

# India Inc Going The Green Way

The CII Sohrabji Godrej Green Business Centre (CII-Godrej GBC), through various Green initiatives, has facilitated significant impact in areas such as energy saving, water saving, and reduction in CO<sub>2</sub> emissions, apart from an array of intangible benefits including superior quality of life, and better employee health and morale. Our second lead feature presents a strong business case for 'Going Green.'



- 'To protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.'

#### **2030 Agenda for Sustainable Development**

- Environmental degradation costs India \$80 billion per year, or 5.7% of GDP.

#### **World Bank Report**

- Climate change increasingly poses one of the biggest long-term threats to investments, more so in developing countries.'

**Christiana Figueres**, Executive Secretary, UNFCCC

# The Greening of Indian Industry



**A**s imminent concerns relating to the environment threaten life and prosperity on our planet, countries around the world are recognizing that going the green way is the only way, and are undertaking various climate change mitigation activities and initiatives.

Going the green way by design augurs well for both ecology and the economy. From a business perspective, it enables a company/organization to become globally competitive and explore new business opportunities. This also triggers opportunities to reach out to national and international eco-conscious customers.

As India marches ahead to become a developed nation, it is facing mounting challenges of increased demand for natural resources, higher Green House Gas (GHG) emissions, waste generation and other associated issues.

Several Indian companies have amply demonstrated that economy and environment go hand-in-hand, and going the green way makes good business sense. Companies like Godrej, Tata, ITC, Aditya Birla and others have made ecological sustainability a key part of their overall growth strategy. Impactful interventions by these companies have significantly brought down their GHG emission intensity, saving energy and water, among other benefits, while helping them becoming more competitive.

The acknowledgement of the private sector's role in India's Intended Nationally Determined Contribution (INDC) is a testimony of the efforts made by Industry in bringing down GHG emissions.

Some of the areas where Indian industry has demonstrated its leadership include green buildings, energy management, green companies, and green products.

world. The reason for this significant growth makes a clear business case for green buildings.

The incremental cost of a commercial green building, which would be about 3 to 5%, gets paid back within 2 to 3 years with substantial reduction in operational costs.

## Benefits of Green Buildings

- 40-50% saving in electricity consumption as compared to a conventional building
- 20-30% saving in water consumption
- Intangible benefits: enhanced ventilation, better views and daylighting
- Enhanced health and productivity of occupants

## Energy Management

Indian industry has been in the forefront in adopting and promoting energy efficiency, with organizations making significant changes in their operations.

For instance, the Indian cement sector is the most energy-efficient in the world, and far more advanced than its counterparts in other countries.

Companies are taking the energy audit route to optimize resources and also to enhance their bottomline. CII has conducted over 1,500 detailed energy audits covering different sectors of industry. The audited units have reported annual recurring saving achievement of over ₹2,830 million.

The focus is on cost-effective areas like achieving higher capacity utilization, installation of energy-efficient equipment and devices, waste heat recovery, and higher levels of automation and control.

## Green Buildings

Spearheading the green building movement in India is the Indian Green Building Council (IGBC), a part of CII. As a result of its concerted efforts, today, India with 3.82 billion sqft, has the second-largest registered green building footprint in the



## Green Companies

Companies are now keen to know how green their operations are, and are seeking green parameters to develop their long-term growth strategies to stay ahead of the growth curve. CII launched the CII GreenCo rating system, the first-of-its-kind in the world, as a voluntary framework, to meet this need.

Today, more than 200 companies in the country are working on the implementation of GreenCo guidelines. Already, 78 companies have been certified with GreenCo rating, and the first 27 GreenCo certified companies have achieved recurring saving of ₹543 million/year.

The GreenCo rating is a robust evaluation process which rates the degree of environmental performance of the company. It evaluates companies on the following broad performance parameters:

1. Energy Efficiency
2. Water Conservation
3. Renewable Energy
4. GHG Mitigation
5. Waste Management
6. Material Conservation, Recycling and Recyclability
7. Green Supply Chain
8. Product Stewardship
9. Life Cycle Assessment
10. Eco-friendly surroundings, Biodiversity and Innovation

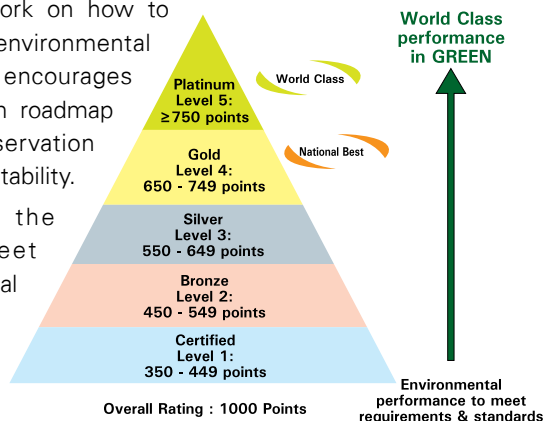
Weightages (points) are assigned to varying degrees of goals that are set for each of these parameters. The GreenCo rating is applicable to both service and manufacturing sectors, spanning almost all industry segments. The rating is implemented at the facility level.

Some of the key environmental benefits reported by companies using GreenCo:

- 312 MW of renewable energy capacity installed
- 44 million kWh of energy saving/year
- 15 million cubic meters of rainwater harvested/year
- 4,40,000 tonnes of CO<sub>2</sub> saved/year

Primarily, the GreenCo rating enables the company to assess where it stands in terms of environmental management. This, in turn, provides a realistic framework on how to raise the bar of environmental performance and encourages setting a long-term roadmap for resource conservation and improved profitability.

It also equips the company to meet future environmental compliance norms and makes them 'future ready.'



### The CII Sohrabji Godrej Green Business Centre (CII-Godrej GBC) has facilitated significant national impact

Energy Saving (1500 Energy Audits, 27 GreenCo Companies, 810 Certified Green Buildings)	6415 million ₹/year
Water Saving (27 GreenCo Companies, 810 Certified Green Buildings)	27 + million kilolitres/ year
Reduction in CO <sub>2</sub> (1500 Energy Audits, 27 GreenCo Companies, 810 Certified Green Buildings)	10 million tons / annum

The GreenCo rating has facilitated the introduction of newer concepts such as green supply chain, product stewardship, and Life Cycle Assessment (LCA) in Indian industry.

Through LCA, GreenCo companies are able to venture into uncharted territories. So far, 20 GreenCo companies have conducted LCA for some of their products and processes, using this as a tool to identify new opportunities for reducing environmental impacts, as well as achieving cost benefits.

As a part of the green supply chain initiative, many large companies have adopted SMEs and have helped them to implement the GreenCo SME Rating, facilitating the introduction of green concepts, and thereby making the overall supply chain greener. At present, 13 SMEs are involved in the rating, and three of them are Green Co-rated companies.

The GreenCo rating system offers new growth opportunities to various technology providers/service providers. New disciplines like green logistics, green procurement, sustainable packing, and clean technologies are receiving increased attention and encouraging products and technologies which are ecologically superior and economically viable.

The Indian Government has, in the INDC document, acknowledged GreenCo as one of the voluntary initiatives of Indian industry, aimed towards achieving the national goal.

CII aspires to facilitate 1,000 GreenCo-rated companies by 2020. The certification process involves appraising the top management, providing advanced training and hand-holding the team, identifying opportunities for improvement, site visit, assessment, and

award of the rating.

CII, through the rating process, also facilitates the implementation of better systems and provides necessary guidance for the companies by connecting them with appropriate technology and service providers.

The final site visit assessment for the rating is done by independent and trained sectoral experts. The rated company is provided with a feedback report along with opportunities for further improvements for their facility. The overall time frame taken to complete the activity ranges from 3 to 4 months. The rating is valid for a period of 3 years.

Apart from the Greenco Rating, CII conducts detailed training programs and offers feasibility studies for companies interested in implementing the rating in their facilities. GreenCo training and awareness programs are held in tier 1 and tier 2 cities round the year.

A GreenCo education program is being developed for industry professionals. This is aimed at developing a large number of trained industry professionals on GreenCo through online examinations and education modules.

The GreenCo movement is supported through GreenCo forums and e-forums, which enable companies to share and learn green practices from each other. GreenCo forums have been launched in 7 cities: New Delhi, Mumbai, Pune, Kolkata, Chennai, Hyderabad, and Bengaluru, with over 350 companies as members. The forums promote green technologies, green service providers and green investments in industry.

As a part of the forum, CII has also launched an online group for industry professionals. Interesting case studies and best practices in green are shared among members through e-mails.

*For more on GreenCo, please visit [www.greenco.in](http://www.greenco.in)*

**Green Products**



More recently, end users have started demanding green products and are keen to know how green their product is. Addressing this need, CII has launched GreenPro certification – a holistic approach to certify how green a product is, and also highlight the way forward for the company to achieve excellence in environmental performance. As on date, over 100 products are GreenPro certified.



The annual GreenCo Summit is organized to promote and spread the GreenCo movement. The latest and emerging GreenCo concepts are presented and discussed, and it is an excellent platform for networking amongst GreenCo-rated companies, and green technology and service providers.

The 5<sup>th</sup> edition of the GreenCo Summit 2016 on 16-17 June in Hyderabad drew over 300 delegates from various sectors of Indian industry. The key message that emerged from the Summit was 'Competitiveness is encouraging companies take the green path and this paradigm shift augurs well for a greener India and also facilitates in exploring new growth opportunities.'

The GreenCo Summit clearly underlined that environment and economic development go hand-in-hand, and there is no conflict between the two. Going the green way indeed makes good business sense. In fact, on an average, a GreenCo rated company saves about ₹2 crore annually, apart from other tangible and intangible benefits.

It is inspiring to note that SMEs are also coming forward and are raising the bar of environmental performance. GreenCo rated companies are handholding the SMEs in their supply chain, and, in the process, enabling them to become competitive. Of the 30 companies awarded with GreenCo rating at the inaugural session of the Summit, three were SMEs.

The GreenCo Summit 2016 included a CEOs panel discussion, master speaker sessions, and sessions on green supply chains, renewable energy, extended





Sanjay Singh, Co-Chair, GreenCo Summit, and CEO, ITC Paper Boards & Speciality Paper Division; Ramesh Datla, Chairman, CII (SR), and CMD, ELICO Ltd; Nitin Desai, Member, Prime Minister's Council on Climate Change; Jamshyd N Godrej, Past President, CII, Chairman, CII-Godrej GBC, and Chairman of the Board, Godrej & Boyce Manufacturing Co Ltd; Shobana Kamineni, President Designate, CII, and Executive Vice Chairperson, Apollo Hospitals Enterprise Ltd, and Pradeep Bhargava, Chairman, GreenCo Summit, and Director, Cummins India Ltd, at the GreenCo Summit 2016 in Hyderabad

producer responsibility, life cycle thinking, and more. Some highlights:

- GreenCo Rating has been included in the INDC document as one of the voluntary initiatives of Indian industry towards bringing down GHG emissions.
- 30 companies awarded with GreenCo Rating
- 18 companies awarded with GreenCo Best Practices Award
- Two MoUs signed by CII: With the Telangana State Industrial Infrastructure Corporation Ltd (TSIIC), and with Jawaharlal Nehru Pharma City, Andhra Pradesh, to foster 'Eco-Industrial Parks
- Publications:
  - ❖ The GreenCo Best Practices Manual, capturing the best practices of over 25 CII GreenCo rated companies. Each case study includes details of the project, replication potential, environmental benefits and cost economics. The compilation is intended for companies to learn from each other and replicate best practices wherever possible.



## Greening for Growth

'It is encouraging to note that adopting and promoting green practices has become an integral part of the overall business growth strategy. Opportunities to increase competitiveness by going green and improving resource efficiency are widespread and far-reaching.

Building on this imperative, CII, in partnership with various stakeholders, has launched the GreenCo Rating System, the first-of-its-kind in the world, for evaluating the performance of companies on the ecological front, and also for guiding companies to make their products, services, operations and supply chain greener.

Over 200 companies have embraced the GreenCo Rating and many more are in the pipeline. Already 27 companies have reported saving of ₹543 million per year. GreenCo rated companies are in the forefront in adopting improved systems and developing out-of-the-box models, which are ecologically superior and economically viable. The need of the hour is to build on the momentum and make concerted efforts in facilitating a greener India. Supply chains, clean technologies, etc, are rapidly getting integrated into the process.

We are sure the GreenCo Rating will soon facilitate a 'Green Community' and eventually a 'Greener Country.'



**Pradeep Bhargava**  
Director, Cummins India Ltd, chaired the CII GreenCo Summit 2016

- ❖ GreenCo education material: Modules on GHG emissions mitigation, product stewardship and life cycle assessment, to equip stakeholders on various GreenCo concepts.

Indian industry is on the right path and is well poised to scale greater and greener heights. In days to come, efforts should be made to extend the benefits of 'going green' deep down to MSMEs. Every sector and level of Indian Industry needs go the green way, and, in the process, facilitate a low carbon economy.

V O I C E S

'I am really impressed that there are so many people in the CII community who have an interest in, and who are working towards this idea of green growth.'



**Nitin Desai**, Member, Prime Minister's Council on Climate Change

'It is heartening to see how Indian industry has gained expertise in converting ecological concerns into new growth opportunities.'



**Ramesh Datla**, Chairman, CII (SR), and CMD, ELICO Ltd

'The need of the hour is to forge more partnerships and, in the process, facilitate India to emerge as one of the global leaders in green business by 2022.'



**Sanjay Singh**, Co-Chair, GreenCo Summit 2016, and CEO, ITC Paper Boards and Speciality Paper Division

'We are well on our journey to get our entire corporate sector to become green. I think that all of you who are here today have been part of the journey.'



**Jamshyd N Godrej**, Past President, CII, Chairman, CII-Godrej GBC, and Chairman of the Board of Godrej & Boyce Manufacturing Co Ltd

'All of us realize that at every conversation that we have for our business, that we have for our country, and for the world, green consciousness is so much a part of it.'



**Shobana Kamineni**, President Designate, CII, and Executive Vice Chairperson, Apollo Hospitals Enterprise Ltd

