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EMPOWERING TIMES



THINKING ALOUD

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by Ideals, Values and Measurement
Metrics
Vijayan Pankajakshan



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General Counsel and Company
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Tata Technologies



WE RECOMMEND

The Big Pivot: Radically Practical
Strategies for a Hotter, Scarcer, and
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Andrew Winston



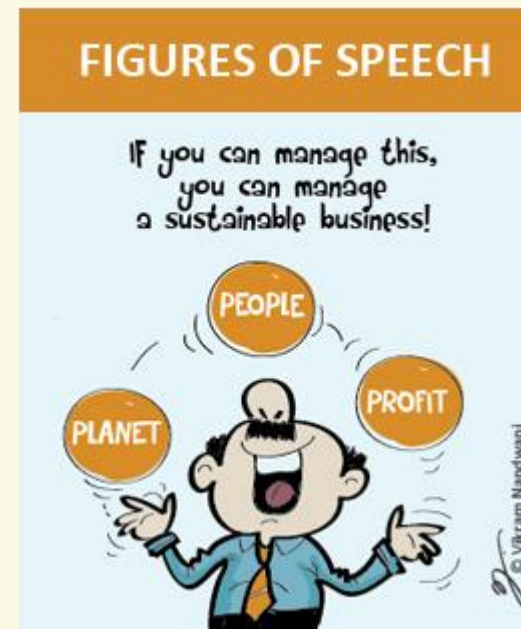
WONDER WOMEN

Sheetal Dhodapkar
Founder - DesignInt, Pune



Dear Reader,

If you are an investor, you will agree that several factors come to play while deciding where to park your funds - the time element, liquidity and whether your goals are being met. Then we have financial gurus to guide you along with their mind-boggling numbers in this statistical jungle! According to the international organization, Global Reporting Initiative (GRI), investors are becoming smarter and are looking way beyond company profits and performance as benchmarks for their investing decisions. Corporate Sustainability is the buzz which is gaining traction and businesses are constantly integrating environmental, social and governance factors into their investment strategies. The impact of a positive corporate Sustainability performance helps investors gauge the company's quality of management and future performance potential, creating long-term shareholder value.



ET this April takes on the theme, **Sustainability: The Emerging Challenge for Business**. To echo the importance of the Sustainability subject, **Anubhav Kapoor, General Counsel and Company Secretary, at Tata Technologies**, on the **Podium**, stresses John Elkington's famous concept, the Triple Bottom Line, which highlights the importance of the 3 Ps (Profit, People & Planet) and the key principles of Sustainable business practices.

Corporate Sustainability initiatives and responsibility is becoming a critical factor to a growing number of stakeholders, globally. In India, Sustainability reporting practices have evolved. The recent collaboration between GRI and the Bombay Stock Exchange is a welcome step for India Inc. to weave in the Sustainability paradigm in its ethos. This will ensure transparency of operations and the subsequent impact on the overall economy.

While GRI's Sustainability Reporting Standards is constantly finding ways to help corporates attain their Sustainability goals, a greater understanding of the links between Sustainability practices and corporate

performance is required.

Our colleague, **Vijayan Pankajakshan**, who recently has become the General Secretary of the Mumbai Chapter of the National HRD Network for the period, 2017-2019, shares his thoughts in the **Thinking Aloud** segment on the importance of Sustainability initiatives and the way forward across sectors and processes.

Avid reader, **Sunita Shetty** reviews Andrew Winston's book, The Big Pivot in the **We Recommend** section. The book records crucial strategies for leaders to make a conscience effort towards Sustainability. In our **Wonder Women** section, Founder of Pune based interior designing firm, DesignInt, **Sheetal Dhodapkar**, takes us through her exciting entrepreneurial journey.

In **Figures of Speech**, if **Vikram's** toon can balance his Sustainable goals, you can too!

As always, we value your opinion, so do let us know how you liked this issue. To visit our previous issues you can visit the Resources section on the website or simply [Click Here](#). You can also follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) & [Google+](#) - where you can join our community to continue the dialogue with us!

THINKING ALOUD

Sustainability - A Journey Hallmarked by Ideals, Values and Measurement Metrics

- Vijayan Pankajakshan

Sustainability means different things to different people. The most often quoted definition is from the Brundtland Commission (1987), i.e., Sustainable development is "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The 'Triple Bottom Line' (TBL), a term coined by John Elkington (1997) is rooted in the same concept and the goals of Sustainable development as defined by the Commission.

A Post Graduate student at the University I teach (2014-2016) had researched the publicly available Sustainability related information disclosed by India's top companies in the banking, automobiles, metals & mining, oil & gas and IT sectors, across ten variables. This included industry heavyweights like TCS, ITC, HDFC Bank & Maruti Suzuki. The analysis was divided into four parts, i.e., Organization and Management, Operations and Core Business Practices, Corporate Social Responsibility & People Management Processes.

Heavy-industry sectors such as oil and gas, metals and mining outperformed others on most Corporate Sustainability Initiatives (CSIs). This could be ascribed to their need for earning a social licence to operate. The banking and finance sector had not disclosed as much as the others. A notable exception was IT, which performed well on several indicators and reported it extensively. A generous explanation could be that they have a greater maturity curve in Sustainability, driven by the need to attract and retain highly aware-employees, besides the need to stack up against global benchmarks. Alternately, one could attribute this trend to their limited and less complex potential impact, compared to the manufacturing sector.

The analysis of the reported CSIs revealed that more than 90% of the surveyed companies had developed codes of conduct, as well as supportive internal policies. This indicates a strong emphasis of the top Management, with respect to governance. Next to governance, the most reported initiatives were CSR-related (Community Livelihood, Health Care, Education, etc.), followed by Operational efficiency-improvements (Green operations, Energy & Resource conservation), and Communication-centric initiatives.

The People Processes of the surveyed organizations varied according to the sectors and the profile of their customers, i.e., B2B or B2C. The initiatives taken involving employees' CSIs differed sector to sector. Within a sector, all surveyed organizations demonstrated relatively similar processes and initiatives.

The IKEA Group could be considered as one of the most respected companies that has embedded Sustainability deep and wide in every aspect of its business operations. It could be a bell-weather for other companies to learn and emulate.

Some of their Sustainable goals and current achievements involving human resources include:

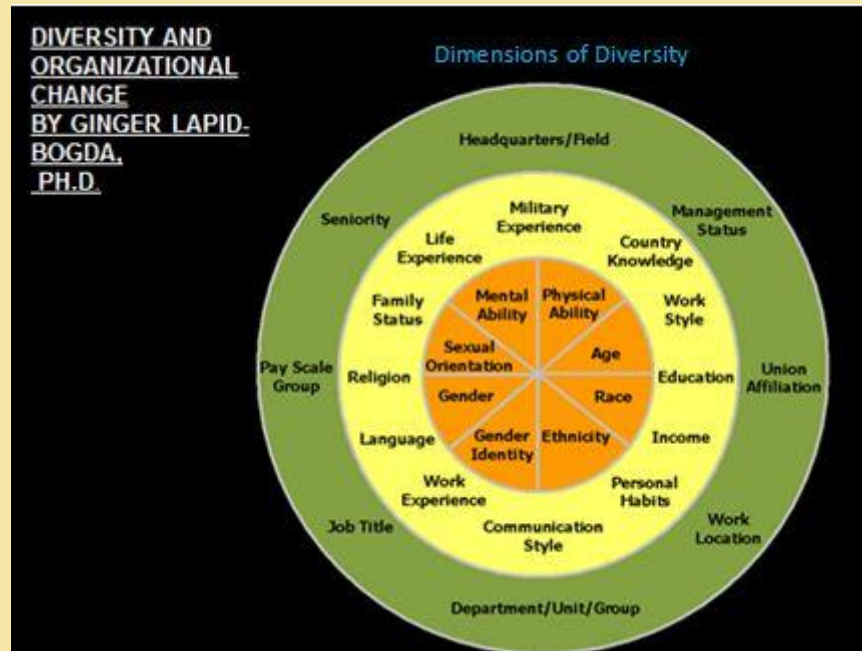
-Goal is to staff 50% of the leadership positions with women: Currently, more than 50% women are represented as co-workers, 48% women in managerial roles and 33% at the group management level.

-Goal is to ensure that every co-worker, by 2020, has an Individual Development Plan, to support career growth: Currently, 76% is the achievement.

-Reduce travel related carbon footprint: The number of Web and Phone supported meetings have almost doubled in the last two years.

For those who are not yet convinced that 'being Sustainable' is all about 'doing great business right', IKEA Group has set a target that 90% of their total sales value, in the home furnishings product business, by 2020, should be 'more Sustainable' than at present. (55% is their current level of achievement.)

INFOGRAPHIC: HOW DIVERSITY IS AN IMPORTANT STRATEGY FOR AN ORGANIZATION TO BE MORE SUSTAINABLE



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PODIUM

Interview with Anubhav Kapoor General Counsel and Company Secretary, Tata Technologies



Anubhav Kapoor is Tata Technologies' General Counsel and Company Secretary and is based in Pune. Anubhav is responsible for Tata Technologies' global legal, IP, regulatory compliance and corporate governance practices and policies. Anubhav has about 24 years of experience.

Anubhav has handled multifarious areas such as structuring strategic business contracts, IPR, global compliance design and audits, legal due diligence, M&A, arbitration & litigation management. Also being a corporate secretary, he has dealt with high visibility boards and handled complex matters including those related to corporate governance, Sustainability, insider trading, private & public offerings. He is passionate about innovation and IPR and also heads the Corporate Sustainability and CSR practices globally. Having worked with Polaris Software, Domino's Pizza, Allied Nippon, to name a few, in a similar role, Anubhav's experience as an in-house counsel spans across various industries including automotive, aerospace, pharmaceuticals, food, banking and insurance software and engineering. He has spoken on several national and international forums on topics related to IP.

Anubhav is a member of the Institute of Company Secretaries of India. A Law Graduate from India, he has also done his Masters in Law from the University of Michigan, and MBA in Finance & Information Technology from Institute of Management Technology.

ET: What are the key principles of Sustainable business practices which are critical to the creation of long-term shareholder value?

AK: The major principles that govern Sustainable business practices for long-term shareholder value are:

1. Stakeholder alignment - Maintaining mutually beneficial relationships with employees, customers and the community benefits in terms of positive profile, customer and community support.
2. Inclusion of socially responsible and environmentally sound policies as core elements in organization's growth strategy.
3. A focus on innovation.
4. Leading the path/ influencing others.

ET: While many corporate Sustainability programs have achieved success on various initiatives, few corporates have embedded this practice in the overall organizational strategy. What are the barriers that hinder companies from inculcating these practices to attain their Sustainability goals?

AK: The most common framework for businesses to start on the path of Sustainability is 'Triple Bottom Line' interpreted as - people, planet, profits. What constitutes the challenge for companies is to align their company's Sustainability agenda with global Sustainability standards. This also implies the lack of understanding of the impact of Sustainability initiatives on their business. It requires cross functional engagement that is driven by the commitment and buy-in from the top management of the company, wherein actual implementation requires efforts from middle and lower management. Moreover, the lack of national or geographical specific regulations makes it stand low on the priority list for businesses.

ET: How will the recent collaboration between Global Reporting Initiative (GRI), BSE Ltd, Confederation of Indian Industry (CII) and others impact India Inc.?

AK: Companies publishing Sustainability reports aim to disclose their business impact on several parameters related to social, environment and economic aspects. Therefore, this collaboration is expected to bring more transparency on various issues, to name a few: combating climate change, embedding human rights in value chain, safeguarding gender equality and protecting biodiversity. Specific regulations mandated for companies listed at the BSE further encourage them to adopt the best practices while implementing the Sustainability

measures across their line of business. This will facilitate an easy adoption of the national guidelines and global standards beyond compliance and guide businesses to achieve better Socio-Environment Return on Investment (SEROI).

ET: What are some of the best practices in corporate Sustainability that India Inc. can mirror from other advanced economies?

AK: Some of them include:

1. Integration of Sustainable design across the product portfolio and lower the impact of their products.
2. Innovative performance measurement plans rewarding employees for meeting non-financial performance goals, including their efforts on mitigating climate change through various emission reduction initiatives.
3. Focus on high priority issues related to biodiversity conservation in the company's environmental policy, and providing detailed findings on their efforts in publicly available company reports.
4. Moving towards goals like 100% ethical sourcing.
5. Adoption of hybrid transport system for commutation as well as transportation of products.

ET: The Tata Group has a history of satisfying its multiple stakeholders. Can you please advise executives trying to understand this trend towards investing in Sustainability?

AK: Societal well-being and benefit is at the heart of our business strategy and operations. We inherit the social values from the Tata legacy and it is our constant endeavour to push the bar higher through investments in technology and innovation driven Sustainability activities.

However, the understanding of Sustainability is typically specific to an industry sector, stakeholder and context. The Sustainability trends can be assessed by taking different stakeholder's expectations into account. What it can

mean for a product manufacturing company is to identify and address the social and environmental issues in its supply chain and mitigate its long term Sustainability risks. This can include issues related to wages and benefits, improving work safety, cutting down emissions and effluents and reducing carbon and water footprints. The other aspect to it can be addressing the issues or meeting the increasing expectation of its customers by improving safety and performance aspects of its product, improving its packaging material and reducing resource consumption during its usage.

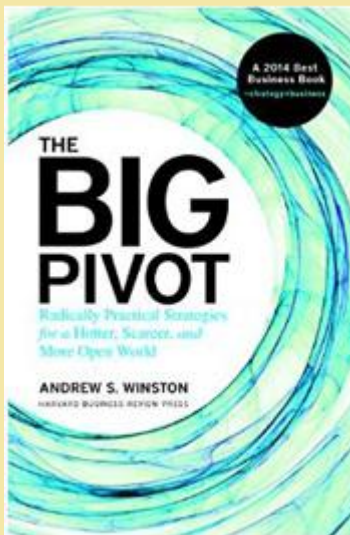
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WE RECOMMEND

The Big Pivot: Radically Practical Strategies for a Hotter, Scarcer, and More Open World

- Andrew Winston

Reviewed by Sunita Shetty



Sustainability can no longer be small talk. We have pushed the limits of our natural resources that support our economy and society. The way companies currently operate will not allow them to keep up with the current and future rate of change. In his latest book, *The Big Pivot*, Andrew Winston writes about how companies must shift the way they operate in fundamental ways to deal with environmental issues, starting with a deep change in perspective. The book provides a practical roadmap to help leaders build resilient, thriving companies and communities in a volatile world. Andrew Winston is also author of *Green to Gold* and *Green Recovery*. He is a regular blogger and contributor to Harvard Business Review online, the Guardian and the Huff Post.

The first part of the book talks about today's mega challenges - climate change, resource constraints along with rising commodity prices and technology driven demands for more transparency. These 3 mega forces are what he calls 'hotter, scarcer and more open' in the title of the book. In the chapter on hotter, he talks about how climate change is an environmental issue, a security issue and an economic issue, giving the example of Hurricane Sandy. Scarce resources are blatantly exploited by the growing middle class population the world over. With technology, customers are now vocal about their criticism of companies that don't take their

environmental responsibility seriously. At its core, the Big Pivot mind-set is about prioritizing environmental and social challenges and opportunities and treating them as central to business success.

Winston outlines ten core strategies that will help organizations make a shift in consciousness and purpose. He writes about focusing on a long-term vision and telling investors why it matters. Companies like Philips, Unilever, SAP are speaking to analysts and investors on how Sustainability drives their ability to innovate and increase margins. Organizations with a focus on Sustainability are redefining 'growth'. Unilever has set a goal of doubling revenues while seeking to halve their environmental footprint of the making and use of their products by 2020.

An interesting chapter in the book is the one on 'Pursuing Heretical Innovation'. New thinking that spurs innovation - for example, Adidas partnered with a company to dye fibre using heat and pressure thereby cutting down on energy and chemical use by 50% and no use of water! Kimberly Clark came up with the innovative - no cardboard core - toilet rolls. With a change in design, Puma's new 'Clever Little Bag' for shoes reduces cardboard use by 65%. In most organizations, the goal of maximizing profits is clear but when it comes to environmental performance, there's a breakdown. Winston tells us we should change the incentives and engage the whole organization. A good example is Walmart. Walmart wanted its suppliers to improve their environmental performance but when it came to buying decisions, it was still based on price. Walmart changed its buying process by creating Sustainability targets that were included in the employee's performance reviews.

The Big Pivot offers a unique perspective to an issue that concerns us all whether its society, government, organizations and individuals. Creating a healthier, cleaner, more stable world - with organizations using its enormous resources and skills to lead the change, will help sustain business, the economy and the world at large.

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WONDER WOMEN

Sheetal Dhodapkar

Founder - DesignInt, Pune



Sheetal Dhodapkar, entrepreneur and owner of Pune based, interior designing firm, DesignInt, took up her passion in this field after graduating in electronics and armed with a Diploma in interior designing. Setting up her own venture was never in mind. She gained experience over seven years by working under architects and designers (some of them being entrepreneurs), including freelancing for contractors in Mumbai and Pune. The fact that standard designs and specific materials were used on projects, which were monotonous in nature, convinced her to start on her own. Her true calling came when she grabbed an opportunity to work on an under construction 1,800 sq.ft. flat. When her designs were refused to be executed by many designers and architects, she took up the challenge and executed the project in one month!

Her love for creativity and innovation led to the inception of her own firm, DesignInt in 2005. The company customises interior designing work for residential and commercial spaces, from designing to execution, all under one roof. The firm's main focus is to connect people to their space.

Financing was a major hurdle while starting her venture. However, thanks to a very supportive family, Sheetal was able to fulfill her dreams. Being an entrepreneur has its own challenges. Her ability to execute an entire project was contested by clients who would only hand over a part of a designing project. Financial failures, workforce issues, supplier problems, adoption of new technology, concerns of statutory compliances and competition were all part of her entrepreneurial journey. However, patience and her 'never give up' attitude has paid off as today, clients have come back for more of her work!

Sheetal had the opportunity to be a part of the Goldman Sachs-ISB Women Entrepreneurs Programme in 2010 where she developed the insights to understand her business and acquire skills to market her concept and network. Mentoring helped her develop a proper system to operate in a field which is unorganised.

According to Sheetal, as a woman entrepreneur, when work becomes a priority, personal life gets impacted. If you can manage stress and not compromise on your health - exercising, a good attitude and meditation, will take you a long way. Narayan Murthy's concept of Client First is what inspires her to move ahead in life coupled with her hard working nature and dedication. Her projects are regularly featured in magazines like Homify, Floma and in Yug Designs publication of residential and commercial designs. Going forward she plans to set up branches in other cities like Nasik, Aurangabad and Nagpur and to set up a manufacturing unit for customized readymade furniture.

Please check out her venture on www.designint.in

All the best for your future endeavours, Sheetal!

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THROUGH THE LENS



On a trip to Sri Lanka, our in-house photographer, **Rupesh Balsara**, spots the White Bellied Sea Eagles. This bird species inhabits coastal regions and is found in Sri Lanka, Nepal, India, Pakistan, Bangladesh and Southeast Asia. Sadly, the Sea Eagle population is declining due to habitat loss caused by the clearance of water-edge vegetation.

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