

Cementing a Sustainably Progressive Strategy

Dr Arvind Bodhankar, Executive Director, ESG & CRO, Dalmia Bharat, discusses methods to tackle energy efficiency problems with an improved ESG strategy, new technologies and latest innovations.

Driving the circular economy as a leading cement manufacturer in the country involves being committed towards environmental sustainability. By ensuring a low-carbon transition, it is possible to envision a future that is not just green and livable for people today but for generations to come. We need to keep in mind that cement is the second largest material consumed on our planet after water and producing it means utilising a lot of natural resources. Therefore, as responsible cement manufacturers, we need to tackle these problems by embedding our ESG strategy within our corporate framework and collaboratively working with new technologies, the latest innovations and, more importantly, partnering with policy-related enablers.



Installation of new technology and better equipment has contributed to the reduction of carbon emissions by 43 per cent.



**Dr Arvind Bodhankar, Executive Director,
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Impact of Governmental Infrastructure Spending

The Government of India's spend on infrastructure is already providing a necessary stimulus to the cement industry. A key example would be the government's GatiShakti project with a commitment to 1.4 crores housing under the affordable housing scheme for which a spend Rs 1.47 lakh crore is expected on infrastructure. This will require a significant amount of cement, which will result in the Indian cement sector as well the nation reaching new heights. But before we get to that level, it is important to address the challenges being faced by the cement industry in India.

Reducing Climate Risk Through Collaborative Efforts

The cement industry affects climate change as



As a commitment to the ESG standards, the target for the cement industry is to be carbon negative by 2040.

it contributes seven to eight per cent to the global carbon pool. To curtail this, stakeholders that include members of the United Nations Principal of Responsible Investment and such have begun to reach out to cement industry players across the globe to come up with solutions to cut down on CO₂ emissions to see investments flow in.

While some corporations are just beginning to look for solutions others such as us, Dalmia Bharat are leading the pack with commitments that encourage the circular economy. Global visionaries, such as our honourable Prime Minister Narendra Modi, have also stated that India will become a carbon-neutral country by 2070 and is committed to 520 GW of renewable energy by 2030. This has helped ease new policies as far as renewable energy is concerned and enabled sector leaders such as us to stay the course to meet our goal of becoming carbon negative by 2040.

While some may see this a stretched target, the right technology implementation has already helped us achieve nearly 43 per cent reduction in carbon footprints from the 1990 baseline enabling us to surpass the target we set for ourselves for 2025. And by collaborating with government and non-governmental organisations on policy and public advocacy we can keep track of climate change emerging risks, work closely with leadership as well as the operations team to develop the mitigation plan and track its implementation. By 2030, we are confident that we will be able to get rid of conventional energy, that is, energy from power plants.

Integrating Organisational Goals with a Progressive ESG Strategy

The leadership of a cement organisation must be committed to ESG. A key example for this would be the 2040 target that we at Dalmia Bharat have set. Especially in a sector where 55 per cent to 60 per cent are processes-related emissions, yet we have been able to achieve the interim targets of our roadmap. This shows the commitment at a corporate, environment and social level. We believe clean and green is profitable and sustainable, and we see this becoming a possibility only when it is firmly entrenched within our strategy. Everything that we set out to do, we look at it from the lens of sustainability and ESG.

So, whether it is ours or any other company, there are some inherent risks such as raw material security, climate change, environment, and health and safety. But when you have a robust environment framework, one can control the risk and bring it to an acceptable level. Organisations must have a focus on alternate fuel, which leads to raw material security. Due to our strategic focus on ESG, we have made the commitment not only to become carbon negative by 2040 but also like 'RE100', EP 100, EV 100, FMC and LEADIT to act as catalyst for change in the Heavy-industry sector. All these initiatives have positively impacted the trust from stakeholders and improved our ESG scores so that we can help build a nation that encourages a circular economy and sustains for aeons to come.



- Kanika Mathur