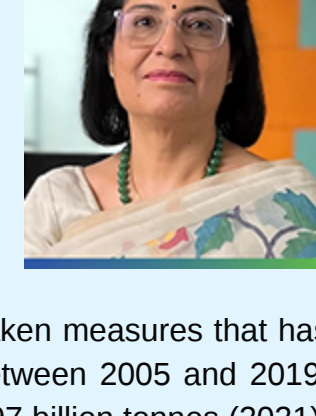




Dear Stakeholder,

The month of May was marked by general elections in two of the largest democracies - India and Mexico. Two countries with similar cultural & family values, rich biodiversity, and more importantly, their vulnerability to climatic conditions. However, the similarities end there.



The Government of India, along with the support of Industry and Civil Society, has taken measures that has resulted in milestones such as: 33% Reduction in the emission intensity of GDP between 2005 and 2019; 43.8% Non-fossil electric installed capacity (2023) and an additional carbon sink of 1.97 billion tonnes (2021). New policies and schemes have enabled integration of sustainability and inclusivity in all aspects of our life, be it our lifestyle, the way we work, consume or even the way we transact.

However, Mexico, struggling with deforestation and climate change, has found it difficult to implement actionable pro-environment solutions. For the first time, the people of Mexico have voted for a woman leader to be their President. Claudia Sheinbaum is a climate scientist and energy engineer. In fact, in 2007, she participated in the IPCC report that won the Nobel Peace Prize. It will be interesting to see how the new leader, with a background in climate and environment sciences, deals with the threat of climate change and nature loss.

I also have some important news to share with you. To build resilience of the Indian textile sector to counter shocks from geopolitics, climate change and global trade regulations, the Ministry of Textiles is exploring a host of solutions and strategies. The Ministry also hopes to make India the largest global textile hub for sustainable and circular textiles. To contribute to this innovative ecosystem, assist Indian textile firms in their sustainable development journey and encourage integration of sustainable solutions among MSMEs and Value Chains across the textile sector, CII has engaged with the Ministry of Textiles to facilitate the development of a 'Sustainability Policy for the Textile Sector' through research & analysis, stakeholder engagements and capturing best practices.

I hope you find this edition of the newsletter relevant and insightful.

Thank you,
Seema Arora
Deputy Director General
Confederation of Indian Industry

Policy & Regulatory Update

SEBI Seeks Suggestions for Easing ESG Compliance

On May 22, 2024, SEBI shared the Consultation Paper on the Recommendations of the Expert Committee for Facilitating Ease of Doing Business with respect to Business Responsibility and Sustainability Report (BRSR) and has sought recommendations from stakeholders on it. The paper includes proposals in the areas of ESG disclosures for value chains, green credits disclosures in BRSR and replacement of 'Assurance' with 'Assessment'. CESD is in touch with Members to share their recommendations and viewpoints.

Stakeholder Engagements

Deliberations on Unlocking Climate Transition Finance

The plenary session on financing climate transition during the CII Annual Business Summit saw eminent speakers such as N K Singh, Member, High-Level Committee on Simultaneous Elections; Co-Convenor, G20 Expert Group on MDB reforms; President, Institute of Economic Growth and Chairman, 15th Finance Commission of India; Suman Berry, Vice Chairman, NITI Aayog; H.E. Pankaj Khimji, Foreign Trade and International Cooperation Adviser, Ministry of Commerce, Oman; Sanjiv Puri, then President Designate, CII and Chairman, Advisory Council, CII-ITC Centre of Excellence for Sustainable Development (CESD) and Chairman & Managing Director, ITC Ltd and Sumant Sinha, Chairman & CEO, ReNew. Unlocking private capital is key to meet the requirements of climate finance, said N K Singh. He also shared that it is important to recognize what makes private capital reticent, what can be done to minimize and mitigate the risks, including regulatory risks, so that they can contribute to climate finance.

Highlighting that climate finance is both about addressing mitigation as well as adaptation needs, Suman Berry suggested that perhaps clean technology projects could be bundled together along with capital from various sources to bring in greater private sector participation. Sharing his views, Sanjiv Puri stated that private capital will be mobilized essentially when it is assured of positive economic returns on its investments. Harmonizing policymaking to reduce friction will greatly help in making projects more financially viable from a business perspective, he added.

Exploring Opportunities & Challenges for Industry in India's Net Zero Ambition

The session on Net Zero India: Opportunities and Challenges for Indian Industry and Buildings, during the CII Annual Business Summit, highlighted India's need to tackle carbon emissions amid growth, emphasizing innovative building design and energy efficiency. Jamshyd N Godrej, Past President, CII, Chairman, CII Climate Change Council and Chairman & Managing Director, Godrej & Boyce Manufacturing Company Ltd highlighted India's need to tackle carbon emissions amid growth, emphasizing innovative building design and energy efficiency.

Some of the other speakers in the session were Abhay Bakre, Director General, Bureau of Energy Efficiency; Sandeep Shikre, Founder & President, Sandeep Shikre Associates and Chairman, IGBC Net Zero Carbon Rating Program; Mansi Tripathy, Country Chair, Shell India and B C Tripathy, Former Chairman & Managing Director, GAIL & Senior Advisor, ZeroC, Greenko.

Proposed ESG Policy Framework for the Textile Sector

On May 22, 2024, the Centre participated in the 3rd ESG Task Force Meeting and Stakeholder Consultation, organized by the Ministry of Textiles (MoT). The meeting was chaired by Rachna Shah, Secretary, MoT. Officials from the Ministry - Rohit Kansal, Additional Secretary, MoT and Prajakta L Verma, Joint Secretary, MoT, along with stakeholders from the textile sector also participated in the interaction. Through the session, stakeholders attempted to understand the sustainability landscape in India for the textile sector.

In the run-up to the meeting, CII had presented a compendium of best practices of Indian textile companies to the Ministry. This compendium highlights the sector's readiness for the evolving global as well as domestic sustainability landscape.

During the meeting, CII shared a brief about the existing policies in relation to sustainability in the sector and proposed developing a sustainability policy for the sector as well as the textile value chains under MoT. The key interventions under the policy would be in the areas of: energy & decarbonisation; water & effluents; health & safety; circularity & waste management and human rights & business ethics.

Developing a Framework on 'Business Impact of Air Pollution'

During the meeting of the Working Group on 'Business Impact of Air Pollution' on May, 27, 2024, deliberations were held on multi-faceted impacts and risks posed by air pollution, alongside the significant benefits of cleaner air. A key outcome of the meeting was the decision to develop a Industry-centric framework to measure these impacts, risks, and benefits. The proposed framework will enable Industry to quantify the direct and indirect economic losses due to air pollution on their operations; mitigate associated risks, and underscore the advantages of cleaner air for Industry, as well as for the people i.e. employees, value chain partners, investors, and consumers. The framework will include policy recommendations and drive business practices towards improved air quality.

Fourth Biennial Update Report Preparation for IPPU Sector

CESD is supporting MoEFCC with the preparation of India's Fourth Biennial Update Report (BUR-4) for the Industrial Processes and Product Use (IPPU) sector, as part of India's National Communication to UNFCCC.

BUR-4 report will provide an update on the country's greenhouse gas emissions, mitigation actions, and other climate-related information. BUR-4 will act as a key component of the country's international effort to address climate change, as it will help in tracking the progress towards meeting emissions reduction goals outlined in various international agreements, such as the Paris Agreement. The reporting year for BUR-4 will be the calendar year 2020.

The Ministry has acknowledged the structured approach adopted by the Centre, citing that the Standard Operating Procedures (SOPs) developed by the Centre have been converted into reference documents for compiling data for other sectors as part of this national exercise.

During the month, CESD engaged with several ministries and industry players to collate the activity data, along with dedicated discussions on the need for country-specific emission factors for sectors such as Cement, Iron & Steel, Ammonia, etc.

Deliberations to Reduce the Impact of Plastic Pollution

There is an urgent need to rethink the way plastic packaging is designed, used, and reused in India. The India Plastics Pact (IPP), through extensive deliberations with stakeholders across the plastics value chain, identified six plastic items as [unnecessary or problematic](#). PET-G sleeves and labels on PET bottles affect the recyclability of PET bottles and are one of the six identified items. IPP organized a webinar on May 16, 2024, to showcase alternatives to this item. During the session, Diana Dedeic, Product Manager – BU Label, Taghlee Industries and Marika Knorr, Head, Sustainability and Communication, CCL Label and Innovia, CCL Industries, shared case studies and insights into viable alternatives. The webinar was attended by 47 representatives from across the plastics value chain.

Approximately 70% of the total plastic packaging used in India are flexibles. Recycling rates of flexible packaging in India are very low due to its complex composition, low-value, and lack of viable end-markets. This poses significant environmental challenges for India as well as loss of valuable resources for the Indian economy. To accelerate the move from non-recyclable, multi-material, multi-layer flexible packaging to mono-polymer recyclable packaging that is recyclable at scale in India, CII conducted a webinar, held on May 23, 2024, share an [opportunity](#) for brands and packaging manufacturers to apply for a trial for recyclable flexible packaging solutions. The objective of the trial is to enable applicants to demonstrate a positive use case(s) that enables the transition to more recyclable film packaging in India. Successful applicants will not only champion the cause but also inspire other businesses to follow suit.

Engagements over Biodiversity & Species Conservation

I'm happy to inform you that on May 22, 2024, IBBI completed a decade of working with Government and Industry in managing biodiversity-related risks and contributing to biodiversity conservation. Drawing inspiration from the insights from business commitments and actions on biodiversity from the last ten years, and to align better with the Kunming-Montreal Global Biodiversity Framework (KMGBF), the Centre has initiated the work of updating IBBI's vision, mission and business declaration. This alignment will encourage organizations to contribute towards implementation of KMGBF; address biodiversity risks, and promote sustainable, nature-positive practices in India.

Key engagement with MoEFCC and Industry during the month included:

- Meeting with MoEFCC on May 28, 2024 to deliberate on the celebrations planned for World Environment Day and to encourage Industry to participate in activities related to Ramsar Wetlands conservation
- Participation in Technical Committee meeting of Central Zoo Authority (CZA) on May 14, 2024 to deliberate on zoo management and species conservation
- Participation in session on Climate change and Wetlands by German Embassy on May 27, 2024
- Training session on Biodiversity conservation to NTT Global on May 22, 2024
- Assessment of biodiversity-related risks for Cement and Renewable Energy sector.

Building Capacity

Creating a New Corp of Sustainability Assessors

The CII-Certified Sustainability Assessors Training Programme, 2024, organized in New Delhi between May 7 – 10, 2024, saw 25 participants from diverse sectors. The programme included thematic topics, hands-on experience through guided assessment training for the applications received for the CII-ITC Sustainability Awards as well as visits to companies to see their process and practices.

Insights on sustainability topics such as human rights, supply chain, financial performance, strategy, corporate governance, risk management, health and safety, CSR, environment management, product responsibility, biodiversity, business ethics, employee development, and stakeholder engagement, among others was covered during the 4-day session.

Enhancing Sustainability Concepts

CESD partnered with the Department of Environment Management, Indian Institute of Social Welfare and Business Management, Kolkata for the 4th batch of the Certificate Course on 'Sustainable Environment Management'. The Centre undertook modules on: Sustainability Concepts; Innovations & Challenges; Product Stewardship and LCA and Sustainability Aspects in Value Chain. Around 20 participants joined the sessions, spread over the months of April and May, 2024.

CII-Certified Courses

During the month, the Centre organized courses (CII-certified) on the following topics:

- Internal Auditor training on EHSMS (as per ISO 14001 & 45001)
- Training on Sustainability Reporting
- Training on Waste Management Rules & their Amendments
- Training on Climate Change

Insights from Research Reports & Surveys

Sectoral Roadmaps for Achieving Net Zero Transition in India by 2070

Sectoral roadmaps for achieving India's net zero transition by 2070 were launched at the CII Annual Business Summit. The reports share research about the current policies; discuss expected technological advancements, and emphasize the importance of policy reforms, financing solutions, business actions and collaboration among stakeholders to achieve net-zero emissions by 2070. A snapshot of the reports is given below:

Financing Industry Transitions [report](#) provides an in-depth analysis of the financial strategies necessary as well as the considerable investment needed to facilitate India's transition to a low-carbon economy. It estimates a total investment requirement of USD 7.2 trillion under a business-as-usual scenario and an additional USD 4.9 trillion under the accelerated scenario by 2050.

The Transport Systems [report](#) presents a roadmap for decarbonizing India's transport systems, starting with accelerated adoption of Electric Vehicles (EVs) and emphasizes scaling up battery production and investing in emerging battery technologies. The report suggests that lowering costs for hydrogen fuel cells, carbon fiber tanks, and refuelling is crucial, especially for Large Commercial Vehicles (LCVs) transitioning to Hydrogen ICE vehicles and Fuel Cell Electric Vehicle (FCEV) technologies.

New and Emerging Technologies [report](#) shares strategies to integrate new technologies for India's net-zero goals. It scrutinizes green hydrogen and Carbon Capture, Utilization, and Storage (CCUS) in two scenarios: current policies and accelerated adoption. The report emphasizes CCUS, digitalization, and green hydrogen's pivotal role in decarbonizing the Indian Industry, citing solutions such as Direct Air Capture (DAC) and Government incentives.

Energy & Electricity Systems [report](#) explores India's pathways toward achieving net-zero emissions in the energy sector. The report emphasizes the need of integrating renewable energy sources into the grid, underlining the ongoing need for innovation in energy storage and efficiency.

Integrating Sustainability in Automobile Value Chain

The automobile sector is crucial for global innovation and economic development, particularly in India, where it contributes 7.1% to the GDP and provides employment to 37 million people. However, it faces significant environmental and social challenges, such as high carbon emissions, energy and water consumption, and poor working conditions. Organizations and their Value Chain Partners (VCPs) are under intense scrutiny due to increasing global regulations and ESG considerations.

The Centre, through the Eco Edge certification programme, assisted 3 Original Equipment Manufacturers (OEMs) and engaged with 150 VCPs in integrating sustainability into their operations in four key areas (decarbonization, circularity, health & safety, and human rights) through sustainability training; baseline assessments and by awarding maturity-based certificates. The automobile sector insights report, launched in May, 2024 shares significant progress achieved in the environmental and social aspects by these VCPs. The complete report can be accessed [here](#).

Global SD News Briefing

Australia Announces Package for RE & Clean Energy Investments

On May 14, 2024, Reuters reported that the Government of Australia's 2024-25 federal budget has announced a USD 15 billion 'Future Made in Australia' package that promotes domestic manufacturing in the clean and renewable energy space. With an aim to become a 'renewable energy superpower', the package includes tax incentives for processing and refining of 31 critical minerals and renewable hydrogen production. Support will also be provided for investment in domestic production of solar panels and battery supply chain. More details can be accessed [here](#).

Taiwan's Escalating Energy Crunch

Economist, on May 16, 2024 shared a detailed report about what's ailing the island nation, home to the world's largest contract chip maker. Blackouts have been plaguing Taiwan, which provides over 60% of the world's advanced semiconductors. Is possible for the country to avoid an energy crunch? Taiwan's new President, Lai Ching-te has plans for changing the energy mix; his aspirations include increasing RE production to 30 per cent (from the current 11 per cent) by 2030, and achieve net-zero carbon emissions by 2050. The news report questions the practicality of such ambitions. Complete article can be read [here](#).

UK's Innovative Strategy for Marine Protection

On May 20, 2024, Forbes reported about the 'High-Integrity Marine Natural Capital Markets in the UK – A Roadmap for Action'. The paper presents an innovative pathway for delivering high-integrity marine natural capital markets by creating a mechanism for investors and industry to invest in projects that can benefit and protect marine ecosystem. The projects can provide much needed new sources of finance to protect, restore and sustainably manage marine and coastal ecosystems and it can range from resilient communities, clean water, nature recovery biodiversity and carbon sequestration. More information about the innovative natural capital markets can be found [here](#).

Insights from World Bank's Carbon Markets Report

On May 21, 2024, World Bank shared highlights from the annual report 'States and Trends of Carbon Pricing 2024'. The report shares an overview of existing and emerging carbon pricing instruments, and includes carbon taxes, Emissions Trading Systems (ETSs), and crediting mechanisms. Important findings include carbon pricing revenues reached a record USD 104 billion in 2023; a big chunk of this revenue comes from ETS; more than 50 per cent of this revenue was used to fund climate and nature-related programs. The report also shares that large middle-income countries (such as Brazil, India, Chile etc) are fast moving towards carbon pricing implementation. The report can be downloaded from this [link](#).

WHO opts for Sustainable Finance

In a bid to reform its funding architecture in a world that's plagued with increasingly alarming challenges such as climate change, pandemics and geopolitics, the World Health Organization (WHO) launched the first investment round to sustainably finance its Health for All mandate on May 27, 2024. WHO says it is seeking to transform the funding to make it more sustainable. "It's about ensuring WHO is fully funded and improving the quality of the funding we receive," said Director-General Dr Tedros Adhanom Ghebreyesus adding that much of the funding WHO receives is unpredictable, reactive, and tightly defined. Detailed article can be accessed [here](#).