![Indian Institute of Corporate Affairs — Partners in Knowledge. Governance. Transformation.]

IMPACT LEADER PROGRAMME

Interpreting the 'S' of ESG for social engagement
Understanding Social issues in Business

24TH SEPTEMBER
5.00PM-6.30PM

DR.MALA SINGH
FOUNDER AND MD
PEC GREENING INDIA

Why ESG Wasn't Needed in Pre-Industrial Times

In the pre-industrial era, the way humans lived and worked was fundamentally different:

- **Low Environmental Footprint**

Societies relied on agriculture, handicrafts, and natural cycles. Fossil fuel use was minimal, limiting greenhouse gas emissions and waste.

- **Local Impacts**

Environmental damage was mostly localized. Ecosystems had time to regenerate between human activities.

- **Simple Governance**

Communities were smaller with localized governance. Modern corporations didn't exist as we know them today.
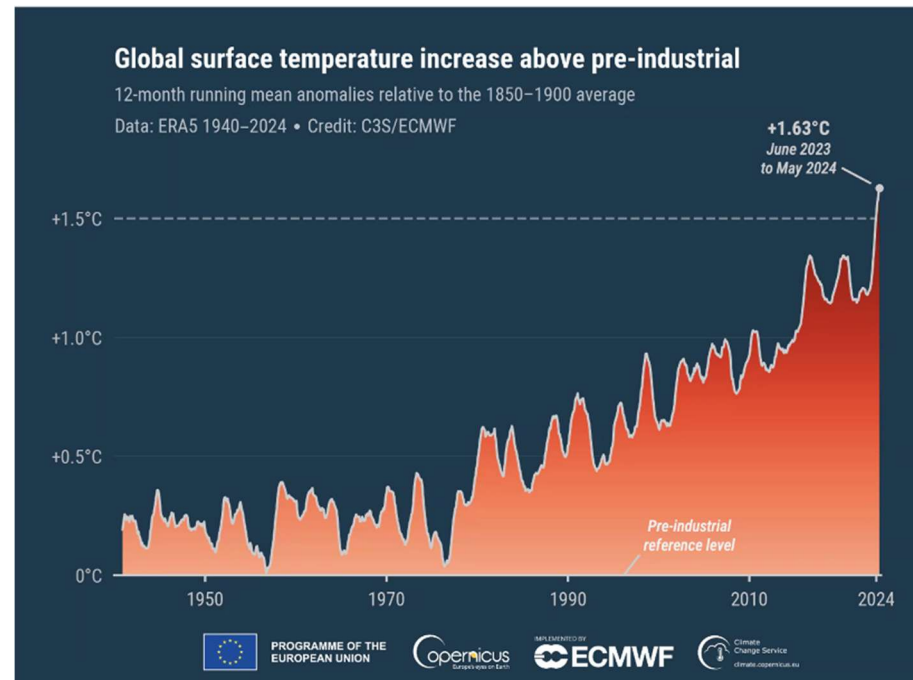
WHY ESG IS ESSENTIAL TODAY

Six critical factors make ESG frameworks indispensable in our modern era:

▪ **Scale of Industrialization**
Global supply chains produce massive quantities, creating unprecedented carbon emissions and resource extraction compared to pre-industrial times.

▪ **Climate Crisis**
Human activity has altered climate systems. ESG drives businesses toward decarbonization using pre-industrial baselines as reference points.

Global surface temperature increase above pre-industrial
12-month running mean anomalies relative to the 1850–1900 average
Data: ERA5 1940–2024 • Credit: C3S/ECMWF

+1.63°C June 2023 to May 2024

Pre-industrial reference level

World Will Permanently Exceed 1.5°C Tipping Point Before 2030 – At Current Carbon Emissions Rate

WHY ESG IS ESSENTIAL TODAY

Six critical factors make ESG frameworks indispensable in our modern era:

- **Complex Social Systems**

Modern economies depend on intricate networks requiring attention to labor rights, diversity, equity, and community impact.

- **Corporate Power**

Multinational corporations wield revenues exceeding many countries' GDP, requiring accountability frameworks beyond shareholder returns.

- **Governance Complexity**

Global capital markets demand transparency, ethics, and compliance across borders—far beyond simple local governance.

- **Population Pressure**

From under 1 billion in 1800 to over 8 billion today, ESG guides sustainable development and equitable resource management.

THE BOTTOM LINE

Then: Small Local Impact

Pre-industrial activities had relatively contained environmental and social effects on local ecosystems and communities.

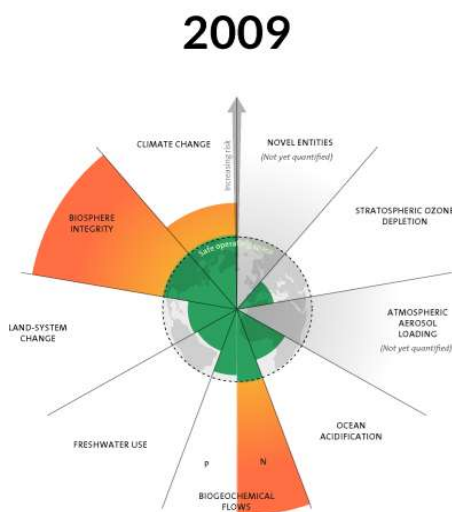**Now: Global Consequences**

Modern industrialization creates planetary-scale challenges requiring systematic frameworks to align growth with sustainability.

ESG has become a necessary framework to align economic growth with environmental protection and social well-being in our interconnected world.
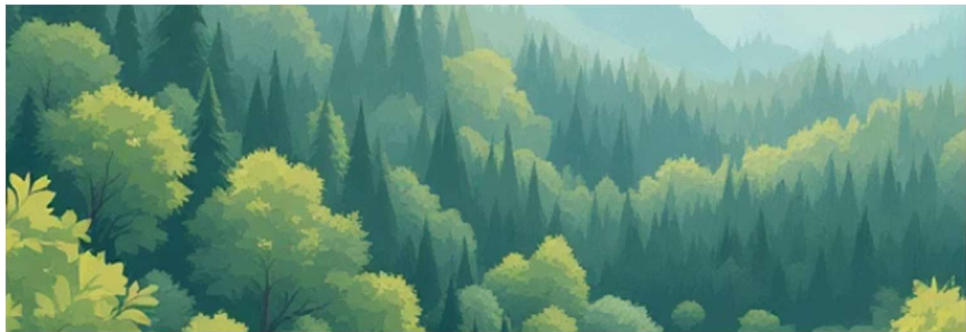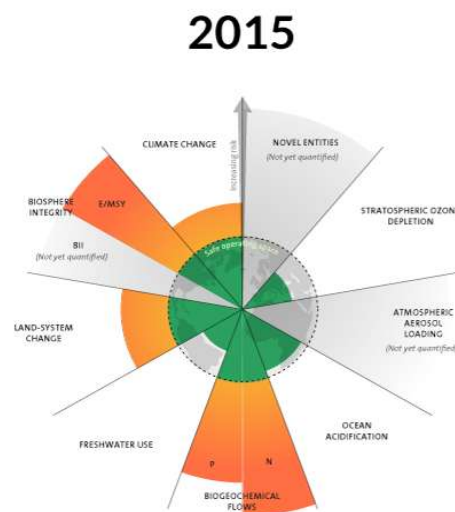
BREAKING OF PLANETARY BOUNDARIES

Over time, we began to **cross key planetary boundaries** — including climate stability, biodiversity, freshwater use, and land systems. These are the ecological limits within which humanity can safely operate. As we pushed beyond them, the risk to our economies and societies became impossible to ignore.

ESG is no longer a choice, it is a business imperative. Companies that embed ESG in their core strategy will be the ones that will thrive in the future.

N. Chandrasekaran – *Chairman, Tata Sons*

ORIGINS & EVOLUTION OF ESG

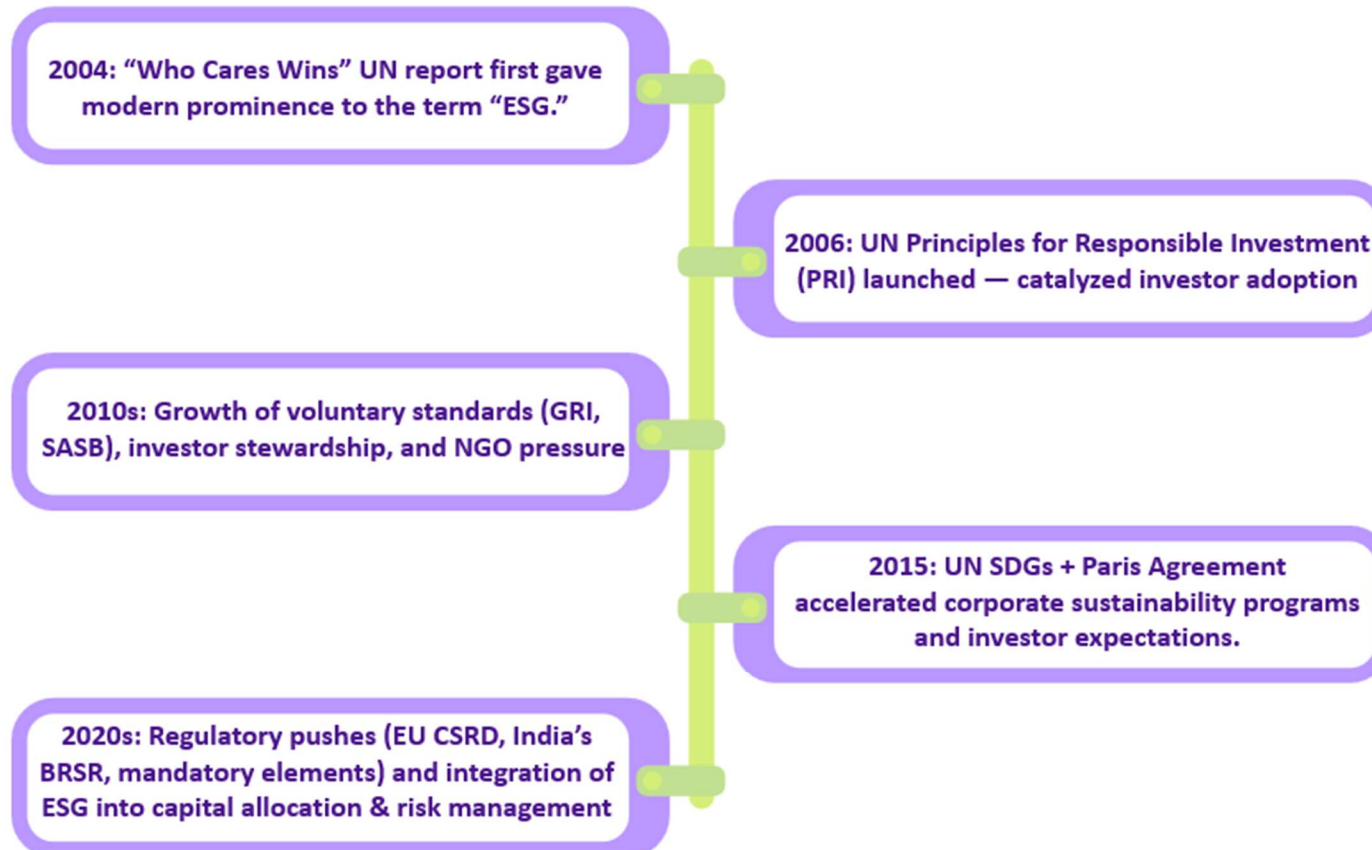**1890** Quaker Friends Fiduciary — No-sin investments

1973 Interfaith Center on Corporate Responsibility founded — ESG shareholder advocacy

1980 Chernobyl disaster — Raises public awareness on E&S risks of nuclear power

1985 Ozone hole detected

1987 Brundtland Commission — The term "sustainability" is defined at meeting meant to unify countries around sustainable development

1989 Exxon Valdez spill — Worst oil spill in history

1990 First ESG Index Fund — Domini Social Index (now MSCI LD 400 Social index)

1993 South Africa $625B divestiture to protest apartheid — Sustainalytics founded

1996 Nike sweatshop labor scandal

2000 Carbon Disclosure Project (CDP) created — Global Reporting Initiative (GRI) started

2006 UN Principles for Responsible Investment (PRI) launched with $4T AUM (AUM in 2021: $103.4T)

2011 Sustainability Accounting Standards Board (SASB) founded

2015 UN Sustainable Development Goals (SDGs) launched — Paris Agreement signed by 197 countries — TCFD launched

2018 BlackRock CEO Larry Fink publishes annual letter to CEOs urging them to consider long-term value over short-term gains

2020 Global COVID-19 pandemic — Accelerates green and social bond issuance and value proposition of ESG funds — EU Taxonomy for sustainable activities launched

2021 Sustainable Finance Disclosure Regulations (SFDR) launched — Winter storm "Uri" devastates Texas — SEC reconvenes to discuss climate change disclosures in financial reports

ORIGINS & EVOLUTION OF ESG

2004: "Who Cares Wins" UN report first gave modern prominence to the term "ESG."

2006: UN Principles for Responsible Investment (PRI) launched — catalyzed investor adoption

2010s: Growth of voluntary standards (GRI, SASB), investor stewardship, and NGO pressure

2015: UN SDGs + Paris Agreement accelerated corporate sustainability programs and investor expectations.

2020s: Regulatory pushes (EU CSRD, India's BRSR, mandatory elements) and integration of ESG into capital allocation & risk management

EVOLUTION OF ESG

ESG emerged from earlier movements like Corporate Social Responsibility (CSR) and responsible investing. CSR emphasized philanthropy and ethical behavior, while early responsible investing focused on excluding "harmful" industries.

Over time, climate change, social equity, and governance failures showed the financial relevance of sustainability issues.

The UN Principles for Responsible Investment (2006) and later the Paris Agreement (2015) accelerated ESG's adoption, turning it into a global standard for measuring business sustainability and risk.
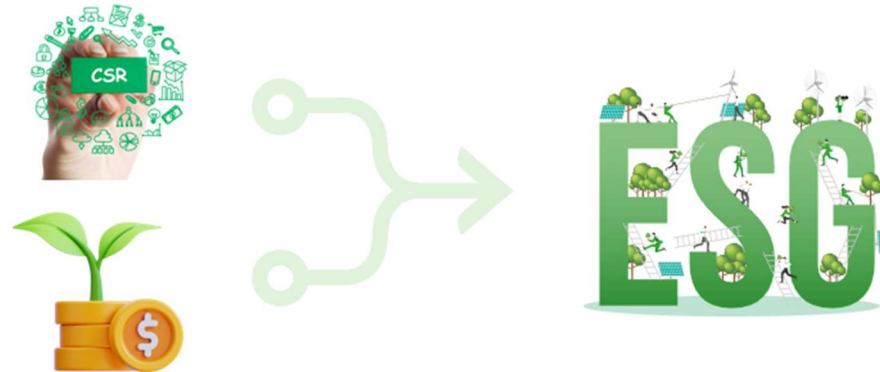
PARIS AGREEMENT & ESG

Global climate mitigation began with the **Kyoto Protocol (1997)**, the first international treaty requiring developed countries to cut emissions — but it lacked full global participation. This was followed by the **Paris Agreement (2015)** at COP21, where nearly all nations committed to limit warming to **well below 2°C**, ideally **1.5°C**. By setting the goal of limiting warming to well below 2°C, it pushed governments, investors, and businesses to integrate climate risks and sustainability into strategy.

The Agreement reframed climate change as a financial, social, and governance issue, laying the groundwork for ESG to become central in global markets. **Today, ESG is seen not just as a reporting framework, but as a strategic lens through which businesses future-proof operations and investors evaluate long-term performance.**

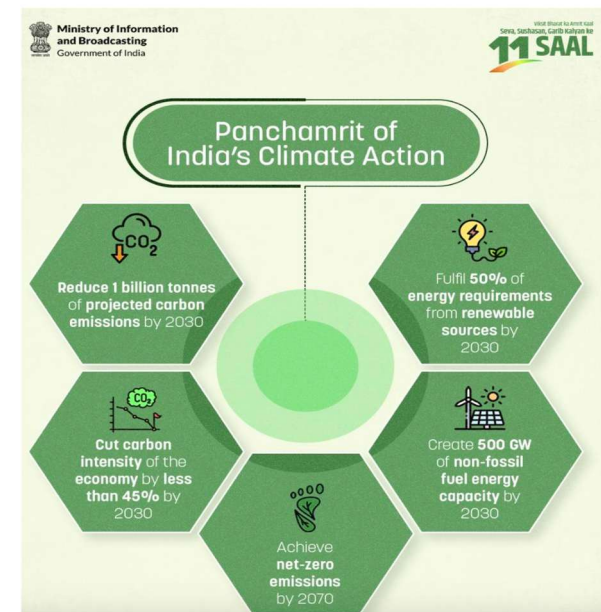# GLOBAL CLIMATE MITIGATION PLANS & CURRENT POLICIES

At **COP26 (2021)**, countries strengthened their pledges and submitted updated **Nationally Determined Contributions (NDCs)** — outlining how they'll reduce emissions and adapt to climate change. These NDCs now play a direct role in managing the **global carbon budget**, determining how quickly we consume the remaining CO_2 allowance.

NATIONAL CLIMATE COMMITMENTS

PM Modi's 5 Big Goals for India:

1. Achieving net-zero by 2070

2. Reducing total projected carbon emissions by one billion tonnes starting now till 2030

3. Increasing renewable energy component to 50% of our total energy requirements by 2030

4. Reducing carbon intensity by 45% by 2030

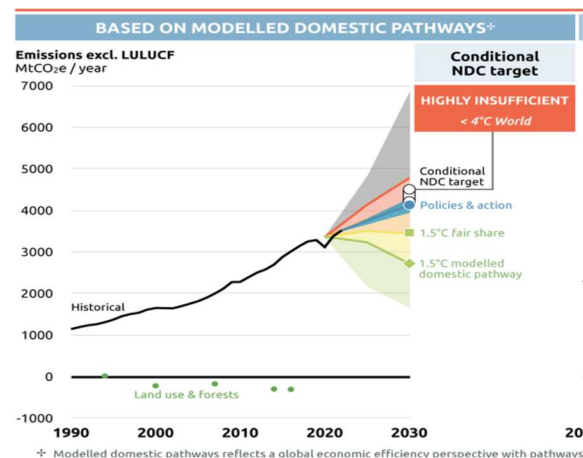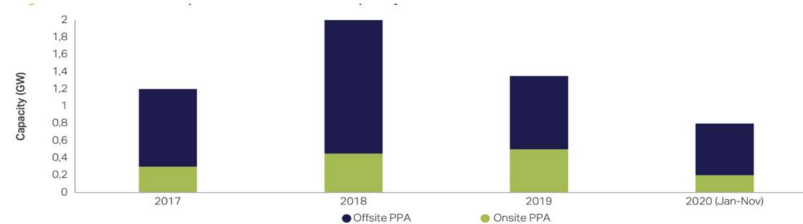5. Increasing non-fossil energy capacity to reach 500 GW by 2030

01-12 NOV 2021
GLASGOW
COP26
IN PARTNERSHIP WITH ITALY

Ministry of Information and Broadcasting
Government of India
11 SAAL

Panchamrit of India's Climate Action

Reduce 1 billion tonnes of projected carbon emissions by 2030

Fulfil 50% of energy requirements from renewable sources by 2030

Cut carbon intensity of the economy by less than 45% by 2030

Create 500 GW of non-fossil fuel energy capacity by 2030

Achieve net-zero emissions by 2070

TECHNOLOGICAL & POLICY MEASURES

To accelerate progress, India is rapidly expanding its **renewable energy portfolio**, investing in **afforestation programs**, and introducing incentives for **Carbon Capture, Utilisation, and Storage (CCUS)**. Additionally, India is developing **carbon trading systems** and promoting **green credits** and **renewable Power Purchase Agreements (PPAs)** to encourage cleaner energy adoption and create market-based mechanisms for emissions reduction.

BASED ON MODELLED DOMESTIC PATHWAYS

Emissions excl. LULUCF
MtCO$_2$e / year

Conditional NDC target

HIGHLY INSUFFICIENT
< 4°C World

Conditional NDC target

Policies & action

1.5°C fair share

1.5°C modelled domestic pathway

Historical

Land use & forests

✚ Modelled domestic pathways reflects a global economic efficiency perspective with pathways

Annual India corporate renewable PPA capacity additions

● Offsite PPA ● Onsite PPA

Source: JMK Research. Note: Data includes all captive, group captive and third-party sale solar and wind PPA projects.

WHAT IS ESG?

- **ESG** (Environmental, Social, and Governance) is a holistic framework that assesses how responsibly and sustainably a business operates, beyond traditional financial metrics. It provides investors, regulators, and stakeholders with a structured way to evaluate long-term value creation, risk management, and ethical responsibility.

- Integrates **stakeholder impacts** and **investor materiality**.

- Used by investors, regulators, customers, and employees to assess company performance

WHAT'S THE E?

The Environmental pillar of ESG focuses on how an organization interacts with the natural world and manages its ecological footprint.

With climate change and resource scarcity at the forefront, businesses are expected to adopt strategies that reduce environmental risks while contributing to long-term sustainability

Key focus areas include:

- Climate Action: Reducing greenhouse gas emissions and aligning with global net-zero goals

- Energy Efficiency: Transitioning to renewable energy and optimizing resource use.

- Resource Management: Responsible use of water, raw materials, and energy.

- Waste & Pollution Control: Minimizing waste, promoting circular economy practices, and reducing pollution.

- Biodiversity & Ecosystems: Protecting natural habitats and promoting sustainable land use.

Why it matters: Strong environmental practices not only mitigate regulatory, reputational, and physical risks but also unlock innovation, cost savings, and competitive advantage in a low-carbon economy.

WHAT'S THE S?

The Social pillar of ESG emphasizes how a company manages its relationships with people employees, customers, suppliers, and the wider community.

It reflects a business's responsibility to uphold fairness, inclusivity, and human rights while creating positive social impact.

Key focus areas include:

- Employee Well-being: Health, safety, fair wages, and work–life balance.

- Diversity & Inclusion: Promoting equal opportunities and inclusive workplace cultures.

- Human Rights: Ethical supply chains and zero tolerance for forced or child labor.

- Community Engagement: Supporting local communities through development programs and social initiatives.

- Customer Responsibility: Ensuring product safety, accessibility, and data protection.

Why it matters: Strong social practices build trust, enhance brand reputation, attract talent, and strengthen long-term business resilience while contributing to inclusive growth.

WHAT'S THE G?

The Governance pillar of ESG focuses on how a company is led, managed, and held accountable.

It reflects the systems, policies, and practices that ensure transparency, ethical conduct, and long-term value creation.

- · Board Structure & Accountability: Independent oversight, diverse boards, and clear roles.
- · Transparency & Reporting: Accurate disclosures on financial and ESG performance.
- · Ethics & Compliance: Strong codes of conduct, anti-corruption measures, and regulatory compliance.
- · Executive Compensation: Fair and performance-linked pay aligned with stakeholder interests.
- · Shareholder Rights: Protecting investor interests and ensuring responsible decision-making.

Why it matters: Strong governance reduces risks of fraud, mismanagement, and reputational damage while fostering trust, stability, and sustainable growth.

THE IMPORTANCE OF ESG

CORPORATE REPUTATION

RISK REDUCTION

OPPORTUNITY MANAGEMENT

CULTURE & INTRINSIC VALUE

ESG has a significant **positive** impact on **fundamental business** issues relevant to the **long term success** of any company across industries.

THE IMPORTANCE OF **ESG** IN THE CORPORATE WORLD

CORPORATE REPUTATION

RISK REDUCTION

OPPORTUNITY MANAGEMENT

CULTURE & INTRINSIC VALUE

ESG can enhance a company's license to operate making it easier to accomplish business objectives and respond to crisis scenarios with key stakeholders groups.

*In Cambridge Analytica (2018) case ,Facebook lost billions in market value due to their **tarnished reputation** in **managing cyber security attacks***

THE IMPORTANCE OF **ESG** IN THE CORPORATE WORLD

CORPORATE REPUTATION

RISK REDUCTION

OPPORTUNITY MANAGEMENT

CULTURE & INTRINSIC VALUE

ESG helps in identifying immediate and **long term risks** (e.g. material and labor availability ,evolving regulations),depending on the industry and business model.

*A real estate company like **Godrej Properties** faced stock declines after environmental violations in a coastal project led to regulatory delays and legal action. This highlights how **climate risks, environmental compliance, and labor disruptions** can materially impact operations and investor confidence in the real estate sector..*

THE IMPORTANCE OF **ESG** IN THE CORPORATE WORLD

CORPORATE REPUTATION

RISK REDUCTION

Shifting market and non market conditions can expose **unmet needs for new products /services ,unserved or undeserved customer bases** ,and strategic relationships for addressing ESG issues .

OPPORTUNITY MANAGEMENT

CULTURE & INTRINSIC VALUE

Tata Power's pivot to **renewable energy** *as part of its ESG strategy has opened new markets and attracted sustainable investment. By* **expanding solar rooftop** *solutions and* **EV charging infrastructure***, the company is driving profitability while contributing to* **India's clean energy goals***.*

CORPORATE REPUTATION

RISK REDUCTION

OPPORTUNITY MANAGEMENT

CULTURE & INTRINSIC VALUE

ESG maturity is an indicator of a company's commitment to building a high performing, **purpose driven workforce and inclusive culture .**

*Infosys has demonstrated ESG maturity by investing in **diversity hiring**, **employee reskilling**, and a strong **corporate ethics framework**. Their focus on inclusion and purpose-driven leadership has helped attract top talent, improve retention, and enhance brand reputation globally.*

ESG REPORTING TERMINOLOGIES

ESG REPORTING

The public disclosure of ESG data.
Its purpose is to shed light on a company's environmental, social, and governance activities and to improve transparency for stakeholders, including investors, regulators, and the public.

ESG FRAMEWORK

A structured approach to ESG reporting.
Using a framework helps companies produce measurable, actionable, and credible results.
Examples: *GRI, TCFD, Integrated Reporting Framework.*

ESG STANDARD

Translates ESG framework principles into specific actions.
Standards specify metrics, methodologies, and reporting formats for consistency and comparability.
Examples: GRI Standards, SASB Standards, IFRS S1/S2 (ISSB).

ESG REPORTING TERMINOLOGIES

ESG Protocol

A detailed method or system used to measure or manage specific ESG factors.
Protocols guide how to calculate, disclose, or assess ESG performance.
Examples: GHG Protocol (for carbon emissions), SBTi Protocols (for climate targets).

ESG Compliance

Meeting or exceeding ESG guidelines as set by regulatory bodies or compliance frameworks.
Ensures that companies follow laws, standards, and voluntary ESG commitments.
Examples: SEBI BRSR in India, EU CSRD in Europe.

ESG Rating (or ESG Score)

A benchmark used by investors to evaluate a company's ESG performance.
Ratings help compare companies within or across industries based on ESG risk and opportunity.
Examples: MSCI, Sustainalytics, Crisil.

STANDARDS

GLOBAL REPORTING INITIATIVE

Focus:
Provides industry-specific standards for ESG factors that are financially material, allowing companies to report on key sustainability issues relevant to their sector.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD

Focus:
The most widely used framework for companies to report their environmental, social, and economic impacts in a standardized and transparent way, emphasizing stakeholder engagement.

STANDARDS

INTERNATIONAL SUSTAINABILITY STANDARDS BOARD

Focus:
Developing **global ESG disclosure standards** that are **investor-focused**, especially on **sustainability and climate-related financial risks**.

INTERNATIONAL ORGANIZATION FOR STANDARDIZATION

Focus:
Providing **voluntary international standards** for various aspects of ESG — especially **environmental management**, **social responsibility**, **energy efficiency**, and **safety**.

STANDARDS

SOCIAL ACCOUNTABILITY 8000

Focus:
SA8000 IS A **CERTIFIABLE STANDARD** THAT SETS LABOR RIGHTS REQUIREMENTS ENSURING SAFE, FAIR, AND ETHICAL WORKING CONDITIONS

IFS (INTERNATIONAL FEATURED STANDARDS)

Focus:
Certifiable standards ensuring product and process safety for food, packaging, and consumer goods industries.

FRAMEWORKS

UNITED NATIONS GLOBAL COMPACT

Focus:
It is a **voluntary initiative/framework** encouraging businesses to align with universal principles on human rights, labor, environment, and anti-corruption.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT.

Focus:
Promoting responsible business conduct by advising companies to respect human rights, labor standards, environmental protection, and anti-corruption practices. They aim to ensure sustainable and ethical operations globally.

FRAMEWORKS

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Focus:
Guides companies on how to disclose climate-related risks and opportunities and their financial effects, helping investors understand climate impacts on business.

CARBON DISCLOSURE PROJECT

Focus: Focuses on companies disclosing greenhouse gas emissions, water usage, and deforestation risks, showcasing environmental responsibility.

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

Focus: Mandates transparent sustainability reporting using the principle of **double materiality**.
Aims to align corporate disclosures with the EU's climate and social goals.

FRAMEWORKS

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Focus :
Standardizes ESG disclosures to promote **responsible and sustainable business practices**.Helps stakeholders assess non-financial performance of Indian companies.

UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

Focus :
The **UN Guiding Principles on Business and Human Rights** (UNGP) are a set of global guidelines endorsed by the UN in 2011 to help businesses respect human rights throughout their operations.

NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT FOCUS

Focus:
Guides businesses to act ethically, sustainably, and with social responsibility. Covers 9 principles promoting **inclusive, equitable, and accountable growth.**

PROTOCOLS

Focus: Measurement and reporting of greenhouse gas (GHG) emissions
Use: Most widely used methodology to calculate **Scope 1, 2, and 3 emissions**

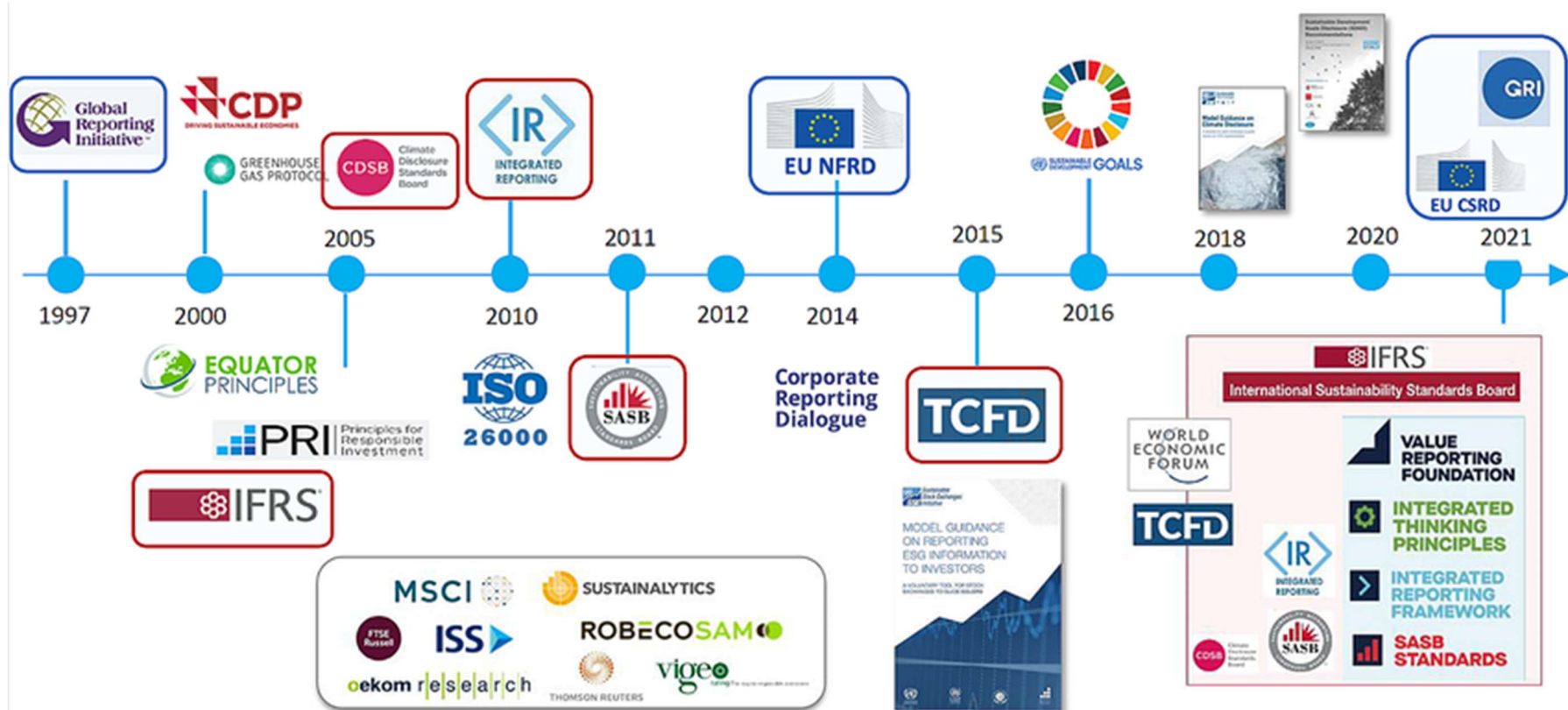**Focus:** Climate target setting aligned with science
Use: Helps companies set GHG reduction goals in line with
the **Paris Agreement** (to limit warming to 1.5°C or well below 2°C)

Focus: Human rights and due diligence
Use: Helps companies report on how they respect human rights
across operations and supply chains

TIMELINE OF FRAMEWORKS ,STANDARDS AND PROTOCOLS

KEY FRAMEWORKS

- **Global Reporting Initiative (GRI)** — stakeholder-impact reporting, strong Social standards (GRI 401–413)

- **Sustainability Accounting Standard Board (SASB)** — investor-material, industry-specific metrics

- **United Nations Guiding Principles (UNGPs)** — corporate responsibility to respect human rights (due diligence)

- **Organization for Economic Co-operation & Development (OECD) Due Diligence Guidance** — supply-chain expectations and processes

- **Business Responsibility & Sustainability Reporting (BRSR)** - standardized national disclosure for Indian firms. Aligns with NGRBC principals (National Guidelines on Responsible Business Conduct)

"Directly or indirectly, companies affect what happens to employees, workers in the value chain, customers and local communities, and it is important to manage impacts proactively." – *UN Global Compact*

THE SOCIAL PILLAR (DEEP DIVE)

- **The Social pillar of ESG shapes how a company treats people, manages supply chains, and engages with communities.**

- It is a strategic imperative, not just compliance vital for building resilience, trust, and long-term value.

- **Strong social practices help companies:**

  - ➢ Attract and retain talent through fair wages, safe working conditions, and diversity.

  - ➢ Earn customer loyalty by ensuring product responsibility and ethical practices.

  - ➢ Build community trust via local development, inclusion, and human rights protection.

- Prioritizing the Social pillar creates shared value—strengthening competitiveness while promoting inclusive and sustainable growth.

- **Companies must go beyond reporting to actively foster equity, well-being, and trust across the entire value chain.**

WHAT IS THE 'S' IN ESG?

- **The S in ESG stands for Social.**

- At its core, ESG social is about **Human Rights and Equity** – an organization's relationships with people, as well as **its Policies and Actions** that impact individuals, groups, and society. In a business context, it examines all people interactions against principles of ethics, justice, and care for wellbeing.

- This can be as basic as how they treat their employees or as far-reaching as their impact on customers, partners, and other stakeholders.

- It considers topics like **inequality, working conditions**, **human rights**, **product safety, community relations, supply chain transparency,** and more.

The goal of these factors is to measure how well the organization is meeting its human obligations in operations, global supply chains, and local communities.

FOCUS AREAS OF 'S'

- **Workforce & labor standards (wages, working time, contract types)**
- **Occupational health & safety (H&S, lost-time injuries)**

- **Human rights (UN Guiding Principles on Business & Human Rights)**
- **Diversity, equity & inclusion (DEI).**

- **Training & employability, employee engagement**
- **Supply-chain labor practices (child & forced labor, wages, freedom of association)**

- **Community impacts & social investment (land, resettlement, water rights)**
- **Consumer safety, data/privacy and product responsibility (where social intersects products).**

WORKFORCE & LABOUR STANDRDS

- **Workforce and labour standards form the backbone of the Social pillar of ESG.**

- They cover fair wages, regulated working hours, and transparent contract types, ensuring that employees are treated ethically and equitably across the value chain.

- **These practices safeguard not only employee well-being but also business continuity, reputation, and long-term stakeholder trust.**

Relevant UN SDGs Addressed	
SDG 8	Decent Work and Economic Growth
SDG 5	Gender Equality (through equal pay and opportunity)
SDG 10	Reduced Inequalities (by fair employment practices)
SDG 16	Peace, Justice, and Strong Institutions (via compliance with labour laws and rights)

WORKFORCE & LABOUR STANDRDS

<u>Indian Context:</u>

Ensuring fair labour practices means strict adherence to national laws such as:

- Code on Wages, 2019 – mandates minimum wages and equal remuneration.
- Occupational Safety, Health and Working Conditions Code, 2020 – regulates working hours and conditions.
- Industrial Relations Code, 2020 – governs contracts and dispute resolution.

Beyond compliance, leading companies voluntarily adopt global frameworks such as GRI (Global Reporting Initiative) and SEBI's BRSR (Business Responsibility and Sustainability Report) to benchmark practices against international standards.

WORKFORCE & LABOUR STANDRDS

DISCLOSURES IN ESG REPORTS:

To demonstrate accountability, companies typically report on:

- Average and median wages, compared to industry and regional benchmarks.

- Employee distribution by contract type (permanent, temporary, contractual).

- Average working hours and compliance with overtime regulations.

- Gender pay ratios and measures to eliminate wage disparity.

- Employee turnover and retention rates.

Increasingly, digital HR dashboards are being used for real-time data collection on payroll, attendance, and contracts, enabling transparent disclosures. In ESG reports, this data is mapped against SDG indicators to show tangible progress on decent work, equality, and inclusive growth.

EXAMPLE

1. **Infosys**

o   In its ESG Report / Data Book 2024-25, Infosys discloses details aligned with GRI Standards & BRSR. It includes data on "Employees vs workers who aren't employees," which covers contract type distinctions.

o   It has also instituted monitoring of working hours (especially for remote/hybrid work), for example sending automated emails to employees working more than ~9 hours 15 minutes per day, to safeguard employee well-being and avoid burnout.

2. Trent (Tata Group)

o   In its Business Responsibility & Sustainability Report FY 2024-25, Trent publishes metrics on labour standards: complaints related to wages, discrimination, child/forced labour, sexual harassment, etc. It also lays out how many vendors / supplier partners comply with its labour-standards supplier code (e.g. SMETA audits) and how many inputs follow sustainable/socially compliant practices.

Note: SMETA audit, or Sedex Members Ethical Trade Audit, is a globally recognized social audit methodology used by organizations to assess ethical practices within their supply chains.

OCCUPATIONAL HEALTH & SAFTEY (OHS)

- **Occupational health and safety (OHS) is a critical element of the Social pillar in ESG, focusing on protecting employees from workplace hazards and ensuring a safe, healthy, and productive environment.**

- It encompasses health programs, safety training, preventive risk management, and monitoring incidents such as lost-time injuries (LTIs).

- Effective OHS practices reduce absenteeism, improve morale, and safeguard business continuity.

Relevant UN SDGs Addressed	
SDG 3	Good Health and Well-being (promoting safe working conditions and wellness)
SDG 8	Decent Work and Economic Growth (ensuring safe and dignified work)
SDG 16	Peace, Justice, and Strong Institutions (via compliance with labour laws and rights)

OCCUPATIONAL HEALTH & SAFTEY (OHS)

Indian Context:

• In India, companies must comply with the <u>Occupational Safety, Health and Working Conditions Code, 2020</u>, alongside industry-specific regulations such as the <u>Factories Act</u>.

• SEBI's BRSR framework further requires disclosure of workplace accidents, fatalities, and health & safety training.

• **Companies are expected to not only meet legal requirements but also go beyond compliance through preventive health programs and safety culture building.**

OCCUPATIONAL HEALTH & SAFTEY (OHS)

DISCLOSURES IN ESG REPORTS:

Indian companies typically report on:

- Lost-Time Injury Frequency Rate (LTIFR): Number of LTIs per million hours worked.

- Total Recordable Incident Rate (TRIR): Broader measure of workplace injuries.

- Fatalities and near-miss incidents.

- Health & safety training hours per employee.

- Employee wellness programs: mental health support, ergonomic initiatives, vaccination drives.

To strengthen accountability, many firms deploy digital safety dashboards for real-time monitoring of incidents and compliance across plants and offices.

EXAMPLE:

- **Infosys (ESG Report 2024-25):** Discloses workplace injury rates, LTIs, and employee well-being programs, including preventive care and mental health support.

- **Tata Steel (Sustainability Report 2024):** Reports on safety training coverage, lost-time injuries, and "Zero Harm" safety vision.

HUMAN RIGHTS

- Human rights are a critical part of the Social pillar of ESG. Companies are expected to respect the dignity, rights, and freedoms of all individuals impacted by their operations—including employees, contractors, suppliers, and communities.

- **Adopting human rights standards reduces reputational, legal, and operational risks while promoting ethical and sustainable business practices.**

Relevant UN SDGs Addressed	
SDG 5	Gender Equality (eliminating discrimination)
SDG 8	Decent Work and Economic Growth (protecting labor rights)
SDG 10	Reduced Inequalities (inclusive treatment of all stakeholders)
SDG 16	Peace, Justice, and Strong Institutions (legal compliance and ethical governance)

HUMAN RIGHTS

Indian Context

- Companies in India integrate human rights into ESG reporting through SEBI's BRSR framework and alignment with UNGPs.

- Practices include: human rights policies, supplier code of conduct, child/forced labor audits, anti-discrimination programs, grievance mechanisms, and whistleblower protections.

- Compliance with Indian labor laws, such as the Factories Act, Industrial Relations Code, and Sexual Harassment of Women at Workplace Act, forms a legal baseline.

HUMAN RIGHTS

Global Frameworks

- **UN Guiding Principles on Business and Human Rights (UNGPs) provide a global standard for preventing and addressing adverse human rights impacts linked to business activities. They emphasize:**

  - Corporate Responsibility to Respect Human Rights – Companies must avoid infringing on the rights of others and address adverse impacts.

  - Human Rights Due Diligence – Identify, prevent, mitigate, and account for potential impacts across operations and supply chains.

  - Access to Remedy – Ensure effective grievance mechanisms are available to victims of business-related human rights harms.

HUMAN RIGHTS

- **Companies typically report on:**
    - Number of grievances or human rights complaints filed and resolved.
    - Audits of supplier compliance with human rights standards.
    - Training and awareness programs for employees on rights and ethical practices.
    - Policies against child/forced labor, harassment, and discrimination.

EXAMPLES:

- **Tata Group Companies**: Report human rights initiatives including supplier audits, grievance redressal mechanisms, and employee rights training aligned with UNGPs.

- **Infosys:** Publishes a human rights policy, grievance reporting mechanism, and conducts supplier assessments on labor practices.

DIVERSITY, EQUITY AND INCLUSION (DEI)

- Diversity, Equity, and Inclusion (DEI) are integral components of the Social pillar in ESG frameworks.

- DEI initiatives focus on fostering a workplace that values diverse backgrounds, ensures equitable opportunities, and promotes an inclusive culture.

- These practices are not only ethical imperatives but also contribute to enhanced innovation, employee satisfaction, and organizational performance.

Relevant UN SDGs Addressed	
SDG 5	Gender Equality: Promoting gender equality in the workplace.
SDG 8	Decent Work and Economic Growth: Ensuring equal opportunities and fair treatment for all employees.
SDG 10	Reduced Inequalities: Addressing disparities based on race, ethnicity, disability, and other factors.
SDG 16	Peace, Justice, and Strong Institutions: Upholding inclusive institutions and promoting inclusive decision-making.

DIVERSITY, EQUITY AND INCLUSION (DEI)

Indian Context:

In India, DEI is gaining prominence within the corporate sector. Companies are increasingly recognizing the importance of diverse representation and inclusive practices. Initiatives include:

- **Gender Diversity:** Implementing policies to increase female representation in leadership roles.

- **Caste Inclusivity:** Addressing caste-based disparities and promoting equal opportunities.

- **Disability Inclusion:** Ensuring accessibility and support for employees with disabilities.

- **LGBTQ+ Inclusion:** Creating a supportive environment for LGBTQ+ employees.

DIVERSITY, EQUITY AND INCLUSION (DEI)

DISCLOSURES IN ESG REPORTS:

Companies typically report on:

- Gender Representation: Percentage of women employees at various organizational levels.

- Pay Equity: Gender-wise pay disparity metrics.

- Workplace Accessibility: Provisions for employees with disabilities.

- Inclusion Programs: Initiatives aimed at fostering an inclusive culture.

- Training and Awareness: Programs focused on DEI education and sensitization.

EXAMPLE:

Federal Bank: Recognized as a "Gender Equality Champion" at the Bombay Chamber's DEI Awards 2024, Federal Bank has been acknowledged for its efforts in promoting gender equality within the organization.

TRAINING & EMPLOYMENT, EMPLOYESS ENGAGEMENT

- Training, employability, and employee engagement are vital elements of the Social pillar in ESG.

- They ensure that employees are continuously upskilled, career-ready, and motivated to contribute meaningfully to the organization.

- These initiatives not only improve productivity and retention but also align workforce capabilities with evolving business and societal needs.

Relevant UN SDGs Addressed	
SDG 4	Quality Education: Promoting lifelong learning and skills development.
SDG 5	Gender Equality: Equal access to training and career development opportunities.
SDG 8	Decent Work and Economic Growth: Enhancing employability, job quality, and career progression.

<u>Indian Context</u>

In India, companies integrate training and engagement programs to enhance workforce capability and competitiveness:

- Training & Employability: Upskilling programs, digital literacy initiatives, mentorship, certification courses, and leadership development programs.

- Employee Engagement: Surveys, feedback mechanisms, wellness programs, recognition and rewards, and flexible work arrangements.

- CSR-Linked Skill Development: Some organizations extend training programs to local communities to improve employability.

<u>DISCLOSURES IN ESG REPORTS:</u>

Companies typically report on:

- Training Hours: Average hours of training per employee, segregated by role or gender.
- Skill Development: Number of employees completing certification or development programs.
- Employee Engagement: Participation rates in surveys, initiatives, and wellness programs.
- Career Progression: Promotions, internal mobility, and retention rates.
- Feedback Mechanisms: Number of grievances addressed, satisfaction scores, and engagement improvement actions.

<u>EXAMPLE:</u>

- **Infosys:** Reports an average of 100+ training hours per employee annually, covering technical, leadership, and digital skills, along with active employee engagement programs.

- **Tata Consultancy Services (TCS):** Implements comprehensive learning platforms and conducts regular employee engagement surveys to monitor satisfaction, participation, and talent retention.

SUPPLY-CHAIN LABOR PRACTICES

- **Supply-chain labor practices are a crucial aspect of the Social pillar in ESG. Companies are responsible not only for their direct workforce but also for ensuring that suppliers and contractors adhere to ethical labor standards**.

- This includes preventing child and forced labor, ensuring fair wages, and protecting workers' rights such as freedom of association.

- Poor labor practices in the supply chain can lead to reputational, operational, and regulatory risks.

Relevant UN SDGs Addressed	
SDG 5	Gender Equality: Ensuring equitable treatment and opportunities across genders in the supply chain
SDG 8	Decent Work and Economic Growth: Fair wages, safe work environments, and rights protection.
SDG 10	Reduced Inequalities: Preventing exploitation and promoting fair labor standards.
SDG 16	Peace, Justice, and Strong Institutions: Upholding labour rights and ethical governance across suppliers.

SUPPLY-CHAIN LABOR PRACTICES

Indian Context

Companies in India integrate supplier codes of conduct and ethical sourcing policies aligned with BRSR, GRI, and global standards.

- **Key practices include:**

o Child and Forced Labour Audits: Ensuring suppliers do not employ minors or use forced labour.

o Wage Compliance: Verification of fair and timely payments in line with minimum wage laws.

o Freedom of Association: Allowing supplier employees to form or join unions without restriction.

o Supplier Training & Awareness: Educating suppliers on ESG expectations and human rights standards.

SUPPLY-CHAIN LABOR PRACTICES

DISCLOSURES IN ESG REPORTS:

Companies typically report on:

- Percentage of suppliers audited for labor compliance.
- Incidents of non-compliance and corrective actions taken.
- Training programs conducted for suppliers on labor standards.
- Mechanisms for workers to raise grievances in the supply chain.

EXAMPLE:

- **ITC Limited:** Reports monitoring over 90% of its primary suppliers for compliance with labor standards, including child labor and wage audits.

- **Tata Consumer Products:** Publishes data on supplier audits, ethical sourcing certifications, and grievance mechanisms for workers across its supply chain.

COMMUNITY IMPACTS & SOCIAL INVESTMENT

- Community impacts and social investments form a vital part of the Social pillar in ESG, reflecting a company's responsibility toward the communities in which it operates.

- This includes managing sensitive issues such as land acquisition, resettlement, and water rights, as well as investing in initiatives that promote education, healthcare, livelihoods, and social development. Thoughtful engagement strengthens trust, reduces conflict, and enhances a company's social license to operate.

Relevant UN SDGs Addressed	
SDG 1	No Poverty: Supporting livelihoods and economic empowerment programs.
SDG 6	Clean Water and Sanitation: Ensuring equitable access to water and sustainable usage.
SDG 10	Reduced Inequalities: Promoting inclusion and equitable opportunities in impacted communities.
SDG 11	Sustainable Cities and Communities: Addressing resettlement and urban/community development.
SDG 17	Partnerships for the Goals: Collaborating with local stakeholders, NGOs, and government bodies.

COMMUNITY IMPACTS & SOCIAL INVESTMENT

Indian Context

- Companies operating in India adhere to national regulations on land acquisition and resettlement, such as <u>The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013</u>.

- **Social investment initiatives often include:**
  - Community Development Programs: Education, healthcare, sanitation, and livelihood support.
  - Water Rights & Management: Protecting local water sources and improving access for communities.
  - Resettlement Practices: Fair compensation and rehabilitation for displaced persons.
  - Stakeholder Engagement: Continuous dialogue with community members, local authorities, and NGOs to understand and mitigate adverse impacts.

COMMUNITY IMPACTS & SOCIAL INVESTMENT

DISCLOSURES IN ESG REPORTS:

Companies typically report on:

- Total spend on social development programs.
- Number of beneficiaries for health, education, or livelihood initiatives.
- Land acquired and resettlement metrics, including grievance resolution.
- Water usage, conservation projects, and access improvement initiatives.
- Community engagement outcomes and feedback mechanisms.

EXAMPLE:

- **Hindustan Zinc Ltd (Vedanta Group):** Reports extensive social investment in health, education, and livelihood projects in mining-affected communities, including water conservation initiatives and resettlement programs.

- **ITC Limited:** Publishes data on community programs in rural areas, including livelihood enhancement, water stewardship, and land rehabilitation efforts.

CONSUMER SAFTEY, DATA/PRIVACY & PRODUCT RESPONSIBILITY

- Consumer safety, data privacy, and product responsibility represent the intersection of the Social pillar with a company's products and services.

- Companies are accountable not only for the safety, quality, and accessibility of their offerings but also for protecting customer data and ensuring ethical marketing.

- Effective management of these areas strengthens trust, reduces reputational and regulatory risks, and enhances customer loyalty.

Relevant UN SDGs Addressed	
SDG 3	Good Health and Well-being: Ensuring safe products that do not harm consumers.
SDG 9	Industry, Innovation, and Infrastructure: Developing reliable, innovative, and accessible products.
SDG 8	Decent Work and Economic Growth: Ethical practices in marketing and service provision.
SDG 16	Peace, Justice, and Strong Institutions: Upholding data privacy, ethical business practices, and regulatory compliance.

CONSUMER SAFTEY, DATA/PRIVACY & PRODUCT RESPONSIBILITY

Indian Context

- Indian companies align with legal and regulatory frameworks such as the <u>Consumer Protection Act, 2019,</u> and the <u>Information Technology (IT) Act, 2000,</u> including amendments relating to data protection.

- **Practices include:**
  - **Product Safety**: Compliance with quality standards, safety certifications, and monitoring for recalls or defects.
  - **Data Privacy & Security**: Secure handling of customer data, adherence to India's emerging data protection laws, and transparency in data usage.
  - **Responsible Marketing**: Ethical promotion practices, accurate product labeling, and avoidance of misleading claims.

CONSUMER SAFTEY, DATA/PRIVACY & PRODUCT RESPONSIBILITY

DISCLOSURES IN ESG REPORTS:

Companies typically report on:

- Number of product recalls or safety incidents.
- Percentage of products meeting safety/quality standards.
- Data privacy breach incidents and resolutions.
- Customer grievance counts and redressal timelines.
- Training programs for employees on product safety and ethical practices.

EXAMPLE

- **Infosys:** Implements stringent data privacy protocols, reports on data security training, and ensures ethical handling of client information.

- **Nestlé India**: Reports on product quality audits, safety compliance, nutrition labeling, and grievance handling to ensure consumer trust and safety.

CASE STUDIES: LESSONS FROM INCIDENTS & BEST PRACTICE

RANA PLAZA (2013) — SUPPLY-CHAIN CATASTROPHE

- **Why it Happened:**

o Workers were forced to enter the building despite visible cracks.

o Lack of workplace safety standards and monitoring.

o Exploitative labor practices: low wages, long hours, and

o absence of union representation.

o No accountability from brands relying on low-cost suppliers.

RANA PLAZA (2013) — SUPPLY-CHAIN CATASTROPHE

- **ESG Social Pillar Lessons:**

o **Workforce Safety**: Strong occupational health & safety policies could have prevented unsafe working conditions.

o **Fair Labor Standards**: Respecting wages, working hours, and freedom of association protects workers' rights.

o **Supplier Oversight**: A Supplier Code of Conduct with audits ensures global brands remain accountable for labor practices in their supply chains.

o **Employee Voice**: Mechanisms for workers to report risks and refuse unsafe work are critical safeguards.

- **Takeaway:**

The Rana Plaza collapse shows how neglecting the Social pillar of ESG—especially worker rights and supply-chain responsibility—can lead to catastrophic human and reputational consequences. Companies must embed strong social policies to protect people and build resilience.

- **<u>Why it Happened:</u>**

o   Local communities raised concerns over air and water pollution from the copper smelter, citing rising health issues.

o   Lack of transparent dialogue with residents about environmental and health impacts.

o   Weak grievance redressal mechanisms — community voices were unheard for years.

o   Perception that profits were prioritized over people's well-being.

ESG Social Pillar Lessons:

o **Community Engagement:** Proactive consultation and continuous dialogue with local stakeholders could have reduced mistrust.

o **Health & Safety Safeguards:** Addressing environmental and health concerns early prevents escalation into large-scale conflicts.

o **Transparency & Grievance Redressal:** Open reporting and effective complaint-handling build accountability.

o **Social License to Operate**: Respecting community rights and well-being is as critical as regulatory approvals.

- **Takeaway:**

  The Sterlite Tuticorin conflict demonstrates how ignoring the Social pillar of ESG, especially community impacts and stakeholder engagement, can lead to protests, reputational damage, and eventual shutdown of operations. Building trust through fair practices and transparent dialogue is key to sustainable business.

- **Context:**

Infosys has integrated education, skilling, and community development into its long-term CSR and ESG strategy, going beyond compliance to create measurable social impact.

- **Key Initiatives:**

- **Infosys Foundation**: Focuses on education, healthcare, rural development, women empowerment, and art & culture.

- **Skilling & Education Programs:**

i. Infosys Springboard: A free digital platform providing education and vocational training to students and professionals, with special outreach to underserved communities.

ii. Partnerships with schools, universities, and NGOs to improve employability through digital literacy and advanced tech skills.

iii. Livelihood Support: Programs for women entrepreneurs, artisans, and rural communities to build sustainable income sources.

iv. Employee Volunteering: Structured volunteering initiatives where employees mentor students, teach digital skills, and support social projects.

- **Takeaway:**

Infosys exemplifies how structured CSR and skilling programs can become a core Social strategy in ESG—delivering long-term impact for both communities and the company. By focusing on education and livelihoods, Infosys not only uplifts communities but also creates a future-ready talent pipeline, strengthening business resilience.

APPLE- SUPPLIER AUDITS AND CORRECTIVE ACTION PLANS FOR LABOR STANDARD

- **Context:**

Apple, with a vast global supply chain, faced scrutiny over labor rights violations in supplier factories (e.g., excessive working hours, unsafe conditions, and underage labor). This prompted a stronger ESG-driven approach to supply-chain accountability.

- **Key Initiatives:**

i. Supplier Code of Conduct: Clear standards on working hours, wages, health & safety, freedom of association, and prohibition of child/forced labor.

ii. Audits & Assessments:
- Conducts thousands of annual supplier audits across 50+ countries.
- Uses third-party verifiers and independent labor experts to ensure unbiased evaluations.

iii. Corrective Action Plans (CAPs):
- Suppliers found non-compliant must implement CAPs with clear timelines.
- Includes retraining of management, worker safety programs, and improvements in labour practices.

iv. Transparency & Reporting: Annual Supplier Responsibility Progress Report discloses results of audits, non-compliances, and improvements.

vi. Capacity Building: Apple runs training programs for supplier employees on workplace rights, with millions trained since 2008.

CHILD MINERS

"Apple is deeply committed to the responsible sourcing of materials for our products and we've led the industry in establishing the strictest standards for our suppliers. We were the first company to map our cobalt supply chain down to the mine and 100% of our smelters are participating in independent third party audits."

APPLE SPOKESPERSON

Patently Apple

- **Takeaway:**

Apple demonstrates how a global company can proactively manage social risks in its supply chain through robust audits, corrective action plans, and transparency. Apple still has a long way to go to address its labor concerns but it certainly has shown resolve to achieve the same.
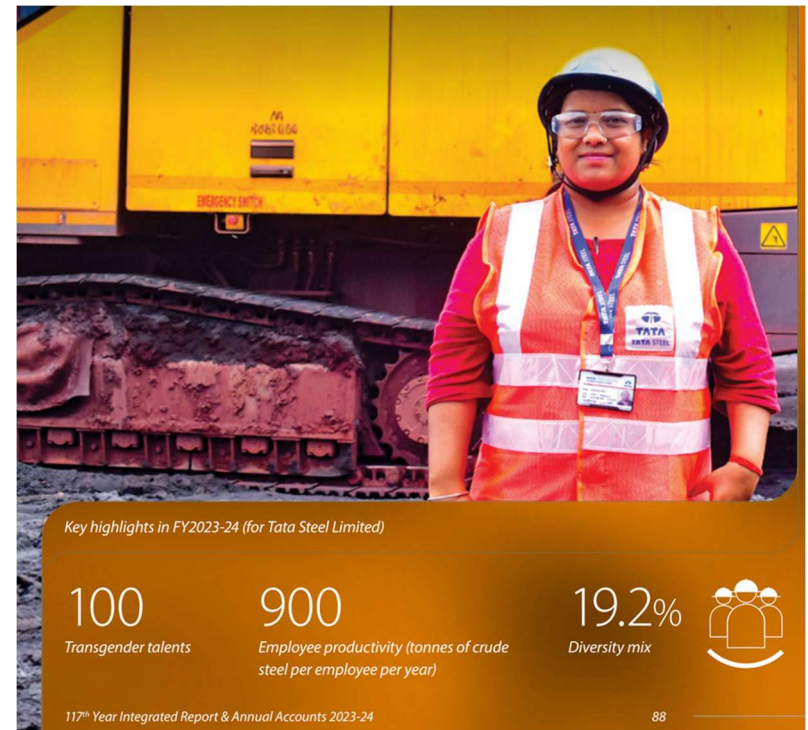
SOCIAL DUE DILIGENCE & DISCLOSURE

- Assign governance & oversight: Board → ESG Committee → Social Lead

- Define boundary: operations, contractors, suppliers, JV exposures

- Conduct materiality & HRIA (UNGP / OECD aligned)

- Build KPIs & data systems: HRIS, H&S registers, supplier portals

- Establish grievance mechanism + remediation protocols

- Publish disclosures: GRI/BRSR/SASB alignment and verify as needed

BEST PRACTICES – TATA STEEL

- Expanded Learning & Development with 12 new Schools of Excellence (total: 53).

- Samavesh cultural assimilation programme for seamless employee integration and talent development.

- Formation of Tata Steel Kalinganagar Workers' Union and adoption of a two-tier Joint Consultative System.

- Launched 'Wellness for Life' portal to support holistic employee well-being.

- In March 2024, inducted 13 transgender employees as HEMM Operator Trainees (total transgender workforce now 100).

- Hosted Querious case study competition for LGBTQIA+ students with a 240% rise in registrations over FY2022-23.

Key highlights in FY2023-24 (for Tata Steel Limited)

100 Transgender talents

900 Employee productivity (tonnes of crude steel per employee per year)

19.2% Diversity mix

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BEST PRACTICES – TATA STEEL

- Recognized as a Gold Employer (IWEI 2023) for the 3rd consecutive year for LGBTQIA+ inclusion.

- Named among Global DEI Lighthouses 2023 by the World Economic Forum.

- Recognized as one of India's Best Workplaces in Manufacturing for 7 consecutive years (Great Place to Work®).

- Various programs to empower and support women like " Flames of Change", "Women of Mettle", "Women@Mines".

- Launched 'Ananta Quest' initiative for integrating Persons with Disabilities (PwDs) into the manufacturing sector.
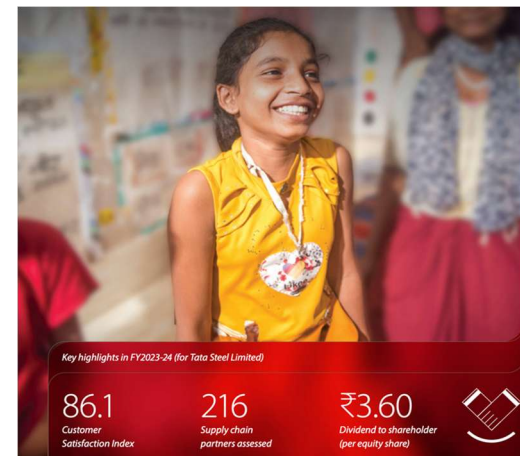

Under the *'Flames of Change'* initiative, Tata Steel recruited 23 women to create the first-ever crew of female firefighters in the steel industry in India. The Company's advocacy for inclusive work shifts has borne fruits in Odisha and the success will be extended to Jharkhand.

'Women of Mettle', one of the Company's 'Campus Connect' initiatives, is a pioneering scholarship programme to induct bright young women engineers into the manufacturing sector.

The *'Women@Mines'* programm aims to provide technical trainin to unskilled women workers and enable them to work in core jobs in mines. Tata Steel is the first company in India to deploy wo in all shifts in mines.

Ananta Quest

- SAMVAAD: Annual 5-day event engaging 40,000+ people from 200+ tribes across 17 countries, celebrating tribal narratives and culture.

- Strong employee engagement practices: monthly CEO/MD online meetings, leadership interactions, engagement surveys, and union-management forums.

- 216 Supply chain partners assessed, and reporting of customer satisfaction index as high as 86.1

Samvaad

Key highlights in FY2023-24 (for Tata Steel Limited)

86.1	216	₹3.60
Customer Satisfaction Index	Supply chain partners assessed	Dividend to shareholder (per equity share)

BEST PRACTICES – TATA STEEL

- CSR via Tata Steel Foundation: 120 scalable models of change, impacting 4.4 million lives in FY2023-24 across multiple states.

- Extensive Community work under "National Change Models"

Attaining geographic saturation

(a) Maternal and Newborn Survival Initiative (MANSI+) ensured 100% coverage in three districts of Kolhan division in Jharkhand;

(b) Keonjhar district of Odisha became the first district to declare itself a Child Labour-free Zone through the Education Signature Programme;

(c) SABAL – dignity through ability, reached a 100% disability entitlements coverage at Noamundi block in Jharkhand

Replicating programme models

(a) MANSI+ replicated in the entire Gumla district of Jharkhand;

(b) Education Signature Programme replicated in 25 public schools of Ranipet district of Tamil Nadu;

(c) 50 new gram panchayats formally consented to replicate the Development Corridor model on governance

Unlocking public capital

Over ₹8,200 crore worth of public entitlements unlocked through the Education Signature Programme, Development Corridor project, and Urban Slum Development project (Jaga Mission).

National Change Models

Actualise national change models which address core development gaps in India, while being replicable in the global context.

Tata Steel Foundation has built large scale change models which (i) address development challenges that are national priorities, (ii) are designed with audacious theories of change, (iii) have demonstrated record of population level outcomes, (iv) are being replicated across India and can be instructive in the global context.

>1.4 Mn

lives have been impacted through national change models in FY2023-24

Signature Programmes

Ensuring societal priority to the health and survival of women and children before, during and after childbirth (MANSI+).

Impact

» 2.4 lakh+ women, children, and adolescents impacted
» 48% increase in high-risk cases identification and 175% increase in case resolution among women and children
» Institutional delivery enabled among 87% (of 7,149) high-risk pregnant women
» 2,986 married adolescent girls successfully delayed pregnancy

BEST PRACTICES – TATA STEEL

Universalising secondary education for all children through a revitalised public education system

Impact

» 7.2 lakh+ children impacted under Education Signature Programme
» 6,932 out-of-school children brought back to school
» 284 gram panchayats declared themselves as Child Labour-free Zones
» 39,789 school children engaged in courses on traditional knowledge and culture
» 1.9 lakh+ learners across 3,571 schools covered through digitisation initiatives

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

BEST PRACTICES – TATA STEEL
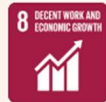
Fostering an ecosystem of constructive dialogue, change and changemakers for tribal communities of India

Impact

» 3,840 participants from 150+ tribes convened through Samvaad Conclave and Regional Samvaad

» 40,640 tribal language learners in 10 languages - India's largest programme on learning of languages. These languages have been introduced in curriculums of 56 schools

» ₹29.12 lakh turnover generated by tribal artisans from 11 editions of Johar Haat

» 86 film screenings to promote tribal elements

» 212 intellectual properties created in the form of documents, videos, books, etc.

» 105 individual leaders mentored through Tribal Leadership Programme and Samvaad Fellowship

BEST PRACTICES – TATA STEEL

Developing a vibrant Jamshedpur Kalinganagar corridor where local communities participate in and bring about a significant enhancement in their human, social natural and cultural capital

Impact

» ₹48.43 crore unlocked through public entitlements by 44,039 individuals
» 68 gram panchayats organised regular gram sabha
» 375 Village Development Plans (VDP) prepared with participation of women
» 170+ VDP indicators mapped against UN and localised SDGs
» 39 corridor fellows enrolled in certification course at IIM Ranchi

BEST PRACTICES – TATA STEEL

- Extensive Community work under "Regional Change Models"

Regional Change Models

Build regional change models which enable lasting betterment in the well-being of communities, prioritising those who are excluded and proximate.

Tata Steel Foundation has built change models which (i) address development challenges unique to climate, context and vulnerability profiles of specific regions, (ii) are designed with localised theories of change, (iii) are implemented at an impact appropriate scale, (iv) bring together local ecosystems and help build social capital around themes.

>3 Mn

lives have been impacted through Regional Change Models in FY 2023-24

BEST PRACTICES – TATA STEEL

Ensuring increase in aggregate, real annual income for marginalised and excluded households through agricultural and agri-allied activities

Impact

» 120% increase in income of 90,918 farmers
» 18,449 farmers engaged in climate resilient agriculture practices for sustainable livelihoods
» 1,387 on-farm and off-farm micro enterprises developed by farmers for livelihoods generation
» 8,371 farmers linked to government schemes
» 1,203 community institutions formed by farmers for collective management of agricultural activities
» 25 value chain units established for sorting, grading and processing of farm produce

BEST PRACTICES – TATA STEEL

Ensuring a sustainable career path with stable income enhancement for youth from marginalised and excluded households through multiple skilling and employment opportunities

Impact

» 3,176 trainees placed/self-employed through long and short-term trainings
» 287 youth linked to employment opportunities through Model Career Center (MCC)
» 4.5x scale up in placements across long and short-term institutions
» 2 Industrial Training Institutes and 4 Multi-skill Development Centres established

BEST PRACTICES – TATA STEEL

Empowering rural women with a platform that provides access to economic resources

Impact

» 17,113 women engaged in Self Help Groups (SHGs) and corpus built for ~₹7.4 crore
» 3,092 women engaged in micro-enterprises
» 135 new enterprises initiated by SHG women for livelihoods generation
» 282 artisans engaged through women cooperatives with an annual turnover of ~₹80 lakh

Developing community managed water ecosystems

Impact

» 107.8 million cubic feet water storage capacity created through development and management of 1,114 water harvesting structures
» 780 hectares of land treated with soil and moisture conservation
» 4,500 hectares of watersheds area geo-tagged (GIS system)
» 2,106 hectares of land under irrigation coverage through watersheds
» 508 community water institutions
» 1.9 lakh+ people gained access to drinking water

Enable optimum health of community through provision of healthcare services and health education

Impact

» 56,826 adolescents trained in Adolescent Reproductive and Sexual Health (ARSH) module
» 31,045 girls successfully delayed early age marriage
» 584 young changemakers developed towards Regional Initiative for safe Sexual Health for Today's Adolescents
» 3,866 cataract surgeries conducted
» 2.2 lakh+ individuals screened for Non-communicable Diseases
» 4.6 lakh+ individuals screened for fever and vector borne diseases
» 10,671 household nutrition gardens developed
» 14,400+ individuals trained on Basic Life Support skills

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

BEST PRACTICES – TATA STEEL

Enabling women with leadership potential to have an effective voice in community decision-making processes

Impact

» 3,025 women enrolled in DISHA programme
» 1,914 women completed all training modules in leadership
» 3,085 women actively participated in rural institutions
» 343 trained women represented at decision-making positions in rural institutions
» 160 We for Change initiatives were undertaken by women
» 958 women engaged in Digital Literacy programme

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Developing an ecosystem that fosters self-reliance and a life of dignity for all Persons with Disability (PwD)

Impact

» 7,900+ PwDs covered through initiatives for self-reliance
» 2,101 Anganwadi Workers, District Programme Officers and NGO members capacitated
» 2,763 PwDs linked to government schemes

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

BEST PRACTICES – TATA STEEL

Support universalisation of secondary education for children from Dalit and tribal communities and enable an adequate standard of living

Impact

» 10,283 Dalit and tribal students felicitated with Jyoti Fellowship
» 170 Tata Steel Scholars across 30 institutions
» 512 Particularly Vulnerable Tribal Group learners under Akanksha programme and 12 matriculate children linked to higher/ professional education

BEST PRACTICES – TATA STEEL

Build community connect through sports and nurture sporting talent at grassroots level

Impact

» 36,000+ individuals engaged in sporting activities
» 3,937 children/youth engaged in grassroots sports
» 268 participations at state and national-level tournaments

Facilitate all children in all villages to complete secondary education and receive guidance for future study or vocation

Impact

» **Masti Ki Pathshala**
  › 1,170 children mainstreamed to public schools
  › STEM learning initiated with 300 children
  › 2,330 children engaged in Foundational Learning and Numeracy initiative
» **Other programmes**
  › 9,300 learners under 71 Pre-matriculate Coaching centres
  › 3,055 learners enhanced their capability through English and Computer classes across 21 centres
  › 23,723 children from Green School initiative undertook projects on water, waste, energy, biodiversity and forests

BEST PRACTICES – TATA STEEL

- Embedded a societal perspective in key business decisions

Leveraging employee volunteering to address social issues in the communities the Company serves	**Impact** » 1.57 per capita Volunteering Hour recorded (67,799 total hours) » 450 social issues addressed » 6,822 unique volunteers engaged
Engendering a cadre of business leaders who embody a societal perspective in their business decisions	**Impact** » 1,241 individuals undergone social immersion (senior leaders, students and Tata Steel Management Trainees)

➢ **KEY TOOLS & TEMPLATES TO USE**

- **Materiality matrix templates, HRIA questionnaires, Supplier audit checklists, Grievance log templates**

- **Data platforms: HRIS, EHS systems, Supplier risk platforms (audit & traceability)**

➢ **FUTURE OUTLOOK & STRATEGIC PRIORITIES**

- **Increasing regulation globally: mandatory due diligence & reporting**

- **Human capital and social metrics will influence cost of capital**

- **Companies that lead on 'S' will gain talent, trust, and resilience**

KEY TAKEWAYS

- Social is an operational and strategic priority affects workforce, supply chain, community relations

- Use GRI for impact narratives, SASB for investor KPIs, and BRSR for India regulatory alignment

- Set up governance, run HRIA, build KPIs, and maintain transparent grievance & remediation processes

THANK YOU!

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