

PENDEN's e-NEWSLETTER



February 2021 Annual Issue

OUR HUMBLE GRATITUDE



On behalf of the company and the Phuntshopelri community, we would like to express our deepest respect and gratitude to His Majesty the King Jigme Khesar Namgyel Wangchuck for the exemplary leadership in leading the Bhutanease during the COVID-19 pandemic. As the People's King, His Majesty has yet again exemplified love and compassion by protecting the Bhutanese from the virus.

Beyond any citizen's imagination and dream, His Majesty has granted kidus notably in the form of relief kidu, deferment of loan and loan interest waivers when many have lost jobs and businesses around the world because of the effects of the pandemic.

We are also grateful to His Majesty for personally visiting the borders and ensuring that our borders are well secured from the virus transmission. His Majesty has sacrificed time and again his personal safety and comfort in ensuring the safety and wellbeing of all the Bhutansese. His Majesty's initiatives and leadership has become exemplary around the World.

Our Board Chairman Dr. Sonam Tenzin mentioned in one of the Board meetings that such leaderships are rare in the world and therefore we are fortunate to be born in Bhutan. It's indeed a true Shangrila and a Nation of Gross National Happiness! (Picture courtesy: Facebook page of His Majesty King Jigme Khesar Namgyel Wangchuck)

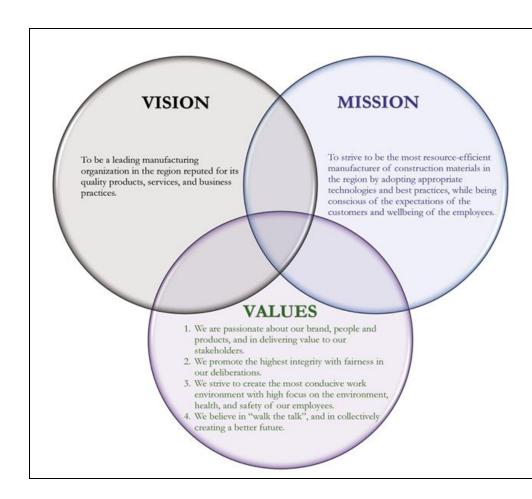


His Majesty's visit to Sampheling Gewog in Chhukha



His Majesty crossing a swollen stream along the border

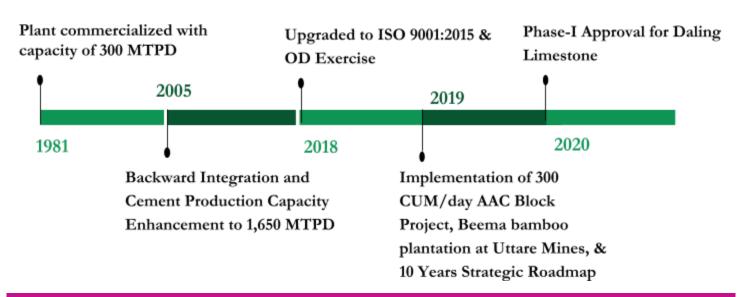




Penden Cement
Authority Limited is an
ISO 9001:2015 certified
company that is primarily
into Portland cement
manufacturing. It was
established in 1982 with
the inauguration of the
300 tonnes per day plant.
Over the years, the plant
capacity has been
upgraded to 1650 tonnes
per day.

Today, with a total of 631 Bhutanese employees, the cement products are sold in Bhutan and the neighboring states of India as Penden Cement.

KEY MILESTONES





CEO'S MESSAGE

The Year 2020 was a year of learning and a great experience. While the company had introduced enterprise risk management since 2019 and many business risks have been identified, assessed, and mitigation plans put in place but the COVID-19 took us off-guard. From 22nd March 2020, the supply chain was badly disrupted and production suffered its worst since inception due to the border closure, subsequent nationwide lockdowns and strict health protocols. The COVID-19 pandemic struck the business like many others around the world.

However, the pandemic also brought in a lot of good changes. The team spirit and cooperation became much stronger as the employees came together to fight the pandemic. The team had to swiftly adapt to the situation and face the worst scenario, risk mitigation plans had to be adopted almost on a daily basis. The team also had to manage business operations with 100% Bhutanese for the first time since inception of the company. Quite often operating the business under self containment mode during the nationwide lockdowns. Not a single employee was laid off despite the worst business except for those 45 expatriates who couldn't return to work due to the border closure. The company also took the opportunity to train 45 employees under the accelerated De-suung training program. Since then, Desuup employees of the company along with other Desuups have been responsible for safeguarding the border and in ensuring compliance with the COVID-19 health protocols. The company took lead roles supported by other companies in Gomtu and Pugli to provide both financial and non-financial support to combat COVID-19 at the local and national level. The employees also contributed their salary towards the COVID-19 fund. The team gained

enormously in terms of experience and capacity to confront challenges. It made the team more resilient.

Amid the COVID-19 pandemic, the company achieved several important milestones. The long pending issue of depleting limestone reserves is now being solved through the exploration and sourcing of high grade limestone and the mix with the Pugli limestone would enable the company to produce quality clinker, and at the same time prolong the life of the limestone reserves. The acute shortage of quality coal is being resolved through various long-term arrangements. The team has also initiated the alternative fuel project to supplement coal, which would help reduce expenditure and the dependency on the fast depleting fossil fuel. Despite the impact of COVID-19, the 300 CUM/day AAC block project is scheduled to be commissioned by mid 2021. Therefore, the *Penden AAC Eco-block* will be launched this summer.

For my colleagues at the company, the theme we have set for the year 2021 is "Let's Give 100% Every Day". I believe that it's not very important how long you work in a company but what's most important is how well you work each day. If we work harder and smarter each day, we can do and achieve anything. PCAL's future is bright only if we're willing to carry forward the light of hope.

With the COVID-19 vaccine roll out plan in the country, I hope 2021 will bring immense joy, unity and prosperity to all. It will be a great time to reunite and celebrate with joy and happiness once again.

Happy reading!

(Tenzin)



Life Without PENDEN CEMENT!

In the pursuit of building a Nation

Penden became the pillar of creativity

Four decades of history is our legacy

Penden brand is what we wear as an ornament!

The dream of comfort in society was built
Using Penden brand was no one's regret
Those strong walls building bridges it is a witness
Without Penden, it's like shelter without warmth!

The Penden product is chosen over the rest
For its quality and service is undoubtedly the best
Every customer to mason yells it's very good
Without Penden, it's like tasteless food!

Those tall and elegant buildings stand firm
The houses are better homes inside so warm
Penden always embrace challenges to solve
Without Penden, it's like a family with no love!

The brand Penden not only has its fame inside But also everlasting trust outside the country Building a stronger bond as we together build Without Penden, it's like Earth with no Sun!

As it keeps on serving with the same quality
We came a long way with the vision of His Majesty
It's everyone's pride with utmost blissfulness
Without Penden, it's like success with no happiness!

With all the above charms of Penden in life
Our only dream further is to continuously strive
For we don't bother to work in dust or heat
Without Penden, it's like life with no breath!

by Purna Bdr. Rai, Project Manager











DESUUPS in PENDEN



Welcoming the 39th Batch Gomtu Based Desuups (Accelerated Training Program for volunteers amid Covid-19 pandemic)



Today, PCAL has a total of 47 Desuups including 9 female Desuups. These employees underwent the month long Integrated De-suung Training which is a value based personal development programme with the aim to encourage active citizenry in the wider role of nation building and actively engaging in voluntary initiatives during and post disaster relief operation.

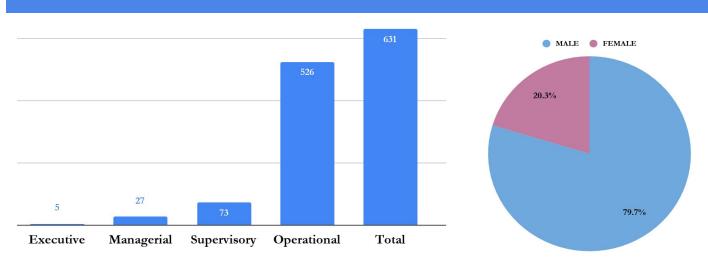
The management with the aim to support the community and the Nation in fighting COVID19 deputed 45 employees who are now trained and being deployed for Southern border patrolling and ensuring compliance to health protocols under Samtse Dzongkhag.

We express our sincere gratitude to all the frontliners for keeping us safe from the virus.





HUMAN RESOURCE



Our key positions holders

SN	HoDs/Head/ Lead	Function
1	Mr. Damchu Wangdi, Director	Corporate Affairs Department
2	Mr. Pema Wangche, Offtg. Director	Operation & Maintenance Department
3	Mr. Tashi Dukpa, Offtg. Director	Sales & Marketing Department
4	Mr. Tashi Dorji, Offtg. Director	Finance & Investment Department
5	Major (Retd) Tshewang Dorji, Chief Security Officer	Security Services
6	Ms. Lhaden Wangmo, Head	Internal Audit Division
7	Mr. HB Tamang, Project Manager Mr. Ugyen Phuntsho, Sr. Mech Engineer	Penden AAC Eco-block Project
8	Mr. NB Gurung, Project Manager	Beema Bamboo & Alternative Fuel Project & Penden AAC Eco-block Project
9	Mr. Purna Bdr. Rai, Project Manager	Limestone Exploration Project
10	Ms. Yeshi Wangmo, Head	Performance Monitoring Division
11	Mr. KB Chettri, Head/MR (ISO) Mr. Sonam Tshering Tamang, Lead	Production Division
12	Ms. Bishnu Neopani, Head	Supply Chain Division
13	Ms. Yeshi Choden, Head	Human Resource Division
14	Ms. Kuenzang Pelden, Company Secretary/Lead	Company Secretary & Legal Unit

SN	HoDs/Head/ Lead	Function
15	Mr. Karma Wangchuk, Head	Mines and Supply Division
16	Mr. Tshewang Dorji, Head	Centralized Maintenance Division
17	Mr. Jamyang, Head	Civil Division
18	Mr. Yogesh Subba, Head	Quality Control Division
19	Mr. NB Pradhan, Head	Raw Materials Control Division
20	Mr. Sonam Dorji, Lead	Administration Unit
21	Mr. Kinley Tenzin, Lead	Electrical Engineering Unit
22	Mr. Mandhoj Gurung, Lead	Information Technology Unit
23	Mr. Kencho, Lead	Central Stores Unit
24	Mr. Sangay Rana, Lead	Automation Engineering Unit
25	Mr. Ngawang Thinley, Lead	Mechanical Engineering Unit
26	Mr. Bushan Rai, Lead	Utility Unit
27	Mr. Kaka Dorji, Interim Lead	Environment, Health & Safety Unit





View of Penden Cement Plant by the night

1st TOWN HALL EMPLOYEES MEET (THEM 2020)



Effective business communication is how employees and management interact among each other to reach organizational goals and be more aligned with the core values. Its main purpose is to improve organizational practices, eliminate silos, keep employees informed and reduce errors. The 1st town hall employees' meet (THEM) for 2020 was conducted on January 14, 2020 in the Penden Club Hall. The CEO reflected on the important events of 2019 and called it, "Memorable 2019" and "HOPEFUL 2020" as it would be the first year for the implementation of our 10 Years' Strategic Roadmap. The CEO thanked all for the cooperation, support and the hard work and requested all to work with the same spirit!



SATURDAY CLEANING - TEAMWORK





Few glimpses from our first project outside the office in 2020 - site development and creation of a flower garden at Ugyencholing Lhakhang. We believe good teamwork and passion can create magic wherever we live. We believe it's our collective responsibility to ensure a safe, clean and vibrant environment. The Saturday cleaning campaign is also a great opportunity for the team to work together outside the routine works and be able to stretch our muscles. The Saturday cleaning campaign was carried out wherever health protocol permitted.

GRACEFUL EXIT - KADRINCHE LA





On behalf of the Shareholders and the Board, the management thanked the employees on their superannuation for their services to the company. With the praises from their immediate supervisors, the management expressed that there cannot be a

bigger achievement than a graceful exit. The employees received their service award certificate, relieving order and memento during the exit ceremony. We wish them a very happy and prosperous retired life.



RECOGNITION & AWARDS



Executive of the Year / 2020 / Indonesia / Hendi Prio Santoso

CEO, PT Semen Indonesia



Executive of the Year / 2020 / India / Kailash Chandra Jhanwar

Managing Director, UltraTech Cement



Executive of the Year / 2020 / Georgia /Dr. Oliver Patsch

CEO, HeidelbergCement Georgia



Executive of the Year / 2020 / Brunei / Mercelino Ugarte

Managing Director, **Brunei Cement**



Executive of the Year / 2020 / Bhutan / Tenzin

Chief Executive Officer, Penden Cement



Executive of the Year / 2020 / Bangladesh / Mostafa Kamal

Chairman & Managing Director,
Meghna Group

Our CEO was awarded the Cement Executive of the Year 2020 in the recently announced International Cement Leaders Awards, 2020. The International Cement Leaders Awards celebrate both professional and corporate achievement. The cement executive of the year shines a spotlight on the impact of CEOs and Executives leading some of the most dynamic cement companies. The list also takes into account leaders who have shown exemplary mettle towards achieving market share and brand successful leadership, execution expansion projects and investments in social investment and environmental stewardship. Not forgetting an executive's standing in the eves industry peers. Heartiest of

congratulations to our CEO on the most deserved achievement and for putting Penden Cement on an international level. It was a good news and award to end the year 2020. (Picture courtesy: International Cement Executive website)

Pema Bumzang attended medical first aid for a colleague who got electric shock in 2019. He also saved the plant from a fire disaster by stopping the fire by cutting off the burning

materials. His



special service to the Company was recognized and rewarded on 5th February 2020 during the 38th Foundation day of the Company. Congratulations once again Pema Bumzang!

Namgay has been engaging and training the youth Taekwondo for many years and his students have participated at Dzongkhag and at National level tournaments. His special service to



the Company and community was recognized and rewarded on 5th February 2020 during the 38th Foundation day of the Company. Congratulations once again Namgay!

in



38th FOUNDATION DAY

PCAL was inaugurated on the 5th of February 1982 by HRH Ashi Kesang Wangmo Wangchuck. Therefore, 5th February is celebrated as its Foundation Day. The Foundation Day also coincides with the Birth Anniversary of His Royal Highness The Gyalsey Jigme Namgyel Wangchuck.

For the 38th Foundation Day, about 200 participants including the employees, their families, and the guests gathered together at the Penden Club football ground and offered their sincere prayers and best wishes to His Royal Highness for good health, happiness and long life.

The Foundation Day was graced by our chief executive officer as the chief guest. Our employees, their families, and the guests took part in a wide variety of cultural programs and games. To mark the special occasion, Penden Theme Song and Penden Ringtone were launched. The 2nd Penden Newsletter - Memorable 2019 and Hopeful 2020 was also released. The commemorative note, which was released in honor of the first Birth Anniversary of HRH The Gyalsey was distributed to all the employees, agents and stockists in appreciation for their continued hard work and dedication to the Company.

The chief guest shared the major milestones achieved by the Company since inception and thanked all the stakeholders for the unprecedented support. He also shared the performance achievement of the Company in 2019. This was indeed another day of joyous celebration for the employees and their families.









Penden eCARE Initiatives

Penden eCare was launched on the 5th of February 2020 coinciding with the 38th Foundation day of the company. It is aimed at environmental care and contributing our own share of environmental protection and growth so that our future generations would be proud of us. Penden eCare is led by the working ladies from the management team and supported by other volunteers.







The team took initiatives to advocate on the health protocols against COVID-19. The Penden eCare produced over 200 face shields for the frontliners. The Penden eCare along with a group of housewives produced around 170 handmade face masks which were distributed to our employees working during the lockdown under containment mode inside the plant. The team also managed safe drinking water at all the surveillance outposts.

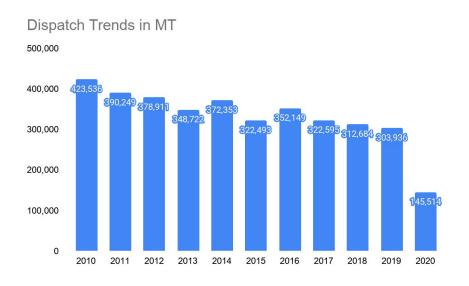
The team also carried out advocacy on waste management and provided materials to all the surveillance outposts. The team also collected the waste from the outposts every fortnightly and segregated the waste.

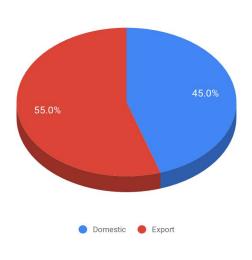
The Penden eCare along with office ladies initiated organic vegetable gardening and also encouraged many households to come up with their own vegetable garden.





PENDEN CEMENT DISPATCH TRENDS





PENDEN'S TOP AGENTS & STOCKISTS

SN	Name of Agent (Domestic Market)	Dzongkhag/ Location	Contact Number
1	Namsey Cement Agent	Thimphu	17476235
2	Tashi Lhamo Cement Agent	Phuentsholing	77648261
3	Jungshep Cement Agent	Thimphu	17828911
4	Layo Cement Agent	Phuentsholing	17626507
5	Lilly Cement Agent	Thimphu	77107524
6	Wangmo Cement Agent	Paro	17311700
7	Wangdi Cement Agent	Tashicholling, Sipsoo	17633395
8	Pee Tee Cement Agent	Paro	77622156
9	Karma T Cement Agent	Paro	17618956
10	Sonam Zangpo Cement Agent	Punakha	17436913

SN	Name of Stockist (Export Market)	Area/ Region	Contact Number
1	Mr. Sushil Agrawal	Bengal & Bihar	9733137197/ 9434018153
2	Mr. Aman Agrawal	Bengal & Bihar	9775270227
3	M/S. Chandrika Enterprises	Assam and Northeast	9435127037/ 8001948186





ROLE OF PENDEN DURING THE PANDEMIC

A Task Force for Phuntshopelri Gewog was established since the beginning of the COVID-19 pandemic. The Phuentshopelri Gewog COVID-19 Task Force (PG-C19TF) has been playing a very proactive role in fighting COVID-19 through the implementation of the policies and guidelines issued by the Royal Government of Bhutan. The PG-C19TF also responsible for monitoring implementation of the health protocols and the standard operating procedures to facilitate normal living conditions and economic activities in the Gewog while keeping the community safe. Phuntshopelri is basically an industrial hub and therefore PG-C19TF is managed by the heads of the companies and agencies. The chairperson of the Task Force is the chief executive officer of Penden Cement Authority Ltd. and the heads of the companies and agencies are its members.

The companies and their employees have come forward voluntarily to support the Community and Government with both financial non-financial assistance. So far, the companies and their employees have contributed about Nu.3.30 million to the PG-C19TF fund. Major areas of PG-C19TF expenses were incurred in disinfection of vehicles, goods and workplaces, PPEs, road maintenance, infrastructure for frontliners, quarantine facility with free internet, food and lodge, escort vehicles, transhipment facilities, emergency operation centre help desk, etc. The companies also provides free manpower, earth moving equipment, and other resources required to fight COVID-19. Some of the leading companies in combating COVID-19 at the community are Lhaki Cement, Penden Cement Authority Ltd, Jigme Mining Corporation Ltd, Bhutan Polymers and recently joined State Mining

Corporation Ltd besides other companies in Gomtu and Pugli.



The task force is supported closely by the Samtse Dzongkhag C19TF and Gewog Administration. A sub sector surveillance committee (SSSC) is responsible for the security and surveillance of the Gewog. The De-suung office has deployed hundreds of Desuups since beginning to guard the border and ensure compliance of the health protocols and the standard operating procedures. Majority of the Desuups are from the schools and companies like PCAL. And the Gomtu Hospital team has been playing a very proactive role in ensuring health protocols, quarantine checks, tests, health services and mental health care. We also have an advocacy team for dissemination of information and guidelines. Not to forget the RENEW volunteers keeping a close watch and helping families stay together and support each other. The Red Cross team has also been helping us along the way.

Since beginning, the companies and agencies have pledged to serve and protect the community and the Nation and hope to continue to work together to keep COVID-19 at bay.



OUR UPCOMING PRODUCT - Penden AAC Eco-block

Amid the impact of COVID-19 pandemic, the AAC Block Project is scheduled to be commissioned in mid 2021. The Penden AAC Eco-block will be launched mid of 2021. The block will be manufactured in a state of the art facility located adjacent to the cement plant in Gomtu.

Salient features of Penden AAC Eco-block

Features	Capacity
Plant capacity (CUM/Day)	300
Production capacity (CUM/Day)	363
Plant automation	Fully automatic with green separator
AAC Block Type	Sand based
Name of the product	Penden AAC Eco-block
Bulk density (Kg/CUM)	580-650
Block sizes (LxBxT in mm)	600x200x75 to 300

Advantages of AAC Block

Eco-friendly product
Cost effective – reduces operating cost by 20% to 30%
Lightweight - 3 to 4 times lighter than clay bricks
Thermally insulated and energy efficient and faster construction
Fire resistant, non-combustible and fire resistant up to 1600° C
Acoustic performance – porous structure, offers sound attenuation of about 42 dB, blocking out all major sounds and disturbances
Easy workability and design flexibility – easily cut, drilled, milled and grooved to fit individuals' requirements, size can be customized
Earthquake resistant



Top view of the Penden AAC Eco-block Plant (under construction)



EXPLORATION PROJECTS



On 8^{th} June, 2020, the public consultation meeting was held in presence of the local government and the communities of Daling and Repati for the exploration of the Daling limestone mines.



Field survey of limestone project - Project manager with NLLC team

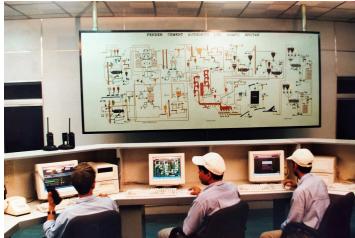


Beema bamboo phase-I



FEW GLIMPSES FROM THE PAST





Old Packing Plant (Manual loading bay)

View of CCR in the 90's

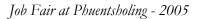






Chemical Laboratory in the 90's







Hon'ble Dy. Minister (NEC) visit in 2006





PENDEN CEMENT AUTHORITY LTD

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OUR REGIONAL DEPOTS

Phuentsholing

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Gelephu

Tel. No: +975-6-251604 Tel. No: +975-6-351791 Fax No: +975-6-351791

Samdrup Jongkhar

Tel. No: +975-7-251790 Tel. No: +975-7-251791 Fax No: +975-7-251791

Our Working Days:

Head Office: Mon - Fri (0900 hrs - 1700 hrs), and Sat (0900 hrs - 1300 hrs) Cement Plant: 24×7

For more information, please visit us at <u>www.pendencement.bt</u>
We're also on Facebook and Instagram (PendenCement & PendenAAC)