

October-November 2020

NEWSLETTER



CONTENT

Value of Natural Capital

Working Group On ASA

Special Report

IBBI Activities

MEMBERSHIP HIGHLIGHTS

- IBBI Reporting Cycle 3 is open for members to submit the disclosure report on biodiversity.
- The Reporting Framework 3.0 was developed by the support of members through a working group.
- Reporting framework includes 21 indicators.
- The disclosure can be done on Core (only 11 key indicators) or Comprehensive (all 21 indicators) reporting.



**CII-ITC Centre of Excellence
for Sustainable Development**



Confederation of Indian Industry
125 Years - Since 1895

RECOGNISING THE VALUE OF NATURAL CAPITAL FOR INCLUSIVE AND SUSTAINABLE BUSINESS

The current global challenge in transforming to sustainable development is the pervasive and persistent trade-off between ecosystem services and biodiversity conservation. Ecosystems as natural capital assets play fundamental roles in supporting businesses, economic and social well-being. Over the past years, rapid development and human interference, have depleted the natural capital and resulted in uneven delivery of essential ecosystem services. The current Gross Domestic Product (GDP) looks at only one part of economic performance- income- but does not reflect on wealth and assets that underline the income. However, the long-term development accounts for a portfolio of assets- manufactured capital, natural capital, human and social capital. The depletion of natural capital- including assets like forests, water, fish stocks, minerals, biodiversity and land- poses a significant challenge to achieve sustainable development.

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“Natural capital can be defined as the world’s stocks of natural assets which include geology, soil, air, water and all living things.”

Addressing the issues of natural capital helps mitigate a wide range of risks and provides significant opportunities:

Risks to businesses due to issues of Natural Capital	Opportunities for businesses due to management of Natural Capital
<ul style="list-style-type: none"> a) Higher cost of raw material due to increasing scarcity b) Higher cost linked to other capitals due to impacts and dependencies on natural capital c) Reputation & Regulatory risks d) Scarcity of ecosystem services (like water scarcity) and decline in quality (like air quality) leading to operational and supply chain disruption 	<ul style="list-style-type: none"> a) Sustainably sourced commodities long-term business viability due to better decision-making b) Brand reputation and consumer preference c) Competitive advantage d) New markets and new products/services e) Business & Planet sustainability f) Good returns on investments with social and economic benefits

Natural capital management helps businesses to strategise, plan and perform in a sustainable and nature positive manner :

Management of natural capital across business value chain

1. Measuring the status, quality and quantity of natural capital across the business value chain
2. Mapping the risks associated with operations, communities and the supply chain
3. Setting targets, milestones and goals to Avoid, Mitigate and Manage natural capital
4. Monitoring performance across the business value chain towards mitigating risks and enhancing natural capital
5. Valuing the opportunities, benefits and returns created in terms of social, economic and business development

Approach for natural capital management

1. Transforming to a 'No Net Loss' value chain
2. Adopting Nature-based Solutions for sustainable operations
3. Shifting to become a Carbon Neutral and Nature Positive business
4. Living in harmony with nature

To know more about the tool write to us at pravir.deshmukh@cii.in and syamala.lingala@cii.in

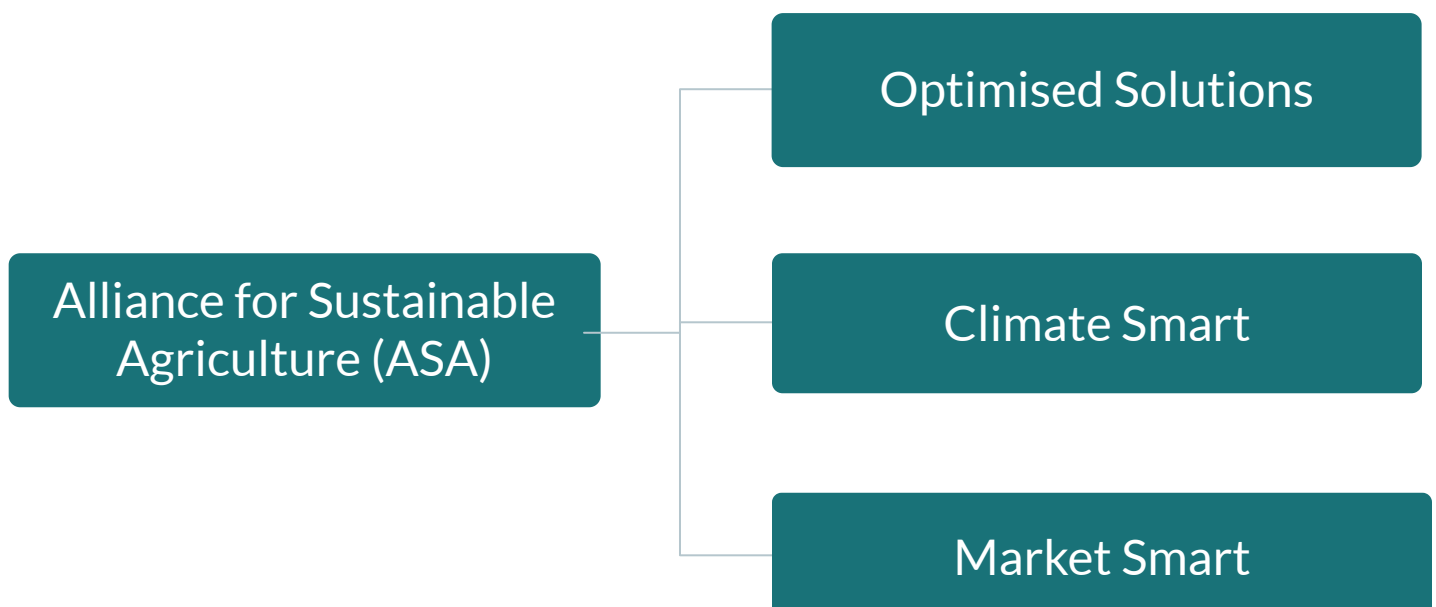
WORKING GROUP ON ALLIANCE FOR SUSTAINABLE AGRICULTURE (ASA)

Agriculture makes up roughly 16 per cent of India's GDP, even a 4.5 to 9 per cent negative impact on agricultural production due to climate change will result in 1.5 percent loss to India's GDP every year. To alleviate some of the complex challenges posed by climate change, agriculture must become "sustainable." Sustainable Agriculture is an approach that helps guide actions needed to transform and reorient agricultural systems to effectively support development and ensure food security in a changing climate.

The Alliance for Sustainable Agriculture (ASA) is a working group formed under CII's Climate Change Council that will look at diverse initiatives and policies related to agriculture and climate change. Keeping in view India's needs for food security and increasing farmer's income, ASA will consider agricultural initiatives that will reduce or remove greenhouse gases wherever possible. It will study the regional contexts, local cultures, institutional arrangements, incentives and financial mechanisms available on ground before making its recommendations.

ASA proposes integrated approaches to challenges of productivity, economic development, climate change adaptation/mitigation, and food security, to enable India to identify options with maximum benefits and effectively manage its trade-offs. ASA is evolving and there is no one-size-fits-all blueprint for how it might be pursued. However, the overall objectives can be encapsulated into:

- Policy framework involving industry members and scientific agencies to understand key challenges and barriers for making Indian agriculture "Sustainable".
- Build a robust networking platform for key stakeholders including agricultural institutions, policy makers, agriculture market and lenders.
- Outreach and communicate to the end users.



Sub-working Groups Formulated under this are:

Sub-group 1: Optimised Solutions

This group will work to look into the areas of

(i) Advanced Mechanisation – for increasing farm worker productivity, bringing down cost of cultivation and enabling climate change adaptation.

(ii) Water Smart – for conserving and managing ground and surface water resources i.e adoption of drip irrigation, sprinkler, bubbler, spray irrigation, sub-surface irrigation, etc.

(iii) Input Smart – providing better quality seed of climate resilient crop varieties as well as nutrients. This will include organic inputs towards soil health and resilience building.

Sub-Group II: Climate Smart-

This group will work on initiatives related to weather forecast and scenario analysis, better access of communication to farmers (may be through KVKs), thereby, equip them with decision making. It will include experts from weather forecasting/ weather-based crop advisories and interventions to be taken up to meet the extreme weather events as and when they occur. It will also look at IT/IOT applications.

Sub-group III: Market Smart-

This group will work on creating an enabling market environment for better market access for both inputs and produce markets. It will look at credit assessment, facilitation & insurance provisions.

Expected outcome of the sub-groups

- a) Suggest an enabling policy framework
- b) Adopt strategies related to the suggested policy framework on how to implement
- c) Chalk-out the modalities for workable solutions, execute and implement
- d) Propose a pilot project (which is scalable, replicable Pan India)

**To know more and participate write to us at pravir.deshmukh@cii.in
and sanaiya.batliwalla@cii.in**

SPECIAL REPORTS

The Future of Sustainability Report 2020: From System Shock to System Change- Time to Transform



Forum for the Future's latest Future of Sustainability report, From System Shock to System Change – Time to Transform, explores the five key dynamics that lie at the heart of these transitions. It considers the interconnected nature of human and planetary health, and reveals four trajectories emerging from the COVID-19 crisis – only one of which will deliver the just transition urgently needed if we are to avert the worst of the social, climate and biodiversity crises we all face. To read the full report visit [here](#).

CII Policy Watch : Environment Sustainability



Focus: Environment Sustainability

Preserving Mother Nature is one of the key pillars of CII's theme for the year 2020 – 21 and CII is working with the Government, industry and other key stakeholders across India to encourage their commitment on sustainable initiatives and in areas like air pollution, plastic waste management, climate change, energy efficiency, recycling water and eco-systems conservation. The November 2020 edition of the CII Policy Watch highlights some important environment sustainability issues in India. It also highlights some immediate gaps where policy intervention can help accelerate mitigation of air pollution, promote living in harmony with nature and help create a climate resilient Indian Industry.

To read the policy watch visit [here](#).

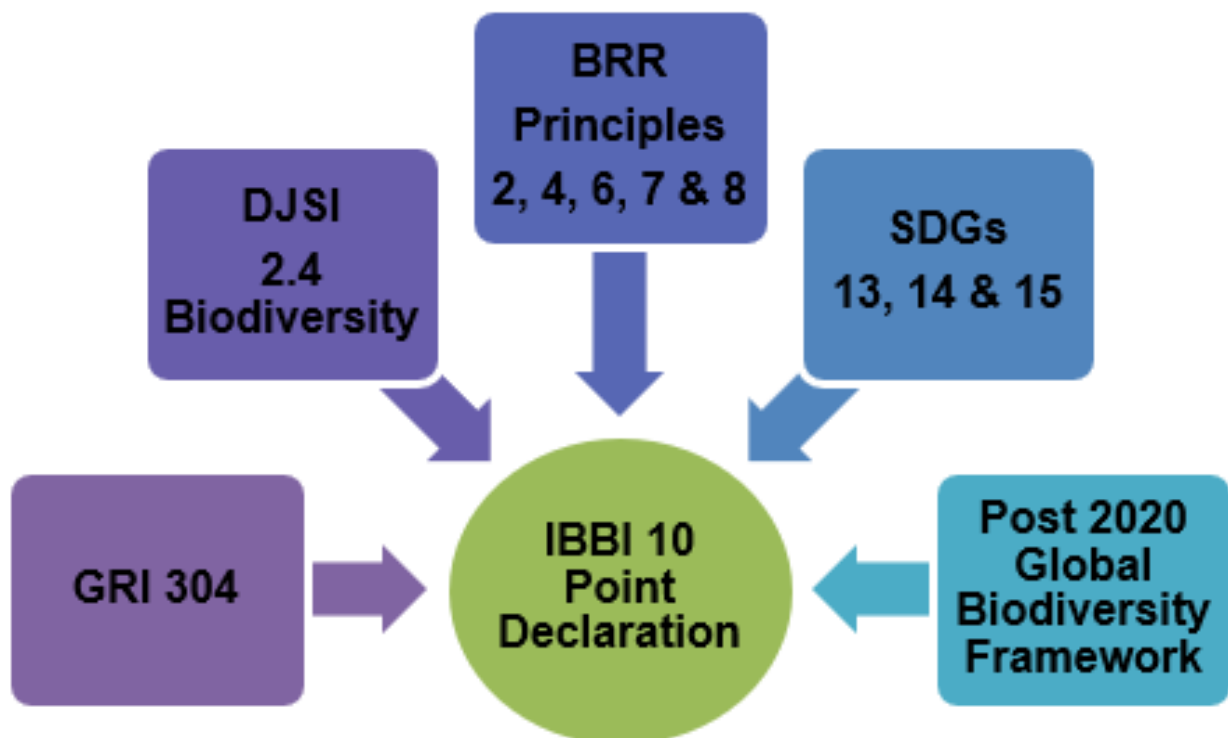
IBBI ACTIVITIES

GUIDANCE DOCUMENT FOR NATURAL CAPITAL DISCLOSURE

IBBI in consultation with IBBI business signatories, developed a guidance document for Natural Capital disclosure report.

Biodiversity and Ecosystem Services (B&ES) are critical to businesses, for achieving sustainable development. Businesses are faced with challenges and risks of over exploitation of natural resources, land use change, habitat diversion, climate change and pollution which are leading to biodiversity loss and degradation of ecosystem services.

IBBI business members are committed to the IBBI 10-Point Declaration which lays a roadmap for businesses to map their inter-linkages with B&ES, identify the risks and opportunities and adapt a strong action plan for sustainable management across the value chain. IBBI business signatories collectively evolved a reporting framework and guidance document that integrates the biodiversity and natural capital aspects of widely used corporate disclosures like GRI, IR, DJSI, BRR. The framework is also inter-linked to the goals and targets of SDGs and Post-2020 Global Biodiversity Framework.



This document enables businesses to make effective biodiversity/natural capital disclosures with standardised data and realistic positive outcomes.

To view the guidance document visit [here](#) and to know how to make an effective natural capital disclosure write to us at syamala.lingala@cii.in

CII 15th SUSTAINABILITY SUMMIT VIRTUAL SESSION ON BUSINESS AND NATURE

Proceedings of the virtual session on Business and Nature organised by IBBI as a part of CII 15th Sustainability Summit organised from 8-10 September 2020

Businesses are critical stakeholders of nature as sustainable operations of businesses are heavily dependent on health of nature and quality ecosystem services. The value of nature has become more prominent in the present pandemic situation and businesses need to integrate biodiversity beyond the regulatory requirements. The integration of biodiversity and ecosystem services in risk management frameworks is critical and, in the past few years there has been some progress but now there is a need for speeding this up, taking into consideration the process of halting further nature loss. The post-2020 global biodiversity framework is an opportunity for businesses to reduce risk, contribute in halting biodiversity loss and drive towards operating in Harmony with Nature.

Session Chairman & Moderator

Mr Kavinder Singh, Chairman IBBI, Managing Director & CEO, Mahindra Holidays & Resorts, India

Panellists

Dr Markus Lehmann, Senior Programme Management Officer, Head Policy, CBD, UN Environment

Mr Nitin Desai, Former Under-Secretary General, United Nations

Mr Ravi Singh, Secretary General & Chairman, WWF, India

Mr Ranganath N.K, Grundfos Water Ambassador, Grundfos

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2020
15th SUSTAINABILITY SUMMIT
Action Agenda for the Next Decade
8-10 September 2020
We are going Virtual

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Outcomes of the virtual session:

Challenges for integration of biodiversity:

- Risk of biodiversity loss and degradation of ecosystem services is not an integral part of government and business' decision making
- Impacts of urbanization on the terrestrial and marine ecosystem is not recognized resulting in biodiversity loss
- Present global and national biodiversity targets are more focused on government responsibilities
- Limited recognition of nature friendly projects and investments by the finance sector
- Marine footprint of cities is huge due to waste disposal resulting in loss of marine biodiversity

Solutions for integration of biodiversity:

- Integration of nature as a part of materiality aspects of businesses, taking into consideration of the value chain's impacts and dependencies is an important way to work on nature conservation
- Green and blue bonds would be a way forward for investing in nature friendly projects and initiatives which will further reduce pressure on nature
- Businesses need to think beyond compliance as the sustainable operation of a business is dependent on the quality of ecosystem services that is critical to operations
- Changing the business perspective from nature for business, to business for nature is a way forward for nature protection
- Planned urbanization is required through promoting smart transport, conserving & restoring city forests as well as managing waste, that will help in strengthening health of the city and minimise pressure on terrestrial and marine ecosystems.

Read about the different sustainability aspects discussed by eminent speakers at CII 15th Sustainability Summit visit [here](#).



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