

Sustainable Development Goals

*Linkages with corporate
actions in India*



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Message

from the Secretary General, FICCI



Dr. Sanjaya Baru
Secretary General
Federation of Indian
Chambers of Commerce
and Industry (FICCI)

There is a policy and mindset shift in India today, that understands the relationship between economic growth and environmental sustainability.

The corporate sector is promoting sustainable technologies as an integral aspect of good business. Indian companies are gaining worldwide recognition and are going beyond compliance to gain shared value and good reputation in the international business community. Leading companies in India, like their global peers, acknowledge that environmental sustainability is an imperative to build their businesses resilience, remain competitive, and look smart. The role of the corporate in sustainable development has never been more emphasized globally as it is today. It is for this reason the UN decided to include corporate sector in the achievement of the Sustainable Development Goals (SDGs).

We have in front of us, the 17 interconnected goals and 169 associated targets. We need to understand how the goals and targets will percolate down to micro level corporate action. While we ask how the corporate sector can contribute to the SDGs, it is important to identify and map what corporates are doing today on the sustainability front which can be scaled up and replicated, to achieve transformative impact, and

how these impacts can enable SDG targets to be realized. It should be a bottom up assessment. There needs to be a mechanism to identify the transformative initiatives by business and industry that can be scaled up through enabling policies, because these initiatives can add up to the SDGs more significantly than we can envision.

FICCI believes that corporate sector's engagement will help promote efficiencies in the achievement of goals and targets that governments set out, in every sphere. For India, some SDGs on the fundamental issues like poverty, education, sanitation and health will be overriding priorities based on our developmental goals which are different from the west. Leading businesses are already at the forefront of sustainability and are taking ground breaking initiatives, investing in innovation and measures to stay ahead of the curve.

This thought leadership Report on "Sustainable Development Goals – linkages with corporate actions in India", jointly developed by FICCI and TTC through extensive research, provides insights to corporate journey that is an indication of the beginning of innovative change that can be envisioned for the country, a change that can prove to be one of the most critical nodes in the fabric of sustainable development.



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Setting the context



Dr. Mukund Rajan

Chairman – FICCI

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Commerce and Industry (FICCI)*

The Sustainable Development Goals (SDGs) provide a historic opportunity to unite global stakeholders to end extreme poverty, fight inequality and injustice, and protect our planet. It has been widely acknowledged that businesses need to play a critical role in the achievement of the SDGs. Increasingly, the rapid changes in the geopolitical and economic environment and social and environmental factors are placing a higher expectation on corporate leaders to be more transparent and disclose information to multiple stakeholders - such as investors, employees, customers, suppliers and civil society. Therefore, good corporate citizenship is no longer optional for leading businesses; it is in fact the new corporate imperative.

The SDGs framework is ideally suited for corporates to integrate the goals into their overall business strategies by examining SDGs from a business risk perspective, determining which SDGs are relevant to the company's core business and identifying the SDGs that are relevant to the company's CSR activities. By doing so, it allows companies to be transparent about

their operations, enabling investors to make informed decisions and providing governments an understanding of how business is contributing to the goals in their countries. The SDGs also provide companies unparalleled economic opportunities through new business models and innovative growth strategies that are focused on purpose-led and long-term value creation. By integrating the SDGs into the core of corporate strategies, companies can truly contribute to meeting societal need without depleting the planet's resources.

As companies begin to integrate the SDGs there will be many questions that need answers. Therefore, this report is timely as it gives us a glimpse into what the SDGs mean to businesses in India; what and where are the opportunities and barriers; which goals are most relevant to us; and how do we report on them.

While the scale and scope of the SDGs is unprecedented, companies must continue to collaborate with various partners. By doing so, we will achieve more than we will when we act alone.

Highlights

Top goals addressed through corporate actions in India



01

- In general, Indian companies are engaging with the Government (state or central) to contribute towards SDGs through development of policy framework;
- From the FICCI member companies we received feedback, 85% of them are working towards the SDGs that are directly linked to their business.

02

Key actions through which companies tend to address the SDGs:

- Working towards improving relationship with government and civil society;
- Building support for the Global Goals and integrating the same in their own growth strategy;
- Taking target oriented actions to support achievement of SDGs for the nation.

03

Key drivers for corporates on actions related to the SDGs:

- Encouragement from evolving regulatory environment;
- Vision to create impact;
- Increasing expectations from civil society;
- Brand enhancement opportunity;
- Improved risk management;
- Enhanced resource efficiency;
- Better value chain management.

04

Key barriers for corporates in contributing to the SDGs:

- Lack of policy coherence;
- Perception of inadequate concomitant long-term benefits;
- Lack of adequate public finance to supplement private capital;
- Absence of clearly defined global mechanisms for the corporate support to the SDGs;
- Lack of perception regarding convergence between SDGs and the priorities of businesses.



Global Goals for Sustainable Development

During the UN Sustainable Development Summit between 25-27 September 2017, 193 member countries of the United Nations collaboratively committed to adopting Sustainable Development Goals (SDGs – frequently referred to as the “Global Goals”) and committed themselves as stakeholders to meet the 2030 agenda for sustainable development. The 17 SDGs and 169 interlinked targets within these range, from ending poverty to stemming climate change, and that

altogether provide a pathway for a sustainable and more prosperous world. It also reflects the complex and interrelated nature of social, economic and ecological well-being parameters. The SDG framework also provide an opportunity to renew and integrate efforts in order to meet, to a significant degree, national and global aspirations in a defined time frame. As a part of this aspirational agenda, the UN also put out a strong call to action for the Private sector to play an important role in achieving these goals.



Over the years, India has framed its development roadmap focussing on the priority issues of employment, economic growth, food, water and energy security, disaster resilience and poverty alleviation. The SDG agenda is an excellent opportunity to further integrate the issues like climate change, natural resource scarcity and inequality into the Country's development plan. SDGs have been linked to various flagship programmes in India, and expert committees and working groups have been set up to facilitate the implementation.

According to United Nations Conference on Trade and Investment (UNCTAD), 2016, global flows of foreign direct investment fell by about 2 percent and investment in developing countries declined even more, by 14 percent. These raise concerns, especially when significant investments are required to meet the SDGs. Currently, external financial flows are not only fragile, but also fall short of the amount of investment required to achieve the Sustainable Development Goals by 2030. In developing economies, the annual shortfall in domestic and international resources to meet the SDG targets stands at US\$ 2.5 trillion . To work towards achieving the SDGs¹, more investments are required to be made in infrastructure, energy, water & sanitation, climate change mitigation and health and education. Some investments and efforts are also required in all the sectors to generate employment and income growth. Thus, SDG financing is a challenge that far exceeds the capacity of any organization or the government alone. A strong push and investment support is required from the private sector.

An estimated US\$ 5–7 trillion a year will be required to achieve the SDGs by 2030² . According to the Report by Technology and Action for Rural Advancement³, the corresponding annual spending needed in India is US\$ 0.96 trillion. The same Report also presents an estimated US\$ 0.56 trillion as the financing gap based



“Incorporating climate concerns in business strategies is the only way to make profit in the future net zero economy. Businesses need to act now to turn this global challenge into an opportunity”

Pankaj Patel,
Chairman and Managing Director,
Zydus Cadilla & Past President, FICCI

the SDGs, what actions are being taken, value they see in investing in the SDGs, and the key barriers faced. An analysis of the feedback was carried out to assess how these actions can lead to impact creation on a larger scale. The target group for the corporate feedback included companies which have significantly integrated sustainability into their businesses, implemented focussed sustainability and CSR projects, and are graduating to linking their projects to address the SDGs. The analysis of the feedback received from the companies provides an overview of drivers, challenges, leading practices and future outlook of corporate actions in India. This Report is expected to serve as a useful reference document not only for corporates and business leaders, but also for government, investors, civil society and other stakeholder constituencies to plan and implement India's agenda of achieving the Global Goals ahead.

Why businesses need SDGs?

The fifteen years span (2015-30) for implementation of the Sustainable Development Goals demands massive efforts from governments as well as businesses. Indian Government is already using SDGs as a roadmap for formulating national policies and regulations; however, government actions need to be complemented as well as supplemented by corporate actions. Research carried out by GlobeScan⁴, an insights and strategy firm, found out that one in every three companies plan to use Global Goals as input for setting corporate objectives. Feedback received from some of the key Indian companies also suggest that organisations are now aware of the Global Goals, but knowledge on ways of addressing and contributing towards achievement of these, still remains relatively low.

SDGs are global initiatives, and some of the goals may have relatively less business relevance for companies. Many companies are currently pursuing it as a branding initiative to build their

on the current and planned public expenditures. It is a no-brainer that a significant chunk of this gap will need to be bridged from private sector sources.

For developing this FICCI-TTC Thought Leadership Report, an in-depth secondary research was initially carried out to gauge the uptake of the sustainable development goals by the corporates. Literature review was carried out covering assessment of research papers, thought leadership articles published by think tanks, and policy documents and surveys carried out by various agencies with an aim to bring out the current initiatives taken by the corporates, key drivers and barriers for addressing the SDGs.

The secondary research was then supplemented by seeking feedback from several FICCI member companies operating in India, on their current actions towards addressing the global goals. This also brought out perspective of businesses, on how they understand

¹ http://unctad.org/en/PublicationsLibrary/wir2017_en.pdf

² UN. (2014). World Investment Report 2014. Retrieved from http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf

³ Bhamra, A., Shanker, H., & Niazi, Z. (2015). Achieving the sustainable development goals in India: A study of financial requirements and gaps. New Delhi: Ministry of Environment, Forest and Climate Change

⁴ GlobeScan Sustainability survey 2017, Sustainability leaders: Celebrating 20 years of leadership



According to the Business and Sustainable Development Commission's report "Better Business, Better World (2017)", achieving the Global Goals opens up an economic prize of at least US\$12 trillion by 2030 for the private sector. 50% of this prize is located in the developing countries.



reputation. However, there are also a large number of companies who are pursuing SDGs as a strategic agenda. SDGs offer several benefits if adopted as a strategy for growth. One of the most relevant benefits being, the opening of new global markets as these goals follow a common global agenda.

Achieving the Global Goals by 2030 is an ambitious vision, and therefore immediate action from companies is required. For businesses with long-term sustainable objectives, this provides significant risk mitigation, as well as growth opportunities. If increased participation is seen from business, confidence in achieving these goals for India will increase. This will serve as a powerful instrument for companies, governments, and other stakeholders to invest accordingly. Business that make choices based on strategic assessment of future scenarios are most likely to thrive in the long run.

Working towards the sustainable development goals does not assure that all the global issues faced today will be eradicated by 2030. The World will still face resource crunch and environment related risks. However, taking the right actions in this regard, making sustainable and right choices today will provide a competitive edge to companies. Companies are expected to be better organised to address these challenges when the issues become significantly pressing.

As the Global Goals are highly inter-related, the benefits of working in even one or some of the goals will influence positively on the other goals. For instance, actions on climate change can be linked with eradicating poverty and economic growth; access to affordable energy will lead to reducing inequality and support industrialization in the

country. Although, there is immense potential in working towards the SDGs, achieving the global goals will require integrated thinking for taking strategic business decisions.

Following are some approaches that corporates can adopt in order to realize the opportunities from the Global Goals:

- SDGs can be utilised as a tool to assess the implications for business today. It will also help companies to analyse their current policies, goals and programmes and identifying the gaps;
- They can be used as starting point for developing a new sustainability strategy or implementing a new community programme;
- With a high level of buy-in from so many global organizations, the goals should be part of setting new objectives, or reviewing existing ones. Therefore, SDGs can be used as tool for setting targets;
- Having data helps to improve performance, and also to drive a more meaningful dialogue with stakeholders. SDGs can be used as a framework for impact assessments. It throws up fascinating challenges around measurement and opens up opportunities to develop better metrics;
- SDGs are a new framework against which most of the companies may align their sustainability disclosures.

Global Goals set a standard against which business progress can be reviewed. Companies need to explore the territory between what they are doing today, and the potential to make a bigger contribution to the nation as well as the world through the Global Goals.



"The right kind of economic growth is ongoing, inclusive, and sustainable. That means ensuring that our cities are those where people can breathe, move and be productive, that the energy that powers industries and homes comes from cleaner, cheaper sources, and that our natural assets can continue providing the resources and environmental services on which the well-being of present and future generations depends. The policy decisions we take today can secure this more sustainable growth path."

Naina Lal Kidwai,
Max Financial & Past President, FICCI

A wider perspective on uptake of SDGs by businesses in India



“The consciousness about SDGs for Indian businesses is inevitable given that it provides them with a clear and unambiguous framework on how to develop their strategies to tackle myriad of challenges like climate change, environmental and social risk, pressure from civil society, ever-changing regulations and brand related risks and emerge as a more resilient and future-ready organization ready to compete with Fortune100 companies of the world.”

Parul Soni
Global Managing Partner,
Thinkthrough Consulting (TTC)

In this section, we discuss an overview of key drivers for uptake of the SDGs in India, policy landscape and the steps and initiatives presently being taken. Through interaction with some of the companies, we also received some of the examples of leading initiatives, which have been presented as case studies in this section.

Key drivers: corporate actions for addressing the SDGs

According to the feedback received by FICCI-TTC Team, majority of the Indian corporates believe that they are prepared to invest in, as well as strategize, their development activities in way that addresses the Global Goals. This preparedness and enthusiasm can not only be attributed towards the push from the global community and Indian Government demanding corporates to contribute towards achieving the country specific goals, but also through a mature understanding of the underlying tangible and non-tangible benefits of treading the SDG path.

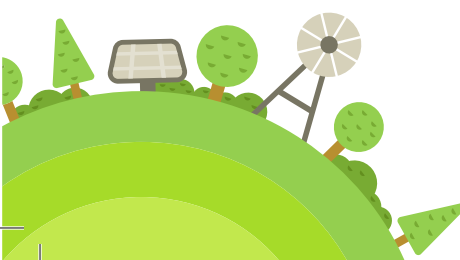
1. Regulatory environment

Governments all across the globe are pushing the social responsibility agenda seriously, and there is a growing trend of national and international regulations being implemented. This implies that companies will now have to show enhanced compliance, accountability and transparency on various social, economic and environmental issues. For instance, after enforcement of CSR rules in India, significant corporate funds are deployed on social and sustainable development projects in India. A reasonable impact can be created if these funds are focussed on the Global Goals to address the key environmental and social issues. Many corporates have already started treading this path, while several others are preparing to take focussed actions.

2. Vision to create an impact

A goal based approach and vision of the leadership to create an impact is crucial for integrating the SDGs into a company's business strategy and development plan. A SDG-focussed approach can help the company to take a 360 degree look at its operations. If this vision is directed from top management, it can be translated into organization's mission, vision, value, strategy, as well as goals to drive the agenda. During the initial phase of corporate responsibility movement in India, development functions, departments and initiatives used to operate in silos. COP21 of September 2015 took the awareness around the SDGs and expectations from the corporates to address the Global Goals to the next level. More than 300 CEOs, heads of state, UN and civil society leaders attended the UN Private Sector Forum in September 2015 to discuss the role of businesses in implementing the Global Goals. The event set out clear expectations from businesses around the world to contribute towards achieving country specific SDG targets.

Many leading companies in India have also started thinking in a new way and adopting skills and resources required to engage with SDGs. Many CXOs, directors and other leaders at various levels use their knowledge and skills to promote the necessary changes. Going ahead, integration of SDGs into the business goals would require involvement of departments including supply chain, human resources, administration, and legal departments and not remain confined under the purview of mere sustainability, EHS and CSR functions. Many proactive leaders today are not satisfied by just abiding by the mandates and guidelines, and are progressively taking necessary steps, and implementing initiatives to meet set SDG-linked goals aimed at contributing towards supporting national targets.



Example: Improved sexual and reproductive health in adolescents by Tata Steel



Initiative

The initiative aimed to improve sexual and reproductive health and well-being in adolescents in Saraikela Kharsawan district of Jharkhand.



Intervention

As a part of this initiative, Youth Resource Centers (YRCs) were set up to engage youth and community members on health and reproductive issues, and training sessions were undertaken. Tata Steel provided leadership and vocational training opportunities to young people in the programme area.



Impact

- The first two phases of the Project resulted in creation of awareness in 661 villages and 34 semi-urban slums from seven blocks of East Singhbhum and 305 villages from six blocks of Seraikela Kharsawan respectively;
- In the subsequent phase, the Project aims to cover 239 villages in Rajnagar;
- The Project reached out to more than 40,000 adolescents.

Example: Waste management initiative by SBI



State Bank of India



Initiative

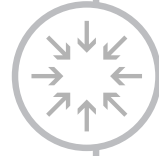
Setting up community-run solid waste management systems in the villages of Rajasthan



Intervention

SBI through its Youth for India fellowship program has worked in the Chota Narrain village, Ajmer district of Rajasthan to set-up a pilot for community-run waste management system as a solution to the increasing problem of solid waste management.

While the wet waste was used for composting, dry waste was segregated and sold to recyclers



Impact

- 500 Community members reached out through awareness generation camps;
- 80 households now dispose waste responsibly using zero open dumping and zero burning of waste;
- 300 kilograms of plastic collected over a period of 3 months;
- Two members from the community earning livelihood by collecting waste, making and selling compost and plastics.



3. Increasing expectations from civil society

Various non-governmental organization operate in their focussed areas and are creating substantial pressure for businesses to take up the sustainable development agenda aggressively.

Today, customers also have a powerful voice because of the technology enablement and high levels of awareness on the environmental and social issues. Therefore, today businesses need to extend their reach not only to the investors, but also to the newer section of stakeholders including civil society, customers, media, academics and community.

Example: Construction of water harvesting structures by Ambuja Cement



Initiative

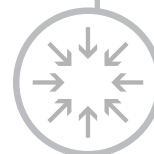
Construction of water harvesting structures in Kodinar, Gir Somnath district, Gujarat.



Intervention

Ambuja Cement constructed the first check dam (in 1993) in Kodinar, a drought prone area with a major issue of water salinity. Water harvesting and ground water recharging structures were set up in the project area.

As a part of this initiative, Ambuja engaged extensively in awareness creation on water efficient agriculture through micro-irrigation (12,042 Acre) using sprinkler and drip irrigation.

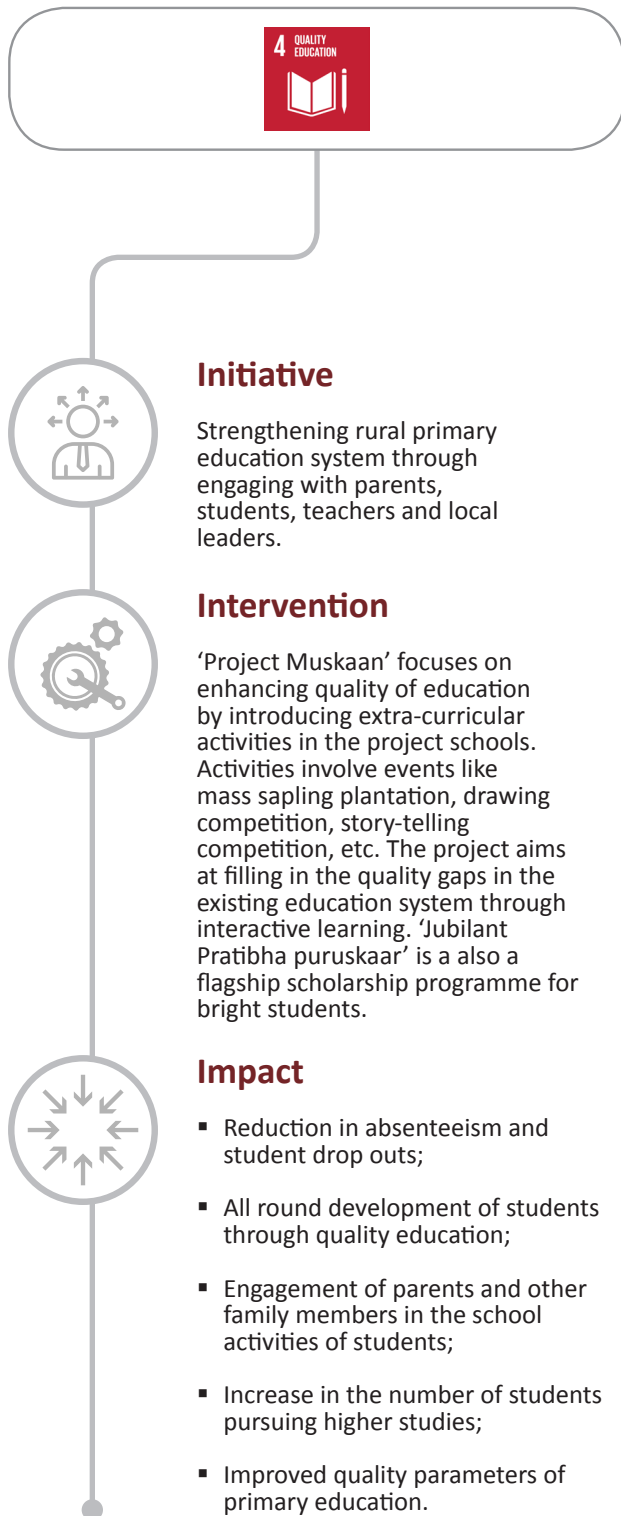


Impact

- Significant improvement in salinity reduction and water availability through harvesting around Kodinar (Gujarat) was achieved;
- Construction of water harvesting and ground water recharge structures resulted in reduction of water scarcity, helping the community and farmers in particular to carry out agriculture.



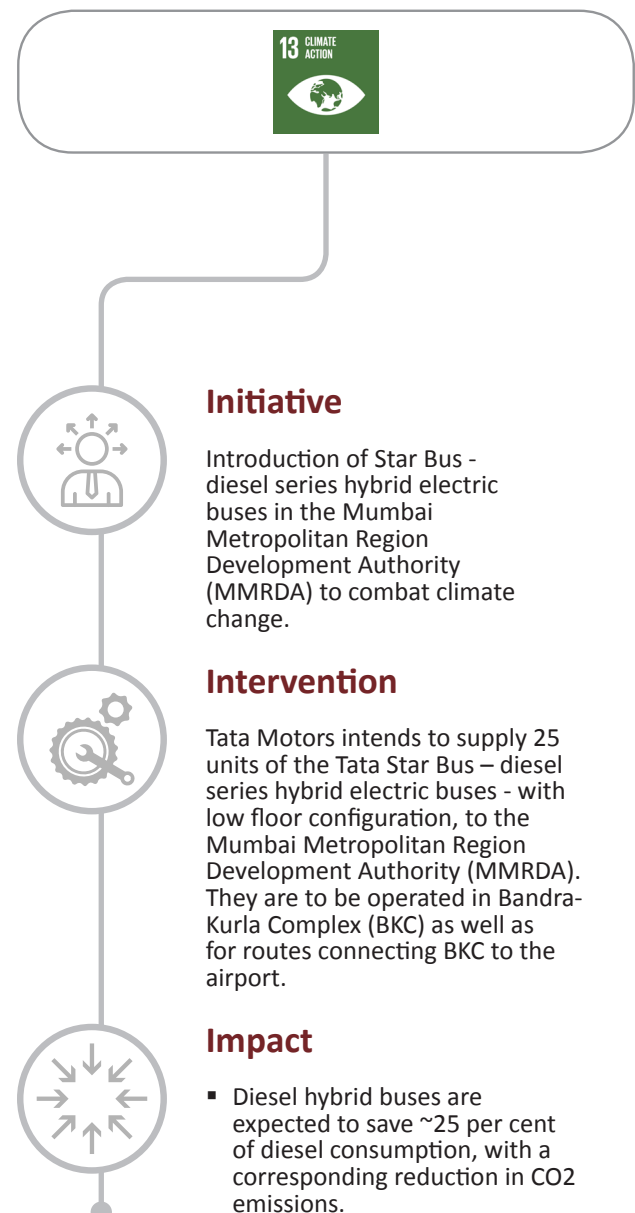
Example: Strengthening rural primary education system by Jubilant LifeSciences



4. Brand enhancement opportunity

Well-being of a company depends largely on its brand image and reputation in the market. Irrespective of what market the business serves, and what the target customers or consumers be, if the company is not conscious of its environmental and social commitments, it begins to lose its brand value. Several large and small corporates have faced business challenges due to poor social and environmental performance. Often, compulsive pressure comes from investors and consumers with respect to human rights and maintaining good working conditions in the supply chain. After experiencing cases of operating units being shut down due to ignorance towards the community being affected due to company’s operations, the social performance is being pushed to the forefront in a manner in which it operates and the impact of its operations on the surroundings.

Example: Hybrid electric buses by Tata Motors



5. Risk management perspective

Companies are increasingly taking risk-based approach to the sustainable development agenda to evaluate their actions. Risk-based approach enables companies to prepare for worst and plan accordingly. This forms a large part of sustainable development governance, law and policy at the global, national and organizational levels. A well-integrated risk management framework takes cognizance of social and environmental risks in all the areas of operations and enables the businesses to take a holistic view of the risk profiles. This ensures that all the significant risks are adequately addressed and are also aligned with the company's agenda to address the sustainable development goals. Risk management not only addresses company's social and sustainable development agenda, but also manages all risks on behalf of employees, shareholders and society.

Example: Air pollution awareness generation campaign by GAIL



Initiative

'Hawa Badlo Campaign' for awareness creation on air pollution and finding measures to fight the same.



Intervention

Hawa Badlo is a people's initiative to spread awareness about hazardous levels of air pollution finding measures to fight the same. It is an independent national digital movement which aims to assemble knowledge, network, innovation and outreach to create a platform to protect human health and country from the effects of air pollution. The movement involved deploying insightful videos spreading awareness among people concerned in order for them to take action.



Impact

- The project created awareness among the citizens regarding air pollution and its impacts. A large number people supported the campaign on social media and took pledge to switch to natural gas option to reduce air pollution caused by other fuel. The initiative also promoted use of cleaner fuel among the people.

Example: Integrated water and sanitation programme by HSBC



Initiative

Integrated water and sanitation in villages of Barmer and Jodhpur districts of Rajasthan, in partnership with Jal Bhagirathi Foundation (JBF).



Intervention

HSBC is partnering with JBF since 2009 to address challenges faced communities in the Thar Desert, one of the most densely populated arid zone in the world. It is a fragile agrarian economy dependent on monsoon rains of a meagre 200mm, and no effective rainwater harvesting mechanisms.

In order to address this issue, the Company took up construction of sand dams for rainwater harvesting, facilitation of government schemes for access to household toilets; sanitation and hygiene awareness and behaviour change.



Impact

The current project has resulted in:

- 7 community led *Jal Sabhas* formed to manage water resources independently of all other stakeholders;
- 7 dams were constructed in 6 villages impacting over 10,000 people;
- Reduction in erosion alongside the dry river banks;
- Increase in water pump effectiveness by 50%;
- Construction of 1,812 toilets in 5 villages ensuring over 88% coverage of sanitation.



“As climate-related risks increase, a new business model is necessary. We need a model that addresses these risks, builds resilience and grasps new opportunities and this transformation needs to be orchestrated at Board-level. Boards have the duty to take the lead, in order to protect the long term interests of the company and all stakeholders”

Philippe Joubert,
Founder and CEO, Earth on Board

6. Enhanced resource efficiency
It has often been demonstrated that a well-rounded business strategy considering social and environmental concerns, helps identify risks and opportunities, and yields better return on investment on projects, including resource utilization, optimal energy consumption and bringing down overall cost of operations.

Example: Managing waste at source by Coca-Cola



Initiative

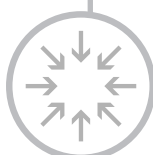
“Alag Karo – Har Din Teen Bin” is a project by Coca-Cola India in partnership with Saahas, Tetra Pak and GIZ, towards fulfilling the objective of managing waste at source and to build zero waste communities.



Intervention

Coca-Cola is building awareness and implementing sustainable solutions for waste segregation at source across 60 Residential Welfare Associations (RWAs), 9000 Households, 50 schools and 50 commercial establishments in Gurugram.

The program also aims to develop capacities of at least 500 waste collectors to ensure high recycling rates in Gurugram.



Impact

- 50-75 tons per day of waste is diverted from being dumped in landfills or being burnt in open;
- 1,50,000 persons reached out through public awareness campaigns;
- Working conditions of 500+ waste improved through training on waste handling and segregation;
- The company has framed progressive policies & implementation guidelines have been framed on ‘segregation at source’ and sustainable waste management practices.

7. Better value chain management

With value chains (both supply- and delivery-side) becoming more and more diverse, and extended beyond regional boundaries, businesses today face environmental, social and human risks at multiple levels. Moreover, value chain management is a strategic differentiator in today’s competitive business environment. Although a sizeable part of a value chain is sometimes outside the direct control and scope of a company’s operation, several related risks can be managed by looking at it through SDG lens, which can potentially influence the stakeholders in the value chain. The SDGs not only provide most relevant social and environmental goals for the corporates to take actions, but also offers specific action points and ways to address these goals, implementation of which can result in improving value chain performance of the company. Managing these issues can further result in discovering new revenue streams, reducing costs and managing risks.

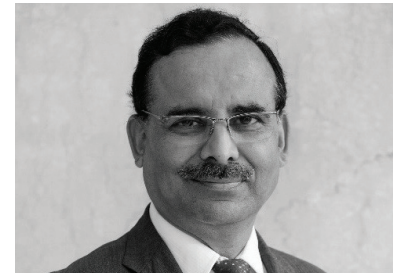
Policy Infrastructure for supporting the Global Goals in India

The 2030 development agenda includes both the UN Sustainable Development Goals, and the financing for development agenda - both have created a considerable impact on the role of the private sector's development in the twenty-first century all over the world. There exist tremendous opportunities in India, for the private sector to leverage its collective resources to help steer and amplify the development efforts of UN member states and the international development community, including multilateral and bilateral development banks and other development agencies and actors. For that to happen, however, governments need to create the right enabling environments both for business to do what it does best, i.e., create economic growth and opportunity, and also to create the right collaborative frameworks for business, government and civil society to work productively together to meet social needs when governments cannot meet them by themselves.

For implementing the SDGs, India's NITI Aayog upholds its commitment towards achieving the SDGs in a timely manner, along with creating a country-wide communication process. NITI Aayog also encourages the States and Union Territories to share knowledge and good practices in the various fields to fast-track the implementation of SDGs across the country.

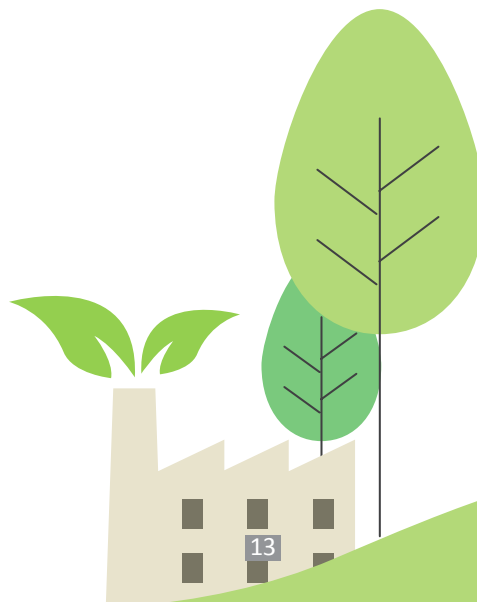
This knowledge creation has resulted in increased participation of civil society organizations in the sustainable development agenda; through partnerships with the Government to provide inputs, create awareness and offer feedback. Corporates have also joined the sustainable development journey. Apart from working within the industry, companies now are collaborating with the government and civil society to develop innovative solutions and courses of action.

One of the innovative interventions being taken at the central government level in India includes development of national indicators in relation to the SDGs by Ministry of Statistics and Programme Implementation (MoSPI). Further, Most of the state governments have matched strategic insights from the national development and 2030 agendas with their own specific contexts and priorities. State Planning and Development Departments are also operating as focal points for facilitating the process of SDG implementation by providing the necessary information and support. India has a tradition of strong local governments: Panchayati Raj Institutions (PRIs) in rural areas, and urban local bodies (ULBs) in urban areas. After substantial financial devolution to the PRIs under the award of the 14th Finance Commission, the Ministry of Panchayati Raj is supporting village-level PRIs in planning and implementing development initiatives in their respective areas. The national development agenda covering the SDG framework, guides the capacity building of the PRIs as well as the actual planning process. Such policy interventions are creating an enabling environment for the businesses to invest in the SDGs with the proactive support from the Central and State Governments.



"India is growing at a robust pace with rising demand for energy. Increasing focus on sustainable growth, energy security and environmental concerns are broadening the scope for alternative, renewable energy sources in the energy mix. As the nation commits itself to a green agenda for the future, the oil & gas sector has a key role to play, with focus on energy efficiency, continuous research and innovation so as to minimize carbon emissions and maintain high standards of pollution control. At Indian Oil, we have always believed in walking the talk. Despite the many challenges in keeping our commitment to reduce carbon emissions, we are working to ensure that our operations, products and services will benefit millions of our customers and ensure the energy security of future generations."

Sanjiv Singh,
Chairman, Indian Oil Corporation Limited



Corporate Actions for Achieving the Global Goals



“It is a moral imperative for us to be concerned about future generations and about the needs of the communities that we serve. Corporates need to lead the efforts in helping to address the world’s biggest social and environmental challenges by deploying inclusive business models and innovative products and services that integrate sustainability principles in every aspect of their development.”

Mukund Rajan,
Chairman, Tata Global Sustainability Council, Chief Ethics Officer & Head – International Operations, Tata Sons

The story so far

The 2030 Sustainable Development Agenda originated in the past two decades. While reviewing the progress towards fulfilling the Millennium Development Goals (MDGs - launched in 2000), in 2010, governments called in both for accelerated progress on the MDGs and for new ways to advance the UN development agenda beyond 2015. The resulting 2030 development agenda is the UN’s most ambitious vision for sustainable development and will reshape the practice of

development globally, including the role of the private sector.

Although the SDGs are seen as successor to the MDGs, they are significantly different in nature. The Global Goals are framed in a manner to reflect not only the development perspective, but also deep dive into core issues that drive growth including economic, environmental and social dimensions. These 17 goals are an integrated package and are completely applicable for the developing and the developed world and open multiple market opportunities for corporate involvement.

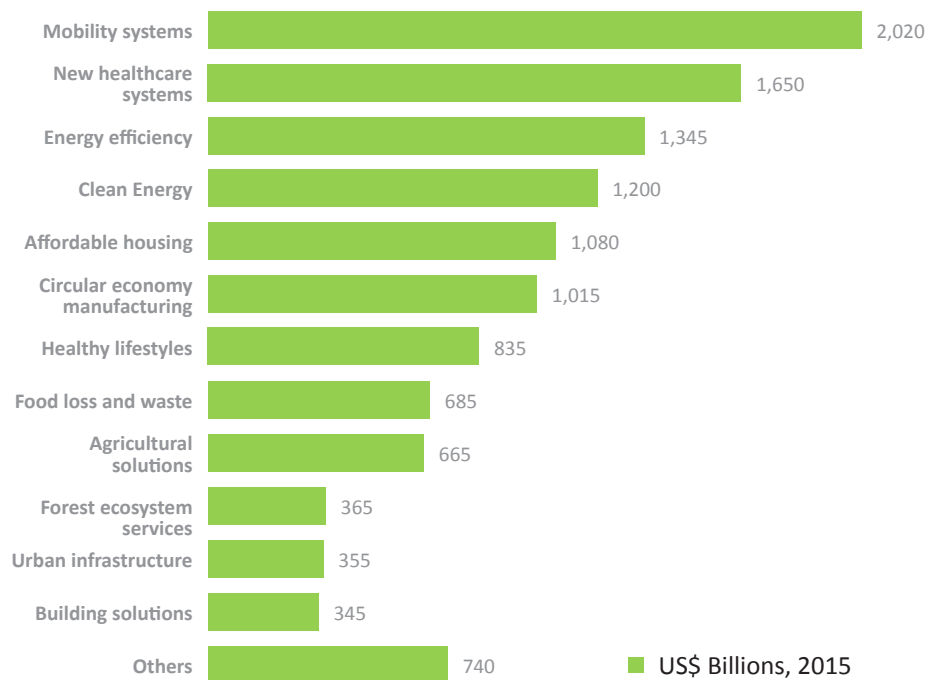
Figure 1: How MDGs transitioned to the SDGs



What are the global business opportunities?

A market study by Business and Sustainable Development Commission in 2017 has identified market opportunities related to achieving global goals. The 60 identified market opportunities are estimated to generate revenues and savings worth more than US\$ 12 trillion by 2030 globally⁵. Figure 2 provides the estimated values of top markets identified across different economic systems.

Figure 2: Value of global incremental opportunities in 2030⁵



⁵“Better Business, Better World” – Business and Sustainable Development Commission, 2017

03

Introduction of SDGs

SDGs perceived as a new tool to address global economic, environmental and social issues

04

SDGs for global good

SDGs identified globally as a roadmap for growth with enthusiastic involvement of the Governments

05

SDGs adopted by businesses

Businesses today understand that engaging in the SDGs makes sense as these are strategic and have high business / economic value



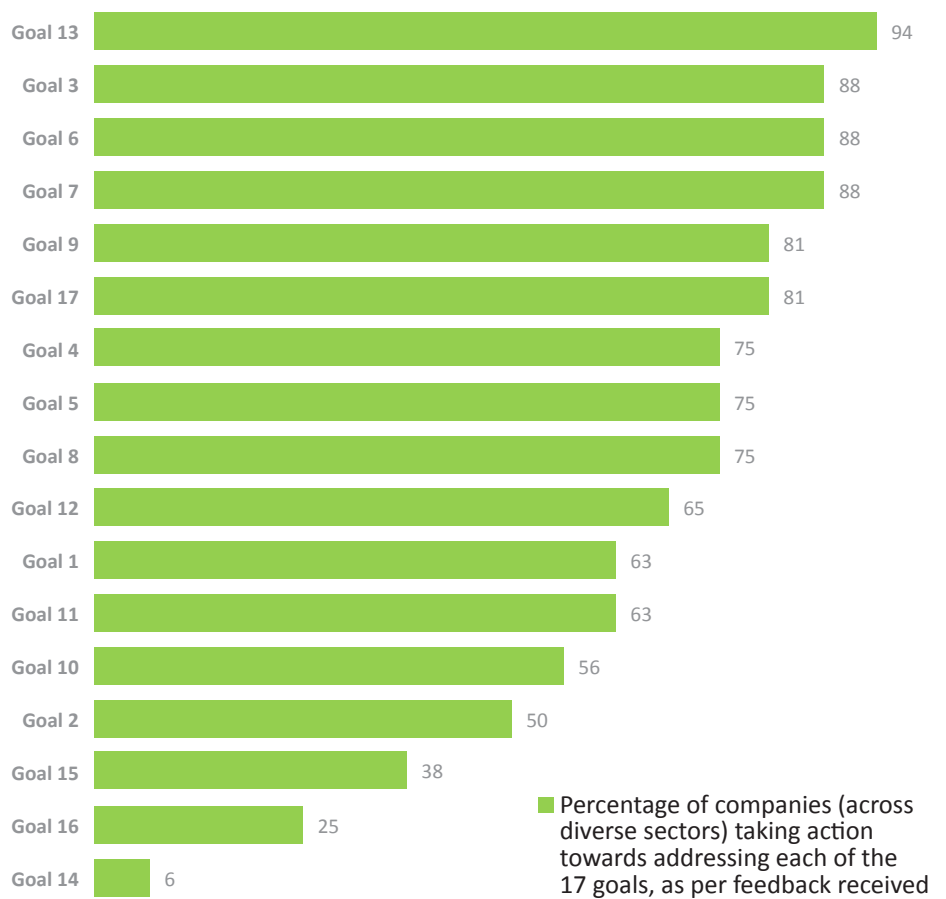
“To a large extent it is the private sector that will design and implement a low-carbon economy. Like the last century, many technological innovations will come from the private sector. What is needed now is leadership in action: demonstration and replication of systems that operate in low-carbon, resource-smart ways”

Raman Ramachandran,
Chairman & Managing Director, BASF India Ltd

What are the current trends in India?

It has been observed that all the companies which provided feedback for this report have started mapping their existing programmes to the sustainable development goal it relates to, but there didn't seem to be specific efforts in developing new programs to address the most relevant Goal for their business. There is a fair amount of interest in the SDGs from the business community, as they cover a wide range of issues suited to developing as well as developed countries, and many of these issues are also fundamental for business success. As more and more companies globally realise potential opportunities from the Global Goals, specific case studies will encourage more corporates towards focussed quantifiable actions.

Figure 3: Global Goals addressed by the Indian corporates

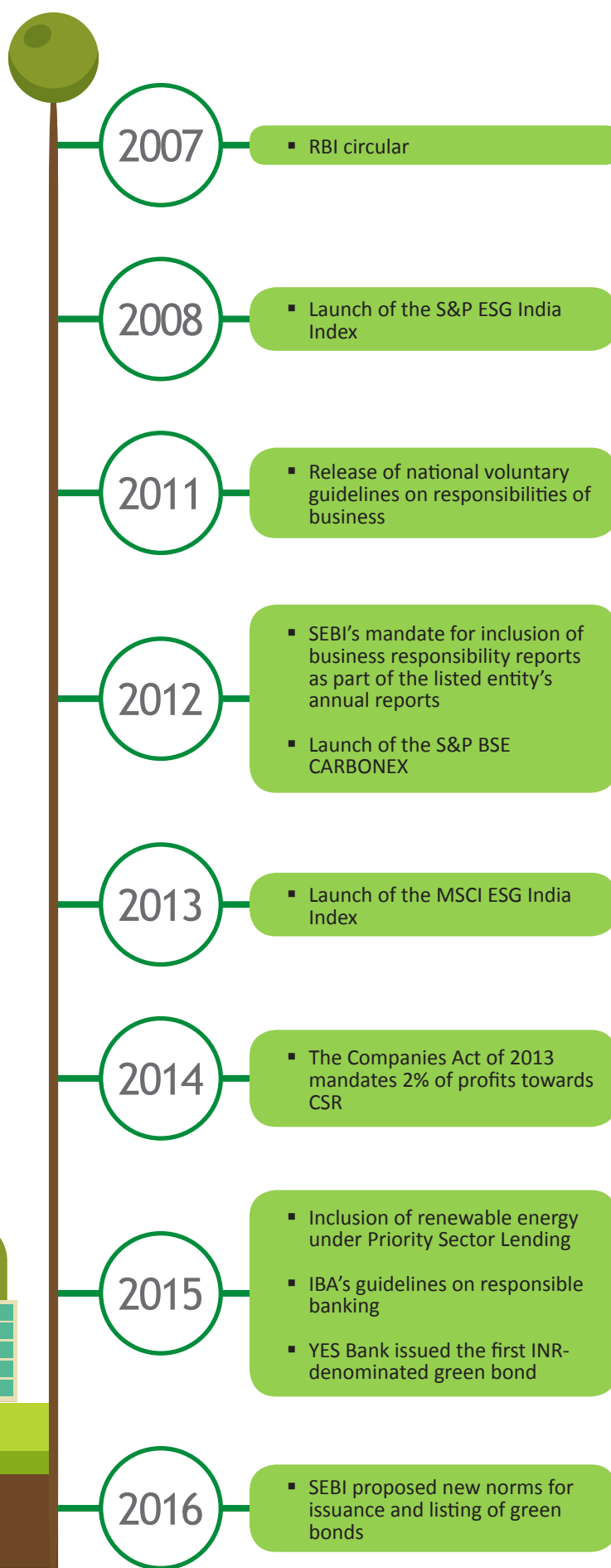


Momentum on sustainable finance in India

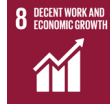
[Excerpt from FICCI-UNEP report – “Delivering a Sustainable Financing in India, 2016”]

“A range of voluntary and legislative actions have highlighted prominent strands of the sustainability imperative in India, particularly related to financial markets and the banking system. The RBI issued its first circular on banking and sustainable development in 2007, encouraging the adoption of best practices and greater transparency. Since then, important steps have been taken as outlined below. In addition to various progressive measures, corporate social responsibility (CSR) has been formally introduced through the Companies Act of 2013 with effect from 1 April 2014. All companies, private limited or public limited, with a net worth of INR 5 billion (US\$ 81.8 million), a turnover of INR 10 billion (US\$ 163.7 million) or a net profit of INR 50 million (US\$ 0.8 million) have to spend at least two per cent of their average net profit of the immediate preceding three financial years on CSR activities. Notably, sustainability-linked funding is an option available to companies”

Figure 4: Sustainability trends in the financial sector



Example: Sustainable financing by YES Bank



Initiative

'Say YES to Sustainable MSMEs in India' is YES BANK's flagship CSR project which aims to impact 1 lakh SMEs by 2020 through Energy Efficiency (EE), Occupational Health & Safety (OHS) and financial literacy and capacity building initiatives.



Intervention

The 'Say YES to Sustainable MSMEs in India' project involves carrying out workshops for MSMEs on the adoption of EE and OHS practices along with handholding support through energy audits. It also includes setting up health camps, conducting first-aid and safety training as well as the distribution of Personal Protective Equipment and water filters. YES Bank also conducts financial literacy campaigns for MSMEs as well as E-commerce training for offline SMEs in partnership with Amazon. The final component is on GST training and transition support as well as training on Zero Defect Zero Effect (ZED).



Impact

The project has impacted 15,000+ MSMEs, benefitting 42,000+ workers across 14 states and 17 sectors since its launch in 2014 resulting in the following impacts:

- Reduction in the annual energy consumption for MSMEs thereby reducing carbon emissions (total 10,000 MT of CO₂ emissions reduced);
- Improvement in occupational health & safety practices in MSMEs;
- Improvement in operational efficiency;
- Increase in the productivity.

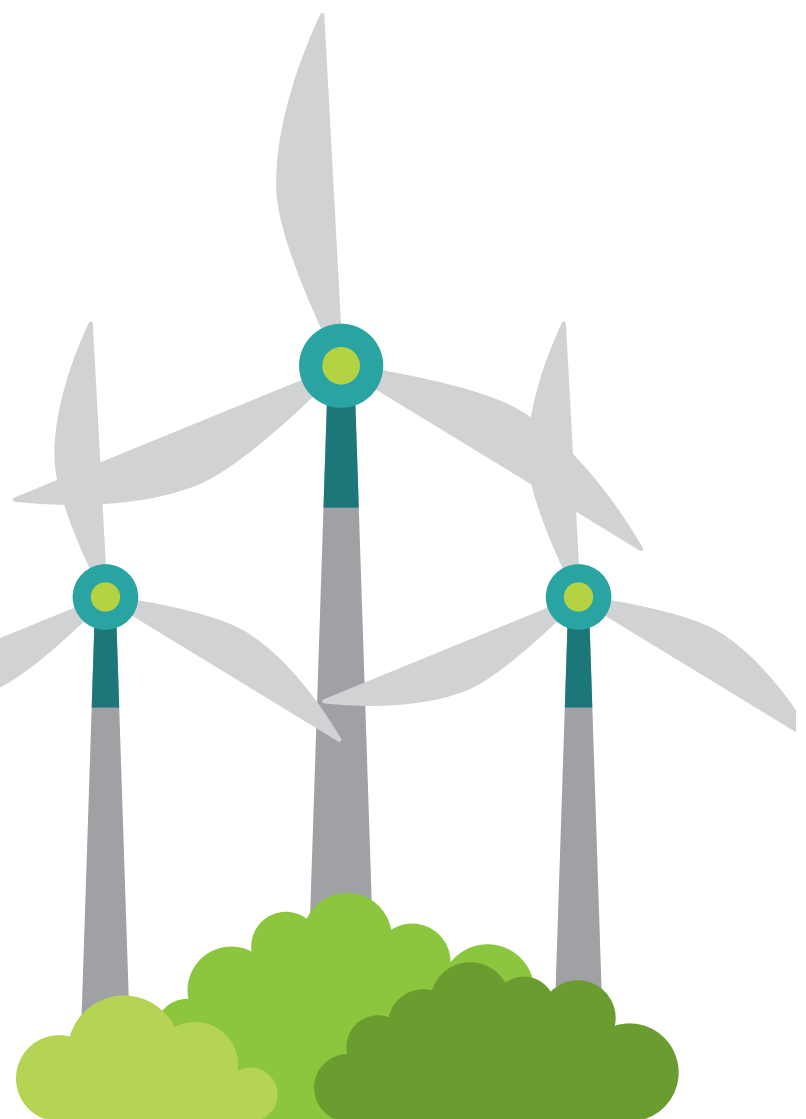




Figure 5: Global Goal-wise response from sample companies



As it is evident from the analysis of feedback that corporates now understand the value that can be derived from working towards the SDGs and a large number of corporates have already started taking measured steps in this direction. Along with strategic business benefits, SDGs also serve as tool to manage increased scrutiny from various stakeholder groups over various social, environmental and

labour issues. Although significant strides are being made by the corporates, the need still remains to engage in SDGs in a way that helps in developing strategies to manage social and environmental performance so that it results in developing smart business that capture opportunities and come up with innovative products and services to achieve the highest standards of sustainability.

Example: Micro-grid solar solutions by Tata Power



Initiative

Micro-grid solar solutions in remote villages of Pune for ensuring sustainable access to green power.



Intervention

Tata Power facilitated decentralized distribution of green power in the remote villages in Maval and Mulshi Talukas of Pune district. The micro-grid solar solutions offered power access to rural communities at affordable costs. The Company shared its core competency to augment the lack of energy access in remote locations. Technical feasibility and community participation was the key for the success. People took ownership of the project and formed 'Power User Group' to manage the project.



Impact

- Reduction in consumption of kerosene;
- Improved access to study time for children during evening;
- Low cost model for community affordability;
- Improved social interaction among community in the evening;
- Introduction of new technology of smart card method with mobile based power recharging system as per consumption.

Example: Integrated watershed management programme by M&M



Initiative

Integrated watershed management program (IWMP) in Damoh, Madhya Pradesh.



Intervention

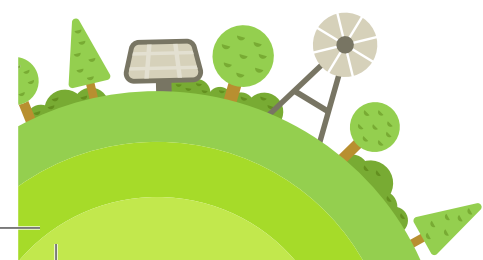
M&M undertook IWMP in 32 villages in Damoh district of Madhya Pradesh. The program estimates a total investment of INR 5 Cr. The project began with creating awareness about the programme and enrolling participants from the community. M&M partnered with the Government for its execution, and currently undertakes various interventions such as soil & water conservation and water resource development.



Impact

The project resulted into following impacts:

- Owing to the construction of 28 check dams, 37 ponds and tanks, the community now has an incremental storage capacity of 1,487 million liters;
- Vegetative plantations increased to 130 hectares of land and the tree cover has increased by 30,000 trees;
- Farmers have registered productivity acceleration by 25–30 per cent.



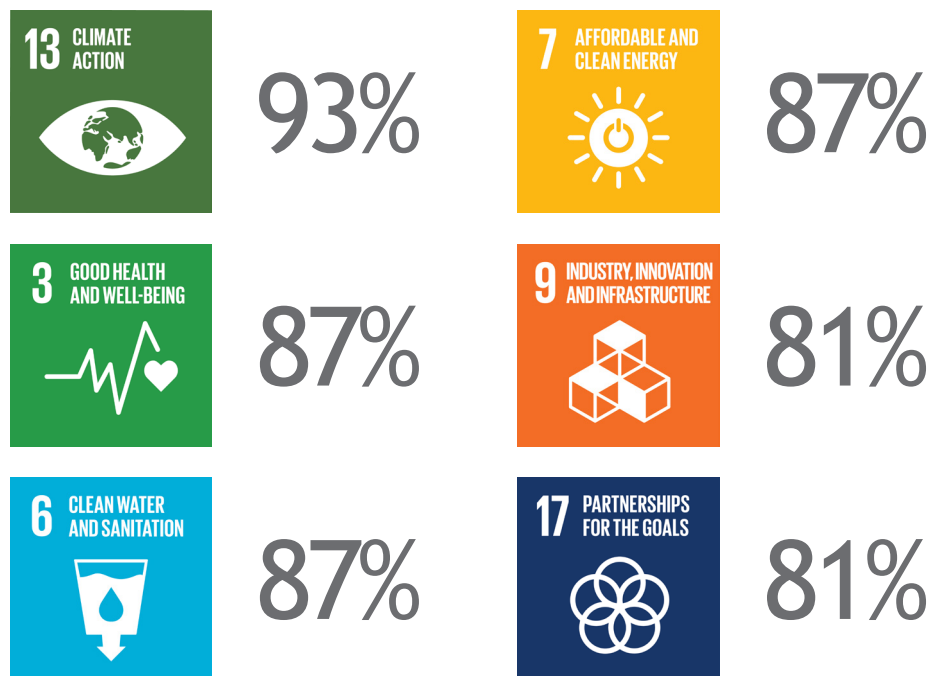
The feedback analysis by FICCI-TTC

In 2015, Governments all over the globe signed up for taking urgent actions decided upon by all the nations was to make a shift to low-carbon economies, as well as supporting the Global Goals. As India started making progress in this regard, immense responsibility came on the Indian corporates to align their strategies and actions to make this shift towards alignment with the global agenda. The expectation no longer remains a mandate to fulfil the compliances. Companies are expected to take measured steps and showcase actions transforming into focussed results aimed at addressing specific global goals. Although many corporates today are aware of the expectations, they further need to frame strategies to integrate SDGs into business goals.

FICCI continues to make substantial efforts to create awareness and build capacity of their member companies through creation of knowledge sharing platforms. Under this present initiative, FICCI and TTC collaborated to track progress on the SDGs being made by the corporates through rolling out a feedback questionnaire. The main purpose of this exercise was to evaluate SDGs that were most commonly addressed by the business, and the ones that are overlooked due to lack of understanding or other reasons. Further, though some of these companies have set their foot on aligning their social and environmental interventions in line with the Global Goals, there is not much literature available on how Indian businesses are taking focussed strategic actions. This initiative aimed at capturing preparedness of Indian companies to address the SDGs, key challenges and future trends.

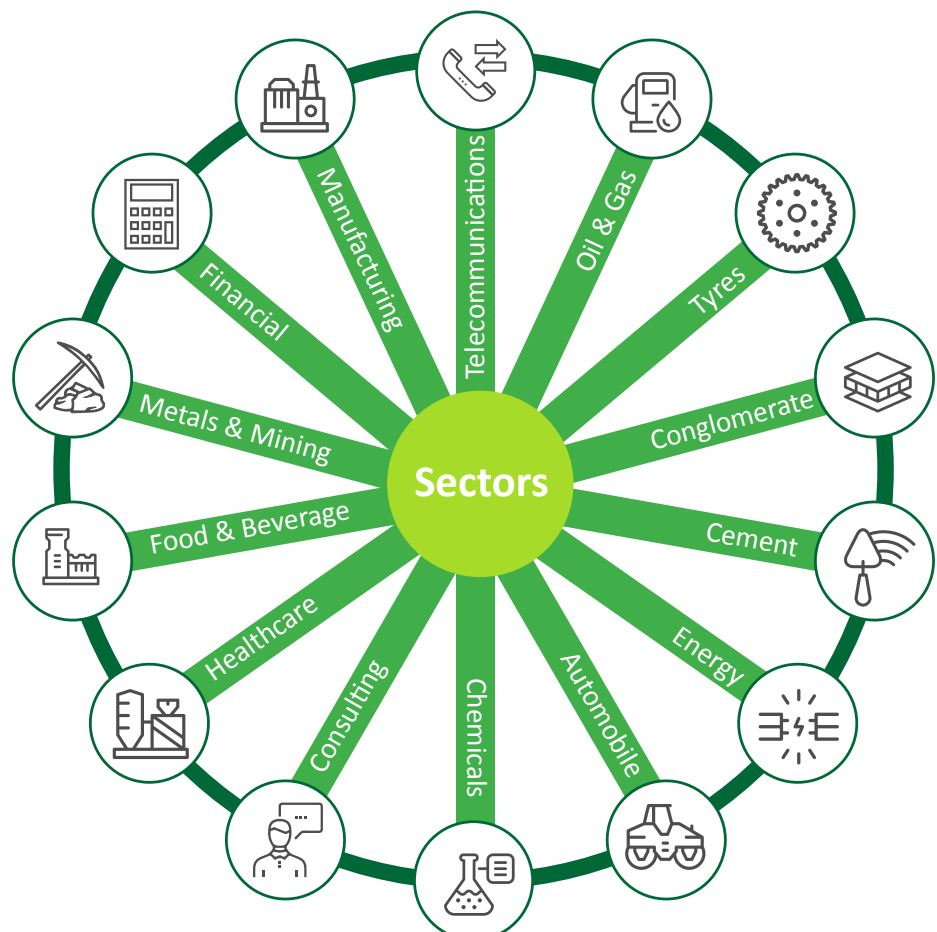
Results and findings of this FICCI-TTC Thought Leadership Report looks at how Indian companies are integrating the Global Goals into their sustainability framework.

Figure 6: Top six SDGs where Indian businesses are taking action



Percentages based on feedback from companies responded

Figure 7: Diverse industry sectors covered in seeking feedback from FICCI member companies



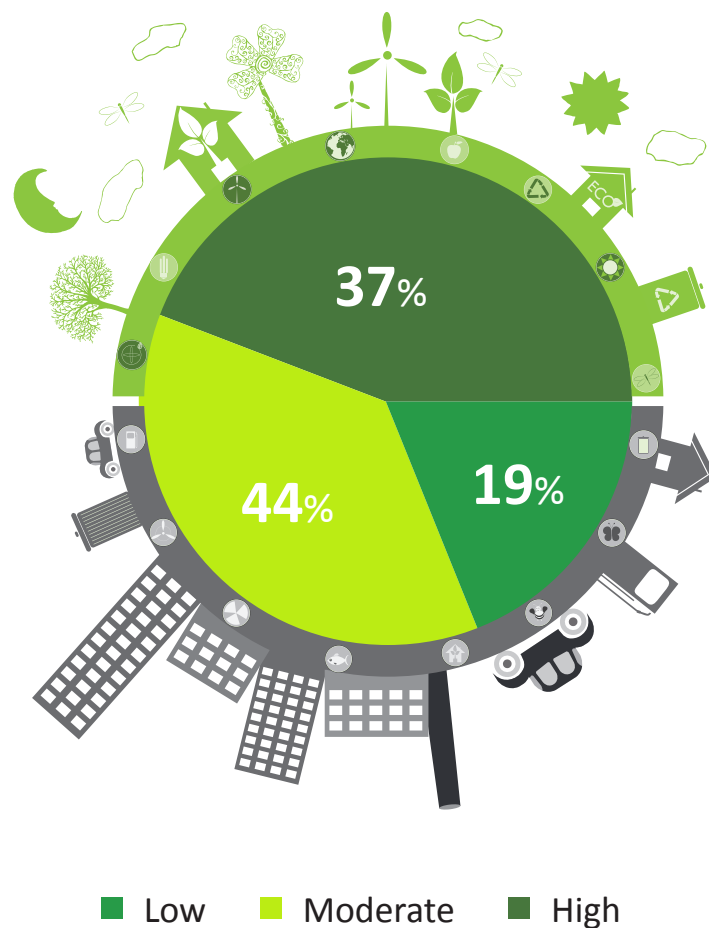
Assessment of corporate action on SDGs in India

Dialogues with the corporates revealed interesting facts about how Indian corporates perceive SDGs: Among the feedback received, 60 percent of the corporates believed that Indian companies are prepared to work towards the SDGs, while about 44% of the companies believed that they are individually prepared to take actions to address the Global Goals. This observation links directly to Goal 17 that calls for “global partnerships for sustainable development”, which implies larger impact can be created through collaboration.

What is the preparedness level of Indian corporates for helping India to achieve the SDGs?

100% of the companies providing feedback have framed their CSR policy. Although these companies have a policy in place and steps are also being taken to strategize the CSR programmes linking them to the SDGs and business objectives of companies, a major challenge lies in the investment requirement for the same. The data demonstrates that there is significant scope for Indian industries to put the required infrastructure in place. The next step in this direction can be taking a materiality based approach towards developing corporate responsibility programmes in line with the SDGs that are most relevant for the company. Further, the companies can set targets against each of the goals identified to ensure continuous progress is being made in this regard.

Figure 8: Preparedness of Indian corporates in achieving the SDGs

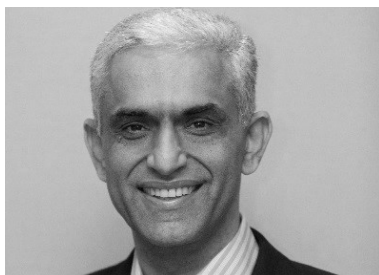


In what ways can Indian corporates contribute towards the achievement of the SDGs?

Currently, the corporate contribution towards achieving the SDGs is being made majorly through working with governments, working in the areas that are lined directly to their businesses and by providing sectoral expertise and know-how. However in the next few years, it is expected that businesses will be better-informed about the consequences of aligning with the Global Goals, and they will be encouraged to identify multiple ways to address the SDGs, monitoring their impact and implementing new ideas for improvements.

What steps do companies intend to take for supporting the SDGs?

It is evident from above that in India, impact creation will require partnerships not only across various industry sectors but also between industry, government bodies and civil society. There is need for development of infrastructure including policy and regulatory support for achieving the SDGs. These collaboration, along with the internal engagement with the various verticals in the organisations, will be required to realise the full potential of SDGs for strategic business gains. This will also require strong commitment and leadership from the top.



“Sustainable growth is integral to our strategy and brand promise. 60% of the windmills in India are powered by bearings from Thyssenkrupp”

Ravi Kirpalani,
CEO, thyssenkrupp India

Figure 9: Contribution of Indian corporates towards the achievement of SDGs

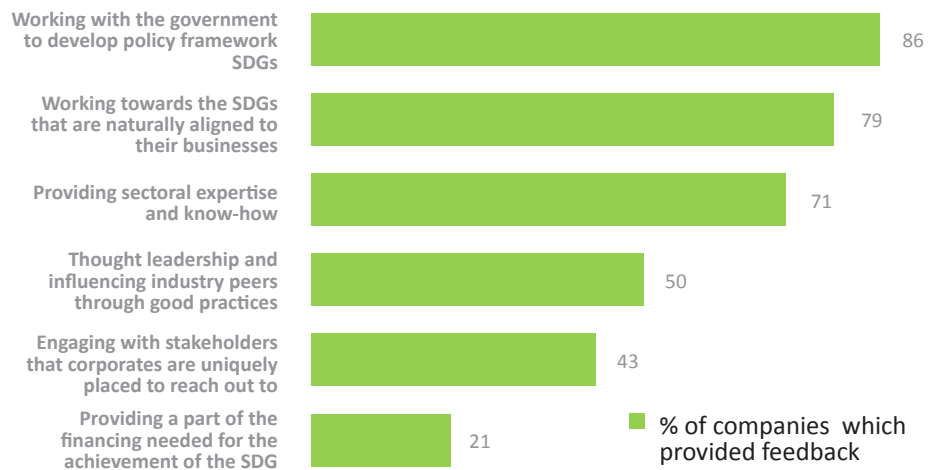
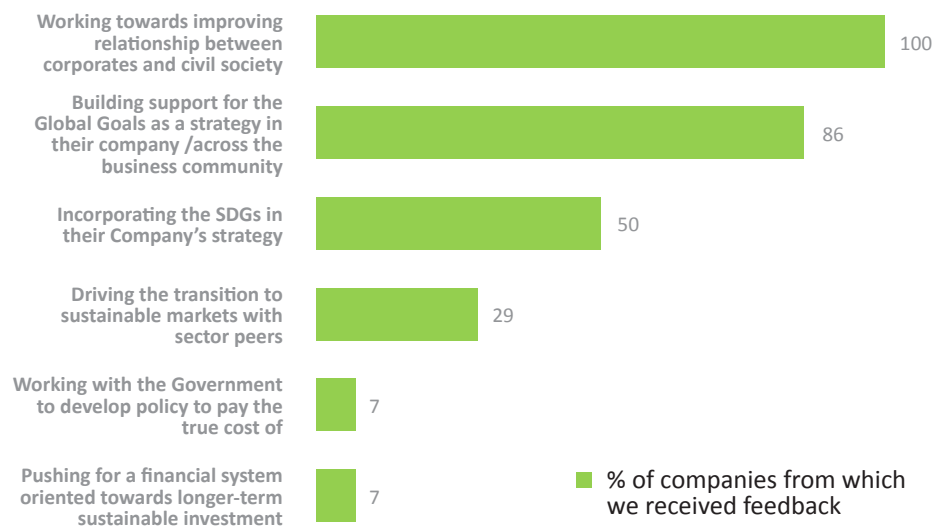


Figure 10: Steps Indian corporates intend to take in order to achieve the SDGs



What are the key barriers for achievement of the SDGs?

Lack of policy coherence

Lack of consideration of economic, social and environmental indicators for framing national policies, plans and projects, appears to be the major barrier towards the implementation of sustainable development initiatives by the businesses in India.

Lack of understanding of underlying long-term business benefits

Although, majority of companies that provided feedback demonstrated increased interest from corporate leaders towards SDG implementation, some still believe that there is a lack

of proactive action being taken in this regard. This can primarily be attributed to lack of understanding of underlying long-term business sustainability benefits from supporting the SDGs.

Financing challenge

For supporting the Global Goals, there is a substantial financing gap, particularly in India, which could be bridged through collaboration between government and the business, in the form of blended finance. Though opportunities for such collaboration is gradually emerging, many corporates do not easily get opportunities for such private-public financing collaborations, primarily due to policy constraints, and therefore, often it becomes a substantial barrier for the corporates to invest in sustainability initiatives.

Absence of clearly defined global mechanisms for the corporate support to the SDGs

It is widely acknowledged that many of the technologies/financial mechanisms necessary for supporting sustainable development are already available. The challenge lies in leveraging on these options, accelerating cost reductions and achieving meaningful changes. There is a need to integrate these mechanisms along coherent development paths that respond to specific local and sectoral needs, provide incentives and mechanisms for rapid innovation, diffusions and knowledge-sharing.

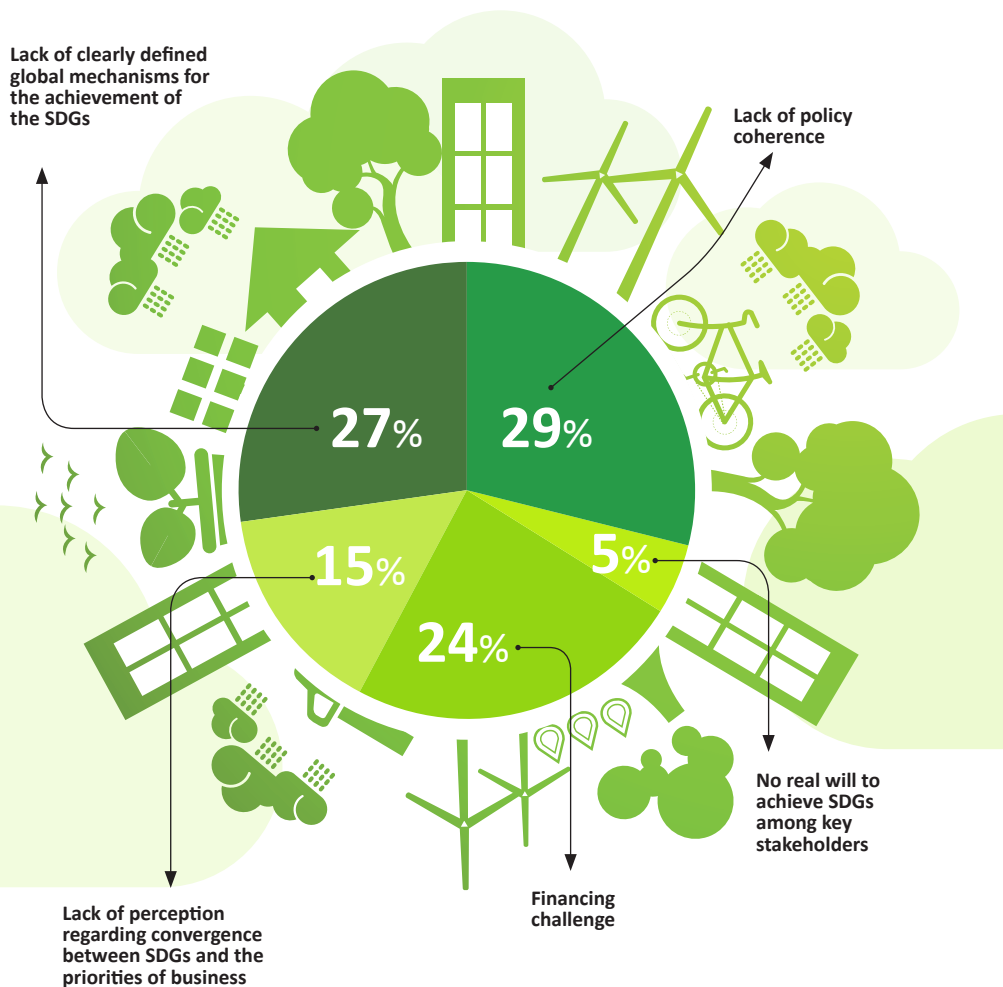
Lack of perception regarding convergence between SDGs and the priorities of business

Though business cases of alignment with Global Goals for corporates have been brought out well in several literature, the awareness and perception seems to need significant improvement, including the clear indication of incentives and return on investment. Perhaps, the Public Private Partnership (PPP) model can deliver a good synergy across sectors, where the government sets up the basic infrastructure and then entrusts the service provision to private players. Regulatory considerations will play an important role for success in this direction in future. Change of perception will also require substantial awareness generation through sharing of leading practices and success stories.

Suggestive mechanisms for working effectively towards the SDGs :

- Creating new markets for private sector especially water, wastewater, waste management, distributed renewable energy, etc., which can trigger positive environmental action;
- Consumer involvement essential as it possesses the potential of innovation for climate-compatible socio-economic development and growth;
- Harnessing the potential of the private sector as they can provide expertise in project management, innovation and replication of good practices which can lead to achievement of the SDGs;
- Private sector involvement can lead to creation of viable business models that lie at the heart of sustainability. Innovative sustainable business models need to be incentivized;
- There is a need for creating a framework of efficient public private partnerships for urban public service delivery in services like sustainable transport, waste management, wastewater management, sanitation, etc., that would help to drive efficiencies in these areas;
- Building an ecosystem for entrepreneurship and job creation in areas of sustainability;
- There is also a critical need to embrace circular economy approach as it leads to harness resource efficiency, and waste reduction;
- Finally, a robust data management at the macro level will help to identify existing scalable actions and gaps where impactful investments can be made.

Figure 11: Key barriers in achieving the SDGs



[The percentages are based on the feedback received from the companies]

Way forward

There are a number of compelling reasons for corporates to work towards the Global Goals, and several benefits are expected as a result of this engagement. Also, Indian NDCs demonstrate its ambition to lead transition towards green economy by committing to 175 GW of renewables by 2022, including 100 GW from solar PV and 60 GW from wind⁷. By 2030, non-fossil fuel sources are expected to make up 40% of electric power installed capacity. The Indian Government has set up an encouraging policy and regulatory framework with a combination of Feed-in-tariffs (FITs), renewable procurement obligations and Renewable Energy Certificates (RECs). Wind and Solar technologies have attracted considerable industry interest, and therefore technology as well as implementation are available at competitive rates, thus boosting margins for businesses venturing into these areas. Increased use of renewables will generate considerable demand for supporting technologies

and supply chains. These benefits are expected to transform Indian economy, by creating a positive impact on the businesses in India.

Companies have started to realise that that investing in SDG strategies deliver value through reducing risks and decreasing operating and supply chain costs. This further translates into improved product value and opening new market opportunities for Indian businesses.

To be successful, companies will now need to set goals aligned with the SDGs along with establishing accountabilities, supported by business metrics. As per WBCSD's CEO Guide to the SDGs⁸, 'the SDGs provide us a lens through which to translate global needs and ambitions into business solutions'. This new perspective is catching up fast, and will lead towards driving new business behaviours towards holistic sustainable development.

⁷ <http://www4.unfccc.int/ndcregistry/PublishedDocuments/India%20First/INDIA%20INDC%20TO%20UNFCCC.pdf>

⁸ WBCSD publication "CEOs Guide to SDGs" March 2017, <http://www.wbcsd.org/Overview/Resources/General/CEO-Guide-to-the-SDGs>

Endnote



Rita Roy Choudhury
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Federation of Indian Chambers of
Commerce and Industry (FICCI)

This Thought Leadership Report is the outcome of a study undertaken by **Federation of Indian Chambers of Commerce and Industry (FICCI)** in collaboration with **Thinkthrough Consulting (TTC)**, to understand the perspective of the Indian corporates on the Sustainable Development Goals (SDGs – the ‘Global Goals’), as well as the role they play in supporting the same.

Indian businesses have been significantly addressing sustainability and climate change concerns in the recent past. The SDGs, however, represent a paradigm shift in how various stakeholders will seek to address sustainability challenges till the year 2030.



Dipankar Ghosh
Partner & Leader -
Sustainability and Climate Change
Thinkthrough Consulting
Private Limited (TTC)

The insights included in this Report were acquired through extensive secondary research, supplemented by feedback from twenty leading FICCI member organisations in India, spanning across major industry sectors. The Report addresses some of the key question posed by the corporates who intend to engage in the Global Goals, including the need for businesses for such engagement, drivers for business to support the SDGs, business opportunities arising from engaging in the agenda for Global Goals, and some of the current trends in India demonstrated through examples of leading practices and resulting impacts from some of the FICCI member companies. The report also provides an extensive analysis on corporate perceptions and actions on the Global Goals in India, the preparedness level of Indian corporates for the quest

for Global Goals, strategies and steps that companies intend to take going forward, and some of the key barriers. The analysis links the key outcomes of the study with policy infrastructure for supporting the SDGs in India.

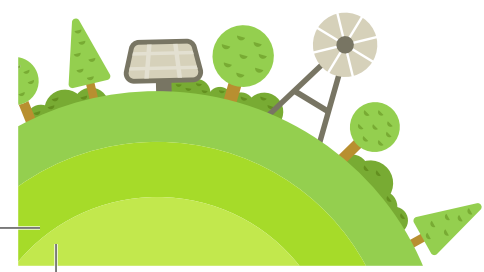
It is critical for leading Indian businesses to serve as change agents and encourage their peers to adopt and internalize the SDGs, and leverage on the opportunities through appropriate corporate strategy. The examples included in the Report may serve as valuable leading practices for replication and scaling up.

This Report aims at changing the corporate perspective about the SDGs by showcasing how investing in SDGs delivers value through reducing risks and optimising operating and supply chain costs. This further translates into improved product value and opening new market opportunities for Indian businesses. It also providing valuable insights to key stakeholders on matters related to involvement of business in the Global Goals. We believe that this Report will serve as a catalyst to further Indian corporate actions in supporting the SDGs.

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We thankfully acknowledge the contributions of following team members of FICCI and TTC in developing this Report:

- Vidushi Bhatt
- Himani Kulshreshtha
- Prateek Sengupta
- Aniesha Sangal
- Ankur Malyan
- Poornima Katyal





About TTC....

TTC is a multidisciplinary professional services organization that specializes in providing advisory support to sustainable development initiatives, and strives to engage with clients to address critical challenges by providing access to the best possible expertise and solutions for achieving efficiency and creating the desired impact.

TTC provides complete range of solutions on sustainable development, ranging from sustainability strategy, reporting, assurance, climate change (mitigation, adaptation, finance), energy issues, healthcare, CSR to ethical business, and supporting corporates, foundations, government, civil societies, multilateral/bilateral agencies and impact funds, assisting across diverse thematic areas, often focusing on the 'multi-sector approach', facilitating the synergy between the sectors for holistic sustainable development.

We derive our strength through our unique structure which is based on our strong multidisciplinary team, our Global Advisory Council and our Strategic Partners.

For more information, please visit:
www.ttcglobal.com



About FICCI....

Established in 1927, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India's struggle for independence and it's subsequent as one of the most rapidly growing global economies. FICCI has contributed to this historical process by encouraging debate, articulating the private sector views and influencing policy.

A not-for-profit organization, FICCI is the voice of India's business and industry.

FICCI draws its membership from corporate sector both private and public, including SMEs and MNCs. FICCI enjoys an indirect membership of over 2,50,000 companies from regional chambers of commerce.

For more information, please visit:
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