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Maharatta Chamber of Commerce,
Industries and Agriculture

Empowering Businesses: A Workshop on Sustainability Collaboration and Shared Responsibility

27 SEPTEMBER 2024, PUNE



BACKGROUND

Centre for Responsible Business (CRB) and the **Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)** jointly organised a significant workshop in **Pune**, Maharashtra on **27 September 2024**. This marked another milestone in the series of engagements under the 'EU-India Business Collaborative Initiative on Sustainable Development, Climate Action and Inclusivity' project, supported by the **Delegation of the European Union to India**.

The Pune workshop built upon the momentum generated from previous successful engagement in Kolkata, furthering the dialogue on sustainable business practices and cross-border collaboration. As part of a broader 2-year initiative, this workshop aligned strategically with key EU-India cooperation frameworks, particularly the EU Global Gateway strategy and the EU-India Trade and Technology Council, reinforcing the commitment to strengthening business cooperation in sustainable modernisation, clean energy, climate action, and bilateral trade and investment.

The workshop served as a pivotal gathering for awareness-building, bringing together industry leaders, policy experts, and stakeholders from both EU and Indian businesses to discuss critical sustainability frameworks including the **Carbon Border Adjustment Mechanism (CBAM)**, **National Guidelines for Responsible Business Conduct (NGRBC)**, and **Business Responsibility and Sustainability Reporting (BRSR)**. Through technical sessions and interactive exercises, participants explored practical approaches to implementing these frameworks while fostering meaningful collaboration between EU and Indian businesses.

INTRODUCTORY SESSION



SUDHANWA KOPARDEKAR

DIRECTOR, MAHRATTA CHAMBER OF COMMERCE, INDUSTRIES AND AGRICULTURE (MCCIA)

The workshop commenced with welcoming remarks from Sudhanwa Kopardekar set the context by recollecting a previous significant roundtable discussion held in the city on 2 July 2024. Mr. Kopardekar highlighted MCCIA's active engagement in sustainability initiatives, particularly through their collaboration with Maharashtra Small Scale Industries Development Corporation (MSSIDC) under the Raising and Accelerating MSME Performance (RAMP) scheme. A significant achievement he noted was the recent policy framework enabling MSMEs with sanctioned loads of 100 KW or more to directly participate in the Green Energy Open Access (GEOA) framework in Maharashtra, facilitating sustainable energy adoption among smaller enterprises. Looking ahead, he outlined MCCIA's practical approach through walk-in assessment mechanisms for energy, digitisation, and sustainability, targeting 100 companies across Maharashtra, with a particular focus on Tier 2 and Tier 3 companies within vendor value chains.



RAJIV KUMAR

GENERAL MANAGER OF SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

Rajiv Kumar emphasised the increasing importance of climate action in the financial sector, noting how regulatory bodies including Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) are strengthening frameworks for climate risk assessment and sustainability reporting. He outlined SIDBI's comprehensive approach to supporting MSMEs in their sustainability journey through their dedicated Green Climate Finance vertical, which operates on five key missions: Energy Efficiency, Renewable Energy, E-Mobility, Circular Economy, and Adaptation.

Of particular significance, he highlighted two crucial government schemes available to MSMEs:

- The GIFT (Greening Industries for Financial Transformation) scheme offers 2% interest subvention on green project loans
- The MSE Scheme for Promotion and Investment in Circular Economy (SPICE) scheme provides a capital subsidy of up to 25% of the project cost for eligible projects with a maximum subsidy of ₹12.50 lakh INR.

Shri Kumar also announced SIDBI's recent achievement in securing a Green Climate Fund project, set to be one of the world's largest MSME financing programs, with an allocation of approximately US\$4 billion (₹32,000 crores INR) for climate financing. Notably, 40% of this funding is earmarked for adaptation measures, supporting MSMEs already impacted by climate change or those implementing adaptation solutions.



RIJIT SENGUPTA

CHIEF EXECUTIVE OFFICER, CRB

Rijit Sengupta joined online, emphasised the workshop's primary objective of building awareness about key EU legislations affecting supply chain actors. He highlighted CRB's commitment to supporting manufacturers and suppliers, both those already integrated into European business value chains and those aspiring to join them.

Mr. Sengupta acknowledged the current challenges facing businesses - from geopolitical issues to climate change — while emphasising that unprecedented technological advancements, scientific progress, and available financing create unique opportunities for addressing these challenges. He stressed CRB's dedication to making these resources accessible to businesses, facilitating their sustainability transition and strengthening their position as partners of the European Union.

KEY MESSAGE



FRANCK VIAULT

MINISTER COUNSELLOR, HEAD OF COOPERATION, DELEGATION OF THE EUROPEAN UNION TO INDIA AND BHUTAN

A key message from Franck Viault underscored the EU's commitment to supporting Indian industry through collaboration rather than mere compliance. He highlighted the EU-India partnership's growing strength, particularly through initiatives like the Trade and Technology Council. His message underscored the EU's Global Gateway Strategy and its focus on digital development, climate and energy, transport, education and research, and health sectors.

GUEST SPEAKERS



INDRAS GHOSH

HEAD OF SUSTAINABILITY AT INDO-GERMAN CHAMBER OF COMMERCE (IGCC)

Indras Ghosh presented valuable insights on global supply chain integration, particularly focusing on EU-India business relationships. He emphasised two critical aspects shaping current business environment: corporate due diligence and carbon emissions management.

He highlighted key regulatory frameworks affecting Indo-European business relationships:

- The German Supply Chain Due Diligence Act (Lieferkettengesetz)
- Carbon Border Adjustment Mechanism (CBAM)
- India's upcoming carbon market mechanism planned for 2026

Mr. Ghosh emphasised the principle of adequacy in implementation - noting that regulators expect continuous improvement rather than immediate perfection. He stressed the urgency of preparation, highlighting that businesses need 18-24 months to establish necessary mechanisms before the 2026 implementation of major regulations like Corporate Sustainability Due Diligence (CSDDD) and CBAM. On implementation costs, he noted that European companies often support their suppliers initially, typically covering first-year compliance costs, while expecting suppliers to budget for these requirements thereafter.

TECHNICAL SESSION

The technical session comprised three comprehensive presentations that systematically addressed different aspects of sustainability implementation, creating a clear progression from regulatory compliance to practical collaboration models.

Carbon Border Adjustment Mechanism (CBAM)



ANAMIKA GHOSH

SENIOR PROGRAMME MANAGER, CRB

Anamika Ghosh started the session by presenting on the Carbon Border Adjustment Mechanism (CBAM). She outlined this new EU regulation which imposes a carbon price on imports of specific carbon-intensive goods entering EU markets based on their embedded emissions.

Ms. Ghosh highlighted key aspects of CBAM's implementation:

- Initial coverage of six sectors: cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen
- Phased rollout from October 2023 to January 2026, with transitional reporting requirements starting in 2023
- Full implementation with carbon levies beginning January 2026 Of particular significance for Indian industry, she emphasised CBAM's impact on key export sectors, noting that 27% of India's aluminium exports (\$2.7 billion) and 38% of steel exports (\$3.7 billion) are EU-bound. She outlined India's strategic responses, including developing a Carbon Credit Trading System, pursuing FTA exemptions for MSMEs, and plans to triple renewable energy capacity by 2030.

Indian Regulatory Framework



NEHA TOMAR

SENIOR PROGRAMME MANAGER, CRB

Building on this foundation, Neha Tomar presented India's regulatory response through the NGRBC and BRSR frameworks. She traced the evolution of business responsibility reporting in India, from the 2011 voluntary guidelines to the current mandatory requirements for the top 1000 listed companies. Ms. Tomar highlighted how these frameworks align with global standards while addressing India's unique economic context. She particularly emphasised the 9 principles of NGRBC that enable businesses to integrate responsible, ethical, and sustainable practices into their core operations, explaining how these principles are interdependent and apply across sectors and geographical areas.

EU-India Business Collaboration Framework

Anamika Ghosh also presented research findings on effective EU-India business collaboration models. She outlined five identified collaboration typologies:

- **CSR Partnerships**, currently showing limited investment in areas like biodiversity and gender
- **Supply Chain Sustainability Partnerships**, characterised by structured methodologies
- **Public-Private Sustainability Partnerships**, offering potential for large-scale impact
- **Financing-based Sustainability Partnerships**, focusing primarily on climate transitions
- **Technology-Driven Partnerships**, leveraging technological advancements and opting for unique products and strategies for sustainable practices in businesses

Ms. Ghosh's presentation provided practical frameworks for implementing these collaboration models, emphasising the importance of policy coherence, priority targeting, and whole-of-society approaches. She introduced a 'How-to-Guide' that would serve as a reference document for businesses, capturing expertise and good practices for each collaboration model across climate, biodiversity, gender, and water sectors.



WORKSHOP ENGAGEMENT: APPLYING THE FRAMEWORK

Following the technical presentations, participants engaged in an interactive exercise applying theoretical frameworks to a practical case study. The case focused on a Finnish telecom company seeking partnerships with Indian companies or startups to develop clean energy solutions in Meghalaya, with a specific emphasis on women entrepreneurs and rural communities.

The exercise was structured to maximise collaborative learning, with participants divided into five teams ensuring diverse perspectives in approaching this challenge. Teams were tasked with:

1. Identifying essential partnership components and relevant policy frameworks
2. Developing comprehensive partnership proposals incorporating whole-of-society approaches
3. Creating actionable implementation strategies with measurable outcomes

Team Insights and Solutions

Team 1: Biomass-Based Community Enterprise

- Proposed a women-led collective similar to the Amul model
- Focus on biomass energy through centralised or village-level plants
- Integration of digital payment systems and NGO partnerships for capacity building
- Emphasis on self-sufficiency and sustainable resource utilisation

Team 2: Cluster-Based Solar Manufacturing

- Advocated for a cluster approach to leverage government grants
- Integration of rooftop solar with storage solutions
- Focus on light manufacturing (wiring harness) for two-shift operations
- Emphasis on training and skill development for women workers
- Potential for nationwide scalability

Team 3: Bamboo-Based Biofuel Initiative

- Leveraged Meghalaya's natural resources and handcraft traditions
- Combined bamboo cultivation with biofuel production
- Focus on agricultural waste utilisation
- Integration with existing handcraft expertise
- Emphasis on rural electrification through grid connection

Team 4: Hybrid Energy Approach

- Proposed small-scale hydro projects and biogas plants
- Focus on cooperative society model for women's involvement
- Integration with food processing industries
- Emphasis on policy support and international collaboration
- Consideration of broader social impact



Team 5: Implementation Strategy Focus

- Emphasised practical implementation challenges
- Focus on community awareness and engagement
- Importance of effective communication strategies
- Need for understanding ground-level transitions
- Emphasis on measuring and communicating outcomes

The exercise demonstrated how theoretical frameworks could be translated into practical solutions while considering local contexts, community needs, and implementation challenges.

Key Implementation Themes

The team proposals collectively highlighted several crucial elements for successful sustainability initiatives:

- Community-Centric Approach: Focus on local resource utilisation through women-led collectives and community engagement.
- Technology Integration: Emphasis on hybrid renewable solutions supported by digital platforms for efficient operations.
- Capacity Building: Priority on skill development through strategic partnerships with NGOs and international organisations.
- Policy Support: Need for streamlined government processes and alignment with existing schemes.
- Business Sustainability: Focus on economically viable models integrating value-added activities for long-term growth.

This exercise effectively demonstrated participants' ability to translate theoretical frameworks into practical, localised solutions for sustainable development. Through diverse approaches spanning community engagement, technology integration, and policy considerations, teams showcased comprehensive strategies for implementing clean energy solutions while empowering women entrepreneurs in the north-eastern region.

PARTNER'S SESSION: SUSTAINABILITY PROCUREMENT IN PRACTICE



KEDAR RELE

MANAGING DIRECTOR OF UMICORE AUTOCAT INDIA AND THAILAND

The workshop concluded with an engaging dialogue-based presentation by Kedar Rele, Managing Director of Umicore AutoCat India and Thailand, who shared insights on sustainable procurement practices through Umicore's experience. He introduced Umicore's transformation from a mining company to a global leader in circular material technology, emphasising its commitment to "Materials for a Better Life" through sustainable practices and ethical operations.

In discussing operational sustainability, Mr. Rele highlighted Umicore's comprehensive approach through multiple initiatives:

- **Circular Economy**: Over 55% of materials are sourced from recycled or end-of-life sources
- **Net zero Journey**: Focus on wind-powered facilities and carbon-neutral production
- **Zero Inequality**: Programs promoting gender diversity, cultural inclusion, and opportunities for persons with disabilities

The discussion delved deep into recycling economics and technology, particularly in battery recycling. Mr. Rele explained that while recycling costs are higher due to environmental compliance and advanced technology requirements, these investments are crucial for maintaining quality and reducing environmental impact. He emphasised that recycled materials maintain their efficiency while generating significantly lower emissions compared to raw material extraction.

Of particular interest was Umicore's approach to social responsibility. Mr. Rele shared details about their scholarship programs for underprivileged girls, specifically mentioning their partnership with Bel-Air, Panchgani, where they sponsor 10 girls annually for nursing courses. This initiative exemplifies their commitment to education and women empowerment.

The session also focused on supplier engagement strategies, especially for MSMEs. Mr. Rele detailed Umicore's gradual approach to supplier onboarding through awareness building and training programs. He emphasised that sustainability is becoming a crucial business differentiator, citing examples of MSMEs that have seen threefold business growth in four years after adopting sustainable practices and GRI standards.

Looking ahead, Mr. Rele shared Umicore's ambitious targets: achieving 100% sustainability in European operations and 60% globally by 2025, with the ultimate goal of net-zero emissions for Scope 1 and 2 by 2035. He concluded by emphasising that sustainability is evolving from a mere compliance requirement to a strategic business imperative, driven increasingly by conscious consumer choices and market demands.

KEY OUTCOMES FROM THE WORKSHOP

1. Integration of Frameworks

- Demonstrated successful alignment between EU regulations (CBAM, CSDDD) and Indian frameworks (NGRBC, BRSR)
- Highlighted practical pathways for businesses to implement these requirements

2. Collaboration Models

- Identified five distinct partnership approaches for EU-India business collaboration
- Established clear frameworks for implementation across climate, biodiversity, gender, and water sectors

3. MSME Engagement

- Showcased concrete financial support mechanisms through SIDBI's initiatives
- Demonstrated practical approaches for MSMEs to adopt sustainable practices

4. Sustainable Innovation

- Highlighted innovative approaches to clean energy solutions through the case study exercise
- Emphasised the business case for sustainability through Umicore's experience

WAY FORWARD

1. Regional Expansion

- Upcoming capacity-building workshop in Bangalore (December 2024)
- Planned consultation in North Eastern Region (2025)
- Focus on regional-specific challenges and opportunities

2. Implementation Studies

- Conduct feasibility studies to assess practical implementation challenges
- Launch pilot projects to test theoretical frameworks in real-world scenarios
- Document learnings and best practices for wider dissemination

3. Knowledge Development

- Develop comprehensive How-to-Guide based on workshop learnings
- Create case studies from successful implementations
- Build repository of best practices from pilot projects

CONCLUSION

This workshop marks a significant milestone in strengthening EU-India collaboration on sustainability. Through comprehensive discussions spanning regulatory frameworks, practical implementation strategies, and real-world case studies, participants gained valuable insights into translating sustainability requirements into actionable initiatives. As the project progresses with upcoming events in Bangalore and the North Eastern Region, followed by pilot projects, these learnings will contribute to building more resilient and sustainable business operations while fostering meaningful collaboration between EU and Indian businesses. The enthusiasm and engagement demonstrated by participants, particularly from the MSME sector, indicate a growing recognition of sustainability as a strategic business imperative rather than merely a compliance requirement.

