

CareEdge-ESG Assigns First ESG Rating of a Cement Sector

May 15, 2025



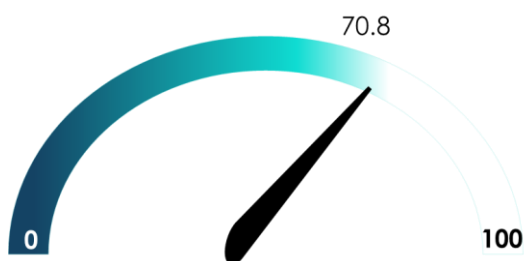
CARE ESG Ratings Limited (CareEdge-ESG) assigns ESG rating to Shree Cement Limited

CARE ESG Ratings Limited (CareEdge-ESG), a Securities & Exchange Board of India (SEBI)-registered Issuer-pays ESG Rating Provider (ERP) and a wholly owned subsidiary of CARE Ratings Limited, assigned the first ESG Rating of a cement sector entity. CareEdge-ESG assigned EGS Rating to Shree Cement Limited (SCL).

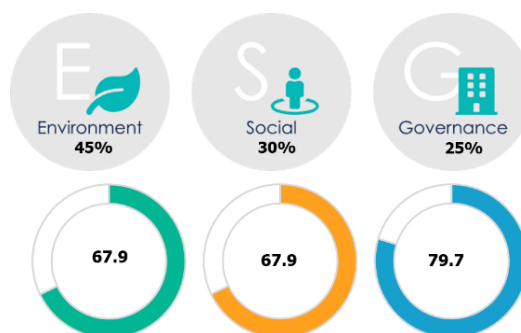
SCL, established in 1979, is a major player in India's cement manufacturing industry. The company specialises in manufacturing cement and cement products such as Ordinary Portland Cement (OPC), Portland Pozzolana Cement, Portland Slag Cement (PSC), and Composite Cement (CC), serving a diverse range of industrial customers. SCL has showcased a strong commitment to sustainability and community development, focusing on increasing water positivity, minimizing emissions, reducing energy consumption, and supporting social welfare initiatives for the local communities, along with implementing robust governance practices. SCL received a CareEdge-ESG 1 rating with an ESG score of 70.8. The ESG rating reflects its leadership position in managing ESG risk through best-in-class disclosures, policies, and performance. Please follow the [link](#) for a detailed rationale of SCL's ESG rating.

The rating assigned to SCL reflects its commitment to sustainable practices within the cement manufacturing sector. SCL has showcased leadership qualities in its ESG journey, particularly in the areas of water stewardship, emissions control, product quality, consumer protection, community support and development, business ethics, and oversight on ESG. SCL has demonstrated better performance over the industry median in energy efficiency, biodiversity conservation, product stewardship, sustainable value chain, human rights, employee health and safety, and board functioning. The company's consistent focus on improving energy efficiency, adopting low-carbon technologies, and diversifying its energy mix, positions it well for a transition toward more sustainable operations.

ESG Score



Pillar Weights and Scores for Cement



Rating Scale



CareEdge-ESG's ratings are derived from a comprehensive analysis of the environmental, social, and governance risks and opportunities associated with a company. A composite score is calculated based on the company's performance across key indicators, addressing significant themes from the three pillars of ESG. CareEdge ESG's methodology encompasses approximately 430 indicators across 21 themes for the Cement industry. The sector's environmental pillar holds significant relevance due to its large-scale ecological impact, which includes high emissions, intensive water usage, substantial energy consumption, and considerable waste generation. The environmental pillar has been assigned a weight of 45%.

Although ESG ratings are relatively new, their importance is rapidly increasing among investors, regulators, and other stakeholders. These ratings help investors make informed decisions by highlighting an entity's exposure to and management of non-financial risks and long-term performance objectives and values. Companies with strong ESG credentials often demonstrate superior financial performance and are more successful in attracting a diverse array of investors and raising capital. Moreover, ESG ratings offer valuable insights to rated entities through peer benchmarking and industry medians, allowing them to pinpoint areas for improvement, incentivising them to design sustainable transitions, and encouraging responsible business practices.

Nikunj Dube, Director & Head CareEdge-ESG, commented, "With the release of India's ESG rating of an entity from the cement sector by an issuer-pays ERP, CareEdge-ESG strives to act as a catalyst for positive change by delivering highly credible ESG assessments. Using ESG ratings, a business can evaluate its relative position within the industry and take informed steps to enhance their sustainability strategies. These ratings shall enable businesses to benchmark their sustainability performance against competitors, driving improvements in policies and practices. CareEdge-ESG is committed to provide deeper insights into corporate sustainability practices of entities in the cement sector. CareEdge-ESG ratings empower businesses to lead purposefully and responsibly, integrating sustainability as a key driver of long-term success."

About CARE ESG Ratings Limited

CareEdge-ESG is a category I ERP registered with SEBI and a wholly owned subsidiary of CARE Ratings Limited. With over thirty years of experience as an Indian credit rating agency, CARE Ratings' move to expand into ESG ratings through its subsidiary would help to enhance investor confidence while promoting accountability and transparency in businesses. Through our comprehensive and nuanced ESG assessments, CareEdge-ESG enables stakeholders to make informed sustainability decisions, fostering positive transformation and enhancing stakeholder trust.

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About Us:

CareEdge is a knowledge based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of the India's leading ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

Disclaimer:

The ratings issued by CARE ESG Ratings Ltd (CareEdge-ESG) are opinions about an issuer, regarding its ESG profile and relative position in managing ESG Risk through disclosures, policies and performance and are not recommendations or suggestion, directly or indirectly to any user, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. These ratings do not convey suitability of an investment or adequacy of market price for the investor. They shall not form the basis for any investment decisions or analysis and shall not be substitute for the skill, judgement and caution to be exercised by the user of such ratings while making business and investment decisions. CareEdge- ESG gives no representations or warranties regarding the use of these ESG Scores and related materials and/or their fitness for a particular purpose. The agency does not constitute an audit on the rated entity. CareEdge-ESG has based its ESG ratings/score based on information obtained from reliable and credible sources. CARE-ESG does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. CARE ESG reserves the right to change the ESG ratings/ score from time to time in accordance with the methodologies, policies and procedures. CareEdge ESG rating/ scoring report and any related material are meant for informational and reference purpose only and shall not be modified, reverse engineered, reproduced, or distributed, in whole or in part, for commercial purpose, in any form or by any means, or stored in a database or retrieval system. No part of the ESG rating/ score report or any other related material shall be quoted or used without CareEdge ESG's prior written consent, as an input or constituent for deriving results, outputs, inferences which have not been independently verified or validated by CareEdge, for commercial purpose or otherwise. The ESG scores / ratings have been issued by CareEdge ESG for use by users in the jurisdiction of India in accordance with the applicable regulations. Any usage of the ESG rating by the entity rated shall be for internal reference purpose, reference of investors or for usage on the webpage of the rated entity and / or in the annual report or similar usage, however in each case with appropriate source credit to CareEdge ESG. Most entities who are rated by CareEdge-ESG have paid a fee, based on the complexity of rating assignment. CareEdge-ESG or its subsidiaries/associates/promoter may also be involved with other commercial transactions with the entity. CareEdge-ESG is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CareEdge-ESG.

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