

Coal India Limited

ESG Report
2019-20

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List of Abbreviations

ACM	Asset Closure Management
AFDSS	Automatic Fire Detection and Suppression System
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
APS	Accountability Principles Standard
ARD	Acid Rock Drainage
ASSOCHAM	The Associated Chambers of Commerce & Industry of India
AVA	Audio-Visual Alarm
BCCL	Bharat Coking Coal Limited
BETI	Basic Excavation Training Institute
BSC	Balanced Score Card
BT	Billion tonne
CA	Compensatory Afforestation
CAAQMS	Continuous Ambient Air Quality Monitoring Station
CAGR	Compound Annual Growth Rate
CAMPA	Compensatory Afforestation Fund Management & Planning Authority
CCI	Competition Commission of India
CCL	Central Coalfields Limited
CCO	Coal Controller's Organization
CDM	Clean Development Mechanism
CETI	Central Excavation Training Institute
CHPs	Coal Handling Plants
CIAL	Coal India Africana Limitada
CIL	Coal India Limited
CIPP	Code of Integrity for Public Procurement
CISF	Central Industrial Security Force
CISPA	Coal India Sports Promotion Association
CM	Chief Minister
CMPDIL	Central Mine Planning and Design Institute Limited
CMR	Coal Mines Regulation
COVID 19	Coronavirus Disease 2019
CPSE	Central Public Sector Enterprise
CR	Crore
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
CSR&SD	Corporate Social Responsibility & Sustainability Development

CTL	Coal to Liquid
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
CWS	Central Workshop
DCC	Dankuni Coal Complex
DC/DRC	Data Centre and Disaster Recovery Centre
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
DETP	Domestic Effluent Treatment Plant
DGMS	Directorate General of Mines Safety
DG Sets	Diesel Generator Sets
DIN	Director Identification Number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EC	Environmental Clearance
ECL	Eastern Coalfields Limited
EESL	Energy Efficiency Services Limited
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMS	Environment Management System
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ETF	Exchange Traded Fund
ETMS	Environmental Tele Monitoring System
ETP	Effluent Treatment Plant
FICCI	Federation of Indian Chambers of Commerce and Industry
FRI	Forest Research Institute
FSA	Fuel Supply Agreement
GHG	Green House Gas
GoI	Government of India
GPS	Global Positioning System
GST	Goods and Services Tax
Ha	Hectare
HEMMs	Heavy Earth Moving Machines
HQ	Headquarter
HURL	Hindustan Urvarak and Rasayan Limited
ICC	Internal Complaints Committee
ICERT	Indian Computer Emergency Centre Response Team
IICM	Indian Institute of Coal Management
INR	Indian Rupee

ISO	International Organization for Standardization
JBCCI	Joint Bipartite Committee for The Coal Industry
JV	Joint Venture
KVAR	Kilovolt Ampere Reactive
kWh	Kilowatt hour
kWh/te	Kilowatt Hour per Tonne
kWp	Kilowatt Peak
LCOE	Levelized Cost of Electricity
LED	Light Emitting Diode
LTA/LTC	Leave Travel Allowance/Leave Travel Concession
LTC	Low Temperature Carbonization
MCL	Mahanadi Coalfields Limited
MCP	Mine Closure Plan
MDTP	Mine Discharge Treatment Plant
mm	Millimeter
MoC	Ministry of Coal
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoL&E	Ministry of Labour and Employment
MoU	Memorandum of Understanding
MRS	Mine Rescue Station
MT	Million tonne
MU	Million Units
MVTR	Mine Vocational Training Rules
MWp	Megawatt Peak
NCCC	National Coal Consumer Council
NCL	Northern Coalfields Limited
NCWA	National Coal Wage Agreement
NEC	North Eastern Coalfields
NEERI	National Environmental Engineering Research Institute
NGO	Non-Governmental Organization
NIT	Notice Inviting Tender
NPV	Net Present Value
NSDC	National Skill Development Corporation
NT-ST	North Tisra-South Tisra
OB	Overburden
OCF	Open Cast Project
OHSAS	Occupational Health and Safety Management System

OHS	Occupational Health and Safety
OSS	Open-Source Software
PAPs/PAFs	Project Affected Persons/ Project Affected Families
PHMPs	Principal Hazards Management Plans
PM CARES	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund
PMS	Performance Management System
PRIDE	Performance Report for Individual Development of Executives
PRP	Performance Related Pay
RCCC	Regional Coal Consumer Council
R&D	Research and Development
RFCTLARR Act, 2013	The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
R&R	Rehabilitation and Resettlement
RMC	Risk Management Committee
RMR	Rock Mass Rating
SC	Scheduled Caste
SCG	Surface Coal Gasification
SDG	Sustainable Development Goal
SDP	Sustainable Development Policy
SEBI	Securities and Exchange Board of India
SECI	Solar Energy Corporation of India
SECL	South Eastern Coalfields Limited
SHGs	Self Help Groups
SMPs	Safety Management Plans
SMS	Safety Management System
SOPs	Standard Operating Procedures
SPCB	State Pollution Control Board
ST	Scheduled Tribe
STP	Sewage Treatment Plant
TFL	Talcher Fertilizers Limited
TSP	Tribal Sub Plan
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals
WASH	Water Access Sanitation & Hygiene
WCL	Western Coalfields Limited
WIPS	Women in Public Sector
ZHM	Zero Harm Potential

Foreword

Environmental, Social and Governance (ESG) issue is gaining importance to assess company's impact on the business environment. It is also critical for the Nation. Being a socially conscious entity, CIL has taken it upon itself to reinforce improved transparency on environmentally and socially responsible practices. Coal India's first ESG report highlights environmental, social and governance values integral to the company. With growing focus on social responsibility, ESG is globally drawing investors' interest.

While continuing to contribute to the country's expanding energy requirement, we are equally sensitive to the belief that unless environmental, economic and social sustainability standards are met there cannot be an all-round growth. These three are interdependent and mutually reinforcing forces that hold aloft our sustainable initiatives. A strong corporate governance acts as a ballast in this endeavor.

Beyond production and off-take, concern for environment and society is as important to us as the twin performance parameters. We are committed to giving back to the environment, to the extent possible, what we take from it. Our various measures in ensuring resource efficiency include water conservation, waste minimization, biodiversity protection, restoration of mined out areas, creation of forests and eco parks to preserve native ecosystems, measures to improve air quality and sustainable mine closure. We are also adopting many green initiatives. Laying impetus on use of alternative green energy source we are venturing to set up solar power generation projects of 3,000 MW capacity by FY'24.

We are conscious of our responsibility towards people displaced by our mining operations and are committed to meet their aspirations through inclusive development.

Our welfare activities extend beyond our own employees and encompass a wide array of populace living within the proximity of our mining areas. Our motto in this regard is that their quality of life should not be in any way lower than what it was before their offer of land to us for mining.

Our company is one of the largest spenders on Corporate Social Responsibility. Our approach towards CSR is not merely cheque book philanthropy but to impact the lives positively with enhancement in quality of life. We believe the people we help are partners in our growth. Our CSR endeavor goes beyond the mandated Act of 2% of average net profit for three immediate preceding financial years. The consolidated annual 5-year average CSR spend of the company as whole is INR 612 Crore per annum against the statutory budget allocation of INR 408 Crore which is a reflection of our CSR commitment. Coal India as whole, during 2019-20, spent INR 587 Crore on its CSR activities which is 48% more than INR 396 Crore, the amount that was required to be spent under CSR in accordance with the Companies Act, 2013.

During the Covid-19 pandemic in what could be the highest mobilization of Covid care isolation beds by a PSU, CIL has set up upwards of 1500 beds.

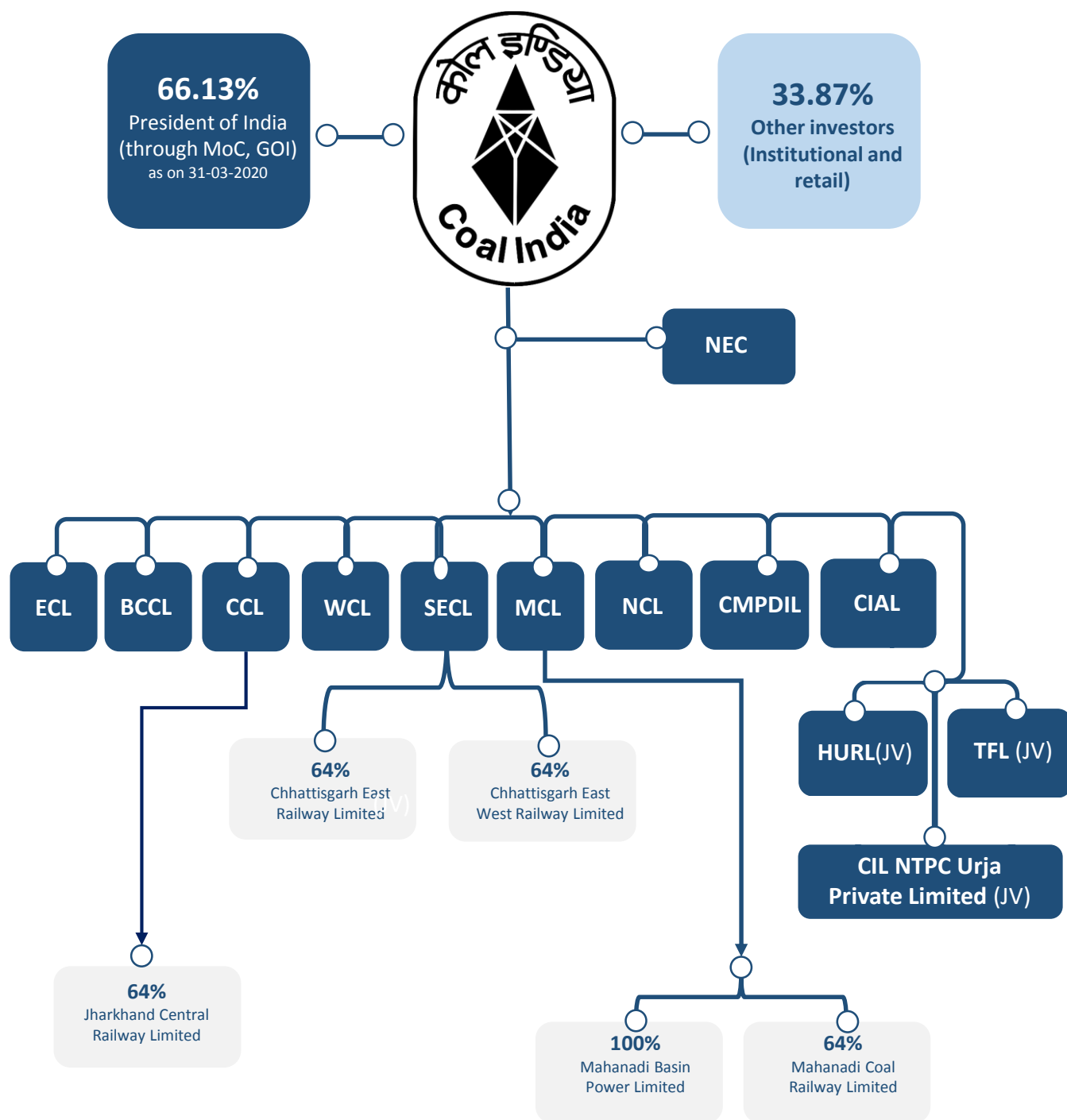
We comply with the conditions of Corporate Governance, as stipulated in the guidelines on corporate governance for CPSUs in letter and spirit. We ensure effective governance through high degree of ethics, justice and equality.

Aldous Huxley once said 'The prosperity we have known up to the present is the consequence of rapidly spending the planet's irreplaceable capital'. It is time we paid our debt back by adhering to the tenets of sustainable development. Coal India is committed in its resolve to do that with support from its varied stakeholders.



(Pramod Agrawal)

How are we structured



**For further details of the organizational structure please refer to our Annual Report FY 2019-20*

CIAL- Coal India Africana Limitada | NEC- North Eastern Coalfields | SECL- South Eastern Coalfields Limited | BCCL- Bharat Coking Coal Limited | CCL- Central Coalfields Limited | ECL- Eastern Coalfields Limited | WCL- Western Coalfields Limited | NCL- Northern Coalfields Limited | MCL- Mahanadi Coalfields Limited | CMPDI- Central Mine Planning and Design Institute Limited | HURL- Hindustan Urvarak & Rasayan Limited | TFL- Talcher Fertilizers Limited

Key Highlights 2019-20

602 MT
Coal Produced

INR 1,34,979 CR.
Gross Sales

INR 24,071 CR.
Profit Before Tax

99%
coal supply to power
utilities is being assessed
by third party sampling
agencies

Producing
83%
of India's entire coal
output

INR 43,059 CR.
Paid towards Royalty,
Cess, GST and other
levies

80%
of the Company's entire
coal supply was catered to
power sector

1,154 Mm³ of
Overburden Removed

2,72,445
Total Employees

Two of the subsidiaries
of CIL i.e., CCL and MCL
were conferred
National CSR Award by
Hon'ble President of
India for contribution to
national priority areas

4.85MWp
Solar Power Projects,
successfully generating
solar energy

**ISO
Certifications**
ISO:14001, ISO:9001,
OHSAS:18001,
ISO:17025, ISO:50001

Water

Our objective at CIL is to maximize mine water utilization for community use both for domestic and irrigation purposes.

7.48 Lakh

people were benefitted and got access to clean water for domestic and irrigational purposes

Biodiversity

We continuously invest in reducing our negative impact on environment by enhancing green cover.

11%

Increase in total area of green cover in 2019-20 compared to previous year

Tree Plantation

We implement widespread tree plantation as one of the methods to mitigate climate change

19.8 Lakh

Saplings were planted during FY 2019-20

Environmental Highlights

CIL has been focusing on improving performance of its business operations by reducing the impact on environmental parameters

Emissions

We focus on taking measures to reduce CO₂ emissions generated from business operations

1%

Decrease in scope 2 (electricity Indirect GHG emissions) in 2019- 20 as compared to 2018-19

Energy

Being an eco-friendly company, we have adopted several energy conservation measures

0.3%

Decrease in specific energy consumption in 2019-20 as compared to 2017-18

Renewable Energy

We are looking to diversify our energy portfolio towards renewable energy sources, especially solar, etc.

CIL is developing

3,000 MW

Solar Power Projects by FY24

Social Highlights

Overview

19,460

Female employees working in CIL and its subsidiaries as of March 2020



1:1

Remuneration at CIL for women and men, focusing on gender equality



41.14%

Increase in CSR spend in 2019-20 compared to 2018-19



0.12

*Employee turnover rate in 2019-20



1.61

**Human Capital ROI in 2019-20



- ***Employee turnover rate** is calculated using employees who leave the organization voluntarily
- ****Human Capital Return on Investment** provides a means of measuring profitability in relation to total employee costs. It is derived by removing non-employee costs from overall operating costs and deriving the resulting operating profitability. This metric provides a view into the degree to which economic value is derived looking at profitability solely in relation to human capital costs.

CSR Highlights

CSR priorities aligned with SDGs



Good Health And Well-being



Decent Work And Economic Growth



Clean Water And Sanitation



No Poverty



Gender Equality



Reduce Inequality



Quality Education

- ✓ INR 50.32 crores to Odisha Power Transmission Corporation Ltd. for the reinstallation of power transmission lines damaged due to cyclone Fani.
- ✓ INR 25 crores for the reconstruction of government schools damaged due to floods in Karnataka.
- ✓ INR 16.50 crores for livelihood rehabilitation project and purchasing of water ambulances in flood-affected Majuli district of Assam.
- ✓ Contributed INR 160 crores to the PM CARES Fund for the fight against COVID-19

What Coal India Limited is doing ?

- ✓ More than 6,55,136 man-days of training to Employees
- ✓ External training to 5,359 Employees
- ✓ 16 women specific training programmes with a total of 322 participants conducted at CIL
- ✓ 37% decrease in fatalities in 2019-20 compared to the previous year
- ✓ 6.3% decrease in severe bodily injuries in 2019-20 compared to the previous year
- ✓ In 2019-20, 1,690 number of land outsees have been offered employment by CIL/ subsidiary companies of CIL
- ✓ 96.4% grievances were addressed in 2019-20
- ✓ Our efforts in making water available to the communities around our mining areas benefitted 7.48 Lakh population during the fiscal year.

1. Committed for Cleaner Environment

We are committed to create a clean and healthy ecosystem concomitantly with our mining operations to minimize adverse environmental impacts. Our efforts to improve ecological footprint and environmental protection measures are backed by advanced technology and infusion of requisite finance for concrete action.

Our environmental performance parameters are studiously monitored by a dedicated team of 238 environmental engineers across the coal companies.

1.1. Implementation of New Technologies

To optimize our resources and minimize our environmental footprint, we continuously strive to implement new technologies / machineries such as Surface Miners, Continuous Miners and Longwall Mining.

This helps us in the following ways:

- Keeping the environmental footprint to a minimum;
- Ensuring optimum production of coal;
- Minimizing the risks of contamination of soil and groundwater;
- Minimizing energy demand in mining operations;
- Minimizing particulate matter (dust) and exhaust gases;
- Increasing environmental and health awareness.

For the year 2019-20, total coal production from open cast mines was 572 MT of which 47% was through Surface Miners at 269 MT.



Fig 1.2: Surface Miner at CIL mine

1.2. Mechanized Evacuation of Coal to Reduce Carbon Footprint

As a green initiative for an efficient and environment friendly mechanized coal transportation in First Mile Connectivity (FMC) we have identified 35 major coal projects, each with 4 Million Tonne/Year and more capacity, where coal will be transported through conveyor belts from pitheads to dispatch points. This replaces road transport of coal leading to considerable reduction in dust and air pollution levels. In addition to 151 MTs that is being moved through this environment friendly mode, around 405 MTs of coal would be transported through conveyor by FY'24.

Of these 35 projects, 2 have been already commissioned and work has been awarded to 21 projects which are in various stages of implementation. As an extension to this under Phase II CIL has identified 14 more projects making it a total of 49 FMC projects.

This is a major move in reducing environmental pollution in our coal transportation bringing comfort to the local populace in the proximity of these mines. Additionally, the step enables us to reduce noise pollution, decrease carbon footprint, bring down usage of water in coal loading and transfer activities.



Fig 1.3: Mechanised evacuation of coal from the pithead to the dispatch point under FMC initiative

1.3. Reduction in Road Transport

Slowly we are migrating away from road transportation of coal by switching to alternative modes of transports such as rail, conveyor belts etc. The multiple advantages would be reduced traffic congestion, lesser road accidents and reduce impact on air quality.

Over the last three years, we have substantially increased our rail portfolio as a preferred mode of transport. Around 80% of our coal gets transported through non-road mode. During 2019-20, a total quantity of 466.72 MTs of coal was transported through non-road modes while 115.20 MTs was transported through exclusive road mode.



Fig 1.5: Transportation of coal via railways

1.4. Effective Utilization of Mine Water

Our endeavor is to utilize mine water more efficiently. We discharged 6,164 Lakh kilo liters of mine water during 2019–20 of which about 37% was used by the nearby communities for domestic and irrigation purposes.

47% was reused for CIL's own operations and the remaining 16% was used for groundwater recharge and stored for future use. Around 7.4 Lakh members of the community were benefitted and got access to clean water for domestic and irrigational purposes.



Sewage Treatment Plant



STP Treated Water Pond for Ground Water Recharge



Conversion of Mine Water to Drinking Water



Mine water from Pipla

Fig 1.6: Discharged mine water use

1.5. Development of Eco - Parks in Reclaimed Areas

Reclamation of mined out areas and external overburden (OB) dumps is a major environmental activity of CIL. This is pursued in accordance with Environmental Management Plan and Mine Closure Plan approved by the Ministry of Environment, Forest and Climate Change (MoEF&CC). Open cast mines are filled up with extracted overburden as part of technical reclamation.

Subsequently, plantation is carried out over the technically reclaimed area which is termed as biological reclamation. CIL has planted multispecies saplings with proper mix of timber yielding, fruit-bearing, medicinal and other useful varieties. To date, CIL has established a total of 23 such eco parks and mine tourism projects on a total area of 226.13 hectares.



Fig 1.7: Ananya Vatika Eco-Park

South Eastern Coalfields has converted dead overburden dump of Rajnagar OCP in Hasdeo Area into Ananya Vatika, an exotic Eco-Park



Fig 1.8: Parasnath Udhyan

Parasnath Udhyan, this park has been made by Bharat Coking Coal Limited on the Amalgamated Keshalpur West Mudidih colliery



Fig 1.9: Dr APJ Abdul Kalam Park

Dr APJ Abdul Kalam Park funded by Western Coalfields Limited in Chandrapur, Maharashtra.



Fig 1.10: Gokul Eco-cultural Park

Gokul Eco-cultural Park, Lodna Area, this park has been developed by Bharat Coking Coal Limited on the over 10 ha of mined out land in NT-ST-Jeenagora Project of Lodna Area.

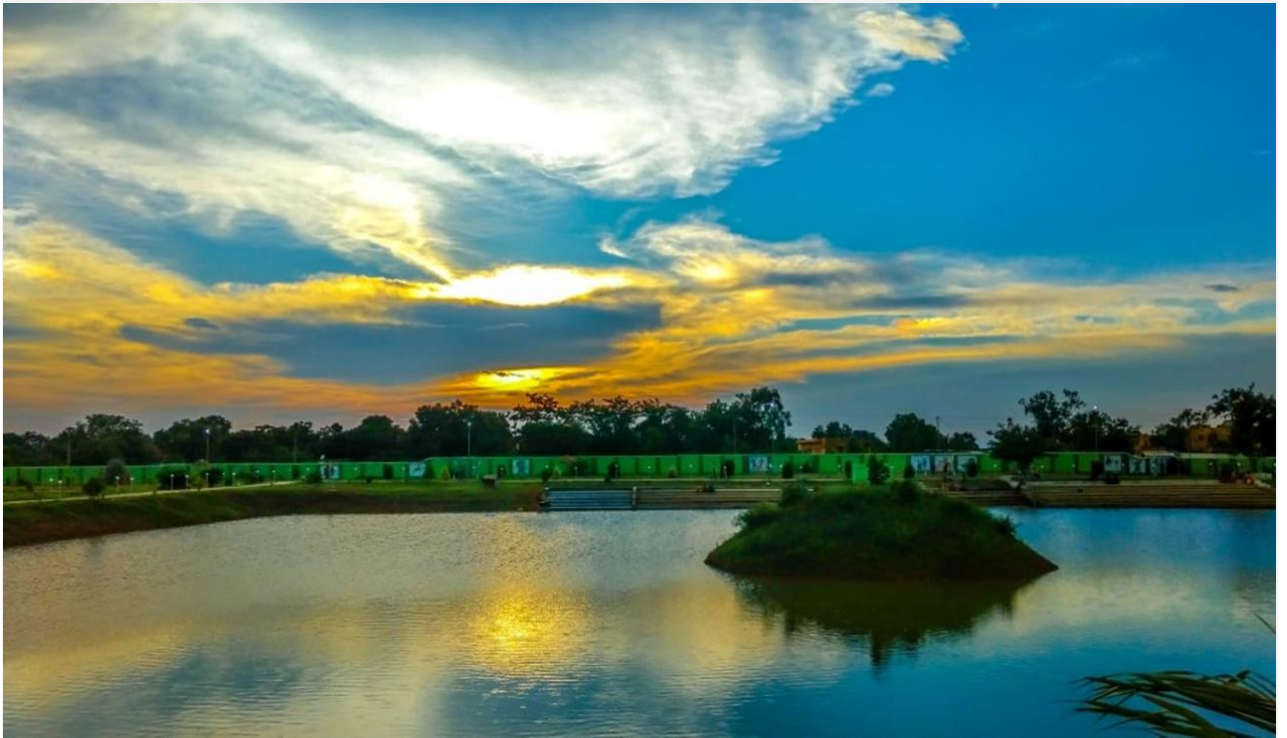


Fig 1.11 Jhanjra eco - park
Jhanjra eco park was developed by Eastern Coalfields Limited



Fig 1.12: Ananta Medicinal Garden
Ananta medicinal garden has been developed by Mahanadi Coalfields Limited on the backfilled area of Ananta Open Cast Project



Fig 1.13: Gunjan Eco-Park

Gunjan Ecological park was developed by ECL on the mined out area at Ratibati OCP



Fig 1.14: Govardhan Eco-Park

Govardhan Eco-Park is partially developed on an Old over burden dump of Bera Colliery, Bastacolla Area by Bharat Coking Coal Limited



Fig 1.15: Rose Garden

Rose Garden was developed by Northern Coalfields Limited
at Jayant Opencast Project



Fig 1.16: Kayakalp Vatika Eco-Park

Kayakalp Vatika Eco-Park has been developed by Central Coalfields Limited on the mined-out area of
Piparwar Open Cast Mine



Fig 1.17: Saoner Eco-Park

Saoner Eco-Park has been developed by Western Coalfields Limited on the mined-out area of Saoner underground mines at Saoner, Maharashtra



Fig 1.18: Dr. Bhupen Hazarika Eco-Park

Dr. Bhupen Hazarika Eco-Park has been developed by North Eastern Coalfields Limited

1.6. Pisciculture

Pisciculture plays a vital role as income generation and livelihood for the local communities.

Through advanced pisciculture techniques CIL converts local ponds into pisciculture centers which act as income generators to local populace.



Fig 1.19: Pisciculture at Bishrampur Opencast Mine, SECL

1.7. Green Energy Initiatives: Solar Energy Applications

As an alternative environment friendly green energy source, solar power generation lists high on our diversification where we are venturing to set up solar power generation projects of 3,000 MW capacity by FY'24.

During 2019–20, a total of 46.26 Lakh units were generated from solar installations commissioned at CIL and our subsidiaries.

Table 1.1: Details of subsidiary-wise solar installations

Subsidiary and Location	Type of Solar Installation	Solar Energy Generated
ECL	Roof-top Solar	197 kWp
BCCL	Roof-top Solar	6KWp
CCL	Roof-top Solar	872.5 kWp
WCL	Roof-top Solar	1097 kWp
CIL HQ	Roof-top Solar	160 kWp
CMPDIL HQ and Regional Institutes	Roof-top Solar	500 kWp
MCL HQ	Ground Mounted Solar	2.016 MWp



Fig 1.20: Ground Mounted Solar panels in MCL

1.8. Overburden to Sand

Most of Indian coal deposits occur in major river basins of Central India, like Damodar, Wardha, Hasdeo etc. Sand is essential ingredient for construction of housing colonies and commands huge demand. Currently it is met through sand mining and dredging from water courses of rivers. This affects the eco-system of rivers and is preventable. We have taken proactive steps in this direction and started segregating sand from our overburden formations.

WCL has commissioned two OB to sand processing plants, each of 250 m³/day capacity.

Additionally, another OB Processing Plant at Gondegaon OCM is proposed to be commissioned in 2020-21 with a capacity of 2000 m³/day. WCL has signed a MoU with MOIL Ltd for supplying 1,00,000 m³ of sand & Kamptee Nagar Parishad for supplying 15,000 m³ of sand for one & three-year period, respectively.

The sand segregated from OB formations is being provided to agencies which are implementing housing under government schemes like Pradhan Mantri Awas Yojana (PMAY) and the likes. About 57,460 m³ of sand was supplied to PMAY in FY 2019-20. Also, about 402.672 m³ of sand was supplied to agencies engaged by government for construction activities. CIL is committed to implement the same in its other subsidiaries in a phased manner.

The commissioning of sand segregation plants will improve the riverine ecosystem, improve the flow, accelerate ground water recharge potential and quality of water flowing in their courses. Sand segregation plants will go a long way in preventing mining / dredging of river courses which will be CIL's contribution to Mother Nature.



Fig 1.21: Conversion of overburden to sand in WCL

2. Environment Policy and Management System

Environmental Management System (EMS) is a set of processes and practices that enables an organization to reduce its adverse environmental impact and increase its operational efficiency.

We are pursuing EMS through several policies and procedural mechanisms to create a positive impact on environment.

2.1. Diversification to Greener Zones

CIL accounts for around 83% of the entire coal produced in India. As one of the fastest growing economies, our country's energy demand is also expanding. This is where CIL steps to fulfill a major portion of the demand.

India is a signatory to CoP 21 - Paris Climate Change Conference and is committed to reduce greenhouse gas emissions by 33% to 35% by 2030 and simultaneously raise the non-fossil fuel power generation capacity to 40%. We are planning to migrate from fossil fuel driven energy economy to cleaner and greener forms of energy. Apart from our core mining operations we are also stepping into alternative greener sources of energy to address environmental issues. Our diversification moves in this direction include clean coal technologies such as Coal Mine Methane (CMM), Coal Bed Methane (CBM) and Coal to Liquid (CTL).

We are committed to promote sustainable development by protecting environment through integrated project planning, preventing and mitigating pollution,

conserving natural resources, reclaiming land, improving biodiversity, recycling and disposing waste responsibly and addressing climate change for inclusive growth.

Our objectives are as follows:

- Plan and design projects with due consideration to environmental aspects.
- Conduct mining and associated operations in an environmentally responsible manner.
- Prevent pollution of surrounding habitat through continuous monitoring and mitigation activities.
- Implement Environment Management Plan (EMP) in all mines.
- Implement programmes aimed at energy efficiency and greater use of renewable energy to reduce our carbon footprint.
- Strive for continuous improvement in environmental performance through target setting, measuring progress and taking corrective action.
- Create environmental awareness amongst employees and local communities through proactive communication.

Our Environmental Policy can be accessed at:
https://www.coalindia.in/media/documents/CIL_Corporate_Environmental_Policy_2018.pdf

Our subsidiaries / projects have ISO certifications for Quality Management System (QMS), Environmental Management System (EMS) and Occupational Health Safety Management System (OSHAS).

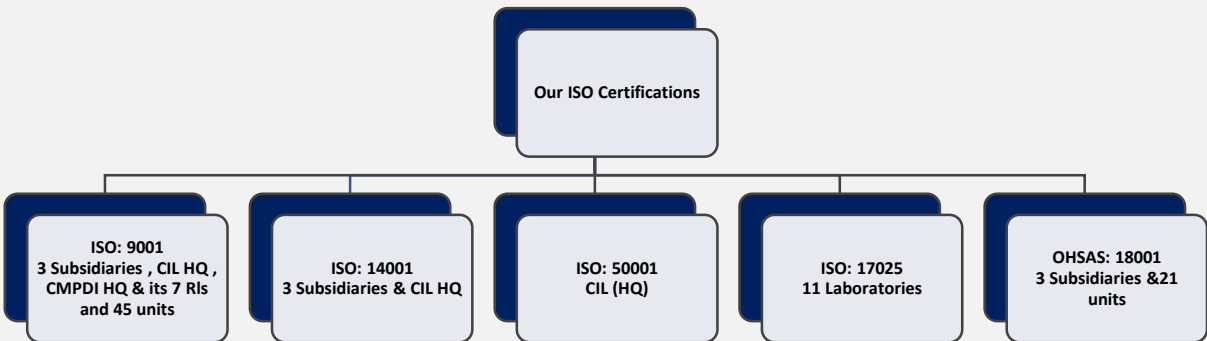


Fig 2.1: Summary of certifications for FY 2019-20

3. Energy and Emissions

3.1. Energy Use

Coal is a dominant commercial energy fuel that virtually empowers the Power Sector of India meeting its rising demand. Coal mining is an energy intensive process and involves considerable use of fuel and electricity. Our efforts are oriented towards optimizing energy consumption. We have implemented several advanced technologies such as Surface Miners, Longwall Mining, Continuous Miners to reduce our fuel and energy use. We are proactively switching over to increased rail mode of coal transport and reducing dependence on road transport. This further reduces our fuel use. In 2019-20, our coal-producing subsidiaries consumed a total of 184.94 million units of energy. The details are provided in Figure 3.1 below.

Furthermore, reducing energy consumption at mines also helps us in reducing Green House Gas (GHG) emissions. We are a responsible organization and are well-aware of impacts of climate change. We take great responsibility in providing affordable energy with minimal carbon footprint.

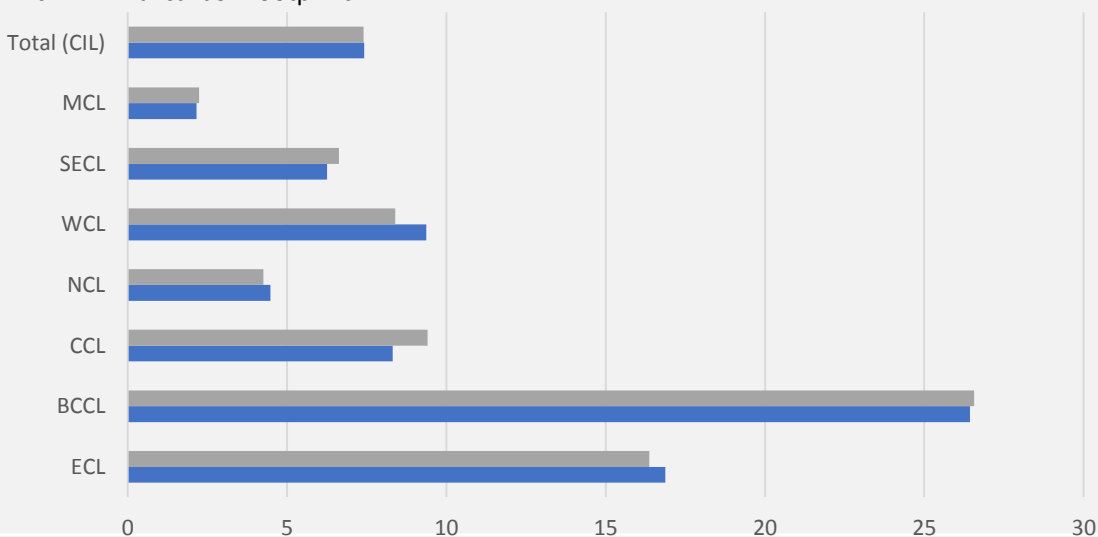
3.2. GHG Emissions

Scope 1: Direct GHG emissions

Our GHG emissions arise mainly from the fuel combustion in our processes and owned vehicles. During 2019-20, our total Scope 1 emission was 10,94,711 tCO₂.

Scope 2: Indirect GHG emissions

Our Scope 2 emissions primarily come from energy purchased for our operations. For the year 2019-20, our Scope 2 emissions were 37,01,252 tCO₂.



	ECL	BCCL	CCL	NCL	WCL	SECL	MCL	Total (CIL)
2018-19	16.87	26.43	8.32	4.48	9.37	6.26	2.16	7.42
2019-20	16.37	26.56	9.41	4.26	8.4	6.63	2.24	7.4

Fig 3.1: Subsidiary-wise specific energy consumption in (kWh/te)

Energy Consumption Statistics

Coal Production

Coal production has **decreased by 0.78%** in FY2019-20 compared to FY 2018-19

Coal Production Energy consumption

In terms of total coal production, specific energy consumption during FY2019-20 was 7.40kWh/Te compared to 7.42kWh/Te in FY 2018-19, with a **decrease of 0.27%**

Electricity Consumption

Electricity consumption has decreased to 4,459.34 Million Units (excluding washery) in FY2019-20, compared to 4,503.31 Million Units (excluding washery) in FY 2018-19, amounting to reduction of **1%.**

*Composite Production Energy Consumption

In terms of composite production, specific energy consumption (kWh/m³) during FY2019-20 was 2.91 compared to 2.78 in FY2018-19, with an **overall increase of 4.67%****

**Composite Production is the sum of OBR uncovered and coal produced*

*** This is due to extra pumping needed due to above average monsoon*

4. Waste and Effluents

4.1. Waste Management

As a responsible organization, we manage our waste with a philosophy of 'Reduce, Reuse, Recycle'. We deploy advanced methods to treat different type of waste appropriately. Some of the major type of waste that we generate include, overburden, mine water, process waste, used oil and sludge. This waste is generated during our mining operations. We periodically dispose our hazardous waste in line with the stipulated law of the land and submit desired documents to the regulator State Pollution Control Board (SPCB).

We dispose our hazardous waste through third party agencies that are authorized by the Central Pollution Control Board (CPCB) or State Pollution Control Boards. We had no incidence of coal or oil spillage during the year 2019-20, at our mines. We pursue strict safeguards to ensure that our operations have minimal waste generated.

We have prepared an e-Waste Policy in 2019, in order to dispose e-Waste in an efficient and eco-friendly manner. The policy can be accessed at: <https://www.coalindia.in/media/documents/CIL Corporate E- Waste Policy tFQLJHH.pdf>

We have adopted strategies for improving our existing waste management processes that focus on improving existing disposal methods and taking preventive measures for future waste disposal.

We have developed a policy for managing fly ash that gets generated in captive thermal power plants. The policy acts as our commitment to dispose fly ash in an environment-friendly manner and can be accessed at : <https://www.coalindia.in/media/documents/CIL Fly ash guidelines 2019.pdf>.



Fig 4.1: Discharged Mine water from WCL utilized for irrigation purpose

5. Water

Ensuring water availability is one of the pressing challenges faced by mining sector across the globe. The communities are concerned with water related impacts arising due to mining projects. Simultaneously, to address the concerns of stakeholders, earn community acceptance and ensure operational sustainability, it has become crucial for us to formulate and implement a water stewardship strategy.

5.1. Water Consumption and Stress

Our objective is to maximize mine water utilization for community use. Out of the 6,164 Lakh m³ of mine water discharged at the end of FY'20, around 37% was used by the nearby communities, both for domestic and irrigation purposes. The total quantum of ear (2019–mine water used was 2,237 Lakh m³/y20) by community which benefitted 7,48,184 people in 590 villages. 47% of the mine water discharge (2,922 Lakh m³ /year) was used for CIL's own domestic and industrial purposes while the remaining 16% (1,005 Lakh m³/year) was used for ground water recharge.

For further details, refer to page 50 of our Sustainability Report.
https://www.coalindia.in/media/document/s/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf

In BCCL, the total mine water discharge quantity is 1,279 Lakh m³/year, out of which 235 Lakh m³/year was used for domestic purpose and irrigation use, 569 Lakh m³/year is utilized for ground water recharge through ponds and also utilized by nearby population for its other purpose such as domestic use, bathing, irrigation etc. and 71 Lakh m³/year water has been reserved for SOS use by BCCL as Jharia is affected by coal fire. All above data is as per validated report submitted by IIT-ISM, Dhanbad.

Mahanadi Coalfield Limited (MCL) conducted a surface runoff study through digital elevation modelling (DEM), by NIT, Rourkela, for all its 15 OC mines. The assessment concluded that all the OC mines can be made zero discharge by utilizing mine water in the existing water treatment plants and in upcoming washeries. Presently the water is drawn from rivers which can be prevented by creating additional sump in the mine floor.

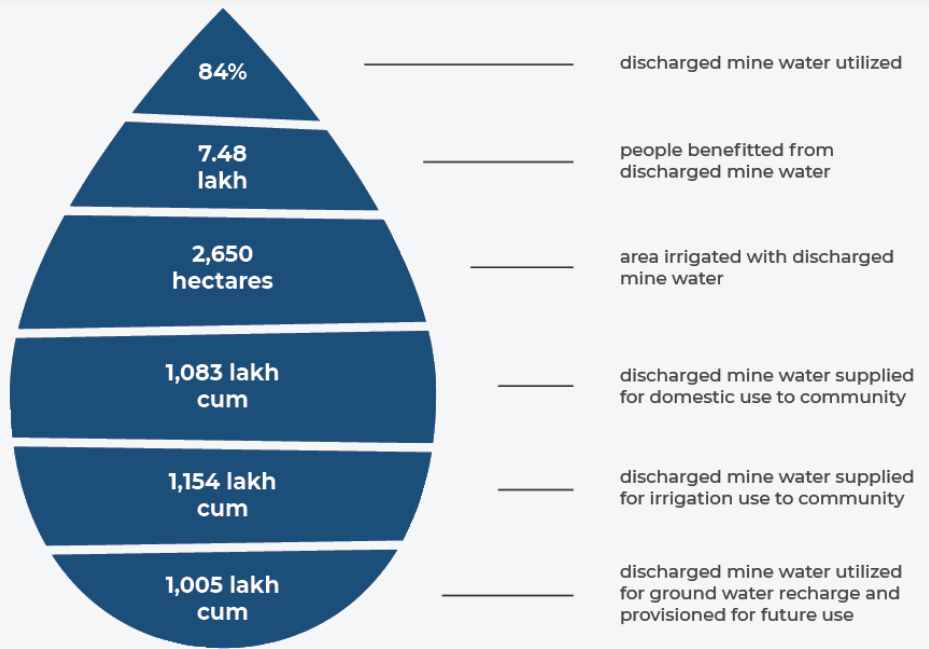


Fig 5.1.: Mine water consumption in CIL

CIL has a comprehensive Risk Management Framework that addresses water related risks. Additionally, the EIA / EMPs prepared for our projects include identification of water related risks. No water related incidents were reported during 2019–20.

5.2. Water related Risks

Through a preliminary assessment we have identified water related risks that can potentially impact well-being of our stakeholders including employees, contractors, local communities and our operations. The risks could emerge from fluctuations in the water levels, water flows and water quality. The risks could also occur within the immediate area of the operation or in the surrounding catchment area.

Water related risks Identified:

- Scarcity of water: Lack of water or high water-stress.
- Quality of water: Chemically, physically or biologically contaminated water being used or discharged.
- Water consumption: High level of freshwater consumption in our business operations.

- Dewatering: Removing excess water from our operational sites
- Extreme weather events: Variable rainfall, floods, cyclones and droughts
- Water sanitation and hygiene (WASH): Providing poor quality of water to neighbouring communities from our mines.
- Environmental systems: Soil contamination and groundwater pollution from untreated wastewater discharge.
- Regulatory compliance: The risk of penalties and fines from regulatory offices for non-compliance with governmental norms.
- Catchment-level risks: Contaminating water systems near our operating sites.
- Management of operations: The water related risks involved in expansion of our operations and asset closures.

Being a responsible corporate citizen, we have also adopted strategies in order to monitor the quality and quantity of our water consumption and discharge.



Fig 5.2: Bird's eye view of SILO in Bharatpur OCP, MCL

6. Biodiversity Management

We operate in remote and environmentally sensitive areas. However, we have a strong management control for ensuring minimal or no damage to the environment and biodiversity.

6.1. Biodiversity Commitment

Recognizing the importance of preserving the biodiversity our comprehensive environmental policy includes biodiversity management and ecological restoration as focus areas.

As an extension of our commitment to maintain, enhance and conserve biodiversity and ecosystem, extensive tree plantation is undertaken on reclaimed back filled areas, settled overburden (OB) dumps, areas in and around mines, roadsides, townships, residential areas and available vacant spaces. Furthermore, a conservation plan is implemented to protect flora and fauna as per the environmental clearance (EC) / forest clearance (FC) stipulations.

We continuously invest in establishing state-of-the-art mining operations aiming to reduce adverse impact on surroundings. We also attempt conserving natural resources for future generations through reclaimed mined out areas, afforestation and eco-restoration post mine closure. During 2019-20, Rs. 606.6 Crore has been reimbursed from escrow fund for progressive and mine closure activities.

Our subsidiaries planted more than 19.8 Lakh saplings during 2019–20, covering 813 ha. which reflects protection and restoration of ecosystems on land.

For further details on tree plantation and expenditure on environment and tree plantation, refer to our Sustainability Report (https://www.coalindia.in/media/documents/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf)

The plantations have created extensive green zones in mining areas where there

were no forests. Keeping native biodiversity in mind, we plant indigenous species to preserve the native ecosystem through expert agencies such as State Forest Development Corporation's.

For example, Gokul Eco-Cultural Park in Lodna area is being developed with socio-cultural aspects to benefit the local communities. Over 10 hectares of mined out land in NT-ST-Jeenagora Project of Lodna area is covered under this park. The aim was to develop and dedicate the park to the local communities of the surrounding region. Additionally a temple complex has been constructed at the topmost point of the site to respect local communities.

6.2. Biodiversity Exposure and Assessment

CIL appreciates that its major coal reserves occur in states which have forest land and is totally committed to ensure that minimal adverse effects are felt on the forest ecosystem due to its activities. The company does not undertake mining in ecologically sensitive areas like National Parks, Wildlife Sanctuaries, ESZ, animal corridor etc. In every project involving forest land, for conservation of wildlife, an amount as notified by MoEF&CC/ State governments is deposited as Regional Wildlife Conservation Plan Fund in CAMPA for proper implementation of Wildlife Conservation Plan in State. Further, wherever statutorily mandated a Site Specific Wildlife Conservation Plan is got prepared through an expert agency & approved by Chief Wildlife Warden of the concerned state. The amount approved by the CWLW is deposited in CAMPA fund & conservation plan is implemented by concerned DFO. An amount of INR 1.74 Crore was deposited by SECL under this head in CAMPA.

The objective of both regional and site specific Wildlife Conservation Plans is to have an assessment of present status of flora/fauna and habitat of major wildlife species in project and its surrounding buffer area i.e. 10 KM buffer zone. Experts and consultants assess the area for probable degradation of forests and habitats due to project implementation and chalk out mitigative strategies through discussion with stakeholders of locality and forest staff. Conservation plans include habitat improvements, measures to ameliorate human-animal interface conflicts and implement measures to facilitate movement of fauna across planned infrastructures causing hindrance in their movement. A list of management interventions proposed and budget estimation are listed for both project site and impact zone which is then implemented by either project proponent and / or Divisional Forest Officer respectively.

Environmental Impact Assessment (EIA)/ Environmental Management Plan (EMP) is carried out prior to all the mining operations that include land reclamation plan along with detailed biodiversity assessments.

The details of EIA and EMP are publicly disclosed for all our mines and the guidelines for the same are available at [https://www.coalindia.in/media/documents /Guidelines for Environmental Personnel in Mines](https://www.coalindia.in/media/documents/Guidelines for Environmental Personnel in Mines).

Our land reclamation performance is routinely monitored by satellite surveillance. In total, 52 major open cast projects (OCPs), producing more than 5 Mm³ Coal + OB annually, are monitored every year, while the remaining OCPs, which produce less than 5 Mm³ Coal + OB annually, are monitored once every three years. The study result for 2019–20 shows that in 52 major OCPs reclaimed areas account for 65.38% of the total excavated area and active mining area is only 34.62% of the total excavated area.

In addition, we are conducting vegetation cover mapping through satellite surveillance once every three years. Details of satellite imagery studies have also been uploaded on CIL's website.

Subsidiary	2018-19		2019-20	
	Number of trees planted	Area covered (Ha)	Number of trees planted	Area covered (Ha)
ECL	2,63,750	105.5	3,17,500	127.00
BCCL	84,312	34.10	1,35,000	54.00
CCL	1,28,025	54.30	1,12,500	45.00
WCL	2,00,000	80	1,35,000	54.00
SECL	7,31,736	291.46	6,85,928	272.00
NCL	3,59,750	143.90	5,35,450	214.18
MCL	43,497	22.17	51,870	45.05
NEC	5,000	2.00	3,370	1.75
CIL	18,16,070	733.43	19,76,618	812.98

Table 6.1: Details of tree plantation

7. Workforce

7.1. Labour Practices

We are a manpower intensive organization and consider our multidisciplinary professionals and skilled labour as our prime asset. We are cognizant of the fact that employee satisfaction and equality translates positively, impacting economic and social parameters. Efficient employee management also improves employee retention, productivity and overall engagement.

7.2. Stress on Gender Equality

We recognize that employee diversity in terms of gender is important to facilitate sustainable, profitable and responsible growth. We ensure that there is no discrimination between our male and female employees. Our recruitment and employee selection processes enable representation from multiple regions, religions and social backgrounds.

The total manpower of CIL (as on 1 April 2020), including subsidiaries, was 2,72,445 against 2,85,479 (as on 1st April 2019) the previous year. For further details, refer to our Sustainability Report (https://www.coalindia.in/media/document/s/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf)

At present, 19,460 of our employees are females constituting 7.14% of total strength of employees working with CIL. For further details, refer to page no. 67 of our Sustainability Report (https://www.coalindia.in/media/document/s/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf)

We value our female employees in the organization and the women workforce has always been an integral part of our business. Smt Jilabi Domin, Feeder Breaker Operator, Smt Fotoja Ganjhu, Drill operator, Smt Punita Kumari, Drill Operator(Trainee), Smt Jira Padhan, Armature Winder are some of our role models.

There are special programmes in place for women through forums such as Women in Public Sector (WIPS) to encourage them.

Additionally, 16 women-specific training programmes with a total of 322 participants were conducted at CIL. Furthermore, our female employees are entitled to maternity benefits and childcare leave.

In total, we have 76,042 contractual employees who are deployed in various activities. The distribution of executive and non-executive employees is given in page no. 61 of our Sustainability Report (https://www.coalindia.in/media/document/s/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf)

Further, refer to page no. 62 of our Sustainability Report (https://www.coalindia.in/media/document/s/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf) for the details on representation of minorities such as scheduled caste (SC)/ scheduled tribe (ST) in our total workforce.

Additionally, 94.08% of our employments are covered under National Coal Wage Agreement which is finalized once every five years.

7.3. Equality and Non-discrimination

We believe that inequalities can be eliminated through proper wage distribution. To remove any scope of bias and promote equality, the ratio of the basic salary and remuneration of women to men is same.

For payment of salary and wages, CIL follows the NCWA for non-executives and specified pay scales for executive cadre employees. Furthermore, we ensure that there is no discrimination in compensation, training and employee benefits, based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organization or majority / minority group.

Our executive staff are covered under CDA rules for Anti Sexual Harassment and the staff adherers to the standing order of Government of India for Anti Sexual Harassment. Any instances of such actions are reported to the Internal Complaints Committee (ICC), set up at every subsidiary and office of CIL to redress complaints regarding sexual harassment.

All women employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the reporting year FY19–20, no sexual harassment complaint was reported.

Additionally, 0.28% of our total workforce of 765 people were those with disabilities. We endeavor to make continuous efforts to provide a conducive environment to our employees for their growth and development.

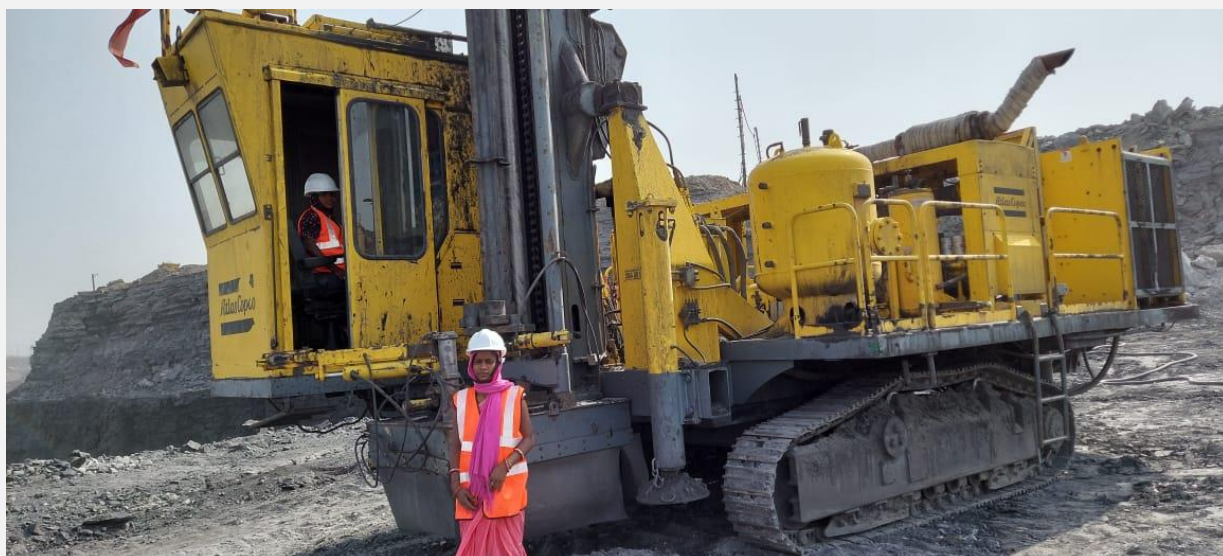


Fig.7.1 Some of our role models

7.4. Freedom of Association

We provide the right to freedom and collective bargaining to our employees and no child labour or forced / compulsory labour is tolerated at our company. Our employees are free to be part of any registered trade union or employees' association. The representation of staff is allowed in the bipartite bodies through trade unions / associations of representative nature. Furthermore, we have a CIL Welfare Board comprising Central Trade Union representatives and management representatives who frequently meet, discuss and review various welfare schemes and their implementation.

7.5. Human Capital Development

We recognize that the quality of our employees helps us to acquire a competitive advantage in the industry. We have a robust human resource plan, which entails developing diverse workforce capabilities by investing in their skill development. We foster employee development by supporting a broad range of both in-house and external training and development opportunities. Our approach to human capital development is in tandem with the Government of India initiatives such as Skill India Mission and Atmanirbhar Bharat Mission. We aim at creating a work environment that respects individuality and diversity and promotes individual growth.

We understand that every individual differs in terms of his/her value system, personality and individual capability. People also have varying stances about jobs and working style. For this purpose, corporate leadership addresses employee individuality and empower workers to enhance their skills in an atmosphere that suits individual skills. An optimal working atmosphere is one in which, through friendly competition, all workers can leverage their skills and contribute to the company and industry.

We are committed to transform the mining sector through developing new skills among the existing employees and attracting fresh and diversified talent. We believe in investing in new skills so that our people are ready for future jobs. Training of our staff is a critical element in our long-term strategy for two reasons. Firstly, it enables our team to offer quality service. Secondly, learning is an integral part of our employee retention policy. We provide our staff with relevant training programmes that allow them to enhance their skills and lead to professional development.

We have a systematic mechanism of needs assessment in terms of employee skill mapping to determine the training requirements.



Fig.7.2 Universal Equipment Simulator Training in NCL

Such skill gap assessment ensures that investment in employee development is well targeted in priority areas and allows for customization. Specialized expertise and skills needed by the sector are imparted.

Skill development training programmes for Mining Sirdars, operators of dumpers & tippers, electricians, welders and other National Skill Development Corporation approved traits are undertaken in different subsidiaries of our company. We have organized diverse training programmes for our employees at subsidiary headquarters, training centers, Vocational Training Centers and at Indian Institute of Coal Management, Ranchi. Few employees were also provided the opportunity of attending external supplementary sessions in India and abroad. Over the past few years one of the areas wherein we have invested is leadership development. These qualities are critical to guiding our people and navigating changes in the work environment.

The percentage of employees receiving training has witnessed significant increase over the years with the number going up from 36.13% in 2017–18 to 39.42% during 2018–19. However, Covid-19 lockdown decreased the rate to 31.47% during 2019–20.

A useful metric for monitoring the investment of a company in human capital is the training cost per employee in the reporting year, calculated as total expenditure during the year on training, both in-house and external, divided by the number of employees who participated in the training sessions.

To showcase our return on investment on human capital we calculate the global standard human capital return on investment (ROI) metric based on the total revenue, total operating expenses and total employee related expenses (salaries and benefits).

Tracking the human capital ROI over the last year, i.e. from 2018 through 2020 showcases that the economic value generated via human capital investment has improved.

We strive to align all employee related initiatives such as training and development programmes, appraisals and recognition programmes to ensure a consistent way of operating and fostering attitude towards doing business. Additionally, we also conduct employee engagement surveys periodically.

7.6. Talent attraction and retention

Successful talent attraction and retention ensure that we sustain our competitive advantage in executing business strategies. We have an ongoing process of evaluating our human capital, business requirements in terms of skill set and the working environment to ensure we adequately value talents, skills, backgrounds and experiences of our diverse and inclusive workforce. We regularly examine and strengthen our policies and procedures, especially those related to our talent management processes.

We have implemented an appropriate and well balanced compensation structure for all employee categories, including both fixed and variable components. The variable part is balanced concerning time horizon with the organization for all employee levels. We reward employees across all categories based on company-wide and individual performance metrics. Our incentive structure is particularly one which keeps employees motivated and ensures better retention. We strongly believe that talent management and succession planning are critical activities for a sustainable business.

We ensure that future and long-term management needs are addressed by an optimal balance of promoting existing personnel and hiring fresh talent.

Employee benefits for executive and non-executive employees include salary, wages and allowances, provisions relating to employee benefit, contributions to provident fund, pension and gratuity, overtime payments, leave encashment, attendance bonus, productivity and performance linked bonus, other incentives and employee benefits. CIL employees are covered under the Coal Mines Provident Fund scheme wherein both employer and employee contribute an equal share. The fund is managed and maintained by the Coal Mines Provident Fund authorities. Other employee benefits applicable to our employees comprise LTA/LTC, Life Cover scheme, Group Personal Accident scheme, Settlement Allowance, Retired Executive Medical Benefit scheme and Compensation to Dependents of the deceased in mine accidents. Employees are also entitled to leave encashment and gratuity, as per applicable rules. CIL expenses during 2019–20 on employee benefits including leave encashment, gratuity and other schemes were INR 5,766.60 Crore.

Imparting primary education, we support a total of 459 Schools. Of these, 113 are fully financed project schools and 281 are privately managed schools where recurring grant-in aid is provided. While 45 educational institutions within the proximity of coalfields receive occasional grant, the rest 20 company schools (run on their own non-financial support) are extended infrastructure facility.

CIL Welfare Board is the apex body that takes all decisions in matters relating to employees' welfare policies. CIL Welfare Board, comprising members from the Central Trade Union and the CIL management, regularly meets to review and discuss various employee welfare schemes. We also have dedicated residential and commercial complexes, sports facilities, clubs, schools, medical facilities for employees located in remote areas.

These facilities are extended without any discrimination based on caste, class, gender, etc. Details about number of employees who have joined or been released from CIL over the last three years and the reasons for joining or leaving the organization are disclosed on page 63 of our Sustainability Report:

https://www.coalindia.in/media/document/s/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf .

We operate a systematic process to identify high-potential talent in the organization and develop them towards critical roles in the business model. An important metric for evaluating talent attraction and retention is based on the employee turnover rate where the ratio of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service is assessed. The trend in employee turnover ratio shows that CIL has a sound talent management system. The overall turnover rate has been about 6%–7% during last three years, which is among the least in the industry. Moreover, between 2018–19 and 2019–20, there has been a decline from 7.05% to 6.87% on employee turnover (Details are further provided on page 63 of our Sustainability Report).

CIL's annual performance review system for all employees ensures that they receive constructive feedback that helps them move up in their career trajectory. Performance of all the executives below Board level up to E7 grade is assessed through a balanced Score Card based Performance Management System (PMS) called 'Performance Report for Individual Development of Executives' (PRIDE). Performance of E8 and above grade executives is assessed through PAR-based system governed by DPE guidelines. Further details are available in the PMS Manual.

Performance of all executives is assessed based on PMS in which all the short-term and long-term targets are assigned through mutual discussions. Based on the account, a variable component pay called performance related pay (PRP) is being given every year to all the executives at the Board level and below.

8. Occupational Health and Safety

Health and safety are an integral part of CIL's approach to employee welfare and are aligned with its aim of 'Zero Harm Potential' (ZHP). We uphold the highest health and safety standards of our workforce. Sound occupational health and safety performance has a direct positive impact on labour productivity. It also enhances a company's reputation, improve staff morale and minimize costs related to fines and other contingent liabilities. Our robust management systems, particularly regarding health and safety related aspects, permit us to deliver high operational performance. This is primarily because our employees trust our health, safety protocols and standards followed across our operations.

For coal mining sector in India, there are several statutory rules and regulations for ensuring occupational health and safety, which are to be mandatorily complied by all coal mine operators. Directorate General of Mines Safety (DGMS) under the Union Ministry of Labour and Employment is responsible for administering these statutes. Further details on OHS-related regulations which apply to coal mining are listed on page no. 71 of our Sustainability Report

(https://www.coalindia.in/media/documents/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf) .

We have developed and implemented a comprehensive Safety Monitoring System (SMS) which has a detailed structure for assigning the responsibility of safety of employees at different levels. We routinely undergo safety audit through a third party agency. For further details on description of the safety monitoring system, refer to Page-72 of our Sustainability Report (https://www.coalindia.in/media/documents/Coal_India_Sustainability_FY2019-20_ESG_Issues_Assured.pdf) .

8.1. CIL Safety Policy

Coal mining is susceptible to many occupational hazards and risk of injuries. Recognising these risks, CIL ensures that safety protocols are followed at all locations including mine areas, subsidiary headquarters and CIL headquarters. Our safety policy can be accessed at (<https://www.coalindia.in/departments/safety-rescue/safety-policy-cil/>)

8.2. Safety Enhancement Initiatives

During 2019–20, CIL further enhanced its safety systems through introduction of many new initiatives in addition to existing internal safety standards and compliance of government rules and regulations. Some of the components of our safety initiatives are as follows:

- **Safety Management Plans (SMPs):** Safety related risk assessment is carried out at every site with regular reviews. SMPs are implemented and monitored with the help of ISO standards.
- **Principal Hazards Management Plans (PHMPs):** These plans are part of SMPs and specific to averting major mine disasters or accidents.
- **Standard Operating Procedures (SOPs):** These are used as the basis for conducting site-specific risk assessment for all mining and allied operations.
- **Safety Audit:** CIL has undertaken safety audit through multi-disciplinary inter-area safety audit teams of respective subsidiaries for assessing safety status of mines. Deficiencies identified and pointed out during the safety audits are subjected to rectification.
- **Regular coordination with ISOs:** Multiple meetings have been held under the Chairmanship of the Director (Technical), CIL for assessing the safety status of mines and other establishments for enhancing safety.

- Mine safety inspection: 24x7 supervision for all mines by statutory supervisors and mine officials was undertaken in our mines. In addition, surprise checks as well as inspection by senior officials were also carried out.

We follow specific steps for prevention of accidents:

- Formulation and implementation of mine-specific traffic rules
- Code of practice for HEMM operators, maintenance staff and others
- Sensitization training of contractors' workmen involved in contractual jobs
- Lighting arrangement by using high mast tower provided for enhancement of standard of illumination
- Eco-friendly Surface Miners for blast-free mining and avoidance of associated risks
- Dumpers fitted with proximity warning devices, rear view mirrors and camera, Audio-Visual Alarm (AVA), Automatic Fire Detection and Suppression System (AFDSS), etc.
- Ergonomically designed seats and AC cabins for operators' comfort
- Indigenously built solar power-based real-time dump monitoring device has been installed in OC mines of WCL; this device is designed for giving early warning in case of movement in overburden dumps.
- Apart from system of wet drilling and water sprinklers for dust suppression, mist sprinklers and truck-mounted fog cannons are deployed in OC mines.
- GPS-based operator truck dispatch system in large OCPs for tracking movement of HEMMs inside OC mines.
- Adoption of the state-of-the art mechanism for strata management involves scientific determination of rock mass rating (RMR), mechanized drilling for roof bolting, usage of resin capsules instead of cement capsules, adoption of modern strata management instruments, introduction of a Strata Control Cell and provision of training to crew and frontline mine officials.

- Monitoring the mine environment through a structured system is based on detection of mine gases using multi-gas detector, methanometer, etc., installation of Environmental tele Monitoring System (ETMS) and local methane detectors, regular mine air sampling and analysis using gas chromatograph, detection of dust concentration and air quality monitoring in large OCPs.
- Conduct of Suraksha Choupal as a sensitisation programme through family counselling as part of an awareness drive.
- Training on mine safety including training on simulator for HEMM operators, skill upgradation of frontline mine workers, sensitisation of all employees relating to safety issues and knowledge enhancement of mine executives and special safety drives on varying health and safety topics. Installed a Universal Equipment Simulator' at Central Excavation Training Institute (CETI) in NCL, Singrauli to impart simulation training to dragline, shovel and dozer operators; simulator allows operators to hone their skills
- 10 executives had the opportunity of participating in the 'Second Educational Training Programme on Coal Mine Safety Management for CIL Executives and Exposure to Best Practices in China' for 11 days in November 2019 at the School of Safety Science and Technology, Henan Polytechnic University, Jiaozuo, Henan, China.

Despite the best efforts to avert injuries at our sites, there have been some unforeseen circumstances where few injuries and fatalities have occurred. The causes for these severe injuries and fatalities include explosives, haulage, falling of persons and falling of objects or ceiling. Table 8.1 shows the details on the number and rate of severe injuries and fatalities.

All fatal accidents are investigated to determine the causes resulting in the incidents. Further, the DGMS undertakes a statutory inquiry for assigning the responsibilities on health and safety matters

and suggests other corrective measures. The mine Officer and mine manager are stipulated to investigate the incidents and ensure that the future occurrence of accidents is minimized.

Table 8.1: Serious injuries and fatalities during last two years

Indicators	2019-20	2018-19
No. of Fatalities	29	46
Rate of fatality (Per mt of coal production)	0.048	0.075
Rate of fatality (Per 3 lac man shifts)	0.133	0.202
No. of Serious Injuries	90	96
Serious Injury rate (Per mt of coal production)	0.149	0.158
Serious Injury rate (Per 3 lac man shifts)	0.390	0.422

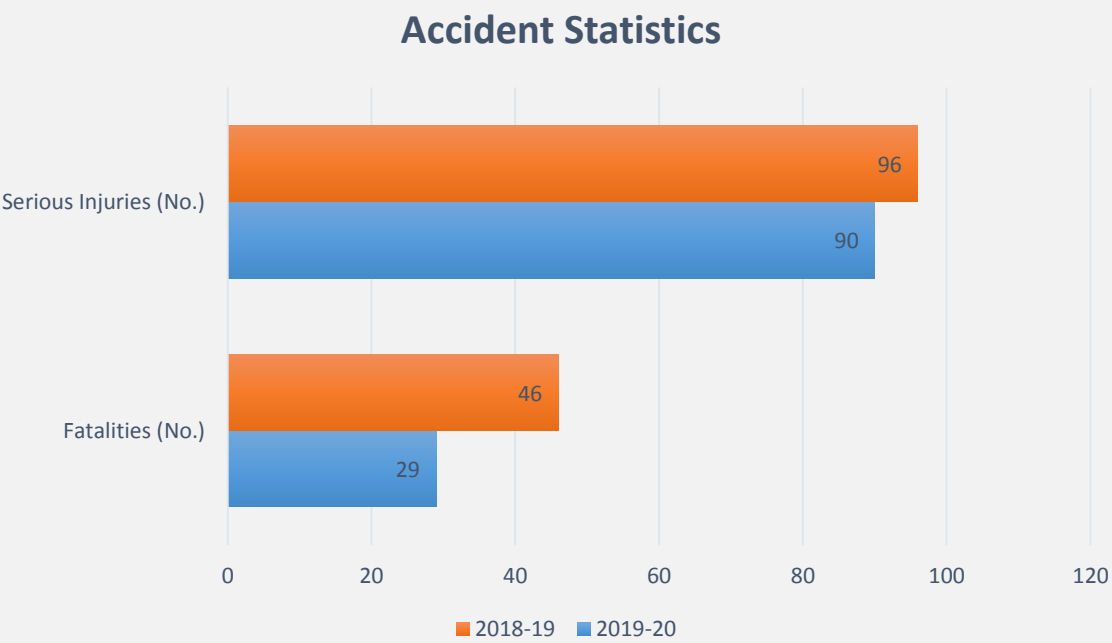


Fig. 8.1- Accident Statistics of 2018-19 & 2019-20

9. Human Rights

Respecting human rights is not only a concern for states and governments but also for companies and organizations irrespective of the industry they are operating in. We are sensitive to our responsibility in ensuring human rights issues and giving priority in our operations.

9.1. Respecting Human Rights as an Employer

We are committed to abide by all human rights related regulations and recognize it as a necessity to sustain our operations. All suppliers, contractors and vendors engaged by CIL to provide services of any kind must compulsorily sign a formal agreement that includes specific clauses for ensuring compliance to all applicable labour laws and regulations on human rights in their operations. Human rights guide our approach to the due diligence framework outlined in the United Nations Guiding Principles on Business and Human Rights. Specific focus is given on identifying human rights risks across our operations, value chain and stakeholders through risk mapping exercises. These risks are periodically reviewed to determine any new potential issues.

As per the Mines Act, 1952, employment of children below 18 years in mines is prohibited. We ensure compliance with respect to Payment of Wages Act, 1936, the Minimum Wages Act, 1948, Equal Remuneration Act, 1976, Industrial Disputes Act, 1947, Employees State Insurance Act, 1948, Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, Child Labour (Prohibition and Regulation) Act, 1986 and the Contract Labour (Regulation and Abolition) Act, 1970.

9.2. Initiatives to Integrate Human Rights in Our Business

Our efforts include eliminating threats of adverse human rights impact of our products, services, strategy, operations in our engagements with employees, customers, communities, government, business partners and suppliers. We host regular training and awareness meetings to apprise our employees of the available tools to operate consistently with our human rights commitments. We also persistently engage with external networks and experts to inform our approach. Our human rights efforts are overseen by the corporate governance and policy committee of our Board of Directors. Further to our efforts to uphold our commitment to human rights we have conducted a comprehensive assessment to check compliance with human rights norms and standards and ascertain any kind of human rights violations across all our operational sites. We consider it essential to track and review such circumstances and establish effective response mechanisms and techniques that we may have unintentionally caused or contributed to.

An essential part of our approach to monitor human rights compliance is the system of public grievance redressal. This is a centralized web-based solution that allows all our stakeholders including employees, contractors, suppliers, customers and others to lodge a complaint related to any grievance. Grievances received through this portal are assessed by the Nodal Officer of CIL and sent to relevant redressal departments.

203 pending grievances were carried forward from 2018–19. Additionally, 3898 new grievances were lodged during 2019–20. Of the total, 3954 have been resolved while 168 cases were carried forward to the next FY for resolution.

9.3. Ensuring Security

At CIL ensuring security of the workforce is our primary concern. We understand our responsibility to establish and maintain a secure working environment in all our mines, concerning labour, data and operations. This is achieved by deploying Central/State Industrial Security Force to CIL and its subsidiaries following the provisions of the Ministry of Home Affairs.

Similarly, ex-security serviceman's agencies are deployed in non-core areas such as townships, HQs and offices duly sponsored by the Directorate-General for Resettlement, under the Ministry of Defense, following the standards laid down by the DPE. The Indian government gives training and refresher courses to these personnel on security systems and human rights issues before their formal initiation into the service. Concrete steps are being taken to update monitoring systems on all projects/stations by adding state-of-the-art monitoring systems.



Fig. 9.1 – Fogging Machine in MCL Mine

10. Rehabilitation and Resettlement

CIL's Land and Resources Policy ensures fair determination of compensation and compares with the best practices in vogue. The disclosure of the displacement eligibility and entitlements are done as early as possible in project planning through regular camps by the officials from Land and Resources Department. We have also established a Project Rehabilitation Committee for proper information dissemination on displacement eligibility and entitlements. Fair determination of compensation for land acquisition and other assets is also ensured by company's Resettlement and Rehabilitation Policy, which is framed as per the Government Approved Guidelines. This is achieved through employment against land, cash compensation against land value, shifting allowances for rehab sites or lumpsum compensation. We have also included physical and economic displacement grievance mechanisms through Public Portal established by subsidiaries where the PAPs can redress their physical and economic displacement grievances.

The Relocation Plan also covers several community engagement aspects, such as:

- Identifying affected communities and the range of stakeholders
- Implementing a Stakeholder Engagement Plan
- Providing Affected Communities with access to relevant information
- Enabling Affected Communities to express their views on operational and project risks, impacts and mitigation measures
- Incorporating the views of Affected Communities into operational and project decision-making
- Grievance mechanisms for Affected Communities
- Reporting to Affected Communities and other stakeholders.

Our company and its subsidiaries are spread across eight states of the country and amidst the challenges are meeting the energy requirement of the country with admirable tenacity.

We at CIL believe in mining responsibly and over the years we have garnered the confidence and goodwill of the project affected persons (PAPs) following a philosophy of social economic development of the region and progressive rehabilitation policies.

'CIL's Annuity Scheme 2020' attempts to strike a judicious balance between meeting the organization's business goals and ensuring a sustainable source of income to PAPs. This annuity scheme shall be implemented in lieu of employment claim by the eligible affected family against land acquisition. All such entitled affected families may opt for annuity and forgo the job benefit or one-time monetary compensation. This would be in lieu of employment against acquired land by entering into an agreement with project authority.

The operational units of CIL are mostly in remote locations where communities are mostly tribal having their own respective sets of culture and tradition. Hence, the rapport with communities is pre-established considering them as part of the composite operational ecosystem of the company.



10.1 Chhatenpali R & R Site of Siarmal Village



Fig 10.2: Bhoga Mandap and Pidha of Baulpur R & R Site of Bharatpur OCP

11. Community Engagement

While producing 83% of nation's coal that generates 63% of thermal power is a matter of honour for Coal India, the company takes equal pride in being a conglomerate that cares for community.

Corporate Social Responsibility as an instrument of societal service assumes greater importance in Coal India more than it does for any other Corporate. This is due to its distinctive operational features. Unlike other industries mining establishments are constantly on the move. Land acquisition, displacement, rehabilitation and resettlement are an integral and unending process in coal mines. For this, CIL humanely keeps on interacting with the surrounding community who offer their land for the cause of the nation's energy needs. The company understands and internalizes the sensitivity of Community vs Company interface in coal mining. The communities living around mines have heightened expectations from coal companies. To fulfill their needs, company looks at CSR as a national duty. We are there to quench the thirst through our water supply schemes and we are there to heal the life through our healthcare programmes. CSR is intricately woven into our fabric. We look at it as a serious endeavor. Company's CSR programmes are outcome oriented and aligned with inclusive growth agenda.

The Company has a people friendly CSR Policy containing inter alia the guiding principles for selection, implementation and monitoring of activities. The Company undertakes focused programmes under the governance and expertise of its CSR Committee to empower communities becoming self-sustained by creating a positive difference and adding value.

11.1. CSR Activities

CIL embraces the peripheral community and disadvantaged sections of the society through economic empowerment based on capacity building. As per CSR policy, CIL's objective is to make CSR a critical business process for society's sustainable development. We aim to supplement the government's role in enhancing welfare measures of community based on immediate and long-term social and environmental consequences of their activities. We aim to act as a good corporate citizen.

Among CIL's subsidiaries the focus of CSR operations is on areas that fall within a radius of 25 km of project sites/establishments. The projects are initiated based on extensive consultations with the Project Affected Persons, Village committees, Panchayat members, Public representatives and Government Authorities. In our efforts to enhance Community Engagement framework, we have inducted a new cadre called Community Development and recruited a pool of executives having academic qualification in social and developmental sector. INR 587.84 Crore has been spent by CIL and its subsidiary companies in various activities from CSR Fund in FY 2019-20.

CIL aligns its activities in line with the United Nations Sustainable Development Goals (SDGs) of 2015. CIL's Sustainability Policy emphasizes Environmental, Economic and Socio-Cultural Sustainability. The responsibility for enhancing efficiency in sustainability dimensions is delegated to corporate and concerned subsidiaries. These form the core areas for implementing the related SDGs projects to stimulate broad dialogue and cooperation between stakeholders to make mining a driving force for sustainable development. CIL has three major CSR Priority areas, which align with multiple SDGs. The details are provided in the figure 11.1



Fig 11.1: CSR priorities and aligned SDGs

11.2. Major CSR Initiatives

The major CSR initiatives undertaken by CIL during FY2019-20 are:

- Restoration of damaged electricity lines in Odisha due to cyclone Fani.
- Reconstruction of school buildings damaged during the floods in Dharwad and Bagalkot districts of Karnataka
- Training of 2000 youth in various trades related to Plastic Engineering through Central Institute of Plastic Engineering and Technology (CIPET).
- Providing artificial limbs to 1250 persons in different parts of Karnataka, Andhra Pradesh and Telangana.
- Swachhta Pakhwada was observed during 16th to 30th June 2019.
- Health Check Up camps to identify patients
- Skill Development initiatives through trainings
- Mobile Medical Van cum Ambulance
- Counselling session for students of Kendriya Vidyalaya, CWS and Higher Secondary Schools at Jayant in Northern Coalfields Limited.
- Construction of a primary school building at village Misira in Madhya Pradesh to encourage education.
- MCL signed an MoU with 'Gram Samriddhi Trust' to encourage organic farming among the rural population of Hemgir block, Sundargarh District, Odisha. This project is focused on improving food security for the rural tribal communities in 10 villages of the Hemgir block. Over 200 underprivileged and SC and ST farmers will be benefitted by the Programme.

- Handloom weaving training for over 60 women living in Mukunda organized in the peripheral region of Lodna Area in BCCL. A space has been allotted to them to set up a Handloom shop at Koyal Nagar Township, BCCL under Swawalamban Swarojgaar Yojna

Theme wise CSR Expenditure (Sch-VII) in Rs. Crore

Clause	Theme	Amount
I	Healthcare, Sanitation, Drinking Water	290.60
II	Education, Skill Development Welfare of the differently abled	155.25
XII	Disaster management	51.04
X	Rural development	42.25
VII	Promotion of sports	23.62
IV	Environmental Sustainability	17.69
Others	Other themes	7.39
	TOTAL	587.84

11.3. COVID-19 Relief Measures

a) Monetary Contribution:

- Monetary contribution to PM CARES Fund, amounting to INR 221 Crore to fight Covid 19 pandemic, including employees' contribution of one day's salary amounting INR 61 Crore.
- CIL's subsidiary company, NCL contributed INR 20 Crore to Madhya Pradesh CM relief fund, SECL Contributed INR 10 Crore to Chhattisgarh State Disaster Management Authority, CCL Supported INR 20 Crore to Jharkhand State Disaster Management Authority, CIL supported INR 20 Crore to West Bengal Disaster Management Authority and WCL contributed INR 20 Crore to Maharashtra State Disaster Management Authority.

b) Social support:

- CIL and its subsidiaries have distributed 2.81 Lakh cooked food packets and 1.36 Lakh packed rations to downtrodden and needy during the lockdown period.
- Food packets and drinking water were provided to the migrant workers travelling in Special trains during Covid-19 at Nagpur, Bilaspur, Ranchi, Sambalpur, Dhanbad, Varanasi, Singrauli Railway Stations.

- Full Payment of salary/ wages by the Contractors to their workers during lockdown.
- Coronavirus Awareness Campaign conducted in all subsidiaries especially for front line employees, housekeeping and maintenance personnel.

c) Medical support

- Coal India's 35 hospitals spread across eight coal producing states set aside 1,234 beds for corona cases.
- Central Hospital of BCCL in Dhanbad and Central Hospital Gandhinagar & Regional Hospital Ramgarh of CCL have been offered to the State Government of Jharkhand and converted into COVID Hospitals.
- A 50 bedded Hospital of SECL in Korba, Chhattisgarh has also been handed over to the State Government of Chhattisgarh.
- MCL has fully funded a State-of-the Art 500 bedded SUM Covid Hospital in Bhubaneswar Odisha at a cost of INR 7.31 Crore.
- SECL contributed INR 4 Crore for upgradation of District hospital Bilaspur to 100 bedded exclusive COVID treatment center.
- SECL also contributed INR 4.19 Crore for upgradation of Government Medical College, Ambikapur for 100 bedded exclusive COVID treatment center.
- Subsidiaries of CIL procured ventilators, PPE suits, thermal scanners and oxygen cylinders to help fight covid pandemic.
- CIL also introduced a policy to engage retired medical consultants/ paramedics on contractual basis, during the pandemic
- CIL's subsidiaries distributed 15.42 Lakh masks and 63 thousand liters of hand sanitizer to its employees and people living around its operations.
- Since the pandemic is ongoing, the support by CIL and its subsidiaries towards its control and relief shall continue during FY 20-21.

11.4. CSR Policy

We at CIL have an exclusive policy and strategy for Corporate Social Responsibility that is aligned with the Companies Act 2013 and extant Rules and Government Guidelines.

The policy acts as a strategic and guiding tool for integrating business processes with the social processes for the overall development of the society.

We have a two-tier CSR committee:

- a) CSR committee comprising of below Board level executives for examination and recommendation of CSR projects and
- b) A Board level committee on CSR and Sustainable Development for further deliberation and approval of CSR projects/ recommending to the Board of the Company.

The CSR policy is available on:

https://www.coalindia.in/media/documents/modified_CSR_Policy_of_CIL.pdf

11.5. Major CSR Ongoing Initiatives by CIL and its Constituent Companies

CIL's biggest initiatives come under the thematic area of Healthcare. Company provides financial assistance of up to INR 10 Lakhs for treatment of children suffering with thalassemia, belonging to financially underprivileged families, in eight leading hospitals to children. Launched in 2017-18, assistance of INR 12 Crore has been given to 143 children till date. MCL has built a 100-seat Medical College cum 500-bedded Hospital at Talcher (Odisha) at a cost of INR 492 Crore. Besides, a 100 bedded Cardiac Care Centre is coming up at Jharsuguda with an investment of INR 75 Crore. Both these projects are expected to start in 2021-22. Project 'Phulwari' by NCL aims to reduce malnutrition in children in 75 villages of Singrauli district (MP). Project cost of INR 1.3 Crore has been utilized in providing nutritious diet to children over a period of two years.

Major initiatives in sports include promoting a sports academy at Ranchi by CCL, a 10,000-capacity Stadium at Jharsuguda with an outlay of INR 24 Crore and a INR 25 Crore multipurpose Sports Complex at Sambalpur by MCL.

CCL provides free coaching to students from disadvantaged communities to enable them compete in professional competitive examinations under the scheme 'CCL Ke Lal'.

With a holistic view of socio-economic mainstreaming of backward areas, coal companies are contributing their CSR funds in the Central Government scheme of Development in districts in West Bengal, Jharkhand, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Maharashtra and Odisha. These projects are implemented in consultation with the DM of the concerned District. Majority of interventions are in education and health sectors which are the basic requirements of these areas.

Rural development is another vertical where many high-impact projects are being implemented in the recent times. MCL, in its command area, is implementing projects like development of Anganwadis, Aahar Mandal (promotion of low-cost, perennial, nutrition-based farming in tribal areas) benefitting 200 marginalized farmers, Utthan, (Quality of life project for 6,000 tribal households) encompassing development of livestock, Wadi-improved agriculture, rural piped water supply projects worth INR 126 Crore with 3.5 Lakh potential beneficiaries, tanker water supply covering 100 peripheral settlements and Poultry project benefitting tribal women.

Two of the subsidiary companies of Coal India, Central Coalfields Limited and Mahanadi Coalfields Limited were conferred National CSR Award by Hon'ble President of India for contribution to National Priority Areas. CCL got the award for promotion of sports and MCL for health, safe drinking water and sanitation.

11.6. Community Engagement and Information Sharing Framework

Identifying the affected communities and the range of stakeholders impacted by our business operations, our CSR Policy, determines the percentage allocation of CSR budget as per the operational boundaries of the Company.

An Annual Action Plan is prepared in a way that different sectors of development are given due proportion and weightage as per the needs and priorities of the community and Government Directives.

To provide the communities with access to relevant information, RTI queries are promptly replied and disclosure of CSR budget and Expenditure (along with details of location, area, beneficiaries etc) is incorporated in our Annual Report, as per Company's Act. We also enable people from affected communities to express their views on operations, project risks, impacts and mitigation measures through village meetings and stakeholder meets, which are conducted at regular intervals in operating units. The views expressed by affected communities are incorporated into our operational decision-making by developing annual CSR Action Plan in consultation with communities in all subsidiaries.

Further, grievance mechanisms for people from affected communities are addressed through portals like CPGRAMS. Additionally, Grievance Redressal meets are organized regularly by some of our subsidiaries like Janta Darbar and Samadhan Cell.

We understand the local issues by engaging with indigenous people from different areas through village meetings, interaction with SHGs and celebrating important cultural festivities of the community. Activities related to cultural preservation is listed under Schedule VII of CSR Rules and is undertaken as part of CSR activities. As a principle of promoting good relationships with local populace, CIL's priority for CSR activities are PAPs in and around the mining areas. Our Mine operators at ground zero regularly engage with them through village meetings, choupal interactions and focused group discussions.

For CIL HQ, CSR activities are implemented through various implementing agencies. There is a window of alternative/ indirect employment for youth from peripheral areas who do not qualify for regular employment. They are employed with the outsourcing firms engaged in mining operations of coal/ overburden removal, transportation and allied activities.



Fig 11.2: Medical College Hospital in Talcher, MCL



Latitude: 21.865315
 Longitude: 83.9564
 Accuracy: 2700.0 m
 Azimuth: 68° (E)
 Pitch: -7.7° (1.0°)

Fig 11.3: Social Forestry



Fig 11.4: Health checkup camps



Fig 11.5: Wheelchair donation drive



Fig 11.6: Commissioned a mobile medical van cum ambulance



Fig 11.7: Cleanliness drive

12. Governance

We have an efficient, open, accountable management system to adopt 'best in class' corporate governance and business management standards. We are fully compliant to laws of the land and relevant legislation. We strive to lead by example in terms of our professional competence, openness, transparency and effective management. Our governance strategy addresses the interests of our various stakeholders.

12.1. Size of the Board

We are a government company (as described in section 2, sub-section 45 of the Companies Act, 2013) and the President of India, appoints Functional Directors of our company and nominates a Chairman cum Managing Director (CMD).

12.2. Composition of the Board

As of 31st March 2020, our Board of Directors comprised one CMD, four Functional Directors, two Non-Executive Directors (all nominated by the GoI) and two Independent Directors.

12.3. Age Limit and Tenure of Directors

The age limit of CMD and other full-time Functional Directors is 60 years. The CMD and other full-time Functional Directors are appointed for five years from the date of assumption of charge or till date of superannuation of incumbent or till further orders from GoI whichever is earlier. None of the Directors on the Board hold Directorship in more than 10 public companies. In addition, none of them is a member of more than seven committees or Chairman of more than five committees of all public corporations where he or she is a Director.

As of 31st March 2020, the Directors have made necessary disclosures regarding their committee positions in other public companies.

Government nominee Directors representing Ministry of Coal retire from the Board on ceasing to be officials of the Ministry. GoI appoints Independent Directors. Non-executive Independent Directors fulfil the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation (16 b) of Listing Regulations, 2015.

12.4. Committees of the Board of Directors

Our Board had constituted following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Share Transfer Committee
- Risk Management Committee
- Corporate Social Responsibility (CSR) Committee
- Empowered Sub-Committee for Evaluation, Appraisal and Approval of Projects
- Empowered Sub-Committee for Purchase and Contracts
- Mine Developer & Operator Committee
- Independent Director Committee

As stipulated by LODR 2015, a list of core skills of expertise of the Board of Directors is required for effective functioning of the business. Our Board of Directors have the required skill set under the broad classification as executive leadership, governance experience, financial acumen, sectoral/domain knowledge, marketing knowledge, human resource management, project management, strategy/risk management, occupational health, safety and environment.

Board of Directors

CMD



Shri Pramod Agrawal

Expertise:

- ✓ Executive Leadership
- ✓ Governance
- ✓ Financial Acumen
- ✓ Marketing
- ✓ Human Resource Management
- ✓ Project Formulation and Management
- ✓ Strategy/ Risk Management
- ✓ Occupational Health, Safety & Environment

Directors



Shri Binay Dayal
Director (Technical)

Expertise: Executive Leadership, Governance, Financial Acumen, Domain Experience, Project Formulation & Management, Strategy/ Risk Management, Occupational Health, Safety & Environment



Shri R P Srivastava
Director (P & IR)

Expertise: Executive Leadership, Governance, Financial Acumen, Human Resource Management, Strategy/ Risk Management, Occupational Health, Safety & Environment



Shri Sanjiv Soni
Director (Finance)

Expertise: Executive Leadership, Governance, Financial Acumen, Strategy/ Risk Management



Shri S N Tiwary
Director (Marketing)

Expertise: Executive Leadership, Governance, Financial Acumen, Marketing Strategy/ Risk Management

Independent Directors



Smt. Reena Sinha Puri
Govt. Nominee Director

Expertise: Executive Leadership, Governance, Financial Acumen, Strategy/ Risk Management



Shri V K Tiwari
Govt. Nominee Director

Expertise: Executive Leadership, Governance, Financial Acumen, Marketing, Human Resource Management, Strategy/ Risk Management, Occupational Health, Safety & Environment



Shri B L Gajipara
Independent Director

Expertise: Executive Leadership, Governance, Financial Acumen, Strategy/ Risk Management



Shri V K Thakral
Independent Director

Expertise: Executive Leadership, Governance, Financial Acumen, Strategy/ Risk Management, Occupational Health, Safety & Environment

12.5. Composition of the Audit Committee

In its pursuit of corporate governance excellence CIL has formed an Audit Committee of its Board of Directors effective 20th July 2001 and the existing Audit Committee was reconstituted by the Board in its 395th meeting held on 25th November 2019 consisting of two Independent Directors, one Government Nominee Director, one Invitee Director and one Permanent Invitee Director. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and provisions of Regulation - 18 of SEBI (LODR) 2015. Director (Finance), G.M. (Internal Audit) and Statutory Auditors are invited to the Audit Committee meeting. The Company Secretary is also the Secretary to the Committee as required by Regulation 18 (1)(e) of the Listing Regulations. Senior Functional executives are also invited as and when required to provide necessary clarification to the Committee. The Internal Audit Department provides necessary support for organizing Audit Committee meetings.

12.6. Board Meetings

During 2019–20, a total of 19 Board meetings were held. For further details, refer to page no. 165 of our Annual Report (https://www.coalindia.in/media/documents/Coal_India_English_final.pdf)

12.7. Performance Evaluation Framework for Board of Directors

The Board has adopted the Board Evaluation Framework ('the Framework') as per various provisions of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ('the Listing Regulations') and Companies Act, 2013 ('the Act'). The administration of CIL is under the Ministry of Coal, as it is a government company. The Ministry reviews the performance of the Directors on completion of the first year of their appointment in order to decide on their continuance or otherwise for the balance period of the tenure. The performance evaluation is done in

accordance with the Framework and is communicated by Board to the Ministry as well. The Framework is available on <https://www.coalindia.in/media/documents/Final version Framework for performance evaluation CIL clean 12.03.2019.pdf>

12.8. Capacity Building of the Board

The Board is fully briefed on all business-related matters, associated risks, new initiatives of the Company. The Board is also briefed on the provisions of Companies Act 2013, SEBI (LODR) Regulations, 2015 and Prevention of Insider Trading Code of CIL etc. As and when training programmes are conducted by recognized institutes on corporate governance, the Company sponsors the Board members to attend the training programmes to make them familiarize with recent developments. Details of training programmes attended by Independent Directors are disclosed on our company's website.

In the annual plan, preparation and knowledge topics to be addressed at each meeting are defined. Specific industry specialists in which CIL has key interests make their presentation to Board. The presentations also include details of visits to services, clients and strategic works along with a prepared curriculum for the executives of the Board.

12.9. Nomination and Remuneration Committee

CIL being a Central Public Sector Undertaking, the appointment, tenure and remuneration of its Functional Directors is decided by the GoI. CIL's first Remuneration Committee was constituted by the Board of Directors in its 249th meeting held on 10th April 2009. However, in compliance with Section 178 of the Companies Act, 2013, the Board has renamed the Remuneration Committee as Nomination and Remuneration Committee in its 303rd meeting held on 14th July 2014. This committee was reconstituted in its 376th meeting held on 30th November 2018,

comprising of five Independent Directors, one Government Nominee and one Functional Director as permanent invitee.

The Committee was further reconstituted in the 395th Board meeting held on 25th November 2019. It was subsequently reconstituted in the 396th Board meeting held on 19th December 2019, comprising two Independent Directors, one Government Nominee Director and one permanent Invitee. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR 2015.

During 2019–20, seven Sub-Committee meetings were held, each on 19th June 2019, 3rd July 2019, 30th September 2019, 28 October 2019, 2nd December 2019, 16th January 2020 and 18th March 2020. For further details, refer to page no. 170 of our Annual Report

(https://www.coalindia.in/media/documents/Coal_India_English__final.pdf).

12.10. Compensation of Directors

The compensation of Functional Directors is defined by the GoI. The Board of Directors of CIL fixes the sitting fee payable to Independent Directors in pursuance of the DPE guidelines and Companies Act, 2013. Accordingly, the Board had decided the payment of sitting fees for each meeting of the Board and Committee of the Board at INR 40,000 and INR 30,000 respectively, to each Independent Director in its 327th meeting held on 28th May 2016. The details of the compensation paid to Functional Directors of the Company during financial Year 2019–20 could be referred at page 170 of CIL's Annual Report (https://www.coalindia.in/media/documents/Coal_India_English__final.pdf)

The Non-Executive Independent Directors do not have any material financial relationship or transactions with the Company. For further details, refer to page no. 170 of CIL's Annual Report (https://www.coalindia.in/media/documents/Coal_India_English__final.pdf)

12.11. Financial Reporting

We, at CIL, publicly report on key business, financial and tax-related information for regions and subsidiaries on an annual basis. The information is provided in the Annual Report and can be found on https://www.coalindia.in/media/documents/Coal_India_English__final.pdf

13. Materiality and Stakeholder Engagement

13.1. Our Material Issues

CIL’s ESG strategy is shaped by material priorities that can impact the company’s long-term success as well as ability to create and preserve economic, environmental and social values.

We conduct a comprehensive materiality assessment exercise to evaluate and prioritize our material issues. The assessment is undertaken in accordance with GRI Standards. The process is centered at intersection of organizational relevance and stakeholder priority. Insights from ongoing stakeholder engagement at CIL are leveraged to gauge the views and perceptions of various stakeholders. A stakeholder survey is also undertaken to effectively capture our key internal and

external stakeholders’ expectations and identify issues that impact them. In addition, guidance from top management at CIL helps determine material aspects aligned with Company’s overall business goals and objectives. This exercise is complemented by an annual review of key risks and opportunities for CIL, emerging global trends in the sector and leading industry practices.

The identified material issues are subsequently mapped on a matrix to prioritize the economic, environmental and social topics, based on their significance to both stakeholders and organization. The materiality map helps facilitate informed decision-making in our efforts to integrate sustainability within business strategy.

Our Material Topics



Environment Stewardship

- Energy & Climate Change
- Water & Wastewater Management
- Waste Management
- Biodiversity & Land Management
- Air Quality



Community Stewardship

- Local Community Development
- Community Engagement & Human Rights



Employee Stewardship

- Health & Safety
- Talent Attraction & Retention
- Diversity & Equal Opportunities
- Employee Learning & Development



Operational Excellence














- Regulatory Compliance
- Business Ethics & Transparency
- Product Quality
- Business Model Resilience
- Responsible Supply Chain

Figure 13.1.: Material topics

The material issues are further assessed to identify high-priority aspects that have significant potential to impact our business and require greater intervention. We assess the impact of these material

issues on our business performance in terms of revenue generation, cost efficiency and risk management. These issues form our strategic ESG objectives, which are monitored through long-term targets.

Table 13.1.: Material issues and progress

Material Topic	Description	Business Impact
Environmental Stewardship		
Energy & Climate Change	Achieving energy efficiency and reducing our carbon footprint; identification and management of climate related risks	
Water Use and Management	Improving water use efficiency to address water scarcity; wastewater treatment and reuse	
Waste & Hazardous Materials Management	Managing solid waste including safe treatment and disposal; overburden waste management	
Biodiversity & Land Management	Protecting biodiversity ; reducing impact of operations on landscapes; restoration of ecosystems; land reclamation	
Community & Employee Stewardship		
Local Community Development	Corporate social responsibility; promoting education, good health, skill development and local employment opportunities	
Community Engagement & Human Rights	Minimizing impact of operations on communities; Rehabilitation and Resettlement; protecting human rights of employees, contractors and communities	
Health & Safety	Promoting health and safety of employees, contractors, transporters and communities	
Employee Diversity & Inclusion	Promoting gender diversity and equal opportunities	
Operational Excellence		
Business Ethics & Transparency	Ensuring anti-corruption and anti-bribery and highest degree of ethical business practices	
Mechanization of Mines	Keeping pace with latest technological advancements in the sector through innovation	
 Cost Efficiency	 Revenue Generation	 Risk Management

Stakeholder Engagement

CIL understands that stakeholder engagement helps in continuous business improvement and strengthens relationship with them. Our mission is to create value for all our stakeholders by understanding and addressing their concerns, as well as fulfilling their needs to the extent possible. As a result, we have a structured stakeholder engagement framework for engaging with different

stakeholders, which includes identifying key focus areas and developing strategies to address them.

We maintain a transparent and constructive interaction with all our stakeholders who play a vital role in our sustainable growth.

Our stakeholders are identified and prioritized based on specific criteria, which are mentioned in next page.

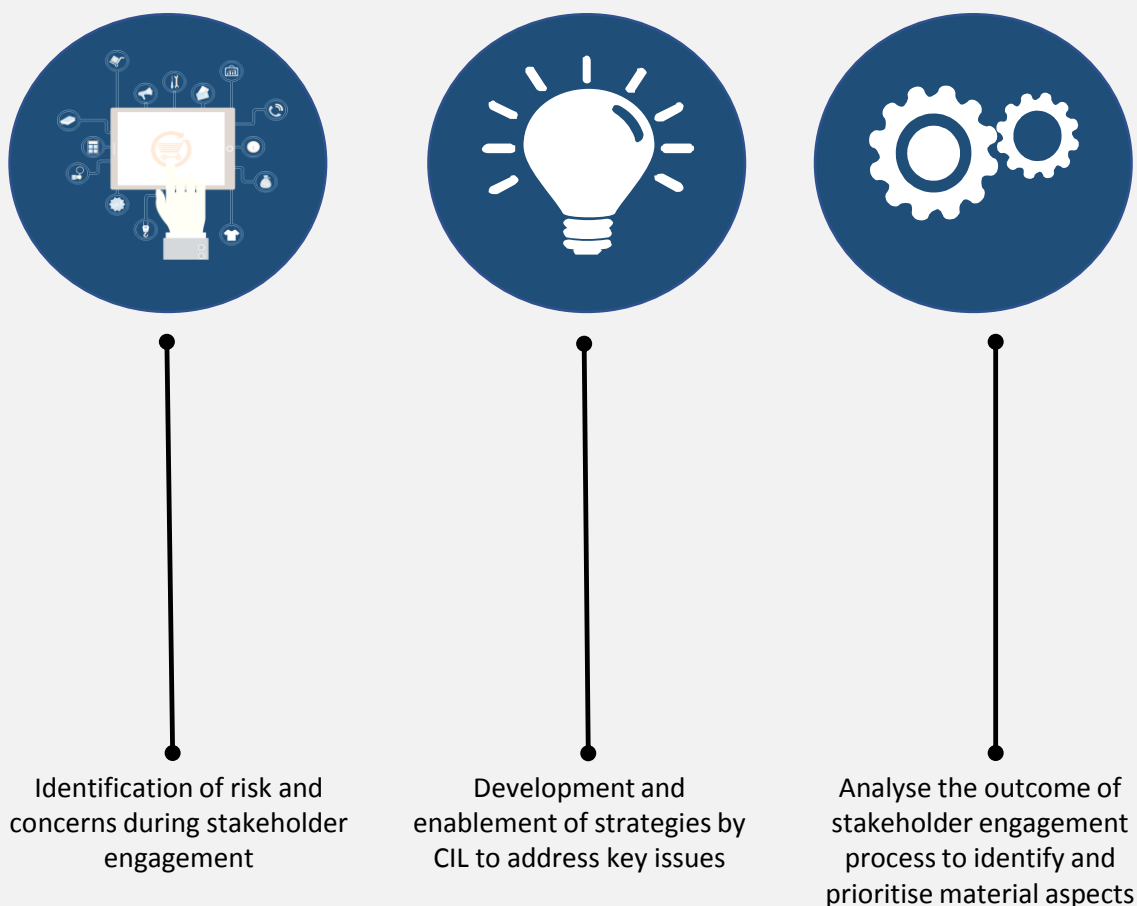


Figure 13.2: Stakeholder Engagement Process

- Stakeholders who are affected (positively and negatively) by the activities of CIL either directly or indirectly;
- Stakeholders of CIL's competitors; and
- Stakeholders identified by senior leadership from various functional areas

During our interaction with stakeholders some of the key areas of interest identified were customers' satisfaction, quality of product, brand of the company, business performance, wages and welfare etc. Table 13.2 provides a holistic view of our different categories of stakeholders along with the mode of interaction for each stakeholder group and the level of interaction to address their main areas of interest.

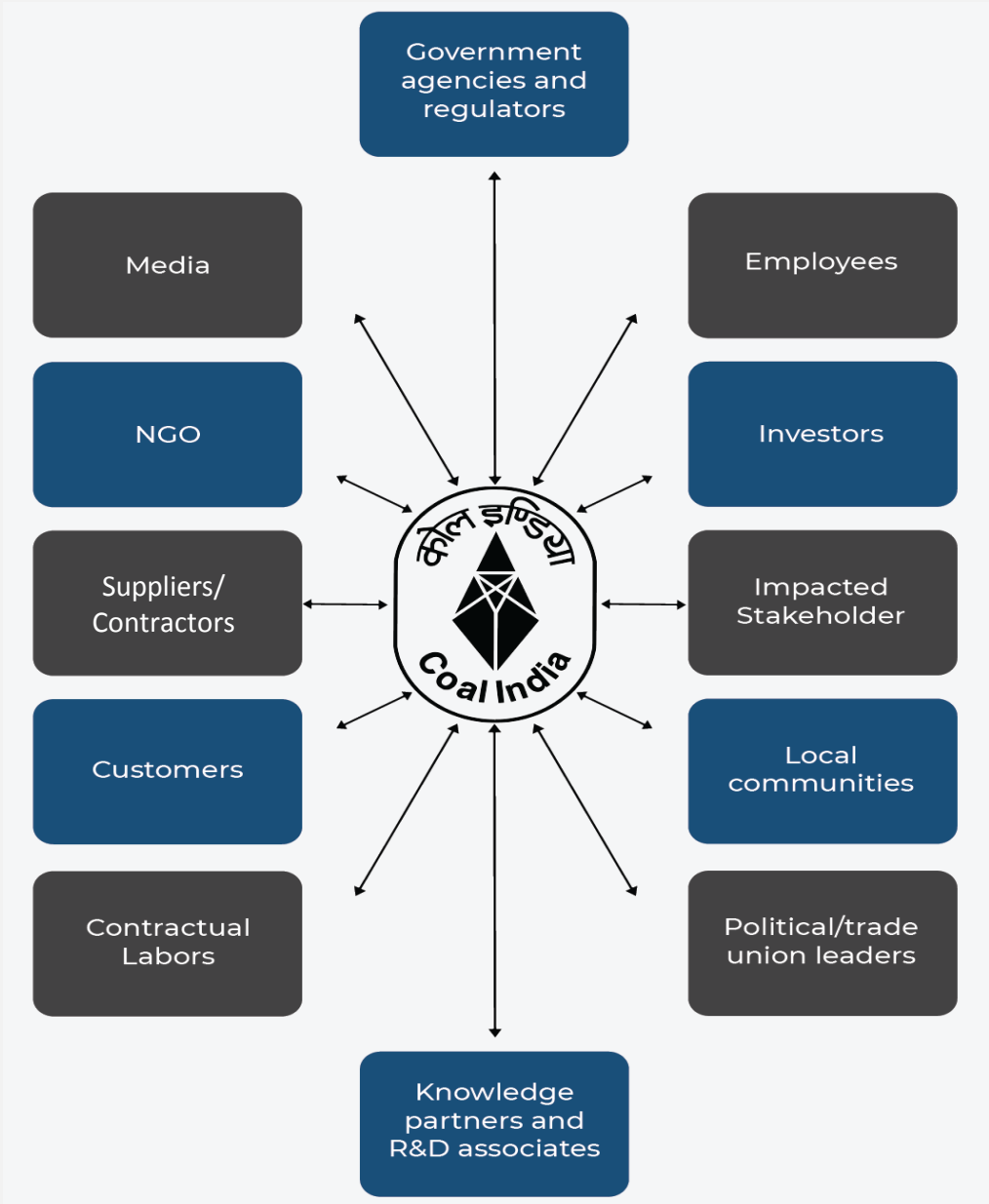


Figure 13.3: Stakeholders of Coal India Limited

Table 13.2: Mode of engagement and key interests of our stakeholders

Stakeholder	Mode of Engagement	Frequency	Key areas of interest
 Government agencies and regulators	Performance reports Board meetings Compliance reports Inspections	Annual and quarterly At least once a month Annual Continuous process	♦ Regulatory requirements ♦ Compliance with national and local regulations
 Employees	Corporate-level industrial relation meetings with union leaders (JBCCI) Trainings and seminars Safety Fortnight Vigilance Awareness Week	Continuous process Continuous process Annual Annual	♦ Job satisfaction ♦ Wages and welfare ♦ Learning and development ♦ Health and wellness
 Investors	Regular meetings and other interactions	Continuous process	♦ Reputation ♦ Financial performance ♦ Business strategy ♦ Operational performance ♦ ESG initiatives
 Landowners	Public hearing as a part of statutory compliance Project meetings	As and when basis Continuous process	♦ Rehabilitation and Resettlement (R&R)/Environmental clearance, Forest land clearance
 Local communities	Sustainable development initiatives CSR activities	Continuous process Continuous process	♦ Livelihood options and job opportunities
 Knowledge partners and R&D associates	Trainings	Continuous process	♦ Research and development of new technology
 Customers	National Carbon Capture Centre (NCCC) meeting with industry representatives and ministries Regional Coal Consumers Council (RCCC) meetings with customers Meetings between customers and the marketing team Online filing and redressal of complaints	Annually Annually Continuous process Continuous process	♦ Customer satisfaction that includes quality of coal, delivery time etc. ♦ Grievances
 Suppliers	Interactive meetings and sessions during tenders Vendors meeting regularly	As and when basis At least once a quarter	♦ Notice Inviting Tender (NIT) conditions ♦ Purchasing policy ♦ Quality of items
 NGOs	Direct engagement, public forums like panel discussions etc.	As and when basis	♦ Impact of mining activities on local community ♦ CSR activities
 Media	Press conference, press releases, interviews	As and when basis	♦ Impacts of mining activities on community and country

14. Risk and Crisis Management

CIL has a robust risk management system in place consisting of (i) a mechanism for defining, prioritizing and formulating contingency strategies for risks and (ii) a framework for functions, duties of various authorities, committees and the Board for executing risk management procedures, monitoring periodicity (Risk Management Calendar) and associated models & lackeys.

As part of CIL’s risk management system, risk owners & their mitigation plan owners have been established for each risk and associated mitigation strategy to ensure consistent risk monitoring and mitigation. The Risk Management Committee (RMC) a Sub-Committee of the Board of Directors was formed in accordance with the Securities and Exchange Board of India (SEBI) (LODR) Regulations, 2015. This committee evaluates the risk management process and assess progress of perceived threats, including new market issues at periodic intervals. The Chief Risk Officer (CRO) and his team periodically meets with both business and functional departments to oversee the implementation plan and conduct brainstorming sessions to identify new business opportunities.

Inputs from Steering Committee under the leadership of ERM Core Group are considered for the purpose. The execution of governance mechanism envisaged in risk management system, including facilitating development of risk reduction strategies for defined priority threats, is supervised by Chief Risk Officer (CRO) and his team under the leadership of CIL RMC. New risks are being identified and incorporated for evaluation as per direction of the CIL’s RMC. Figure 14.1 shows pictorial representation of various roles and responsibilities involved in Risk Management Framework

We have a comprehensive crisis management plan which ensures that mine rescue and recovery activities are conducted safely while providing protection to personnel involved in rescue and recovery, rescue of survivors and recovery of victims. We maintain a well-established Rescue Organization at strategic locations spread across different subsidiaries to cater to emergencies on 24X7 basis. We conduct mock rehearsals for examining efficacy of emergency action plan on periodic basis.

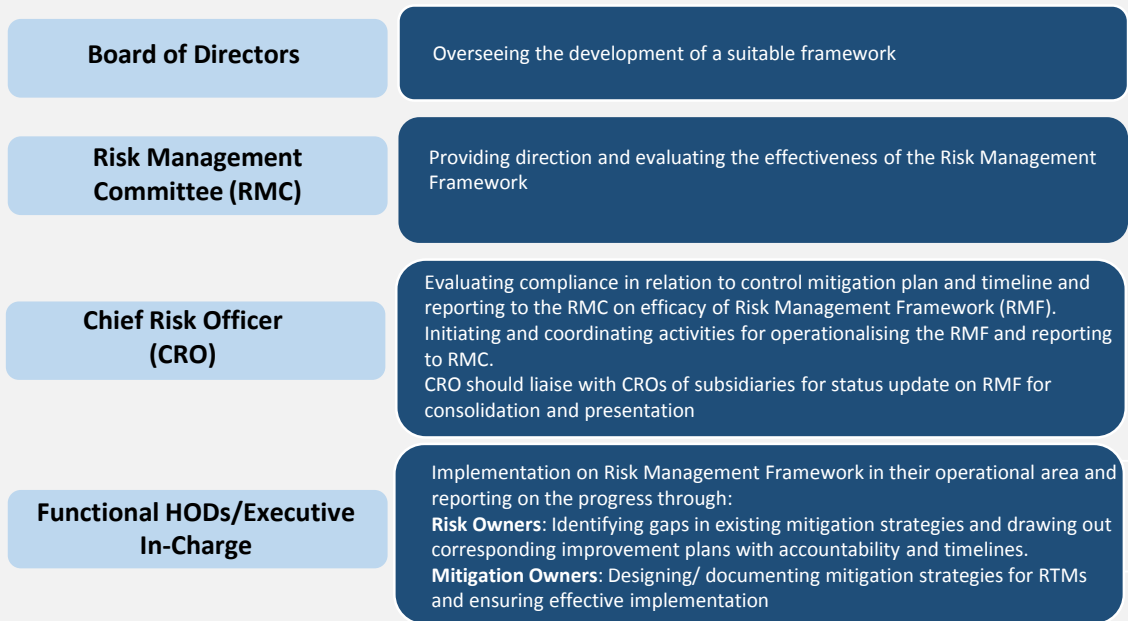


Figure 14.1: Risk Management Framework

Our Enterprise Risk Management (ERM) serves the twin purpose of minimizing adverse impacts and leveraging market opportunities effectively and efficiently to sustain and enhance our competitive advantage.

As a first step, CIL has identified significant risks facing its business and categorized them as emerging risks and strategic risks. Potential impacts of each of these risks on the company's operations are assessed and accordingly a mitigation plan is devised.

14.1. Emerging risks

We have identified three major emerging risks that include (i) technological transformation (ii) changes in the traditional business models and current portfolio (iii) restrictions on access to capital for industries with intensive green house emissions. We have assessed the impacts of these risks and developed a mitigation plan (Refer to annexures for details).

14.2. Strategic risks

We have identified two major strategic risks that include (i) effect on share price due to media impact (ii) lack of necessary key skills due to lack or inadequate management of good practices towards attracting, retaining and developing talent. that may have significant impact on our business. (Refer to annexures for details).

Key identified risks are summarized below:

1. Evacuation challenges for coal off-take
2. Operational safety risks arising out of mining operations
3. Technology upgradation and equipment utilization
4. Risk of unviable underground mining operations
5. Credit risk of receivables disputed/ undisputed receivables from PSUs
6. Competition risk from commercial mining renewables
7. Default risk by subsidiaries for redeemable preference shares

14.3. Climate risk assessment

We operate in remote regions that are vulnerable to climate change and fragile environment. Our extensive product transportation network and complex supply chain are located in these regions. This particularly exposes us to climate change risks and we have assessed its impact on our operations.

At CIL, we have specific measures for dealing with climate related risks and their potential impact. As part of our climate risk management strategy, we have evaluated risks, identified their effects and laid out a mitigation strategy for dealing with each of these risks (Refer to Annexure for further details).

15. Ethical Business Practices

15.1. Code of Business Conduct

We have an established 'Code of Business Conduct' applicable to all employees of the company starting from Board level and downwards. Our code of business conduct sets the principles that enhance the ethical and transparent process in managing the company's affairs. We have institutionalized strong internal procedures to contain and curb corrupt practices in company's operations. Our code of business conduct can be accessed at: <https://www.coalindia.in/media/documents/CODE-PIT-COAL-FINAL.pdf>

15.2. Supplier Code of Conduct

According to CIL's Procurement Policy, open tendering process is implemented for all procurements. We integrate ESG aspects such as labour conditions, health and safety in our procurement decisions. Our procurement team works ethically and maintains strong internal control procedures to enforce guidelines.

Additionally, we integrate and include ESG practices in our supply chain, making the procurement process ethical, efficient, transparent and free of corrupt practices during supplier selection and retention processes.

Our purchase manual be accessed at: [http://archive.coalindia.in/DesktopModules/DocumentList/documents/Purchase\(1\).pdf](http://archive.coalindia.in/DesktopModules/DocumentList/documents/Purchase(1).pdf)

15.3. Code of Integrity for Public Procurement

Purchasing agencies, bidders, vendors, contractors and consultants are obligated under the Code of Integrity for Public Procurement.(CIPP) to proactively report any preexisting or future conflicts of interest in any procurement or contract execution process. According to the code, a bidder must have to declare any prior infringement of the CIPP with any entity in any country during the last three years or if being debarred by any other procuring entity. Failure to do so by any party is considered a violation of this code.



Fig. 15.1- "Go green" initiative

16. Data and Information Security

Information technology (IT) is one of the most critical enablers of our business and provides new advantages to business operations. IT processes can be used as a tool for transforming business processes that cross several functionalities and interconnect various business components.

In view of IT growth in our organization, providing right focus for creating a secure computing environment, adequate trust and confidence in electronic transactions, software, services, devices and networks has assumed a compelling priority.

16.1. Cyber security governance and security measures

CIL provides IT resources to its employees to enhance their efficiency and productivity. These resources are meant to be tools to access and process information related to their areas of work. These resources help officials to remain well informed and carry out their functions efficiently and effectively.

CIL has a robust comprehensive policy to ensure cyber security which aims to protect information and information infrastructure from cyber incidents through a combination of processes, guidelines, technology and cooperation. All components of the policy meet the guidelines of Government of India. Additionally, we have business contingency plans and incident response procedures in place which are tested half yearly. The IT policy for CIL and subsidiaries is available at https://www.coalindia.in/media/documents/1595245392_Approved_IT_Policy_CIL_and_Subsidiaries.pdf

The following policies and guidelines cover CIL and subsidiaries:

- IT services policy and guidelines: This framework regulates the usage of IT resources from an end-user viewpoint.
- Guidelines facilitate compliance by offering best practices for laptops, handheld devices, external storage media and peripheral devices such as printers and scanners.
- Email Policy: This regulates use of email services offered to our staff, preventing data breaches through cyber and phishing attacks.
- Password Policy: This policy intends to set a standard for good password formation, password protection and password change frequency. This guarantees our workers' privacy, safety and cyber security.
- Open-Source Software (OSS) Implementation Policy: This policy facilitates systematic adoption and usage of OSS in CIL and subsidiaries.
- Server backup policy: This policy aims at having a clear backup management rules to ensure backups are accessible when required.
- Additional components covered in the policy are DC/DRC (Data Centre/Disaster Recovery Centre) requirements: All data centers that are built/upgraded adhere to guidelines of Government of India for data centers. Appropriate levels of data redundancy are built into all systems with active mode disaster recovery center for business-critical applications.
- Document Digitization: All extant digital initiatives such as e-office, email, Jeevan Praman for life certificate, internal application for document digitization are implemented
- Document management systems are in place in CIL and subsidiaries.
- Preparation of salary from biometric attendance: This has been implemented to ensure an accurate and digitized process for calculating employee

remuneration based on employee attendance.

- Centralised Inventory of IT Assets: Centralised inventory of IT assets is being worked to create transparency and track real-time progress.
- Bill Tracking: All transparency related policies declared by us at CIL are incorporated within the IT systems.

CIL has a System Department which is primarily responsible for planning, coordinating and directing all computer related activities within the organization. The System Department helps in determining our company's information technology goals and is responsible for implementing computer systems to meet those goals.

We have also implemented policies and procedures for all employees to ensure compliance and data protection from cyber attacks. This policy is available in the public domain on our website to provide awareness and adherence to the policy's laid out guidelines.

To ensure compliance with our policy, awareness emails are sent to all employees at regular intervals. Additionally, any suspicious incidents are reported as soon as possible to the Implementing Authorities of each Department within our company.

16.2. Process, Infrastructure and Policies on Risk Assessment.

CIL has implemented a Security Incident Management Process which has three steps:

- A security incident is defined as any adverse event that can impact availability, integrity, confidentiality and authority of data owned by Coal India and Subsidiaries.
- The implementing Department reserves the right to deactivate/remove any device from the network if it is deemed as a

threat and can lead to a compromise of a system under intimation to the Implementing authority.

- Any security incident noticed is immediately brought to the notice of Indian Computer Emergency Response Team (ICERT) and Implementing Department.

Our policy ensures addressal of governance issues related to cyber security and enhances data protection and privacy from cyber attacks.

Furthermore, Coal India has established DC/ DRC (Data Center and Disaster Recovery Centre) for ERP implementation at MeitY empaneled Data Center which adheres to the Guidelines of Government of India for Data Centers. Security system of data center is audited by STQC and it is equipped with state-of-the-art security devices including DDoS, WAF and Next Generation Firewall. ERP production landscapes are considered with dedicated for high availability. IT Security Standards Policy and Framework designed for addressing the unique requirements of Coal India.

Annexure: Risks that Matter (1/4)

S.No.	Risk	Risk Category	Mitigation Plan
1	Credit risk of receivables (disputed and undisputed receivables) from PSUs	Financial	<p>As part of the mitigation action, CIL has planned the following:</p> <p>(i) setting up common guidelines for all the subsidiaries, so that receivables with similar root causes are not repeatedly disputed by customers</p> <p>(ii) notifying a common template for reconciliation with customers for mandatory prospective use by all subsidiaries</p>
2	Default risk by subsidiaries for redeemable preference shares	Financial	<p>The mitigation approach to address this risk includes:</p> <p>(i) accepting a roll over of investments</p> <p>(ii) based on evaluation of cash flow analysis, issuing fresh redeemable preference share capital, which represents the value of the existing investments and any accrued interest/dividend thereon, for such period as shall be deemed appropriate</p> <p>(iii) measures to improve operational efficiencies and reduce operational losses, particularly from underground mining operations, as elucidated in subsequent mitigation plans, would also hold relevance</p>
3	Evacuation challenges for coal off-take	Operations	<p>Under this risk, CIL and subsidiaries consider case by case feasibility for:</p> <p>(i) setting up centralized coal handling hubs to cater multiple sidings through conveyors</p> <p>(ii) using belt conveyors, wherever feasible, for coal transportation from 50 km of the mines,</p> <p>(iii) expediting first-mile rail connectivity projects</p> <p>(iv) emphasising the usage of high capacity dump trucks depending on available road infrastructure to improve further evacuation</p> <p>(v) forming SPVs with the relevant State Governments and Railways</p>

Annexure: Risks that Matter (2/4)

S.No.	Risk	Risk Category	Mitigation Plan
4	Operational safety risks arising out of mining operations	Operations	<p>As a first step to mitigate safety risks, each subsidiary formulates a time-bound plan to implement mine safety framework, as applicable to high-risk mines. Thereafter, an action plan is presented to CIL for supervisory monitoring.</p> <p>In addition to existing Safety Manual and guidelines of DGMS, a framework for improving the safety in operations for both Open Cast and Underground Mines, specific to the mining technology in use, has been developed.</p>
5	Technology upgradation and equipment utilisation	Operations	<p>CIL dedicatedly focuses on R&D activities and monitors any new technology development in mining sector. Several initiatives for technology development have been undertaken, including the introduction of high capacity equipment, operator Independent Truck Dispatch Systems, vehicle tracking system using GPS/GPRS, CHP & Silos for faster loading and laser scanner monitoring. Underground mass production technology have also been introduced at selected places by deploying Continuous Miners and Longwall mining. Man riding systems in underground mines and the use of tele monitoring techniques continue to receive priority to increase production from underground mines.</p>
6	Risk of unviable underground mining operations	Operations	<p>A broad mitigation action plan for this risk involves a case by case evaluation of each specific mine by each subsidiary company. Some of the relevant considerations for the Subsidiaries involve the following:</p> <ol style="list-style-type: none"> 1. Optimum scale of production from a district 2. Optimum size of the mine [number of districts/ volumes of production], consistent with investment 3. Identifying surplus manpower [severance/ redeployment/ other options] 4. Developing normative costs for each loss-making unit 5. Reduction of Area Overheads & avoidable expenditure 6. Workload for time rated workers is considered. Currently, NCWA specified workload for piece rated workers (such as coal loaders) are in practice. 7. Cost Sheet modifications for cost control 8. Concentrate on marginally loss making mines.

Annexure: Risks that Matter (3/4)

S.No.	Risk	Risk Category	Mitigation Plan
7	Competition risk from commercial mining & renewables	Strategic	<p>CIL has developed several medium to long term mitigation plans for addressing the risk of competition. Some of our considerations in these plans include:</p> <ul style="list-style-type: none">(i) Formulating a domestic coal price index(ii) Establishing an online platform for coal trading/transactions for spot/forward auction of coal by Subsidiaries(iii) Taking steps for cost reduction by reducing & rationalizing total manpower:<ul style="list-style-type: none">(a) reducing the number of labour intensive mines(b) periodic review of the R & R policy(iv) Enabling use of up to 100 MT of coal by 2030 under PPP/Private mode by converting coal into methanol, fertilizer through gasification technology(v) Creating a joint forum of key power developers and coal mining companies to undertake investment in R & D for Carbon Capture and Sequestration (CCS) and coal washing technologies in India
8	Restrictions on access to capital for industries with intensive greenhouse gas emissions	Strategic	<p>CIL has actively included Environmental, Social and Corporate governance (ESG) criteria in business value chain, this helps in preventing and mitigating this risk</p>

Annexure: Risks that Matter (4/4)

S.No.	Risk	Risk Category	Mitigation Plan
9	Changes in traditional business models and current portfolio with emergence of solar and other similar technologies	Strategic	<p>Review and update the sectoral dynamics and megatrends that could affect CIL performance. Additionally, strengthening of areas of innovation and development of new businesses is promoted</p> <p>Promotion of initiatives to develop new products and production techniques</p> <p>As a measure to mitigate this risk we are strategically diversifying our operations. CIL is venturing to set up solar power generation projects of 3,000 MW capacity by FY'24</p>
10.	Effect on share price due to public perception of fossil fuel	Strategic	<p>To mitigate this risk CIL has been actively focusing on the following initiatives:</p> <p>Implementing the Code of Conduct, risk management framework, safe mining framework among other business best practices such as a responsible expansion plan and rehabilitation of land</p> <p>Implementing a strong R& R plan by engaging with stakeholders, analysis of material topics and developing a plan of periodic action</p> <p>Ongoing strengthening of internal control system and the crisis management plans Identification of events that could affect CIL's reputation in order to establish and monitor mitigation plans</p>

Annexure: Climate Risks

S.No.	Risk	Impact	Mitigation Plan	Extent of Financial Impact
1.	Carbon taxes and emissions trading systems applied to suppliers	Climate pricing (carbon tax/emission trading) will be extended mostly on commodity producers with high GHG emissions and the premium will be passed on to raw products and the cost of procurement will rise.	Promoting resource conservation: Reducing new resource inputs by sales of recycled machines and utilization of recycled materials Promoting supplier supporting activities: Actively supporting suppliers' decarbonization activities and addressing the risk of procurement cost increase	Medium
2.	Response to accelerated transition to decarbonized society by consumers and investors	Owing to the advanced criteria for meeting 1.5°C goal and achieving RE100, extra expenses are incurred for introducing initiatives such as expenditure in energy saving/renewable energy installations and converting to renewable energy.	Promoting decarbonizing initiatives: Active promotion of energy savings and renewable energy initiatives	Low
3.	Rapid increase of natural disasters	Due to climate change, extreme weather has become more severe, causing more wind and flood damage than expected: Production stops and sales opportunity losses due to disruption of the supply chain, etc.	Strengthening business continuity plans for flooding, heavy rain and typhoons: Disaster counter measures at production sites Formulation of business continuity plans for procurement/distribution systems	Medium
4.	Regional epidemics of infectious diseases	Impact on production plans due to parts supply disruption Insufficient inventory due to lower operating rates at production sites	Strengthening business continuity plans	Medium