Factory takes pride in being the greenest plant in the region. We have achieved a feat of planting more than 5,000 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 the latest and efficient plant load management systems like First Bus Transfer (FBT) and 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 SO<sub>x</sub>, NO<sub>x</sub>, dust and other emissions to the levels far below the limits set by Ministry of Environment



ABOUT



Corporate Social  
Responsibility



# Corporate Social Responsibility

## Emiratization

- In tune with the vision of H.H. Dr. Shaikh Sultan Bin Mohammed Al Qasimi, Ruler of Sharjah, for the 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 & Supply Management

- The company contributed 63% towards local procurement and supplier management during the year 2020. We are consistently trying to improve this percentage 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 a 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



ABOUT



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# GRI Content Index

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