



CII-ITC Centre of Excellence for Sustainable Development







Excellence in Sustainable Business

# YEARBOOK

Copyright © 2021 Confederation of Indian Industry (CII). Published by CII. All rights reserved. No part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), in part or full in any manner whatsoever, or translated into any language, without the prior written permission of the copyright owner. CII has made every effort to ensure the accuracy of the information and material presented in this document. Nonetheless, all information, estimates and opinions contained in this publication are subject to change without notice, and do not constitute professional advice in any manner. Neither CII nor any of its office bearers or analysts or employees accept or assume any responsibility or liability in respect of the information provided herein. However, any discrepancy or error found in this publication may please be brought to the notice of CII for appropriate correction.

Published by CII-ITC Centre of Excellence for Sustainable Development, Delhi, India. Tel.: +91 11 41502301, Website: www.sustainabledevelopment.in

# **Table of Contents**

Process 2021
Executive Summary6
Corporate Governance
Business Ethics
Risk Management13
Transparency and Disclosure
Employee Development
Financial Performance21
Stakeholder Engagement
Human Rights
Health & Safety
Corporate Social Responsibility
Supply Chain
Product Responsibility and Responsible Services
Environment Management
Biodiversity

# Process 2021

Instituted in 2006, the CII-ITC Sustainability Awards recognize 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 create the capacity to mainstream them. To us, sustainability is serious business and that is what makes the Awards unique. Applicants must make a serious, organisation-wide commitment to the process – both in terms of their time and money.

The Awards are guided by the Jury, reconstituted in 2018 with a new Jury Chair. The Award categories include Corporate Excellence, Environment Management, Biodiversity, and Corporate Social Responsibility. In March, the Awards process started by inviting Applications of Intent (AoI) from companies. At this stage, companies had to identify their turnover category and specify the Award category they wanted to apply for, through the online tool. Once all AoIs 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, webinars were organized in June to help navigate and understand the online tool and questionnaire. Completed questionnaires were submitted in June for the Domain Excellence and Corporate Excellence categories.

During the time companies were filling the application document, CESD trained a pool of Sustainability Assessors that would go on to carry out the desk and site assessments of the applicants. Taking the pandemic situation into consideration, a virtual Assessor Training Workshop was conducted in May, where a total of 35 assessors were trained. In July, 128 assessors were divided into 25 teams, with each team comprising new and experienced assessors while ensuring they would be assigned an organisation, not from the sector to which they belonged.

Once the questionnaire was submitted by applicants, CESD analyzed each application to check for any information gaps based on which selection was done for desk assessment. Once CESD finalized the companies that would move on to the next stage, access to their questionnaires was provided to the assessment teams. From beginning of July to the beginning of August, the assessment of applications was carried out by teams on the online tool.

With the completion of desk assessment, a Jury meeting was held in September, where each applicant's case was discussed in detail. Based on these discussions the Jury decided on the applicants that qualified for the site visits. Following this meeting, CESD scheduled the virtual site visits which were carried out from end of September to October. During the virtual site visits, assessment teams connected with applicants virtually from their own remote locations and the latter addressed any issue the former had identified during the desk assessment as well as corroborated the information applicants had provided in the Awards questionnaire. Based on their findings during virtual site visits, the teams revised their assessment on the tool and submitted the final results.

A final Jury meeting was held in November to decide the winners, which was based on the revised assessment. In 2021, the Awards received 53 AoIs. Of these, 51 applications qualified for assessment and 21 received recognition.

The Awards Ceremony was held on 31st January on a virtual platform with representatives from the winning companies attending. 21 corporate winners and 8 winner assessors were conferred recognition by Shri Rao Inderjit Singh, Minister of State (I/C) for Statistics, Programme Implementation, Planning and Minister of State for Corporate Affairs, Mr. NR Krishnan, Jury Chair, Mr. Sanjiv Puri, Chairman, Advisory Council CII-ITC Centre of Excellence for Sustainable Development and Chairman & Managing Director, ITC Limited, Ms. Seema Arora, Deputy Director General, CII-ITC Centre of Excellence for Sustainable Development.

# **Executive Summary**

The CII-ITC Sustainability Awards are uniquely designed to put organisations on relentless pursuit of embedding sustainability into governance, operations, and strategy. These are essential fundamentals to future proof business. Businesses have not really managed a come-back in the aftermath of the financial crisis but reliance on businesses has increased more than ever. Hence it is imperative for organisations to reinvent their business models, instigate shifts in consumer preferences, and invest in next generation technologies.

The Awards give an opportunity to businesses to not only get this fresh perspective but also provide a comprehensive Model to pursue its goals towards sustainability through the Sustainable Business Excellence Model. This Model has helped applicants assess their sustainability performance and disseminate best practices among future-minded corporations. As more applicants go through the rigours of the Awards assessment process, both internal learning and external credibility have become a source of competitive parity.

Corporate Governance is seen to inculcate sustainability into their vision, mission, policies, and longterm strategies. The organisations are doing disclosures on education experience and other board memberships of board members for transparency and trust amongst relevant stakeholders and shareholders. Women participation in board is given importance by organisations and some even have diversity policies in place.

Business ethics is a core part of all organisations and employees have been trained during induction and post induction on code of conduct practices by internal and external trainers. Most organisations have ethics and compliance officers in place to ensure that code of conduct practices are properly followed. Implementation of business ethics is done through proper deployment of policies, responsibilities, procedures followed during investigation and actions taken in case of violations of code of conduct.

Risk identification is being done by organisations with top risks identified under operational and compliance categories. Several tools are being used for risk identification including risk maps, sensitivity & stress testing. Processes are in place to deal with non-compliances.

Reporting on sustainability aspects is being done by all organisations. Most of these reports are externally assured to avoid biases. Materiality analysis approach has been taken up to develop a more comprehensible, inclusive, and consistent sustainability strategy. Some organisations have been taking help of external consultants to conduct materiality analysis demonstrating a best practice.

It is seen that organisations are becoming more responsible towards their employees' well being. Various indicators are used like reduction in employee attrition, customer satisfaction levels, etc. to measure benefits of the trainings imparted to them. Human rights due diligence is being carried out in operations to identify, assess, and mitigate any infringement on the rights of the employees.

Financial models can influence the current economic model and shape the world we live in. Taking this into consideration organisations' investment decisions have been dominated by ESG parameters. Organisations have identified a correlation between their sustainability performance and financial performance through top lines and bottom lines.

Organisations believe that collaboration between industry and stakeholders will lead to more sustainable development considering societal and environmental needs and issues. Stakeholder

perception analysis has been undertaken by many to identify priorities of the stakeholders. Stakeholder concerns are given importance with proper mechanisms in place to address their concerns.

Health & Safety are paramount issues for organisations as any adverse incident may have a tremendous impact on the business. Organisations have emergency preparedness plans in place acted upon by emergency response teams which includes trainings on safety equipment, first aid, mock drills etc.

Organisations are prioritizing their CSR focus areas based on needs of the local communities. Most focus areas identified include education and health. Some organisations measure the social value created by them using SROI with the help of external parties. Stakeholders are engaged to identify appropriate standards and approaches to CSR management.

Supply chains play a very important role in the sustainability journey of organisations. Sustainable sourcing is done by organisations, with some sourcing only a part of their raw material as sustainable while a few have all their raw material sustainably sourced. Procurement staff is being sensitised about sustainability aspects and top management reviews initiatives on supply chain.

Initiatives are undertaken to improve products in order to reduce environmental impacts. Many organisations conduct LCA of their products and have been deriving benefits out of it. Data security of customers is given importance by organisations with proper policies and procedures to protect customer data.

Environmental targets have been set with a main focus on GHG emissions, reduction in water consumption and energy consumption. Innovations in products and services are done to achieve set targets. Environmental risks are addressed and integrated into centralized enterprise risk management.

Commitment towards biodiversity is seen in the organisations. Biodiversity champions are appointed to ensure implementation of biodiversity management plans. Impact assessments are done, and results are used to prepared management plans and mitigate risks. Some organisations have been pushing biodiversity management to supply chains as well, demonstrating good practice.

# **Corporate Governance and Strategy**

Corporate governance serves as a tool that enables the organisation to deal with their challenges in an effective manner. It involves balancing interests of the many stakeholders in an organisation - these include its shareholders, management, customers, suppliers, financiers, governments, and communities. It gives a clear idea of how the board of an organisation works and how it sets the values of the organisation. Integrating sustainability in the long-term corporate strategy helps organisations to move on the path of sustainable development.

Applicants have become more aware about sustainability issues in recent times and have embedded sustainability in their vision, mission, policies, and long-term strategies. Few examples of top players are shown in figure 1 below:

Vedanta Ltd. Jharsuguda	•Their sustainability framework encompasses 7 policies on sustainability.
Infosys Ltd.	•Sustainability is part of their business strategy and the organisation has ESG vision and goals for 2030 incorporating sustainability.
Hindustan Zinc Ltd.	•Mission statement- Enhance stakeholders' value through exploration, innovation, operational excellence, safety and sustainability.
Units of NTPC Ltd.	•Mission statement- Provide reliable power and related solutions in an economical, efficient and environment friendly manner, driven by innovation and agility.

Figure 1

A good corporate governance mechanism is depicted by many aspects, a few of which include having different Board Committees performing different tasks, participation of women members on the Board and disclosures on Board members around education, experience, remuneration, etc.

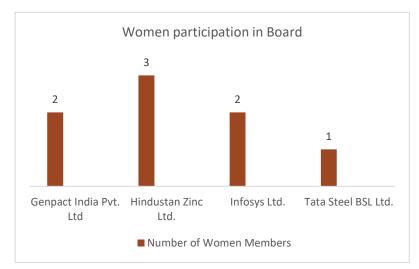


All applicants in the corporate excellence category have Board Committees except for nominations where 75% of the applicants have a Nomination Committee in place. Most of these committees are part of the Companies Act but some like Sustainability Committee are above the mandate. In Genpact, the CEO serves as a Chief Sustainability Officer and is responsible for sustainability performance of the organisation demonstrating leadership

commitment.

Graph 1

Gender diversity of the Board has been given importance by applicants as it helps them to drive business results, make corporate governance more effective, enhance quality and responsible decision making, ensures sustainable development and enhances their reputation as well.



Applicants like Infosys Ltd. and Hindustan Zinc Ltd. (HZL) have diversity policies in place taken care bv the Nomination Committee for maintaining and enhancing diversity of the Board. Graph shows 2 participation of women on the Board of the applicants. No woman member is related to their promoter except for HZL. where some are related, and others are not.

#### Graph 2

Disclosures on Board members is considered to be a good practice for transparency and trust amongst relevant stakeholders and shareholders. All applicants have disclosures about Board members on areas highlighted in figure 2:



#### Figure 2

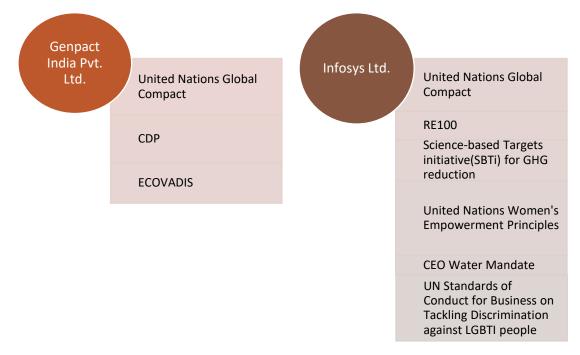
Review of sustainability performance is an important agenda for the Board and periodic reviews on the company's performance are expected from them. In NTPC Sipat, sustainability performance is reviewed by the top management through Board meetings, committee meetings, CSR meetings and risk management meetings. The topics of discussion for these meetings include renewable energy projects, water conservation programmes, ecological services, biodiversity conservation, etc. HZL has set up a 3-tier governance structure highlighted in figure 3 for review of key sustainability performance which helps in strategic decision making, operational supervision and implementation.

Review at group level through Sustainability Committee (also known as Vedanta Board)-meets quarterly to review HZL's sustainability performance.

Vedanta Executive Committee- supports Vedanta Board and sees overall implementation and is a forum where sustainability performance is discussed by top management.

Executive level Sustainability Committee- meets quarterly and reviews the progress against all the 8 sustainabillity goals.

Being part of international commitments helps organisations to pursue the goals and strategy on sustainability. It reflects organisation's seriousness and commitment and long-term actions towards a stated goal. Figure 4 shows a few examples of applicants who are signatories to international commitments:



### Figure 4

Investment in green infrastructure is essential for long term and sustainable economic growth. Shifting to low-carbon and climate-resilient infrastructure investments will help companies achieve long-term climate objectives. Some of the infrastructure investments done by applicants are highlighted in figure 5:



# **Business Ethics**

Business ethics is a set of ethical and moral beliefs set by an organisation acting as a guiding principle on behaviour, values and decisions of the organisation and the employees working in it. These are implemented to ensure that a certain required level of trust exists between consumers and various forms of market participants with businesses. This includes business policies and practices regarding potentially controversial issues, such as corporate governance, insider trading, bribery, discrimination, corporate social responsibility.

Areas included in business ethics in any organisation shall be a combination of environmental, social and governance factors to make it more comprehensive and to drive better business results. The top players including Tata Autocomp GY Batteries Pvt. Ltd., NTPC Ltd Rihand Super Thermal Power Station and NTPC Ltd Tanda Thermal Power Station have diverse areas included in their ethics policy as shown in figure 6:

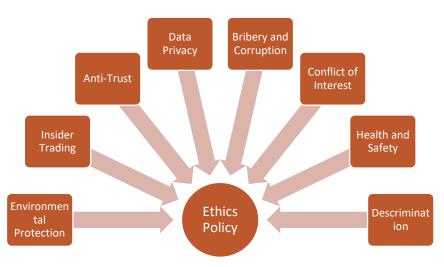
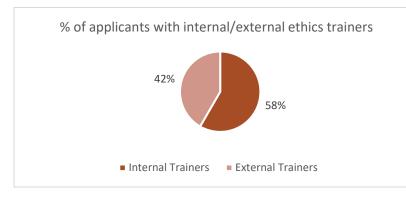


Figure 6



It is a good practice to get these trainings conducted by an external ethics expert for better understanding of the ethical practices as they are aware of the ins and outs of business ethics.

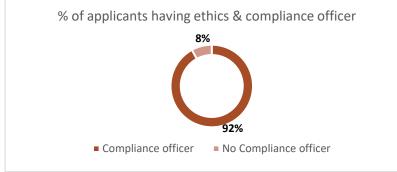
Graph 3



Only 42% of the applicants have external trainers for imparting business ethics trainings (highlighted in graph 4) and all of them are units of NTPC Ltd demonstrating commitment in business ethics practices.

### Graph 4

Having an independent ethics and compliance officer ensures that organisation's code of ethics are followed properly. Their role includes addressing grievances on Code-of-Conduct, ensuring timely meetings on business ethics with all the employees, reporting breach of conduct practices to higher authorities, making sure that ethical considerations enter the decision-making process and taking adequate measures on the concerns raised.



In units of NTPC Ltd. Chief Vigilance Officer (CVO) serves as a compliance officer. The CVO is nominated by Central Vigilance Commission. Tata Steel has an Ethics Counsellor as well as a Compliance Officer, both taking care of ethical aspects in the organisation.

#### Graph 5

Conducting ethical due diligence during the recruitment process can help ensure that selected candidates are more likely to reinforce and maintain the organisation's values and ethics and set an example for other employees. Such candidates are less likely to make decisions in a way that might undermine the organisation's ethical standards or reputation.

# Ethical due diligence during recruitment

•All applicants except one conducts ethical due diligence of candidates while hiring thus assessing them in terms of their fit with the ethical culture and organisational values.

Implementation of Code-of-Conduct in the organisation can be done by having proper systems in place. Implementation includes proper deployment of policies, responsibilities, procedures followed during investigation and actions taken in case of violations of Code-of-Conduct. The top players highlighted in table 1 ensure effective implementation of code of conduct through following processes:

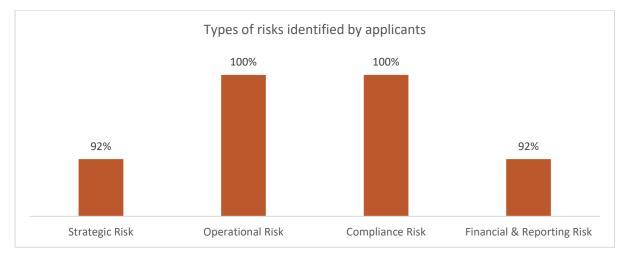
	Roles & responsibi lities well defined	Investigation system and warning system in place	Disciplinary actions (zero tolerance policy, termination, etc.) taken in case of non-compliance	Compliance considered in individual performance evaluation
Tata AutoComp GY Batteries Pvt Ltd.	$\checkmark$	V	$\checkmark$	$\checkmark$
NTPC Ltd.; Rihand Thermal Power Station	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
NTPC Ltd.; Tanda Thermal Power Station	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
Vedanta Ltd. Jharsuguda	V	$\checkmark$	$\checkmark$	$\checkmark$
Hindustan Zinc Ltd.	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$

Table 1

# **Risk Management**

Risk management is the process of identifying, assessing, and mitigating risks that could arise in an organisation due to financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents, etc. It involves growth in recognition of 'sustainability' risks, mainstreaming them in enterprise risk management, and valuation of non-tangible risks.

Organisations are expected to identify different types of risks including strategic risk, operational risk, compliance risk and financial & reporting risks. Complete action plans after identifying these risks include assessing the impacts on business, formulation of mitigation strategies and deployment of resources to work on mitigation plans.

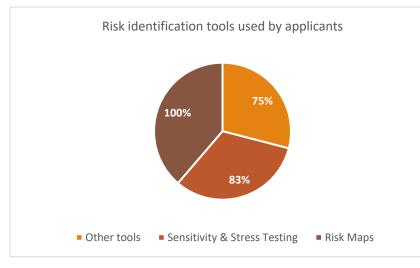


### Graph 6

It can be observed from graph 6 that compliance and operational risks are most identified by applicants followed by strategic and financial & reporting risks.

Infosys Ltd. has a well implemented Risk Management System with proper mitigation strategies in place with regard to each risk category. Figure 8 shows risks that have been identified by the organisation:

Strategic	Operational	Compliance	Financial & Reporting
<ul> <li>US Localization</li> <li>Risks in new country penetration</li> <li>Growth of digital services</li> </ul>	<ul> <li>Lack of continuous learning and competency development</li> <li>COVID-19 pandemic</li> <li>Information security risks</li> </ul>	<ul> <li>Brexit related risks</li> <li>Changes to immigration and labour laws in continental Europe, Australia and US</li> <li>Compliance to data privacy regulations</li> </ul>	•Credit risks



Risk identification and assessment can be done. several tools using including risk maps, sensitivity & stress testing, and other tools as relevant to the applicant's operations. Most commonly used tools by applicants are risk maps and sensitivity & stress testing, while some have adopted other tools as well.

Graph 7

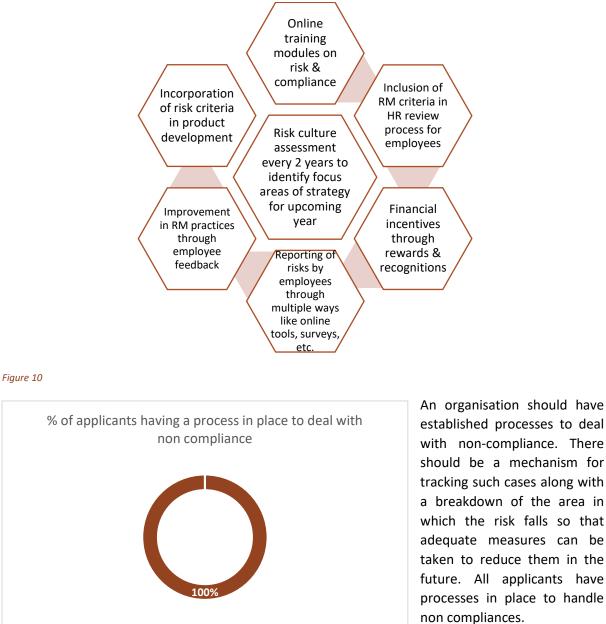
Other tools adopted by top players to identify and assess risks are mentioned in figure 9:

Hindustan Zinc Ltd.	<ul> <li>Bottom up risk identification- conducting risk workshops through external agencies</li> <li>Digitalized RMS Platform- risks identified during workshops are available on this platform with mitigation plans and target dates</li> </ul>
Genpact India Pvt. Ltd.	•Online Risk Management Solution on Archer platform
NTPC Ltd.; Aravali Power Company Pvt. Ltd.	<ul> <li>Online risk evaluation, analysis and management- NTPC has deployed an online risk evaluation platform which covers all business units of the organisation</li> </ul>
Infosys Ltd.	•MetricStream GRC and internal tool- developed for risk identification through risk indicators

## Figure 9

Having proper strategies for risk management in the form of policies and procedures by the top management is important for creating awareness amongst employees which in turn would enhance the effectiveness of the risk management system.

One of the top players, Genpact India Pvt. Ltd. has developed proper strategies for promoting a risk culture throughout the organisation as highlighted in figure 10:



established processes to deal with non-compliance. There should be a mechanism for tracking such cases along with a breakdown of the area in which the risk falls so that adequate measures can be taken to reduce them in the future. All applicants have processes in place to handle non compliances.

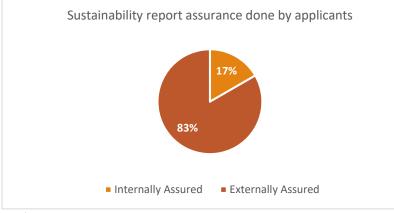
## Graph 8

Units of NTPC Ltd. including Rihand, Kudgi and Aravali, address noncompliance on two levels: Top management- through the Risk Management Committee who prepares action plans to address non-The middle management does this through heads of respective departments i.e., compliance. Finance, HR, Safety, C&M, Environment, O&M etc. responsible for proactively working and delivering results on addressing non-compliance.

# **Transparency and Disclosure**

The main objective of the corporate disclosures is to communicate the organisation's performance and governance to external stakeholders. How transparent an organisation is, is the extent to which stakeholders have ready access to any required financial and non-financial information such as price levels, market depth, audited financial reports, environmental and social performance. In the current scenario, mandatory disclosure requirements by buyers, regulators, and markets are increasing progressively.

Reporting on sustainability aspects has become very important as it helps organisations measure, understand and communicate their economic, environmental, social and governance performance, and then set goals, and manage change more effectively. These reports shall be assured to examine the quality of the report and external assurance is always preferred over internal to avoid biases.



83% of applicants get their sustainability reports assured externally using standards like AA1000 and ISAE 3000. Their publicly available assurance statement includes standards used, declaration of independence, scope of the assurance and conclusion of the assurance process.

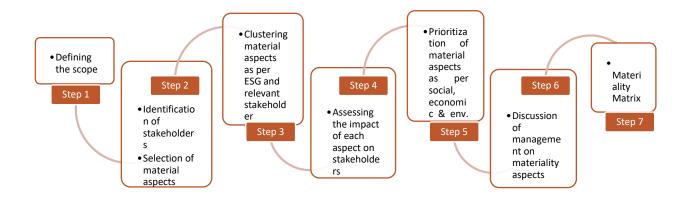
#### Graph 9

A key part of reporting includes conducting materiality analysis and identifying relevant sustainability issues that affect the organisation's business. It helps them develop a more comprehensible, inclusive, and consistent sustainability strategy. All applicants have identified key material issues by conducting materiality analysis. Some have done it internally and others using help of external consultants including EY and Deloitte.

The key material issues identified by organisations must be relevant to its operation and shall be publicly disclosed. There should be strategies, KPIs and long-term targets in place to track actions and progress on these issues. Figure 11 shows key material issues identified by top players:

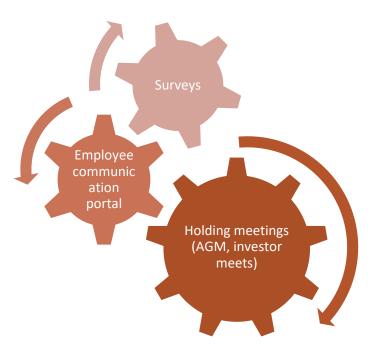
Hindustan Zinc Ltd.	NTPC Ltd.; Rihand	Genpact India Pvt. Ltd.	NTPC Ltd.; Talcher
<ul> <li>Occupational Health &amp; Safety</li> <li>Environment Management</li> <li>Community Engagement</li> <li>Supply Chain Management</li> <li>Diversity &amp; equal opportunity</li> </ul>	<ul> <li>Ash Utilization</li> <li>Occupational Health &amp; Safety</li> <li>Water consumption</li> <li>CO2 emissions</li> <li>Emissions to Air</li> </ul>	<ul> <li>Data security &amp; confidentiality</li> <li>Climate change</li> <li>Regulatory compliances</li> <li>Talent management</li> <li>Business growth and profitability</li> </ul>	<ul> <li>Occupational Health &amp; Safety</li> <li>Fly Ash utilisation</li> <li>Water &amp; Effluents Management</li> <li>Decarbonisation of energy mix</li> <li>Air Emissions</li> </ul>

Hindustan Zinc Limited conducts materiality assessment in seven steps with the help of external consultant E&Y explained here in figure 12:



### Figure 12

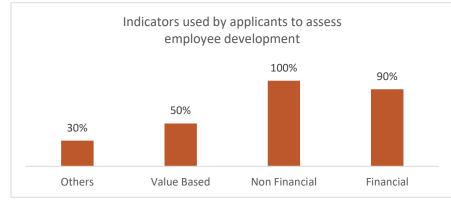
Getting feedback from stakeholders on transparency is necessary to analyse and make improvements in the transparency process. There shall be a process in place where systematic roles and responsibilities are allocated, regular feedback is gathered from stakeholders and also analysed. All applicants have been taking feedback from their stakeholders on transparency aspects. Few ways to get feedback from stakeholders are mentioned in figure 13.



# **Employee Development**

Employee development activities help in growth and development of employees. It helps them stay motivated and develop a sense of loyalty towards the organisation. It includes 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.

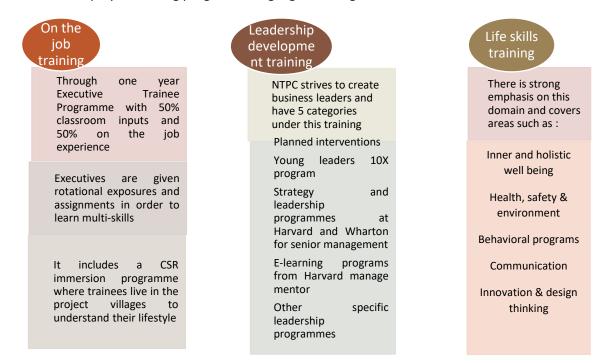
In order to evaluate overall growth and assess further requirements with respect to employee development it is important to track development through various indicators like financial, non-financial, value based, etc.

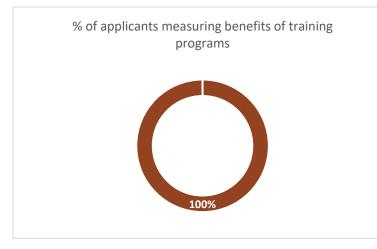


This figure shows that non-financial and financial indicators are mostly used by corporate excellence applicants to assess execution of employee training followed by value-based and other indicators.

#### Graph 10

Organisations should promote continuous skill development of all employees (permanent & contractual) by providing regular training and learning opportunities. NTPC Kudgi has a wellestablished employee training programme highlighted in figure 14:





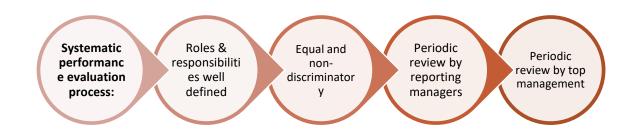
Imparting training in different areas does not mean that skills been employee have developed and enhanced. Benefits of training programmes shall be assessed as evidence if they have been successful. All applicants track benefits of the training programmes through various indicators like reduction in employee attrition, customer satisfaction levels, etc.

Graph 11

Indicators used by top players to assess benefits of employee training			
	NTPC Kudgi	NTPC Sipat	NTPC Rihand
Increase in % of vacant positions filled internally		$\checkmark$	
Reduction in employee turnover	$\checkmark$	$\checkmark$	$\checkmark$
Increase in EDROI	$\checkmark$	$\checkmark$	$\checkmark$
Increase in customer satisfaction	$\checkmark$	$\checkmark$	$\checkmark$
Increase in revenue		$\checkmark$	
Others	$\checkmark$	$\checkmark$	$\checkmark$

Table 2

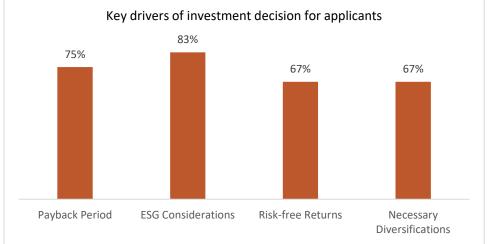
Performance evaluation of employees boosts employee morale and increases their job satisfaction. There should be a well-defined process in place reviewing employee performance on an equal and non-discriminatory basis. All applicants have a systematic performance evaluation process in place (highlighted in figure 15) covering 100 percent of their employees.



# **Financial Performance**

An organisation's financial performance tells its investors and stakeholders about its general wellbeing. It helps determine a business's potential future growth, structure, and effectiveness. It is a snapshot of its economic health and the job its management is doing.

Investment decisions of organisations are driven by many factors including payback period, risk free returns, necessary diversifications, etc. Forms of sustainable finance have grown rapidly recent years and ESG considerations have become a core part of the investment decision of the companies.



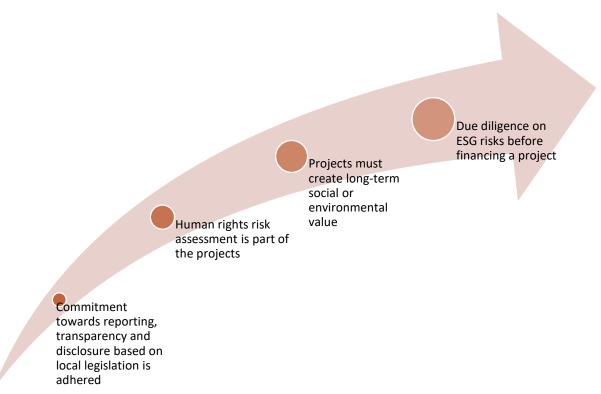
Graph 12 shows that ESG consideration is the prime driver for applicants while making investment decisions followed by the payback period, risk free returns and necessary diversifications.

#### Graph 12

Top players like NTPC Tanda and NTPC Sipat have been incorporating all the above-mentioned drivers in their investment decisions as highlighted in figure 16:

Risk free Returns	Payback Period	ESG Considerations	Necessary Diversifications
<ul> <li>RoE is assured through the power purchase agreements</li> </ul>	• Medium to long term payback periods. NTPC is continually paying increasing dividends to investors	•Climate change, safety, water consumption, new emission norms, etc. are the thrust ESG areas of NTPC which are considered in every investment decision	•NTPC understands the importance of business diversification and is investing in renewables, EV ecosystem, energy storage, etc.

Genpact India Pvt. Ltd. has incorporated sustainability parameters highlighted in figure 17 in their project finance:



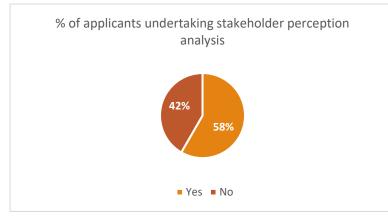
# **Stakeholder Engagement**

A stakeholder is a party, can be an individual or a group of individuals, that has an interest in an organisation and can either affect or be affected by the organisation's business including activities, products, 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 be accountable to them.

The collaboration between industry and stakeholders will lead to more sustainable development that considers societal and environmental needs and issues. Identification of relevant stakeholders, understanding their expectations and acting on them is what is called as a well-established stakeholder engagement process.

Hindustan Zinc Ltd. has established a Stakeholder Engagement Standard which is in line with Vedanta's Technical Standard TS-05: Stakeholder Engagement, as a defined approach for engaging with stakeholders. The standard includes following steps:

Stakeholder Identification	Stakeholder Prioritization	Stakeholder Engagement Plans(SEPs)	Grievance Redressal	Materiality Assessment
<ul> <li>It involves analysing and understanding who might be directly or indirectly affected or is interested in HZL operations</li> <li>Key stakeholders identified include employees, community, trade unions, contractors/suppl iers, NGOs, customers, government and disadvantaged groups</li> </ul>	<ul> <li>It is done based on impact and influence of the concerned stakeholder</li> <li>Frequency of stakeholder ineraction is formalized by the units based on their priortization</li> </ul>	<ul> <li>SEPs are developed and periodiically reviewed and updated</li> <li>SEPs include, making public disclosures of appropriate information, consultation with affected parties, establishing procedures through which stakeholders can comment or complain, etc.</li> </ul>	<ul> <li>A grievance committee is in place where respective unit heads review the grievances on a periodic basis</li> <li>An apex committee chaired by the location head meets every quarter and unit level committee every month to check on the grivances recieved and actions taken</li> </ul>	• Conducted once in every 3 years, this process requires engagement with various stakeholders to get a grasp of the aspects which are important to them



Mapping stakeholder perception can add significant value in terms of helping the organisation implement its long-term vision and creating a unique position in the market for itself. Graph 13 shows that 58% of applicants have undertaken stakeholder perception analysis to systematically identify priorities as perceived by the stakeholders.

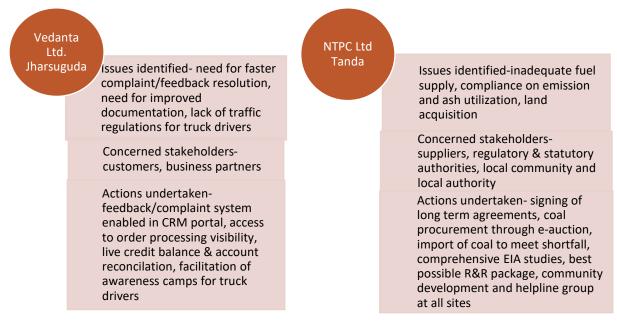
#### Graph 13

NTPC Kudgi's stakeholder perception scores have been improving for the last 3 years. The organisation conducts stakeholder perception analysis at a defined frequency for its stakeholders as highlighted in figure 19 and have measures in place to achieve respective targets.

Consumers- Annually	Investors-Quarterly	NGOs- Need based	
Government or regulators- Quarterly Others- Quarterly			
Action plan has been developed to identify the issues of their non-satisfaction and measures have been taken accordingly			

#### Figure 19

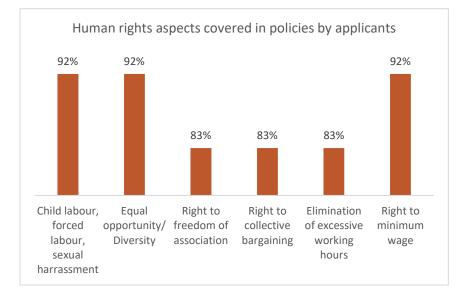
A grievance mechanism is an important pillar of the stakeholder engagement process because it creates opportunities for companies and communities to identify problems and discover solutions together. Proper actions taken by top players to address the issues and concerns raised by their stakeholders are highlighted in figure 20.



# Human Rights

Human rights are standards that recognize and protect dignity of all mankind. Everyone is equally entitled to their rights irrespective of their nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. Human rights govern how individual human beings live in society and with each other, as well as their relationship with the State and the obligations that the State has towards them.

Issues around human rights differ for each organisation depending upon the operations. These issues can be covered in a standalone Human Rights Policy or there can be multiple policies on different coverage aspects.



Graph 14 shows aspects covered by applicants in their human rights policies. The most aspects most covered include child labour, forced, labour, sexual harassment, equal right opportunity, to minimum wage followed by right to freedom of association, right to collective bargaining and elimination of excessive working hours.

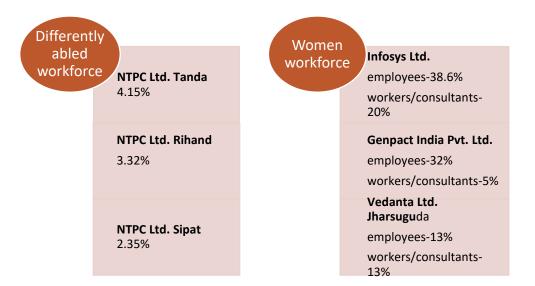
## Graph 14

These human rights aspects are applicable to both internal and external stakeholders of an organisation to communicate its human rights expectations. The relevant stakeholders to which the policy may apply are highlighted in figure 21:



### Figure 21

The organisations shall focus on equal opportunity and avoid all forms of discrimination based on caste, gender, disability, etc. Top players demonstrating employee diversity are highlighted in figure 22:



#### Figure 22

Hindustan Zinc Ltd. is committed to ensuring that there is no use of forced, compulsory or trafficked labour in any part of their business and expect their suppliers to apply the same high standards to their own organisation and supply chain. It has proper systems and procedures in place to conduct due diligence on Human Rights in its operations. Its Human Rights Due Diligence process is highlighted in figure 23:

•Actual and potential risks and impacts to human	Identification & assessment of HR risks
rights in the area of operations identified and	•Actual and potential risks and impacts to human

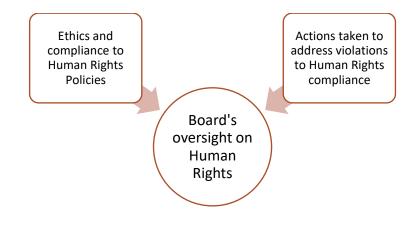
- rights in the area of operations identified and analysed through inspections, audits and screenings
- •Specific to time of joining, contractor onboarding, at supplier's end, joint ventures and own operations

## Action Plan

- •Action plan is developed based on the identified and assessed human rights risks relevant to the organisation
- •Any concerns identified during the process are addressed through corrective and preventive action planning

#### Figure 23

Board's oversight over human rights approach taken by the organisation is an important indicator to show seriousness towards dealing with human rights issues. Regular updates or meetings shall be done to discuss relevant concerns on human rights and take appropriate actions to deal with them. Boards of all applicants have an oversight on human rights with following approach:



# Health & Safety

Occupational health & safety is important to the workplace because it safeguards the welfare of employees. 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 surrounding communities and the general environment.

An occupational health & safety management system shall be an integral part of an organisation as it enables identification of the key health & safety risks relevant to the organisation as well as measures to avoid or mitigate them. Commitment to health & safety is shown through adapting safety standards like OHSAS 18001, ISO 45001, etc. and having formal policies in place.

HZL's commitment towards health & safety is evident from their practices. Not only do they adhere to international standard OHSAS 18001 and have formal policies approved by the Board but have different initiatives in place improving health & safety conditions of their employees. Their key initiatives are presented in figure 25:

Aarohan Program	<ul> <li>Running since 2013, it is a flagship programme of HZL for achieving safety excellence</li> <li>It is testimony to HZL's safety pledge</li> </ul>
Safety Whistle Blower Program	<ul> <li>Launched to foster safety across operations of HZL</li> <li>The portal is designed for employees to reach out to senior management when they observe unsafe acts during operations</li> </ul>
Safety Stand Down Platform	<ul> <li>Launched to extend the learnings from an incident at any site and roll out monthly safety themes</li> <li>Several trainings, awareness sessions, tests etc. are conducted around the safety themes, monthly</li> </ul>
RuBaRu Program	•Launched in 2020 to establish a safe and productive environment at the sites
l Support Aarohan Program	<ul> <li>The initiative requires each employee to take one safety FIP project in each quarter to improve safety performance of HZL</li> <li>Participation of employees in this initiative is almost 100%</li> </ul>

There shall be processes in place to identify health & safety risks along with strategies to deal with them. Involvement of the Board and consultation with relevant stakeholders is considered to be a good practice while strategizing health & safety risks. The risks shall be identified from all operations of the organisation and proper trainings shall be given to employees to avoid such risks. Here are some of the best practices of top players for identification and communication of health & safety risks:

Company	Process of identification of health and safety risks	Method of communication of health and safety risks to employees
NTPC Ltd. Kudgi	HIRA (Hazard Identification and Risk Assessment) is ensured for all the activities. Job Safety Analysis (JSA) is being ensured with each work permit.	Job specific training is given to all the workers along with safety induction training. Hazards identified during JSA is briefed to the workers group before start of the job. Communication through display of safety boards at different locations inside the plant.
Hindustan Zinc Ltd.	5*5' Risk Matrix for risk assessment, wherein risks are identified, categorized as per impact & probability & mitigation plan are prepared. HAZOP study, PHA, HIRAC etc are conducted by Safety Management Sub- Committee for identification and assessment of hazards.	<ul> <li>Health &amp; safety training &amp; awareness for employees and contract workers.</li> <li>Communication cells are established in units to communicate about safety to shop floor employees.</li> <li>Safety Alerts are released and displayed on Notice boards.</li> <li>Promotional activities are undertaken such as safety week celebration, road safety week, etc.</li> <li>Safety action meetings with employees conducted and safety videos played in premises.</li> </ul>
NTPC Ltd. Talcher	Techniques like Hazard Identification and risk assessment (HIRA), Job Safety Analysis (JSA), Operational Control Procedures (OCP), conducted to identify risks. Steps: Identification of materials and equipment used in operations and preparation of the Material Safety Data Sheet (MSDS), preparation of the flow sheet of operations, identification of all the activities on the basis of flow sheet, listing out of the hazards related to activities and allocation of weightage to each hazard, identification of the activities having significant hazards and substantial risk and taking risk control measures through management programmes.	Visual displays including safety films, LED digital display boards highlighting performance parameters, award winning safe workers' photographs, etc. AAINA (Advance Action in Industries to Abate Accidents) has been introduced in the station. Through internet/ intranet site, mobile app, and safety applications. Day to day pep-talk with workers and contractors.

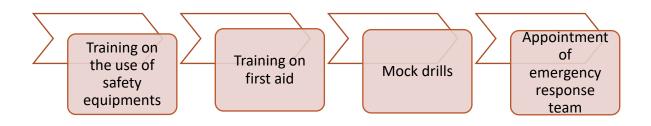
Table 3

NTPC Ltd. Talcher review their safety status at regular intervals through monthly meetings chaired by the CGM which is attended by all HODs. There is also a Safety Committee in place comprising members from the management as well as workers' representatives. The organisation has identified major health & safety hazards highlighted in figure 26:



## Figure 26

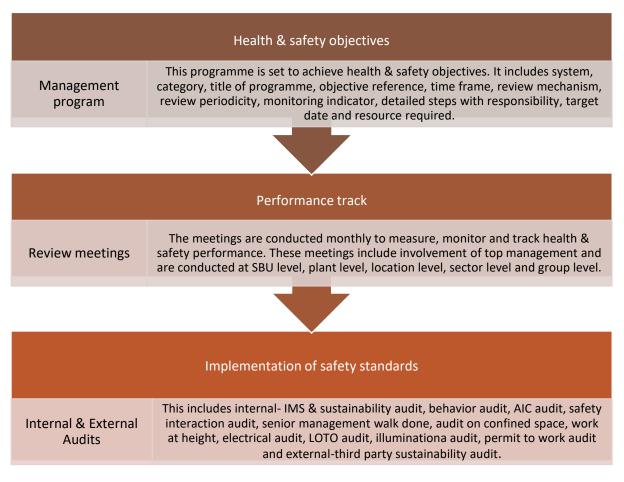
Having emergency preparedness plans in place helps to deal with health & safety hazards in a timely and effective manner. It is a good practice to involve external agencies in developing such plans along with periodic reviews by the top management. All the applicants have emergency preparedness response plans in place covering aspects presented in figure 27:



## Figure 27

The applicants take responsibility to measure effectiveness of their health & safety management systems and use their learnings to make improvements in their processes. Effectiveness can be measured by doing periodic reviews, conducting internal or external audits, involvement of stakeholders, etc.

Vedanta Ltd. Jharsuguda has a well-defined process in place to measure effectiveness of its health & safety management system as highlighted in figure 28:

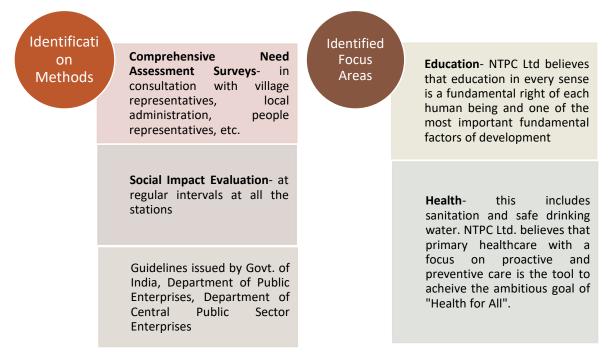


# **Corporate Social Responsibility**

CSR is a business model where organisations take efforts to operate in a way that enhance rather than degrade society. It is an organisation's sense of responsibility and contribution towards the community and environment in which it operates. It has also been defined in the Companies Act, 2013 – Section 135 and Schedule VII.

To build its Corporate Social Responsibility, the first step includes having a formal policy in place followed by identification of focus areas. These focus areas shall be based on the needs of the local community and linked to a larger framework with the support from senior leadership. It is also important that the focus areas of CSR and activities align with business strategy of the organisation.

NTPC Ltd. has a well-defined process in place to identify and prioritize its focus areas. Figure 29 highlights methods used by NTPC to identify CSR interventions and related identified focus areas.



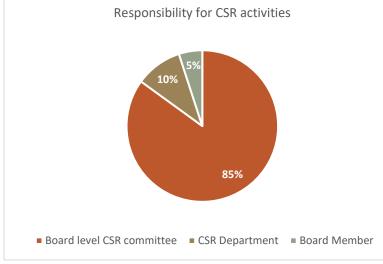
### Figure 29

Social Return on Investment (SRoI) is a tool for calculating the environmental & social value an organisation is creating for its stakeholders. It is an estimate of social value created for every Rupee spent. Stakeholders are not just limited to activity beneficiaries but may include implementing agencies, local governments, authorities, etc. Top players of CSR like NTPC Ltd. Talcher and NTPC Ltd. Tanda conducts Social Capital Evaluation with the help of external parties - Institute of Rural Management, Anand (IRMA) and IICA Gurgaon respectively demonstrating good practice.

## NTPC Ltd Talcher

Evaluative SROI conducted based on actual outcomes.	Entailed activities- Desk review of MoU & other docs related to CSR activities, -research, surveys, etc. to identify and ascertain the social & economic value of project & onsite
Criterias chosen- continuity of activities for 2 or more years and cost of activities (annual expenditure above 10 lakhs)	assessment of CSR activities On-site assessment includes physical assessment of CSR activities, cross checking of
Activities chosen-Health camps, rural infrastructure (community center) and SHG training	information provided by stakeholders & that gathered during physical assessment, interviews with NTPC representattives, beneficiaries & other stakeholders & capturing
Variables used to rationalise benefits of activities undertaken - Dead weight, Attribution and Drop-off	of unintedned harms and costs. Collation of data- includes collation of qualitative and quantitative data for assets created and services rendered under CSR
Outcome- Health camps have a high drop-off percentage, community centers have high attribution and lower deadweight levels and SHG trainings have high attribution and lower deadwieght	activities Computation of SROI- Based on financial proxies, deadweight, attribution, displacement, drop-off reckoned for the CSR activities
Figure 30	

**NTPC Ltd Tanda** 



As per Section 135 of the Companies Act 2013, the ultimate responsibility for CSR rests with the CSR Committee. CSR Committee is a mandatory Board level committee. However, companies like Tata Autocomp GY Batteries Pvt. Ltd., NTPC Ltd. Kudgi, Genpact India Pvt. Ltd. are going beyond compliance by having CSR departments and oard members responsible for handling CSR activities.

Graph 15

Engaging internal and external stakeholders consistently and from the beginning enables companies to design a programme that helps to identify appropriate standards and approaches to CSR management. Their involvement shall be in identifying issues, designing projects, delivery, implementation, management of assets created, etc.

Hindustan Zinc Ltd. has a stakeholder engagement process for all its relevant stakeholders and its stakeholders are part of project conceptualisation for CSR. The process is highlighted in figure 31:

Community	<ul> <li>Senior management visits to villages to discuss about their needs and regular community public meetings at defined a periodicity</li> <li>Community forums like Khushi program, women self help groups, agriculture program, etc. are platforms for direct communication with community and their feedback</li> </ul>
Panchayat, Local Elected Representatives	<ul> <li>Separate meetings are conducted with elected people's representatives</li> <li>CSR teams engage with them to update on actions taken as well as to seek their feedback and inputs</li> </ul>
Civil Society	<ul> <li>CSR department partners with NGOs to improve and enrich their CSR interventions</li> <li>The meeting frequency is monthly for large programmes and bimonthly or quarterly for smaller initiatives</li> </ul>
Local Administration	<ul> <li>Several CSR initiatives are done in partnership with local/state and central governments</li> <li>Monthly/quarterly meetings are done to share progress updates and seek their inputs</li> </ul>
Larger group of Stakeholders	<ul> <li>CSR activities are displayed on the company's website, on CSR portal of the Rajasthan Government, in the company's own annual and sustainability reports</li> <li>Further through CSR brochures, newsletters, leading dailies, magazines and social media platforms</li> </ul>
Employee Volunteering	<ul> <li>Employees are motivated to devote their time under various initiatives</li> <li>During the year, HZL engaged 1148 employees generating 1795 manhours for CSR activities through virtual and physcial platforms</li> </ul>

## Figure 31

It is important to assess the impact of the CSR initiatives to comprehend tangible and intangible changes in the lives of communities where projects were implemented. Infosys Ltd. has successfully measured output, outcome, and impact of its CSR activities. The results are both quantitative and qualitative in nature and relevant to its CSR operations.

	Output	Outcome	Impact	
Activity 1	Infosys Headstart	Digital Literacy Project	The platform was soft launcher for volunteered institutions February 2021. Within six weel 40,000+ learners from 15 educational institutions her leveraged the platform.	
Activity 2	Facilitating COVID-19 relief effort	Bowring Hospital: A 28-bed Intensive Care Unit, with ventilators, multiparameter monitors, emergency cart, ambu bag, intubation set and bedside lockers, was set up. For the general ward and casualty section, 140	A total of 600 COVID-19 patients were treated at the Hospital till March 31, 2021.	

		beds and equipment, including a mobile X-ray machine, ECG machine and trolleys, were provided. A Cath lab was set up for the cardiology unit, along with two modular operation theatres	
Activity 3	SupporttoSocietyforEducationActionandResearchinCommunityHealth(SEARCH)	Focused on healthcare delivery, community health programmes and public health research. SEARCH began NIRMAN, a programme to encourage young persons to find a broader purpose to their lives, to spur social action and cultivate a vibrant and supportive community	A total of 1,419 participants have undergone this training so far and 444 alumni have worked full-time on specific social challenges across India

Table 4

Community complaints and grievances shall be dealt in a proper manner providing justified solutions which are healthy to both the company and community. NTPC Talcher has a well-established procedure to deal with the community complaints as highlighted in figure 32:

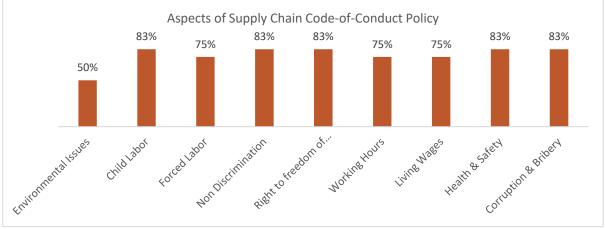
Direct interaction with community	<ul> <li>CSR/ R&amp;R nodal officer quarterly visits and interacts with villagers</li> <li>The said grievances are recorded and communicated to HR for mitigation</li> </ul>
Drop-box for receiving grievance/suggestions	<ul> <li>Easily accessible to local community, it is opened once every month by a committee nominated by HOHR</li> <li>Grievances are compiled, segregated based the issue type &amp; sent to HOHR</li> <li>An acknowledgement slip is sent to complainant within 7 working days of opening the box</li> </ul>
Meetings with Panchayat Head/Village Head	<ul> <li>The grievances raised in these meetings are compiled by the CSR/ R&amp;R nodal officer</li> <li>These are segregated under broad issue heads like employment, compensation, R&amp;R grant, CSR/CD works, etc. and submitted to HOHR for mitigation.</li> </ul>

# **Supply Chain**

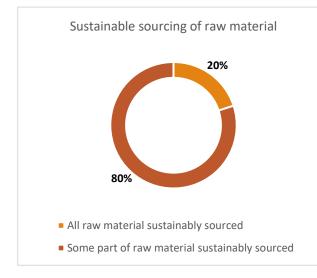
Supply chain sustainability refers to the organisation's efforts to consider the environmental, social, and economic impacts of their products/services journey through the supply chain. It is the management and encouragement of good governance practices throughout the lifecycle of goods and services. 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 the market.

Having a Supply Chain Policy/ Code of Conduct ensures a level of conduct required from its supply chain partners that adds value to the organisation. It helps the suppliers understand the organisation better, while also improving their understanding on the commitment required. The policy/ code of conduct coverage must include key areas such as: environment issues, child labour, forced labour, non-discrimination, right to freedom of association, etc.

Graph 16 represents aspects incorporated by applicants in their supply chain code of conduct policy. Child labour, non-discrimination, health & safety, and corruption & bribery are the top aspects incorporated by the organisations.



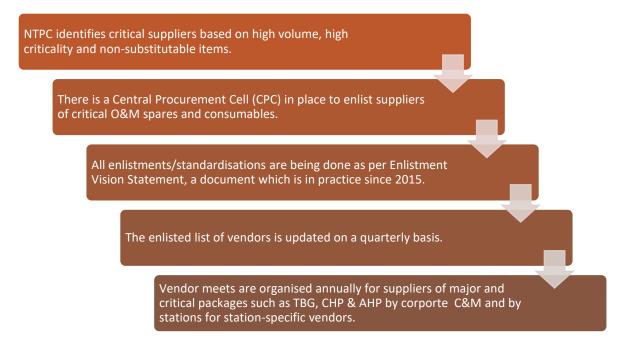




have Organisations started prioritizing sustainable sourcing to improve their environmental and social performance. Sustainable sourcing is integration of social, ethical, and environmental performance factors into the process of selecting supplies. They may choose to procure some part of their raw materials from sustainable sourcing, or all the raw materials sourced sustainably, the latter being the best case. Hindustan Zinc Ltd. and Vedanta Ltd. Jharsuguda source all their raw material in а sustainable wav demonstrating best practice in corporate excellence.



Top players like NTPC Ltd. Talcher have a well-defined process in place (figure 33) to identify their critical suppliers. Definition of critical suppliers varies from company to company. For some, critical suppliers are those which have an impact on operational efficiency of the company while others identify them basis on high volume or non-substitutable items.

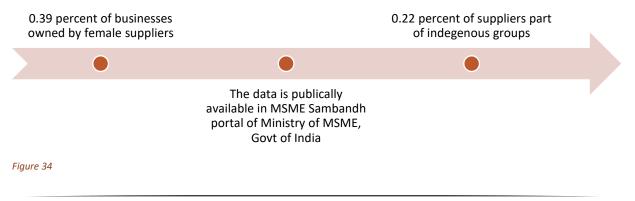


### Figure 33

Employees of an organisation who are a part of the procurement process or involved in supply chain in any manner must know about various environment, social and governance issues relevant to the business for its supply chain. All procurement staff must be sensitized about sustainability standards for suppliers, system to track any faults and minimize risks, transparency in the procurement process and supplier monitoring and development. All the applicants train their procurement staff on sustainability related aspects.

Organisations shall focus on supplier diversity by including organisations owned by women, indigenous groups, and differently abled. This ensures that organisations are being inclusive in their supply chain practices with respect to suppliers of diverse background, while at the same time capitalizing on the opportunity for competitive advantage and community engagement that comes from working closely with minority suppliers.

NTPC Ltd. Talcher is an example of good corporate excellence practice displaying diversity in supply chain as highlighted in figure 34:



Board/top management review of supply chain initiatives puts a strategic focus on supply chain and also enables the organisation to know whether initiatives are benefitting the organisation or not. This will help the organisation to improve the existing processes and yield better results in future. Here is how the top players involve their Board in reviewing supply chain practices:

TATA Steel	BSL Ltd.

- •Formal Steering Committee Council chaired by VP GSP in place
- •Members from the senior leadership team with cross functions from corporate sustainability and ethics department review the progress made on supply chain initiatives and provide further guidance

# Hindustan Zinc Ltd.

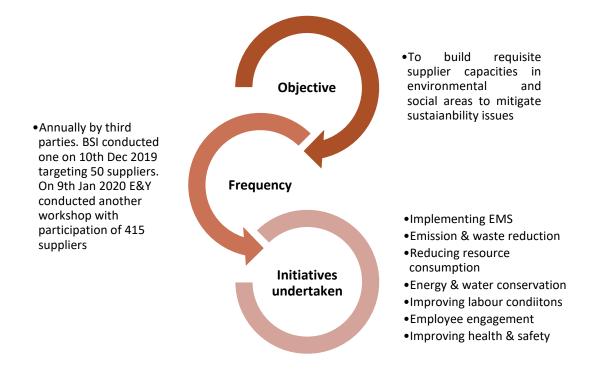
- •Reviews by the top management are done during various monthly meetings including sustainability BMG, operations BMG, Executive Committee Meetings, etc.
- •Wherever gaps are identified, improvement directives are given, e.g., reduction in turn around time, installation of CCTVs, etc.

# NTPC Ltd. Talcher

- •Top management guides and intervenes in supply chain management & have released three circulars 760, 761 & 763 mentioning about reducing time cycle, expediting the release of EMD to vendors, etc.
- •Top management has taken help of third party, E&Y, to devise sustainable supply chain policy, procedures and guidelines.

### Figure 35

Taking up capacity building initiatives can help to build suppliers' requisite capacities to mitigate sustainability issues as showcased by Genpact India Pvt. Ltd (figure 36):



# **Product Responsibility and Responsible Services**

Product Responsibility for the manufacturing sector encompasses the notion that a producer of any product shall consider the life-cycle environmental impacts of its products or services, including the effects associated with ultimate disposal. Responsible services for service sector encompass the notion that a service provider shall commit to sustainable practices and customer data security in their service portfolio. Organisations are expected to exercise due care in the design of their products/services to ensure they are fit for their intended use and do not pose unintended hazards to the health and safety of consumers or any hazard to the environment during use-phase or end-of-life disposal.

Conducting Life Cycle Analysis (LCA) of products and services is a best practice to demonstrate product responsibility as it helps to measure impacts which can be further mitigated. Scope of Life Cycle Assessment (LCA) pertains to the extent of the same on both upstream and downstream of a product/service. An organisation is taking product responsibility in the most comprehensive manner if they are undertaking LCA over the entire lifecycle of a product including the upstream as well as downstream activities as done by top players highlighted in table 5:

	TATA Autocomp	NTPC Ltd. Sipat	NTPC Ltd. Rihand	TATA Steel BSL Ltd.
Own operations	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$
Upstream of product/service	$\checkmark$	$\checkmark$	√	$\checkmark$
Downstream of product/service	$\checkmark$	$\checkmark$	√	$\checkmark$
Table 5				

Multiple benefits have been derived by the top players by conducting LCA. Some of the benefits of Hindustan Zinc Ltd. are highlighted here in figure 37:

H7l s	benefits	derived	from	
<b>NZLS</b>	Denents	uenveu	nom	LCA

Identification of all potential areas for improvement and direct efforts to reduce the impacts	Optimization and improvement of the production processes, end-of-life scenarios, etc.	Understanding of the environmental profile across the value chain	Use of assessment results to perform internal benchmarking
--	--	---	--

#### Figure 37

Organisations are expected to understand the environmental impact of the use and disposal of their product. Further, with this understanding they should develop/modify products/services to reduce the impact on environment. Table 6 highlights some of the initiatives undertaken by top players in improving their product/service to reduce the environmental impact:

	NTPC Ltd Sipat	TATA Steel BSL Ltd	NTPC Ltd Rihand
Product 1	Limestone based wet Flue Gas Desulphurisation	•	1155 MW of solar power, 163 MW of wind power and 32 MW

	(FGD) system is being installed at station to remove SO2 components from the flue gas	Environment friendly) complied passivation/TOC (Thin Organic Coating: - Environment Friendly) is used instead of Lead in galvanizing bath to increase life of product	of small hydro capacities are operational. Projects of 2284 MW of Renewable Energy is in different stages of implementation.
Product 2	Boiler retrofitting with Separated Over Fire Air (SOFA) technique of air staging is being implemented for reduction of NOx emission	GALUME-An Aluminium & Zinc coated product, which gives 50% longer life as compared to galvanized product, thereby reducing the carbon footprint	The plastic & packaging waste is being disposed of through cement plant by co-processing and energy recovery technique thereby reducing the impact on environment. Till 31.03.21, approx. 04 MT of plastic waste has been disposed off.
Product 3	Drive for replacement of conventional lighting with LED lighting has been taken up and is ongoing. Further, tie-up with authorized agencies for proper disposal of mercury-based lights has been done	Developed WIR019 & SPFH590 grade high strength steels for automotive wheels and grade BSK46 grade for commercial vehicle. This high strength steels reduces the weight of the vehicles which in turn reduces CO2 emissions	Two semi – automatic and two fully automatic fly ash brick plants have been installed. Presently approx. 25000 fly ash bricks / day are being manufactured at NTPC Rihand these bricks are fully utilized in plant, townships, ash dykes and CSR works undertaken by NTPC Rihand.

Table 6

The organisations shall deal with customer data and other confidential data with utmost security to prevent it from being misused by third parties for fraud. Businesses are responsible for data loss such as financial details, confidential customer files, and employee information. Data security is important to protect the organisation's assets.

Genpact India Pvt. Ltd. demonstrates best practice (highlighted in figure 38 and 39) when it comes to data protection and cyber security. It has a data protection and privacy policy applicable to employees, suppliers, contractors, joint ventures, and subsidiaries.

Genpact's Assurance of customer data	Prior permission of the customer on collecting and storing personal data
privacy	Personal data is used for specific and explicit purposes only
	Accuracy of stored customer data is maintained by regularly updating changes and deleting/rectifying the old data
	Transparency is maintained on use and security of data
Figure 38	

Figure 38

## Involvement of top management

• Updates on cyber security strategy, plans and status of initiatives is presented every quarter to the Audit Committee comprising of Board of Directors

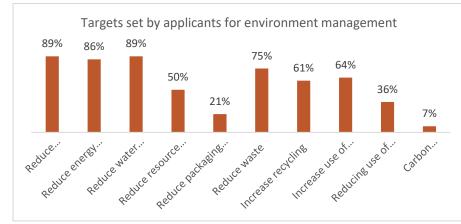
## Training of employees

•Genpact conducts mandatory trainings and workshops for its employees on data privacy

# **Environment Management**

The role of environmental management for businesses is two-fold: to protect the environment from the effects of its operations and to protect the business from non-compliance fines and penalties. 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) 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.

Organisations should set targets to reduce environment footprint, increase production efficiency, and waste minimization. Such a target setting also provides future proofing against future environmental challenges and threats. Targets can be both short term [3-5 years] and long-term [5-10 years] targets.



Graph 18 shows the areas of environmental challenges for which targets are set by the applicants. The top priorities areas include reduction in GHG emissions, reduction in water consumption reduction in and energy consumption.

Graph 18

Organisations are required to make innovations or improvements in their products and processes in order to achieve the set targets. These innovations shall be relevant to the organisation's business and should have resulted in environmental benefits which can be both qualitative and quantitative in nature. Figure 40 highlights innovations/improvements done by top players:

# TATA Steel Pvt. Ltd.

# NTPC Ltd. Sipat

High strength steel is produced which maintains safety standards of the vehicle and enhances fuel eifficiency due to its light weight	Retrofitting of the boiler has been carried out to reduce NOx emissions. Reduction technology called combustion modification has been carried out
GALUME and color coated sheets are produced which are light in weight and have oxidation free properties. The product is recyclable, adding to circular economy	Chlorine dioxide is used in place of hazardous chlorine gas in the water treatment process thus avoiding its transportation, storage and handling
Process solid waste generated is reused 100% in sinter making enabling judicial use of coal & iron leading to less CO2 emissions	Water consumption is reduced with commissioning of Dry Ash Extraction System (DAES). Station is capable of 100% dry ash evacuation

# Genpact India Pvt. Ltd.

Recycling and rainwater harvesting practices are adopted to conserve water. 33, 366 KL of water was saved through rainwater harvesting in 2020	Freeze precipitation technology is used for sodium salt recovery from MEE salt	
Waste reduction goals including zero waste to landfills and zero liquid discharge are set. 100% of the food waste is being recycled	Adiabatic cooling tower has been installed to conserve water	
16.5 million units of electricity has been saved across global sites in 2020 with initiatives like infrastructural changes, controlled use of HVACs, work from home, etc		
Figure 40		
% of companies where environment management mopportunities are integrated into the centralized	8	
management	programme.	

Hindustan Zinc Ltd. Dariba

management Graph 19

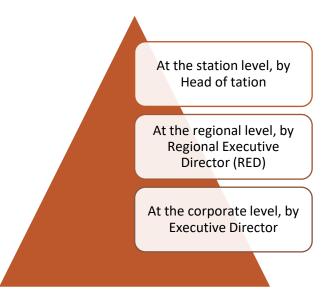
Hindustan Zinc Ltd. have identified regulatory environmental risk on its operation (figure 41):

<ul> <li>Renewable energy regulation</li> <li>Generation of renewable energy as a fixed percentage of the total energy generation, as per Rajasthan Electricity Regulatory Comission</li> </ul>
<ul> <li>Increased operational cost</li> </ul>
<ul> <li>Direct financial implications like financial sanctions</li> <li>Indirect financial implications like loss of reputation affecting stakeholder confidence</li> </ul>
•The mandatory renewable power generation has been complied through its 14.2 MW waster heat based power generation and a solar plant of 4.0 MW capacity
•INR 20 crore has been spent for solar power plant and 45 crore has been spent for WHRB

### Figure 41

The organisation's top management must regularly review environmental performance. This indicator looks for top management involvement, frequency of review and the output is analysed to identify, prioritize, plan, and implement improvements.

NTPC Ltd. Sipat follows a 3-tier structure for environment performance monitoring as highlighted in figure 42 and 43.



Monthly environment performance report indicating deviations is sent to RED Exceptions are shared in ORT meeting which is conducted at regional level

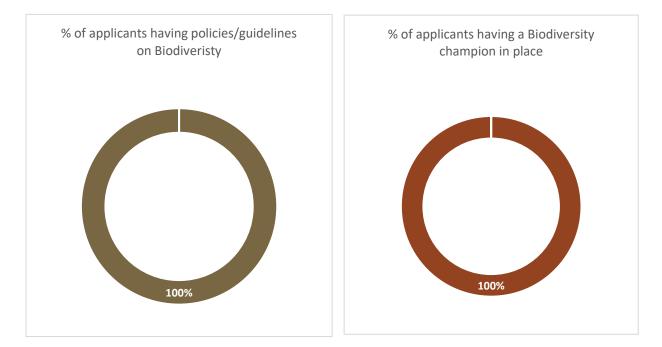
Environmental performance audit is conducted annually

Audit Committee assesses pollution control equipment performance, monitoring systems and statutory compliances The station prepares an action plan based on audit committee's observations and submits to Director (operations)

# **Biodiversity**

Biodiversity is the biological variety and variability of life on Earth. Biodiversity is a measure of variation at the genetic, species, and ecosystem level. It forms the web of life of which we are an integral part and upon which we so fully dependent. Businesses depend on biodiversity for genes, species, and ecosystem services as critical inputs into their production processes. Threats to biodiversity include habitat loss, unsustainable use of ecosystems and over-exploitation of biodiversity. Climate change and pollution add up to the factors affecting biodiversity.

Organisations shall demonstrate commitment towards biodiversity through policies and guidelines. The basis for a policy on biodiversity is a vision which includes biodiversity and ecosystem services, either in the same wording or in other words. It may be included in the organisation's vision / mission or biodiversity / environment / sustainability policy. Having a biodiversity champion is considered as a best practice as it provides support in embedding biodiversity in decision making and ensures implementation of biodiversity management plans at project and organisation level.



### Graph 20, 21

Graph 20 and 21 shows all that the applicants are committed towards biodiversity by having policies and guidelines in place and a designated biodiversity champion for looking after work related to biodiversity. All applicants except two have guidelines and policies concerning an organisation-wide approach to biodiversity conservation and specific conservation efforts have been set up as items in a biodiversity conservation guideline and/or an environmental policy. NTPC Ltd. Sipat conducts Biodiversity Impact Assessment to identify potential risks and impacts to biodiversity and to further imply remedial measures to mitigate those impacts (figure 44):

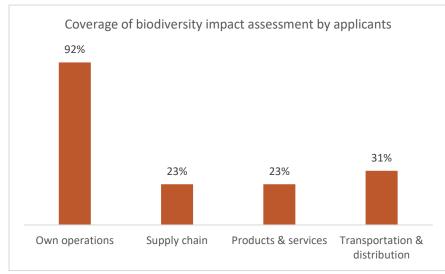
A study on terrestrial & aquatic ecology has been conducted within 10 km of project area through Guru Ghasi Das University Impacts are negligible with no interference with wildlife, no direct waste water discharges to water bodies, no noises disrupting breeding behaviour and no removal of predatory animals

#### Figure 44

An organisation's Biodiversity Management Plan (BMP) may contain maps of the organisation's impact areas w.r.t biodiversity and ecosystem services or protected areas or species defined roles and responsibilities, environmental impact assessment before acquiring new areas, rehabilitation plan, monitoring and evaluation and implementation plans.

NTPC Ltd. Talcher has a well-defined plan presented in figure 45 which has roles and responsibilities defined, has mapping of protected areas, includes evaluation of impact, and has measures to remediate impact.

NTPC Talcher's	Conduct study of biological diversity including identification of protected natural areas, species and creating a map of local biodiversity network
approach for long-term BMP	Plan activities for all projects with minimal/negative impacts on biodiversity & when impacts can't be avoided, implement compensatory work with no loss of biodiversity
	Develop BMP for projects with priority to conserve rare, endangered species and also species of medicinal & religious values
	Set measurable & overarching targets with regular monitoring & reporting of its performance in the field of biodiversity conservation
	Take initiatives for restoration of degraded habitats & enhancement of biodiversity in areas which were lost due to human interventions
	Raise awareness amongst local communities & employees about biodiversity conservation through project specific & national level training in collaboration with experts
	Collaborate with local communities, organisations and research institutes of national/international repute in the field of biodiversity



The impacts of an organisation's activities on biodiversity are not just limited to its operations, but also to its supply chain, products & services and transportation or distribution. lt is considered good а practice if applicants cover all 4 aspects while conducting biodiversity impact assessment.



Top players like Hindustan Zinc Ltd. and NTPC Ltd. Tanda have undertaken initiatives for improving biodiversity in protected/nearby areas as highlighted in table 7:

Hindustan Zinc Ltd.		NTPC Ltd. Talcher
For own operations	Nursery for conservation of endangered & medicinal plants, peacock & topsoil conservation plan at, butterfly park, use of geo textile for waste dump stabilization, artificial bird huts and feeding platform for conservation of birds, HO seasonal nursury, bird park, medicinal park, rashi van, jarofix yard eco restoration & extensive plantation across all operating sites with plantation of more than 1.5 million plants	Plantation drive has been taken up for oxygenating the environment in around the station. Achieved plantation till Mar' 2021 is 14,61,046 which includes 2 lacs plantation in the degraded forest land in around 300 acres at Bhaluki & Satyabandha undertaken through M/s. OFDC, Govt. of Odisha.
For supply chain		For transmission of electricity from power plants to grid and then to distribution to houses, long elevated towers are used. The height of towers is strictly maintained according to international and national standards by the transmission and distribution partners.
For transportation and distribution	A standard process is followed for all activities ensuring complete protection to product, environment, and biodiversity. All transportation trucks are covered with tarpaulin to ensure no spillage and dust generation to avoid impact on the biodiversity	

Table 7



CII-ITC Centre of Excellence for Sustainable Development is a not-for-profit, industry-led institution that helps business become sustainable organisations. It is on a mission to catalyze innovative ideas and solutions, in India, and globally, to enable business, and its stakeholders, in sustainable value creation. It's knowledge, action and recognition activities enable companies to be future ready, improve footprints profiles, and advocate policymakers and legislators to improve standards of sustainable business through domestic and global policy interventions.

CESD leverages its role of all-inclusive ecosystem player, partnering industry, government, and civil society. It has been a pioneer of environment management systems, biodiversity mapping, sustainability reporting, integrated reporting, and social & natural capital valuation in India, thus upgrading business in India to sustainable competitiveness.

With two locations in India, CESD operates across the country and has also been active in parts of South and Southeast Asia, Middle East, and Africa. It has held institutional partnerships and memberships of the United Nations Global Compact, Global Reporting Initiative, International Integrated Reporting Council, Carbon Disclosure Project, development agencies of Canada, the USA, the UK, and Germany.

CII-ITC Centre of Excellence for Sustainable Development Delhi T: +91 11 41502301• W: www.sustainabledevelopment.in