

Lecture 19

Hello, in the previous class, we have learnt about the different competitive environmental strategy; the four different corporate strategy, where the environmental concerns are being integrated, that is eco efficiency, beyond compliance leadership, eco branding and environmental cost leadership.

So, in this session, we will try to create a matrix, the so called competitive environmental strategy matrix and we will see taking the examples of few of the companies in the Indian context and we will see that how their activity, how their sustainability initiative we can map into the environmental strategy or how it can be whatever the initiative, whatever the activities they are taking, how it can be coming out from the strategy what they have taken to integrate the environmental concern.

So, we have taken. So, in order to create this strategy matrix, we have selected few companies and taking this these five companies; what are the initiative, what are the activities you have we they have taken, we have mapped it into the environmental strategy.

And this entire exercise, this competitive environmental strategy matrix exercise is adapted from a course project; when I was teaching a course in the last semester, this is a group project by one of the group what they have submitted, what they presented for this course on business and sustainable development.

Now, let us see before formulating the competitive environmental strategy matrix, let us briefly see what are the activities the companies they have done or what is the profile of this company. So, the first one is Hindustan Unilever, this is the largest FMCG company in India and if you look at nine out of ten Indian household use its product.

The sustainability initiative is Unilever sustainable living plan USLP and the focus is to create the company better suited to survive in the future. It has 3 goals, improving health and well being more than 1 million, reducing environmental impact by half, enhancing the livelihood for the million. And also whatever the initiative they have taken, that is aligned with the United Nation sustainable development goals.

Now, what are the activities they have taken to reduce the environmental impact? They have reduced the CO₂ reduction, CO₂ emission reduction by 85 percent waste usage, it reduce by 58 percent; this is with a base per ton or a specific year. Then the total waste generated from factory reduced by 63 percent, that is per ton production in India against the baseline of 2008. Then 59 tonnes of plastic waste disposed into the eco friendly manner since 2018; then they have maintained the status of zero non hazardous waste to landfill in all HUL factory and also share of the renewable energy at HUL site increased to 71 percent in 2019. This is the ah initiative for ah GHG gases, that is carbon positive manufacturing.

So, second one is a typo over, this should be coal and this is a eliminating coal from the energy mix by 2020 and move to biomass boiler; then transportation, load more travel less emission reduction by 14 percent and refrigeration that is the hydrocarbon refrigerant instead of HFC, impacting this much freezer in HUL fleet.

Now, they have taken the initiative for sustainable sourcing, that is through palm oil and here the with a commitment to no deforestation and purchasing certified RSPO. Then paper and board they have sourced from FSC, that is the forest steward council certified vendor and move to lower grammage paper.

And this is what they have done for the tea, that is 6 653 tea estate are TRUSTEA verified and 263 estate are Rainforest alliance verified, which impact 26 percent of the India's small holder farmer. So, mostly they are sourcing it from the certified supplier. And similarly for the sustainable agriculture practices, they have extended to fruit, vegetable and coffee.

This is what their initiative with respect to water, that is water usage in agriculture and also reduce water abstraction by manufacturing site through the fresh water abstraction, rainwater harvesting, and

maximize the usage of RO plants. This is the initiative with respect to waste, that is reuse and recycle of the non hazardous waste; then partnership with UNDP for the circular economy, reduce packaging through resizing SKUs, then 100 percent plastic packaging will be reusable, recyclable by 2025.

Now, coming to the second company, that is Godrej consumer product limited, founded in 1936, one of the leading FMCG in India. They are more clean to personal and household care product and has five product segments. They have taken the sustainability initiative being good and green in 2015 and motivation behind this is to provide high quality affordable goods over billion of consumers around the world, creating and sharing value of all stakeholder and environment.

Their sustainability goals to become carbon neutral, have a positive water balance, have zero waste to landfill, reduce energy consumption by 30 percent, increase renewable energy consumption 30 percent, and alignment to SDGs.

Now, the achievement and initiative what they have done that ranges from reducing the greenhouse gases to looking at how much they have saved in term of reducing the thickness of the Cinthol soap wrapper, then efficient packaging of Expert Powder Hair Dye helps save 9 metric tonne annum of materials.

Then energy consumption from renewable sources to 55 percent. So, their achievement and initiative starts from the impact start from the raw material and also the end disposal of the product. This is the energy, they have adopted the green energy sources like solar and biomass and they have installed the micro grid in several villages in Andhra Pradesh, Madhya Pradesh and Uttarakhand.

And to reduce the emission and carbon neutrality achieve carbon neutrality, they have taken up initiative for renewable biomass for boilers, procurement of renewable energy, then also installation of the energy efficient equipment.

This is for the initiative with respect to water, through integrated watershed development project or when it comes to waste management, how to implement the community waste management project. And here they invest in the technology and has tie up with social entrepreneurship to invest in the other capital expenditure.

Then the third company is ITC, this is ah India's multinational conglomerate and has diversified presence across cigarettes, FMCG, hotels, packaging, and agribusiness. Their sustainability initiative which putting India first, that is the with a tag of reimagining future 2020. And motivation is to lead the innovative business model that, synergize the economic wealth and formation of ecological and social capital as a unified strategy.

The practices is they are sourcing the raw material from the energy from renewable sources, carbon positive for 15 years in a row, and 7 ITC units met more than 90 percent of the electrical energy requirements from the renewable sources.

Then these are few more whatever they are taking as the sustainable practices and one of the highlight over here; they are along with a philosophy of the responsible luxury, where ITC hotel was among the first luxury hotel chains in the world to eliminate the single use plastic usage in operation.

Then also they have the lead certified building, 30 lead certified buildings by March 2020. Then coming to the fourth company that is Tata Chemical, they incorporated in 1936 under chemical sector and they are ranked 3rd in the Futurescape India's top company for sustainability 2020 into the business of soda ash manufacture.

This is their environmental goals and targets what they have highlighted, like science based target initiative or through waste management or the renewable initiative and to reduce the carbon emission, water neutrality and 100 percent packaging material recycling.

And these are the sustainability initiative that is listed, ah that is from their sustainability report we will find; that it is in the initiative in energy conservation, emission management, waste management, and water conservation.

Also in the and how they have taken the, ah how they have mapped the performance into this; that is through the indicator like climate change performance, that is through the CO₂ emission, water management that is through the fresh water withdrawal, and waste generated dispose through the hazardous waste, air emission, and also recycled material consumed.

And if you look at the green one showing the status that there is a decrease or increase, which is positive and whatever the red one that is the increase. Now, coming to the ah the ah next ah profile of the company what we have chosen, that is Mahindra and Mahindra. They are the MNC automotive manufacturing corporation, largest vehicle manufacturer by production and the largest manufacturer tractors in the world.

Their sustainability goal is reboot, reinvent, reignite and thus rise; has taken several initiative towards providing alternate sustainable choice to the consumer through thinking, product and the business model. This is the sustainability framework for Mahindra; the tagline is by partnering, learning, and sharing, giving more rather than what we take from our ecosystem.

So, here the initiatives are ah categorized into people, planet and profit. And for planet there the specific goals what they have thought of, that is Mahindra believes in transforming one 150 billion dollar company to carbon neutral by 2040, reduction in waste and becoming water positive.

Similarly, people is, for people it is making the best workplace in manufacturing and also ah employing to take the sustainability and CSR initiative. And for profit, drive green venture in group through new EV launches, making sustainable supply chain, and green building. This is their activity with respect to carbon emission, energy, water security, and waste to wealth.

So, after introducing the profile of the company and whatever the initiative they have taken; now when we are trying to map the ah initiative or few of their activity initiative been into the strategy, the core environmental strategy what we have discussed under the four category, this is how the matrix looks like.

So, the few of the activity that is coming in HUL, ah that is coming in eco efficiency, few in environmental cost leadership, few in eco branding, and few in the beyond compliance leadership. So, like one example can be shifting to renewable source of energy hence lower TCO, that is HUL or net carbon positive renewable energy shift that is through by ITC; then redesign Cinthol saved 8 k metric tonne of materials that is through the Godrej and similarly for the Tata and Chemical.

So, all the activities it is being mapped into the different strategy and this is how the corporate environmental strategy matrix looks like for all the all the companies what we have discussed. And typically we have taken just the case of the five company and the more we look into the what are the sustainability initiative or sustainability activities done by the company, we will be able to map it with the strategy and we will see that that activity is typically coming from their corporate strategy what they have taken.

So, the other example can be eco branding is sustainably sourced tea, palm oil or Mahindra and Mahindra introduced the 4 variant of the electric vehicle to drive the sustainability in India.

So, the activities the ah to summarize the session; the activity the initiative what we are taking, this is this typically comes under the environmental strategy. So, the idea is not that there are part of it is corporate strategy, part of it is environmental strategy; in fact in the part of the corporate strategy only when the environmental concern gets added, accordingly the intervention, action and initiative of the company changes in the direction of the sustainability.

Thank you.