

## RECOGNIZING THE NEED FOR SHIFT IN ORGANIZATIONAL MINDSET TOWARD SUSTAINABILITY

Many business groups are looking at 'Sustainability' as an increasingly important strategic tool. Embedding sustainability with economic benefit creation will redefine the business ecosystem by creating value for all stakeholders and building a safer environment and a stronger community.

All businesses to look through their goals and objectives, to understand how dynamic a role they can play in making the earth a green, safe, and pollution-free haven. Accentuating the need to take planet-friendly steps to fulfil this need. ET EDGE Sustainable Organisations 2023 held on 20th June in Mumbai accelerated a



new kind of leadership and strategy at the forefront of the new business logic, which integrates sustainability, net zero ESG goals in planning. It acted as a powerful forum for shared learnings, cross-sectoral interaction, and analysis expertise to accelerate progress, delivered by proactive cooperation for scalable results.

Speaking at the summit, Nadir Godrej, Chairman, Godrej Industries & Godrej Agrovet said "Businesses slowly realized that profit is a short-term gain, and being sustainable is a long-term goal and they need to work towards accomplishing it. The need is to work around embedding ESG into the business goals and focus on accomplishing it through collective and green

efforts. An enabling global policy will enable us to truly decarbonize collectively." Voicing her thoughts through a special address on One Earth, One Family and One Future - Setting the world agenda, Shweta Shalini, State Secretary, Bhartiya Janta Party asserted Sustainability is not possible without the efforts of each one of us. It is all about inclusivity.

## We are driven by our philosophy of "Do Good, Do Well" to build a better planet

**Aun Abdullah, Head- ESG, Lodha** cites that embedding sustainability with economic benefits can redefine the business ecosystem by aligning business practices with environmental and social goals.

### How can embedding sustainability with economic benefits redefine the business ecosystem and create value for all stakeholders?

Embedding sustainability with economic benefits has the potential to redefine the business ecosystem and create value for all stakeholders by fostering a more holistic and long-term approach to business practices. When businesses prioritize sustainability, they can achieve positive environmental and social outcomes while also generating economic value. This integration of sustainability and economic benefits can have several transformative effects:

- Enhanced reputation and brand value:** Embracing sustainability allows businesses to differentiate themselves and build a positive reputation among customers, investors, and employees. This can lead to increased customer loyalty, improved employee morale, and attraction of socially responsible investors.
- Cost savings and efficiency gains:** Sustainability initiatives often involve resource optimization, waste reduction, and energy efficiency measures. These efforts can result in reduced operational costs, increased productivity, and improved supply chain resilience, contributing to economic savings and competitiveness.



- Innovation and market opportunities:** Embracing sustainability can drive innovation as businesses seek new solutions, technologies, and business models that align with environmental and social goals. This can open up new market opportunities, enable product/service differentiation, and help businesses stay ahead of regulatory changes and consumer demands.
- Risk mitigation and long-term resilience:** By integrating sustainability into their operations, businesses can better anticipate and mitigate risks associated with climate change, resource scarcity, and changing consumer preferences. This proactive approach can enhance long-term resilience and safeguard against future disruptions.

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### How can businesses actively contribute to create an environmentally friendly, safe and pollution-free planet?

- Collaboration and stakeholder engagement:** Embracing sustainability often involves engaging with various stakeholders, including suppliers, customers, communities, and NGOs. This collaborative approach fosters trust, strengthens relationships, and enables the co-creation of solutions, resulting in shared value creation.
- Businesses can adopt sustainable practices and take proactive measures to minimize their environmental impact.** At Lodha, we are driven by our philosophy of "Do Good, Do Well" to deliver on our vision of "Building a Better Life". Our initiatives to grow responsibly have resulted in us being ranked amongst the best companies in leading global sustainability benchmarks.
- We tackle climate change through our strong focus on decarbonization and resilience.** We strive to achieve workplace diversity & inclusion, empower women and unleash the

- potential of young minds to help build our nation stronger.** Here are some ways in which Lodha actively contributes to this goal: Lodha is on the path to be net zero in Scope 1 and 2 categories by FY24; Lodha has aligned their Scope 3 net zero roadmap with the 1.5 degrees C ambition, committed on Science Based Targets initiative (SBTi)
- Launched Lodha Net Zero Urban Accelerator in partnership with RMI in 2022**
- Exceptional performance in leading global ESG benchmarks and assessments** like the Global Real Estate Sustainability Benchmark (GRESB), S&P Global Corporate Sustainability Assessment, Sustainalytics by Morningstar, World Benchmarking Alliance, FTSE4Good, etc.
- All projects, across residential, commercial and industrial are designed as per IGBC, USGBC LEED Gold or Platinum standards, as applicable, with more than 25msqft already certified.** On track to cross 100msqft by 2027
- Part of Xynteo's 'Build Ahead' a business-led coalition, dedicated to collectively tackling the challenge of achieving a net-zero built environment**
- Signatory to WRI led business charter, 'value-chain approach to decarbonizing the building and construction sector in India'**

## Organizations should consider prioritizing sustainability as one of the core business models

**Lakshmi Narayanan B, Chief Marketing Officer, CEAT** believes that economic sustainability allows businesses to identify ways where the organization can improve their sustainability measures

### How can embedding sustainability with economic benefits redefine the business ecosystem and create value for all stakeholders?

The UN has identified 17 Sustainable Development Goals (SDGs) which are well defined broad-based areas of improvement for making the planet sustainable and habitable for future generations to come. Economic sustainability allows businesses to identify ways where the organization can improve their sustainability measures and reduce their carbon footprint to adhere to new environmental regulations as well as attract new customers and investors. In business ecosystem, we have been at the fore front in conforming to the new BEE (Bureau of Energy Efficiency) rating norms for tyres, while this is a voluntary exercise initiated by the government, we have proactively initiated this process with many of our products rated 5 star under BEE enabling better fuel mileage for the consumers. To create a win-win situation for all stakeholders, one of the many examples of our initiatives include improving the quality of air around our Bhandup plant. Even though the suspended particulate matter (SPM) was much below the legal limit, we initiated various measures like strengthening of



bag house, installation of electrostatic precipitator, increasing the capacity of multi cyclone separator and many more to reduce SOX, maintain SPM at minimum level and increase consumption of biomass fuel thereby creating value. Organizations should consider prioritizing Sustainability as one of the core business models and think towards smart product design, conservation of resources in operations, reduce energy intensity across the value chain and promote circular economy. By doing so, they can create a differentiation in their products and services leading to safeguarding consumer interests and driving greater satisfaction.

## Senior leaders must endorse sustainability priorities and their impact

**Jeevaraj Pillai, Jt. President, Flexible Packaging Business & New Product Development, UFlex Ltd.,** believes that for companies to embrace sustainability, leadership must include it as a core component of corporate strategies

### What leadership strategy is required for effectively incorporating sustainability and net-zero ESG goals into an organization's future business planning?

Business leaders walk a tightrope between meeting stakeholder expectations and delivering profitable growth. However, while sustainability strategies might be an investment in the short term, they can lead to long-term benefits including brand loyalty and competitive advantage.

For an organization to truly incorporate sustainability as a part of its future business planning, it is imperative for the



senior management to include sustainability as a core component of its corporate strategy. Senior leadership must make decisions on capital

allocation, R&D funding, and product portfolios aligned with its sustainability vision and should approach sustainability as any other large-scale change program. To ensure adoption across the organization, it's important to be clear about sustainability priorities and to cascade both short and long-term goals to the whole organization and to external stakeholders.

Senior leaders should also design an organizational structure that will help deliver on the sustainability vision and enable the company to create value and manage sustainability risks in a systematic and transformational manner.

## By adopting sustainable practices, companies can create value for stakeholders

**NG Subramanian, Group Chief Financial Officer, Antony Waste** stated that by adopting sustainable practices, organizations can create value for all stakeholders, including shareholders, customers, employees, and the community

### How can embedding sustainability with economic benefits redefine the business ecosystem and create value for all stakeholders?

Integrating sustainability into business operations has the potential to redefine the business ecosystem positively. By adopting sustainable practices, organizations can create value for all stakeholders, including shareholders, customers, employees, and the community. This integration can bring numerous benefits. Firstly, businesses can reduce waste and emissions, using sustainable



materials, improving energy efficiency, and cutting transportation costs. Secondly,

investing in renewable energy sources reduces reliance on fossil fuels and improves environmental impact. Thirdly, supporting circular economy practices and services enhances customer loyalty and improves reputation. Additionally, reduced costs and risks, increased innovation, and attracting top talent are further advantages. By embedding sustainability with economic benefits, businesses not only contribute to environmental preservation but also secure long-term success and a more sustainable future for themselves and the planet.

## Energy-efficiency will be the key in accelerating India's Net-zero ambitions

**Ravichandran Purushothaman, President, Danfoss India Region** shared how the organization is helping customers in their decarbonization journey.

### How does your business look at sustainability as an important strategic tool? What key steps have been taken in that direction?

At Danfoss, sustainability is at the core of our business. We believe that energy-efficiency will be the key in hastening climate action, and ESG initiatives the tipping factor for

businesses to become sustainable. Through step-change initiatives on decarbonization, circularity and DE&I, Danfoss is walking the talk and making steady progress towards net-zero targets. We have switched to renewables primarily and implemented several green & smart measures that improve



energy efficiency across our operations and help us be carbon neutral by 2030. Our mantra to Reduce-Reuse-Resource energy helps us offset 12k+ tons of CO2 per annum at our Chennai campus & become carbon neutral ahead of target at our global HQ Denmark Nordborg campus, as on Dec 2022. Through our products &

solutions, we also help our customers in their decarbonization journey. Danfoss SBTi targets, Climate Actions supporting RE100, EV100 & EP100 and our work as knowledge partner for UN SE4All helps in our aim to provide sustainable & affordable cooling/heating solutions for customers across the globe.

## INDUSTRY PERSPECTIVE

**AKSHAT SETH**  
 MD & CEO, HIL Limited



At HIL, sustainability is at the core of our business. We view it not just as a responsibility but as an essential part of our strategy and operations. We actively engage our employees in sustainability initiatives, fostering a collective sense of responsibility & accountability. We are also working towards reducing our carbon footprint - energy-efficiency, waste reduction, water conservation as part of our specific targets. Introducing the next generation of building materials and solutions that are eco-friendly and help to drive sustainable construction practices.

**ROHIT CHANDRA**  
 MD & CEO, OMC Power



The path to sustainability and inclusivity hinges on addressing key challenges of Gender diversity, Infrastructure development and Sustained rural economic growth. It needs empowering women and bridging the gender gap, while promoting economic equality for all. Infrastructural development with a focus on robust transportation networks, renewable energy, and efficient waste management is key for sustainability. Not to forget, rural development demands access to basic amenities, quality education, and livelihood opportunities.

**SURESH SUNDARARAJAN**  
 Co-founder & Director  
 Mindsprint & CEO - NUPCO Ventures



As a solutions and transformation partner for global organizations, Mindsprint has invested in end-to-end sustainability and traceability platforms across geographies and product categories. We have built a comprehensive sustainable sourcing platform delivering 150+ metrics to customers' fingertips across 30+ countries and -50 product categories, thereby helping our customers measure the impact across the ESG spectrum.

**GIRISH TANTI**  
 Vice Chairman, Suzlon Energy Limited



At Suzlon, sustainability is a commitment and doing business responsibly is a fundamental principle that guides our actions. As a leading renewable energy group, we are mindful of the impact of our business operations on the environment, thereby making improvement on the pillars of ESG by balancing natural, social, human and financial resources is a continuous business practice that creates long-term value for our stakeholders.

**POOJA SHETH MADHAVAN**  
 MD & Founder, Limelight Diamonds



Setting ESG goals can only be meaningful if the implementation and execution of it is done right. Motivating the entire team and all the stakeholders to align their corporate objectives to net zero goals is the first step towards this direction. To be able to introduce actionable measures that can be quantified and held accountable is the most effective way for any leadership to be able to achieve their sustainability targets.

**RAVI DUGAR**  
 Director, PS GROUP



Embedded sustainability efforts certainly make a positive impact on business performance. It enhances the property value, reduces operating costs and improves brand reputation. In turn attracts socially responsible investors and end users. Research shows improving ESG performance also increases employee loyalty and productivity. All of this leads to long term financial stability besides building a sustainable future, born of our common concerns for the planet we share.

**JINENDRA KUMAR JAIN**  
 National Head - Plantation and Special Projects,  
 Greenply Industries



"It is indispensable for businesses today to recognize that sustainable practices are closely related to continuing profitability and societal well-being. By engraining sustainability with fiscal benefits, industries can redefine the ecosystem and create value for stakeholders. It's a tactical choice that drives productivity, modernization, and pliability. Accepting renewable energy sources, applying circular economy models, and reducing waste not only diminishes our ecological footprint but also drives cost savings bringing operational efficiency to our businesses."

**FREDERIC WIDELL**  
 Vice President & Head of South Asia & MD India, Oriflame



Our goal is to foster business opportunities for our Brand Partners while upholding our commitment to responsible environmental stewardship. We demonstrate this through various environmental initiatives, including the utilization of renewable energy in our operations and the implementation of innovative packaging solutions. We prioritize the evaluation of our ingredients from a safety and sustainability standpoint, assessing their natural origin, environmental and ethical impact, as well as their traceability to minimize the risk of deforestation.

**H K AGARWAL**  
 MD, Grasim Industries Limited



Embedding sustainability with economic benefits will redefine the business ecosystem in many positive ways - it would make the sustainability initiatives attractive for the businesses rather than being one of forced compliance pressure. This will foster more innovation, create win-win situations for all stakeholders. This is the only way to go!

**RISHI CHAWLA**  
 Vice President, Corporate Affairs, Carlsberg India



At Carlsberg India, our global ESG goals 'Together Towards Zero & Beyond' are an integral part of our business operations. Our net zero goals are implemented through multiple initiatives and innovations across our breweries, offices and the community. We believe sustainability is an opportunity to shape a better future that minimizes environmental impact and helps us brew for a better today and tomorrow."

**MAULIK MEHTA**  
 CEO & Executive Director, Deepak Nitrite Limited



Sustainability in manufacturing is about making more by using less. This impetus will allow industries to cater to the growth in consumption in the most effective and efficient manner possible.