

HeidelbergCement India Limited

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HCIL:SECTL:SE:2020-21

6th January 2021

BSE Ltd.
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400001

National Stock Exchange of India Ltd
Listing Department,
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code:500292

Trading Symbol: Heidelberg

Sub: Intimation of Institutional Investors/fund houses Meeting - Regulation 30(6)

In compliance with Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that the Company's representatives namely, Mr. Jamshed Naval Cooper, Managing Director; Mr. Anil Sharma, CFO; Mr. Amit Angra, VP – Finance and Mr. Shagun Agarwal, EA to MD will have online meetings on 7th January 2021 with the representatives of various institutional investors/fund houses, being organised by Investec Capital Services (India) Private Limited.

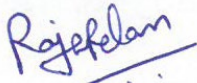
Please also find attached a presentation to be made to institutional investors/fund houses tomorrow highlighting ESG initiatives of the Company.

The schedule may undergo change due to exigencies on part of Investors/Company.

This is for your information and record.

Thanking you,

Yours Faithfully,
For HeidelbergCement India Ltd.



Rajesh Relan
Legal Head & Company Secretary





HEIDELBERGCEMENT

ESG – A New Benchmarking Standard

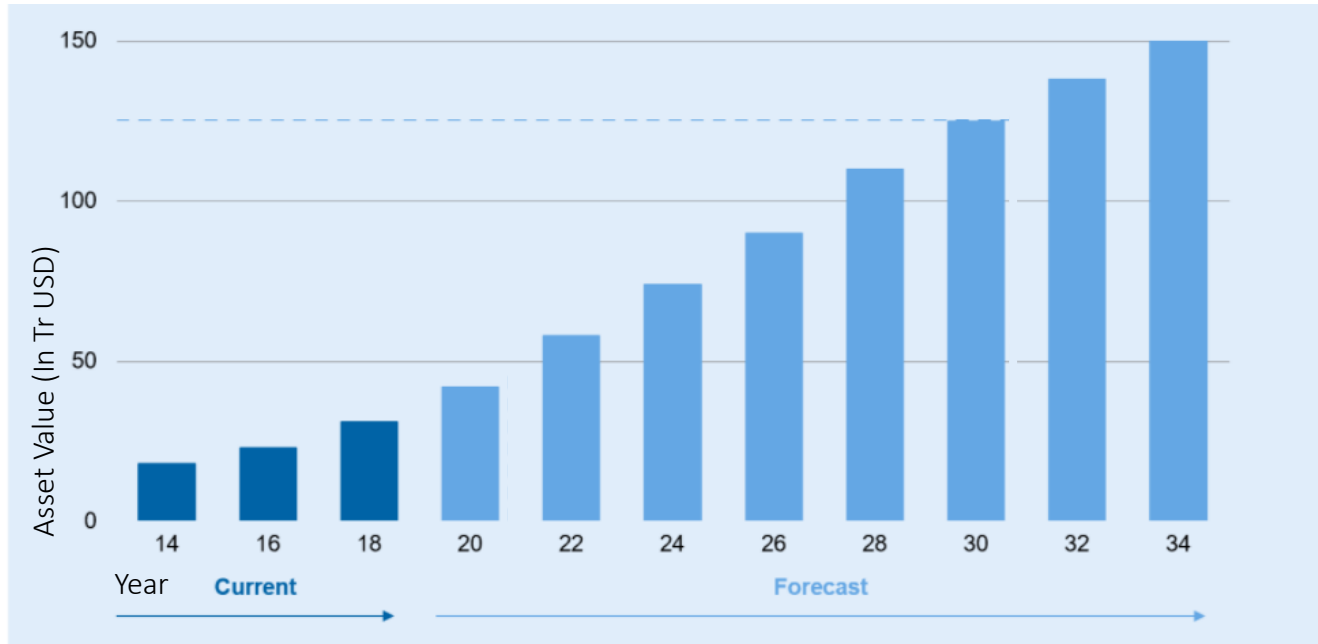
J.N Cooper

(Managing Director *HeidelbergCement India Limited*)

7th January, 2021

CARBON
NEUTRAL

ESG – A win-win



- Total Assets under management factoring ESG principles in 2018 was >30 Tr USD which is expected to go beyond 100 Tr USD by 2030

Source: Deutsche Bank, Global Sustainable Investment Alliance, zeb research

Total AuM in 2019 ~105 Tr USD – Source – Willis Tower Watson

Agenda



Environment

Sustainability – Cement Industry
Challenges
Achieving Sustainability
Emission Reduction
Sustainability @HCIL



Governance

Governance a crucial factor in
ESG
Corporate Governance @HCIL



Social

Social Aspect in ESG
HCIL being Socially responsible



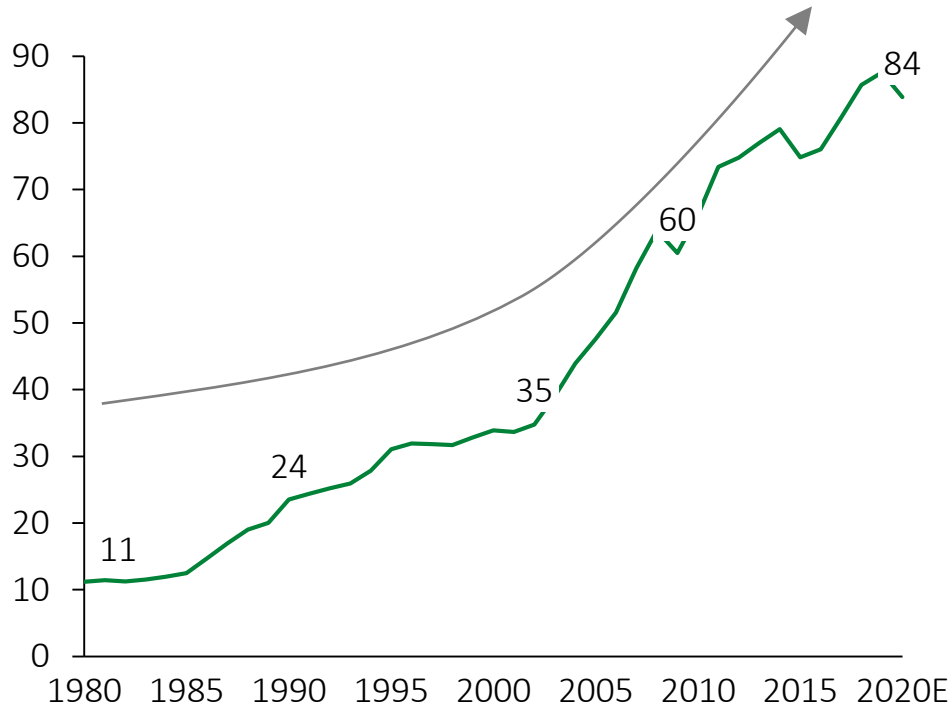
RESPONSIBLE DISPOSITION
Sustainable Development

“ we are obliged to handover the world we inherited from our ancestors to our future generations so that they too could survive and thrive the way we did ”

Its all about demonstrating RESPONSIBLE behaviour.

Three into one won't go...

World Nominal GDP (In Tr USD)



“At current rates of consumption and production, human race needs a world that’s three times the size of the one we have today, to be able to sustain our lives”

Source: IMF

Indian Cement Industry

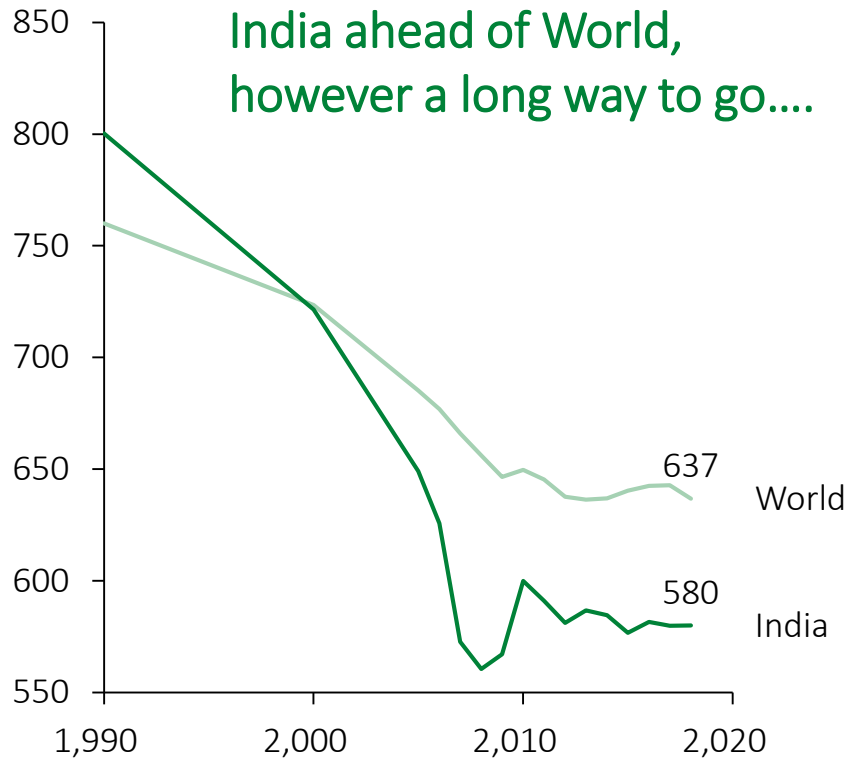
With a capacity of **525 MioT**, India is the **Worlds Second Largest Cement producer** after China.

@ ~225 kg/capita cement consumption v/s global average of 563 kg/capita (2019), India has significant head room for growth.

Indian cement industry generates ~210 MioT CO₂ annually*

* Considering capacity of 525 MioT at 65% util, 70% blended of which 7% PSC. Total C/K factor- 72% Source: CMA

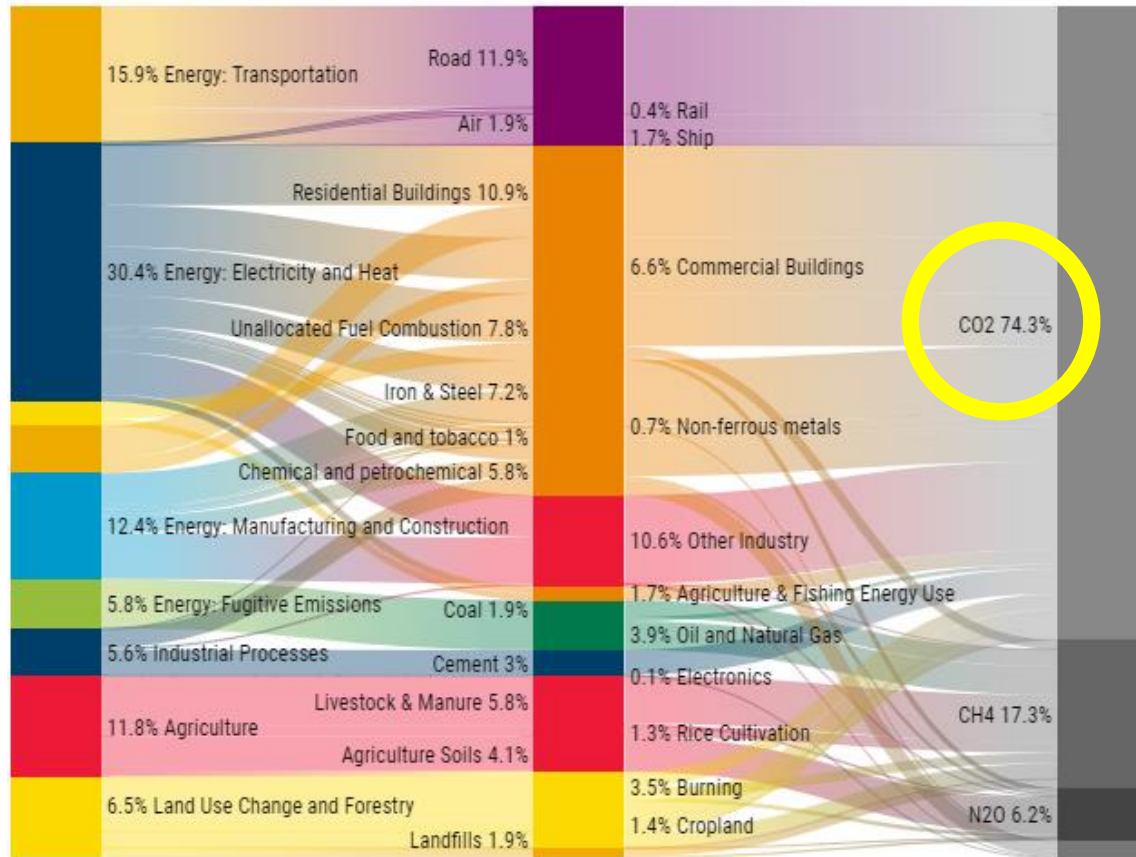
The CO₂ Challenge



- CO₂ emission from cement plants is major component of overall GHG emission.
- World cement industry CO₂ emissions reduced to 637 kg/t of cement in 2018 compared to 760 kg /t in 1990 i.e. a **Reduction of 16%**
- India cement industry CO₂ emissions reduced to ~ 580 kg/ t of cement in 2018 compared to 800 kg/ t in 1990 i.e. a **Reduction of 28%**.

Source: GNR

CO₂ Emissions – World GHG Emissions



Cement production accounts for ~6% of global CO₂ emissions. (including energy consumption)

CO₂ a major contributor of GHGs

37.1 BnT of Global CO₂ emissions in 2019



2.2 BnT CO₂ emissions Globally by cement industry



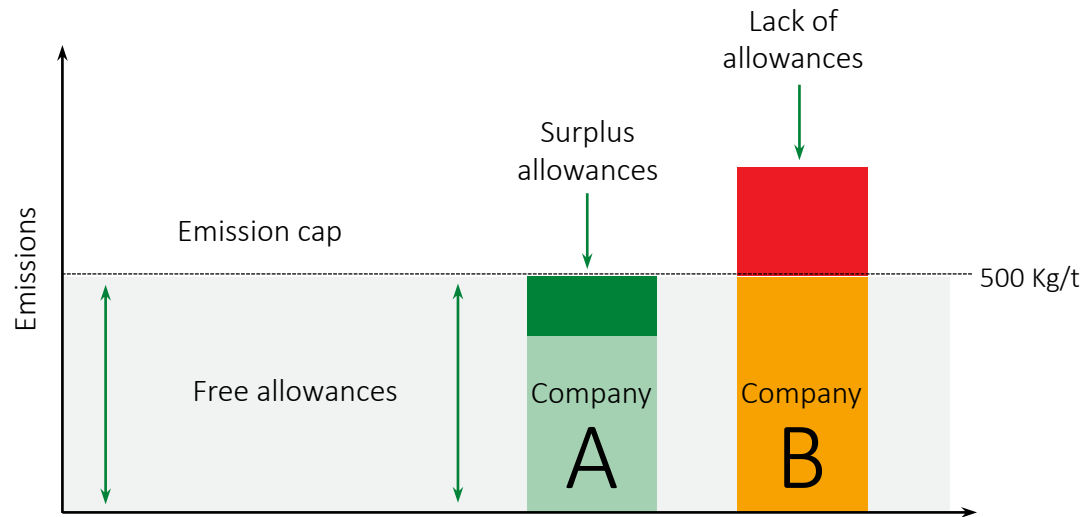
10% of Global cement CO₂ by India

Source: Climate Watch, based on raw data from IEA (2018), CO₂ Emissions from Fuel Combustion, www.iea.org/statistics; modified by WRI.

EU-ETS system acts as a global blueprint

Example EU

ETS regulatory framework



- The EU-ETS is the blueprint for other cap and trade emissions trading schemes globally
- Free allowance certificates are issued to cement companies below an emission cap
- Current CO₂ price at approx. €30 (as of 14 September 2020)
- The emission cap reduces progressively. The next reduction (Phase 4) takes place in 2021
- HC AG (Germany) are “long” on EU-ETS certificates until 2023

Focus areas for reducing CO₂ emissions

Primary Source

Reduce clinker ratio in cement.

Secondary Source

Reduce use of fossil fuels.

Mitigating emissions

Deploy Carbon capture and storage systems.

Levers of Emission Reduction

Key Levers	Expected Kg CO ₂ Reduction / T of Cement
Reduction of Clinker Factor by 1%	7.5 – 9 Kg
AFR TSR Increase by 1%	2 – 3 Kg
2.4 kCal of Thermal Energy saving	< 1 Kg
1 kWh/T Electrical energy reduction	~ 1 Kg

- Reduction in Clinker Factor yields the maximum reduction in CO₂
- WHR Potential to be fully exploited
- Carbon Capture - storage and recycle technologies to be adopted.

Achieving Sustainability – Waste to Wealth

- Maximise use of **AFR (Alternative Fuel Resources)**
- Municipal Corporations incur significant costs on disposal of Solid Waste (MSW). By introducing competent agencies, MSW can be converted to RDF (Refuse Derived Fuel) and provided to cement plants at economical cost.
- Cement Cos could also consider investing in RDF processing units if MSW is made available at negative cost.
- This will unlock acres of Corporation land which is currently loaded with waste dumps. This will also facilitate in eliminating the stench emanating from these dumps.
- Govt. to consider giving incentive to cement manufacturers achieving TSR of >20%.
- AFR project in Damoh is in progress, commissioning in Sep' 2021 Quarter – TSR ~6%

Waste to Wealth – a no brainer

Achieving Sustainability – Power to Empower the future

- Deploy use of **WHR (Waste Heat Recovery)**.
- Power generated from WHR should be given the status of Green Power.
- Preferential sourcing of electricity from agencies engaged in generating power using Renewal Energy technology.
- Discoms should develop framework to give preference and concessions to Renewable Energy generators for inter-state wheeling.
- Timely Maintenance to reduce energy losses
- Reducing Kiln radiation losses by using appropriate refractories.
- WHR of 12 MW commissioned in 2016
- Solar power plant of 5MW under implementation and many more to be added in future

Replacing conventional power with Green Power & reduction in energy will lower CO₂ emissions – a partnership approach with the power generator

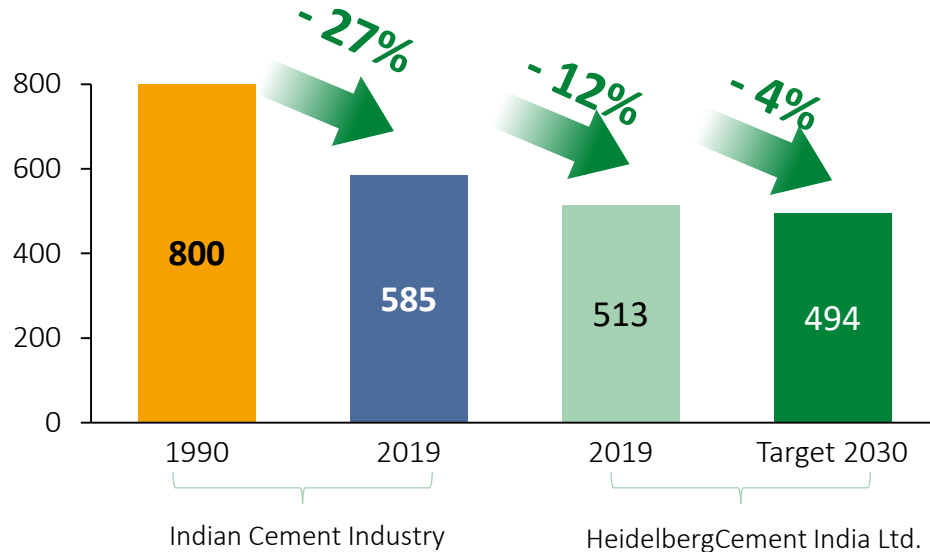


Sustainability at HeidelbergCement India Limited

*HeidelbergCement India Ltd. –
A Green Pro and Green Co
(certified by CII)*

Strong track record of reducing CO₂ emissions

Specific net emissions kg CO₂/t cementitious:
Our achievements so far and future ahead



SCIENCE
BASED
TARGETS



CO₂ reduction targets are an integral part of our strategy

- By 2019, we had reduced our specific net CO₂ target by 39% from country's 1990 and has set a target to further lower by 4% by 2030
- The Carbon Disclosure Project (CDP) rated HeidelbergCement with an **A score in 2020**, upgraded from "A-" in 2019
- HC AG Germany (Group) is the 1st cement company to receive confirmation from Science Based Targets initiative (SBTi) that our CO₂ reduction target is in line with the goal of Paris Agreement – to limit global warming to below 2°C
- Clear commitment to Task Force on Climate-related Financial Disclosures (TCFD) compliant reporting

Our Approach to reduce CO₂ emissions

Medium Term: 2020-2030

Long Term: 2030-2050

Reducing Intensity

- Reduction of CO₂ content in clinker
 - Improve Energy efficiency
 - Use of alternative fuels, raw materials, and new binder concepts.
- Reduction of CO₂ content in cement
 - Blended cement – 100% achieved

- Continued R&D into improving processes that yield energy efficiency
- Keep increasing use of AFR
- Use of alternative cementitious materials.
- Expand the range of eco friendly products
- Explore use of Hydrogen as a fuel in kilns and generators.

Mitigating remaining emissions

- Projects for CO₂ capture and usage
 - Evaluate projects of CO₂ capture and implement in smaller scale.

- Projects for CO₂ capture and usage to support new technologies, e.g. process-integrated CO₂ capture, re-carbonisation of recycled concrete

An unflinching commitment to achieve

CCU/S – driving innovative projects and technologies with significant potential

TRL 8

Post combustion (Amine)

Early Stage: 4 research projects in Europe
 Pre-industrial: Edmonton, Canada
 Industrial/commercial scale:
 Brevik, Norway



TRL 8

Micro-algae

Early Stage: 3 research projects executed in Sweden, Turkey & France
 Pre-industrial: Safi, Morocco



TRL 5

Oxyfuel

Early Stage: Preparatory research work done together with ECRA/UMONS
 Pre-industrial: CI4C, Germany



TRL 7 to 8

Hydrogen

Pre-industrial: Carbon neutral H₂ based fuel, pilot at Ribblesdale, UK
 Industrial/commercial scale:
 H₂/O₂ HydrOxy combustion, France

TRL 6

Direct separation (LEILAC)

Pilot: LEILAC-1, Belgium
 Pre-industrial: LEILAC-2, Germany



TRL 3

Kiln electrification

Early Stage: Feasibility studies
 CEMZERO, Sweden, ELSE, Norway &
 LEILAC-2, Germany

TRL - Technology Readiness Level (scale from 1-10, 1 being very early stage and 10 being industrial scale)

For details of the process, click to view the video [Carbon Capture at HeidelbergCement](#)

friends of Earth



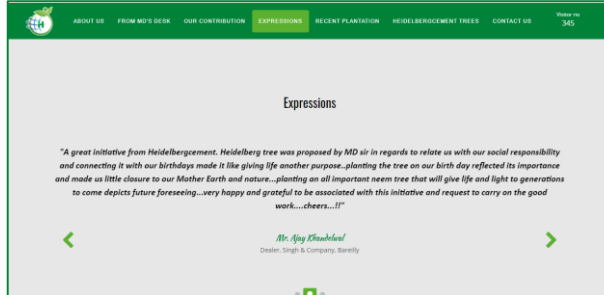
- Launched friends of Earth to increase Earth's green cover on 15th August, 2019
- The initiative is aimed at motivating Business Associates and public to collaborate
- Plantation of Neem tree has been considered, given its medical and commercial benefits
- To build emotional bond with the tree, the day of plantation to coincide with the Birthday / Anniversary / festivals
- The planted trees are geo tagged on a map along with the photographs of plantation and the planter would get a membership certificate.
- The initiative can be tracked on www.hcfriendsofearth.com, which was launched on 15th August, 2020



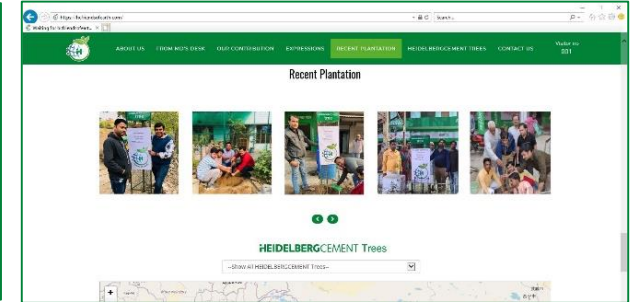
TOGETHER WE BUILD THE FUTURE
friends of Earth website screens



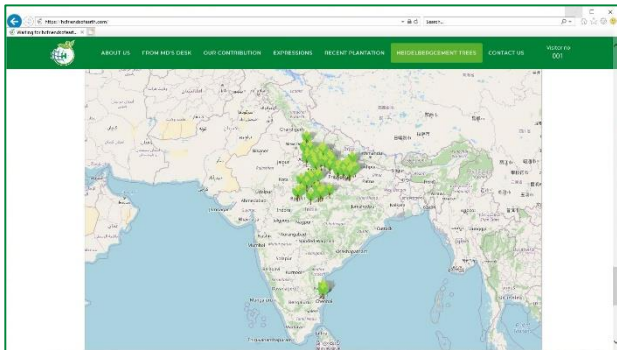
Website home screen



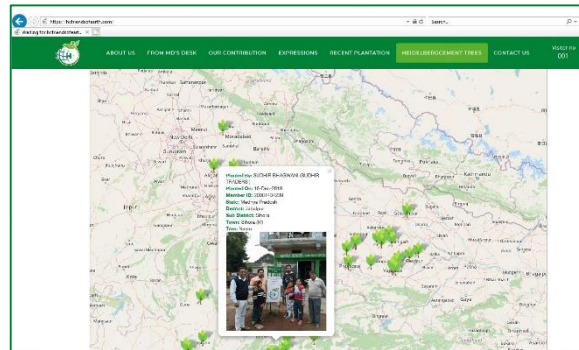
Expressions of Planters



Quick glimpse of recent plantations



Map of India with all geo-tagged trees



Photograph of plantation



Certificate to be issued to planter

Water Conservation

*HCIL is currently **5.2x Water Positive** – ie. conserves more water than it consumes*



Reducing impact of Environment Warming

Target to achieve 2 degree lower Ambient Temperature in Plants compared to that prevailing a Km away

Temperature Difference Meter

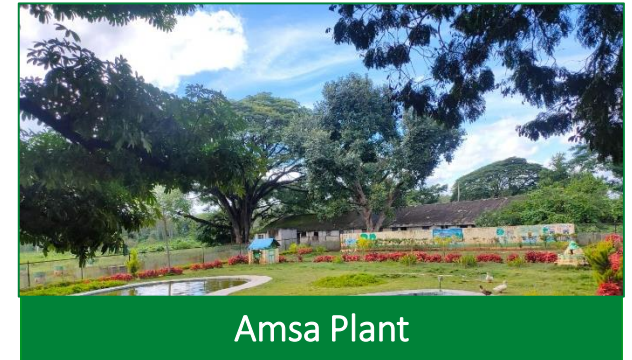


Target - 2.0°C

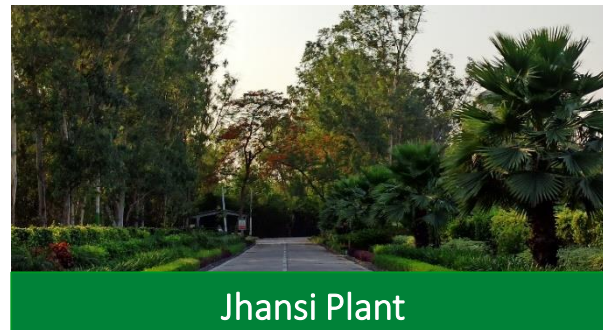
Current Difference - 1.2°C
(As of August' 2020)



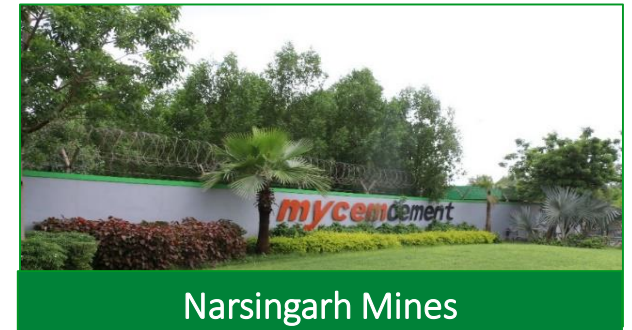
Narsingarh



Amsa Plant



Jhansi Plant



Narsingarh Mines

Biodiversity

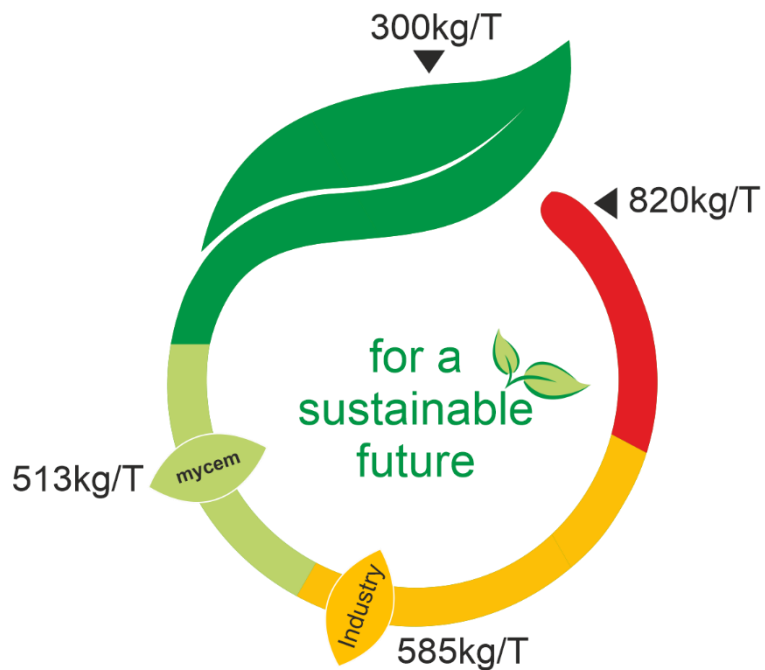
A Remarkable feat of HeidelbergCement India to conserve Biodiversity

- **117 Bird Species** were recorded at our limestone quarries in India
- Bird Species :
 - 86 common residents
 - 31 Winter Migrants
 - 5 species listed as near threatened in ICUN list



Survey Spearheaded by Birdlife International which was partnered by Bombay Natural History Society (BNHS)

CO₂ Label on Cement Bags



Carbon footprint scale

(Data Source: GCCA)



Green Company
Certified by CII



Green Product
Certified by CII



Water positive
certified by Technical
Inspection Association



www.hcfriendsofearth.com

“ We will conserve, recycle, reuse and repair however difficult it is, as we untiringly re-engineer and continuously innovate ”



MATERIAL TO BUILD OUR FUTURE

Safety is our foremost priority

