

# Sustainable Business Practices

**A mix of practical measures is necessary to meet both environmental and development targets**

In 2021, like in the earlier years, climate change has been creating havoc. Flash floods in various parts of India and the world submerging towns and cities, torrential rains, severe thunderstorms, massive landslides, unprecedented cold waves leading to many deaths and extreme heat conditions triggering wildfires that destroy lives, livestock and livelihoods have all been occurring at regular intervals.

Against the backdrop of the United Nations Climate Change Conference 2021 being held currently, the impact of unseasonal weather patterns across the Earth due to global warming has set alarm bells ringing. Scientists warn that our window for implementing credible measures to roll back the climate change clock may be closing more rapidly than anticipated.

## Supporting the common cause

Dire warnings abound that the dangerous threshold of 2.0 Celsius may be breached if relevant steps aren't undertaken on a war footing. Undoubtedly, this is the world's last chance to commit to global decarbonisation. In this context, the role of fossil fuels in exacerbating climate change has been cited.

Unfortunately, for still-developing nations such as India seeking to promote inclusive development while eliminating hidden hunger and other societal problems, reliable sources of energy are crucial for all-round development and progress. Dependable energy supplies are also vital for meeting the Centre's \$5 trillion economy vision.

Accordingly, a practical solution balancing both societal and sustainability concerns will vest on having sustainable development that uses legacy as well as clean energy sources even as the transition to clean power is underway. By adopting smart and innovative industrial practices and manufacturing processes, the country can continue with its Sustainable Development Goals (SDGs) while accelerating the transition towards a clean energy future.

Controlling climate change, however, cannot be the sole responsibility of governments worldwide. All stakeholders – individuals, institutions, public and private entities – must work towards the common cause if we are to succeed.

While walking the talk, as envisioned in its ESG roadmap, the Vedanta Group has initiated a series of initiatives to meet climate change and good corporate governance objectives. To



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elaborate, its responsible business decisions are based on community welfare, which also covers environmental concerns. All transformation efforts are based on the larger ESG imperative. In essence, the group believes in embedding an ESG purpose in everything it does.

Even as business goes on, the group is aware of concerns regarding its aluminium operations based on the use of fossil fuels such as coal and oil. Therefore, the group is driving innovations in moving towards a greener business model. This includes reducing its absolute carbon emissions by 25 per cent from a 2021 baseline along with achieving net water positivity by 2030 and eventual net carbon neutrality by 2050. We are betting big on this and have pledged \$5 billion over the next 10 years to accelerate our transition to net zero carbon. We are also committed to ensuring that 100 per cent of our light-motor-vehicle fleet is decarbonized by 2030 and 75 per cent of our mining fleet runs without fossil fuels by 2035. Significantly, aluminium is considered a relatively green metal compared to others and we are implanting programmes to ensure its production in decarbonized by 2050.

Group entity Hindustan Zinc has also set stiff targets to limit the impact of climate change. Its 2035 SDGs include about 500,000 tonnes of carbon emission reduction. Besides, in the next five years, it plans to embrace renewable energy by closing down its thermal power plants.

## Steady shift towards sustainability

But the above actions aren't happening in isolation. The group has formulated a comprehensive framework to emerge as an ESG leader, ascertaining its operations are future-ready to meet climate change and environment protection targets. Our ESG strategy has been revamped and builds upon our existing programmes like achieving 20 per cent reduction in GHG (greenhouse gas) emission intensity by 2025 and recycling more than 94 per cent of our high-volume-low-impact waste annually while our fly ash utilisation rates are pegged at 110 per cent. Additionally, the company has saved 7.5 million cubic metres of water over the past three years.

Indeed, the group's journey towards sustainability has been continuing for the past decade, which includes the commitment to responsible mining. Its emphasis on the future-looking green metal aluminium is driven by the global focus on renewables that will lead to a more mineral-intensive

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world. For instance, electric vehicles require six times more minerals compared to conventional ones. Likewise, onshore wind needs nine times more minerals than gas-field plants.

Considering these factors, Vedanta is working actively in promoting its philosophy of 'Transforming for Good', further integrating our commitments today's 'Zero Harm, Zero Waste and Zero Discharge' that had driven our endeavours

*The Vedanta group is driving innovations in moving towards a greener business model*

up until now. The Group remains wholly committed to making India and the world at large a better place to live by banking on the principles of social equity and impact, environmental care and good corporate governance practices.

Augmenting its pledge towards the future requirements of climate change, Vedanta is one of the 24 Indian companies that are signatories to the 'Declaration of the Private Sector on Climate Change' and committed to decarbonizing their operations by 2050.

Vedanta has also released the first Climate Change Report in line with the Taskforce on Climate-related Financial Disclosures (TCFD) – becoming the first Indian metals and mining company to do so. The collaboration with TCFD will bring in greater transparency in disclosure standards.

Through its ongoing climate commitments, Vedanta's efforts have resulted in ~14 million TCO<sub>2</sub>e of avoided GHG emissions since 2012, equivalent to a GHG intensity reduction of 20 per cent over that same time-period.

Of course, these reductions are only a drop in the ocean of universal climate change targets. Yet, let's not forget that every drop in the ocean will count if all stakeholders across communities, companies, cities and continents work in unison to achieve the planet's overarching climate change objectives. ♦

