

INDIA SUSTAINABILITY LEADERSHIP SUMMIT 2019

Frost & Sullivan and The Energy and Resources Institute (TERI) Initiative

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'Now is the time – embracing solutions that transform our future choices'

Our choices of the past have left the world today ridden with the most pressing challenges of all times – the rising socio-economic disparities among people, the global health risks, the mounting pressure on earth's finite resources, besides others and the greatest of all - climate change. With these unprecedented challenges glaring in its face, the world today needs new and robust solutions that are innovative and disruptive. The resource-intensive and unsustainable production and consumption patterns of yesterday can “no longer sustain the world of today”.

One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. While developments in knowledge and technology are contributing to economic development, they also have the potential to help resolve the risks and threats to the sustainability of our social relations, environment, and economies. New knowledge and innovations in technology, management, and public policy are challenging organizations to make new choices in the way their operations, products, services, and activities impact the earth, people, and economies.

The urgency and magnitude of the risks and threats to our collective sustainability, alongside increasing choice and opportunities, will make transparency about economic, environmental, and social impacts a fundamental component in effective stakeholder relations, investment decisions, and other market relations. To support this expectation, and to communicate clearly and openly about sustainability, a globally shared framework of concepts, consistent language, and metrics is required.

Recognizing the need to urgently shift to sustainable and resilient models of growth, nations across the world adopted the *2030 Agenda for Sustainable Development*, in the year 2015, committing to the challenge of delivering enhanced human well-being, inclusive and sustainable economic growth, while preserving the planet and its finite resources. The *2030 Agenda for Sustainable Development*, through its 17 *Sustainable Development Goals*, calls upon the nations to take bold steps that transform their future choices. On one hand, there are immense challenges in the realization of these goals and targets, but on the other, the current times also provide greater opportunities to leverage innovative approaches and disruptive models to achieve these goals. The *Sustainable Development Goals* encourage us to critically rethink our current approaches to tackle the social, economic and environmental challenges on the road to 2030. Increased emphasis will now be on developing and transitioning to economic systems that delivers enhanced human well-being through sustainable consumption of primary resources.

While the Governments will have the primary responsibility for implementation, follow-up and review of their progress at national, state and regional levels, the role of businesses cannot be undermined in steering and shaping this transition. The 2030 Agenda recognizes the role of the ‘diverse private sector, ranging from micro-enterprises to cooperatives to multinationals,’ in realization of the outlined goals and targets.

With this background, the 2019 edition of the *India Sustainability Leadership Summit* themed “*Now is the time – embracing solutions that transform our future choices*” explored the imperatives of innovative solutions and business models for addressing sustainability challenges in emerging economies, in the context of the *Sustainable Development Goals* and the *2030 Agenda for Sustainable Development*.

The day-long Summit comprised a mix of sessions providing industry and academic perspectives on the theme and its relevance in the context of India - a developing economy - along with providing hands-on experience on real time situations and sustainability challenges; and engaging the participants in devising practical and effective solutions and business models addressing these challenges.

SESSION: In-conversation with Lord Adair Turner, Co-Chair, Energy Transitions Commission and Ms Josa Kärre, Counselor, Trade, Economics & Cultural Affairs, Embassy of Sweden

Moderated by: Dr Ajay Mathur, Director General, TERI



Session Overview: The session delved into:

- The need for critically rethinking our current approaches to tackling the sustainability challenges on the road to 2030; and developing and transitioning to economic systems that deliver enhanced human well-being through sustainable consumption.
- The role of Energy Transitions Commission (ETC) in transforming the “hard-to-abate” scenarios to “hardly-to-abate” scenarios, in the context of the Indian industry; and its role in terms of financing, business models and access, in unlocking tomorrow’s technologies in India to accelerate the change towards low-carbon energy systems that enable robust economic development and limit the rise in global temperature to well below 2°C.
- The role of India-Sweden cooperation in creating a conducive policy environment to effect the transition to innovative and robust models of sustainable growth.

Key Points

- Sustainability as a term connotes different meanings to different people; and sustainable relations with neighbours, technology, and sustainable consumption are the new approach to sustainability.

- Everyone has a role in driving sustainability, including the government, that has a set of responsibilities, and the consumers who are an important stakeholder and must be included in this new development. The combined efforts of individuals along with a visionary government are key to driving sustainability. In Sweden, the government and the private players entered into a partnership for a sustainable future, with the government taking the leadership role that resulted in the formulation of certain procurement policies in the country.
- Sweden is keen on taking sustainability measures, as part of the Indo-Sweden collaboration.
- Per the “Mission Possible” report, it is absolutely possible to achieve net zero emissions in all sectors including cement, plastics, petrochemicals by 2050, and that too at a manageable cost.
- There are few challenges in driving this –viable energy inputs, vision globally and national vision, and transition paths for next 5 years need to be defined.
- The upcoming UN Climate Summit in September 2019 will work on sectoral commitments and country-wise commitments for the 2050 mission and also on the roadmaps to achieve this goal.
- De-carbonization of power systems is the need of hour. In marine sector we can use either biofuels in existing engines or ammonia with required changes in engine design. We need integrated strategy for EV infrastructure like charging points. Renewable plus storage will be cheapest option by 2020.
- As we talk about reducing carbon emissions, phasing out nuclear energy completely will need some more thoughts.

CEO Panel: Moving the needle up on the sustainability ambition scale



Session Overview: The world today is witnessing a paradigm shift on how the future will shape. The adoption of the 17 Sustainable Development Goals (SDGs), covering economic, social development, and environmental protection, provide an opportunity for engagement and a new type of partnership to address the global challenges. Private sector investments and market-based solutions will be needed to achieve scalable and sustained impact in many sectors, while aligning with 2°C pathways to reduce exposure to climate risks. It is reported that the UN Global Goals for Sustainable Development offer a compelling growth strategy, opening up an economic prize of at least US\$1 trillion by 2030 for the Indian private sector.

The questions for the corporate leaders today are not whether or not sustainability adds value to their business, but how to integrate these considerations more deeply into the fabric of their organizations. The session provokes how leadership from Indian businesses can drive sustainable development by

incorporating the Global Goals into their core growth strategies, value chain operations and policy positions.

The session delved into the prerogative and means of weaving sustainability in the growth strategy of an organization.

Key Points

- The environmental footprint of data analytics and other technological advancements which we have achieved or will achieve in future will be huge. Three mega trends to look out for in the coming times include - cognitive era, fully autonomous cars, and flying shuttles.
- By 2030, companies will shift focus and develop products and technologies that innovate to zero, including zero-emission technologies such as wind power, traveling wave reactors, solar photovoltaic (PV), and 3rd-generation bio fuels.
- If we are able to market sustainability and combine it with pride, confidence, customer values, all will join this journey for a sustainable future.
- By 2030 there will be no fossil fuel; only alternate or bio-fuels generated from plastic waste or waste from other companies will be the picture of energy mix.
- For a sustainable industry future, the entire supply chain needs to be sustainable. Things which are outside the fence, such as consumers, must be included in the sustainability strategy of an industry.
- Recycling of steel can lead to energy savings of about 40%.
- Greening of power sector or energy mix by concentrated solar, renewables, floating solar can also help in achieving water conservation.
- The objective of sustainability review must be - safety, green energy, water footprint and energy efficiency.
- Training and cultural change should be in tandem with digital transformation.

Plenary Session: Is sustainability in business the new commercial normality?



Session Overview: Sustainability imperatives have emerged as an issue with direct impact on business results. Unlike traditional forms of business risk, social and environmental risks exhibit themselves over a longer term, often affecting business on many dimensions, and are largely outside the organization's control. Disruptions in the supply chain may affect production processes that depend on unpriced natural capital assets such as biodiversity, groundwater, clean air, and climate.

These unpriced natural capital costs are generally internalized until events like floods or droughts cause disruption to production processes or commodity price fluctuation.

Managing risks therefore requires making investment decisions today for longer-term capacity building and developing adaptive strategies. Progressive companies are already recognizing the need for business to operate in stable economies and that, conversely, growing inequality, poverty and climate and water risks are threats to almost any business model. If businesses are to protect their future supply chains and markets, it is vital these are addressed.

The session delved into the leadership examples that reveal how sustainability can no longer be disconnected from core strategy.

Key Points

- For business to be sustainable there needs to be a synergy between policy, technology, and businesses/industries. A push, in terms of policies, is required to enable the drive. Savings can be achieved by investing in technology.
- The OEMs, i.e. the original equipment manufacturers, pushing their suppliers to supply green products can drive sustainability in supply chain.
- Earlier flue gases were emitted to atmosphere because there were no regulations; nobody saw these as energy source. Resource management is the mantra of the time and energy requirements to the extent of 40-50% are now being met through waste gases in plants.
- A lot of work is going on in metallurgy which will replace steel by other materials which are light weight, of equal strength, and with less carbon footprint.
- For every one tonne of steel movement, four tonnes of raw material moves. Not moving raw material, but instead having processes at mining sites will reduce rail and road movement. Inland waterways will also be used more frequently.
- In many cases, instead of investing in new technology, better management of existing technology can lead to reduced emissions, which in turn can save huge costs.
- Investors have a great influence on the sustainability performance of a company. In several parts of the world, like the European Union, there are regulations for the use of pension funds for sustainability targets.
- Utility and oil sector can contribute majorly in achieving sustainability.
- Rather than focusing on financial performance or financial returns only, measures such as linking a CEO's compensation with the sustainability performance of a company will be the real commitment to a sustainable future.

Peer Interaction Session: Industry transformation to deliver emission reduction in line with IPCC 1.5



Session Overview: The session involved the delegates in discussing as to what can be defined as “clean growth” for the Indian industry; what current initiatives could be leveraged to design industry coalitions to meet the 1.5°C roadmap; and what were the challenges for developing such industry coalitions?

The discussions highlighted three areas of importance, namely, the requirement to include MSMEs (Micro, Small and Medium Enterprises), as they represented a large portion of industrial energy use and have less ability to finance transitional technologies; the need for industries across sectors to start conversations on how to come together to share best practices and experiences; and the need for more comprehensive monitoring of energy and emissions to provide all sectors with the information they need to benchmark progress and identify best practices.

Key Points

- It is possible to limit global warming to 1.5 °C, but CO₂ emissions must fall to net zero by 2050 by the developed nations and by 2060 by the developing nations. Decarbonizing electricity sector is the need of the hour to achieve sustainability.
- Achieving a zero carbon economy will require 4-5 times more electricity and 11 times increase in hydrogen consumption. An energy mix in zero carbon economy must be dominated by zero carbon electricity.
- We need to work sector by sector, country by country. Collaborations, i.e. partnership of industries in different areas of work, need to be established to achieve the common goal of sustainability. Means for easy transfer of technology that has the potential of decarbonizing the industry, from developed nations to India, need to be explored.
- Committing to reduction and driving volumes of new technology will help us get reduced costs.

Solutions Exchange: the changing landscape, emerging trends and drivers

Session Overview: The session provided industry perspectives and examples on the emerging trends in sustainability and the imperatives for businesses to align their philosophies and practices to these emerging trends in the context of evolving socio-economic, environmental and policy landscape at international, national and regional levels.

The session discussed Aditya Birla Fashion and Retail Limited's micro manufacturing units based on the hub and spoke model which focuses on the concept of moving from mass production to production from masses. The session also discussed on the techniques instrumental in making Mahindra & Mahindra's Igatpuri plant the first carbon neutral plant of India. Ingersoll Rand's innovative evaporative cooling jacket was also discussed during the session. The jacket uses water as a fuel and provides cooling by utilizing the heat to evaporate the water thus keeping the body cool.