



CII-ITC Centre of Excellence
for Sustainable Development



Confederation of Indian Industry

Climate Action Charter Report

Coimbatore & Tirupur Industrial Clusters

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Acronyms

BRSR	Business Responsibility and Sustainability Reporting
CII	Confederation of Indian Industry
CCAC	CII Climate Action Charter
CESD	CII-ITC Center of Excellence for Sustainable Development
ESG	Environment, Social, and Governance
GHG	Greenhouse Gas
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicator
MSME	Micro, Small & Medium Enterprise
NAPCC	National Action Plan on Climate Change
NDC	Nationally Determined Contribution
SDGs	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
TCFD	Task Force on Climate-Related Financial Disclosures
TNSAPCC	Tamil Nadu State Action Plan on Climate Change
UNFCCC	United Nations Framework Convention on Climate Change

Executive Summary

The CII Climate Action Charter (CCAC) aims to promote corporate climate action. Through the Charter, risk can be assessed, and a resilient action plan can be developed aligned with national and international policies to combat climate change.

CCAC's objectives are in line with the Paris Climate Accord's global climate targets, which aim to keep global temperatures below 1.5°C. To help businesses transition to a low-carbon economy, the CCAC is based on four basic principles: reducing Greenhouse Gas (GHG) emissions, transitioning across value chains, building resilience, and mobilizing green finance.



GHG Emission Reductions

Develop measurable short term (5 years) and long term targets for GHG emission reduction



Building Resilience

Build resilience for future climate change impacts



Transition in value chain

Support value chain in climate transition



Mobilizing Green Finance

Accelerate green finance for climate transition

This report offers insights on the pilot project that CESD and the CII Tamil Nadu chapter carried out in collaboration for the two most well-known industrial clusters in the state i.e., Coimbatore and Tirupur. The goal of the study is to understand the existing level of preparedness and awareness among MSMEs located in these clusters as well as their progress towards state-set targets. The pilot project was carried out in three elaborate phases.

- Phase I- Sensitization Session
- Phase II- CII Climate Action Charter Toolkit Introduction and Data Collection
- Phase III- Data Analysis & Reporting

The following report will provide the reader with an insight into the learnings resulting from the study and the analysis of the data acquired from the two clusters. In addition, a suggestive roadmap and action plan are provided to assist the MSMEs in their transition towards climate-friendly practices. The learning from this pilot project will lay a foundation for the future initiatives of CESD through the CCAC whose goal is to create a network of like-minded businesses and MSMEs to build a robust and supportive value chain that can assist each other in their pursuit of climate action goals and can encourage the sharing of best practices in the relevant sectors that are put in place to address climate risks.¹

¹<https://ccac.sustainabledevelopment.in/#pr-about>

EFFECTS OF CLIMATE CHANGE	1.5° C	2° C	2° C IMPACTS
EXTREME HEAT Global population exposed to severe heat at least once every five years	14%	37%	2.6X WORSE
SEA-ICE-FREE ARTIC No of ice-free summers	AT LEAST 1 EVERY 100 YEARS	AT LEAST 1 EVERY 10 YEARS	10X WORSE
SEA LEVEL RISE Amount of sea level rise by 2100	0.40 meters	0.46 meters	0.06M MORE
SPECIES LOSES VERTEBRATES Vertebrates that lose at least half of their range	4%	8%	2X WORSE
SPECIES LOSES PLANTS Plants that lose at least half of their range	8%	16%	2X WORSE
SPECIES LOSES INSECTS Insects that lose at least half of their range	6%	18%	3X WORSE
ECOSYSTEMS Amount of Earth's land area where ecosystems will shift to a new biome	7%	13%	1.86X WORSE
PERMAFROST Amount of artic permafrost that will thaw	4.8 Million KM ²	6.6 Million KM ²	38% WORSE
CROP YIELDS Reduction in maize harvests in tropics	3%	7%	2.3X WORSE
CORAL REEFS Further decline in coral reefs	70% - 90%	99%	Upto 29% WORSE
FISHERIES Decline in marine fisheries	1.5 Million Tonnes	3 Million Tonnes	2X WORSE

INTERNATIONAL CLIMATE GOALS

At COP27 the Sharm el-Sheikh Implementation Plan that was published on 20 November 2022 reaffirmed the commitment to limit global temperature rise to 1.5°C above pre-industrial levels. Although, the Paris Climate Accord aimed to restrict global average temperature rise to well below 2°C and strive for 1.5°C, Intergovernmental Panel on Climate Change (IPCC) in its 2022 report, issues a dire warning on the temperature levels of 1.5°C being attained by 2040 which may be a lot earlier if our day-to-day activities continue in the same manner. Since its inception in the Paris Agreement, Low Carbon solutions are becoming competitive across economic sectors representing 25% of emissions and by 2030 these are anticipated to represent over 70 % of global emissions thus creating more opportunities for early movers.³

The global arena identifies small businesses as essential players to aid in the transition towards a low carbon / decarbonized economy, as they are large in number and often form a part of stakeholders of larger firms. When put into practice by many MSMEs, small changes brought about by technological advancements and R&D can have a significant impact. Given this, MSMEs could significantly affect the decarbonization of several sectors. CESD through its various activities aim to create a blueprint for MSMEs to make the best of the opportunities mentioned above all while driving states and MSMEs towards the net zero goal.⁴



³<https://unfccc.int/process-and-meetings/the-paris-agreement>

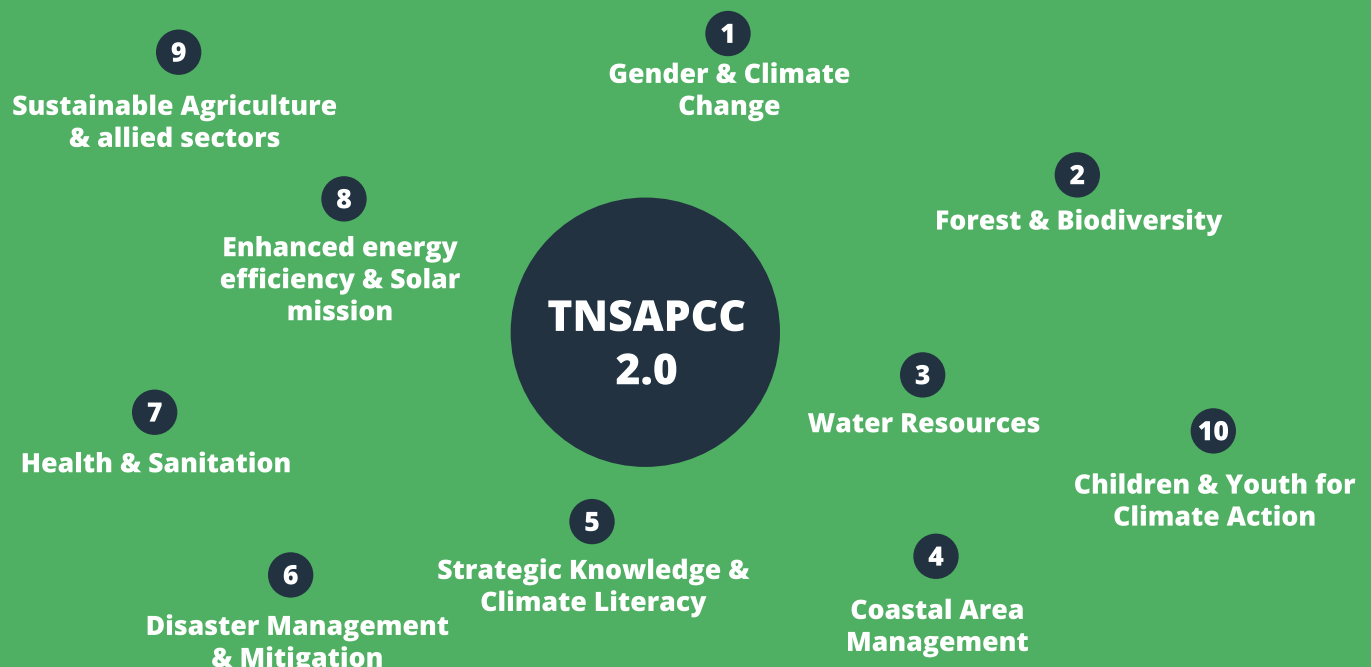
⁴The Paris Agreement | UNFCCC

NATIONAL CLIMATE GOALS

India has set 2070 as the target to achieve its net zero emission goals through its Long-Term Low Emissions Development Strategy (LT-LEDS) which was submitted to the UNFCCC in November 2022, teamed with an additional commitment to reduce the Emissions Intensity of its GDP by 45 percent by 2030. The NAPCC lists eight National Missions that it perceives as pivotal missions that can help the government navigate through the development strategies for its net zero targets and goals.

Tamil Nadu is one of the coastal states with a coastline measuring approximately 1076 km accounting for 13% of the Indian coastline and is on the frontlines of climate change. Year after year is impacted by floods, droughts, and cyclones resulting in an economic loss of approximately 500 million USD per climate disaster, with the impacts ranging from damage to critical infrastructure, reduced agricultural yields, to the loss of several livelihoods. On the local front, the Tamil Nadu state government has drafted its state action plan on climate change known as the TNSAPCC endorsed by several national institutions, under which seven vulnerable sectors have been listed. Districts will be classified into several categories to ensure appropriate formulation and implementation of adaptation options.

Tamil Nadu has become one of the first states to launch its climate change mission to make it a 'climate-smart state'. Launched in December 2022, the TNSAPCC 2.0 is a revised plan, where 13 goals have been proposed with 11 focal areas aiming to achieve national carbon neutrality much ahead of 2070. The goals listed have been revised following a comprehensive study of climate risks and their impacts on the SDGs. The Tamil Nadu government, through this plan has set its sights on a well-rounded solution that not only addresses climate change but can bring about a positive change in the social and ecological domains too.⁵

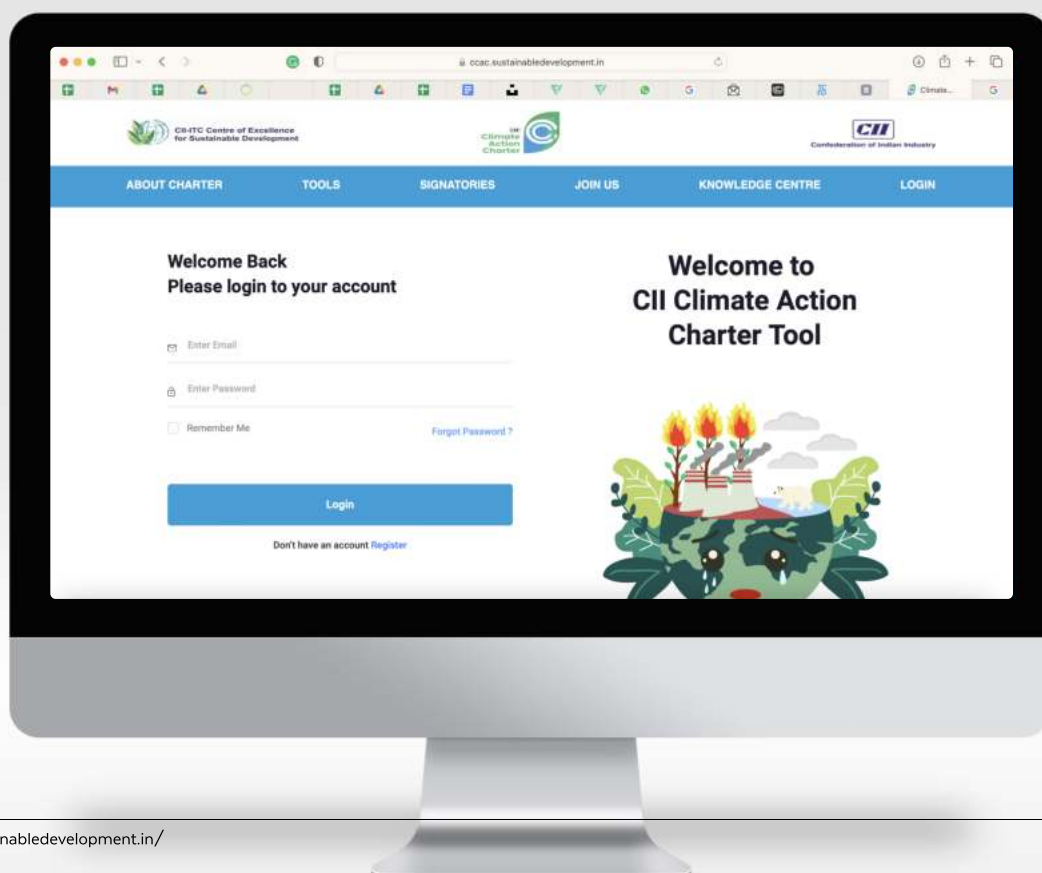


CARBON CALCULATION TOOLKIT

The CCAC toolkit is developed with the vision to assist companies to measure their carbon footprint, calculating their emissions, and generating results from it. The report should facilitate decision-making in setting the organization's short- and long-term goals. In addition to the toolkit, the handbook provided during the sensitization session together will help organizations in creating a sustainability report.

The signatories of CCAC gain access to various sessions and workshops organized that are focused on imparting information and knowledge on carbon management and reporting. It provides them with insights on how to reduce their current emissions, and the risks affecting their business. It provides organizations with up-to-date industry practices which can further help them create long-term roadmaps designed to tackle the risks of climate change and make the best use of opportunities arising from early onboarding of climate action.

CESD through this initiative looks ahead to create a network of climate action-focused organizations that can share and showcase their ongoing green / sustainability initiatives and improve each organization's competitiveness through the integration of sustainability in daily operations. Improving Environment, Social, and Governance (ESG) performance is an added benefit of working with the CCAC toolkit as ESG strategies and planning have garnered a lot of attention lately and are seen as one of the desirable factors in an organization to grant any benefits resulting from investments, schemes, and policies.⁷



⁷<https://ccac.sustainabledevelopment.in/>

The preliminary objective and approach by the TNSAPCC is to perform stock-taking for further implementation and to derive conclusions on success factors and challenges to mitigation and adaptation planning in Tamil Nadu. It will continue to revisit and update the plan, strategies, and actions as the plan progresses and development is visible. The flowchart above highlights the process followed by the state government in its approach toward addressing all issues resulting from Climate change.

The thought flow process can be utilized for different companies despite the varying disciplines and different structures. The approach works towards resolving issues at the initial stages and the step-by-step processes ensure all the essential factors are considered while making sure that a solution that is all-encompassing and well-rounded can still meet the national and local legislation requirements. Incorporating such thought processes in their method to address any issues about climate change to MSMEs can ensure that they are on track with the state action plan while resolving these issues in a better manner.

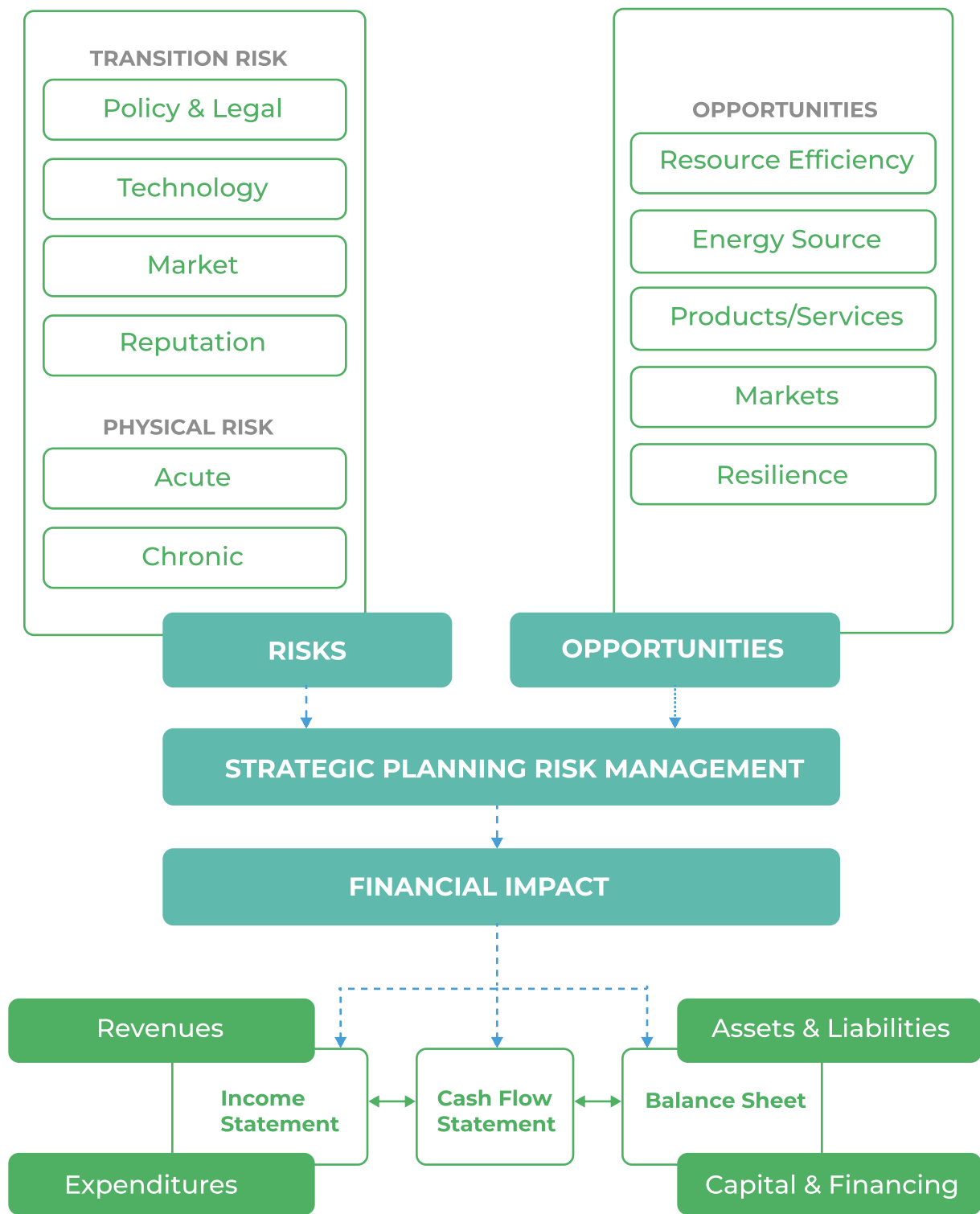
METHODOLOGY & APPLICATION OF THE STUDY

TCFD is a set of guidelines that aims at aiding companies in increasing transparency and providing better information to support informed capital allocation. The accompanying disclosure recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are interrelated and supported by 11 recommended disclosures that build the framework with information that should help investors and others understand how reporting organizations think about and assess climate-related risks and opportunities.

The guideline helps organizations to identify the potential in the transition towards sustainability and identifies various opportunities it can provide for early on-boarders and enablers. The financial implication of risks and transitions is extensively covered in the guidelines that assist organizations in identifying and classifying them.

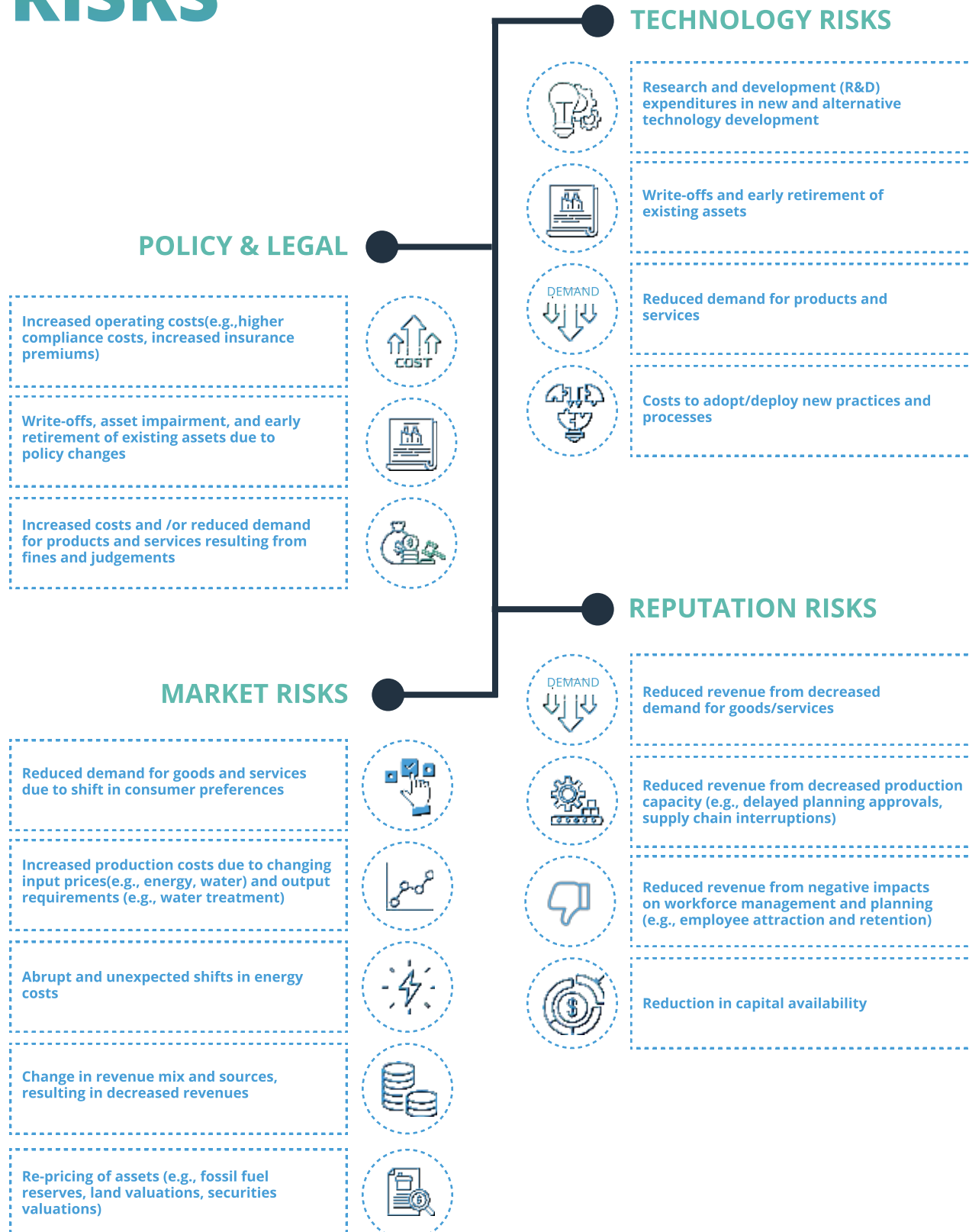
Further, the recommendation helps organizations create an action plan and strategies concerning investments in a manner that can enable better use of financial tools to benefit the organization to adapt and mitigate risks and materialize the opportunities. Such will be the methodology that will be employed to carry out the analysis of the clusters.

The process will first involve identifying all associated risks arising from the 1.5°C and 2°C change scenario and their impact on different aspects of the business as discussed in the chapter about climate change. Considering the scenarios, opportunities within the business that can positively impact the business are identified. Insights on financial impact are gained upon assessing the cluster's readiness to tackle risks and utilize opportunities. Furthermore, gaps are identified and recommendations along with a plausible action plan are provided for the clusters, sectors, and organizations to ensure preparedness for upcoming assessments.⁸



TCFD Guidelines

TRANSITIONAL RISKS



OUTCOME

Rapid development without a sustainable development model or strategy will often be followed by a plethora of issues with an impact on both the environmental and social levels. Such has been the case of the unmonitored and unaccounted development in the regions of Coimbatore and Tirupur. There is always a price to pay for development and if it isn't in the form of financial impact, it is the surroundings that degrade with time. Unprecedented growth in the industrial sector has been possible only due to the usage of heavy machinery which contributes towards the increasing GHG emissions year on year, accompanied by the depletion of natural resources, impacts of which will haunt these cities in the years to come.

The state of Tamil Nadu is already witnessing the impacts of an increase of mean annual temperature change of 1.18°C a little shy of the feared 1.5°C which can bring catastrophic changes. Reduced availability of drinking water is already being felt in 13 districts of Tamil Nadu region, due to the sea level intrusion caused by its 0.32mm rise every year. Six districts are anticipating the occurrence of intense cyclones in the coming years.

Rising temperatures, lesser precipitation, scarcity of water, and increased frequency of cyclones are some of the threats resulting from climate change whose impact does not limit to momentary damages but can contribute towards larger negative impacts on the environmental and social front. Depleting freshwater sources can bring about a large impact on cities and the state as it hinders all activities ranging from simple households to agricultural practices. The decline in agricultural produce can threaten the existence and livelihood of those residing in these regions. A decrease in agricultural production can heavily impact the development of those residing in these regions. It can increase dependency on the import of food products and produce from neighboring regions causing an increase in food prices and contributing to further GHG emissions resulting from transportation, such is the vicious cycle of climate change if not addressed at early stages.

Highlight - A one-meter rise in sea level would result in displacing approximately seven million people in India with the largest threats looming over coastal states.

WORKGROUP - COIMBATORE

Coimbatore is the third largest and most developed city in Tamil Nadu. Situated on the banks of the river Noyyal, in the rain shadow region of the Western Ghats. This geographical position in addition to the rich black soil of the region has contributed to Coimbatore's flourishing agriculture industry and, it is the successful growth of cotton that served as a foundation for the establishment of its famous textile industry thus earning it the nickname of "the Manchester of South India". It is the development of Hydro electricity from Pykara Falls in 1930 that supported the cotton boom.

Key Industries



Jewellery
Making



Pump
Manufacturing



Grinder
Manufacturing



Spares
Manufacturing



Information
Technology



Textile
Manufacturing

INSIGHTS FROM THE STUDY

- In the Coimbatore region, 52% of participant companies displayed a medium to general level of awareness of the vulnerability of their business to the risk posed by climate change.
- This is further reflected by roughly 50% of the companies being unaware of the magnitude of damage or disruption witnessed by them due to climate change. One of the reasons for the lack of awareness can be attributed to the general perception that climate risks come under the responsibility of the supply chain and very little under one's own operations or value chain. Despite encountering the firsthand impacts of cyclones, changing monsoon patterns, high temperatures, air pollution, etc. on their operations this lack of awareness hinders organizations from associating the growing problems with that of the global and local threats resulting from climate change.
- The situation may not look so bleak as perceived as 52% companies are in the process of developing targets and goals aligned to achieve net zero GHG. This process could be facilitated and fast tracked if initiatives are taken by the customers, local organizations or government to help them with building capacity and in-house knowledge through training.
- As a part of the vicious circle, 88% of companies lack funding to take up any such initiatives to transition to a sustainable working model. Around 22% of companies lack awareness and alignment to any global/national initiatives resulting in low sustainability reporting practices and emission measurement and no qualitative financing strategy making them less lucrative for any financing from both financial and government institutions.
- Despite low-scale setbacks such as delays in production being felt by the occurrences of climate-related disasters or lack of water management in the region, there aren't many compliance requirements set up by customers. As a result, this does not create a need for reflecting on the optimization and transition towards sustainability in their respective businesses.

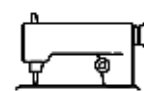
WORKGROUP - TIRUPUR

Tirupur, the fifth largest city and urban agglomeration in Tamil Nadu apart from being one of the fastest-growing cities in India is also touted as the "Knitwear Capital of India". Tirupur single-handedly contributes towards 90% of India's cotton knitwear export, hence contributing significantly towards the foreign exchange in India. The textile industry of Tirupur caters to some of the largest retailers in the world including Nike, Adidas, Polo Ralph Lauren, Diesel, Tommy Hilfiger, M&S, FILA, H&M, and Reebok. The textile industry also employs about 5 - 6 lakh people both directly and indirectly.

Key Industries



Manufacturing of kitchen utensils made from brass, copper and aluminum



Manufacturing and export of finished garments is a key industry in Tirupur

INSIGHTS FROM THE STUDY

- Tirupur although being named as one of the major contributors to the deteriorating conditions of the Noyyal River has underperformed in its awareness of the domain of climate change and its associated risks.
- Despite facing landmark judgments being passed impacting the textile sectors, 60% of the participant organizations in Tirupur have not yet established an initiative to tackle climate change and this could be attributed to 50% of them being unaware of the extent of damages resulting from climate change. A rather interesting observation is that 38% of the companies face extreme sensitivity to water issues that impact production for more than 3 -4 months, only 15% of these companies contribute towards funding for meeting the additional requirement and only 7% have invested in funding for water conservation and its use. The above depicts the focus on addressing the issue through short-term measures over long-term initiatives that can provide recurring benefits.
- With 43% of companies reporting impacts on operations due to high temperatures and air pollution, it is disheartening to note that none of the participant companies have taken up the inventory of their GHG emissions; this has been the case even with 69% of organizations being requested to comply with the requirements of their clients and end users. Clients or end users could further facilitate transitions in these organizations to comply with their requirements, but unfortunately, only 10% received financial and 15% received training support from their end users.
- Overall, approximately 90% of organizations have not yet sustainably aligned their companies' operations with either national or global initiatives on climate change. However, a handful of organizations, about 60% are either in the process or have proceeded with committing to net zero GHG emissions.

Insights



This lack of awareness could have significant implications for the environment and the economy, as businesses are major contributors to greenhouse gas emissions and other forms of environmental degradation

WHAT COULD BE DONE ?

The need for increased education and awareness-raising efforts around the importance of addressing climate change within the corporate sector Mandating Sustainability/ Environment department for each industry with atleast one representative or using any existing employees on shared responsibility basis, particularly to take care climate related initiatives, guide and train the organization so that Climate issues are addressed with the same importance as of others.

SUPPORT FROM CII

Organizing awareness sessions for companies on how they contribute to climate change and what they can do to reduce their emissions would be a positive step towards increasing corporate responsibility and sustainability



Conduct 2 awareness sessions per quarter

Suggestive topics:

- a) How to do climate risk assessment
- b) How to develop net zero roadmap
- c) Subsidies and programs supporting net-zero transition
- d) Sustainable procurement
- e) Best practices adopted in emission reduction (Industry specific)



Insights

The lack of initiatives from companies to take climate action are due to the following factors

- No mandate or strict regulation in place for taking climate action
- Lack of public awareness and demand for sustainable products and services
- A Perception among some companies that sustainability efforts are costly and time-consuming
- Less understanding among companies regarding the long-term benefits of investing in sustainability, including cost savings and increased brand reputation
- Worried about cost & time for any additional initiatives or lack of motivation

WHAT COULD BE DONE ?

Introducing policies and programs that encourage companies to invest in renewable energy, adopt sustainable practices, and reduce their carbon footprint, governments and industry associations can play a crucial role in promoting environmental stewardship

SUPPORT FROM CII

- Providing guidance and technical support to industries in developing and implementing emission reduction strategies
- Promote incentives and recognition for industries that achieve their emission reduction goals
- Facilitating collaborations and partnerships between industries to share knowledge, resources and best practices



Partner with institutions/ incubators/do hackathons to solve industry specific emission reduction problems



Develop reward/recognition/ incentive program to encourage climate action for companies



Provide certifications to companies that have become climate neutral or reducing emissions.



Partner with climate consultants/solution providers/ experts in adopting best practices for emission reduction for the cluster and promote knowledge sharing

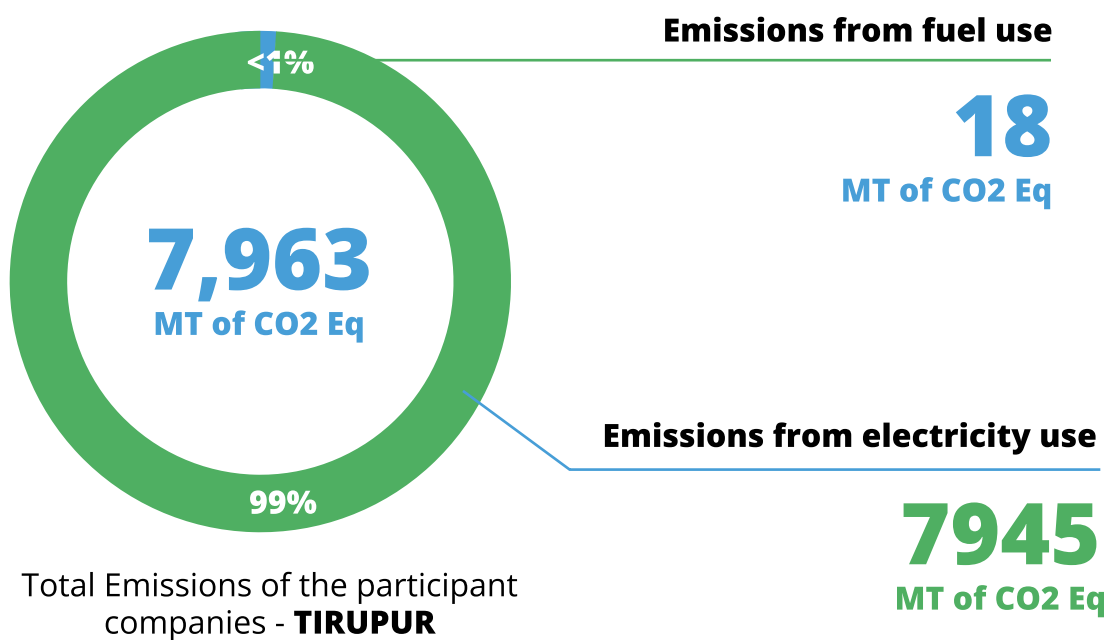
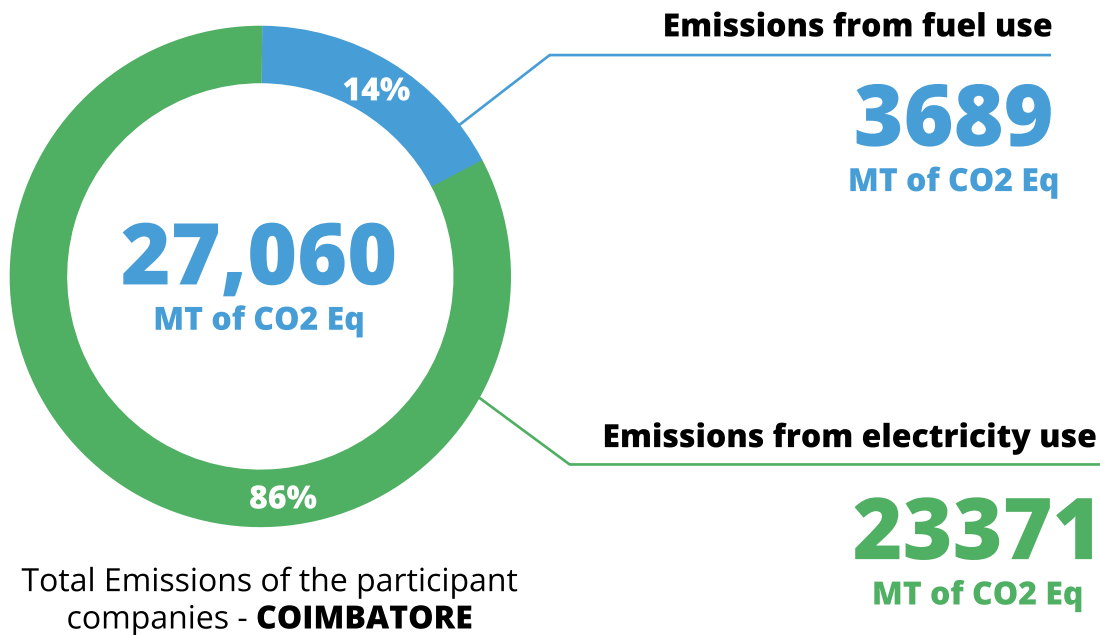


Develop a common GHG inventory that companies in the cluster can access



EMISSIONS

(Based on the companies included in the study)



Note: Most of the Companies use Fire wood as fuel in Tirupur Cluster

GHG EMISSION REDUCTION

Accelerated emission reduction can help in attaining national net-zero goals and alignment to international climate goals



SAFE AIR, QUALITY & HEALTH

Improved air quality and physical well-being of the people around the industrial area

COST & COMPETITIVENESS

Integrated emission reduction as a cluster leads to reduction in cost and process efficiency in production which adds competitiveness to the products developed in the market

REDUCED ECOLOGICAL FOOTPRINT

Reduction in resource consumption and promotion of circularity yields a reduction in ecological footprint in the long-term

Through multi-stakeholder collaboration, the industrial cluster can focus on sustainable development with effective economic growth and job creation for people



FINANCIAL INSTITUTIONS

1) Fulfil climate commitments through net-zero financing:

Financial institutions play a critical role in fulfilling climate commitments by offering net-zero financing options that support sustainable and low-carbon projects, helping to accelerate the transition to a more sustainable economy.

1) Capital commitment:

Commit capital to cross-sector, low-carbon infrastructure projects can help drive the transition to a more sustainable and resilient economy, while also promoting innovation and job creation.

2) Stakeholder activism:

Encourage investee companies to reduce carbon emissions



SOLUTION PROVIDERS

1) Increase visibility:

Solution providers for net-zero transition like green energy companies, energy efficiency solutions, green fuel producers, waste recyclers etc can aid in the net-zero transition of the cluster

2) Scaling impact:

Potential in developing new lines of business and models of operations to work at a large scale

1) Leadership:

Strong leadership in supporting companies with effective solutions and agility to new specific market demand

2) Research and development:

Commitment of capital and resource for developing new solutions to solve the industry specific problem at scale



RESEARCH & DEVELOPMENT

1) Patents and academic literature:

Patents and academic literature that demonstrate cost reductions and efficiency improvements for key technologies, can pave the way for greater adoption of these technologies, driving innovation and progress towards net-zero industry cluster

1) Cross-sector collaboration:

Collaboration between research institutions, public and companies in developing & implementing low carbon technologies

POTENTIAL RISKS

Increasing climate change effects:

Lack of awareness would lead to reacting to effects of climate with changing monsoon patterns, potential reduction in water supply and air pollution that could affect the city

Competitive disadvantage:

As the world transitions to a low-carbon economy, companies that don't adapt and invest in sustainable practices may find themselves at a competitive disadvantage. Investors and customers are increasingly seeking out companies with strong environmental, social, and governance (ESG) credentials.

Regulatory risks:

Governments around the world are implementing policies and regulations aimed at mitigating climate change. Companies that don't address their carbon footprint and emissions may face penalties, fines, or regulatory action

Losing customer base:

Companies in Europe and US are having strict compliances for sustainable procurement, this could led to companies losing customers if they don't produce plans for decarbonisation.

Benefits of Climate Action



Improved reputation:

Companies that take proactive steps to address climate change can enhance their reputation and brand image, attracting customers and investors who prioritize sustainability.



Cost savings:

Many climate action measures, such as energy efficiency improvements and renewable energy investments, can reduce operating costs and increase profitability over time



Increased resilience:

Addressing climate risks can help companies build resilience to climate-related disruptions, such as extreme weather events and supply chain disruptions.



Access to new markets:

Developing sustainable products and services can open up new markets and customer segments, providing new opportunities for growth.



Regulatory compliance:

By addressing climate risks and reducing emissions, companies can ensure compliance with current and future climate regulations, avoiding potential penalties and fines.



Employee engagement:

Addressing climate change can be a powerful way to engage employees and build a strong corporate culture focused on sustainability and social responsibility.

RECOMMENDATIONS & PROGRESS TRACKING

TCFD recommendations focus on the implementation of the four core elements and these TCFD provides detailed guidelines on how to optimize and ensure maximum transparency in disclosure of organization metrics. Since our approach will be cluster-wise, we shall utilize a similar approach but modify the recommendation in a manner that can be implemented both on a cluster and individual organization level.

GOVERNANCE

Any major transition in daily operations which are taken up to adapt or mitigate the risks identified results in a significant financial impact in turn directly affects the management that deals with all financial aspects of an organization. With the ability to make decisions on major financial impacts, it is the higher management that holds the ability to steer the company activities and operations towards sustainability.

The higher management must improve their understanding of climate change, and the threats that it can pose to their businesses and must explore all possible actions that they can take up to address both current impacts and possible risks in the foreseeable future. Lack of awareness with higher management impacts the overall business operations and there are no other possible incentives for the employees to pursue such ambitious targets without both the financial support and joint effort of the other employees.

RISK MANAGEMENT

Risk Management is essential in the process of transitioning toward sustainability. It helps companies anticipate possible scenarios and analyze all possible outcomes and this in turn can help them better assess the risks. A better understanding of risks can give a better insight into all the plausible solutions to either adapt the company's activities or directly mitigate the outcomes in the foreseeable future. A good practice of risk management equips organizations with all the necessary information and tools to address any situation without major setbacks as it covers even the aspects of financial impacts.

CII



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led, and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Inclusiveness, Globalisation, Building Trust' has prioritized action themes that will catalyze the journey of the country towards the vision of India@100.

With 65 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

CCAC



The CII Climate Action Charter (CCAC) is a platform for Indian businesses to address climate change as a material risk and develop long-term actions to build resilience. It aims to facilitate sectoral climate actions and showcase best practices for addressing climate risks. The CCAC will promote collective action by Indian businesses towards a just, equitable, and resilient transition and help build sustainable and competitive businesses.

MSMEs can play a significant role in driving energy transition to a more sustainable and equitable future. The MSME Toolkit is a unique and comprehensive platform created in line with the CII Climate Action Charter (CCAC). The toolkit provides MSMEs with a platform for assessing their vulnerability to climate-related hazards, raising awareness, and developing short- and long-term resilience measures. The toolkit helps in GHG foot-printing through an easy-to-use tool for calculating Scope 1 and Scope 2 emissions, allowing MSMEs to assess their carbon footprint and take appropriate mitigation measures across different scopes. The toolkit also addresses the climate-related risks that Indian MSMEs face by taking a comprehensive and collaborative approach.

The toolkit enables MSMEs to take ownership of their climate action transition by mapping climate change as a material risk across their value chains. It allows them to build resilience, develop sustainable practices and showcase best practices. The toolkit promotes a collective assessment of climate-related vulnerabilities, with a focus on collaboratively finding solutions for a just, equitable, and resilient transition.

	CLIMATE-RELATED RISK	POTENTIAL FINANCIAL IMPACTS
PHYSICAL RISKS	REPUTATION <ul style="list-style-type: none"> Shifts in consumer preferences Stigmatization of sector Increased stakeholder concern or negative stakeholder feedback 	<ul style="list-style-type: none"> Reduced revenue from decreased demand for goods/services Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions) Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) Reduction in capital availability The constant demonization of the locality due to arising health concerns of both individuals and the animal livestock will trigger a climate change facilitated migration which will lead to reduction natural resources and most crucial of all the availability of good workforce.

PHYSICAL RISKS	ACUTE <ul style="list-style-type: none"> Increased severity of extreme weather events such as cyclones and floods 	<ul style="list-style-type: none"> Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions) 	<ul style="list-style-type: none"> An approximate of 300 – 500 bn dollars of economic loss is anticipated with every occurrence of climate change related disasters and the frequency of occurrences have only increased in the last two decades
	CHRONIC <ul style="list-style-type: none"> Changes in precipitation patterns and extreme variability in weather patterns Rising mean temperatures Rising sea levels 	<ul style="list-style-type: none"> Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism) Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants) Increased capital costs (e.g., damage to facilities) Reduced revenues from lower sales / output Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations 	<ul style="list-style-type: none"> Agriculture has taken a big hit due to the lack of water for irrigation thus limiting crops varieties heavily and making this sector heavily dependent on rain based irrigation which has become scarce.

OPPORTUNITIES

	CLIMATE-RELATED	POTENTIAL FINANCIAL IMPACTS
RESOURCE EFFICIENCY	<ul style="list-style-type: none"> Use of more efficient modes of transport Use of more efficient production and distribution processes Use of recycling Move to more efficient buildings Reduced water usage and consumption 	<ul style="list-style-type: none"> Reduced operating costs (e.g., through efficiency gains and cost reductions) Increased production capacity, resulting in increased revenues Increased value of fixed assets (e.g., highly rated energy efficient buildings) Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
		<ul style="list-style-type: none"> BEE associated schemes to facilitate improved energy efficiency in already established industries

ANNEXURE

GUIDELINE ON TCFD RECOMMENDATION

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
<ul style="list-style-type: none">• Disclose the organization's governance around climate related risks and opportunities	<ul style="list-style-type: none">• Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none">• Disclose how the organization identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none">• Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
<ul style="list-style-type: none">• Describe the board's oversight of climate-related risks and opportunities• Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none">• Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.• Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning.• Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none">• Describe the organization's processes for identifying and assessing climate-related risks.• Describe the organization's processes for managing climate-related risks.• Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none">• Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process.• Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.• Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

ANNEXURE

Flexibility in transport and delivery of goods in case of climate change impacts

Coimbatore



Tirupur



Possibility to reduce raw material and product kms and/or reduce complexity of value chain

Coimbatore



Tirupur



Goods Storage is secured in case of changing conditions

Coimbatore



Tirupur



Short-term cash-flow and financing problems due to climate change impact

Coimbatore



Tirupur



Raise in insurance premia due to climate change impacts

Coimbatore



Tirupur



This image shows a full page of a handwriting practice worksheet. It features ten sets of horizontal dashed lines spaced evenly down the page, providing a guide for letter height and placement. The background is plain white, and there are no other markings or text present.

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