

RESPONSIBLE CONSUMPTION & PRODUCTION COLUMN

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Recalibrating the journey ahead

Political will, business innovation, and societal awareness will help chart this journey

As the world moves forward in the decade of action, the urgency and criticality of achieving the SDGs has never been starker. The continuing socio-economic and public health fallouts of the pandemic, social unrests and inequalities, the inescapable climate emergency and our deteriorating planetary health all point in the direction of how much work lies ahead of the global community to deliver on the 2030 promise. Amidst these challenges, we are also witnessing renewed hope and confidence as governments, businesses and civil society come together to forge new partnerships to ensure sustainable development. The Tatas, as a responsible corporate citizen, have always played a part in partnering with the government on national priorities and ensuring that our growth impulses are firmly aligned to the requirements of sustainability and the judicious use of scarce resource.

The magnitude of the challenge posed by our current consumption and production patterns is evident in the stark UNEP findings:

- One-third of all food produced -- about 1.3 billion tonnes -- is wasted, while 1 billion people remain undernourished and another 1 billion go to bed hungry.
- Households consume 29 per cent of global energy, contributing to 21 per cent of carbon dioxide emissions, pointing to the significant linkage between consumption and production patterns and the climate change challenge.
- If the global population reaches 9.6 billion by 2050, the equivalent of almost three planets would be required to sustain current lifestyles.

SDG-12 assumes significant importance in the light of these challenges. At its most fundamental level, it is about doing more with less.

Business actions: Businesses depend on natural resources for manufacturing various goods. Securing long-term access to scarce resources, minimising use of expensive resources, reducing waste and pollution, as well as identifying new growth opportunities are some key business drivers relevant to SDG-12. A useful way of mapping the corporate actions needed to achieve SDG-12 is the I=PAT equation that links environmental impact with the three causal factors of population, affluence and technology.

- To meet the needs of a growing population, businesses will not only have to maximise material and energy efficiency but will need to fully transition to circular business models where all waste is seen as resource and re-used at its highest economic potential. Closing the loop of end-of-life products will help decrease the dependence on primary resource



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extraction and address the challenges associated with waste management.

There are some pioneering examples in this space within the Tata Group. Upcycling of aluminium waste is helping Jaguar Land Rover close the loop of an important natural resource while also significantly supporting the company's decarbonisation goals. Tata Prolife, a ground-breaking after-market product support strategy for Tata Motors' customers, helps extend the useful vehicle life at original equipment-like-performance while minimising product lifecycle costs and waste generation. Tata Steel has embedded circularity principles in business strategy through its Industrial By-products Management Division (IBMD), which is focussed on downstream value enhancement of a variety of steelmaking by-products.

- The impact of affluence is also easy to understand. As incomes grow, so do aspirations. Reducing poverty and inequality, while supporting the growing aspirations of our population, are indeed critical national priorities. From a business perspective, delinking demand from resource consumption through adoption of innovative business models such as shared economy and product and platform as-a-service (PaaS) has the potential to fulfill these aspirations in a sustainable manner, while also opening new avenues for future business growth. One just has to look at Airbnb offering millions of room nights per year without owning any property or Renault which leases batteries to its EV customers instead of selling them. Mjunction, one of Tata Steel's JVs, has disrupted the supply chain of various industrial commodities by leveraging digital technologies to create a highly efficient and transparent materials marketplace.

- The third and final dimension is eco-efficiency through use of breakthrough technologies. The Fourth Industrial Revolution is already demonstrating how technologies can be innovatively applied for responsible growth. At the Tata Group, we are focussed on developing new advanced materials such as Graphene, on human-centric innovative design, clean and affordable energy, electric vehicles and digital technologies, which are expected to usher in the next frontier of responsible growth.

Despite many challenges, we are witnessing an encouraging level of political will, business innovation and societal awareness necessary to chart the journey towards achieving sustainable consumption and production. Leadership commitment to sustainable business values, willingness of supply chain partners to adapt, adoption of a new set of metrics to measure business success and favorable policy support will be critical in this journey. ♦

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