

COAL INDIA LIMITED

Brief Profile

Coal India Limited (CIL) as a state owned coal mining corporate came into being in November 1975 to streamline the working of coal industry in a manner conducive to more efficient administration and enhancing of coal production.

With a modest production of 79 Million Tonnes (MTs) at the year of its inception CIL today is the single largest coal producer in the world. Operating through 82 mining areas CIL is an apex body with 7 wholly owned coal producing subsidiaries and 1 mine planning and consultancy company spread over 8 provincial states of India. CIL covers the whole gamut of activities like identification of coal reserves, detailed exploration followed by design and implementation and optimizing operations for coal extraction.

CIL also manages 200 other establishments like workshops, hospitals etc. Further, it also owns 26 technical & management training institutes and 102 Vocational Training Centres. Indian Institute of Coal Management (IICM) as a state-of-the-art Management Training 'Centre of Excellence' – the largest Corporate Training Institute in India - operates under CIL and conducts multi disciplinary management development programmes.

CIL is conferred with the coveted *Maharatna* recognition. It is a privileged status conferred by Government of India to select state owned enterprises in order to empower them to expand their operations and emerge as global giants.

Business

CIL is in the business of mining and marketing coal. The principal product of CIL is coal - both coking and non-coking. Majority of CIL's coal is produced through opencast means and limited quantities through underground mines.

CIL is primarily responsible for establishing macro corporate objectives and strategies, setting up of targets of subsidiary companies, monitoring of performance, marketing, raising resources and laying down broad guidelines in important policy matters like sale of coal, major equipment procurement, environmental management policies, inventory control etc. As holding company, CIL is accountable to the Government for performance of subsidiary companies. The holding company decides on policy matter and remains responsive to the cross-functional issues.

The subsidiary companies in turn with their powers defined in their respective Articles of Association are responsible for all operational goals set by the apex body CIL.

Unmatched Strategic Relevance

- Produces around 81% of India's overall coal production.
- Meets around 40% of the country's primary commercial energy needs.
- Supplies coal to 97 out of 100 Thermal Power Stations in the country.
- Empowers power sector as around 78% of CIL's entire off-take is supplied to power utilities.
- One of the highest contributors to the government ex-chequer - both federal and states.
- Among the Top 8 Most Valued Companies of the country in terms of Market Capitalization. (as of 1 May 2015)
- Contributes to around 25% of entire freight movement of Indian Railways.

Committed to UNGC Principles

CIL is alive to its role as a responsible PSU and commercially viable business entity. The company meets the energy requirement of the country in a responsive and responsible manner and strives to protect the interests of its shareholders and stakeholders.

The company assiduously abides the law of the land and statutory obligations places on it. The company conducts its business with due regard to human rights, labour laws, and environmental obligations.

CIL conducts its business in a manner that is in harmony and consonance to Global Compact and its principles. The company maintains transparency in its operations and activities. Customer meets and investor meets are held to find out the improvement areas and efforts are on to increase to their frequency of such meetings.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

CIL's Role: There are no instances of CIL violating Human Rights on the basis on caste, creed or race. CIL is committed to support and protect the stipulated human rights. Coal India also has a great social relevance and touches the lives of the countrymen in more ways than one. Coal India in its role as a corporate citizen in the past on many occasions has come to the aid of countrymen during natural calamities and disasters through significant contribution monetarily and materially.

The company pursues 'mining with a human face' through socially sustainable inclusive model of growth by making Project Affected People stakeholders in the decision making process for their livelihood. The company provides self employment opportunities for people in mining areas through vocational training.

CIL has been proactively developing roads, bridges, community centres, sports infrastructure and other facilities for the growth of rural economy and well being of the affected persons.

In response to the call given to the corporate sector by the Hon'ble Prime Minister of India for 'Clean India' initiative, CIL's subsidiaries have taken up construction of 51,115 separate toilets for boys and girls in 32,557 schools.

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

Principle 4: *the elimination of all forms of forced and compulsory labour;*

Principle 5: *the effective abolition of child labour; and*

Principle 6: *the elimination of discrimination in respect of employment and occupation.*

CIL's Role: In Coal India there is no form of forced and compulsory labour nor any children are engaged in labour. There is no discrimination in respect of employment and occupation.

CIL pursues the principle of participative management and maintains harmonious industrial relations. Workers' participation in management is practiced in letter and spirit at area, corporate and apex levels. Various bi-partite fora like Joint Consultative Committee, Welfare Board, Safety Board etc. are functioning effectively.

CIL lays a great importance on education of workmen's children. In order to emphasize education as a means of transforming the life of coal workmen, CIL has introduced a scheme for meeting the cost of education including hostel charges of children of workmen securing admission in select engineering colleges and Govt. medical colleges.

The National Coal Wage Agreement (NCWA), for the wages of over 3.5 Lakh workmen, is decided in Joint Bipartite Committee for the Coal Industry (JBCCI) comprising of representatives of the workers and management through a participative negotiated approach. Coal India was the first Central Public Sector Undertaking in the country to have successfully finalized the wage pact on the two previous wage agreements.

HRD approach consists of specialized training, on-job training and holding various workshops and seminars at operating and functioning levels for increasing skill and updating knowledge of its employees. Coal India recently signed a Memorandum of Understanding with National Skill Development Corporation (NSDC) to promote special education and employment enhancing vocational skills especially among children, women, elderly, and differently abled for their livelihood enhancement. Entirely funded by Coal India the project would impart training to lakhs of people over next two years.

The management believes in providing an inspiring, empowering, motivating and self fulfilling work environment built on trust. In this regard the company has prepared a HR Vision 2020 document.

Principle 7: *Businesses should support a precautionary approach to environmental challenges;*

Principle 8: *undertake initiatives to promote greater environmental responsibility; and*

Principle 9: *encourage the development and diffusion of environmentally friendly technologies.*

CIL's Role: CIL constantly addresses the impact of mining activities across environmental and social issues. Eco-friendly mining systems have been put in place in all of its mining areas. To make environmental mitigation measures more transparent, CIL introduced state-of-the-art Satellite Surveillance to monitor land reclamation and restoration for all opencast projects.

Central Mine Planning and Design Institute does satellite based land reclamation monitoring of OC mines for 50 Opencast projects of more than 5 Million Cubic Metres (Coal + Over Burden) per annum capacity on yearly basis; for 113 OC projects of less than 5 Million Cubic Metres per annum capacity in every 3 years. And, coalfield wise vegetation cover monitoring 19 coalfields is done. This has started in 2007-08 covering all subsidiaries of CIL.

All subsidiary companies of CIL do plantation through State Forest Department through a process of long term Memorandum of Understanding.

Payment is made to State Forestry Department after vetting through a Joint Committee, comprising Management of Subsidiary company and Forestry Department officials, based on survival rate of plantation only. Massive plantation has been taken up by CIL wherever land is available. Since beginning till 2014-15 CIL planted over 82.68 Million trees covering an area of around 34,945 Hectares spread across all the subsidiaries. During fiscal 2014-15 plantation grew by 27.4%, up from 1.24 Million trees in 2013-14 to 1.58 Million trees in 2014-15.

A positive result of this effort towards improvement of environment through massive plantation undertaken in Singrauli Coalfields since 1985, is such that the analysis for the period 1985-1995 and 1996-2002 carried out by Conservator of Forest indicates that the *annual average maximum temperature in Singrauli has decreased by 0.4°C while the annual average rainy days increased by 11.2 days and average annual rainfall has increased by 105.6 mm.*

CIL strongly believes that water management is essential for restoration of eco system. The environmental, ecological, cultural and economic values of water have also led to greater scrutiny of responsible water usage. Coal India and its subsidiary Companies adopt various measures to ensure minimal water pollution due to coal mining and its proper uses to build a well managed eco system in mining areas. As a measure of mine water usage the waste from mines is treated by settling arrangements before let out.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

CIL's Role: CIL is firmly against the corruption and corrupt practices and has a full fledged functional Vigilance Division headed by Chief Vigilance Officers and a team of senior officers. The CVO is a senior Civil Servant. The company encourages people to report against corruption and corrupt activities. Vigilance Awareness Weeks, seminars, conferences are conducted at regular intervals to increase the awareness levels against the ill of corruption.

All major procurements of Coal India are conducted in a fair and transparent e-procurement and reverse e-auction process. Meetings are held with vendors at intervals as confidence building measure and to understand their perspective in relation to CIL's procedures and practices.

CIL strives hard to create a conducive work environment for both its own employees and external stakeholders. CIL is further strengthening its functional grievance handling mechanism for a contented work force at Corporate and subsidiary level and taking advantage of IT, registration of grievances has been enabled through e-platforms on CIL website.