

## **Building a Sustainable Future**

As a premier cement manufacturer in India, Dalmia Bharat Limited is proud to have been a part of its indefatigable journey to being one of the fastest growing economies globally. In fact, we have imbibed India's stupendous growth ambitions by becoming one of the fastest growing cement companies in the country. As India builds back better amid a pandemic-ravaged world, using infrastructure development as a trigger to stimulate and promote a balanced socio-economic recovery, we find ourselves playing a critical supporting role. Lying at the core of India's infrastructure drive, the cement industry will have to build on its capacities and efficiencies to deliver on the nation's growth promise.

As an organisation, our vision is inseparably intertwined with our commitment to delivering growth along the triple bottom line. Sustainability remains a key strategic pillar across our operations, and we are considering each decision and action through the ESG lens.

### **Our commitment towards Becoming Carbon Negative by 2040**

We are one of the first companies globally to commit to being carbon negative by 2040. We are making the commitment to become a 100% blended cement company over the next few years, which will reduce our clinker factor and carbon footprint. These commitments, backed by the highest standards of governance, a robust balance sheet, our innovation drive and our keen emphasis on sustainability, will enable us to deliver to our stakeholders predictable, sustainable and profitable growth over the next decade and more. Sustainable growth has been a part of our ethos. Grounded on the strong pillars of profitability, growth, sustainability, and reputation, we contribute to global sustainability efforts aligned with our business philosophy, 'Clean and Green is Profitable and Sustainable.'

Globally, we were ranked No 1 by CDP in 2018 for business readiness to a low carbon transition and have achieved the lowest carbon footprint in the cement world globally. We're leading the global manufacturing sector's commitment to restrict and avoid carbon emissions for a greener and more sustainable future. We are 14 times water positive and are the cement company to join Climate Group Business initiatives' Tripler - RE100 EV100 & EP100. In line with our vision of environmental commitment, all our 14 manufacturing units are ISO14001 certified, and we are switching from fossil fuels to green fuels including biomass in all our manufacturing units. Recently, we partnered with International Finance Corporation to promote sustainable business. We also signed an MoU with FLSmidth, a major supplier of engineering, equipment and service solutions, to collaborate in the research and development of disruptive solutions for next generation cement manufacturing.

### **Introducing Greener and Better Building Solutions for a Sustainable Tomorrow**

We are creating more sustainable products – more than 80% blended cement – and also influencing consumer choices in favour of green products and services, leading the industry to embrace sustainable practices. We have launched innovation funds to develop and adopt green technologies. We are increasing the generation and consumption of non-fossil energy and moving confidently towards our mission of 100% renewable energy consumption by 2030 and full replacement of fossil fuels in the cement kiln by 2035. Driven by our sustainability vision, our long-held commitment to make a difference in the lives we touch and our strong governance principles, we hope to lead the industry in contributing towards a sustainable future for all.

### Fulfilling our Sustainability Agenda:

At Dalmia Bharat, we acknowledge the need for environmental and societal action and recognise our responsibility towards embedding them in our business decisions. In order to inculcate integrated thinking, we have a cross-functional team with senior leadership oversight at the Board level. We have established an internal sustainability team to oversee environmental, health and safety aspects, with members drawn from operations and various management levels. They are responsible for reviewing and approving targets, roadmap and implementation of our sustainability vision. The team propagates our sustainability agenda across the organisation for stronger alignment.

### Our Achievements Highlights in our Sustainability pursuit are listed below:

ASPECT	TARGET	ACHIEVEMENTS FY22
<b>Climate change mitigation</b>	Reduce scope 1 GHG emissions 32% per tonne of cementitious material by FY34 from a FY19 base year and scope 2 GHG emissions 61.9% per tonne of cementitious material within the same timeframe validated by SBTi  Carbon negative by 2040	Scope 1 emissions - 9% reduction against 2019 baseline  Scope 2 - 30% reduction against 2019 baseline  We have achieved carbon footprint of 489 KgCO <sub>2</sub> /t cementitious material against baseline of 546 KgCO <sub>2</sub> /t cementitious material and we are in the trajectory to achieve the target of being carbon negative by 2040
<b>Renewable energy</b>	Usage of 100% renewable power under fossil free electricity initiative by 2030 (RE 100)	17% is the share of non fossil power consumption out of the total power share
<b>Energy productivity</b>	To double the energy productivity by 2030 (EP 100), baseline 2010-11	The energy productivity has increased to 2.23, which is 43% improvement compared to 2010 baseline and we are in-line with our target of doubling energy productivity
<b>Alternative (green) fuels</b>	100% Thermal Substitution Rate i.e. using 100% alternative (green) fuel for generating heat to replace fossil fuel by 2035	13% Thermal Substitution Rate achieved this year by replacing fossil fuels by industrial wastes, municipal solid waste, renewable biomass (bamboo/plantation), hazardous waste
<b>Electric vehicles</b>	Use of electric vehicles for significant EV transition by 2030 (EV 100)	We joined EV100 in 2021 and in the first year of the target, we have purchased 22 heavy duty electric trucks for transportation of our raw materials
<b>Blended cements (low carbon cements)</b>	Switch to 100% blended cement production by 2026	80% blended cement share achieved this year using 9 million tonnes alternative raw materials like fly-ash, slag and others