



Confederation of Indian Industry



CII-ITC Centre of Excellence  
for Sustainable Development



CII-ITC  
SUSTAINABILITY  
AWARDS  
2015



EXCELLENCE IN SUSTAINABLE BUSINESS

# Yearbook 2015

## **CII-ITC Sustainability Awards Yearbook 2015**

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# Contents

Year 2015..... 3

Sector Analysis ..... 5

Corporate Governance ..... 8

Business Ethics ..... 11

Risk Management ..... 13

Health and Safety..... 16

Human Rights ..... 20

Stakeholder Engagement ..... 22

Transparency and Disclosure..... 25

Employee Development ..... 27

Supply Chain..... 31

Corporate Social Responsibility ..... 38

Product Sustainability ..... 44

Environment Management..... 47

Biodiversity ..... 53

Endnote..... 55

Annexure 1: Sustainability Business Excellence Model..... 56

The Excellence Model ..... 56

Assessment Criteria..... 56

**Leadership** ..... 56

**Key Resources**..... 57

**Stakeholder Internal** ..... 57

**Stakeholder External**..... 58

**Processes** ..... 58

**Results - Internal Stakeholders** ..... 59

**Results - External Stakeholders**..... 59

**Learning and Innovation** ..... 60

Annexure 2: Award Winners..... 61

## Year 2015

Instituted in 2006, the CII-ITC Sustainability Awards recognise and reward excellence in businesses that are seeking ways to be more sustainable and inclusive in their activities, to support the most significant contributions and encourage the leaders of this revolution. Winners of this Award are those that demonstrate Excellence in Sustainable Business – role models that inspire all business to follow suit. The Awards are a part of continued efforts by the CII-ITC Centre of Excellence for Sustainable Development (CESD) to create awareness on sustainability practices and to create capacity to mainstream them. To us, sustainability is serious business and that is what makes the Awards unique. Applicants must make a serious, companywide commitment to the process – both in terms of their time and money.

The Awards are guided by the Awards Jury and the 2015 cycle kicked off with the first Jury meeting that was held in February. During these meetings the process and timelines for the rest of the year are finalised and any changes are agreed upon. In 2015 one major change in the Awards process was the introduction of the online tool for receiving application and conducting assessments. Additionally, for 2015 only, as CESD was celebrating 10 years, a category 'Sustainable Business of the Decade' was announced - a unique category to celebrate 10 years of the Awards has been introduced "Sustainable Business of the Decade". This recognition was to celebrate a company on its 10 year sustainability journey.

The Jury meeting was followed by the Awards being announced in April inviting applications of intent (Aol) from companies. At this stage companies had to identify which turnover category they fell under and specify which Award category they wanted to apply for through the online tool. Once all the Aols were submitted by the companies, they were given access to the awards questionnaire, the answers to which would be the basis for the desk assessment. To facilitate the process of filling up the awards questionnaire, we organised two webinars for companies in June to help navigate and understand the online tool and the questionnaire. The completed questionnaires were submitted in June and July for Domain Excellence and Corporate Excellence respectively.

During the time that the companies are filling the application document, CESD trained a pool of sustainability assessors that would go on to carry out the desk and site assessment of the applicants. Two Assessor Training Workshops were conducted in April and May for those who wanted to become sustainability assessors. In July, 100 assessors were divided into teams, with each team comprising new and experiences assessors, while ensuring they would be assigned a company not from the sector to which they belonged.

On the questionnaire is submitted by the company, CESD analyses each application to check for any information gaps based on which it is selected for desk assessment. Once CESD finalised the companies that would move on to the next stage, access to their questionnaires was given to the assessment teams. From July-end to August-end the teams assessed the answers on the online tool.

With the desk assessment complete, another Jury meeting was held in the first week of September where each applicant case was discussed in detail. Based on these discussions the Jury decided which of the applicants qualified for the site visits. Following the second Jury meeting, CESD schedules the site visits which were carried out between the last week of September and the first week of November. During the site visits the assessment teams addressed any site visit issues they had identified during the desk assessment as well as

## CII-ITC Sustainability Awards

corroborated the information the company had provided in the awards questionnaire. Based on their findings during the site visits, the teams revised their assessment on the tool and submitted the final results.

A third Jury meeting was held to decide the final winners. This decision was based on the revised assessment results of the assessors.

In 2015 we received 90 Aols from the cement, auto, real estate, energy, refinery, banking, steel, and engineering industries to name a few. Of these, 86 applications qualified for assessment and 26 received recognition.

The Awards Ceremony was held on 15 December in New Delhi with representatives from the winning companies attending. To present the Awards to the 26 winners and 8 assessors were Mr Suresh Prabhu, Union Minister of Railways, Dr R A Mashelkar, Former Jury Chair and President, Global Research Alliance and Ambassador Shyam Saran, Jury Chair and Chairman, Research and Information System for Developing Countries.

## Sector Analysis

### **Metals & Mining**

Corporate social responsibility and environmental impact management are two key focus points of the metals and mining industry. Both the aspects hold equal degree of importance in the gamut of challenges under environment, social and governance issues. Companies undertake various CSR initiatives around their areas of operations by partnering with relevant community organisations or NGOs. Education and skill development, health care and sanitation, child rights and women empowerment and employment generation top the list of causes for mining companies. However, compliance towards the recommended 2% CSR spend as per the Companies Act, 2013 is still not largely visible in the industry. Most of the mining companies follow standards such as ISO 14000, ISO 9000, OHSAS 18000, but do not comply with ISO 26000. Environmental issues include water risks, waste management, energy consumption, and emission reduction. Many projects/sites of mining companies are generally located in less accessible geographical areas requiring deeper extraction with declining ore grades. Such locations can pose more environmental and social threats for the metals and mining industry going forward. Other highlighted issues under governance are corporate governance and transparency and disclosure. Under social risks, health and safety of its workforce and human rights are some of the challenges faced by the industry. It is observed that women workforce in the mining industry is not more than 10% of the total workforce. Product responsibility, financial planning, and biodiversity were found to be aspects that the mining industry has not sufficiently/satisfactorily addressed.

### **Cement**

For a developing economy like India, infrastructure development plays a vital role in its growth. Cement, as an essential commodity for any kind of construction activity, has seen a growing demand over the years. With nearly 390 million tonnes of production capacity, India is the second largest cement producer in the world. The cement industry is one among the highly polluting category of industries and requires consent for establishment and operations under various environmental acts/regulations. Environment management is the most concerning sustainability issue for Indian cement companies. As cement production is extremely energy and emissions-intensive, there are a number of environmental issues such as control of air pollutants, reduction of greenhouse gases (GHG), and control of dust, utilisation of hazardous wastes as alternate fuels and conservation of natural resources. Since the cement industry has localised operations, it takes into consideration the local issues and factors surrounding its operations that largely impact people and environment. It is observed that cement companies are spending more than 2% on CSR as compared to other industries. Engagement with local communities and focused groups help the companies to undertake various social initiatives. Another social aspect that is of concern is occupational health and safety as the industry encounters many fatalities each year. The lowest scoring aspects are biodiversity and supply chain. The companies need to establish a long term biodiversity plan in order to mitigate the impacts created during raw material extraction. From the governance perspective, although the companies have various policies and frameworks in place, it needs to assess and measure their effectiveness.

### **FMCG**

For FMCG industry, environment management has been the main focus followed by other aspects such as CSR, supply chain and risk management. Since FMCG products come in direct or indirect contact with the consumers and eventually end up in the natural environment, companies have to take effective measures to address concerns over product safety,

improvements and reformulations with regards to usage of chemicals and ingredients. GHG emissions, energy consumption and water use have an impact on the overall production and operating costs.

The three lowest scored aspects under the sustainable business framework are transparency and disclosures, health and safety, and stakeholder engagement. Biodiversity is yet again among the lowest scoring aspects. Foreign companies with operations in India tend to have a biodiversity policy at the global level but the implementation of such policies requires the company to understand local operations and conditions.

### **Oil & Gas**

Corporate social responsibility and risk management are the overall top rated aspects for oil and gas industry. Most of the companies have a well-defined CSR policy that highlights their focus areas. However it is observed that companies, across our analysis, do not comply with ISO 26000 standards. For example, Reliance Industries Ltd follows GRI G3.1 guidelines including Oil & Gas sector supplements along with other standards; ONGC follows guidelines of Department of Public Enterprises, schedule 7 of companies' act, 2013, issued by ministry of corporate affairs; and Cairn India follows ISO 14001 and OHSAS 18001. Risk management systems for oil and gas companies play a crucial role in identifying and assessing key financial, business and sustainability related risks. Even though companies formulate an integrated enterprise risk management system, there is no evidence of a process to measure the effectiveness of the risk management framework and risk mitigation plans. From a long-term sustainability perspective, the companies constantly need to evaluate and refine their risk management systems. There is scope for improvement in aspects such as stakeholder engagement, product responsibility and supply chain as they have scored the lowest across the industry. Companies prefer to disclose only the outcomes of various surveys, assessments and engagements. However, the effectiveness and benefits derived are not evidently mentioned and hence leaves a gap in reporting. Under supply chain management, the companies do not have sustainability related targets set out even though sustainability related goals are well described. There is a huge gap in companies' engagement with suppliers as none of the companies have categorically described identification of critical suppliers, supplier-related initiative effectiveness, sustainability performance measurement and disclosures.

### **Real Estate**

Under the sustainable business framework for real estate, the social dimension is scored higher than governance followed by environment. However risk management, which falls under governance, is an aspect where applicants score most. Even though most companies have a comprehensive risk management strategy in place covering financial, business and sustainability-related risks, it is still misunderstood as legal compliance only. Given the nature of the real estate industry, it is prone to fatalities at project sites. Health and safety is scored second most and many companies have a certified health and safety management system in place which is in accordance with OHSAS 18000 standards. Employee development is another core focus of real estate companies with a well-defined and structured employee development program covering all categories of employees. Under environment management aspect, climate change and energy efficiency are important for real estate industry as buildings are responsible for GHG emissions. The companies are aiming to or are in the process of developing green buildings in order to reduce their eco footprint. Low energy buildings using innovative materials have less energy consumption thereby benefitting consumers. The aspects which received the lowest scores are CSR, human rights, biodiversity and supply chain. Even though companies have CSR policies in place, they do not adhere to ISO 26000 standards. Due diligence on

human rights risks to be conducted by companies in its operations is still not prevalent in the industry. Percentage of women workforce in real estate industry is not more than 18%. In case of biodiversity, companies tend to have long-term biodiversity management plan, yet they do not have a formal policy in place. Under supply chain management, companies are not conducting any formal trainings to sensitize its staff at various supply chain stages to integrate sustainability into their practices. In most cases code of conduct for suppliers is applicable to tier-1 suppliers and vendors whereas tier-2 and tier-3 suppliers are not covered. In addition to environmental issues, social responsibility and social integration are also gaining focus in this industry and companies are increasing community engagement and investments in their project areas.

**Automobile:** Intense competition, over-capacities and high R&D costs are current key challenges of automobile industry. Auto components and equipment segment of the industry consistently need to deliver products with improved reliability, efficiency and contribution to the automobile's fuel efficiency performance. Supply chain management has grown in importance in order to improve efficiency not just from an operating costs reduction and inventory level management perspective, but also by focusing on improved customer services and speed of product delivery to the market. Indian automobile companies have a code of conduct policy for suppliers mainly covering tier-1 suppliers. In most cases tier-2 and tier-3 suppliers are not covered by the policy. Whistle-blowing mechanism is not adhered to through a policy or process, but companies mostly expect the suppliers to raise issues through a public affairs team or stakeholder relations team. Capacity building programs at vendor and distributor level is implemented by companies and training employees on sustainable supply chain is gaining momentum. Environment is another challenge for the automotive industry as the regulatory environment is getting stricter on greenhouse gas emissions and air pollutants. Companies incur high R&D costs to improve fuel efficiency and lower the carbon intensity of their product portfolios by introducing alternatives such as electric motors. Society engagement through various CSR initiatives is visible in the industry with 2% CSR spend by companies.



## Corporate Governance

Corporate governance involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, governments and communities. It is the system of rules, practices and processes by which a company is directed and controlled.

**Hindustan Zinc Limited (HZL)** has a board-level sustainability committee. It has implemented Vedanta Sustainability Framework starting from Vedanta Board, board appointed committee (Vedanta Sustainability Committee and Executive Committee) to Business Management Group (at HZL Company level) to sustainability review meeting/operation review (at site level).



With a three-tier sustainability structure in place, HZL has designed the sustainability framework to ensure that it remains a stakeholder driven process; aligned with international standards and industry best practices; integrates social and environmental aspects of sustainable business; zero harm to people, host communities and environment.

The framework provides a structured guidance and training to all the units on how to manage business sustainably. Vedanta Sustainability Assurance Programme (VASP), a sustainability risk assurance tool, is utilised to set key sustainability targets, identify gaps, compliance assessments and audits. Sustainability performance is assured on an annual basis by the corporate teams.

**ACC Limited (ACC)** has structured corporate governance policies on four aspects. The company has various committees to monitor and review legal and regulatory issues and ensure compliance.



ACC's Audit committee, which acts as a link between statutory auditors and the Board of Directors, assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the company's established systems and processes for internal financial controls, governance and reviewing the company's statutory and internal audit activities. The committee has a self-assessment process.

**HZL's** board level Audit Committee is headed by Mr. AR Narayanasamy as the Chairman. The committee meets on a regular basis. The company has systems and procedures in place to ensure that the audit committee mandatorily reviews financial condition and business operations results; internal audit reports and processes; management letters and letters of internal control; appointment, removal and terms of remuneration of the internal auditors.



Nomination and Remuneration Committee, at both **ACC and HZL**, function primarily to identify and select candidates for appointment as directors, independent directors, key managerial personnel and other senior management positions and their succession planning. The committee formulates and reviews policies for such selection and appointment and also reviews the performance of directors and senior management employees based on criteria approved by the Board. It also reviews the overall remuneration of the Board of Directors and senior management. High level KRA relating to sustainability would also be considered in this respect wherever applicable.

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As mentioned HZL has a 3-tier governance structure for reviewing sustainability performance. There are 12 elements on which audits are conducted on annual basis.



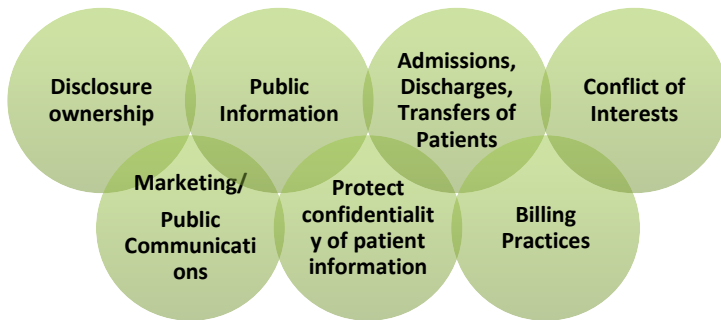
**JSW Energy** reviews its sustainable performance periodically by various nominated committees. The company schedules daily, weekly and monthly meeting within all the HODs and units to review the performance, identify issues and take corrective measures to improve sustainability performance.

**ACC** has a Sustainable Development Council (SDC) headed by the CEO and MD, which is responsible for implementing sustainability agenda within the organisation. The core group from the council provides support to coordinate and advice on target setting and reporting. Certain sustainable development parameters like safety, CO<sub>2</sub> emissions, water, energy, CSR are reviewed in the board meetings, as and when required. Some sustainability issues such as CSR, compliance etc. are also reviewed in their respective committees (CSR Committee, Compliance Committee etc.).

Both ACC and HZL have a policy to avoid any conflict of interest at the board level. JSW does not have any policy on conflict of interest but it holds discussion on the same. JSW has a policy on rotation of auditors/firm once every five years, whereas ACC and HZL do not have any such policy in place.

## Business Ethics

Business ethics are implemented in order to ensure that a certain required level of trust exists between consumers and various forms of market participants with businesses. It includes business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility and fiduciary responsibilities.



**Apollo Gleneagles Hospital** has an Ethics Committee looking into various ethical matters of the organisation. Key elements of business ethics for Apollo Hospital primarily focus on dealings with patients and the community. As part of its ownership disclosure, it is stated that no staff/physician in the organisation owns any entity/resource/medical technology in the hospital either wholly or partially. For marketing and public communications, the hospital will not conduct or disclose misleading or inaccurate information, carryout marketing activities or any other communications with the general public or governmental entities. All laws relating to regulatory disclosure of information shall be followed. The hospital has transparent disclosures on its website regarding its services, marketing materials, in-patient admission desk and out-patient reception. The hospital protects confidentiality regarding patient information. Hospital policies and procedures regarding admission, discharge and transfer of patients are ethical and as per the lawful rights of patients. Detailed billing policies and procedures are maintained by the hospital's billing department. Purchasing and procurement regulations are followed for acquisition of equipment, supplies, contractual services, and other expenditures. There is transparency in reporting the organisational and clinical performance measures.

### Code of Conduct for Staff and Physicians' based on broad fundamentals

- **Conduct Hospital Business with honesty and integrity and in professional manner**
- **Build relationships with patient, staffs, vendors and visitors based on trust and treat every individual with respect and dignity**
- **Become familiar with and comply with hospital policies and procedures**
- **Avoid any activities which are unlawful or harm hospital's reputation**
- **Avoid actual or potential conflicts of interest**
- **Provide accurate and reliable information in records submission**
- **Promptly report any violations of law or Hospitals policies**

## CII-ITC Sustainability Awards

The hospital adheres to the Access to Care and Continuity of Care policies to reduce disparities in health care access and clinical outcomes. It also has a conflict resolving mechanism for patients, staff and physicians to address issues.

At **HZL**, all the executives are trained annually on the company's Business Ethics and Code of Conduct.



The ethics committee at HZL identifies the issues based on the learning's and shares it with all the employees. Code of Conduct is also communicated to contractors and displayed at all prominent places to encourage more people to utilise the whistle blower system.

## Risk Management

Risk management is the identification, assessment and prioritisation of risks, and then deployment of resources to mitigate them or their impacts. It involves growth in recognition of 'sustainability' risks, mainstreaming them in enterprise risk management, and valuation of non-tangible risks.



**Mahindra Lifespace Developers (Mahindra), Rourkela Steel Plant, SAIL (RSP) and JSW Energy (JSW)** have a comprehensive risk management framework covering three aspects.

**Mahindra** classifies risks under various categories and for each project risks are identified through a bottom-up approach. Focus areas for project risks are operations, finance, sales/marketing and human resource.

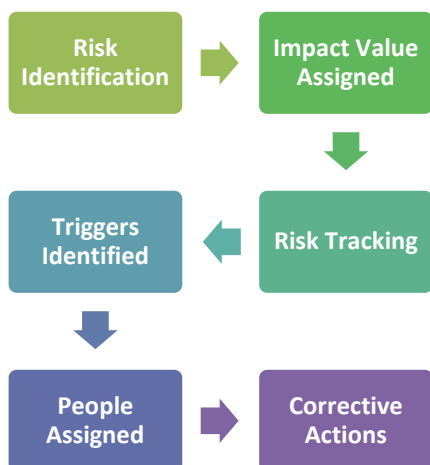


Sustainability risks, an integral part of the enterprise wide risk management at **Mahindra**, are assessed by quantifying the impact. This helps in identification and classification of risks at internal as well as external levels across projects, function or processes.

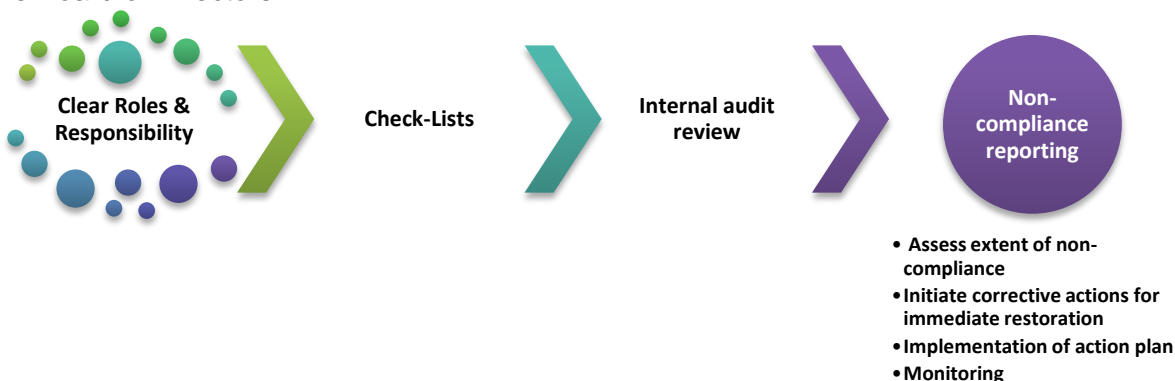
Post identification and aggregation of risks at project level, appropriate values for probability and impact are assigned to each risk. Each risk is then tracked on a defined measure to have a finite mitigation/management plan. Triggers are agreed and responsible persons are assigned and empowered to take agreed corrective/escalation action. A review of identified risks at project level is done by the regional manager every month and related MIS is shared with the team.

Enhancing sustainability initiatives has been identified a strategic priority for the company. A detailed priority matrix has been derived to come up with sustainability agenda covering People, Planet and Profit including the opportunities identified in areas of sustainability.

## CII-ITC Sustainability Awards



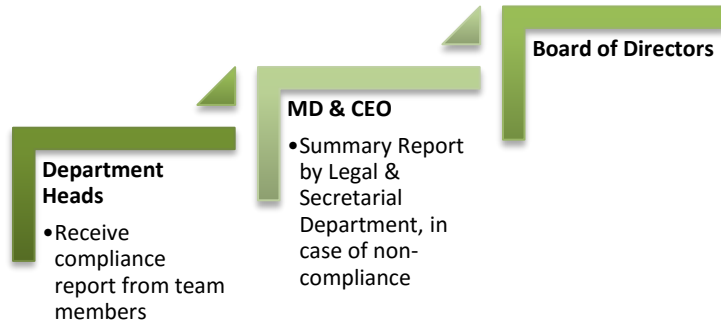
**RSP** undertakes a Risk Control Self-Assessment (RCSA) workshop whereby the senior management team identifies strategic risks to the company. In 2012, RCSA workshop was held with 59 executive's participation. The Risk Management Committee identified 23 risks for preparing the mitigation plan, out of which 20 risks have been mitigated. Mitigation plan for 3 risks is still in progress. Risk Mitigation plans were made for the high impact/red risks, the status of which is reviewed every quarter by the Risk Management Committee (RMC) headed by the CEO. Risk reporting is done on a quarterly basis to the Chief Risk Officer, SAIL and after compiling the Risk Management Reports of all the SAIL plants/units, the same is presented to the Board of Directors.



**JSW** has plans to implement a Governance Risk Control module by automating the escalation, tracking and monitoring of risks. Currently it uses a risk register. As part of compliance process with regards to regulation, JSW ensures compliance through various steps. In case of any non-compliance, the company tries to measure the extent and initiates corrective actions for immediate restoration. Where the corrective actions need more time, action plans for restoration are formulated in consultation with the authority. Implementation of action plan is closely monitored for ensuring the compliance.

**Mahindra** has an online tracking system for financial and environmental compliance project-wise. The company has structured reporting formats for non-compliances, legal notices, pending litigations etc., which are shared across project locations, various functions or departments. All the department heads receive quarterly compliance reports like rules, regulations, statutory compliance from their team members. These reports are presented to the MD and CEO and which are then forwarded to the Board of Directors. In case of any non-

compliance, immediate action plans are formulated by the department heads and simultaneously a summary report is prepared by the Legal and Secretarial Department. This summary report is then presented to the MD and CEO, which is then forwarded to the Board of Directors.



**RSP** has many departments responsible for implementing the practices and processes for ensuring legal compliances and initiating actions. The company has a Safety Engineering Department (SED) that monitors, verifies and evaluates the compliance with legal and other requirement regarding factory act and safety related issues in various departments at an interval of three months. There is a committee consisting of departmental safety officer/OH&S taskforce member and area safety officer which reviews various statutory records maintained by different sections/departments to evaluate compliance and presents the outcome of the evaluation to HOD of concerned department and Head of Safety in a report once in three months. In case of any non-compliance, corrective and preventive actions are taken within a reasonable period of time and communicated to HOD (Safety). Progress of the action plans is monitored by Head of SED.

In order to measure the effectiveness of risk management in terms of potential severity and probability of occurrence, **Mahindra** undertakes a comprehensive risk assessment by quantifying the impact of risks. Project-level risks are reviewed by regional managers on a monthly basis and presented to the top management during quarterly reviews. Mystery risk audits are conducted across locations and the operational scope of the Internal Audit Task Force also includes Risk Management.

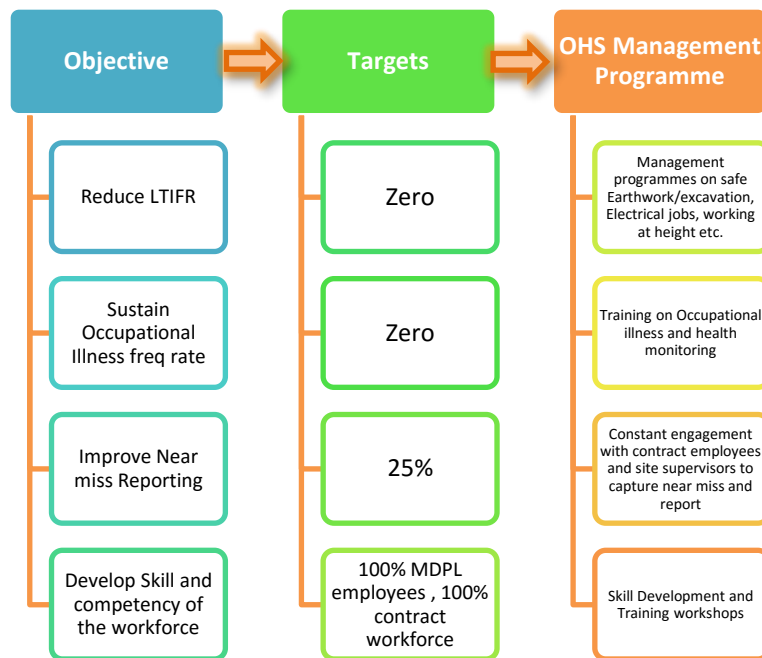


## Health and Safety

Ensuring health and safety requires anticipating, evaluating and controlling of hazards arising in or from the workplace that could impair the health and well-being of workers, taking into account the possible impact on the surrounding communities and the general environment.

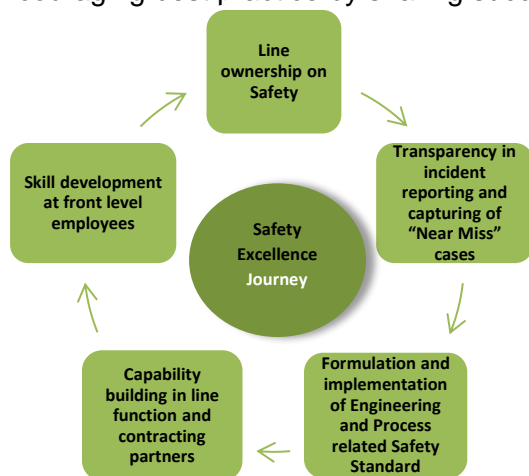
**Ultratech Cement Ltd. (UCL), Hindustan Zinc Ltd. (HZL) and Mantri Developers Pvt. Ltd. (MDPL)** have a health and safety policy, which is certified in accordance with OHSAS 18001 standards. Along with OHSAS 18001, **HZL** also has sustainability framework aligned with International Finance Corporation (IFC), International Council on Mining and Metals (ICMM), United Nations Global Compact (UNGC) principles, standards and guidelines. The company also have management and technical standard which are implemented at all the locations.

**MDPL** has a process of 'Hazard Identification and Risks Assessment (HIRA)' under the OHSAS 18001-2007 management system. Through regular trainings, workshops and HIRA reviews, the employees at project sites are trained and updated on the safety systems. Safety performance is reviewed quarterly. The company formulates strategies and sets safety performance targets for the following year. After including in the annual business plans, these targets are communicated to all the concerned employees. Few examples of the objectives, targets and the corresponding management plan.



**Ultratech** also has a HIRA document for all sites to identify, evaluate and mitigate risks relating to health and safety. The company follows Severity, Occurrence and Detection (SOD) analysis for all routine and non-routine tasks. Based on that suitable control measures are designed and deployed to manage the risk. The company also has a centralised safety website (U-Links) to share standards, guidelines, current updates with focus on various safety themes and best practices. For regular communications, the company has daily incident reports, monthly summary reports, safety board communication, and quarterly safety bulletin. This helps the

company is building safety capability among employees, improving their knowledge of safety and encouraging best practice by sharing successes and failures.



**Ultratech's** efforts in 'Safety Excellence Journey' had a positive impact on the overall business process. Loss Time Frequency Rate has improved from 1.45 in FY11-12 to 0.52 in FY14-15 and number of fatalities has come down to 0 in FY14-15 from 11 in FY11-12.

The company has a Safety Board headed by Business Director as its chairman and all vertical heads as its members. This apex safety committee also has six sub-committees on different aspects of safety. Each committee functions strategically to formulate safety strategies, get approval from the board, and release for business wise implementation. The Safety Board has released 32 safety standards, 15 procedures and 11 guidelines to ensure uniform safety system implementation across the sites.



**HZL** has a framework which, along with Vedanta Sustainability Assurance Programme (VSAP), that helps in creating and reinforcing health and safety management systems in the organisation. There is a formal process for HIRA and control to effectively manage workplace and safety hazards across the units. This process is known as risk management and involves four steps. By identifying hazards, the company tries to find out what could cause harm. Risk assessment is done to understand the nature of the harm that could be caused by the hazard, how serious the harm could be and the likelihood of it happening. The company then implements the most effective control measure that is reasonably practicable in the circumstances. Control measures are reviewed to ensure they are working as planned and audited as per the VSAP process.

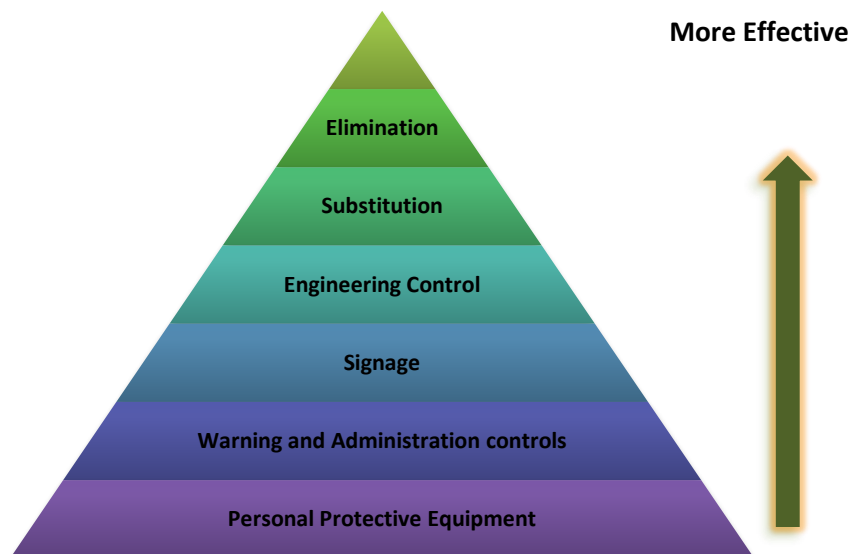
Health and safety is a mandatory module in HR training programme and health and safety outcomes/performance are linked directly to appraisal to further emphasise its importance, as with other sustainability objectives. The company records all injuries and information related to the lost time injury frequency rate (LTIFR), fatalities and key health issues are monitored and reviewed by the senior management of the company.

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HZL has partnered with DuPont in order to achieve 'zero harm' workplace for employees. The company also conducts safety perception surveys and based on the results action planning workshops are conducted. High risks are identified and Standard Operating Procedures (SOPs) developed along with the implementation plan. Standards are developed for fatality prevention elements. Hazard identification is also done through root causes from past incidents, near miss reported by employees, work area inspection, contractor field safety audits etc. Risk assessment based on the risk matrix and identification of control measures to minimise the risk procedure is in place. There is also a sub-committee for process safety management responsible for implementing process safety by conducting risk assessment for existing system and implementation of recommendations of assessment. The company conducts pre-employment and periodic medical examination of employee and ensure for contract employee to monitor occupational health status.

HZL conducts regular trainings and awareness sessions for employees and contract workers to increase knowledge and competencies regarding safe working practices. For promoting safety and motivating the employees the company undertakes various activities like safety week celebration, safety alert, rewarding safety conscious employees, linking safety performance with individual's career growth, etc. The company has a safety interaction tool developed for interactive discussions, demonstrations and sharing information. Other initiatives undertaken by the company are Safety Stand Down protocol, safety action meetings, contractor field safety audit and safety mascot, in order to reinforce health and safety management systems. Through various systematic programmes and initiatives, the company has managed to reduce LTIFR by 72% during the span of 6 years.

**MDLP** has identified 44 main activities and 283 hazards related to identify activities in HIRA process. Work at height is ranked as one of the most unacceptable risks. At all sites the safety activities are monitored at project level by health and safety coordinators for various control measures. Control measures hierarchy in HIRA as per the degree of effectiveness. Review of HIRA is done on annual basis by PMO-IMS co-ordinating with site safety coordinators and findings are reported to management for their feedback and approval. The company also conducts health safety audits through external agencies.



The company has adopted various methods to communicate safety related best practices with employees. Training programmes, notice boards communication, pictorial displays, screening safety films, celebrating National Safety Day are some of the initiatives undertaken by the company. The company's safety performance has reflected in a marked improvement by implementing the risk reducing measures. The LTIFR for the contractors have shown a marked reduction from 0.16 in FY 2011-12 to 0.01 in the financial year 2014-15 which is a 93 % reduction in 3 years. Similarly there was one contractor fatality in the year 2011-12 and since then there have been no fatality for the contractors till date.

## Human Rights

Human rights are rights inherent to all human beings, irrespective of nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. Everyone is equally entitled to their human rights without discrimination. These rights are all interrelated, interdependent and indivisible.



According to **HZL**, the human rights related risk may occur primarily in their supply chain. The company conducts induction programmes of all the new suppliers and contractors on the company's code of conduct, sustainability policies, standards and systems. There is also a sustainability screening of the suppliers and contractors on human rights and child labour, environment and labour aspects etc. The company conducts inspections and audits of all the key suppliers and contractors and any issues identified are recorded and communicated.

As a part of the internal control system, HZL has multi-level audits. In addition to the annual audit by Vedanta Group (Vedanta Sustainability Assurance Programme), the company has a procedure for regular audits along with clear allocation of responsibilities and accountability for implementation of learning. The company also recognises unions for employee developments, remuneration and grievance redressal. Human rights screening forms an integral part of Environmental and Social Impact Assessments and Sustainable Development Framework.

Under the leadership of the Vedanta Sustainability Committee, internal due diligence according to the UN Guiding Principles on Human Rights for all Vedanta operations is carried out. This included risk assessments to identify potential human rights, child and forced labour-related risks within our boundary, communities and supply chain.

**Vedanta** supports collective bargaining and its other businesses like BALCO, HZL, Vedanta Ltd., copper mines of Tasmania and Zinc International, recognise unions, while other businesses have adequate systems for employee development, remuneration and grievance redressal. The company also imparts 24,000 man hours of training in Code of Business Conduct and ethics including human rights to all the employees and contract workforce.

**ONGC, Hazira** has a comprehensive Human Rights Policy, periodically reviewed by the top management. The company's HR policy focuses on 4 key areas. The company hires the best

available talent in various disciplines through a rigorous selection process. It also visits the campuses of leading educational institutions to head hunt the critical talent based on its requirements. Training and development of human resources is another priority area. The training infrastructure comprises of ONGC Academy located at the Headquarters in Dehradun as well as Regional Training Institutes (RTIs) at other locations.



Apart from regular in-house training programmes, various management development programmes are organised in association with various management institutes of the country to keep the executives updated with latest management philosophies and concepts. Other HR initiatives like mentoring and coaching to nurture and groom fresh talent who join the company and Assessment Development Centre (ADC) to test the managerial faculties of the experienced lot and prepare them to assume higher responsibilities in the future are also undertaken on periodic basis.

**JSW Steel's** human rights policy's guidelines and code of conduct are in accordance with UN Declaration on Human Rights as well as the ILO (International Labour Organisation) Conventions. The policies address human rights issues across the supply chain. JSW Steel provides awareness to its employees and sensitises them on the subject right from the time of joining. Further, separate training is organised for security personnel on aspects related to human rights and dealing with people under different situations. Also, while placing orders or signing new contracts the company has instituted a system of including human rights related clauses in the purchase orders. The vendor registration forms also communicate the duties of suppliers and vendors to ensure upholding the human rights in their respective operations. In order to ensure the workers get paid as per the actual hours worked, and minimise any discrepancies while capturing the time spent, the company has initiated the real-time tracking of hours of work for both permanent as well as contractual staff. This is to ensure their wages are as per the contractual terms and within the purview of the law. JSW Steel also follows a structured approach towards evaluating and disclosing information related to assessment of significant business partners (suppliers and vendors) including human rights compliance based on the SA 8000 framework. (SA 8000 certification is planned during this fiscal) 42 people have been trained and they are certified holders in approaching human rights issues.

## Stakeholder Engagement

Stakeholder is an individual or group who affects/or could be affected by an organisation's activities, products or services and associated performance. Stakeholder Engagement is a commitment to inclusivity which means giving stakeholders the right to be heard and accepting the obligation to account to them.

**Mantri Developers (MDLP), Tata Housing Development Company (THDC) and Apollo Gleneagles Hospital (Apollo Hospital)** have a well-defined approach for identification and selection of stakeholders with whom the organisations engage. All the three companies conduct a yearly satisfaction survey for employees as well as customers.

At MDLP, Project Management Office is responsible for stakeholder engagement at the group level.

Stakeholders	Engagement Benefits	Frequency
<ul style="list-style-type: none"> <li>•Employees</li> <li>•Customers</li> <li>•Investors</li> <li>•Government/Regulator</li> <li>•Others (Suppliers &amp; vendors)</li> </ul>	<ul style="list-style-type: none"> <li>•Improved productivity</li> <li>•Improved satisfaction</li> <li>•Profits &amp; Brand Image</li> <li>•Timely Approvals</li> <li>•Economic benefits &amp; knowledge sharing</li> </ul>	<ul style="list-style-type: none"> <li>•Annual</li> <li>•Annual</li> <li>•Project to project based</li> <li>•As per requirement</li> <li>•Annual and As per requirement</li> </ul>

Employee engagement helps the company in improving employee productivity, satisfied workforce, resulting in lower attrition rate. The company internally communicates with employees through meetings and conducts surveys as well. Employee satisfaction score (ESS) is evaluated which provides information and data to develop action plans on improvements. Customer engagement increases satisfaction levels of customers, helps the company in building a brand image and positive referrals. Through meetings and surveys the company is able to engage with customers as well as investors. Investor engagements benefit the company in building its brand and subsequently affect the profits. Engaging with government/regulators can help the company in timely approvals, building relationships and knowledge sharing. Engaging with suppliers and vendors helps in bringing clarity on company's ethical working and understanding sustainability initiatives.

**THDC** is a matrix organisation where the Project Heads are responsible for overall stakeholder engagement at project level and Functional Heads are in-charge of stakeholder engagement at corporate level. Head of Business Excellence is responsible for the overall stakeholder engagement of the company. The company has a recruitment process, SAP ESS, intranet rewards and recognition process through review forums, MD and CEOs dialogue, town hall meetings etc. to engage with employees. Various methods used for customer engagement are media, press, call centres, brochures, meetings, exhibitions, project websites etc. Community engagement helps in enhancing employability, improvement in health and sanitation facilities, infrastructural and educational development. The company is able to build a supportive environment around its business operations. The company conducts quarterly meetings with key representatives of the community such as Gram Pradhan, Sarpanch, Corporators, and NGOs etc. The benefit of engaging with government/regulators is that it helps in faster approvals. Project heads at corporate level interact with various bodies like CII, FICCI, WWF, etc. Annually meetings are held with NGOs in order to leverage their competencies and create

synergies by understanding their reach in the community. Media engagement helps in disseminating company information and enhancing brand image.

<b>Employee</b>	<b>Benefits: Conducive work environment</b>
	<b>Frequency: Once a Year</b>
	<b>Outcome: Motivated and engaged workforce</b>
<b>Customer</b>	<b>Benefits: Satisfied customers and value for money</b>
	<b>Frequency: Once a year or as per customer visit plan</b>
	<b>Outcome: Increased sales order booking</b>
<b>Community</b>	<b>Benefits: Employment, Education, Infrastructure Development</b>
	<b>Frequency: Once a year</b>
	<b>Outcome: Supportive environment, smooth implementation of projects</b>

**Apollo Hospital's** senior manager of human resource department is responsible for stakeholder engagement at group level. Employee engagement has helped in increasing the employee involvement with the company on a personal level. Employee productivity and attendance has increased. The company has an employee engagement calendar with the HR department with monthly meetings and as and when required. The company conducts various programmes like medication management week, infection control week, fire safety weeks. Children and women related events are also conducted. Local festivals and institution's foundation day are also celebrated. All such initiatives have helped in increasing employee satisfaction results and lowering attrition rate.



Customer engagement happens on a daily basis. Special initiatives for camps and out-reach programmes are drafted for all patients. Apollo involves patients in disease centric discussion.



## CII-ITC Sustainability Awards

There is regular educational camps/seminar organised both inside as well as outside the Institutes. Patients are involved in all decision taken as part of their care plans.

The company aims at building a good investor relationship through regular engagements. Annual meetings for investors are also drafted and implemented. Investors are also given hospital orientation, hospital guide books and extensive hospital tours in order to maintain a healthy relationship.

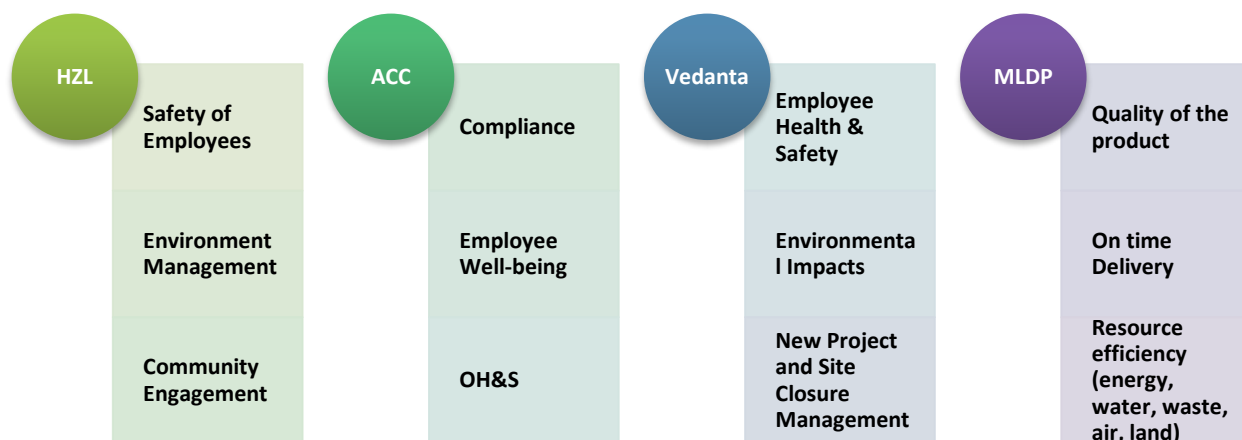
## Transparency and Disclosure

How transparent an organisation is, is the extent to which stakeholders have ready access to any required financial and non-financial information about a company such as price levels, market depth, audited financial reports, environmental and social performance. Today, there are increasingly mandatory disclosure requirements by buyers, regulators, and markets.

**ACC Ltd. (ACC), Vedanta Ltd., and Mahindra Lifespace Developers (MLDP)** publish a separate sustainability report whereas **Hindustan Zinc (HZL)** publishes sustainability related issues in a separate section in the annual report. All four companies conduct materiality analysis to identify the most relevant sustainability aspects. The sustainability report is audited by external assurance providers in line with international standards (such as AA1000 and ISAE 3000).

HZL, ACC, Vedanta and MLDP's sustainability is in accordance with GRI Guidelines, SEBI guidelines on business responsibility reporting. However HZL's additional aspects related to sustainability are reported through Carbon Disclosure Project, UNGC communication of progress and FIMI communication on Principles (Sustainability Mining Initiative).

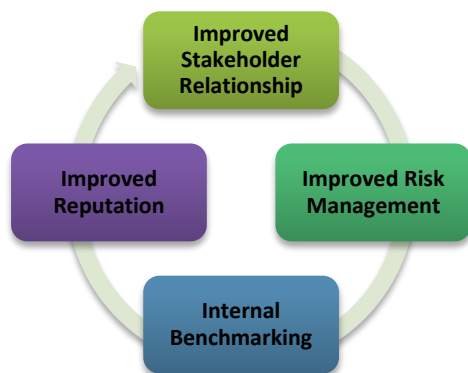
### Top three aspects identified by the organisations' through materiality analysis



In order to ensure accuracy, transparency and adequacy, HZL issues formal corporate communications after senior managements reviews the information. Quarterly financial statements are released along with a detailed press note/release explaining. The company issues press releases/notes to disclose any material information after a systematic review by the respective senior management. HZL reports the sustainability performance report in its annual report as a separate section. The annual report mainly consists of the company's vision-mission-values, business strategy, asset base, key operations (exploration, mining, smelting, powers etc.), financial and operational performance, growth plans, sustainability (HSE and CSR) performance, risks and uncertainties, Board of Directors, corporate governance, business responsibility report etc. The company's website gives all the details on the company including history/milestones, Board of Directors, operations, projects, exploration, financial/operational performance, sustainability (HSE and CSR), careers, etc. HZL also discloses its sustainability performance based on GRI G4 indicators to Vedanta Group, which in turn forms part of Vedanta's Sustainability Report. The company's sustainability performance also forms part of

## CII-ITC Sustainability Awards

Carbon Disclosure Project (CDP) and Communication of Progress to UNGC, FIMI as reported at company level on a yearly basis. Grievance redressal mechanism is in place at all the units and grievance analysis is done based on stakeholder feedback, type of grievance and closing status of grievances. Stakeholder engagement meetings are scheduled periodically to resolve the grievances, having 100% stakeholder's consultation. Customer feedback survey results in product modification as per their suitability and desire. Sustainability assurance is also carried out every year through external agencies by group and the observations are directly reviewed by group Sustainability Committee.



HZL's feedback mechanism helps improve transparency, thereby improving stakeholder relationship. Transparency and disclosure keeps Stakeholders well informed and provides consumer and other interest groups with relevant information to make informed choices. The company is able to promptly resolve stakeholder queries. Improved risk management through better understanding of non-financial material risks and dealing with those risks appropriately saves companies time, money and avoids loss of reputation. The internal company databases/processes have become more comprehensive and robust in the course of preparation of these communications. By demonstration of best practices and continual improvement, the company is able to enhance its brand reputation.

**ACC** uses different mechanisms to take feedback from stakeholders and uses the feedback into their business strategy. ACC invites comments on its sustainability report through a feedback form enclosed within the report itself. All feedback are collected and analysed.

**Vedanta's** materiality process consists of identification of material sustainability topics, the prioritisation of these topics, and verification of analysis. Last year the company conducted a materiality review to understand if stakeholder priorities had changed. For this the company commissioned an external consultation process with six groups: shareholders and lenders, industry (suppliers, customers and peers), civil society (NGOs and other organisations) and governments, employees and communities. To get the management perspective, internal leadership and operational management workshops combined with interviews and ranking exercises formed the basis to guide the consensus on, and prioritisation of, material issues to be managed, measured and disclosed through the sustainability reporting process.

## Employee Development

Employee development initiatives are the initiatives taken by the organisation to upgrade the existing skills and knowledge of employees. Employee development goes a long way in training, sharpening the skills of an employee and upgrading his/her existing knowledge and abilities. It helps in developing and nurturing employees to become reliable resources and eventually benefit the organisation.

**ACC** has a comprehensive annual Performance Management System (PMS) process in place wherein the training needs are identified through a Development Dialogue Document (DDD). Detailed analysis is conducted before any training programme and for high potential employees the company has a process in place for individual development. Based on the compilation of all the training needs identified during PMS process, an in-house training academy called ACC ACL Learning Academy (AALA) develops a training calendar for the whole year. Training programmes are conducted for all the employees throughout the year.

### Functional Training

- **Cement Manufacturing, Maintenance, Sales & Marketing, Customer service, Logistics etc**

### Occupational Health & Safety Training

- **Across locations in ACC OH&S training is imparted**

### Behavioral and Leadership Training

- **Soft skills development as well as Leadership skill development is undertaken**

### Assistance for Higher Studies

- **ACC gives scholarships to employees who want to pursue higher studies which will enhance their performance in their current role**

### Special Programmes

- **ACC assists employees by imparting training through pan India initiatives like developing workmen through Workmen Development programme which covers technical & behavioral side of their development**

**JSW Steel** assesses and identifies an employee's knowledge and competencies required for a job and future potential at the time of recruitment. Each employees training needs are collected and the gap between skills required and available are identified. Self-appraisal forms filled by the employees help the company in defining the employee's development plan. Plans are then discussed with the experts, internal and external faculties and also competency levels are identified by the department in consultation with HR department. JSW Steel regularly sponsors employees to different institutes/industries in the country and overseas to upgrade their knowledge and skills.

At JSW, the skill matrix for technical operations/projects roles and competencies framework for techno-commercial management roles is defined and there is an ongoing series of programmes aiming at skill development and competencies enhancement. The company has setup Centre of Excellence for technical training provided to employees. There are skill development centres set up across departments like manufacturing. Induction training programmes are arranged for the newly recruited employees and annual training calendar is formulated. Per capita training mandates achieved during 2014-15 were 8.61 as against a target of 8.0 (best in steel industry). JSW has a multi-pronged approach to learning with focused interventions in core and functional areas, customised business-specific and strategic organisation wide interventions, as well

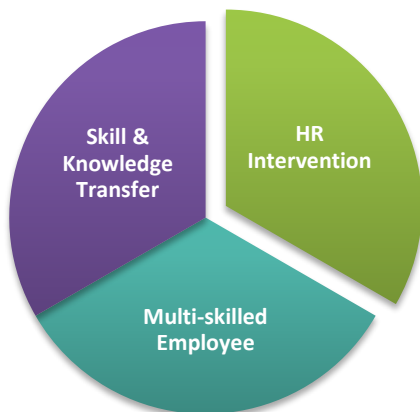
## CII-ITC Sustainability Awards

leadership development programmes. Employees and leaders are developed by various processes.



Safety is given utmost importance and continuous efforts are made to implement safety standards. The company continuously monitors safety risks and undertakes various measures in reduction/elimination of potential hazards, thereby achieving zero accident rate. DuPont Safety Services were engaged to undertake the safety culture assessment, across all the units and also to focus on behavioural and operational safety to eliminate occurrence of any incident.

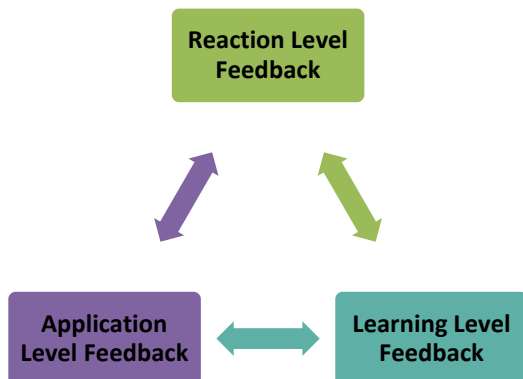
**Rourkela Steel Plant (RSP), SAIL** has focused on achieving business needs and strategic goals of the company through continuous improvement in culture of learning and innovation. The company's key activities include organising HR interventions to bridge the gaps in competence and skill, enabling employees to adapt to state-of-art technology, building capability for multi-skilled employees, training in critical skills to ensure availability of skilled manpower in critical areas, skill and knowledge transfer for skill retention of separating employees. The company has designed and conducted specific training programmes to enhance managerial effectiveness. All in-house technical training programmes are evaluated for their effectiveness. In order to improve the training quality, the company regularly monitors and reviews the programmes.



The company identifies training needs at the beginning of the year. Training needs are identified on various parameters. Once the Annual Training Plan is finalised, modules are designed, the annual training calendar is formulated and employees are trained either in-house, HRD centre, sister plants, other organisations, supplier's premises or abroad subsequently. The effectiveness of the training plan is evaluated at reaction, learning and application levels. The HRD Centre of RSP is the first HRD Centre among SAIL steel plants to have been certified under ISO 9001:2008 QMS. The company's competency mapping is done for knowledge, skill, safety awareness and employee's attitude with respect to the job position.

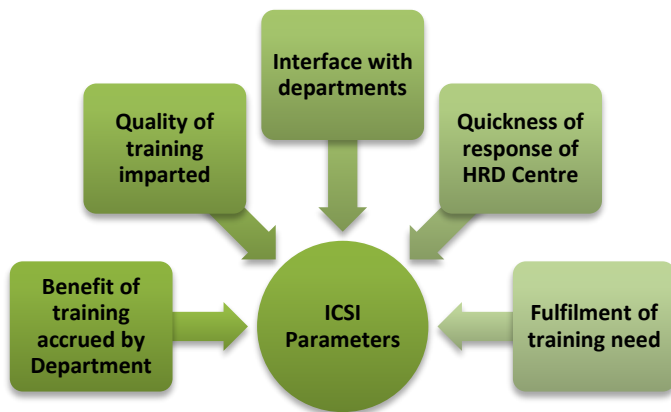


RSP also publishes quarterly in-house management and technical journals. Contractor's employees are given mandatory training on general safety awareness, On the job training, training on significant risks w.r.t environment and occupational health and safety, health awareness, first aid training, SA8000 awareness training etc. Awareness programmes for other stakeholders are given by different departments like Environment Engineering Department organises environment walks, conducts competition among employees, school students etc.; Safety Engineering Department organises awareness programmes on Home safety, electrical safety, road safety etc.; Fire Engineering Services Department organises awareness programmes, releases leaflets for home on safety awareness etc.; Water Management Department conducts awareness on water conservation for school students, conducted painting, quiz and elocution competition etc.; CSR Department organises specific training programmes for the peripheral community on various sustainable themes such as capacity building, improved agricultural practices, livestock, women empowerment involving soft and hard skills etc. Against a target of 9810 employees, 10862 employees were trained.



RSP has a 3 tier training evaluation mechanism for competence based programmes. The effectiveness of training programmes is evaluated taking into account the reaction, learning and application level feedback. After completion of every training programme, participants fill up a Programme Evaluation Sheet. The feedback is summarised and reviewed in the first week of every month and corrective actions are planned. Learning level feedback is obtained for the technical, skill development and hi tech programmes by conducting tests before and after the programme to assess the learning levels.

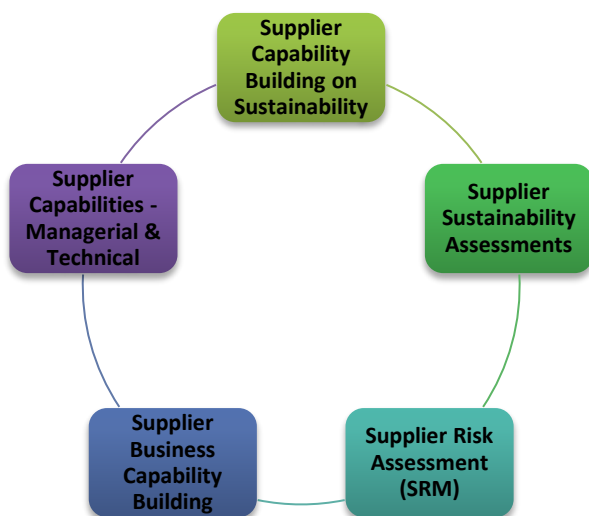
In order to measure the customer satisfaction levels for the training programmes, an Internal Customer Satisfaction Index (ICSI) is obtained from departments using a form indicating certain key parameters which are assessed on a five-point scale. Key parameters considered for evaluation of ICSI. As part of effectiveness study of training programme conducted outside our plant, the trainees going for foreign training are required to make a presentation in their department on their learning. After completion of foreign training a report is submitted by the HOD of the department.



## Supply Chain

Supply chain sustainability is the management of environmental, social and economic impacts, and the encouragement of good governance practices, throughout the lifecycles of goods and services. The objective of supply chain sustainability is to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to market.

**Mahindra & Mahindra (M&M)** has a Green Supply Chain Management (SCM) policy and a Code of Conduct for suppliers covering environment issues, child labour, forced labour, non-discrimination, right to freedom of association/collective bargaining, working hours, living wages, health and safety, corruption and bribery. The code applies to Tier – I, II, III suppliers, vendors, distributors, transporters, and is a part of contractual agreement. Suppliers are assessed for contractual compliance.



M&M has set sustainability related goals and targets for its suppliers in the SCM. The company has identified and developed various action plans through initiatives.

In order to build suppliers capability on sustainability, the company’s action plan is as follows: obtain nomination for supplier workshop, deciding outline for workshop, taking supplier feedback, sharing feedback and learning’s. The workshop mainly covers sustainability awareness, best practices by M&M, waste management, renewable energy etc. The company has been conducting workshops over the past 2 years and till date has covered 328 suppliers.

Supplier sustainability assessment is carried out to scrutinise the suppliers and recognise them based on various parameters. The company selects key suppliers and conducts an audit at the suppliers’ factory based on the sustainability aspects. The detailed report is shared with suppliers. The company has conducted ‘Energy Audits’ for 10 suppliers and based on the assessment, it will help the suppliers to implement energy efficient projects. It also recognises suppliers through awards like ‘Mahindra Sustainability Awards’. The company plans to assess a total of 150 suppliers by FY16.



## CII-ITC Sustainability Awards

Based on a comprehensive SRM framework covering 14 categories and 92 metrics, assessment is conducted. This framework is developed with the help of 41 internal experts and a leading external consultant.



Supplier assessment is carried out by a certified risk assessor. To evaluate the risk profile, a 5 point scoring logic is developed. Post assessment a comprehensive dashboard is generated covering risk category and risk profile for each supplier assessment through an IT enabled SAP based tool. The company prepares a comprehensive list of actions to mitigate risks. A governance framework is defined for conducting reviews at various management levels to ensure continuous monitoring and action planning for suppliers. Trainings are conducted to enhance risk assessors skills. 81 Mahindra's professionals are 'Certified Risk Assessors'. In FY16, the company has the target of reassessing 102 suppliers and 49 fresh suppliers.

As a new initiative, SRM is part of Sourcing Strategy Roadmap for M&M to increase Risk Predictive Efficiency of its supply chain. Automotive industries typically face specific risks related to suppliers, peripheral and market. SRM system provides a structural approach for tracking commodity price risks.



In order to build managerial and business capabilities of suppliers, M&M has a structured initiative addressing a 360 degree development of AFS (Automotive and Farm Sector) suppliers. This is a long run programme addressing strategic business orientation, managing growth, execution excellence, focussed health and safety practices and overall people development. The company conducts workshops in order to educate the suppliers on strategic planning, managing growth, people practices, building transformational leadership culture, team effectiveness, health and safety. M&M has initiated Regional Clusters, led by senior supplier partners, to share best practices with other suppliers. Bi-monthly meetings are conducted at each cluster along with cluster initiative and benchmark visits. In the end the company reviews and assesses the experience.

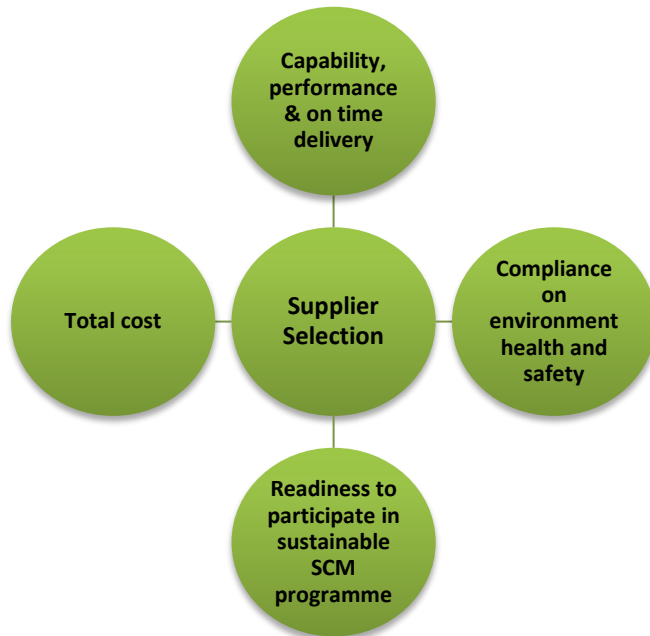
MSES (Mahindra Supplier Evaluation System) and MMA (Mahindra Mass Manufacturing Approval) certification programmes are developed for technical capability development of suppliers. Currently the company is working with 87 suppliers for MSES and 226 supplier plant locations for various MMA projects. The company also has 'The Four Pronged Strategy' for the purchasing organisation. This is addressed through various certified engineers like quality engineer, production engineer, technical engineer, etc.

M&M has engaged with its suppliers for capability building on a number of sustainability related issues through environmental and social initiatives.

Under the environmental initiatives, the company conducts various training programmes relating to EMS implementation, waste/emission reduction, conserving resources, renewable energy, meeting all legislative requirements, improving labour conditions, employee engagement, enhancing health and safety, etc. Suppliers training programme includes sustainability overview and global best practices, waste to wealth/renewable energy, changes in ISO Management Systems.

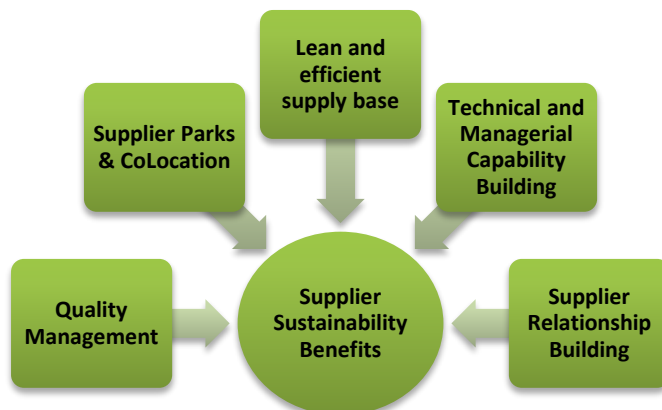


For case studies and best practices, the company has included MVML, Chakan facility and best practices by suppliers. In the area of Green Supply Chain Management, the company aims at packaging improvement or to improve the utilisation of packaging and transportation. In order to reduce the use of wood and corrugated (carton) packaging, the company has designed an innovative 'Single Pallet' Recyclable Packaging to transport the wheel rims. This initiative was piloted at Kandivali plant and has helped the company in reduction of 108 MT of carton waste per year. It has also helped in ensuring damage free transportation, improved cleanliness in the plant and safe working environment.



The company sources its good and services from local suppliers. Local sourcing has increased from 50% in FY2011 to 63% in FY2014. M&M has key factors influencing selection of suppliers. The company’s purchasing group regularly engages with suppliers through meetings and supplier business reviews and shares its annual future plans. Suppliers are provided training on practices and procedures to ensure improvements in productivity, quality, cost, delivery, safety and morale (PQCDSM).

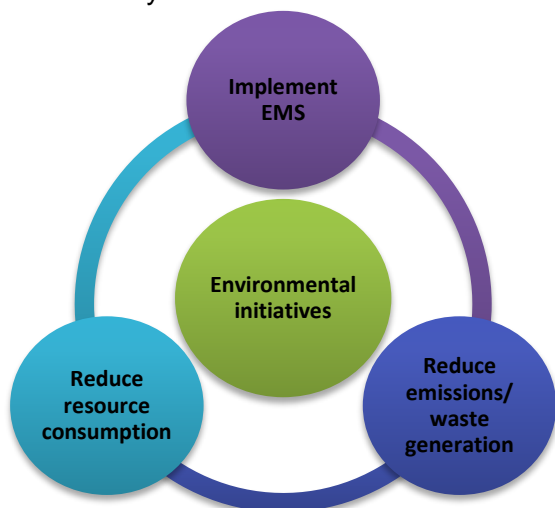
Various environment and sustainability indicators data associated with suppliers are tracked and recorded. Based on this data the company is able to plan and execute activities relating to reduce consumption of natural resources, waste generation, health and safety accidents, and carbon emissions through the value chain. This information is used internally for process improvements and externally disclosed only on requirement basis.



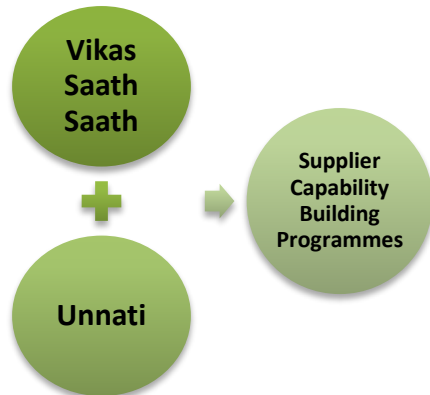
M&M utilises this information to improve upon its quality standards from the suppliers. It has established a supplier park near Pune, Chakan Plant to improve proximity between the plant and suppliers. This has helped the company in reducing its logistics costs and delivery time.

The Company has well-defined structured processes such as Vendor On-board (VOB), Differentiated Sourcing Strategy (DSS), and Commodity Business Plans (CBP). SOB planning through IT enabled transportation model is a new initiative piloted in FY15. Optimum Planning of SOB can be done based on the “Minimisation of Spend”. The company also works towards building managerial and technical capabilities of its suppliers. It also focuses on building long term relationship with its suppliers through various initiatives like Supplier Annual Communication Meets, Supplier Advisory Council, Supplier Satisfaction Survey, Supplier Business Reviews, m-Setu (unified two way interactive supplier portal), Tech Bazaar and Technology Days, Supplier Capability Building Programmes, Supplier Support during Development Process, and Supplier Rewards. Other initiatives undertaken on Supply Chain by M&M are Deployment of Material Consolidation Centres (Cross Docks), Deployment of Equipment Pooling Concept of Packaging, Mahindra Dealer Excellence Programme, Mahindra Supplier Engagement and Transactional Universe – a supplier communication portal.

**SKF India Limited’s** Beyond Zero Strategy is an initiative to ensure sustainable supply chain by reducing the environmental impacts from operations and through energy efficient products and solutions to reduce CO<sub>2</sub> emission reduction related to manufacturing and sourcing mix to greener sources. With a well-defined code of conduct for suppliers, which is publicly available, it primarily focuses on environmental issues, child labour, non-discrimination, health and safety, corruption and bribery. The policies are well integrated into suppliers (Tier I, II and III) and distributors’ agreement. Non-compliance towards the code of conduct can lead to contract termination, corrective actions and trainings. The company is also part of Dow Jones Sustainability Index assessment.



SKF engages with its suppliers on various environmental issues. The company has made it mandatory for all suppliers to implement ISO 14000 certification and also ISO 15000 certification for all energy intensive suppliers. The company aims at reducing emissions and waste generation by taking account of suppliers CO<sub>2</sub> emission, which is also reported on SKF’s Global Data. For suppliers’ efficiency improvement, the company has initiated programmes like ‘Saathi and Vikas Saath Saath’. Under social initiatives, the company has taken initiatives for improving labour conditions and health and safety. SKF has regular supplier audits and actions as per the code of conduct.

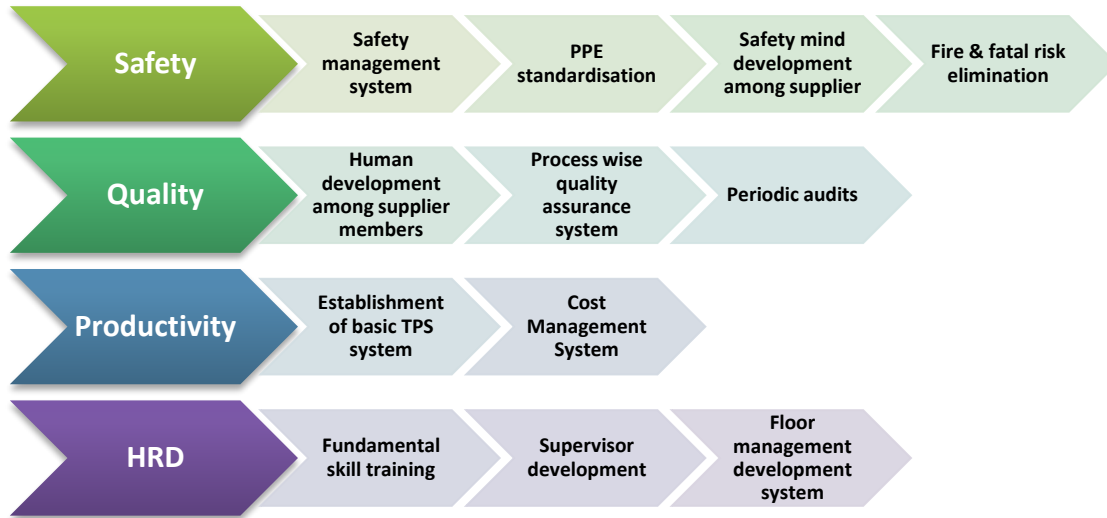


For suppliers' capability building and improvements near the factory, the company has two programmes. Supplier Cluster Programme 'Vikas Saath Saath' is an initiative to improve supplier knowledge, with the help of consultants like TPM Club. For training and development, the programme 'Unnati' is undertaken for the suppliers. For other suppliers capacity building is need based and ad-hoc. For distributors' performance improvement, there are online modules on product knowledge. The organisation requires its suppliers to measure sustainability performance, but discloses on requirement basis.

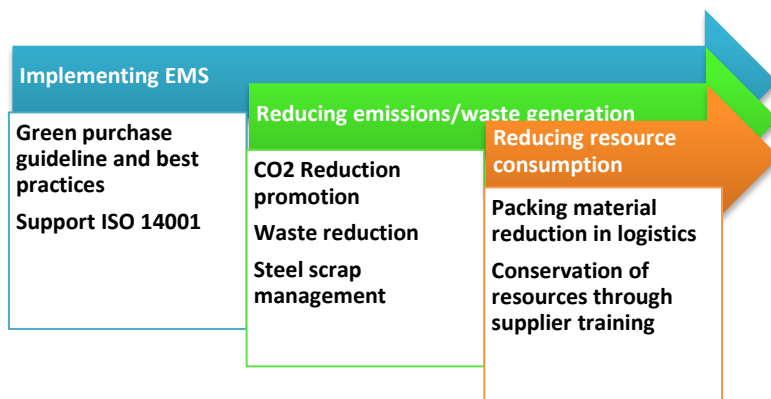
SKF has a responsible sourcing programme handled by a committee to ensure responsible sourcing strategy and approach is effectively developed and deployed and that appropriate measures are taken when suppliers' code of conduct and other deviations occur. The SKF Code of Conduct for suppliers and sub-contractors is part of SKF's general conditions of purchase, as well as supplier requirements being defined in the SKF Quality Standard for Suppliers. By adhering to this standard, all suppliers confirm that they will adopt the SKF Code of Conduct, environment, health and safety and zero defects concepts.

SKF's working method highlights eight critical deviations, such as child labour or significant environmental deviations, which are pre-requisites for starting business with a new supplier. Before agreements are signed, SKF's purchasers must receive confirmation that the requirements are met. When this can be confirmed, the new supplier is added to the approved supplier list and included in RAT (risk assessment tool). The company conducts risk assessment, audits and follow-ups with the help of specialists' code of conduct auditors. Risk-based approach is followed when auditing suppliers, based on input from external sources such as Transparency International, Control Risks and the ILO.

**Toyota Kirloskar Motors (TKM)** has set sustainability goals and targets in supply chain and primarily focuses on Sustenance of supplier management in safety, quality, productivity, cost and HRD. The company has established safety management system through basic safety awareness. Personal Protective Equipment (PPE) standardisation, 4S system implementation are some of the measures undertaken by the company.



For quality sustenance from suppliers in order to have defect-free and high quality products, the company has undertaken human development initiatives like training the suppliers for skill enhancement. The company has established a process-wise quality assurance system like quality check standardisation, quality parameter monitoring, defect analysis etc. The company conducts periodic audits with supplier plant head to confirm the sustenance. Productivity sustenance achieved through establishment of TPS systems, cost management systems for cost reduction.



TKM conducts a risk assessment with respect to environment and legal compliance every year to support existing and new supplier to identify potential risk and random assessment by the company. The company engages with suppliers for capacity building on sustainability-related issues and undertakes initiatives for environmental and social issues. Under environmental initiatives the company has implemented environment management systems through workshops on green purchase guidelines and best practices, training related to ISO 14001. The company promotes CO<sub>2</sub> reduction and waste reduction through steel scrap management by reusing generated scrap and waste management training. Resource consumption reduction is achieved through packing material reduction, training suppliers and sharing best practices with respect to resource management. The company undertakes social initiatives to improve health and safety at the supplier's base by establishing safety management systems. For local and small vendors, the company has established Supplier Support Centre through joint ventures and technology transfer and location management improvement.

## Corporate Social Responsibility

Corporate social responsibility (CSR) is a company's sense of responsibility and contribution towards community and environment in which it operates. It has also been defined in the Companies Act, 2013 – Section 135 and Schedule VII.

**Ambuja Cement Limited (ACL)** executes community development initiatives through its CSR wing called Ambuja Cement Foundation (ACF). The company has a well-defined CSR policy in place which is in line with Section 135 of Companies Act, 2013.



The company has Sustainable Steering Committees at all organisational levels. USSC regularly reviews ongoing CSR activities and new scope of work. ACL, with the help of USSC, communicates with local communities through its formal platforms such as SES (Social Engagement Scorecard) workshop and CAP (Community Advisory Panel). SES is organised annually and CAP meetings are organised every quarter.

The company has adopted methods like publishing newsletters - People Power Newsletter, ACF Newsletter, Corporate Sustainability report etc. to share information and communicate with various groups. Other forums like village visits, SHG (Self Help Groups) meetings and meeting with farmer groups also help the company to review and further plan development work related to the communities.

The company invests in various CSR related-areas such as education, public health, women empowerment, employment, eradication of poverty and hunger, water resource development, agro-based livelihood, promotion of non-conventional/renewable energy and infrastructure development.

ACL's largest spend areas are water management, ICDP (Integrated Community Development Programme) and SEDI (Skill and Entrepreneurship Development Institute) which took up nearly 70% of the total FY14-15 budget. The number of beneficiaries and impact for the remaining initiatives such as agro-based livelihood, health sanitation, education development, women empowerment, non-conventional energy, stakeholder engagement is relatively low.



The company assesses social impact of its CSR activities on local communities both while entering the community and while operating in the community. Post identification of key issues in a region, a programme is designed in accordance with the findings. The programme is then implemented along with the people and handed over to the community after completion. CAP also helps in assessing the impact of community development work. Each manufacturing location has a USSC, guiding the CSR programmes in the community. As an assessment tool, SES workshops are conducted to review, monitor and further modify CSR activities, with villagers' participation.

**Cairn India Limited (CIL)** has CSR policy initiatives which are fundamental to its long-term business strategy and integrated in its operational geographies.



CIL engages with relevant stakeholders, understands their concerns and subsequently responds to their needs. The company believes in building positive relationship with the people in the project areas where the company operates. CIL's CSR programmes and practices complement and support the development priorities at local, state and national levels.

Key areas of intervention are health care, sanitation, safe drinking water, employment enhancing vocational skills, farm based livelihood and solar energy usage, etc. are in line with Schedule VII of the Companies Act, 2013.

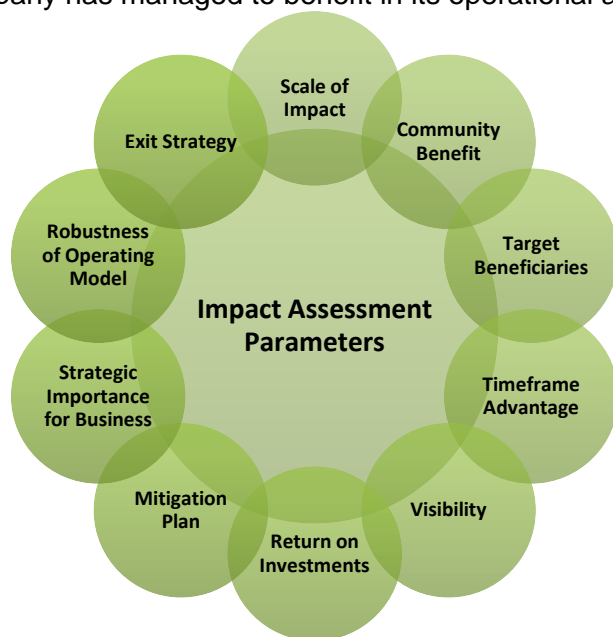
Under the health Initiatives, the company has provided Mobile Health Vans to rural areas of Rajasthan and Gujarat, to provide basic medical services at doorsteps. It has also supported government health facilities under various health programmes. The company has many projects which focus on capacity building and training through its training centres. In order to improve quality of education, the company has supported government schools by providing infrastructure, staff and training. A total of 60 schools were supported under the project impacting 14,000 students and teachers.

The company has created a sustainable model for safe drinking water, solar energy for household and milk cooperatives but this needs to be scaled up for higher impact. Safe drinking water is provided in area with poor quality water under the PPP mode and it is a community run RO plant with ownership of Gram Panchayat. CIL implemented a community run 27KW micro-grid solar PV plant to provide household electricity to 600 community members in the village.

The company has invested around Rs 69.56 cr as CSR spending through various NGOs engaged after due diligence. Even though the company does not undertake the programmes



directly, investments on scheme are regularly tracked and measured for socio-economic value addition. Effective mobilisation of internal resources, efficient management with NGOs, panchayats, local bodies/communities and government through their sponsored schemes, the company has managed to benefit in its operational areas.

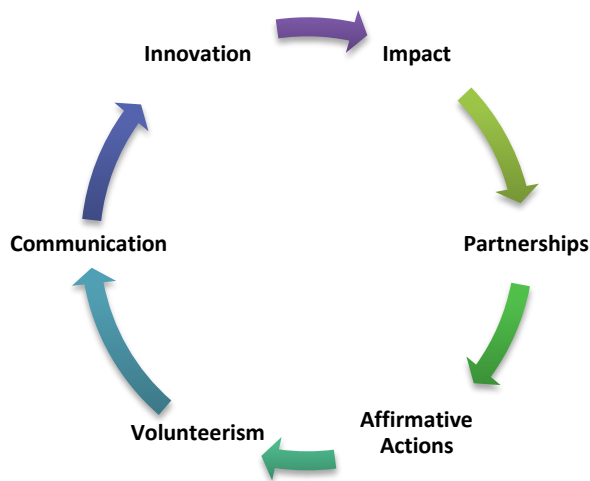


CIL follows certain guiding principles while implementing any CSR projects. The company implements all its CSR programmes in its area of operation and customises it with the specific geographic needs and business linkage. The programme needs to be sustainable in terms that the impact would have to be sustained post time-bound intervention. The CSR programme needs to have active participation from community and all households in that specific geography and hence create demand. CIL's CSR programmes are implemented in partnership with the government and it leverages government schemes wherever applicable.

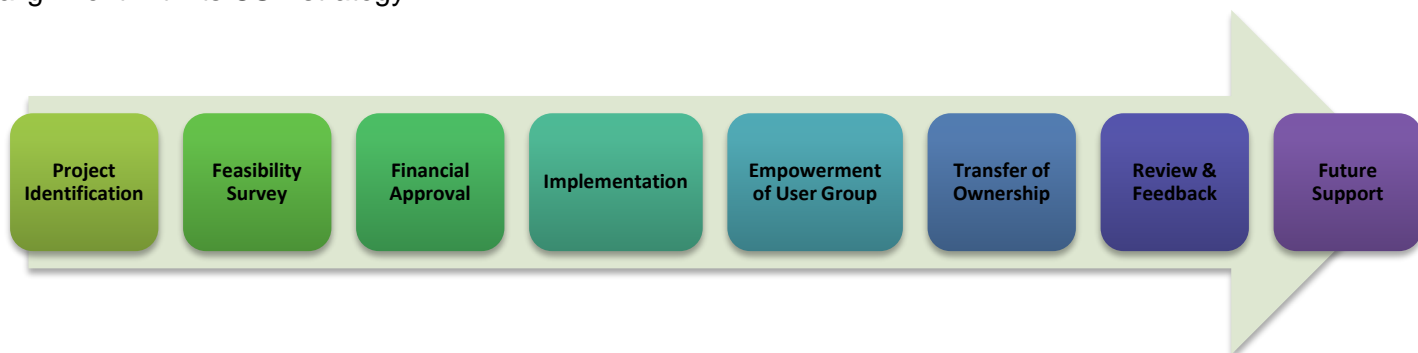
The company has an impact assessment of its CSR investments, done by both third party agencies as well as through internal monitoring mechanism. The impact is based on the number of community members' benefitted, total area covered under the project, social return on investment (SROI) or the economic value generated and sustainability of the programme. Long-term programmes gain better scoring and the programme should also increase company's

visibility. The programmes' exit strategy leading to sustainability or not is also an important parameter is assessing the impact.

Due importance is attached to CSR in the company CSR policies, plans, strategies, financial outlays, implementation, engagement of channel partners, feedback and impact etc., is reviewed and monitored by the board on a quarterly basis and regularly by a board level sub-committee consisting of 3 Directors including one Independent Director. CSR related complaints are registered and grievance resolution is also handled to some extent but it needs to be made more structured, robust and transparent.

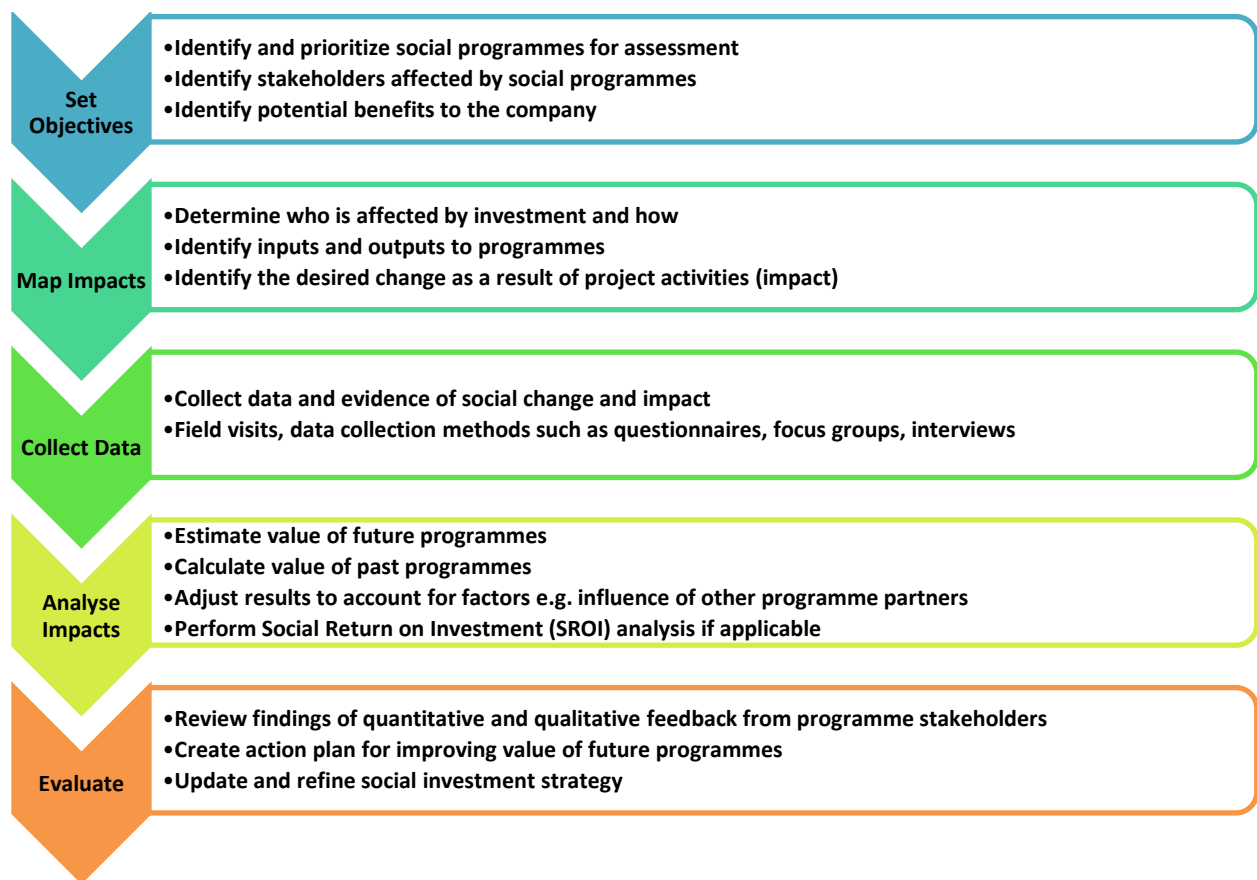


**Ferro Alloy and Minerals Division (FAMD)**, a Tata Steel business unit, has a systematic approach towards CSR programme implementation guided by six principles. It has framed a CSR policy with identified focus area and a process for CSR activities which helps in engagement with the stakeholders and society. The company's CSR activities are designed especially for those groups which are socially and economically marginalised. The CSR Committee presents the board with an Annual Business Plan (ABP) which is formulated based on the need assessment survey with both external and internal stakeholders. CSR advisory council, comprising of industry experts from different domains, also provide inputs on policy at macro level for CSR work. A multi-tiered governance mechanism is in place to govern and review the CSR activities regularly. The company jointly works on projects with Tata Trusts and leverages the products and services of the Tata Group companies for its CSR initiatives in alignment with its CSR strategy.



In order to ensure long-term sustainability of CSR projects, the company takes the following steps:

FAMD’s CSR team regularly consults key stakeholders in selection and implementation of CSR activities. Need assessment survey is done by collecting information through various methods like conducting workshops, site visits etc. The base line survey is conducted to identify potential solutions for the existing problem and check its feasibility. SWOT Analysis is done to check various aspects of the project implementation. After the positive feedback of the feasibility study of the project, a project proposal is prepared and included in the ABP of the CSR. Financial approval for the project is sought along with other feasible CSR projects. The project is implemented by the technical team along with the local TSRDS team (Tata Steel Rural Development Society) as per requirement. Empowering the user group is essential to ensure long-term sustenance of the project. The user group as identified in the feasibility stage of the project are given necessary training to develop skill to run the plants and equipment associated with project. Wherever required, assistance from government team is also taken to impart the training. Once the trial run with the local team is completed, a formal commissioning of the project is done and handed over to the user groups and villagers. After this the responsibility of the project remains with the user group/beneficiaries. The unit CSR team monitors the functioning of the project through inviting feedbacks, interactions and complaints. Based on the review and feedback, both technical and financial assistance is provided by the unit CSR team to run the project successfully in the future. A few examples of the successful long-term CSR are check dams at Kendupada and Natur in Sukinda block running for the last 3 years, poultry farming at Ransol and Kusmundia running profitably for the last 4 years, deep bore hole water supply project in Kakudia and Kusmundia village that has been running for last 6 years.

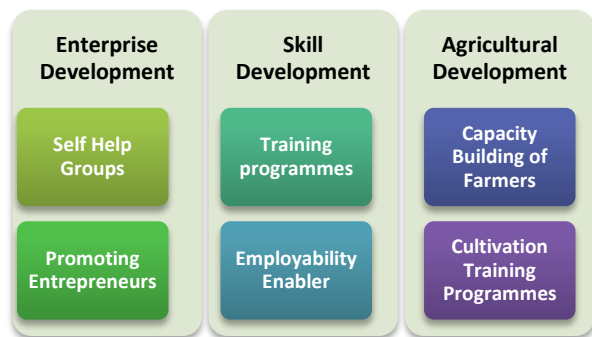


FAMD has continued to invest in CSR activities, despite last financial year's challenging market conditions. The company has a five step process to measure the value created through its CSR activities.

As the company has been undertaking gamut of sustainable CSR activities, it also measures the outcomes of its CSR investments by multiple key performance indicators.

FAMD proactively supports learning and education with programmes that are beneficial to the communities in its area of operations. The company's TSRDS team provides infrastructural support to educational institutions, runs pre-matric coaching centres and financial assistance through scholarship programmes. TSRDS also runs an adult literacy programme to impart literacy to women in its operational areas. The company currently has 64 pre-matric coaching centres (9 centres in 2013) with 1873 students. The adult literacy programme had started with 6 centres and 115 beneficiaries and currently has 79 centres with 1834 beneficiaries in FY15.

FAMD encourages rural development and empowerment by providing assistance under the following initiatives. The core interventions adopted by FAMD to promote enterprise development is through Self Help Groups (SHGs). The company provides assistance to set up small business units.



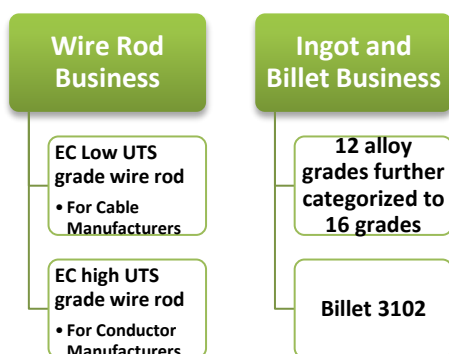
Currently there are more than 85 SHGs successfully operating with 900 members. The company also promotes entrepreneurship through training and supporting individual firms and small groups and helping them in sustaining small scale businesses like poultry farms, paper bag manufacturing etc. FAMD acts as an employability enabler by bridging the gap between demand for and availability of training programmes for youth. The company provides vocational training and skill development trainings in various categories like welding, plumbing, plastic processing etc. With agricultural development, FAMD's intervention aims at improving productivity by providing farmers with good quality seeds and fertilisers along with technical knowledge. The company conducts various training programmes for farmers on cultivation know-how and also donates modern agricultural equipment to village farmers.

With the healthcare initiatives, the company focuses on primary healthcare, immunisation, HIV/TB awareness programmes, prevention of blindness and safe drinking water facilities. FAMD has hospitals, dispensaries, medical centres and mobile vans facilitated in its operational areas for the communities.

## Product Sustainability

Organisations are expected to exercise due care in the design of their products and services to ensure they are fit for their intended use and do not pose unintended hazards to health and safety. In addition, communications related to both products and services and users need to take into consideration the information needs of customers and their rights to privacy.

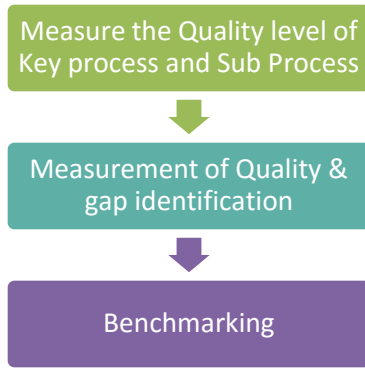
**Vedanta Limited, Jharsuguda** has positioned itself in the niche market with its cost competitive raw material base, strategically located smelters with high technology production facilities in Jharsuguda. As part of the product responsibility, Vedanta has customised its products based on specific requirements by the customers.



Vedanta has developed custom-made wire rods and ingots based on customer requirements for different grades of metal. The company manufactures an EC grade rod that consumes less power than the normal rod. Billet 3102, one of the products manufactured, has less environmental impact during usage and product life cycle. The life of the product is increased by making it corrosion free which helps in decreasing environmental impact.

Vedanta conducts customer satisfaction surveys once in two years by a third party agency to measure perception and feedback on products and services.

**Aditya Cement Works (ACW), (Ultratech Cement Limited)**, has a formal quality policy, QMS in order to ensure product quality, complying with ISO 9001 standards and quality manuals and plans. The company has a central NABL accredited lab through which they do regular sampling to check the product quality against the BIS benchmark.



In order to strengthen the product quality system, the company has established standard processes with high tech quality testing equipment (XRF and XRD). All product parameters and key process parameters are analysed through statistical techniques and plant information software to identify gaps. Product parameters are also reviewed in comparison with the competitors' performance. The company benchmarks the gaps and sets targets for improvement based on sample study of the competitors.



SQC/SPC techniques are used to measure and monitor the Process Control. The company also evaluates supplier quality by selecting, rating and developing the suppliers. The Supplier Rating System is used to measure supplier quality based on three parameters. The supplier rating is then communicated on a half yearly basis.

For customer satisfaction, ACW has taken initiatives like Mobile Van Operations to provide after-sales services to customers. This service is available in various cities across Rajasthan, Haryana, UP, Punjab, Delhi and Gujarat. TASC (Technical Assistance and Service to Customers) and marketing officers' conduct various mason meets, IHB meets, technical meets, channel partner meets, and brand image building meets in order to create awareness on utilising full value of product, environmental hazards and its mitigation, learning best construction practices etc. These meetings are also conducted to encourage customers to actively give ideas and feedbacks.

## CII-ITC Sustainability Awards

The company periodically measures customer satisfaction levels and prepares an action plan to provide support, focus on critical improvement areas and to increase satisfaction levels.

Customer satisfaction is based on following parameters:

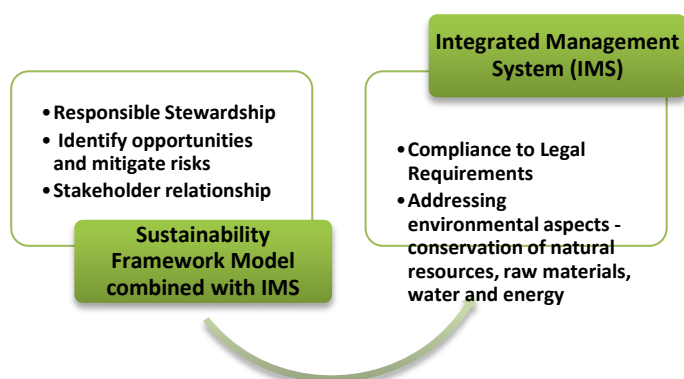


ACW follows a Customer Complaint Redressal procedure governed by TASC team and a structured follow-up is done by the technical teams/engineers. Delivery mechanism is monitored through a centralised IT network – SAP to provide real time data, thus enabling the customer to track the order.

## Environment Management

An organisation has an impact on living and non-living natural systems, including ecosystems, land, air, and water. It includes inputs (e.g., material, energy, water) which organisations take to produce and outputs (e.g., emissions, effluents, waste). Management of resources used means using these materials in the most productive and economical way possible, keeping quantities consumed and waste to a minimum.

**Vedanta Limited** has environment management policy in place for climate change/emissions, energy use, water consumption, resource efficiency and waste management. The company's Environment Management is driven by its sustainability framework with 7 sustainability policies, 14 management standards and 22 technical standards.



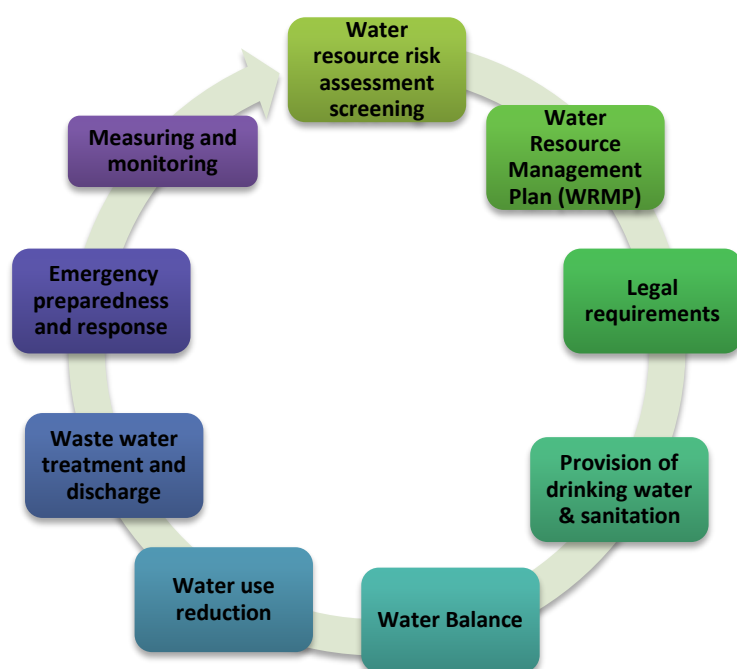
As per IMS, the company has developed and implemented IMS policy focusing on compliance to legal and other statutory requirements, conservation of natural resources, raw material, water and energy through state of the art technology, process improvements, recycling and reducing wastes.

Vedanta's Environment Management System (EMS) is based on PlanDoCheckAction cycle and has a structured process to assess and mitigate environment risks through Environment and Social Impact Assessment (ESAI). Periodic review of the objectives, targets and significant environment aspects are being done on department level by head of the department and then discussed in the plant level forum chaired by top management.

Vedanta has identified its major risks as water and fly ash disposal apart from storm and availability of raw material.

Water is an integral part of Vedanta's operations and has high impact on its sustainable development. It has formulated a Water Management Policy to protect the resource to facilitate the integration of responsible water management into new and existing projects, and to compensate for the impact. The company identifies sensitive water resources and any water resource constraints around its operations. Post the assigned priority rating of each site, WRMP is prepared and implemented. Legislative requirements on water management and biodiversity conservation are identified at local, regional and national level. The water balance is prepared to identify total volume of water withdrawn from any water resource, volumes used for different purposes, volumes returned to the environment and volumes reused/recycled and as a percentage of total water used or withdrawn.





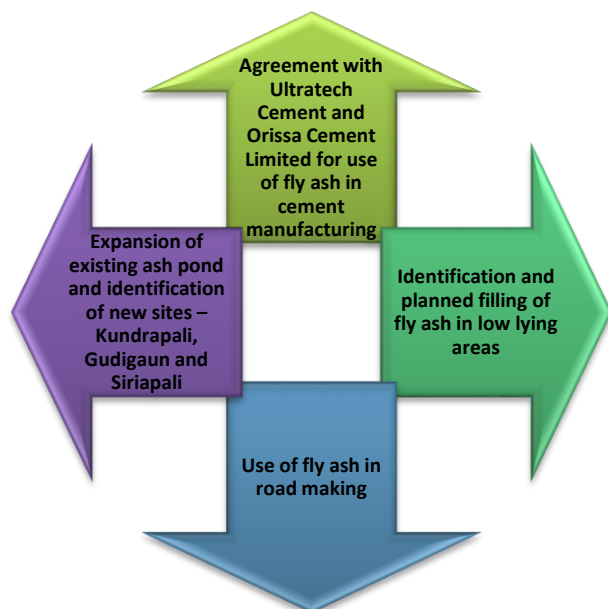
The company identifies opportunities to minimise water consumption by using alternative supplies, water conservation methods and implements measures to recycle and reuse wastewater e.g. recirculation of process water for cooling or rain water harvesting. The company follows international best practice standards for treatment of processed waste water and has zero discharge practices. The company is well equipped to avoid, mitigate and control any unplanned or uncontrolled release of waste water into the natural environment. Lastly the company monitors water consumption reduction levels against the targets and also improve the quality of waste water produced.

Vedanta's water sourcing is done from Hirakud reservoir, also used by many neighbouring industries and agricultural applications, which is situated at a distance of 30 km from the plant location. The water is channelised to the pumping station from reservoir through a concrete drain for continuous water supply, mainly during summers when there is shortage. Emergency reservoir has been created inside the plant to support 3-5 days of water supply. For FY14-15 the company has withdrawn 0.23% of total volume of water in the reservoir. In order to reduce fresh water consumption from the reservoir, the company has adopted various practices to recycle and reuse treated waste water. It has achieved zero effluent discharge system in its plant through increase in recycling of ETP (Effluent Treatment Plant) treated water. Various other steps taken to increase the recycling percentage of treated water are ETP smelters, ultrafiltration, and 2 stage reverse osmosis system (RO) installation. In the company's Captive Power Plant (CPP), there is ETP installed to treat the effluents generated and this treated water is used in ash handling, coal handling plant, dust suppressions and gardening systems (horticultural services).

Fly ash disposal is another environmental challenge handled by the company. There is huge generation of fly ash (approx. 24 Lac MT) from the power plant operations which requires land

for its disposal. For disposal of fly ash the company has identified alternative methods to utilise it in different ways.

The company is securing landfills with bulk of its fly ash generation and has managed to reclaim 50 acres of land for plantation purpose by changing the top soil, the remaining 250 acres will take at least 5 years for secure landfill.



Air pollution through Aluminium smelter and Captive Power Plant is another environmental risk for Vedanta. It claims to have taken some initiatives in the power plant to improve the overall environment performance of that particular location, thereby reducing emission. The company has modified and hybridised all the 9 units of ESPs' (Electrostatic Precipitator) of the CPP and continuously monitored. Real time data acquisition data systems have also been installed. Vedanta has implemented the technological modification in all its units in a phased manner. The company has also taken various initiatives to reduce energy consumption at its Aluminium smelters as it is a highly energy intensive operation. Under its energy conservation projects, the company has a dedicated energy policy for smelter-1, used slotted anodes, modified cell lining designs, reduction in stub to carbon drop, optimisation of compressors etc. to improve the energy efficiency of the smelter. The company has reported a total cost savings of Rs 16.34 cr in FY14-15 due to the energy initiatives. Vedanta Ltd, Jharsuguda is first in Asia and second in the world to get ISO 50001 certification for aluminium smelter.



Vedanta, as part of its sustainability framework, is constantly aiming to conserve natural resources by incorporating environment friendly, energy efficient technology and process improvements. Initiatives were taken to reduce the specific coal consumption at the power plant. The company has taken measures to reduce the specific consumption of raw material (Alumina and Aluminium Fluoride) at the smelter and eventually increase process efficiency.

As part of the waste management, the company has structured guidelines under its Sustainability Framework called Resource Use and Waste Management. Each individual hazardous waste has a management plan. For hazardous waste management, Vedanta follows the hierarchy of source reduction, reuse, recycling incineration and disposal and the least preferred option being incineration or disposal. Priority is given to avoidance and minimisation, identify alternate uses of wastes followed by 3R Principles (Reduce, Reuse and Recycle). For implementation of waste management policy, the company has defined responsibilities across all the organisational levels. Specific trainings are conducted for hazardous waste management handlers along with regular evaluation of waste.

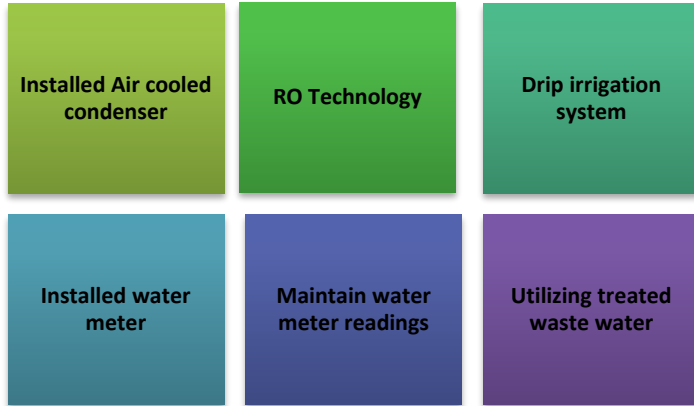
Vedanta has an online, web based software called Vedanta Legal Compliance Management System (VLCM) to conduct a monthly compliance review. This helps the company to monitor both compliance and non-compliances related to environment, health, safety, finance, IT, commercial and other legal requirements.

**Aditya Cement Works** has an environment policy in place focusing on environmental aspects such as climate change, energy and water conservation and waste management. The Environment Management System is accredited by DNVGL for complying with ISO 14001:2004 standard requirement.

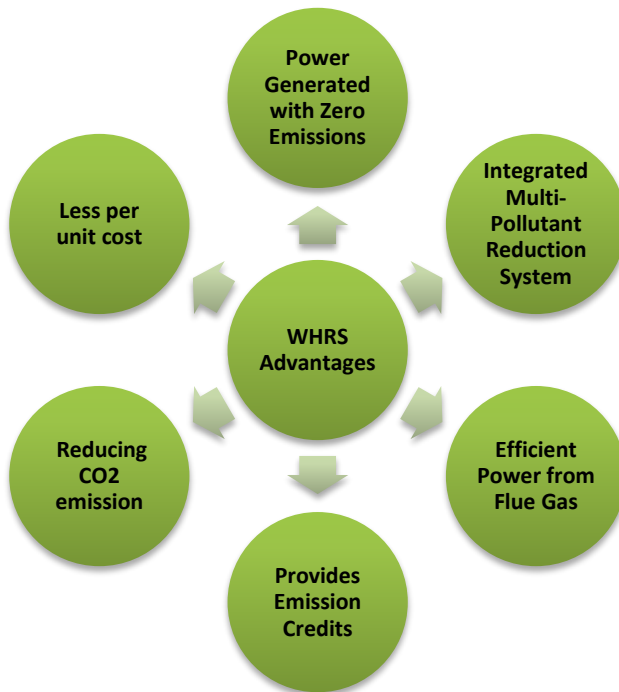
High dependency on ground water poses greater risks for the company. Hence it has undertaken rain water harvesting initiative to conserve water to reduce the potential water shortage risk. Nearly 70-75% of harvested rain water is used in cement manufacturing process and the balance is stored in mine pits. Currently the captive stored water at the Limestones mines is at 23.5 lakh m<sup>3</sup> which can support 2 years of process requirement. With this initiative, the company has been able to reduce ground water intake from 65% (FY2010-11) to 22.6% in FY2014-15.

Other initiatives undertaken by the company to reduce water usage are: water cooled condenser replaced by air cooled resulting in 10 times less water consumption for power

generation, RO technology is used to convert 70% waste water in fresh water, water meters installed at every source location and in process consumption, meter readings for consumption and water balance, 100% utilisation of treated waste water in horticulture, road dust suppression, bed ash cooling purpose and maintaining zero discharge.



In order to reduce coal usage, the company has substituted to alternate fuel (hazardous and non-hazardous) in its thermal power plants. A Waste Heat Recovery System (WHRS), installed in Line-1 and 2 with capacity of 10MW power generation, captures waste heat to produce steam for generating power. Some of the benefits achieved with this initiative is that company is able to save 30% power for producing ton cement, support distributed generation and reduce CO2 emissions by 45,000 tons per year. Per unit cost of production is lesser as compared to other sources of power plant.



## CII-ITC Sustainability Awards

Chemical Gypsum (by-product of the process used to treat flue gas coming from fuel or coal-fired power plants), which is considered as Industrial waste, is used as a part replacement of natural Gypsum in cement manufacturing. This has resulted in conserving the natural resource.

The company uses hazardous and non-hazardous waste as an alternate fuel in its cement kiln. Apart from the industrial waste, non-hazardous waste like agro waste, rice husk, wooden chips, carbon black (tyre powder), plastic waste, RDF of Municipal Solid Waste (categorised as non-hazardous) are also used as co-fuel in the cement kiln. The company has tied up with Maruti Suzuki India Ltd. For co-processing their hazardous wastes it has tied up with 40 textile processors in Bhilwara. With these initiatives, the company is able to reduce its cost of fuel thereby reducing its cost of production and also contribute to the environment.

Aditya Cement Works has an Online Compliance Management System for regularly monitoring of compliance of applicable laws and regulations related to Environment. Environment monitoring data, through Continuous Emissions Monitoring System (CEMS) and Online Ambient Air Monitoring, is published on the company website and also connected with external agencies like Central and State Pollution Control Boards.

**PepsiCo** has a well structured Environment Management Process which is reviewed regularly. Overall environmental aspects are analysed and gaps are identified. Individual roles and responsibilities are also defined and Environmental objectives and targets are set. Top management regularly reviews the process for continuous improvement.

The company has implemented various climate smart initiatives relating to water consumption reduction, energy saving, waste recycling and environment management. The company has installed Vapour Absorption Machines (VAM) with condensate recovery capabilities in the food plants. This has resulted in reduction of CO<sub>2</sub> emissions by 15000 MT and water consumption 15000 KL per year. Energy saving initiatives undertaken through installation of Rice Husk Boilers (RHB), using rice husk as alternate fuel by replacing HSD/LPG for generating steam for heating oil Fryer. RHB units installed at both potato chips line and kurkure line have resulted in an increase in green energy usage from 35% in FY2011 to 84% in FY2014. The company has installed Bio-Methane plant for generating electricity in FY14-15. This has helped in generating 12% of total electricity requirement for the plant and using 25 tons per day of processed biodegradable waste as fuel bio gas generation.

The company has an on-site emergency plan to handle possible emergency at plant. Roles and responsibilities at employee level and department level are well defined. Fire and safety equipment are also installed.

## Biodiversity

Biological diversity - or biodiversity - is the term given to the variety of life on Earth and the natural patterns it forms. It forms the web of life of which we are an integral part and upon which we so fully depend. Threats to biodiversity include habitat loss, unsustainable use of ecosystems and over-exploitation of biodiversity, climate change, and pollution.

**Vedanta** has a long-term Biodiversity management policy for Jharsuguda location as part of its commitment to sustainable development. Through IBAT (Integrated Biodiversity Assessment Tool), Vedanta has conducted a detailed study of the location's biodiversity. As per the assessment Jharsuguda is falling under low biodiversity risk zone as it is not close to 15 kms radius of the identified biodiversity stressed area.

Low Risk	Located outside the 15km radius of any important biodiversity areas
Medium Risk	Located within a 5-15km radius of an important biodiversity area
High Risk	Located within a 5km radius of an important biodiversity area or a potential Critical Habitat

Initial biodiversity risk rating is done through IBAT. It is a central database of globally recognised biodiversity information that can be used to map out the locations of important biodiversity areas, protected areas, and areas categorised by IUCN (International Union for Conservation of Nature) as significant for species of plants or animals. Risk zones are classified depending on the proximity of site/mine location to any important biodiversity areas.

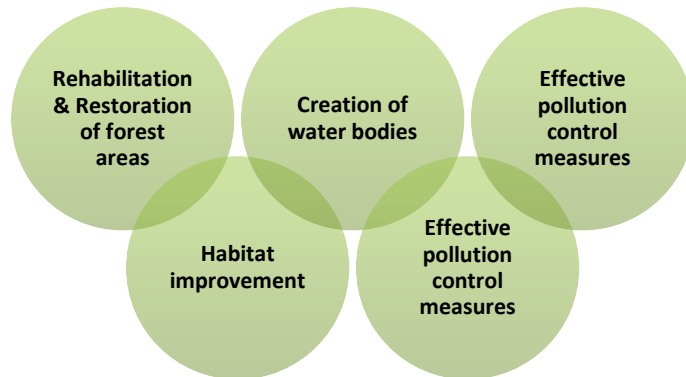
The company aims to achieve a minimum of No Net Loss (NNL) of biodiversity of all its operations by equating biodiversity gains from conservation activities as compared to the impact of any project on the environment.

A long-term management plan towards biodiversity conservation is in place which includes rehabilitation and restoration of the forest areas with adequate soil and moisture conservation measures; creating water bodies, tanks, water holes etc.; pollution control measures like ETP and ESPs; creating awareness through campaigns, incentives, and compassionate payment for information on poaching.

Vedanta is continuously monitoring the biodiversity risk and impact assessment of its operations on biodiversity around the 15 kms radius of plant, with the help of a consultancy. It also works with Government, NGO's, local bodies and others on its biodiversity projects, even though its operational area does not come in the migratory path of elephant corridor.

Green belt development initiative undertaken by plantation at various locations inside and outside the plant premises. The company has rehabilitated an ash pond area by planting different species of plants. A green Jharsuguda project is undertaken by block plantation in the area of approx. 72 acres outside the premises at 3 different patches with the help of NGO's through PPP (Public-Private Partnership) mode. For the supply chain sustainability, the

company has taken various initiatives like bag less alumina handling by encouraging inbound movement of alumina through rake and Bulk Transport Alumina Powder (BTAP), Mechanised alumina loading and unloading facility at Kakinada Port and Inbound movement of coal through rakes along with coal trucks.



**Aditya Cement** has a long-term biodiversity management plan, even though it does not have a formal policy at organisational level. It has undertaken a planned reforestation of its mining area and various other initiatives, with the help of local communities. The company has 760 hectares of mine lease area of which 220 hectares is the mine use area. As per the regulation the company is required to do plantation at 33% of the used land, which is 72.6 hectares. However till date they have done plantation on 103 hectares area, which is 47% and thus exceeding the regulatory requirement. The company has planted various species including native species with the survival rate is 80%. This has helped in bringing a balance between flora and fauna.

Aditya Cement has started a unique initiative called Black Cotton Soil. Through this initiative, the company distributes the soil to farmers free of cost, helping them to convert their 50 hectares of waste land into cultivable fertile land. The farmers have been able to grow two crops per year on that land which yields them approximately Rs 19.43 lacs p.a. This initiative has been appreciated by MOEF and IBM and led MOEF to change the environmental clearance condition which is later on made applicable to all Mining across the nation.

## Endnote

For a business to survive in the long term and retain its competitive advantage, it is imperative that it embeds sustainability in every aspect of it – systems, people and processes. Business leaders today need to look beyond business-as-usual and pave the way towards building sustainable companies. This Yearbook, based on the winners of CII-ITC Sustainability Awards 2015, showcases companies that have embedded sustainability in their business strategies and practices – driven by the fact that given the rapidly changing markets and industry structures, they need to invest in sustainability to become more competitive and remain relevant.

From a time when companies only adhered to basic environmental regulations, they have now evolved to a stage where being economically, socially, and environmentally responsible is becoming a part of their identity. This has been possible because of the change in mindsets and the proactive role leadership has played to ensure that it percolates to every level and create an environment conducive to transformative thinking and solutions.

Corporate leaders today would not risk disagreeing that their companies need to invest in sustainability as part of their business strategy to become more competitive and remain relevant in rapidly changing markets and industry structures. However, challenges arise in strategy formulation and execution when reconciling doing good with doing well. The Sustainable Business Excellence Model developed by the CII-ITC Centre of Excellence for Sustainable Development has helped companies assess their sustainability performance and disseminate best practices among future-minded corporations. As more companies go through the rigours of the Awards assessment process, both internal learning and external credibility have become a source of competitive parity.

It is evident from this Yearbook that leadership plays the most important role. Leadership is the element that gives a company its values and determines the path it will take to realise those values and achieve its sustainability goals. In order for businesses to be sustainable, it is imperative that sustainability be embedded across the value chain of the company. Sustainability has to be ingrained in the culture of the company right from imbibing it in its vision and mission, to ensuring it is instilled in every employee, in its supply chain partners, and in the products and services it offers.

Awards such as these are vital as they serve to encourage good sustainability performance of companies through recognition. A rigorous process and a comprehensive methodology helps companies identify areas of strengths and weaknesses, and learn how to bridge gaps. Most importantly, winning awards should not be seen as an end in itself but as a yardstick for a company to improve its sustainability performance year-on-year.

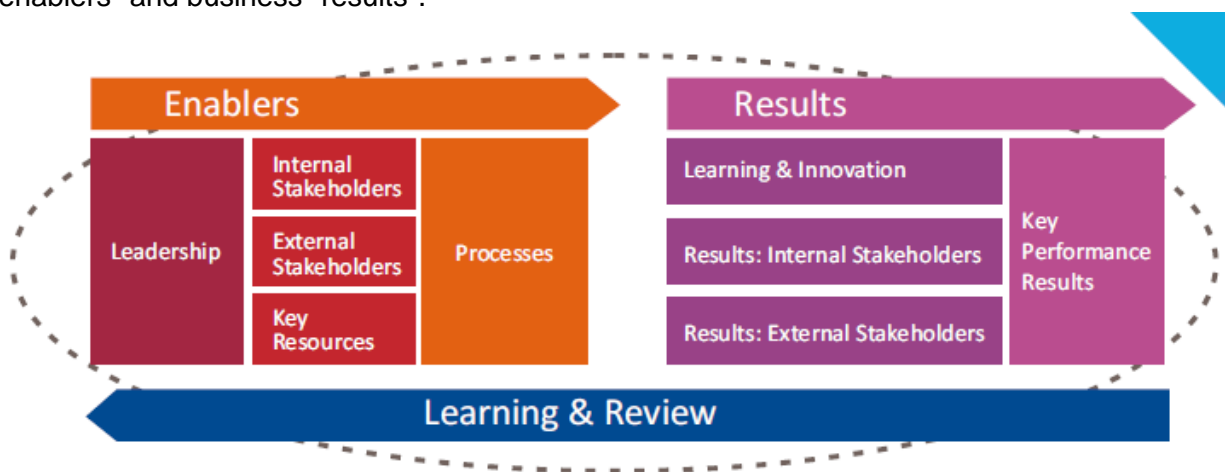


## Annexure 1: Sustainability Business Excellence Model

The CII-ITC Centre of Excellence for Sustainable Development has successfully pioneered sustainable business excellence, and used it to recognise leadership companies and motivate others to follow suit. The latter is realised through the recognised and most comprehensive CII-ITC Sustainability Awards. The Sustainability Awards focus on the strong link between corporate reputation and customer trust, and feed into building brand value and public positioning of companies.

### The Excellence Model

The assessment of the performance of an applicant organisation is as per the methodology evolved by using and adapting of the European Foundation for Quality Management (EFQM) approach. The Sustainability Award gives equal weight and importance to the process "enablers" and business "results".



### Assessment Criteria

The assessment criteria are based on seven attributes:

#### Leadership

Excellence in leadership that develops and facilitates achievements of the organisation's sustainability mission and vision, values, systems and partnerships. Shows concern for all stakeholders, including the environment, for sustainable growth, and implement them through behaviour and action. It also means retaining constancy of purpose during periods of change. Leadership is one that is able to change the direction of the organisation whenever required and inspires others to emulate. Excellent organisations implement their mission and vision by developing a stakeholder focused strategy that takes account of the market and sector in which it operates.

Key characteristics

1. Proactive
2. Strategic
3. Result-oriented
4. Engaging
5. Open
6. Transparent

7. All-inclusive
8. Motivating
9. Delegating
10. Institutionalising

#### Sub-attributes

- a. Leaders develop the organisation's mission, vision, values and ethics. They are the role models of a culture of excellence
- b. Leaders are personally involved in ensuring the organisation's governance structure and management system are developed, implemented and continuously improved
- c. Leaders are involved with customers, partners and representatives of society
- d. Leaders reinforce a culture of excellence with the organisation's people
- e. Leaders identify and champion change within the organisation
- f. Give shape to policy and strategy, based on needs/expectations of stakeholders, information from performance measurement, research, learning and external activities

## Key Resources

Organisations that plan and manage partnerships with relevant internal and external stakeholders deploy necessary internal resources to support its sustainability policy and strategy and puts in place effective operation of processes to realise the goals of sustainable development. During developing and managing partnerships and resources, they balance the current and future needs of the organisation with that of environment and society at large. In this management process, such organisations cover not only the partnerships but also how natural resources, finances, technology and information, knowledge and creativity of people are optimally utilised for sustainable future.

#### Key characteristics

1. Developing long-term relationships
2. Optimising and outsourcing
3. Adequate and strategic deployment of internal resources
4. Holistic approach
5. Balancing current and future needs

#### Sub-attributes

- a. Partnerships – internal and external – are managed
- b. Finances are managed
- c. Building, equipment and materials are managed
- d. Technology is managed
- e. Information and knowledge are managed

## Stakeholder Internal

Organisations manage, develop and release the full potential of people, working for and on their behalf, at an individual, team-based and at an organisational level. They promote fairness and equity by involving and empowering their people. Such organisations are transparent and caring. They reward and recognise its people, motivate them and create commitment amongst them to use their skills and knowledge for the benefit of the organisation and all the stakeholders, including environment within and outside.

#### Key characteristics

1. Use of team approach
2. Knowledge sharing
3. Empowerment
4. Fairness

5. Equity
6. Transparency
7. Recognising and caring
8. Capacity building

### Sub-attributes

- a. Internal stakeholders (employees) are planned, managed and improved
- b. Internal stakeholders' knowledge and competence are identified, developed and sustained
- c. Internal stakeholders are involved and empowered
- d. People and organisation have a dialogue
- e. People are rewarded, recognised and cared for

## Stakeholder External

Organisations comprehensively identify, evaluate and address the needs, concerns and inputs of all the stakeholders – including the environment – while demonstrating and achieving measurable results. Such Organisations plan and manage partnerships with relevant stakeholders, including the supply chain. Stakeholders in this context include government, suppliers, customers, civil society, media, community, environment (physical), investors, etc.

### Key characteristics

1. Ensuring comprehensiveness
2. Demonstration of measurable results in terms of external stakeholder satisfaction
3. Fairness
4. Equity
5. Transparency
6. Pro-active awareness building

### Sub-attributes

- a. External partnerships are managed
- b. Finances relating to the partnership are managed
- c. Communication is ensured

## Processes

Sustainable organisations design, manage and improve processes in order to fully satisfy and generate ever-increasing value for all the stakeholders, including ecology and environment. Processes mean those approaches that internalises the concern of the society, environment and economy, and the way products and services are designed and delivered and those that maximise stakeholder satisfaction over the entire life-cycle.

Policies, plans, objectives and processes of excellent organisations are developed and deployed to deliver the strategy.

### Key characteristics

1. Value creation and addition
2. Institutionalisation
3. Well-structured and systematic
4. Internalising externalities
5. Having a feedback loop and ensuring preventive and corrective action

### Sub-attributes

- a. Processes are systematically designed and managed
- b. Processes are improved as needs, using innovation in order to fully satisfy and generate increasing value for customers and other stakeholders

- c. Products and services are designed and developed based on customer needs and expectations
- d. Products and services are produced, delivered and serviced
- e. Customer relations are managed and enhanced/CSR advocacy
- f. Policy and strategy are communicated and deployed through a framework of key processes

## Results - Internal Stakeholders

Excellent organisations comprehensively measure and achieve outstanding results with respect to their people, including measures relating to the social, environmental and economic performance of the organisation and the goods and services it produces. Results may affect their stakeholders, including customers, the people within the company and the society and ecology at large. Sustainable organisations deliver key performance results that do not have adverse environmental and societal footprints. On the contrary, they create measurable positive impacts on all the stakeholders.

### Key Characteristics

- 1. Targets
- 2. Trends and comparisons including the perception of the stakeholders. Results should be related to key performance targets/benchmarks/trends
- 3. Positive externalities
- 4. Positive image and brand

### Sub-attributes

- a. Perception measures: People's perception of the economic, environmental and social performance of the organisation compared to their own values, needs and expectations (obtained, for example, from surveys, focus groups, interviews, structured appraisals), depending on the purpose of the organisation.
- b. Performance indicators: Internal, used by the organisation in order to monitor, understand, predict and improve the performance of the people in CSR issues, and to predict their perceptions of the organisations approach to CSR.

## Results - External Stakeholders

**Customers:** Excellent organisations comprehensively measure and achieve outstanding results with respect to their customers.

- a. Perception measures: For the customers' perception of the company's economic, social and environmental performance of its goods and services compared to their own values, needs and expectations (e.g., from customer surveys, focus groups, vendor ratings, compliments, complaints, etc.).
- b. Performance indicators: These internal measures are used by the organisation to monitor, understand, predict and improve its CSR-related performance, and to predict perceptions of its external customers.

**Society:** Excellent organisations comprehensively measure and achieve outstanding results with respect to society

- a. Perception measures: For the society's perception of the social, environmental and economic performance of the organisation and the products and services it produces compared to the general values, needs and expectations of society (e.g., from surveys, reports, press articles, public meetings, public representatives, governmental authorities).
- b. Performance results: These internal measures are used by the organisation to monitor, understand, predict and improve the performance of the organisation and to predict

perceptions of society of the environmental, social and economic performance of the organisations and the products and services it produces.

## Learning and Innovation

Organisations that challenge status quo do better. That is, those who are always in the learning mode, and convert societal, environmental and economic concerns into opportunities through innovation and creativity. These are organisations that learn from their own activities and that of others and share best practices and knowledge all through the organisation as well as outside. It is about openness to accept and use ideas from all the stakeholders and stretch current organisational capabilities to safeguard the future of all.

### Key Characteristics

1. Continual improvement
2. Converting risks to opportunities
3. Creativity and innovation
4. Open mindedness
5. Resource deployment on R&D

### Sub-attributes

- a. Company accepts mistakes, but does not repeat them.
- b. People are encouraged to think beyond normal scope of work; this may result in a few failures. However, success stories are more in number.
- c. Targets are set, measured and people are recognised and rewarded for their ideas.

## Annexure 2: Award Winners

CORPORATE EXCELLENCE	OUTSTANDING ACCOMPLISHMENT					
	 ACC Limited	 Hindustan Zinc Limited	 JSW Steel Ltd, Vijayanagar Works			
CORPORATE SOCIAL RESPONSIBILITY	COMMENDATION FOR SIGNIFICANT ACHIEVEMENT					
	 Steel Authority of India Limited	 Reliance Industries Limited	 Tata Housing Development Company Ltd	 JSW Energy Ltd, Toranagalla	 Ambuja Cements Ltd.	 Apollo Hospitals, Kolkata
ENVIRONMENT MANAGEMENT	EXCELLENCE			COMMENDATION FOR SIGNIFICANT ACHIEVEMENT		
	 Cairn India Limited	 Ferro Alloys & Minerals Division, Tata Steel	 Ambuja Cements Limited, Unit Bhatapara	 The Royal Bank of Scotland NV	 Toyota Kirloskar Motor Pvt Ltd	 Rio Tinto in India, Banker's Box
SUSTAINABLE SUPPLY CHAIN	EXCELLENCE			JURY'S RECOMMENDATION FOR COMMENDATION FOR SIGNIFICANT ACHIEVEMENT		
	 Vedanta Limited, Jharsuguda	 UltraTech Cement Limited (Unit: Aditya Cement Works)		 Trikalyaya Recycling India Pvt. Ltd., (A unit of Sims Recycling Solutions)		
SUSTAINABLE SUPPLY CHAIN	COMMENDATION FOR SIGNIFICANT ACHIEVEMENT					
	 Toyota Kirloskar Motor Pvt Ltd	 Bhoruka Power Corporation Limited	 Yes Bank	 PepsiCo India Holdings Pvt. Ltd (India Foods, Kolkata Plant)	 Tata Coffee Limited, Instant Coffee Division, Thani	 Ambuja Cements Limited, Unit Bhatapara
SUSTAINABLE SUPPLY CHAIN	EXCELLENCE			COMMENDATION FOR SIGNIFICANT ACHIEVEMENT		
	 Mahindra & Mahindra Limited (Automotive & Farm Equipment Sector)			 SKF India Limited		



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