



## Investing in a Sustainable Future

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### Editor's Nest

*“The greatest threat to our planet is the belief that someone else will save it.” – Robert Swan, Author*

By kickstarting this year with a focus on principle wise analysis of the SEBI mandated Business Responsibility and Sustainability Report (BRSR), we learnt about the importance of making corporate governance related disclosures enshrined in Principle 1 in our previous issue. In this edition, we will be delving into Principle 2 which states that *“Businesses should provide goods and services in a manner that is sustainable and safe.”*

Imagine your favorite smartphone, gleaming and sleek. Now picture the mountains of toxic e-waste it leaves behind when its journey ends. From gadgets to garments, every purchase has a carbon footprint, and it is the responsibility of every business to track the environmental impact of products throughout the supply chain, from sourcing materials to final delivery, as enshrined in Principle 2. This should be done every step of the way, from mines to trash, ensuring clean production, green materials, and responsible waste. Thus, by adopting sustainable sourcing methods, companies will not only be promoting value chain circularity, but also the long-term resilience of both nature and business landscape.



### Expert Speak

**Changing ESG Needs in Pharmaceutical Industries – Mr. Sree Krishna Chopperla, Senior VP – HSE Sustainability, Sai Life Sciences Limited**

The global pharmaceutical industry is constantly evolving and becoming robust and resilient to meet the unmet patient needs. Organizations need to continuously evolve and redefine their sustainability strategy, approach, engagement, and work towards an inclusive and sustainable future. At Sai Life Sciences, science and sustainability always work in tandem. Our purpose of “Science for a healthier future” looks into sustainability in all stages of drug discovery, development and manufacturing focussing intensely on drug manufacturing as it is the most energy intensive. We are in partnership with few global big pharma companies in association with World Health Organization (WHO) to form a health systems Task Force called as “Sustainable Markets Initiative” that focus on making Healthcare supply chains become greener, more efficient, and circular. The Task Force is taking scalable action to collectively address emissions across supply chains, patient care pathways, and clinical trials.

Few sustainable projects that we have implemented at value chain level include-

1. Our chemists design reactions and processes with improved efficiency, reduced waste, and lower environmental impact.
2. We are considering waste heat recovery system to transfer waste heat from a process and recover the waste heat efficiently in other processes.
3. We realize waste as a valuable resource and have recycled over 95% of the total hazardous waste generated through utilizing as alternate fuel in cement kilns and thus adopting “zero waste to landfill” approach.

When adopting circular principles to generate wealth out of waste through energy and resources recovery, we are thus pushing the envelope to make the overall journey of drug development and discovery integrated with sustainability.



To simplify the concept of sustainable sourcing that is at the very core of Principle 2 even further, let's take the example of Apple. Aluminum is the most widely used material in the enclosures of all their MacBooks, Apple TVs, and Apple watches. However, the production and processing of this light metal is very energy intensive, and the carbon dioxide emitted in the production of conventional aluminum is correspondingly high.

To tackle this problem, Apple, through its Green Bonds investment of \$4.7 billion, has innovated a new smelting technology process that helps in producing aluminum without creating any greenhouse gas emissions, but releasing oxygen instead. This goes a step further than their previous method of using 100% recycled aluminum in their goods. By focusing on a green aluminum supply chain and reduction of carbon footprint in all their products, these initiatives therefore serve a key milestone towards the realization of a Net Zero future!

[Click to know more about Apple's ESG Disclosures.](#)

**Principle 2 aligns with the following United Nation's Sustainable Development Goals:**



**Principle 2 also includes the following Integrated Reporting Capitals:**






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**Best Practices for Principle 2**

The following are the major components covered by the SEBI mandated BRSR format, further supported by best industry practices:

		
Component	Company	Best Practice
Innovation in R&D & Investment in Capex	Reliance Industries Limited	Reduction in the use of carbon black (a filler added to rubber to enhance durability) in tires has decreased the industry's reliance on petrochemicals significantly.
Supply chain sustainability (including sourcing of raw materials)	Tata Steel	Conducting periodic assessments of supply chain agreements and updating risk registers for key input materials like iron and coal.
Environmental sustainability (Ecofriendly practices and responsible waste management)	Kotak Bank	Refurbishment of old UPS batteries increases life span by two years post completion of their life span, thus, reducing battery waste.
Product safety (Life Cycle Assessment)	Asian Paints	Reduction in volatile organic compounds (VOC) in paints.

**Did you know?**

- Extended Producer Responsibility** refers to a policy approach where producers are given responsibility (financial and/or physical) for the environmental impacts of their products throughout the product lifecycle.
- Life Cycle Assessment** measures the potential environmental impacts of products or services during its entire life cycle (production, distribution, recovery).