



ORIGINAL RESEARCH PAPER

Commerce

**FOOTSTEPS FOR SUSTAINABILITY:
INITIATIVES BY INDIAN COMPANIES**

KEY WORDS: Sustainability, Sustainable development, Indian companies, core strategic priority

Gitu Nijhawan

Assistant Professor, P. G. D. A. V. College, University Of Delhi

ABSTRACT

It has become a need of an hour to address social and environmental challenges by redefining business strategies and policies for sustainable products, practices and technologies. The initiatives of developing new and innovative ways of doing business for their sustainable development through socially responsible and environmentally friendly practices are known as Sustainability practices. Though the concept of sustainability is not new in India, but companies are not considering it as a core strategic policy. Several business leaders have started adopting holistic approach for sustainable development. An attempt has been made in this paper to evaluate such initiatives for sustainable development of companies in India.

INTRODUCTION

Sustainability is “the ability to meet the needs of present without compromising the ability of future generations to meet their needs”. The term “sustainable development” was first coined in Brundland Report (1987) by United Nations World Commission on Environment and Development. John Elkington postulated the best-known framework of “Triple Bottom Line” which highlighted the importance of three pillars- “People, Planet, Profits”. This approach emphasized that to grow the financial bottom-line of any company, it must understand and manage the social and environmental aspects of being in business. With the growing pressure of social and environmental awareness and protection, the United Nations Conference on Environment and Development (UNCED) held at Rio de Janeiro in 1992 brought a comprehensive plan of action- “Agenda 21”- which addresses the pressing problems of today and aims at preparing the world for the challenges of next century. The number “21” in the name denotes the 21st century which marks the beginning of a new global partnership for sustainable development. Now United Nations has started working on “Agenda 2030” for promoting 17 sustainable development goals (SDGs).

Sustainable development is “the process of achieving human development... in an inclusive, connected, equitable, prudent and secure manner.” In order to unleash the next wave of innovation and growth, organizations must take initiatives to redefine capitalism through addressing the social and environmental challenges of society. Organizations need to understand the importance of considering sustainability as the core strategic priority for long term success and survival.

SUSTAINABLE DEVELOPMENT IN INDIA

As per WWF-India report, 2019, we are depleting the earth's natural capital by using natural resources at 1.5 times the rate at which nature can replenish them. There is a need to recognize the role of business and industry for maintaining critical ecological balance. It becomes the core responsibility of businesses to ensure that they use natural resources and ecosystem sustainably. Such socially responsible and environment friendly initiatives and practices are known as Sustainability practices.

The idea of sustainable development is not new in a developing country like India. To focus more sharply on environmental awareness and protection, Ministry of Environment and Forests came into force in 1985 along with several other legislative laws. Government implemented amendments in Companies Act, 2013, after which India became the first country to make Corporate Social Responsibility (CSR) compulsory for every company with a net worth of INR 500 crore (US \$70 million) or more, or an annual turnover of INR 1000 crore (US \$140 million) or more, or net profit of INR 5 crore (US \$699,125) or more, to spend 2

percent of their average net profits of three years on CSR. These initiatives gained the attention of both public and private sector organizations. Though several companies realize that corporate sustainability is important for financial growth but still the concept of has not been realized as the core strategic responsibility. Initiatives by corporates are just for the sake of regulatory compliance and not for core sustainability.

INITIATIVES OF INDIAN COMPANIES

Over the past decade, many leading Indian corporates started embracing holistic approach for sustainable development. Many visionary CEOs along with their teams implemented major internal campaign to build balance between human action and nature with emphasis on resilience and future stability. They are redefining business strategies and policies for sustainable products, practices and technologies. They are adopting “Circular Economy” which aims to reuse the waste of a company/product as a resource for another company/product. This approach demands both personal and systematic change in human behaviors to nudge society towards stability and sustainability.

1. Tata Group companies

Tata group, an Indian multinational corporation, with its 28 publicly-listed Tata enterprises have combined market capitalization of about \$145.3 billion as on 31st March, 2018. It emphasizes on five core values of integrity, responsibility, excellence, pioneering and unity. The initiatives for sustainability at Tata enterprises aim at three approaches for “Make a Difference” policy: (a) To your business; (b) Through your business; and (c) Together with us. Some of the initiatives are:

- *Tata Sustainability Leadership Programme (TSLP)*- In collaboration with Cambridge’s Institute of Sustainability Leadership (CISL) took initiatives to sensitise participants regarding environmental, business and social sustainability
- *Closing the loop: Circular economy in action*- Company adopted five business models and three business technologies with the collection of 10 resource efficiency principles to implement circular economy principles
- *Making Waves: Water Footprint Assessment*- Tata Group adopted structured approach in partnership with International Financial Corporation (IFC) and Water Footprint Assessment (WFA) to develop water sustainability strategies
- *Climate Change Initiatives*- Adopted energy efficient systems; creating green data centres; first Green heritage building in India to be certified with IGBC Gold Rating; using renewable sources
- *Tata Sustainability Assessment Framework: Self Diagnostic Tool*- recognizes, monitors, communicates and share best practices on sustainability
- *Tata Affirmative Action Programme (TAAP)*- focused on

4E's-employment, employability, entrepreneurship and education of disadvantaged sections of society

- *Tata Disaster Management Framework*- Physical and technical support provided to overcome aftermaths of any disaster
- *Tata group Volunteering Performance Report FY19*- Company volunteers for their employees to serve communities.

2. Infosys Ltd

Infosys, a global leader in technology consulting and outsourcing services, provides next generation digital services. On the journey of digital transformation, Infosys becomes 'Live Enterprise' which responds to the rapidly changing requirements of customers, society and environment. With its endeavors to adopt responsible business practices across economic, social and environmental parameters, Infosys initiated numerous sustainable steps:

- *Green Initiatives*- Under USGBC LEED categorisation, Infosys achieved 19 million sq. ft. Green Building footprints with 7.5 million sq. ft. certification in-progress
- *Water Conservation*- With the approach to reduce usage, recycle 100% and reuse treated water Infosys achieved the target of almost 60% reduction in fresh water utilisation by fiscal 2019
- *Waste management*- Company adopted numerous waste management technologies- solar assisted sludge dryer, biogas plants, natural or recycled raw material for packaging, organic waste converter, etc.
- *Energy Efficiency*- Taken up critical retrofit projects for resource conservation and technological upgradation. With the target of 3.98% year-on reduction, Infosys is able to reduce per capita electricity consumption to 55.5%
- *Renewable Energy*- Almost 50% of energy requirements met by renewable resources, Infosys became the only Indian company to be on the prestigious 100 RE list.
- *Carbon Emission*- Implemented community-based offset projects in tune with UN SDGs which resulted in generating offsets over 300,000 tCO₂e thereby benefiting over 100,000 families as on 31st March, 2019
- *Plastic Free Campus*- Infosys pledged to make its campus free of single use plastic by 2020
- *HALE*- Categorized under four pillars i.e. Health, Safety, Leisure and Emotional Wellbeing proactive approach for overall wellbeing of employees with increased awareness of good health, reduced stress and better productivity.

3. Vedanta Resources Ltd

Vedanta is a diversified global natural resources company with the core goal to "create long term value for all stakeholders through research, discovery, acquisition, sustainable development and utilisation of diversified natural resources." They remain committed to be "zero-harm, zero-discharge and zero-waste" workplace with reduced environmental footprints, carbon intensity and dependency on renewable energy sources. Some of the initiatives for sustainability:

- *Vedanta Sustainability Development Framework (VSF)*- developed to adopt best practices of global sustainability management aligned to IFC, ICMM, GRI, etc. It comprises 8 policies; 58 Standards and Guidance notes; and robust internal and external monitoring.
- *Vedanta Sustainability Assurance Programme*- a tool to assess the compliance of all activities of business with Vedanta Sustainability Framework
- *Carbon Forum*- Energy and Carbon Management Policy to minimize greenhouse gas (GHG) emissions and manage carbon footprints
- *Zero Technical Flaring*- In line with the "Zero Routine Flaring by 2030" initiative by World Bank, Vedanta adopted various GHG eliminating technologies
- *Efficient Energy Consumption*- includes improved pot line efficiencies, better load balancing, use of LEDs, use of

captive power plants, etc.

- *Green Energy*- 1635 million units of energy generated by renewable sources including solar and hydra power
- *Environmental & Tailings Dam Management*- With 17 active and one closed tailing management facilities (TMFs), Vedanta initiated "Zero harm, Zero discharge and Zero waste" policy
- *Turning Waste into Substitute raw material*- Over 300,000 MT of slag used for cement manufacturing and road construction leading to reduced CO₂ emission; replaced virgin red ochre and limestone; and alternate use of several hectares of land

CONCLUSION

Given the level of social and environmental risk in India and world, it has become a need of an hour for corporates to understand their responsibility to create a dynamic ecosystem by redefining business strategies and policies for sustainable products, practices and technologies. This will provide an opportunity to companies to "jump the curve" and amplify its impact by reducing costs, improving financial bottom-line and well-being of all stakeholders. Corporate sustainability needs to be considered as prudent risk management strategy for their long-term success and survival. As they are committed to build trust and live up to the expectations of their stakeholders, many visionary business leaders are continuously redefining their operations to optimize their performance along the value chain. It is the society which comprises all stakeholders required for the legitimacy of its survival; and the environment which provides its key resources. Such practices provide them an opportunity to develop competitive advantage and unleash the next wave of innovation and growth through socially responsible and environment friendly practices.

REFERENCES

1. <http://www.tatasustainability.com/>
2. <https://hbr.org/2011/01/the-big-idea-creating-shared-value>
3. https://www.ic.gc.ca/eic/site/693.nsf/eng/h_00019.html
4. <https://www.infosys.com/>
5. <https://www.infosys.com/newsroom/features/Pages/sustainability-report-2018-19.aspx>
6. <https://www.infosys.com/sustainability/Documents/infosys-sustainability-report-2018-19.pdf>
7. <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Corporate-Social-Environmental-Sustainability.pdf>
8. <https://www.strategy-business.com/article/Making-Indian-businesses-sustainable?gko=f72e8>
9. <https://www.tata.com/>
10. <https://www.vedantaresources.com/VedantaDocuments/VedantaSDR2018-19.pdf>
11. https://www.wfindia.org/about_wwf/making_businesses_sustainable/