

*Webinar for Journalists and Media Representatives*

## **Businesses with Purpose Future-Proofing Businesses in a Post Covid19 World**

**16 April 2020, 4 PM – 6: 10 PM**

### **Background**

Earlier this year, in the month of January world business leaders came together in Davos to commit to and pursue with greater rigour the agenda of ‘*stakeholder capitalism*’ as opposed to ‘*shareholder capitalism*’ thereby underlining the need for ‘*businesses with purpose*’. This need for businesses to create long-term and sustained value for shareholders<sup>1</sup> has become ever so important in the prevailing times, when the world is reeling under the impacts of the COVID-19 crises.

The pandemic has disturbed not only the social and economic fabric of countries, but also the fundamentals of the global economic system. As an effect of the pandemic global tourism, travel and hospitality companies have closed down economic activities, impacting businesses at large. The Small and Medium Enterprises (SMEs) globally have been the most severely hit owing to the supply & demand disruptions. This in turn has affected the workers in the global supply chains who are typically low paid, self-employed or work on short- term contracts. The impacts of the pandemic are all pervasive leaving no sector unscathed, some of the other sectors include technology, entertainment, sports, textile, retail, e-commerce and the FMCGs. According to Guy Ryder, Director of the International Labour Organization (ILO); the pandemic is no longer a global health crisis, it is also a major labour market and economic crisis that is and it will continue to have huge impact on people. ILO estimates are that as many as 25 million people could become unemployed, with a loss of workers’ income of as much as USD 3.4 trillion. <sup>2</sup>

The situation calls for urgent action to rebalance our relationship with nature and develop an effective sustainable development trajectory. There is a need to draw lessons from the current situation and look at re-designing consumption and production patterns that will help in achieving long-term sustainability targets and aligning them with the Sustainable Development Goals (SDGs). Furthermore, many business policies and strategies can be reconfigured to devise a method for sustainable management and efficient use of natural resources, encourage adoption of sustainable practices among businesses and report on and advocate sustainable lifestyles in harmony with nature.

### **About the Webinar**

The media can play a critical role in creating awareness and sensitizing businesses, consumers and other stakeholders on the concept of ‘businesses with purpose’. Understanding the importance of media engagement, a webinar was organised on the theme “Businesses with Purpose Future-Proofing Businesses in a Post COVID-19 World” by Centre for Responsible Business (CRB), Roundtable on Sustainable Palm Oil (RSPO) and WWF-India on **16<sup>th</sup> April 2020**. The agenda of the webinar is attached as *Annexure 1*.

---

<sup>1</sup> Davos Manifesto, Jan 2020: <https://www.weforum.org/agenda/2019/12/davos-manifesto-2020-the-universal-purpose-of-a-company-in-the-fourth-industrial-revolution/>

<sup>2</sup> International Labour Organization - [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_739961/lang-en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_739961/lang-en/index.htm)

The webinar was aimed to:

- Reflect on the critical need for sustainable growth, adoption of an inclusive, economic, social and environmental sustainability model for future-proofing businesses post the pandemic
- Raise awareness about sustainable consumption and production (SDG12) in India and initiate the necessary call to action

## Summary of the Discussions

**Rijit Sengupta from CRB** set the context for the webinar. In his opening remarks he highlighted the importance of recognizing the relationship that businesses and the environment/ecosystem share, particularly in the current scenario. Undoubtedly, COVID 19 has resulted in great socio-economic distress, however, it also offers a new perspective on “doing business” which places interconnectedness between business resilience and societal resilience at the core. While defining the role of media in the current scenario and in the future, he added that media can help in awareness creation on the issues of sustainability and deepen the understanding of sustainable development at a wider level. However, the media needs to recognize how the businesses drive the issue of sustainable development and also question the role that businesses plays in pushing forth sustainability and sustainable development in the future.

Quoting the UN Secretary General, Rijit remarked that the pandemic presents a **‘Catalysation Opportunity** providing businesses a chance to explore, discuss and dissect the issue of sustainability and work towards mainstreaming the subject of Sustainable Development through their activities. Businesses have been at the forefront of providing goods and services including, healthcare, waste management, transportation, logistics and FMCG services. Many have undertaken relief work and made significant financial contributions to help tide over the difficult situations. However, this period has also seen some adverse impacts of business behaviour effecting sectors like apparel, automotive manufacturers and suppliers, consumer durables. The pandemic has centred our attention on stakeholder capitalism and its operationalisation.

Some of the key lessons for businesses from COVID 19 would focus on catalysing their activities to redesign consumption and production patterns. Furthermore, investing in innovation and efficiency, helping build resilient businesses with purpose are critical lessons emanating from the crises. In the near future, businesses should promote better transparency and traceability in supply/value chains along with encouraging and emphasising on collaboration and partnerships.

**Bhavna Prasad from WWF – India**, shared her perspective on the degradation and abuse of environment as primary reason for pandemic such as the one facing us today. Drawing the link between business operations and the health pandemic, she pointed out that the current consumption pattern uses natural resources at a pace that is 1.6 times faster than the pace at which Earth can regenerate its resources. Currently, 80% of the Earth’s original forests have been destroyed. Land-use changes in agriculture linked to consumption and trade of commodities like soy, palm, rubber, timber etc. are significant drivers of deforestation.

A WWF report cites that between 1970 and now, increase in deforestation related activities globally has led to a 60% decrease in populations of mammals, birds, amphibians, fish and other vertebrates. Business/human activities are creating a havoc in the fragilely balanced nature. About 11,000 scientists from 153 countries have declared a climate emergency and warned that without the shifts in human activities that contribute to deforestation, destruction and GHG emissions an untold suffering is inevitable in the coming future.

The current situation is a testament to the unbridled exploitation of nature and the need to rebuild our relationship with nature. In order to build back from the COVID 19 crisis, it will be important to reassess our actions and tackle collectively the multiple threats to the environment to prevent putting human wellbeing and livelihood at risks in the future. Lastly, she urged the media to be vigilant and publish stories related to the environment, threats to the planet and the well-being of the planet and people all of which are significantly critical for us and our economy.

**Kamal Prakash Seth from RSPO** highlighted that 50 percent of the products we consume including food (chips, chocolates, biscuits) and cosmetics (soap, lipstick) contain palm oil. In spite of being the largest importer of palm oil, we don't acknowledge the negative impacts related to palm production and consumption. The production of palm oil leads to forest loss, animal loss, air pollution and global warming along with loss of habitats and livelihood for forest communities. He further emphasised that sustainable conversation can only happen if producers and consumers are made aware of the issues related to sustainability and sustainable development. This will in turn impact sustainable livelihoods and help in poverty reduction keeping the human rights protected and respected. It will also lead to prosperity for all i.e. a resilient and sustainable sector with a conserved, protected planet and enhanced ecosystems.

While giving an overview of the markets, Kamal pointed out that 19 percent of the total production of palm oil is sustainably produced. The companies committed to sustainable palm oil production have substantively higher equity return of 24.7 percentage points, thus showing that it 'pays' to be sustainable. Palm oil as compared to other oils like sunflower, rapeseed, soya bean has the maximum usage. It is a popular oil since it is relatively cheap, uses less resources and is more versatile and high yielding.

Over the last 15-16 years, many of the businesses across the world have understood the challenges and have started opting for sustainably sourced palm oil. However, there is a need to mainstream this for uptake of wider organizations.

**Prakash Chawla from AAK Kamani** shared the business perspective underlining that COVID 19 has taught us how protection from the unseen is as important as economic progress. He mentioned that AAK Kamani is the first company in India to have their processing units certified to RSPO standards. While talking about sustainable production of products, he drew a link between production and demand and added that the reality on the ground however is different, there are few companies that are conscious of their actions. The commodity world is highly cost competitive and demand driven, the low demand for sustainability certified products leads to additional costs for the processors which they may or may not be ready to incur.

He emphasised that the opinion of the youngsters could help in driving the change in the demand of goods and the availability of them in the markets for us. There is also a need to align ourselves together in order to bring sustainability and a sustainable way of living to the forefront. It is important to ensure that in the future, we are able to provide nutrition to everyone, which is sourced through a sustainable method and is cheap to produce at the same time ensuring we are not taking risk of deforestation or causing collateral damage to the environment. Taking a leaf from the deliberations at Davos this year, he impressed upon the need for businesses to move towards stakeholder primacy and away from shareholder primacy.

**Arindom Datta, Rabo Bank** while talking about the role of financial institutions and their role in sustainability mentioned that financial institutions also play a key role in mitigating the environmental impacts on the natural world by taking ESG considerations into account in their lending and investment decisions. Through their portfolio companies, financial institutions can drive sustainable practices. He further pointed out that drivers like regulations, stakeholder (stakeholders want the

institutes to be sustainable), risk management (mitigating sustainability risks) and business development potential (identifying opportunities that are more sustainable) encourage the businesses to take the sustainability route. For any business to be sustainable the mandate on sustainability and sustainable practices needs to be engrained in the company's mission and vision. Financial institutions can help in promoting sustainable businesses through channelling greater investments into green businesses, applying the ESG lens and framework and helping them in making sustainable investment decisions.

**Ashish Saraf from Manorama Industries Limited** spoke about the need for businesses to be inclusive and move away from 'for shareholders' to 'for stakeholders' business philosophy. There is a need to develop a shared value model that helps in promoting both business development and community development simultaneously. While giving an overview of their work, he explained the company's vision for business is deeply intertwined with welfare of communities, especially those dwelling in India's forested areas. The company believes in value creation in a responsible way, and work with a community development approach, focused on empowering millions of women in Chhattisgarh, Madhya Pradesh, Odisha and several other states. The industry collects Mango Kernels, Sal seeds, Mahawa Seeds and other forest products in a manner, which helps in improving the livelihood of millions of tribal and indigenous communities. Several multinationals companies use the raw materials produced by the industry for making sustainable food and cosmetic products globally, and this helps them in fulfilling the overarching commitment towards sustainability.

**Ananda Banerjee, a senior journalist** posed a question on the viability of businesses in adapting to sustainability and sustainable practices post the pandemic. He pointed out that pandemic has had consequences for business continuity and affected the way they function; this has cast question marks on businesses ability and willingness to champion sustainability agenda post COVID 19.

He stated that COVID-19 is a classic example of zoonosis, where a virus jumps from wild animals to humans, due to habitat destruction. In order to get the economy back on track, we might see a brutal assault on nature. Shedding light on the positives that COVID 19, he said that not all is gloomy on the business front, there lies an opportunity to look into our growth and re-look and redesign the economic meters models with the cost of environment calibrated in the GDP numbers.

On the role of media, he mentioned that the media is dependent on other people for news, bites etc. There has been little or no efforts by businesses to build relationship with journalists specially the ones who write on environment. He concluded by saying that sustainability cannot be spoken about unless the environmental cost is factored in the overall activities.

**Archana Datta from UNEP** gave an overview of the challenges the world is facing because of the pandemic and the lessons that can be learnt going forward. She highlighted the existing notions of economic growth that is mainly *take-make-dispose* patterns of development and more importantly the need to challenge them. Biodiversity loss, climate change and illegal trade don't have any direct and immediate effects on the business viability and prosperity and therefore are often ignored.

In the post crises scenario the endeavour should be to create better opportunities for green investments while adhering to the standards of sustainable production and consumption. This will be a key to a resilient and sustainable future and for the global community to achieve the SDGs.

## Conclusion

The webinar saw various actors from the field of businesses, media, think tanks and civil societies express their thoughts and opinions on media and businesses working together during and post the pandemic to push the sustainability agenda forward collectively. They also mentioned that efforts like creating awareness, helping consumers as well as businesses understand sustainability and

sustainable growth can create demand for sustainable goods and intensify sustainable business practices.

In the time of a pandemic, it is also important to disseminate information on how the businesses should and will bounce back in the near future by building a more resilient and sustainable business. Every crisis is an opportunity to reflect and while the pandemic has had debilitating impacts on the global economy, it also provides an opportunity for businesses to 'build back better' and forge ahead into the future, balancing economic recovery and climate action, for a sustainable and inclusive growth.

## Annexure 1

Timing	Details
4:00 – 4:10PM	<p><b>Welcome by Rijit Sengupta, CEO, CRB</b></p> <p>&amp;</p> <p><b>Participants' Introduction</b></p>
4:10 – 4:20PM	<p><b>Setting the Context by the Moderator</b></p> <ul style="list-style-type: none"> <li>Rijit Sengupta, CRB</li> </ul>
4:20 – 4:40PM	<p><b>Opening Remarks by Co-organisers:</b></p> <ul style="list-style-type: none"> <li>Bhavna Prasad, Director (Sustainable Business), WWF India</li> <li>Kamal P Seth, Country Head, India, Roundtable on Sustainable Palm Oil (RSPO)</li> </ul>
4:40 – 4:50PM	<b>Question &amp; Answer</b>
4:50 – 5:20PM	<p><b>Perspectives from Businesses</b></p> <ul style="list-style-type: none"> <li>Prakash Chawla, Board Member, AAK Kamani</li> <li>Ashish Saraf, President, Manorama Industries Limited</li> <li>Arindom Datta, Executive Director, Rural &amp; Development Banking, Rabobank</li> </ul>
5:20 – 5:30PM	<b>Question &amp; Answer</b>
5:30 – 5:40PM	<p><b>Perspective from a Senior Journalist</b></p> <ul style="list-style-type: none"> <li>Ananda Banerjee, Environmental Journalist, Author, Graphic Artist and Communications Specialist</li> </ul>
5:40 – 5:50PM	<p><b>Perspectives from an International Organization</b></p> <ul style="list-style-type: none"> <li>Archana Datta, National Coordinator - Switch Asia, United Nations Environment Programme (UNEP India)</li> </ul>
5:50 – 6:00PM	<b>Question &amp; Answer</b>
6:00 - 6:10PM	<p><b>Summary &amp; Closing Remarks</b></p> <ul style="list-style-type: none"> <li>Kamal P Seth, RSPO</li> <li>Bhavna Prasad, WWF India</li> </ul>