

Chief Sustainability Officer Forum

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Board Room, Bombay Chamber
of Commerce & Industry, Mumbai

Hosting Partner



CHIEF SUSTAINABILITY OFFICERS' FORUM

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An increasing number of businesses recognize the importance of sustainability as they look to create long-term shareholder value and build competitive advantage. However, for sustainability to mature into an integral part of organizational structure and culture, and for organizations to reap tangible long-term benefits, businesses need to operationalize sustainability across the value chain – upstream, in-stream, and downstream. This process is undoubtedly loaded with challenges as businesses are forced to fundamentally rethink the way they operate. Sometimes, the business case for doing so is not apparent, and even when it is, corporates find it difficult to get sustainability projects off the ground for lack of the right kind of knowledge and expertise.

The 6th edition of the Chief Sustainability Officers' (CSO) Forum held on 11th June 2019 at the Bombay Chamber of Commerce and Industry (BCCI), Mumbai delved into the emerging trends and global developments in sustainability and how these trends and developments are shaping the sustainability strategies of businesses world-over. The day-long programme comprised a mix of sessions providing insights on the emerging challenges and opportunities in the context of sustainability and the ways and means to operationalize sustainability within businesses. The sessions delved into some of the tools, practices, methodologies and platforms for integrating sustainability across the value chain.

Attended by CSOs and senior sustainability executives from over 35 companies representing diverse industry sectors, the Forum witnessed the presence of *Mr Vijay Srirangan, Director General, Bombay Chamber of Commerce and Industry (BCCI)*. The Forum started with an overview of the National Guidelines for Responsible Business Conduct, 2018 (NGRBC) released by the Ministry of Corporate Affairs, Government of India in March 2019. The session delivered by *Mr Shankar Venkateswaran, Member – Drafting Committee, NGRBC and Consultant, TERI CBS* highlighted the country's transition from National Voluntary Guidelines (NVGs, 2011) to the more contemporary NGRBC, 2018 that acknowledge the changes in the Indian and international regulatory landscape. With the United Nations Sustainable Development Goals (SDGs) and business and human rights taking centre stage, the NGRBC, 2018 underscores the ambition for India-specific guidelines that meet global best practices along with meeting Indian realities.

The Knowledge Session provided insights on how companies are integrating sustainability into business strategy in the context of the emerging trends and global developments on sustainability. *Mr Randal Newton, Vice President - Enterprise Engineering, Ingersoll Rand* shared how the company embarked upon its sustainability journey by connecting its strategy to sustainability goals, and towards this end, how the company is integrating sustainability in its goods and services. *Mr K N Rao, Director - Energy & Environment, ACC Limited* shared how the Indian cement sector internalized the SDGs in its business strategy. The session highlighted the process adopted by the cement companies in India in designing and developing the SDG Roadmap for the Cement Sector, providing insights and nuances to develop roadmaps for other sectors.

Focusing on three key themes - 'retrofitting solutions to enhance energy efficiency in buildings', 'incentivizing resource efficiency in supply chain', and 'increasing share of renewable energy in a company's energy mix' - the Action and Consultation Sessions delved into the tools, practices, methodologies and platforms for integrating sustainability across a company's value chain, the incentives and triggers that are driving the implementation, the impacts, the challenges in implementation and the opportunities arising thereof.

Action and Consultation Session: 'Retrofitting solutions to enhance energy efficiency in existing building'

Efficient use of energy and its conservation management are of prime importance. Currently, for India, it is estimated that nearly 25,000 MW can be saved by implementing end-use energy efficiency. The concept assumes even greater importance in view of the fact that one unit of energy saved at the consumption level reduces the need for fresh capacity creation by more than 2 times. Energy efficiency measures avoid wasteful use of energy without much investment.

In a typical energy load consumption for a general building HVAC (Heating, Ventilation and Air Conditioning) constitutes more than 50% of the total load. Although this percentage varies, depending upon the design aspects of buildings especially typology and building envelope, still HVAC & lighting are the two major energy consumption components for which efficiency parameters play an important role for overall optimization of energy efficiency. Nationally, buildings account for more than 40% energy use and it is estimated that electricity consumed annually by existing buildings today is more than the total electricity consumed by all buildings that will be constructed over the next 20 years.

Design strategies for energy-efficient buildings include reducing loads, selecting systems that make the most effective use of ambient energy sources and heat sinks, using efficient equipment and effective control strategies. An integrated design approach is required to ensure that the architectural elements and the engineering systems work effectively together.

The session delved into how energy efficiency in existing buildings could lead to health and social benefits, energy savings, energy security, industrial productivity, climate change mitigation, energy prices and improving the asset value. Focusing on the policy landscape in India, the participants discussed the compliance and rewards mechanism in order to ensure higher adoption. Deliberating on the recommendations of the National Mission on Sustainable Habitat and Energy

Conservation Building Code for achieving energy neutrality in buildings, the session reflected upon the lessons learnt so far in terms of what has worked and what does not.

The discussions under the theme revolved around - exploring ways for further reducing energy consumption in a building by maintaining or improving various levels of comfort in the building; the impact of energy optimization through reducing the heating and cooling demand, lighting, heating water, office equipment and appliances; and the challenges and opportunities in achieving the net zero building transition. *Mr Aalok A. Deshmukh, Director – Energy Efficiency, Schneider Electric India* provided insights on the tested tools and methodologies available in the market to enhance energy efficiency in existing buildings. Along with exploring some of the low-hanging opportunities, the session also deliberated on the incentives and triggers that are driving the implementation of retrofitting in the existing buildings.

Action and Consultation Session: 'Incentivizing Resource Efficiency in supply chain'

The concept of resource efficiency is based on the life cycle perspective. In other words, there are opportunities for achieving resource efficiency at different stages of the life cycle. A systematic transition towards a resource efficient economy implies the need for having quantifiable indicators, supported by a robust monitoring and evaluation framework that can track resource consumption along the value chain of commodities/products and help to learn the associated impacts on the environment. In other words, at different stages of the value chain of a product, it is important to understand the amount of raw materials that are extracted/consumed, the volume of waste that is generated and the output that will fetch revenue in the market.

With this background, the session delved into the importance of integrating sustainability considerations more deeply into the fabric of a company and its supply chain while incentivizing resource efficiency improvements. The speakers and participants sought to answer questions such as how a company can achieve its supplier's adherence to sustainability standards in order to safeguard its global competitiveness, minimize its risks and create long-term business relationships with its value chain.

In this context, *Mr Atin K. Tyagi, Project Lead - Sustainability, Climate Change and Water Management Systems, Jain Irrigation Systems Limited* presented the sustainable value chains developed by his company that have successfully changed its suppliers' mind-sets by proving the sustainability business case and providing them value and rewards, thus ensuring adoption of resource efficiency measures by its suppliers. The participants were provided insights on some of the tested solutions on adoption of Resource Efficient Cleaner Production (RECP) practices leading to greening of the supply chain, while deliberating on the challenges and opportunities arising following this transition.

Action and Consultation Session: 'Increasing share of renewable energy in energy mix'

In view of the outcome of climate negotiations at COP21 and India's commitment to address climate change through its Nationally Determined Contribution (NDCs) so as to achieve about 40 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030, a harmonious confluence of state and corporate actions is imperative to plan, execute and achieve India's stated climate goals. Indian businesses are increasingly getting more proactive in

deploying climate-friendly initiatives - either as a part of voluntary measures, core business operations, CSR, or under various government schemes. For business entities, right selection of renewable energy systems can significantly lower electricity expenses and also help to meet their sustainability goals or renewable purchase obligation (RPO).

With this idea, the session delved into the key points to be addressed while evaluating the business case for renewable energy, the potential and emerging options for increasing the share of renewable energy in energy mix; and in that context, how an organization could leverage their PPAs for financially viable and clean energy options. Subsequently, the session provided insights on the business models and options for creating a renewable energy roadmap. *Mr C M Verma, Asst. Vice President, PTC India Limited* highlighted the importance of planning and strategizing a renewable energy implementation plan, and the key considerations to be looked into while drafting the implementation plan. He also shared insights on the basis for selecting a partner for formulating a renewable energy plan, and deliberated on the key issues in operationalizing the selected plan.