

A Report on

# Mumbai Regional Webinar on Sustainability - An Imperative

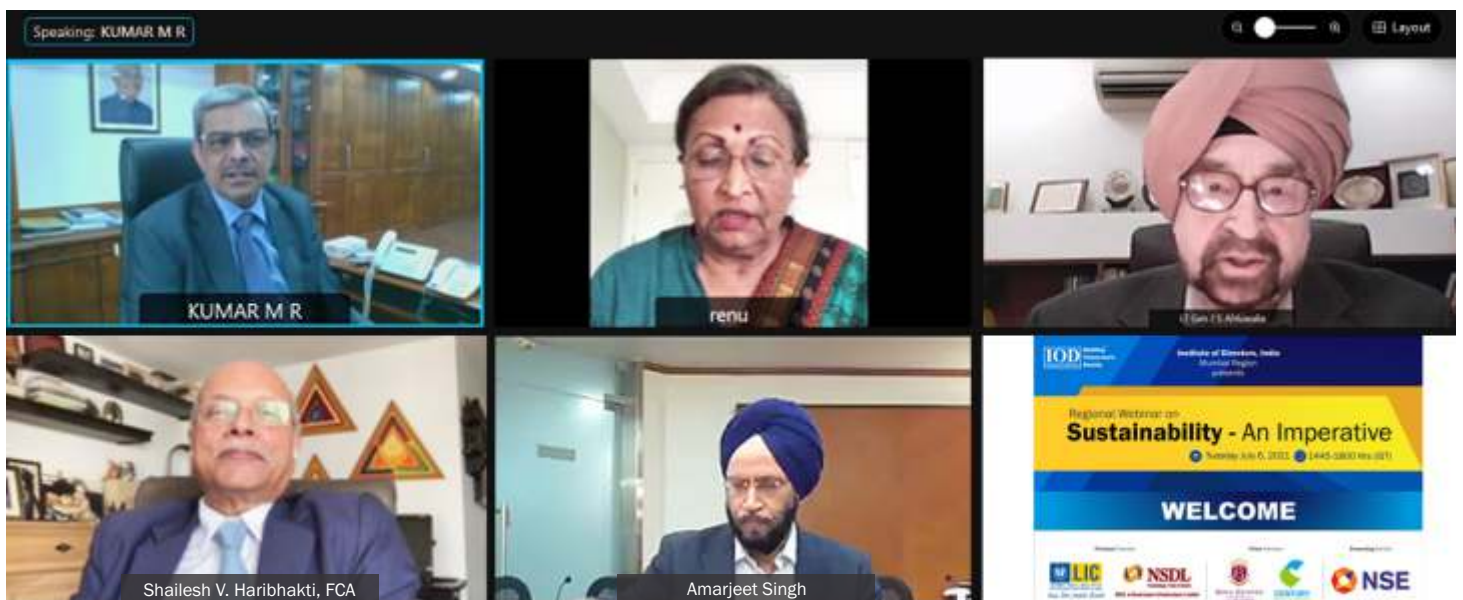


Tuesday July 6, 2021

'Sustainability' as a major theme and a burning issue of the day, has been discussed & debated by the **Institute of Directors (IOD)**, ever since it was a prominent part of the SDGs of the UN. The theme of IOD India's National and Global Meets has been Sustainability, one of the main challenges facing the Corporate Boards in India as well as other major economies.

The last such Annual Convention on Sustainability was hosted by IOD in London in November, 2019. Over the years, the event has been addressed by some of the top global experts including: **Rt. Hon. Mark Field MP**, Minister of State for Asia and Pacific, Department of Foreign & Commonwealth Office, Govt. of UK, **Rt. Hon. Lord Bates**, Minister of State for International Development, Govt. of UK, **Mr. Alok Sharma**, MP, Minister of

State for Employment, Department of Work and Pensions, Govt. of UK, **Prof. (Judge) Mervyn E. King SC**, Chairman, King Committee on Corporate Governance, and former Judge, Supreme Court of South Africa, **Lord Karan Bilimoria CBE DL**, Founder and Chairman, Cobra Beer, UK, **Rt. Hon. Lord Swraj Paul of Marylebone, PC**, Founder & Chairman, the Caparo Group, UK, **Mr. Gopichand P. Hinduja**, Co-Chairman, Hinduja Group, UK, **Mr. Donald H. Brydon CBE**, Chairman, London Stock Exchange, UK, **Mr. David Cruickshank**, Global Chairman, Deloitte Touche Tohmatsu, **Ms. Helen Brand OBE**, Chief Executive, ACCA- Association of Chartered Certified Accountants, UK, **Ms. Shobana Kamineni**, Executive Vice-Chairperson, Apollo Hospitals Group, India, **Ms. Marie Curie**,



Distinguished Speakers live during the event: (From L to R): Mr. M. R. Kumar, Ms. Renu Karnad, Lt. Gen. J. S. Ahluwalia PVSM (Retd.), Mr. Shailesh V. Haribhakti FCA and Mr. Amarjeet Singh



**Mr. M. R. Kumar**  
Chairman  
Life Insurance Corporation of India



**Ms. Renu Karnad**  
Managing Director  
HDFC Limited



**Lt. Gen. J. S. Ahluwalia, PVSM (Retd)**  
President  
Institute of Directors

Senior Independent Director, GlaxoSmithKline, UK, **Mr. Terry Heymann**, Chief Financial Officer, World Gold Council, UK, **Mr. Mike Hughes**, President, Schneider Electric, UK, **Mr. Vijay Karia**, Chairman & Managing Director, Ravin Group, India, **Sir Richard Stagg KCMG**, Chairman, Rothschild (India), former High Commissioner of UK to India, **Mr. Dave Smith**, Central Technology Director, Rolls-Royce, **Ms. Sushma Paul Berlia**, Co-promoter and President, Apeejay Styra & Svrana Group, India, **Mr. Michael Eckhart**, Managing Director & Global Head of Environmental Finance and Sustainability, Citigroup, New York et al.

In the last IOD Global Meet on Sustainability in UK, all the experts and subject specialists couldn't be accommodated for constraint of time. The associates & members of IOD, both in India & abroad had given the feedback that they would like to attend similar Global Meet on Sustainability, as it has become a burning issue not only for the Government but also for the Global Corporate Boards. Unfortunately, the follow-up IOD Global Convention could not be held in London because of Covid-19. To accommodate the experts left out, as also to give a chance to the large number of IOD members and associates, wanting to participate, IOD conducted a Regional Meet (Virtual) in Mumbai on the same theme.

Accordingly, IOD Mumbai Region organised a Regional Virtual Conference on the theme. 'Sustainability' undoubtedly continues to occupy the centre stage of discussions globally,

more so during the pandemic. Unprecedented times demand unprecedented response. Accordingly, Governments, regulators, investors and international organizations are striving to deliver on UN SDGs. Business models, practices, and priorities are being adjusted. The digital transformation is aiding to promote Sustainability objectives. The corporate world is witnessing a transformation in various ways, significantly increasing ESG funding and investor engagement; consolidation and standardization of frameworks; more players venturing into ESG rating and assurance services marketplace, organizational restructuring and formation of ESG committees and positioning Chief Sustainability Officers.

The **Chief Guest** at the event was **Mr. M. R. Kumar**, Chairman, Life Insurance Corporation of India. The Guest of Honour for the event were **Mr. Amarjeet Singh**, Executive Director, Securities and Exchange Board of India (SEBI), **Ms. Renu Karnad**, Managing Director, HDFC Limited; and **Mr. Milind Mugale**, Executive Vice President & Chief Information Security Officer, NSDL e-Governance Infrastructure Limited; along with a galaxy of renowned speakers and experts.

The webinar was attended by over 300 participants of the rank & seniority of board members and compliance officials from well-known corporates participated. The webinar was hosted online via Cisco Webex account, and was also streamed live on YouTube.



**Mr. Shailesh V. Haribhakti FCA**  
Chairman - Western Region, IOD, India  
Board Chairman, Audit Committee Chair  
and Independent Director on multiple,  
Boards in India & Chairman,  
Shailesh Haribhakti & Associates, India



**Mr. Amarjeet Singh**  
Executive Director  
Securities and Exchange Board of India



**Mr. Sanjay Khare**  
Board Member & Vice President -  
Sustainability  
SKODA Auto Volkswagen India Pvt Ltd.

The **Panel Sessions** on the following subjects were held by highly qualified and experienced subject matter experts, followed by Q&A.

1. **Net Zero - Road Map for India Inc**
2. **BRSR - Time to reimagine our Annual Reporting**

**Mr. Shailesh V. Haribhakti FCA**, Chairman - Western Region, IOD, India; Board Chairman, Audit Committee Chair and Independent Director on multiple Boards in India & Chairman, Shailesh Haribhakti & Associates, India delivered the '**Welcome Address**'. He stated that as consumers become more conscious, Sustainability becomes the core of corporate strategy. He emphasised that the cost of green energy needs to be reduced fast, to balance the economic value of EVs Combustion Car. We need to plant more trees to capture carbon in the soil, more than a billion trees are needed for this. This is our planet and we all need to take care of it. He concluded by saying this idea has to be sold to the boards. He reaffirmed that integrated reporting is the future, suggesting to create a Netflix of Sustainability (educate in an entertaining way). BRSR is a subset of GRI. In all, we would have access to everything.

**Lt. Gen. J. S. Ahluwalia PVSM (Retd.)**, President, Institute of Directors, India delivered the President's Address. He introduced

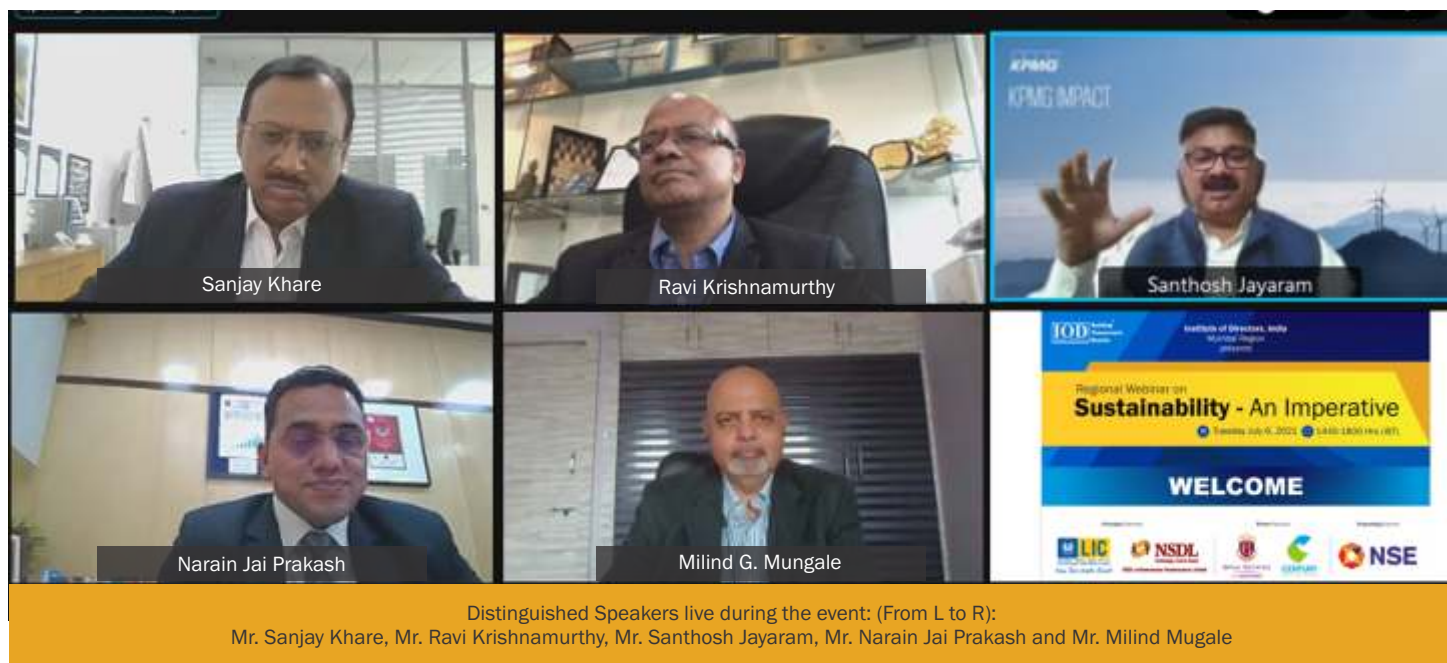
the subject of Sustainability to prepare tomorrow's Boards. He highlighted how the theme is promoted by IOD with dedicated Golden Peacock Awards (both in Global and National categories) for Sustainability. 21<sup>st</sup> century, he predicted, will be the century of 'Sustainability'. He gave a workable solution for climate change: 3S's – Scalable, Social and Sustainable. Sustainability is a complex subject. He defined Sustainability as – 'Meeting needs of the present generation without compromising on the needs of the future generations'. The global challenges of food security, clean energy management, stabilizing earth's population, etc. are now of Sustainability strategy. We have to question ourselves if we are meeting these objectives. Top Stock Exchanges in the world have now introduced Sustainability Disclosure Reports. SEBI has adopted some practices to enforce Sustainability. He concluded by saying that we want a socially just and environmentally conscious environment.

It was followed by **Guest of Honour Keynote Addresses**, by the following distinguished speakers:

**Mr. Milind Mungale**

Executive Vice President & Chief Information Security Officer  
NSDL e-Governance Infrastructure Limited

**Ms. Renu Karnad**



Distinguished Speakers live during the event: (From L to R):  
Mr. Sanjay Khare, Mr. Ravi Krishnamurthy, Mr. Santhosh Jayaram, Mr. Narain Jai Prakash and Mr. Milind Mungale

Managing Director  
HDFC Limited

**Mr. Amarjeet Singh**

Executive Director

Securities and Exchange Board of India

**Mr. Mungale** said we need to understand the root cause of these imbalances of ESG and Sustainability. He added that until we can balance business goals and Sustainability, every effort we make will be a waste. We are trying to save the planet for the people who live on the planet, i.e. not only this generation but the generations yet to come. We should invest in our people and need to assume collective responsibility for the change. We need to look at the core issue which is the mindset of the people. At present, wealth is considered the biggest success factor in our society. We need to change this value system to promote Sustainability. Net Zero and ESG impact will have an economic impact on the business; the consumers will have to absorb it. If the people take it in the right spirit, this concept will flourish. Everyone needs to do his bit to make Sustainability a success. NSDL e-Governance has laid a robust foundation towards Sustainability, to benefit the entire society.

**Ms. Karnad** stated that in the course of the last two years, Covid-19 has opened our eyes to Sustainability. The pursuit of sustainable profit is not a 'trade-off'. She highlighted that FDI in India has improved and now there is no shortage of capital in India. Green infrastructure is just \$300 billion whereas the rest is above \$1.3 trillion. Investors want rationalization of green initiative, long term decarbonization and sustained efforts to build India's economy. India has the second largest 'green bond' in the world after China. We need to study challenges regarding green bond market. Issuers need help to understand what is

green in different asset classes. RBI can itself hold green bonds and mandate other banks to do so. India will require all people to lead with integrity. Talking about BRSR, she said, Global investors insist on Sustainability implementation and transparency. SEBI established BRR in 2012 and, hence, transition to BRSR has become easier. Such sustainable transition alone will secure our future.

**Mr. Singh** said the movement towards Sustainability has gathered much momentum due to Covid-19, and Sustainable investing is now reflected in the market. Sustainability focus has increased the asset class in Sustainable investing with a forecast of \$1.56 trillion. 7 asset classes have been launched after 2020. Two main drivers now are investors and regulators. BRSR is different from the earlier BRR, by using quantifiable measurements; BRSR has over 700 data points. India has been one of the fastest growing economies in the world, but there are challenges. There are various subjects covered in BRSR. It is a comprehensive framework. Companies are under increasing pressure for Good Governance from potential investors. An attempt is on to elaborate and makes the framework more explicit in terms of Company Law. BRSR is right now applicable to top 1,000 companies based on their market capitalisation. There is growing evidence that a good BRSR attracts more investment. Treating the earth as 'Mother Earth' is built into the traditional Indian ethos.

This was followed by '**Chief Guest Keynote Address**', delivered by:

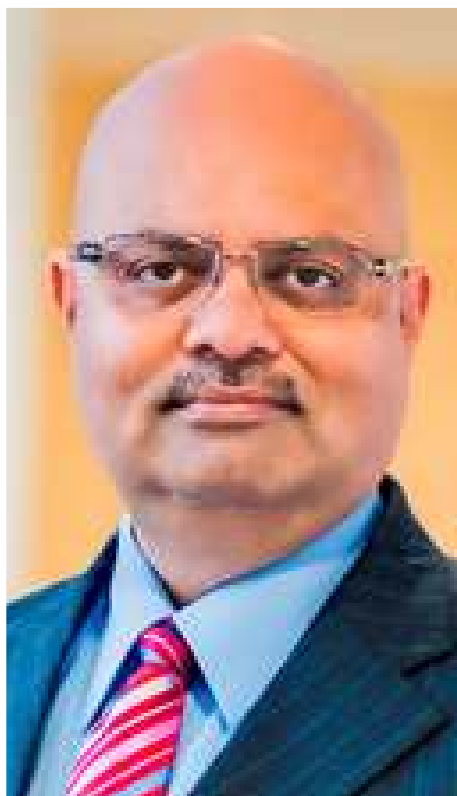
**Mr. M. R. Kumar**

Chairman

Life Insurance Corporation of India



**Mr. Santhosh Jayaram**  
Partner & Head - Climate Change  
Sustainability and CSR Advisory  
KPMG



**Mr. Milind G. Mungale**  
Executive Vice President and CISO  
NSDL e-Governance  
Infrastructure Limited



**Ms. Gauri Jauhar**  
Executive Director  
Energy Transition & Clean Tech Consulting  
IHS Markit

**Mr. Kumar** spoke about 'LIC's Digital Journey' and how it has contributed to 'Unconscious Sustainability'. LIC has been growing at a fast pace since 1960's, and has crossed major milestones with software inclusion, data centres etc. With enhanced digitisation during the pandemic, LIC ensured that people do not need to travel for availing various LIC services. Even while India is ahead of the curve compared to many other countries, a lot more needs to be done for Sustainability to face new challenges. People do not realize that a lot of thought on Sustainability comes from 'Unconscious Sustainability'. He said that technology and digitization are a part and parcel of Sustainability. He recalled how LIC's sustainability measures started in 1965, with a mainframe system at the HQ. What they started in the 60's became an 'unconscious' measure towards Sustainability. LIC's software programmes started in 1980. He said they had worked hard on making online payments, an early reality. He explained out two major things LIC did for Sustainability. First, LIC ensured that policy holders can pay the premium without physically visiting LIC office. Secondly, LIC started Enterprise Management System in 2006. It has had more than 7 crore transactions collecting more than Rs. 32,000 crore digitally. He emphasised that LIC has done much for Sustainability but yet more can be done. He added that LIC had added to its workforce, 12,000 licences for Work from Home (WFH) when the pandemic struck, which has helped the staff to

work from anywhere. He inquired about how we can capture the 'unconscious sustainability' contributions. He concluded that building awareness about Sustainability is the way to go for our country.

This was followed by the **First Panel Session** on “**Net Zero - Road Map for India Inc.**”

It was Chaired by **Mr. Santhosh Jayaram**, Partner & Head, Climate Change, Sustainability and CSR Advisory, KPMG.

The Session had the following distinguished speakers:

- i. **Ms. Gauri Jauhar**  
Executive Director  
Energy Transition & Clean Tech Consulting  
IHS Markit
- ii. **Mr. Sanjay Khare**  
Board Member & Vice President – Sustainability  
SKODA Auto Volkswagen India Private Limited
- iii. **Mr. Anirban Chatterjee**  
Business Head – SCPA  
DNV for India Middle East

**Mr. Jayaram** stated that when it comes to Climate Change, though it happens gradually but then it could happen suddenly. Why Net Zero? Man-made CO<sub>2</sub> has to fall from the present levels

of 45% to give humans a chance to lower the global temperature below 2 degrees Celsius. There should be a balance between carbon produced and carbon used. Covid has a hope in vaccine but climate change has no vaccine. Couple of companies have reached Net Zero; business objective is the driver for them to make customer's journey also to Net Zero. Transition has begun in business to reduce emissions in process efficiency and clean energy. In conclusion, he said that India as a country is high risk. Transition to Net Zero is at a high risk if not handled properly.

**Ms. Jauhar** emphasised that we are confronted with a serious problem, and it is difficult to solve. There is a tendency to prioritize present at the cost of the future. Existence of our species is coming into question. BP has launched carbon footprint measurements. Sustainability needs greater attention by the companies. We have now a different worldview. India is still reliant largely on fossil fuels. If we commit to reduce the share of fossil fuel, it can decline to 37% by 2050. India and India Inc. need to act in sync. India and China hold the key to Sustainability. In the world, we see emissions growing in India. Putting a value on clean air is the way to go by introducing a carbon price. This needs to be practiced. India has a huge opportunity to become a 'hydrogen economy'. It is not going to be easy, it needs consumer behaviour to change. An energy system approach needs to be established.

**Mr. Khare** said that we have to become a carbon neutral society. All priority needs to be given to climate change. We are working in Europe and with our associate companies elsewhere. Climate change has come to a tipping point. There is a clear objective to be Net Zero by 2025. Skoda India has a certified zero liquid

plant. He said they are working on Individual footprint control for their employees by 2050, when they have to become carbon neutral by prioritizing on 4 actions which include, 'Carbon change', resources, air quality and environmental compliance. Their actions are now geared towards supply chain, in-house, fuel supply, tailpipe emission and recycling and other measures. In India, they are working towards six specific areas - decarbonization, zero waste circular economy, water concentration, socially responsible, biodiversity and compliance and responsibility. He also shared that in their campus, biodiversity is evident, everywhere.

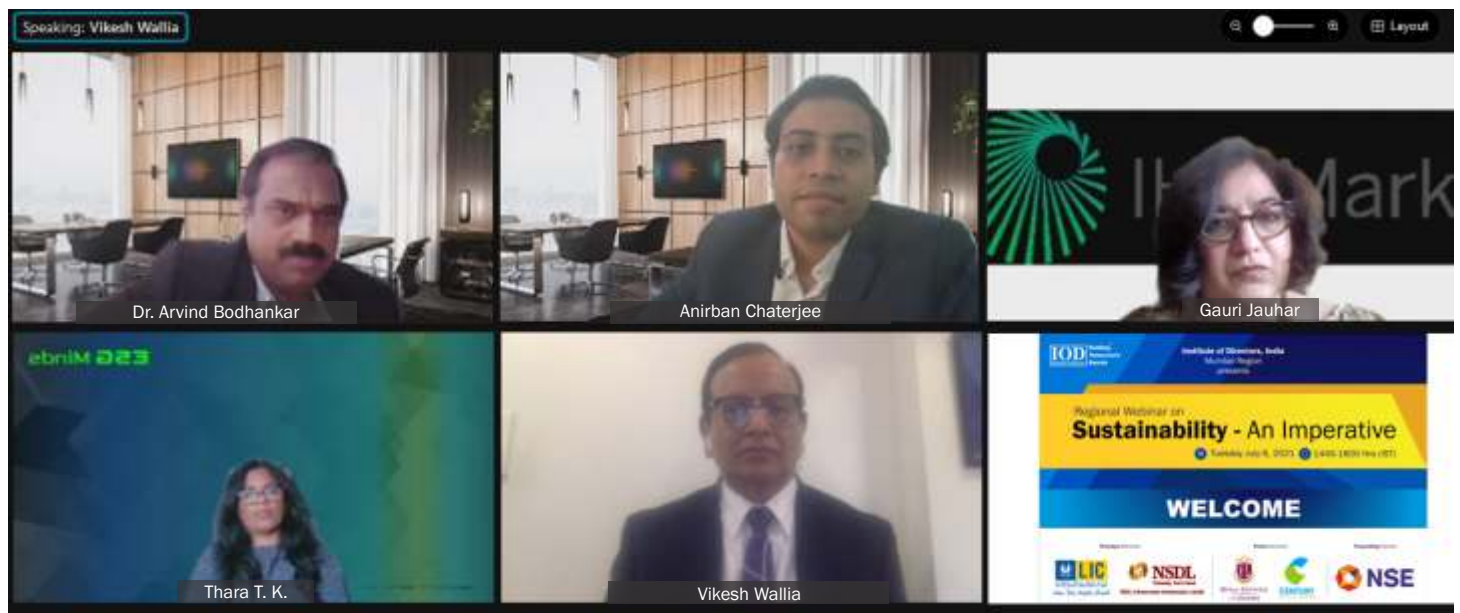
**Mr. Chaterjee** said that it is imperative that the approach shall have to be focused on heavy Green House Gas (GHG) emitters. He highlighted how to reduce our overall emission with three C's- Connection, Capacity and Credibility. The strategy has to match implementation. He suggested that an Internal benchmarking tool should be developed. This will impact on the climate change action. He said that each one of us can join hands to meet this objective. This will be the new norm, for going forward. ISO 14080 is a very important standard. The overall 'offset project' will play a major role. We must make the climate change agenda more action-oriented.

This was followed by the **Second Panel Session** on **“BRSR – Time to reimagine our Annual Reporting”**

It was Chaired by **Mr. Narain Jai Prakash**, Chief Executive Officer, Century Pulp & Paper.

The Session had the following distinguished speakers:

- I. **Dr. Arvind Bodhankar**



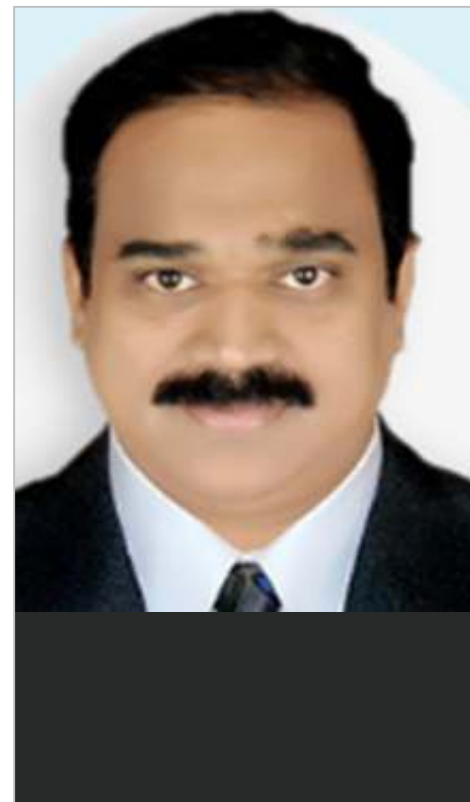
Distinguished Speakers live during the event: (From L to R): Dr. Arvind Bodhankar, Mr. Anirban Chaterjee, Ms. Gauri Jauhar, Ms. Thara TK and Mr. Vikesh Wallia



**Mr. Narain Jai Prakash**  
Chief Executive Officer  
Century Pulp & Paper



**Mr. Anirban Chatterjee**  
Business Head- SCPA  
DNV - India, Middle East



**Dr. Arvind Bodhankar**  
Jt Executive President & Chief Sustainability Officer  
Ultratech Cement Ltd.

Joint Executive President & Chief Sustainability Officer  
Ultratech Cement Limited

- ii. **Ms. Thara T. K.**  
Co-Founder and Chief Executive Officer  
ESG Minds
- iii. **Mr. Ravi Krishnamurthy**  
President  
SBI Life Insurance Company Limited

**Mr. Prakash** started by highlighting how the journey for BRSR started 12 years back when in June 2011, MCA had given a new benchmark for reporting. This brought out a few recommendations – all the companies must report comprehensively. The key drivers of BRSR are not the regulator alone but the key drivers are the investor and the society. He cited how Century Paper & Pulp had progressed on this front.

**Dr. Bodhankar** said Sustainability is creating value for stakeholders. You need to satisfy stakeholders to keep your business going. Sustainability report is the document where you can talk about Sustainability. It takes enormous time to report on Sustainability. It may consume 7-8 months in a year. Communicating is also a challenge for businesses as also perception. BRSR will push you to become better and also provide financial support to the companies.

**Ms. Thara** gave interesting pointers, citing India being one of the first countries to mandate a Sustainability Report. India is amongst the top 20 countries where Sustainability reporting is taking place. It is in India's best interest to act on Climate Change. We need to arm ourselves with right sort of solutions and the right sort of thinking. She said it is in our best interest to prepare for Climate Change. She pointed out two challenges for this:

- a. Bend the emission curve
- b. Prepare ourselves to face the consequences

On how life has changed from BRR to BRSR, she said, BRSR is more comprehensive. This is a great framework for business evaluation. She also highlighted, how BRSR can help in Annual Reporting, bringing an integrated storyline, but when information is presented in two reports, they often contradict each other. It will help in building trust and presenting a relevant Annual Report. BRSR is a set of prescriptive principles. BRSR will bring consistency. Action taken along with storytelling is the way to go.

**Mr. Krishnamurthy** said BRSR brings a dimension of tangibility. Life insurance contracts are long. BRSR does bring the value of trust. BRSR also helps build a brand. The best way to report it is be introspective. Customer, distributor and society are the

branch in BRSR. The challenge is to redesign product, prospect and process. Customer loyalty needs to be looked at. A company needs to offer products for various needs. A distributor in life insurance needs to meet the customer. Percentage of employee attrition is important and therefore, training them is important. A higher employee attrition and lack of their training can be a hindrance in implementation of BRSR across various levels in the organization. An organization needs to believe in BRSR.

Thereafter, **Mr. Haribhakti** shared the '**Conference Summary**'.

**Mr. Vikesh Wallia**, Regional Director, Western Region, Institute

of Directors proposed the '**Vote of Thanks**'. Sincere thanks were conveyed to the Chief Guest, Guests of Honour, distinguished speakers, participants and partners. Special thanks were conveyed to **Principal Partners**: Life Insurance Corporation of India, and NSDL e-Governance infrastructure Limited, **Prime Partners**: Birla Estates and Century Pulp and Paper and **Presenting Partner**: National Stock Exchange of India Limited.

Compiled by:

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Regional Director – Western Region  
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**Ms. Thara T. K.**  
Co-Founder & CEO  
ESG Minds



**Mr. Ravi Krishnamurthy**  
President  
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**Mr. Vikesh Wallia**  
Regional Director (Western Region)  
Institute of Directors

**SPECIAL THANKS TO OUR PARTNERS**

Principal Partner



Prime Partner



Presenting Partner

