



CII-ITC Centre of Excellence  
for Sustainable Development



Confederation of Indian Industry



# A DECADE OF MANAGING SUSTAINABILITY

Success Stories  
**2006-2015**

## **Research & analysis by**

CII-ITC Centre of Excellence for Sustainable Development  
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# MESSAGE

Ten years ago, CII and ITC joined hands to create a unique institution with an unusual but visionary agenda. When the CII-ITC Centre of Excellence for Sustainable Development was born a decade ago, during my tenure as President of CII, “sustainability” was barely a footnote in the pages of corporate thought and strategy, more so in developing nations such as ours. The formation of CII-ITC-CESD was driven by the stark realization that future economic progress was at considerable peril due to the growing threat posed by the global challenges of widespread poverty and ecological degradation. The economic models pursued by the world for more than a century had indeed created significant material wealth, but had left in its wake an ever widening chasm of social inequity and a planet ravaged by environmental devastation. It was abundantly clear that a new paradigm of growth was called for, if we were to bequeath future generations a secure and sustainable future. It was CII-ITC-CESD’s strong belief that, in this journey to a sustainable future, businesses could play an extremely meaningful role. Therefore, an ambitious agenda was crafted to bring sustainability issues to centre-stage and raise awareness amongst industry to embrace a larger cause of societal value creation so that they could transform themselves into progressive Enterprises of Tomorrow.

It gives me great satisfaction today to see that CII-ITC-CESD has lived this pledge and has traversed a very fulfilling journey to realize its aspiration to be a fountainhead of sustainability thought leadership and action in India. Over the past decade, the CII-ITC-CESD has launched several initiatives to build capacity of corporates, in India and abroad, helping them to re-visit their own strategies and spur innovation to creatively meet the challenges of sustainability. As a thought leader, it

has strived not only to equip corporates with new knowledge, information and know-how, but has also engaged with the Government to facilitate policies that encourage the integration of sustainability in business. CII-ITC-CESD has instituted Sustainability Awards that are today the most coveted in Indian Industry and are based on rigorous assessment processes. These awards recognize sustainability champions who have gone the extra mile to help create a secure shared future. Over time, these exemplary efforts of companies have contributed to creating a pool of shared knowledge and experiences which, I am sure, will inspire many others in the years to come.

Several milestones have marked this eventful journey. CII-ITC-CESD designed and developed ‘Sustainable Plus’ as the world’s first and only corporate sustainability label of its kind. In addition, it has partnered international organisations like the AccountAbility, CDP, GRI, IIRC, WBCSD, and many others to bring the depth of global experience to India to enable companies attain excellence in sustainability performance as well as reporting. CII-ITC-CESD has also been the voice of Indian business in the global fora as well as in international negotiations on environmental issues, climate change and bio-diversity.

The next decade will perhaps be even more challenging. We continue to exist in a grossly unequal world. Apart from wide-spread global poverty, an entire generation of 600 million youth globally stare at a jobless future unless concerted effort is made to create sustainable livelihoods. Climate change is no longer an issue of the future but a reality that today threatens millions across the globe, particularly farming communities in developing nations who are the most vulnerable to the vagaries of nature. The world economy

continues to be in turmoil, making it even more challenging for business and industry to remain competitive as well as environmentally and socially sustainable. Enterprises in developing countries like India will need to redouble their efforts to attain extreme competitiveness in this increasingly globalised world if they are to succeed and create value for their nations. However, that by itself may still not be adequate to address the growing societal challenges. Corporates will need to strive to achieve, what I call Responsible Competitiveness – attaining extreme competitiveness but in a way that is environmentally sustainable and inclusive. That is indeed a tall order and will require a redefinition of corporate vision, strategies and priorities. Herein lies a unique opportunity for the CII-ITC-CESD – an opportunity to orchestrate and facilitate Indian

Industry's journey towards Responsible Competitiveness by leveraging its new knowledge base, the enduring relationships forged over the years and the expertise they and their partners have been able to develop over the last decade.

I would like to take this opportunity to congratulate and commend Ms Seema Arora and her colleagues for building an institution that in the years ahead will continue to be a beacon of inspiration in creating an even better tomorrow. I would like to wish them the very best in their future endeavours. I would also like to thank CII-ITC-CESD's partners and associates who have been of valuable support in this journey. May the next 10 years be even more fruitful and successful!



## **Y C Deveshwar**

Past President, Confederation of Indian Industry  
Chairman, Advisory Council, CII-ITC  
Centre of Excellence for Sustainable Development,  
and Chairman, ITC Ltd.

# FOREWORD

Over the last decade Indian businesses have evolved their approach towards sustainability with a view to mainstreaming sustainability driven risks and opportunities to ensure growth of their businesses. The CII-ITC Centre of Excellence for Sustainable Development has played a vital role in shaping these approaches and trends.

In order to document a decade of its existence, CESD is bringing out this publication, Decade of Managing Sustainability: Success Stories from 2006-15.

For 120 years, CII has been working to create and sustain an environment conducive to the growth of Indian industry and development of India. CII's Centres of Excellence develop and undertake new services for the businesses to keep them abreast with global standards, while leveraging their intellectual capital.

CESD, provides the fundamental principles and the direction to businesses as they move towards their sustainability goals. Sustainability, which started as an ideal has now become a necessity. In future, we

believe that the sources of competitive advantage are going to be leveraged by pursuing sustainable practices and delivering larger societal value along with financial value. CESD has been the catalyst for the sustainability movement in India by incubating global concepts.

In the last decade CESD's achievements have been significant and I am sure, it will continue to bring international best practices as well as provide innovative and local solutions that the industry needs. I am sincerely thankful to Mr Y C Deveshwar, Past President, CII and Chairman, ITC Ltd for his visionary leadership and continuing support to CESD.

While the journey has just started with large industries leading the way, in future, we hope to enable small and medium scale industries adopt environmental and social best practices through CESD.

I am proud to present this report and hope that these successful examples will inspire those who are just beginning their journey.

**Chandrajit Banerjee**  
Director General  
Confederation of Indian Industry





# INTRODUCTION

“ CII-ITC Centre of Excellence for Sustainable Development has done some commendable work in furthering the sustainability efforts within corporate India and I would like to acknowledge their efforts in enhancing our knowledge and capabilities in diverse aspects of the subject. ”

**Anand Mahindra**  
Chairman,  
Mahindra and Mahindra Ltd



“ CII-ITC Centre of Excellence for Sustainable Development has played a key role in guiding, supporting and working with Indian industry for sustainable development. This focus must continue with renewed vigour, for only if the balance sheet of Earth improves will the balance sheets of companies be sustainable. ”

**T. V. Narendran**  
CEO, Tata Steel



Circa 2005, National Council of CII moots a suggestion to set-up a Centre of Excellence for Sustainable Development. Proposed by Mr Y C Deveshwar to leave behind a legacy of his Presidency at CII, there was more to it. He envisioned creating a public institution of high calibre and credibility that would build capacities of business in India on sustainability and also build the ecosystem necessary for sustainable business to thrive.

Only visionaries and optimists would have then imagined that in just about a decade sustainability would be a mainstream business issue and a public institution such as CII-ITC Centre of Excellence for Sustainable Development (CESD) would be a necessity.

CII rechristened its Environment Management Division (EMD) to Centre of Excellence for Sustainable Development. In 2006, EMD was already riding on 13 years of success in mainstreaming environment and social management systems in India. EMD was set-up in 1992, as a commitment of business leaders to CII to work towards sustainable development, particularly environment. This was a consequence of Ratan Tata's leadership in setting up Business Council for Sustainable Development in 1991. The 1992 Rio Summit was attended by Indian government, Ratan Tata, Avininder Singh, and a team from CII. With seed capital from Tata Group, CII set up EMD thus beginning a journey towards sustainable development.

For businesses that were used to control regime and almost isolated from global economy,

sustainable development seemed esoteric and lacked business imperative. It was therefore natural for EMD to focus on environment as that appeared relatively closer to business and an issue that business leaders would pay attention to, upon being convinced. In 1994, Nicco Corporation became the first company in India to be certified to an environment management system.

Since then the story of EMD and its new avatar CESD has been that of a catalyst in building sustainable businesses in India and increasingly around the world. CESD has catalysed evolution of ecosystems from primary environmental compliance norms and siloed business systems to adoption of GRI-G4 and implementing world-class Sustainability Management Frameworks.

This publication records the evolution of sustainability practices in business in India via the journey of CESD in its first decade, 2006-2015. It presents compelling drivers for business to integrate management systems, report sustainability performance and practices, take these practices to supply chain and take responsibility for it, and for best results put everything in a comprehensive Sustainability Management Framework.

But CESD is much more than just management systems and sustainability reporting. Since 2006, CESD's pioneering work on sustainability performance assessment which in ten years has come to define the meaning of sustainable business. In 2011, it launched the world's first and

only corporate sustainability label, called Sustainable Plus. Based on the most comprehensive set of ESG (environmental, social and governance) indicators in the world, Sustainable Plus is a brand identity tool to communicate to various stakeholders that they are sustainable, responsible and well-governed business. In times when products are rapidly commoditised and brand differentiation is scarce, sustainability is the new basis for brand differentiation.

In 2014, CESD introduced integrated reporting to India with mentorship of International Integrated Reporting Council. <IR> Lab India is a unique business network on integrated reporting in the world, promoted by a business association, with membership from companies, investors, markets, regulators and academia. In 2013, CESD developed yet another multi-stakeholder network called India Business and Biodiversity Initiative (IBBI) to bring biodiversity and natural capital on to business agenda. Today IBBI has become a global example of business initiative led by a business association trying to improve the role of business for the world and the planet.

CESD is on a mission to catalyse innovative ideas and solutions, in India, and globally, to enable business, and its stakeholders, in sustainable value creation. Founded on a decade of managing sustainability in business, it is looking into world of limitless possibilities.

# INTEGRATING MANAGEMENT SYSTEMS

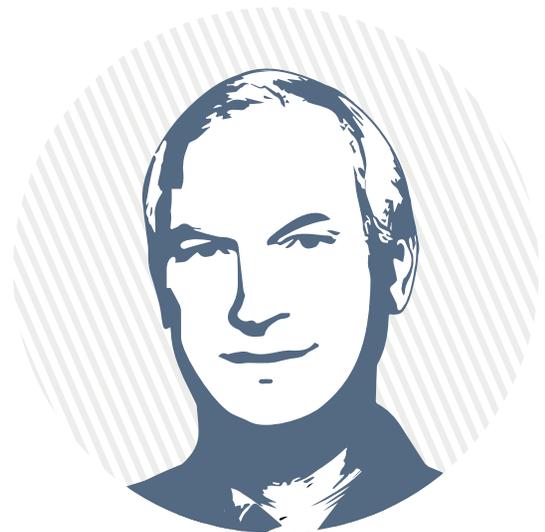
Case Study – Godrej & Boyce Manufacturing Company Ltd.

Case Study – Bajaj Auto Limited

Case Study – Honda Cars India Ltd.

“ Sustainability initiatives like integrating the management systems done in collaboration with CESD have led our group to optimize on resource use by eliminating overlaps in activities, reducing wastage of time and effort. More importantly, it has enhanced the credibility of the certifications by enhancing system performance. ”

**Jamshyd Godrej**  
CMD, Godrej & Boyce  
Manufacturing Company Ltd.



CESD's foray into sustainability management was via its experience in Environment Management Systems (EMS) built over two decades. CESD, in its earlier avatar as CII's Environment Management Division, had started implementing EMS when environmental awareness was fairly low among Indian industry. It had sensed that for sustained growth of the industry, design and implementation of EMS was the need of the hour. In 1994, facilitated by CESD, Nicco Corporation became the first Indian organisation to be certified for EMS by conforming to the requirements of BS 7750 as well as the draft ISO 14001 standards. Following ISO 14001, as companies realised that inadequate safety measures have a negative impact on working capacity and productivity of the workforce, Occupational Health and Safety Management Systems, OHSAS 18001 picked up in demand.

CESD helped companies implement Occupational Health and Safety

Management Systems conforming to OHSAS 18001 standard. Until recently, companies regarded environment and safety issues as belonging to two unrelated domains. They had generally focused on establishing management systems that demonstrated compliance with each process requirement often in isolation of each other. They had different management system search for quality, environment, and health and safety, each complying with different set of standards and legislation pertaining to a particular aspect of the organisation. Project risk assessments would often use different risk rating scales depending on the domain. Also, with the revisions and new additions of different standards, there seemed to be an increased number of similarities. This resulted in duplication of efforts and high costs to maintain different management systems.

Just as CESD had been the first to implement EMS in India, it also led the way in Integrated Management

Systems. CESD in 2005-06, assisted Godrej & Boyce and Titan Industries pioneer the integration of their respective management systems.

While integrating the systems seemed a logical progression to overcome the gaps of maintaining individual management systems, it had its difficulties. The biggest being a change in thought process. Companies had been used to operating in distinct areas of quality, environment and safety. Getting everyone onboard to see the benefits of integration required a shift in top management approach.

CESD managed these challenges with a hands-on approach and by building capacities of business. Besides building synergies between quality, environment and safety systems, businesses benefitted in continuous improvement, product innovation, resource optimisation, and cost savings. As some companies extend this to the entire value chain, benefits will multiply collectively for businesses across the value chain.

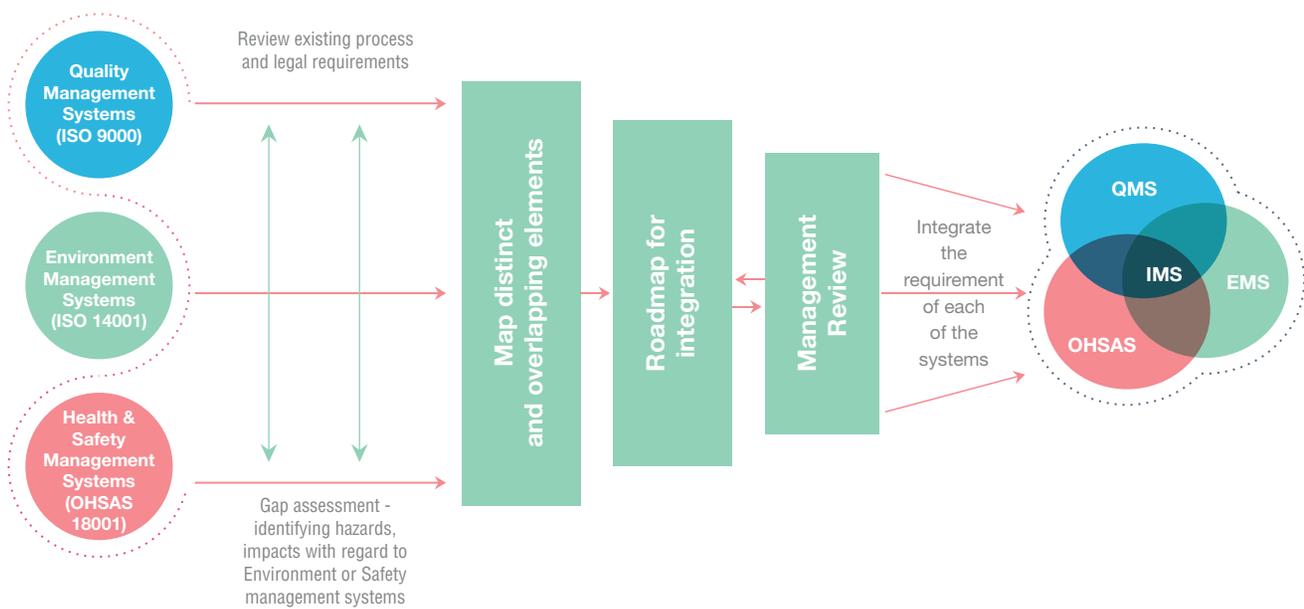
# TRAINING

	2006	2007	2008	2009	2010
<b>Advanced EMS Auditors</b> (Accredited by IEMA-Institute of Environmental Management & Assessment) TOTAL: 494	94	97	100	100	103
<b>Advanced OHSMS Auditors</b> (Accredited by IRCA - International Register of Certificated Auditors) TOTAL: 438	80	85	88	90	95

	2013	2014	2015 (Till August)
<b>Lead Auditors Course</b> (Accredited by NABET-National Accreditation Board for Education and Training, India) TOTAL: 419	135	231	53

# CESD'S APPROACH FOR INTEGRATED MANAGEMENT SYSTEMS



# IMS PROJECTS: 55

- Bajaj Auto Limited
- Bosch Limited
- Delhi Metro Rail Corporation
- Escorts Limited
- Gammon India Limited
- Glaxo Smith Kline Pharmaceuticals Limited
- Godrej & Boyce Manufacturing Company Limited
- HAYA, Muscat, Oman
- Honda Cars India Limited
- Honda Motorcycle and Scooter India Private Limited
- Indian Oil Corporation Limited
- Jindal Steel and Power Limited
- Jubilant Foodworks
- Kirloskar Brothers Limited
- Nestle India Limited
- Public Establishment for Industrial Estates (PEIE), Oman
- Sahara City Homes Sites
- Samtel Color Limited
- Schneider Electric India Pvt Ltd.
- Tata Consultancy Services
- Titan Industries Limited
- TVS Motors Company Limited
- Wadi Al Jizzi Power Co. SAOC, Oman

# GODREJ & BOYCE MANUFACTURING COMPANY LTD.

Helping a diversified group integrate three separate management and documentation systems into a single Integrated Management System

## Organisation Name

Godrej & Boyce Manufacturing Company Ltd.

## Sector

Diversified

## Region/Location

Pan India

## Value Created

Established an Integrated Management System, merging the requirements of ISO 9001 (Quality), ISO 14001 (Environment) and OSHAS 18001 (Health & Safety) thereby eliminated duplication and overlap of documentation.

## Overview

Godrej & Boyce is one of the largest privately-held diversified industrial corporations in India. Its foundation was laid in 1897 which makes it more than 115 years old. It has close to 12,000 employees and having presence in 14 diverse businesses ranging from home appliances, white goods, to furniture, real estate and construction.

## The Challenge

Multiple management systems and certifications at Godrej were resulting in over-documented systems, which reduced operational efficiency. The Silo-based working as well as duplicated and overlapping documents was a major area of concern.

Separate certifications for ISO 9001 (quality), ISO 14001 (Environment) and OSHAS 18001 (Health and Safety) led to multiple and frequent audits which left little time with the employees to implement and establish the improvements suggested. The intention of the organization was to bring the management systems under one larger umbrella of an Integrated Management System so that documentation and auditing could be optimized. The three departments responsible for these three areas, viz., Quality, Environment and Health & Safety had to work together for the intention to become a reality.

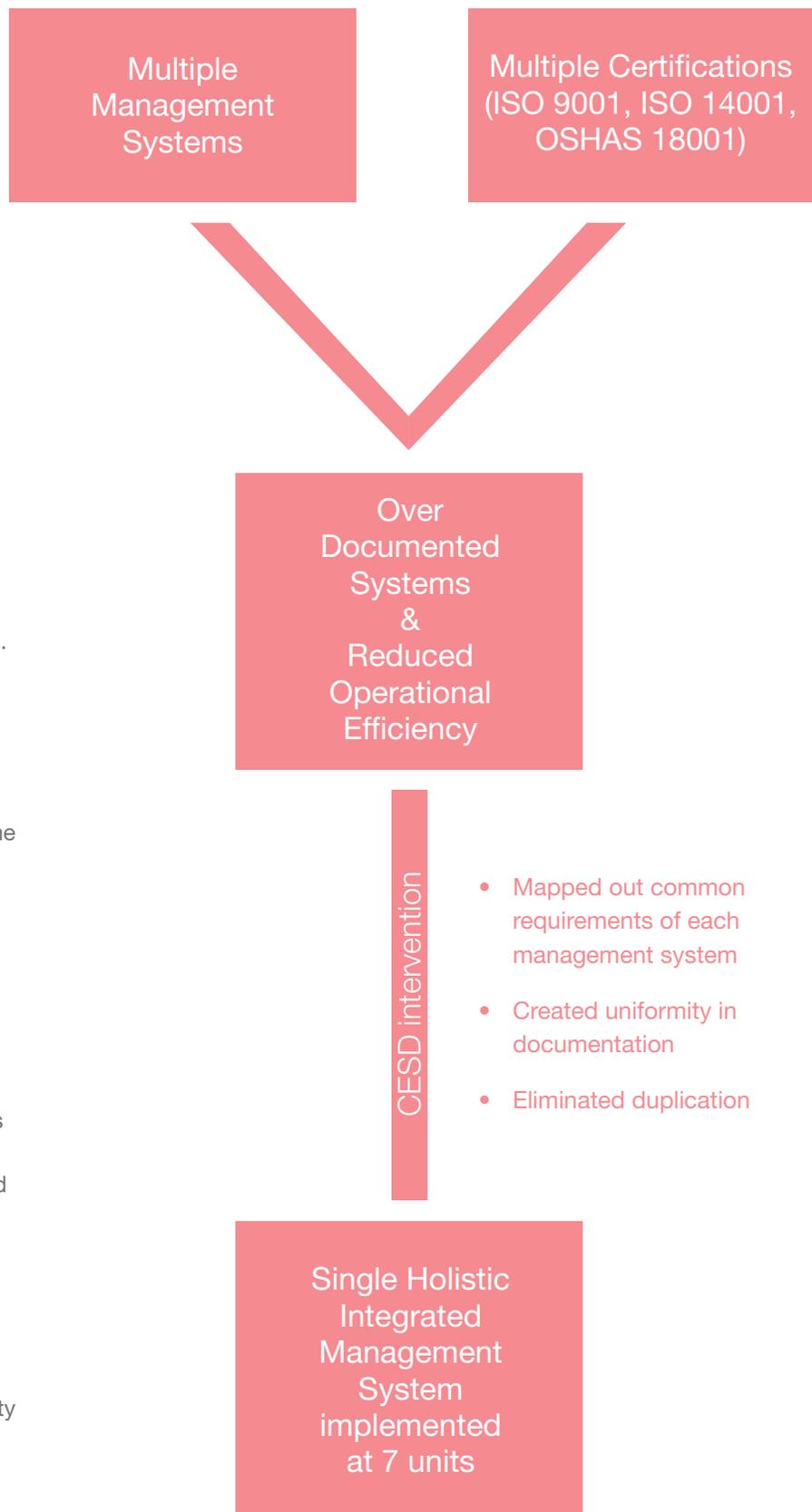
## Our Approach

When CESD took up this assignment in 2006 with two units, it first studied the management processes and documents separately, mapped out the common requirements of each management system and screened each document for its relevance. Simultaneous streamlining of the processes and accountability was carried out.

Procedures were simplified so that those responsible for the implementation were able to comprehend the system requirements and easily adopt it in their daily work. It was imperative to keep the system streamlined and uncomplicated so that the audit becomes easier. The same approach was replicated in five other business units, taking the number of units where Integrated Management System has been implemented to seven.

**Impact**

Godrej was one of the first few companies to implement an Integrated Management System. This has helped in streamlining and simplifying the previously elaborate and over documented processes. It also helped the management connect the requirements of the system to the key responsibility areas of the workforce. There was uniformity of documentation across businesses of the company which has led to a uniform auditing process covering all three earlier certifications – ISO 9001, ISO 14001 and OHSAS 18001. The duplication of efforts has been eliminated and the documentation has been aligned to a single holistic Integrated Management System. Ease of implementation and combined audits have saved time and effort. The top management has been able to declare an integrated policy for sustainability and the group has moved towards achieving Business Excellence.



# BAJAJ AUTO LIMITED

Helped a large automobile manufacturer implement Health and Safety standards system at two new state-of-art plants

## Organisation Name

Bajaj Auto Limited

## Sector

Automotive

## Region/Location

Maharashtra and Uttarakhand

## Value Created

Implementation of EHS-MS by involving internal stakeholders and creating ownership of the system

## Overview

Bajaj Auto Ltd. (BAL), flagship Company of the Bajaj Group, is ranked as the world's fourth largest two and three-wheeler manufacturer. Its products are exported to several developing and developed countries.

CESD's association with BAL has been a long standing one and it had already worked with the Company in implementation of ISO 14001 at Waluj and Akurdi, trained their personnel on EHS and assisted these units in identifying clean technology options that resulted in monetary savings.

BAL Waluj was the first company in automobile sector to have ISO 14001 certification in 1997.

Therefore, for Chakan and Pantnagar plants, partnering with CESD for designing and implementation of EHS systems, was a natural extension. The success was repeated in the new plants by involving the internal stakeholders of both the plants

and orienting them towards management systems approach to safety and health issues.

## The Challenge

Environment Health and Safety management standards had to be designed and implemented right from inception, at the 2 new plants that were coming up at Chakan (Maharashtra) in 1999-2000 and Pantnagar (Uttarakhand) in 2006-07.

BAL wanted to integrate environment management system (ISO 14001) & occupational health & safety system (OHSAS 18001) at these plants.

## Our Approach

CESD helped BAL meet the above challenges and implemented the EHSMS systems at new plants, Chakan and Pantnagar.

Its approach while working at the sites was to display and describe the benefits of management systems, OHSAS 18001 in particular, along with preparing the necessary tools for documentation and continuous evaluation and review. Since this was to be implemented right at inception stage for both the new plants, it was imperative for CESD to,

1. Develop a system that was easy to adopt at inception stage.
2. Create a system that is sustainable and replicable so

as to allow the organization to build improvement blocks over it.

A streamlined systematic procedure was created to ensure effective communication to the relevant stakeholders at various stages of the system's cycle. The adoption of Integrated Management Systems approach has helped BAL install technologies in Chakan and Pantnagar plants that are among the best in the world and ensure Environment protection while addressing health and safety issues.

## Impact

Adopting and conforming to the OHSAS 18001 standard at these plants has helped BAL gain competitive edge due to factors like reduced costs and improved customer relations.

The implementation of health standards was not a one-time solution. The learnings of EHSMS were fed into creating a robust environment and health management system which is adaptive to changes and is future ready with respect to organization's long term goals.

At BAL, EHSMS has now become a norm and is not merely a tool to address pollution, safety and health related issues. BAL Plants are now focusing on expanding the learning from EHSMS to the next level of Sustainable Business Development.

# CHALLENGE

Integration of ISO 14001 and OHSAS 18001 at Chakan and Pantnagar right at inception

# APPROACH

Prepare necessary tools for documentation and continuous evaluation and review

Create a system that is sustainable and replicable

Develop a system that was easy to adopt at inception stage

# IMPACT

Streamlined  
systematic  
procedure created  
that helped BAL  
gain competitive  
edge

- Reduction in carbon foot print of Chakan Plant by 20% in last three years
- Reduction in Specific energy consumption (power & fuel) by more than 5 times at both the plants
- Zero Major or Minor accidents at both plants for more than 7 years
- Reduction of 20% in various types of wastes (other than phosphate sludge)

# HONDA CARS LTD.

## Enabling integration of management systems for better safety performance at the plants

### Organisation Name

Honda Cars India Ltd. (HCIL)

### Sector

Automotive (Cars)

### Region/Location

Manufacturing Plants at Greater Noida (U.P.) and Tapukara (Rajasthan)

### Value Created

The management systems for Environment, Occupational Health and Safety have been integrated in line with International Standards. This has fostered a better work-culture and enhanced safety in company's plants.

### Overview

Honda Cars India Ltd., (HCIL), a subsidiary of Honda Motor Co. Ltd., Japan, is a leading manufacturer of premium cars in India. HCIL's first manufacturing unit was set up at Greater Noida, U.P. in 1997 and its second plant in Tapukara (Rajasthan) in 2008. The Honda Group is globally recognized for its concern towards environment, safety

and conservation of the society in which it operates. HCIL supports the same values in India.

Honda maintains the best HSE standards in line with Honda Japan guidelines and HCIL is no exception. HCIL with its ageing workforce and gradual enhancement in production from 30 K to 150 K cars per annum had its usual challenges in terms of minor injuries and near misses that needed to be addressed. With a view of business sustenance in India & HCIL's strategic global importance in Honda Motor's Long term Business Plan, HCIL management decided to streamline HSE practices in accordance with the established International Standards. CESD partnered with HCIL for adoption of a systems approach for managing health and safety.

### The Challenge

A major challenge that CESD and the senior management team of HCIL had to jointly address was ensuring that minor incidents, near misses

and ill-health due to ergonomics issues were minimized. The task was further complicated by the fact that the associates were ageing. CESD realised that adherence to good safety practices at the workplace required that the workforce at Honda had to undergo a paradigm shift so that safety got ingrained within the mind set of all Associates on the shop floor. This also became a challenge considering that the casual Indian mind set towards safety. The minor incident occurrence on the shop-floor in terms of safety dimensions also reflected in plant reports. This suggested that safety outcomes were not only dependent on technology used but also on the attitude and the behaviour of supervisors and workers. This made the task of HCIL and CESD very challenging.

### Our Approach

HCIL engaged CESD in 2011 to prepare the Greater Noida plant for certification under OHSAS 18001 and upcoming Tapukara plant for an integrated

management system comprising OHSAS 18001 and ISO 14001 standards to bring its Systems in line with the International Standards which were governed by Honda Motors Japan. Intervention began with the premise that the plant's safety performance could be considerably improved if the members of the plants' workforce were to become aware of the safety hazards and the risks.

The earlier practice at HCIL for risk assessment was a Qualitative approach using Risk Assessment Tool of KYT (Kiken Yochi Training) which was dependant on the Competence & expertise of the Line Manager. This was augmented by using the Quantitative Approach of HIRA (Hazard Identification and Risk Assessment) matrix that was more definitive in identifying the Significant Risks. It was believed that the heightened awareness levels among the workforce could build better acceptance for promotion of safety norms. The departmental heads were assigned the responsibility of involving the workforce of their respective department for identification of the hazards and risks faced.

Initially, training programmes and workshops were conducted for the health and

safety managers as well as for other employees who were to be involved in systems implementation. These were aimed at familiarising them with the requirements, terminology and key areas of the standards.

A plant level comprehensive gap analysis was jointly carried out by HCIL & CESD. Health and safety managers were briefed on where changes and adjustments were needed and action plans were put in place. For integration of the systems or IMS, common elements of both the systems were identified and approaches to management review and internal audits were formulated. Employees at all levels and functions were consulted to bring about the required change. CESD provided the required guidance on documentation for the integrated systems and a formal process to deliver annual independent audits in each of the plants was recommended.

Additionally many changes were made to bring in automation on the work stations through an ergonomic study of the various operations for effective control of work place injuries of the associates. This became even more important as the age of associates on the shop floor was on the rise. Changes in

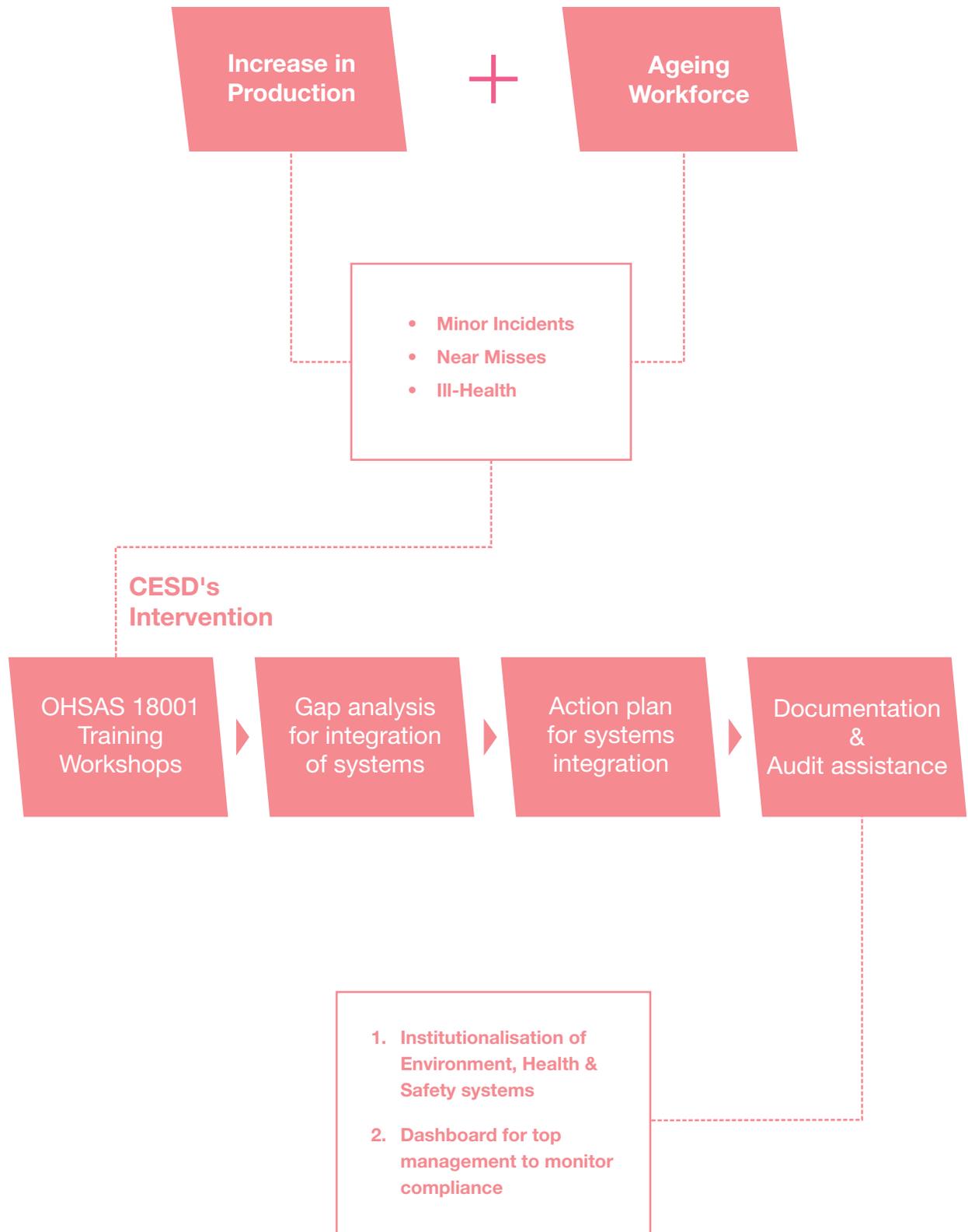
formal systems were also coupled with health awareness training for Employees & Associates.

The focus was on changing the way people look at safety and making a difference to the business rather than merely obtaining a certification.

### **Impact**

The HCIL-CESD partnership lasted for four years, after which the system maintenance has become institutionalised in HCIL. CESD has been able to impart an appreciation and understanding of the role of management systems in improving the safety performance. It has allowed HCIL to develop a robust system to help identify hazards, assess risks and take appropriate measures to mitigate risk. After the implementation of the management system, minor incident & ill health rates have reduced considerably.

A compliance dashboard has been created for the top management to assist them in monitoring the compliance periodically. Documentation has been simplified. This has led to better collaborative working and increased business resilience.



# REPORTING SUSTAINABILITY

Case Study – Larsen & Toubro Ltd.

Case Study – Apollo Tyres Ltd.

Case Study – POWERGRID

“ A company’s strategic commitment to create a future-ready organization that embraces sustainable and inclusive growth will provide the foundation for engendering meaningful contribution to societal value creation. By bringing the corporate sustainability agenda to the centre-stage, CII-ITC Centre of Excellence for Sustainable Development has enabled corporates to unleash their entrepreneurial and innovative capacities to deliver a holistic triple bottom line performance. ”

**Pradeep Dhobale**  
Executive Director,  
ITC Limited



Disclosures improve transparency and accountability. Reporting on sustainability performance helps stakeholders identify environment and social risks for the company. As much as it improves transparency, sustainability reporting makes companies accountable for their actions. It also helps build internal systems and processes, and awareness on sustainability. In the last decade, sustainability reporting has scaled, but has also improved the quality of disclosures.

Mid-2000s, CESD pioneered sustainability reporting in India by introducing Global Reporting Initiative or GRI. GRI had begun to emerge as defacto sustainability reporting framework. CESD started to convince companies of the benefits of sustainability reporting. In 2008, CESD became the first Learning Centre of GRI in South Asia. As the learning Centre, CESD developed training material for building capacities of all types of businesses. GRI-certified courses have enabled companies to develop systems for measuring and disclosing sustainability performance.

The emphasis has been on the 'Process of Reporting', rather than the 'Report Content' alone as an output. From assisting companies in identifying thrust areas and formulating standards to building capacity for stakeholder engagement and materiality analysis, it has been a process beyond mere documentation

that has led to institutionalisation of sustainability. It has to its credit, the experience of developing the 'Stakeholder Engagement – The How to Guide' containing detailed guidance around global frameworks (such as AA1000SES, GRI & IFC) on stakeholder engagement. With experiences of more than 500 Indian companies on stakeholder engagement, it is the only guide that provides stakeholder engagement model in the Indian context.

Apart from training, CESD also facilitates the process of sustainability management and reporting. It has assisted leading organisations, including PSUs, in reporting their sustainability impacts and initiatives. The first few companies CESD worked with include SESA Sterlite Ltd. (2005-06, earlier known as SESA Goa) & Ambuja Cements Limited (2005-06, then known as Gujarat Ambuja Cement), L&T Ltd. (2006-07), NTPC (2007-08), POWERGRID (2008-09) and TATA Power (2008-09). To enable a smooth transition from GRI-G3 to GRI-G4, CESD developed training material on the latest version, conducted training sessions and assisted organisations such as OPGC and HCCBPL to report on the new GRI-G4 guidelines.

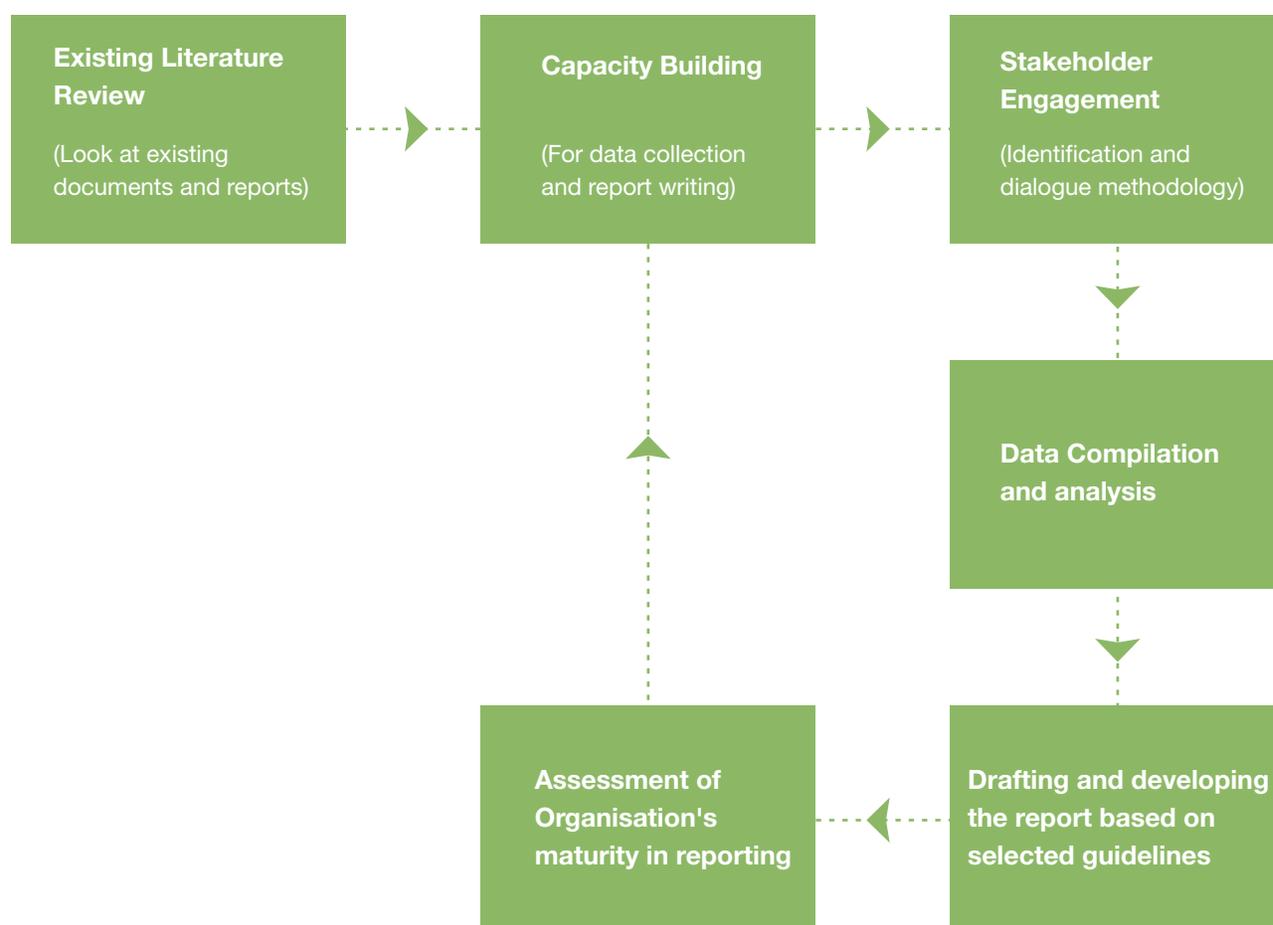
CESD has always played an active role in mentoring MSMEs through capacity building. It helped GRI

to prepare MSME clusters on sustainability reporting, with special focus on foundry units. The core objective of the project was to align the functions of MSMEs to the concept of measure, manage and change, and develop a cluster level aggregate sustainability report to enhance their competitiveness. As a result, 79 foundry entrepreneurs were imparted GRI-certified training in Ajmer and Punjab clusters. The 'in-accordance core aggregate sustainability reports' have been prepared by CESD for both the clusters on the basis of G4 guidelines aggregate methodology specially derived by GRI for this project.

Besides bring global best to India, CESD has also been a part of creating standards and frameworks in India. CESD was a part of the drafting committee for the Annual Business Responsibility Report (ABRR), which has been mandated by SEBI for the top 100 companies by market capitalisation. CESD has also been actively involved in the process for designing Sustainable Development Guidelines for Public Sector Units released by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises. CESD would capitalise this knowledge and perspective to help companies adopt these guidelines and frameworks.

	2009	2010	2011	2012	2013	2014	2015 (Till August)
<b>Sustainability Reporting</b> (Accredited by GRI-Global Reporting Initiative) TOTAL: 674	84	28	87	110	96	149	120
<b>Certified Sustainability Assurance Practitioner (CSAP)</b> (Accredited by AccountAbility) TOTAL: 411	34	92	114	65	58	39	9

## CESD'S APPROACH TO SUSTAINABILITY REPORTING



# SUSTAINABILITY REPORTING PROJECTS: 35

- Adani Ports & Special Economic Zone Limited
- Ambuja Cements Limited
- Apollo Tyres Limited
- Bharat Heavy Electricals Limited
- EXL Service
- GRI (Two SME cluster report)
- Hindustan Coca-Cola Beverages Private Limited
- Huawei Technologies
- Mahindra and Mahindra (Farmtrack Division)
- National Aluminium Company Limited
- NTPC Limited
- ONGC Videsh Limited
- Odisha Power Generation Corporation
- Powergrid Corporation of India Limited
- Rashtriya Ispat Nigam Limited
- Sesa Sterlite Limited
- Tata Power

# LARSEN & TOUBRO LIMITED

“ L&T has successfully demonstrated that business growth can go hand-in-hand with a commitment to community development and environmental protection. Our efforts in Sustainability and CSR go beyond fulfilling statutory requirements –they are directed at making a meaningful difference to society and the environment and contribute to national missions. The association with CESD has placed L&T’s multiple, nation-wide initiatives within a formal sustainability framework helping build a sustainability structure that measures every initiative against intended targets. This has helped ensure that we remain on the path of continuous improvement, as we fulfil our larger role of nation builders. We believe this is sustainability in action. ”

**Shailendra Roy**  
Member of L&T Board  
& Member of CII National Council



# Developing a Sustainability Reporting Framework for a Conglomerate

## Organization Name

Larsen & Toubro Limited

## Sector

Engineering & Construction

## Region/Location

Pan India

## Services rendered

Development of sustainability study frameworks

## Value Created

Inputs on sustainability reporting and framework that have contributed to institutionalization of sustainability practices.

### Overview of the Company

Larsen & Toubro is a US\$ 15 billion technology, engineering, construction and manufacturing and financial services conglomerate, with global operations. It addresses critical needs in key sectors including infrastructure, construction, defence, power and hydrocarbon.

Its critical contribution to the infrastructure and related sectors is widely recognised, and the company has been described as 'the builder of the India of the 21<sup>st</sup> Century'. Larsen & Toubro's (L&T) manufacturing footprint extends across seven countries in addition to India. A strong, customer-focused approach, conformance to global HSE

standards and the constant quest for top-class quality have enabled the Company to sustain leadership in its major lines of business for over 75 years.

## The Challenge

Historically, L&T has been engaged in almost all the activities that constitute sustainability, viz., measures to protect the environment, promote health and safety, assist in community development and ensure employee welfare. Initiated from L&T's principal works complex in Mumbai and from a network of offices and Works around the country, these activities flowed from the Company's innate sense of doing what was right and fair. A need was felt to integrate these disparate efforts with a view to sharpening focus and enhancing impact through synergy.

L&T sought CII-CESD's assistance in developing a formal sustainability structure that would encompass all CSR and CSI-related activities and be applicable countrywide. This required employees to acquire necessary knowledge and new competencies, and engage with other stakeholders like society, suppliers, customers and financial institutions, thus ensuring their participation in the sustainability journey.

## Our Approach

Members of L&T's top leadership have had been looking for ways to augment the then prevailing environmental management systems. Their previous experience of partnering with CESD had been positive. This triggered interest in adoption of a sustainability approach and in partnering with CESD for developing a Sustainability Report for the year 2007-08, through a systematic and structured process.

It was decided at that time that the first report would be based on Global Reporting Initiative – 3rd Generation (GRI-G3) reporting framework and would cover five Operating Divisions (ODs). The report would be used for improving internal measurement systems. The process commenced with an assessment of existing systems so that reporting process could be established. CESD assisted L&T in developing an internal reporting system as well as the report highlighting performance in environmental, economic and social domains.

Core teams were constituted and nodal officers were designated to lead the sustainability journey. The top leaders led the overall process



by providing support and guidance. Several awareness sessions across locations were conducted towards generating sustainability awareness and to share knowledge about the GRI reporting framework at all levels. Robust mechanisms for mapping of materiality issues were established including setting up modalities for involving stakeholders and actual engagement to record their concerns, issues and expectations. A top-down approach was used to directly communicate with key stakeholders of various business divisions through common engagement sessions. These sessions helped to identify stakeholders' expectations and their perception of 'Sustainability'. These sessions were also used to create awareness amongst

stakeholders. Both internal and external stakeholders participated in the exercise.

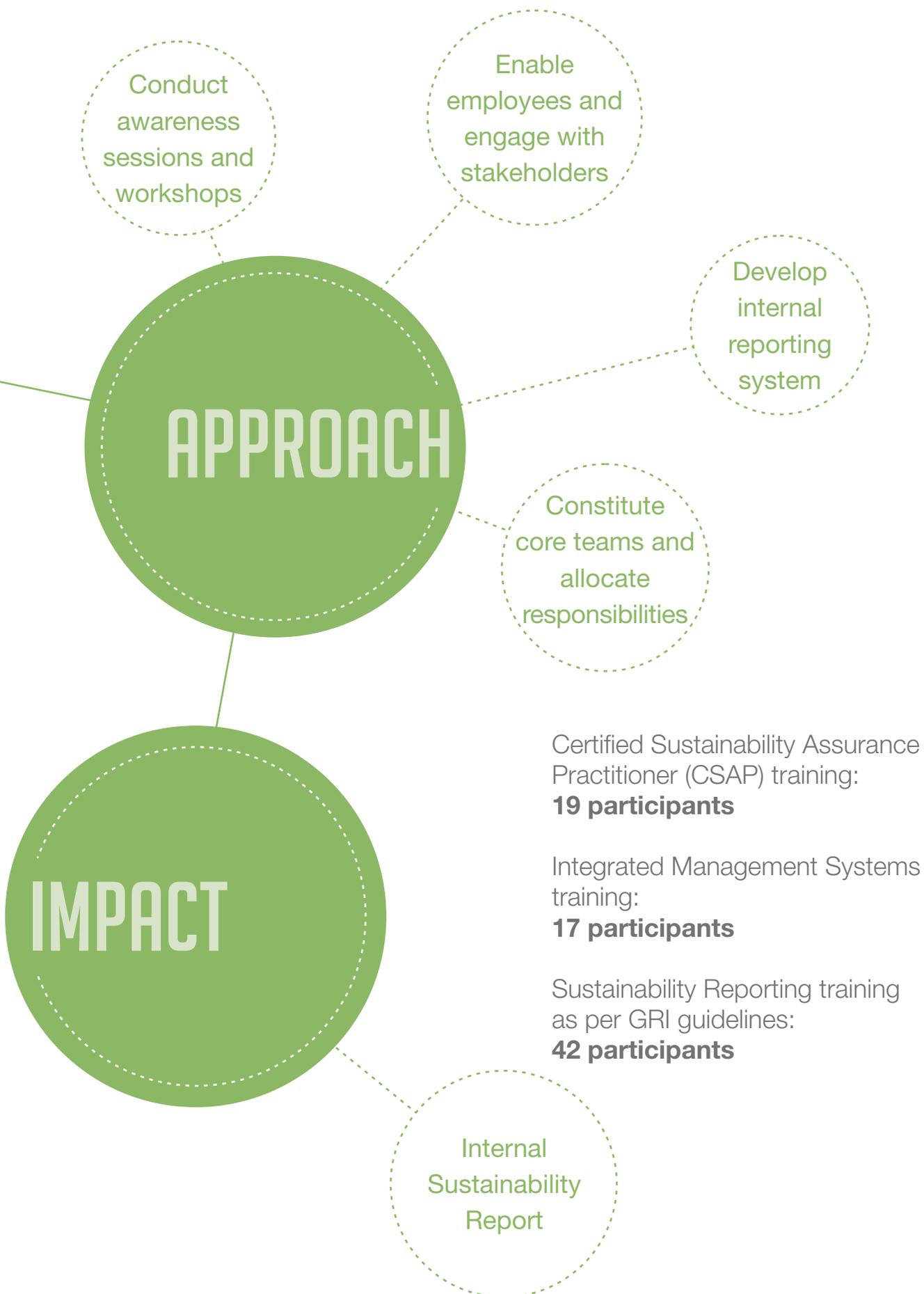
Materiality workshops were conducted. Direct stakeholder interactions and surveys were carried out to quantify and prioritise material issues identified by external stakeholders. The targets for actions to mitigate and manage each of the identified risk were finalised. A consultative process, that involved an interdisciplinary team, was formulated for mapping the needs, concerns and expectations of the key stakeholders.

**Impact**

CESD's association with L&T in 2007 marked a watershed. It helped in enhancing awareness

about business sustainability, providing exposure to its formal processes and institutionalising sustainability practices. L&T has demonstrated continuous improvements on sustainability dimensions. Post 2007-08, reporting on its sustainability performance (internal report), the process of disclosures and sustainability has been driven through in-house effort. All reports subsequent to the internal report of 2007-08 have been audited by external third-parties and are available in public domain.

L&T is also a regular participant for the CII-ITC Sustainability Awards which aid the company in benchmarking its performances with the best in the industry.



# APOLLO TYRES LTD.

“ The process of taking an organization on a path of responsible and sustainable business practices can be complicated and challenging. CII-ITC Centre of Excellence for Sustainable Development, as a dependable and knowledgeable partner, has helped instill an organisation-wide sustainability culture at Apollo Tyres. ”

**Harshita Pandey**  
Head CSR, Apollo Tyres Ltd.



# Initiating a tyre manufacturer into Sustainability Reporting process

## Organisation Name

Apollo Tyres Ltd.

## Sector

Tyre (manufacturing)

## Region/Location

India, South Africa & Netherlands

## Value Created

Apollo Tyres has been able to establish and maintain a system for sustainability management and reporting.

## Overview

Apollo Tyres Ltd. is in the business of manufacture and sale of tyres. The company has four manufacturing units in India, two in Southern Africa and one in the Netherlands. It exports to over 100 countries.

Even as there was a realisation within the organization that sustainability from a triple-bottom line perspective was increasingly becoming an important factor for business success, there was little clarity and capacity within the organisation to understand, implement and manage sustainability.

Apollo Tyres engaged with CESD in 2008-09 to get started with its sustainability journey, initially in its four factories located in India. The objective was to establish a system for sustainable operations

and alongside, establish a robust sustainability reporting system.

## The Challenge

As the first step, the Operations Heads had to be trained and prepared to take on various roles required by the formal sustainability reporting and management processes. Apollo had well laid out IMS systems but that was not integrated with any sustainability reporting framework.

Secondly, the company, which had never brought out a sustainability report aimed not only at bringing it out that year, but simultaneously establish a system for sustainability management. This ambitious goal presented a unique challenge.

Thirdly, it was identified that the data being collected, the disclosure norms and the terms being used for sustainability reporting were different for India, Africa and the Netherlands. Integrating these differences was a challenge.

## Our Approach

The intervention was conceived with a long-term focus to slowly drive the sustainability practice throughout the organization. The first important initiative was in the form of awareness generation sessions for top management of the company. In the wake of reservations expressed by some

members of the top leadership, the mandate was given to release the first sustainability report as an internal document and not as a fully disclosed external document.

Interactive sessions were held with Heads of Operations to familiarise them and bring them on-board with the process. Several rounds of interactions with employees and stakeholders were conducted at all levels. Meanwhile, top management's view of sustainability had undergone a change after exposure to a well-formed sustainability culture and practices prevalent in the overseas plants that the company had newly acquired. Negotiations with financial agencies such as IFC made the company leadership aware of business sustainability conditions bundled with their financing intentions.

The first sustainability report, though conceived as a document for internal understanding, created enough excitement for top management to mandate its sharing through the company's website. As the aggregation, alignment and reconciliation of terms, norms and data collected across countries appeared infeasible, the report contained three separate sections, one each for India, Africa and for the Netherlands.

## CASE STUDY

The already well-developed integrated management systems was tweaked and calibrated to make it compliant with the indicators of Sustainability Reporting as per GRI G3.0 norms of disclosure.

### Impact

Inspired by ISO 26000 standard and the BRR framework, Apollo was able to institute a sustainability management system compliant with GRI G3.0 norms. This has led to improved performance in the areas of risk management, investor relations, and KPIs for business improvement. There

has been a reduction in energy consumption, reduction in scrap generation and reduction in employee turnover.

In 2011, the company published its 1st Sustainability Report as per GRI G3.0 guidelines. The process that followed enabled the company to better define and evolve its internal systems relating to environmental and social aspects. CESD has assisted Apollo Tyres for bringing out the sustainability reports for 2011-12, 2012-13 and 2013-14.

Apollo went a step forward. Even though the Sustainability Reports were internal, 2013-14 onwards, the sustainability systems, processes and performance have been reported as part of the company's annual report. This suggests significant level of mainstreaming of sustainability issues in company's working. The institutionalization of sustainability issues in Indian operations of Apollo Tyres and transferring the learning to overseas operations, represents a significant impact of this intervention.



# APPROACH

Awareness generation sessions for top management

Interactive sessions with Heads of Operations

The already well-developed IMS aligned to GRI G3

# IMPACT

Internal Sustainability Report

Institutionalization of a sustainability management system

Improved performance in risk management, investor relations and KPIs

# POWERGRID

“ In today’s challenging and competitive business environment, it is imperative for organizations to demonstrate their commitment to Sustainable Development with total transparency. Elaborate public disclosures of economic, environmental, and social performance through sustainability reporting enable us to align with the best and to unlock the opportunity to position ourselves as a forward-thinking organization among an increasingly sophisticated constituency of stakeholders. ”

**RN Nayak**  
Chairman & Managing Director,  
POWERGRID



# Enabling the largest energy transmission company in India improve its sustainability reporting framework

## Organisation Name

Power Grid Corporation of India Ltd. (POWERGRID)

## Sector

Energy, Telecom

## Region/Location

Pan India

## Value Created

Initiated and subsequently improved POWERGRID's sustainability reporting ability, bringing it in alignment with its goal of Sustainable Development, requirements of Government of India (Gol) and mandates of multilateral funding agencies.

## Overview

POWERGRID, a Navaratna Public Sector Enterprise (PSE) under the Ministry of Power, Government of India (Gol), is one of the largest Power Transmission utilities in the world. POWERGRID is the Central Transmission Utility (CTU) of India and wheels about 50% of the total power generated in the country. It has diversified into Telecom business under the brand name 'POWERTEL', along its country-wide transmission infrastructure.

In 1998, POWERGRID became the first PSE to integrate environmental and social management procedures into its corporate operations by enunciating Environmental and

Social Policy & Procedures (ESPP). It strictly follows the basic principles of Avoidance, Minimization and Mitigation in dealing with environmental and social issues and endeavours to achieve sustainable growth and development through inter-linkages among its Stakeholders, Environment and Employees.

## The Challenge /Business Challenge

POWERGRID, being the largest Transmission Utility of the country, needs huge investments, which are mostly secured from international funding agencies. Even though ESPP provides a framework to address social, economic and environmental compliances of Multilateral funding agencies, POWERGRID decided to disclose its sustainable operations and activities using an internationally recognized sustainability reporting framework. POWERGRID is the first power sector company in India to disclose its sustainability report based on GRI guidelines.

The nationally-managed grid has a transformation capacity of 2,31,709MVA along 1,15,637 Ckm EHV transmission lines and 192 EHVAC & HVDC substations. With operations as vast and spread out as these, it is very challenging to aggregate the data. Another major challenge is

creating awareness across all employees and regions.

## Our Approach

CESD adopted a two-pronged approach to address the above challenges. It conducted awareness sessions for regional coordinators and corporate office employees across different levels. Knowledge about sustainability aspects and GRI guidelines for better understanding of sustainability framework was shared in these sessions. CESD has helped foster a sense of complete transparency in documentation and data collection process. POWERGRID'S processes across functions were mapped to the reporting guidelines.

One of the crucial aspects of company's sustainability journey was the high level of awareness that was generated about the concept of Materiality, a concept that is core to sustainability reporting. The quality of documentation of POWERGRID's initiatives has vastly improved over a period of time with addition of independent & external Assurance.

## Our Impact

Now POWERGRID has a process in place for publishing its biennial Sustainability Report. The first one was published for the period 2008-09 as per GRI

## CASE STUDY

G3 norms. The 2nd and 3rd Sustainability Reports for 2009-11 and 2011-13 respectively, have incorporated significant improvements over the first edition. These reports have brought more transparency in the form of better and detailed disclosures, incorporating the voices of internal and external stakeholders. The disclosure of performance indicators has followed an increasing trend as shown below:

	2008-09	2009-11	2011-13
Performance Indicators	37	39	91

The second Sustainability Report was externally assured by accredited assurance providers, who awarded B+ ratings. The third edition of Sustainability Report is now in the process of attaining A+ rating. Complete disclosures have been made based on performance indicators of G3 guidelines and 'Electric Utilities' sector supplement. Having successfully brought out reports based on GRI G3 guidelines, POWERGRID is now fully geared to bring out its next report based on the new GRI G4 guidelines.





Capacity building  
of employees

Foster a sense of  
complete  
transparency in  
documentation and  
data collection



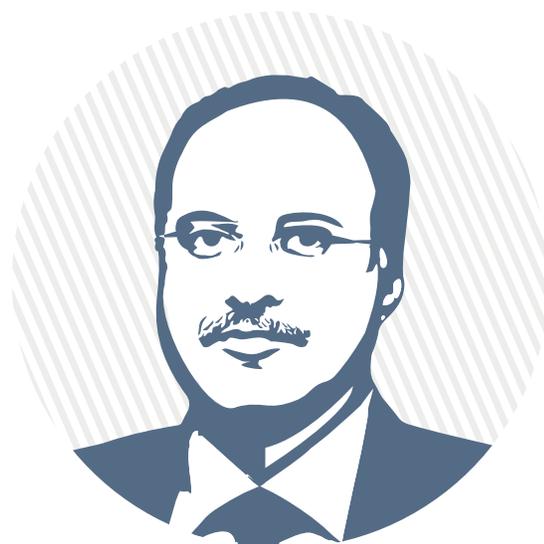
A process  
in place for  
publishing biennial  
Sustainability  
Report

# SUSTAINABLE SUPPLY CHAIN

Case Study – Marks & Spencer  
Case Study – Hero Motocorp Ltd.

“ The real challenge is to get the small and medium enterprises to start embracing sustainability for securing their long-term future as suppliers to large corporates. The large corporates need to go beyond ‘their fence’ into up and downstream of the value-chain, to create a more responsible corporate India, across all segments and geographies. ”

**Anil Sardana**  
CEO & MD, Tata Power



Some of the biggest sustainability hotspots for large companies lie in their supply chains. While companies have managed to keep their house in order, their backyard needs attention and lot of work. Environmental and social hotspots in supply chains pose serious business risks.

Sustainability in supply chain of business in India is being driven by a number of factors:

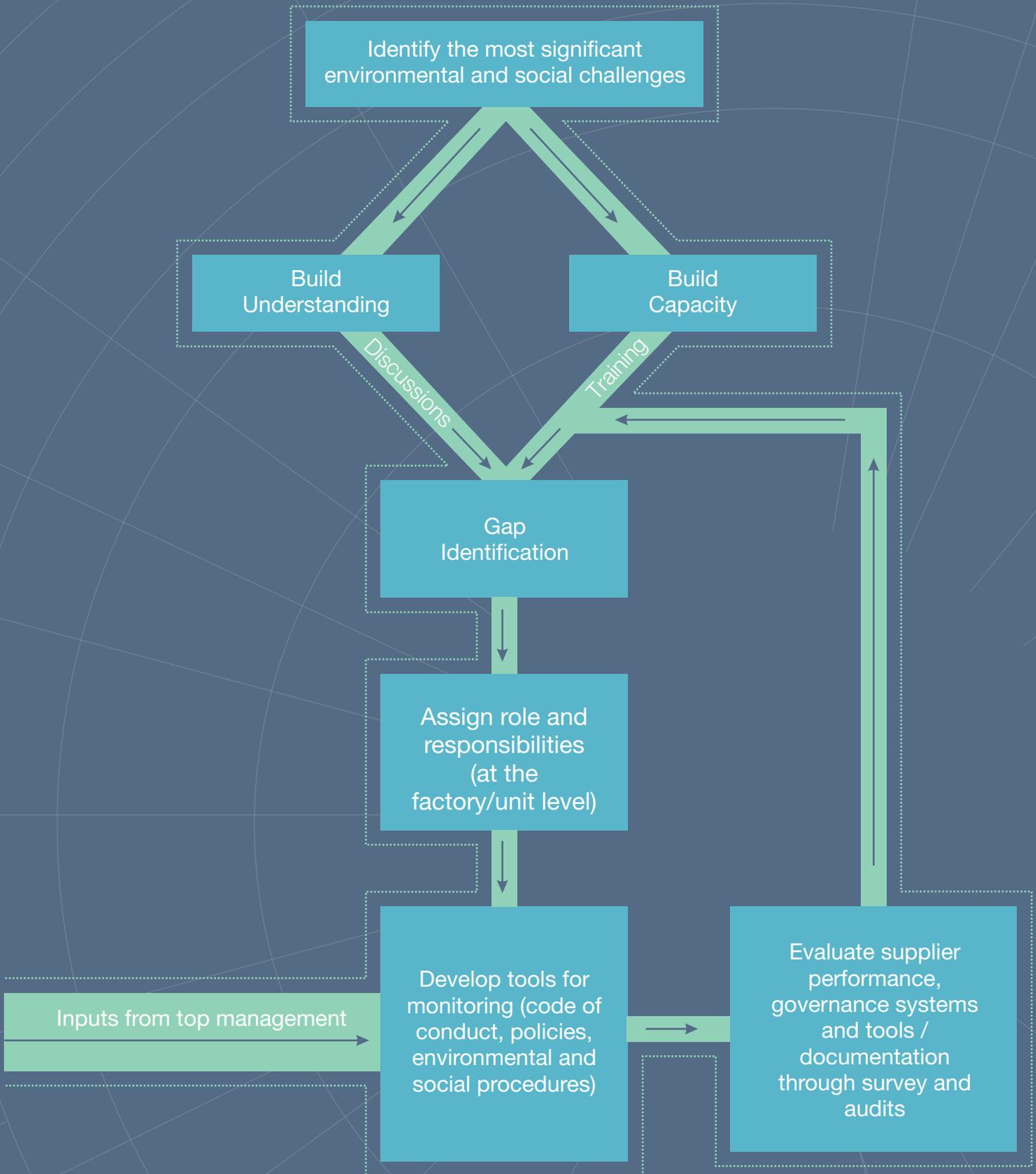
1. Internationalisation of Indian business: Indian businesses supply goods and services to parts of the world where sustainability standards are part of buyer-supplier agreements
2. Globalisation of Indian business: Indian companies become multi-national corporations and are subjected to regimes that mandate sustainability disclosures; stakeholder vigilance and expectations are at par with any other multi-national company
3. Import of global practices: multinationals, already under stakeholder vigilance, bring better practices and improved standards of doing business India
4. Improving domestic standards: Indian regulators and legislators improve domestic standards in response to realization that land, water and air are alarmingly polluted in the country
5. Protecting brand value: companies begin to realise that irrespective of location of hotspot, accountability rests with them, and in the event of crisis their brand value takes the hit

Addressing environmental and social issues in multi-tiered supply chains can be daunting. Suppliers, particularly MSMEs, neither have the ability nor the resources and awareness to follow sustainability practices. They consider any expenditure on improving their sustainability profile as 'cost' and not as 'investment'. Lack of knowledge, human talent and resources make it difficult for MSMEs to implement

environment-friendly technology and socially responsible practices.

Business case for competitive advantage and cost benefits have to be demonstrated to get MSMEs involved. CESD has been using simple examples of return on investments and regulatory requirements to include MSMEs in the drive for responsible business. In addition to the regulatory requirements, some buyers also audit suppliers periodically to check conformance to buyer's own environmental and social standards. Contracts with suppliers include code of conduct and specific environmental and social requirements. Even though the sole motivation for MSMEs is compliance to regulations and cost benefits from environmental initiatives (energy efficiency and waste minimization), they have realised that for continued business from large buyers, they have to embark on their own sustainability journey.

# CESD'S APPROACH TO SUSTAINABLE SUPPLY CHAIN



# MARKS & SPENCER

Collaborating to integrate Corporate Social Responsibility in the supply chain.

## Organization Name

Marks & Spencer

## Sector

Lifestyle and Readymade  
Garment Retailing

## Region/Location

South Asia

## Value Created

Institutionalizing Social responsibility as a core function in 8 large suppliers in the Marks & Spencer Supply chain in the South Asia.

## Overview

Marks & Spencer is recognized as one of the most ethical global retailer. They collaborated with CESD, along with other knowledge partners, to pilot the implementation of ISO 26000 Guidance for Social Responsibility in eight supplier factories across South Asia.

Founded in 1884, M&S has

grown from a single market stall to an international, multi-channel retailer. M&S sells clothes, home products and luxury food products across geographies. Marks & Spencer has established an organisation-wide sustainability framework called Plan A, which is their way to help protect the planet – by sourcing responsibly, reducing waste and helping communities.

## The Challenge

M&S has a robust social compliance programme based on the SMETA methodology. As members of ETI (Ethical Trading Initiative) M&S requires its supply chain to be audited to meet the ETI standards.

Marks and Spencer undertook this program with an objective to enable suppliers to go beyond monitoring, to integrate social and environmental sustainability into their business strategy and to empower the participating

factories to communicate their performance to internal and external stakeholders appropriately.

As part of this project, CESD consulted 8 supplier factories producing for M&S to set up systems on the 7 core issues of ISO 26000 – Organisational Governance, Human rights, Labour practices, environment, fair operating practices, consumer issues and community involvement and development.

The project was piloted in South Asia because M&S has a large supply base in this region and has a long and respectful relation with many of them. The participating factories were from Sri Lanka, India and Bangladesh. CESD visited and consulted all of them as part of the project.

## Our Approach

CESD consulted the M&S supply chain to map out their value chain and in the process identify the

main stakeholders. Engagement with stakeholders led to the participating supplier factories to prioritise the core Social Responsibility issues and helped them design activities based on the feedback of the stakeholders. It was evident that while all the suppliers already had implemented some aspects of social responsibility in their operations, it was not streamlined or aligned with their overall business plan and was also not communicated or reported.

Some of the integral system changes that were implemented as a result of the CESD consultation process were to designate a board member to oversee initiatives related to Social Responsibility (SR) in the organisation and establish of formal employee-management committees related to various aspects of SR.

Based on ISO 26000, manuals, formats, policies, procedures and formal grievance mechanisms were put in place to address the core issues that had been identified. CESD assisted each factory to also define KPIs for SR performance measurement.

### **Impact**

CESD was the first organisation to implement ISO 26000 Guidance for social responsibility in medium scale industries in South Asia.

The impact of this 18-month initiative was to align sustainability and the business operations across chosen suppliers and ingrain social responsibility into their business plan. By doing so, more than 10,000 people working in the 8 factories have benefitted directly by having a good work practices. Additionally about 60,000 people in the

communities in which these 8 businesses are located have benefitted by having improved accesses to health facilities, skill development and education. The ultimate benefit of the ISO 26000 programme has been to enable the 8 participating factories to build their capacity to continue embedding social responsibility into their operations and to appropriately communicate the same to their stakeholders.



# IMPACT

About 60,000 people in the communities have benefitted by having improved accesses to health facilities, skill development and education

Alignment of sustainability and business operations

More than 10,000 people working in the 8 pilot factories benefitted

# HERO MOTOCORP LIMITED

## Greening the supply chain of the world's largest two-wheelers manufacturer

### Organisation Name

Hero MotoCorp Ltd.

### Sector

Automotive (two-wheelers)

### Region/Location

India

### Value Created

Meet HMCL's aspiration of sustainable enterprise including its supply chain partners by creating right balance between business growth, environmental protection and social stability.

De-risking the production system through capacity building and knowledge sharing within the supply chain leading to understanding and implementation of Environment Management Systems.

### Overview

Hero MotoCorp Ltd., based in India, is the world's largest manufacturer of two-wheelers since 2001. The company has four manufacturing facilities across India. It relies on a large number of independent suppliers (vendors) for its requirements of components that go into making of a two-

wheeler. The supply chain is considerably integrated due to which there is a high level of interdependence and scope for cooperation or possibility of conflict between Hero MotoCorp and its suppliers.

Under the Green Vendor Development Programme (GVDP), Environment Improvement Projects were collaboratively identified and individually implemented by 140 certified selected member units of the company's supply chain. This not only resulted in considerable savings in costs due to reduced energy and water consumption, but also led to improved compliance with environmental standards.

### The Challenge

Most of the vendor organisations, which were part of the company's supply chain, were Small and Medium Enterprises (SMEs) and many of them had not invested significantly in any formal Environment Management System. As the production at Hero MotoCorp facilities went up, the vendors also had to step up production. This pushed some of them to ignore norms of

environmental compliance and made them susceptible to punitive action by the Government departments responsible for enforcement of environmental norms. This presented a risk to the regular operations of Hero MotoCorp's plants. The challenge was to effectively balance the increasing demand of the production system and confirm to environmental compliances.

### Our Approach

Hero MotoCorp, with assistance from CESD, launched 'Green Vendor Development Programme (GVDP)' in the year 2007. CESD partnered with Hero MotoCorp for four years, from 2007 to 2011, after which Hero MotoCorp has been successfully managing the programme on its own. The programme aimed to improve the suppliers' environmental performance.

This was a unique programme. Firstly, it relied on one-to-many mentoring, where Hero MotoCorp played the role of a mentor to the suppliers and not of their auditor or a regulator, concerned merely with compliance with environmental standards.

Secondly, it was not just the Hero MotoCorp Environmental group that was involved but it was Materials department that was a lead collaborator. It leveraged its influence over the vendors to facilitate adoption of pre-specified environmental requirements and to undertake environmental initiatives as seriously as following the norms for supplying good quality components.

CESD helped the participating units to identify and implement Environmental Aspect Reduction (EARN) Programme, as part of which, they had to take up projects to bring improvement in six areas (called six pillars) of Water, Energy, Waste Management, Prevention of Pollution, Substitution of Hazardous chemicals and Legal Compliance.

Action plans and investment requirements were finalised for the projects, and the responsibilities were fixed for their successful implementation. Once the projects started getting implemented, the positive impacts on environment were measured and reported along with their respective Return on Investment (RoI). Alongside,

CESD educated and guided the units about the statutory requirements of environmental regulations with the aim of ensuring 100% compliance with environmental regulation.

#### **Our Impact**

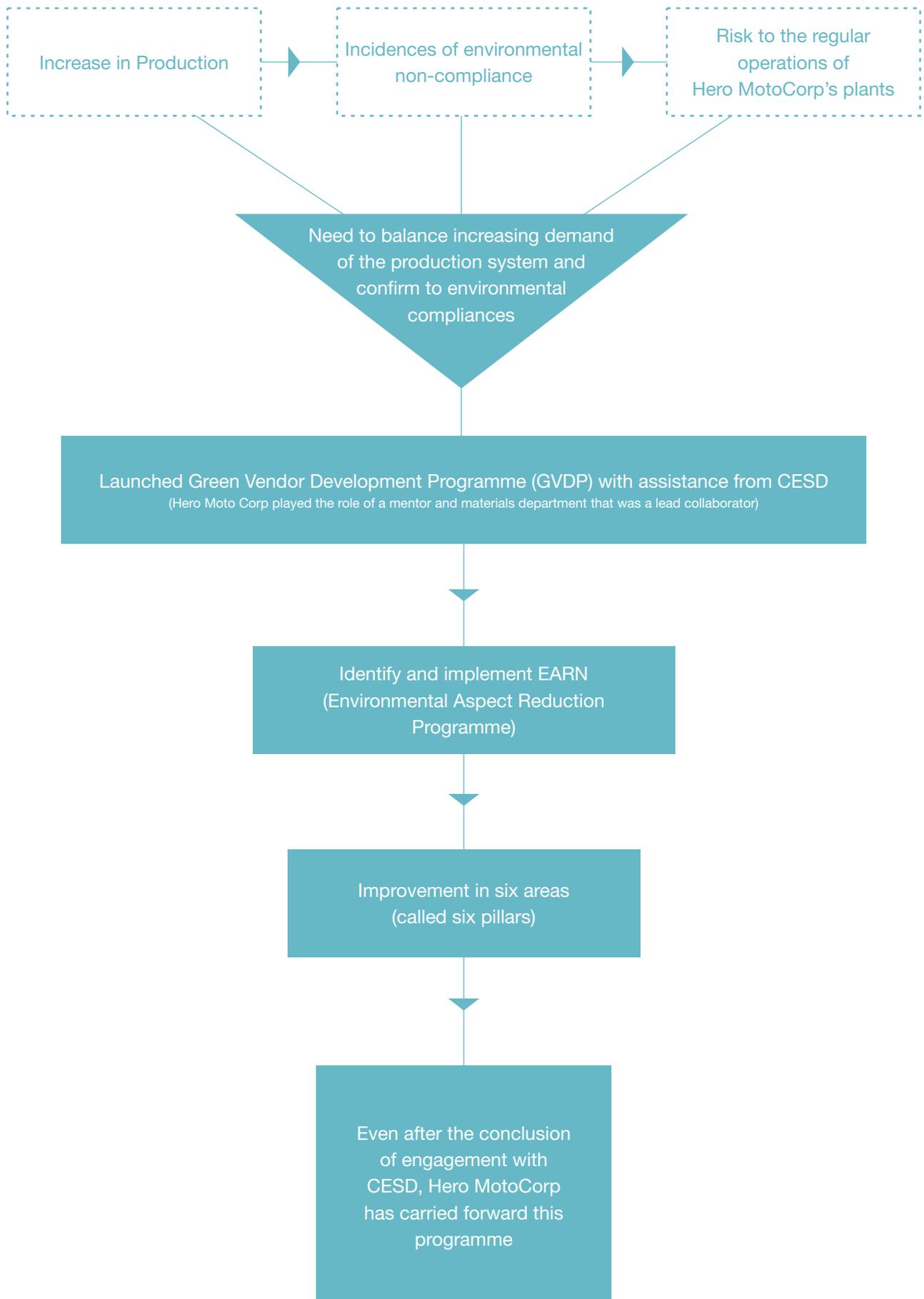
Calculation of the Return on Investment (RoI) for the improved projects enabled CESD to demonstrate tangible benefits to the vendor units, which motivated them to take the environment management projects further. The participating SME companies (and thereby, Hero MotoCorp) got the following benefits from the programme:

- Enhancement of knowledge through open and transparent experience sharing
- Improved understanding of each process
- Change in attitude and approach towards environmental responsibility
- Defined accountability of individuals in the company
- Better energy efficiency and water conservation
- Reduced cost of plant operation

Hero MotoCorp and its suppliers formally committed themselves to a Green Charter and accordingly take a pledge on important occasions. This initiative was linked with World Environment Day which is celebrated on 5th June every year. All the supply chain partners of the company are called to celebrate, present their achievements and receive awards with regards to Green supply.

The programme has been institutionalised and even after the conclusion of engagement with CESD, Hero MotoCorp has carried forward this programme with the help of their in-house teams. There has been a significant improvement in the electrical energy conservation and conservation of water used for production. The association has resulted in a pollution-free working environment, minimization of hazardous/non-hazardous waste and a reduction in noise pollution.

## CASE STUDY



# MANAGING SUSTAINABILITY

**Case Study – Aditya Birla Group (CFI Business)**

**Case Study – Vedanta Resources Plc.**

“ The two big challenges that India – and indeed the world – faces are social inequity and a rapidly degrading environment. Businesses have both the ability and responsibility to reverse this trend by integrating environmental, social and ethical principles into its core operations and processes. This in essence is sustainability. The role for CII-ITC Centre of Excellence for Sustainable Development will only grow as more and more businesses recognise that sustainability is not just good for society and the planet but for their own continuity.”

**Shankar Venkateswaran**  
Chief – Tata Sustainability Group



Sustainability makes sense to business when it is embedded into everything that it does. Just as finance and quality matter, sustainability should matter too. But sustainability wouldn't get embedded if it were treated only as an initiative and not a business imperative.

CESD used Sustainability Management Framework or SMF to help companies embed sustainability. SMF is about institutionalising governance mechanism and assigning responsibility and accountability for sustainability. It puts in place formal processes for stakeholder engagement, grievance resolution and risk mitigation. This improves relations with investors, employees, community, regulators, buyers, suppliers and other stakeholders.

According to CESD, companies face two critical challenges in the process to embed sustainability.

1. Extraction and collation of sustainability performance data from across operations. This is due to lack of understanding among employees at operations, Management Information Systems not capturing sustainability data, poor implementation or lack of policies and procedures to

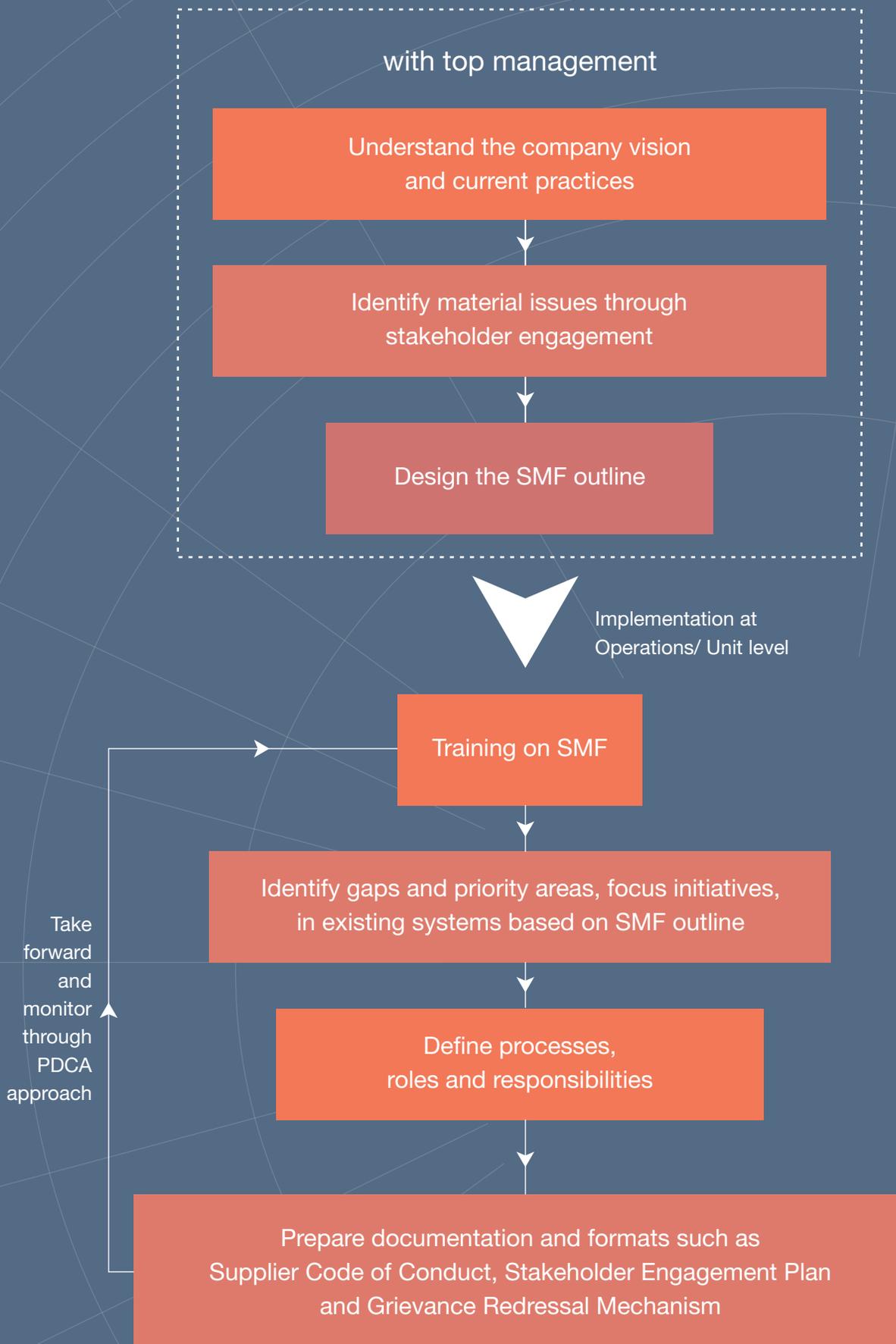
manage sustainability related aspects.

2. Managing sustainability risks. As part of Enterprise Risk Management, companies take into account financial risks and to some extent environmental risks, but social risks are largely disregarded. While most businesses have Integrated Management Systems at operational sites to manage environment, health, safety and quality, other aspects of sustainability such as human rights, and labour practices, do not form part of the Integrated Management System. Therefore, companies need to integrate all-encompassing SMF requirements into their management systems at various operational sites. Site-level stakeholder engagement plan and grievance mechanism allows site specific material issues to be addressed from time to time.

CESD has been helping companies in various sectors to develop Sustainability Management Frameworks. Priorities and action plans for attaining business sustainability is decided by the organisations, based on their stakeholder engagement and material issues identification process. Companies are gradually evolving to use formal, structured processes to identify their material issues and design an SMF to address those issues.

Worldwide industry pioneers are framing their Sustainability Management Frameworks and setting guidelines for their subsidiary companies to manage their risks and opportunities. CESD is assisting these companies to implement their Sustainability Management Frameworks in Indian operations and across their supply chain.

# CESD'S APPROACH TO SUSTAINABILITY MANAGEMENT FRAMEWORK



# SMF PROJECTS: 16

- Aditya Birla Group (CFI Business)
- Bharat Aluminium Company Ltd.
- Hindustan Zinc Limited-Chanderiya
- Hindustan Zinc Limited-Debari
- Hindustan Zinc Limited-Haridwar
- Hindustan Zinc Limited-Pantnagar
- Vedanta Limited-Lanjigarjh

# ADITYA BIRLA GROUP (CFI BUSINESS)

“ We realise that for any company to be successful, interlinking of business objectives with sustainability objectives has become absolutely essential. Integrating sustainable development deep into our businesses is not a one-time phenomenon. It is a dynamic agenda that needs commitment, but we have begun our journey. ”

**Mr. Lalit Naik**  
CFI Business Head,  
Aditya Birla Group



“ By 2017, the Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations, balancing its economic growth with environmental and societal interests. ”

**Mr. Kumar Mangalam Birla**  
Chairman, Aditya Birla Group



### Organisation Name:

Aditya Birla Group (CFI Business)

### Sector

Chemicals Fertilizers and Insulators

### Region/Location

Pan India, Thailand, Germany and China

### Value Created

Sustainability Awareness, Development of Corporate Sustainability roadmap and internal Sustainability Report (Ongoing Project)

### Overview

Aditya Birla Group (ABG) is a Fortune 500 corporation. It has an annual turnover of around US\$ 41 billion and employs a human talent pool of 120,000 employees embracing 42 nationalities. It operates across 14 sectors in 36 countries and over 50 per cent of the Group's revenues flow from its overseas operations.

The Aditya Birla Group has been ranked fourth in the world and first in Asia Pacific in the 'Top Companies for Leaders' study 2011, conducted by Aon Hewitt, Fortune Magazine and RBL (a strategic HR and leadership Advisory firm). The Group has

topped the Nielsen's Corporate Image Monitor 2014-15 and emerged as the number one corporate, the 'Best in Class', for the third consecutive year. The group aims to establish sustainable business practices in all of its businesses by the year 2017.

The Group Sustainability Cell of ABG came up with a "Three Pillar" ABG sustainability framework to deliver on its vision, namely:

- **Responsible Stewardship:** making our operations capable of meeting international standards and expectations.
- **Stakeholder Engagement:** listening to our stakeholders and engaging in a positive dialogue about our operations, products and services across the value chain and understanding which global mega trends and externalities can influence our business success.
- **Future Proofing:** preparing for the effects of external sustainability themes on our future by integrating our response to the opportunities and risks into our strategic business plans.

ABG Group Sustainability Cell has developed the Aditya Birla Sustainability Framework benchmarked to international standards as an integral part of our approach to meet the Sustainability Vision of the Group. The framework will ensure that Group Businesses at all locations have a common reference to create a plan to meet the standards and expectations therein.

In alignment to ABG Sustainability Framework, Chemicals Fertilizers and Insulators (CFI) business has prepared a detailed road map, partnering with Centre of Excellence for Sustainable development (CESD's) and taking inputs, internal and external subject matter experts.

### The Challenge

CFI business is a diversified business group comprising chemicals, fertilisers, insulators businesses located in different regions in India and overseas. While the Group units have been following many sustainability practices, ABG sustainability framework unified these efforts by making sustainability a leadership agenda.

In its journey towards becoming a globally benchmarked organization in sustainability, CFI

business has engaged CESD for two-year assignment to support it, in developing and roll out of CFI sustainability roadmap besides facilitating in stakeholder engagement and risk assessment process covering materiality aspects of individual businesses in the units for preparing a common internal ABG sustainability report for the year 2014-15 as per GRI guidelines.

Other challenge the business faced was the diversity of its products and processes. To overcome this challenge, CFI business decided to develop a common detailed road map.

### **Our Approach**

In order to fast forward the sustainability journey, CESD supported by conducting Workshops for roll out of framework and implementation of roadmap. In the first workshop a common governance structure for all the CFI units was also evolved involving participants from different units. A common dashboard for monitoring deployment was also developed.

In first workshop a common roadmap for CFI business developed by CESD was also formally launched

At the core of CESD's approach was educating the management across all operating units about the benefits of sustainable business practices. Workshops were organised for identifying external stakeholders at the unit level. Internal stakeholder engagements have been conducted to identify the risks in-order to define the materiality analysis to develop the GRI based sustainability report. This is a unique approach whereas middle level and top level managements are involved to identify and material aspects of each unit. An inventory of trigger and action points is being prepared to identify and prioritize the risks. Once the risks were identified and prioritized, questionnaires for the external stakeholders were prepared to capture the material aspects of the stakeholders. GRI G4 data formats have been developed in consultation with the units mapping it to their operations and existing data capturing mechanisms.

### **Our Impact**

CESD has carried out awareness sessions on ABG's vision and sustainability theme along with CFI's sustainability roadmap at all the units in India in the first leg of visits. During the second visit to the units, CESD is now carrying

out risk identification and awareness on GRI G4 data formats at seven units i.e. IGF Jagdishpur, ABCIL Renukoot, ABCIL Rehla, ABNL Veraval, Grasim Vilayat, Grasim Nagda and ABI Rishra & Halol.

As part of its engagement with ABG, CESD has prepared a roadmap for its journey towards Responsible Stewardship and a process for stakeholder engagement. Preparation of sustainability roadmap, setting of targets and benchmarks, identification of the risks and gap analysis along all the performance indicators of sustainability reporting has helped the management in identifying and mitigating various business risk which otherwise might have gone undetected has this exercise not been done. To sum it up CESD is working closely with CFI in its endeavour to become a benchmark organization in its businesses.



# APPROACH

Educate the management

Organise stakeholder engagement workshops

Identify material aspects of each unit

Identify and prioritize the risks

Map GRI G4 data formats with the unit's existing data capturing mechanisms

# IMPACT

Prepared a roadmap for its journey towards Responsible Stewardship

# VEDANTA RESOURCES PLC.

Integration of the Sustainability Framework (aligned to international standards) with the Integrated Management Systems for a global diversified natural resource company.

## Organisation Name

Vedanta Resources PLC

## Sector

Natural resource mining and exploration

## Region/Location

Multinational – India, Zambia, Sri Lanka, Namibia, South Africa, Australia, Ireland and Liberia

## Value Created

Alignment and integration of the Group's sustainability policies and standards (Vedanta Sustainable Development Framework) with the group and subsidiaries companies Integrated Management Systems so as to ensure that all Vedanta's operations follows and benchmark the global best practices.

## Overview of the Company

Vedanta Resources is a London Stock Exchange listed, globally diversified natural resources company with interests in Zinc,

Lead, Silver, Copper, Iron Ore, Aluminium, Power and Oil & Gas. Accountability is a core characteristic of Vedanta's work philosophy, the group's long term business approach seeks to adopt best practices towards fulfilling vital customer needs in a safe and responsible manner.

It directly and indirectly employs over 80,000 people, with a majority drawn from the surrounding communities of each of its operations. It made a community investment of US\$ 42 million this year, reaching around 4 million people and providing support for schools, hospitals, health centres and farmers. The company also contributed US\$4.6 billion to the Exchequer in 2015 through direct and indirect taxes, levies and royalties.

In 2012, Vedanta formulated a Sustainable Development Framework (framework) based on their SD Approach –

Responsible Stewardship, Building Strong Relation, Adding & Sharing value that provides clear, structured guidance to all of its subsidiary businesses to manage their business sustainably.

In 2012, Vedanta formulated a Sustainable Development Framework that provides clear, structured guidance to all of its subsidiary businesses to manage their business sustainably.

## The Challenge

Implementation of the framework meant that the operations had to meet the requirements of technical and management standards defined in the group-wide sustainability framework that had a relatively bigger scope and placed greater demands on the units. The biggest challenge was that the businesses are diverse and locations are remote.

Ensuring that the framework is

followed and managed across all operations and new projects meant engagement and training for each business teams and advancing their existing management systems, already certified to ISO9001, ISO 14001 and OHSAS 18001, to align with Vedanta's Framework. It comprises of a full set of sustainability policies, technical and management standards and supporting guidance notes aligned to international standards like International Finance Corporation, ICMM and OECD guidelines.

The company's approach and commitment to ensuring that the framework is followed and managed across all operations and new projects includes engagement and training for each business teams and advancing their existing management systems that are already certified to ISO 9001, ISO 14001 and OHSAS 18001 to

further align them with Vedanta's Framework.

#### **Approach**

CESD was engaged by some of the Vedanta business units to help them align their existing management systems with the Vedanta's Framework.

The implementation of the Framework meant that CESD as their consultant had two primary tasks - educating the management teams and assisting the units in implementing the framework.

CESD team in consultation with the Vedanta management teams formulated a strategy and not only completed the integration of two management systems but also provided training to the Vedanta management teams to ensure there was a solid understanding of the Framework's requirements. CESD also formulated a checklist based methodology for the

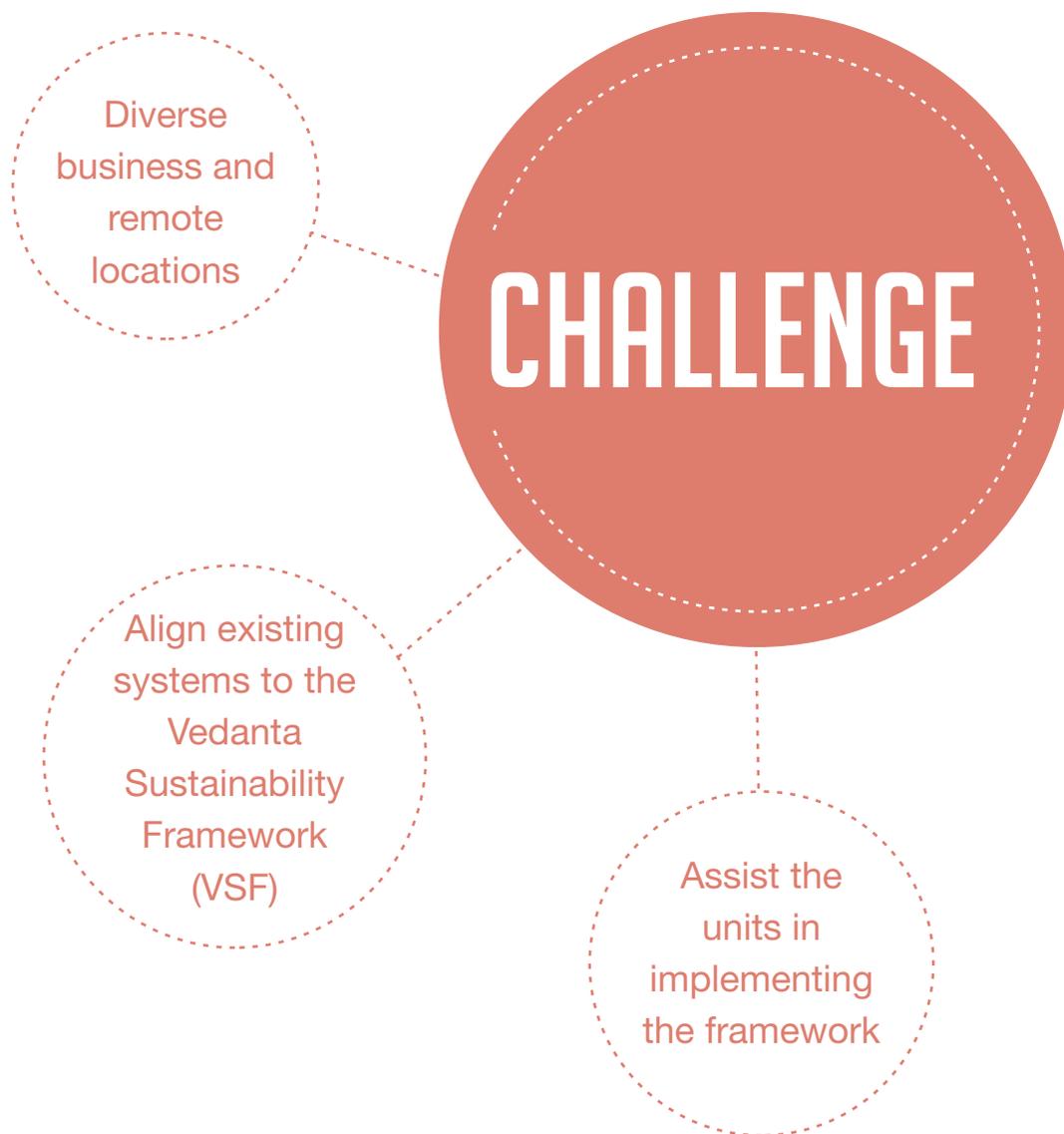
management team to undergo and complete the Vedanta framework requirements.

#### **Our Impact**

CESD was involved and assisted six business units of Vedanta namely – HZL- Debari, HZL- Chanderia, HZL- Pantnagar and HZL- Haridwar, BALCO and Vedanta Ltd. - Lanjigarhin implementing and integrating the framework requirements.

Converting the technical and management requirements of Vedanta's framework into familiar format and integrating them into the integrated management system has made it more simplified for the employees. The Integration of the systems also reduced the redundancy in the documents and records that had to be maintained.

## 149 INTERNAL AUDITORS TRAINED ON VEDANTA SUSTAINABILITY FRAMEWORK & INTEGRATED MANAGEMENT SYSTEM



# APPROACH

Formulated a checklist based methodology

Provided training to the Vedanta management teams

# IMPACT

Six business units implemented and integrated the framework requirements

Reduction in redundancy and duplication of documents and records

Systems simplified for employees

# MACRO INTERVENTIONS

## Global Reporting Initiative

*Position:* GRI Certified training partner

*Since* 2008

*Role:* Trained professionals on Sustainability Reporting as per GRI reporting framework

*Position:* Organizational Stakeholder

*Since* 2008

*Role:* Contributed to Sustainability Reporting and play an important governance role

*Position:* Member, Stakeholder Council

*Since* 2010

*Role:* Advised the GRI board on strategic issues such as recommendations on future policy, business planning and activity

## Accountability, UK

*Position:* Member, AA 1000 Stakeholder Engagement Standard (SES) Drafting Committee

*Since* 2010

*Role:* Contributed in drafting AA 1000 SES

## Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India

*Position:* Secretariat

*Since* 2010

*Role:* Contributed in drafting guidelines for public enterprises on sustainable development

## Ministry of Corporate Affairs, Government of India

*Position:* Secretariat

*Since* 2010

*Role:* Contributed in drafting National Voluntary Guidelines (NVG) on social, environmental and economic responsibilities of business

## Bureau of Indian Standards

*Position:* Member, Environment Management Sectional Committee

*Since* 2008

*Role:* Development of guidelines on green manufacturing practices

Contributed in revision of ISO 14001 standard on environment management

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*Position:* Member, Social Responsibility Sectional Committee

*Since* 2008

*Role:* Contributed in drafting ISO 26000 standard on social responsibility

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*Position:* Member, Occupational Safety & Health and Chemical Hazards Sectional Committee

*Since* 2014

*Role:* Contributed in drafting ISO 45000 standard on occupational health and safety

## National Accreditation Board for Education and Training (NABET), Quality Council of India

*Position:* Certified Training Partner

*Since* 2013

*Role:* Training Lead Auditors for Environment, Health & Safety Management Systems

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## National Safety Council

*Position:* Member, Board of Governors

*Since* 2014

*Role:* Discussion on policy issues related to labor norms, occupation health & safety

## GRI-CERTIFIED TRAINING ON SUSTAINABILITY REPORTING CAPACITY BUILDING



### Training since 2009; 674 professionals trained

GRI (Global Reporting Initiative) is fast becoming the global de-facto standard in sustainability reporting. Since its inception in 1997, nearly 1000 organizations have referenced the guidelines in their sustainability reports. The Centre offers consulting and training services for large as well as small and medium enterprises to guide them on managing their specific sustainability aspects and issues.

#### Objectives of the Training

- Understanding relevance of Sustainability Reporting for Business Continuity
- Understanding the internationally recognized GRI guidelines
- Offering practical tools to ensure the relevance and quality of the report content
- Making sustainability reporting an inclusive process through commitment from internal management and involvement of key stakeholders
- Integrating sustainability reporting into an organisation's existing business model

#### Programmes Offered

- GRI-certified SME training programme: 16 hours
- GRI-certified training for larger companies: 16 hours
- GRI-certified training module – Defining Report Content: 7 hours
- GRI-certified training module – Stakeholder Engagement: 7 hours

## ACCOUNTABILITY CERTIFIED SUSTAINABILITY ASSURANCE PRACTITIONER TRAINING



### Training since 2009; 411 professionals trained

Being one of a kind, the Certified Sustainability Assurance Practitioner Training Course, accredited by AccountAbility, offers a series of AccountAbility certified modules that build expertise in key elements of corporate responsibility. The training is especially useful to companies, practitioners and assurance providers.

#### Objectives of the Training

- To enable practitioners to develop, validate and communicate their competence in a systematic manner.
- To make it easier for organizations to source relevant and credible assurance expertise.
- To improve confidence for those seeking assurance, such as organizations' stakeholders, in the expertise of professionals engaged to assess and pass judgement on their behalf.
- To develop a systematic understanding of key competencies for providing effective assurance, and a basis for informing on this and other standards in the future.

#### Duration: 3 days

## CERTIFIED TRAINING ON DESIGN AND IMPLEMENTATION OF SUSTAINABILITY MANAGEMENT FRAMEWORK

### Training since 2013; 73 professionals trained

Certified Training on Guidance on Social Responsibility provides participants with conceptual and practical guidance for integrating social responsibility into corporate practice as per ISO 26000. It draws on the latest developments regarding the impact of an organization's actions on society and environment.

#### Objectives of the Training

- Provide an understanding of the concept, principles and core subjects of Social Responsibility to enable participants to assess their own organisation against the benchmarks of ISO 26000
- Familiarize with ISO 26000 guidance for integrating social responsibility into core of an organization's business strategy and prepare companies in developing a sustainability management framework
- Acquaintance with CSR Toolkit and other tools for development and effective implementation SR practices within an organization.

**Duration: 3 days**

## NABET ACCREDITED LEAD AUDITOR TRAINING ON ENVIRONMENTAL, OCCUPATIONAL HEALTH & SAFETY (EHS) MANAGEMENT SYSTEMS

### Training since 2013; 419 professionals trained

The programme develops participants understanding of the key concepts and practical tools for implementing and assessing environmental, health and safety management systems, including regulatory requirements, as per ISO 14001: 2004 and OHSAS 18001: 2007.

#### Objectives of the Training

- Provide basic knowledge on assessing and improving the environmental performance, work safety and health in the workplace
- Familiarise participants with respect to various aspects of Environmental, Occupational Health & Safety Management Systems (EHSMS) as per ISO 14001:2004 and OHSAS 18001:2007
- Design and develop EHSMS based on P-D-C-A approach
- Enhance the auditing skills for EHSMS as per ISO 19011:2011 guidelines
- Enable trained professionals to effectively manage the EHS legislation and related issues of their respective organisations

**Duration: 5 days**

“ For the concept of sustainable growth to truly seep into the Indian industry, bringing the public and private sector on the same platform, is imperative. The commitment towards betterment of communities, managing resources efficiently and ensuring environmental integrity, has to be a collaborative pledge. ”

**Ramakrishnan Mukundan**  
MD, Tata Chemicals Ltd.



“ I appreciate the role of ‘CII-ITC Centre of Excellence for Sustainable Development’ for partnering with the entire industry fraternity in providing thought leadership and building awareness amongst Indian enterprises to spearhead initiatives for sustainable growth and business solutions. ”

**Dinesh K. Sarraf**  
CMD, Oil and Natural Gas Corporation





**Confederation of Indian Industry**

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes. CII is a non-government, not-for-profit, industry-led and industry-managed organisation, playing a proactive role in India's development process.

[www.cii.in](http://www.cii.in)



**CII-ITC Centre of Excellence  
for Sustainable Development**

A pioneering effort by CII, the CII-ITC Centre of Excellence for Sustainable Development creates a conducive, enabling environment for Indian businesses to pursue sustainability goals. It creates awareness, promotes thought leadership, and builds capacity to achieve sustainability across a broad spectrum of issues.

[www.sustainabledevelopment.in](http://www.sustainabledevelopment.in)

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