

Green Insights: ESG Matters

Monthly Newsletter- October 2024

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News from India

- IFC and Axis Bank Launch Pioneering \$500 Million Green and Blue Finance Initiative in India
- India's Airports Take Off Towards Net Zero with New Carbon Accounting Framework
- Google and Adani Join Forces to Boost India's Renewable Energy Sector

News from the World

- Fashion Giants Pioneer Textile Recycling Initiative in Spain
- Germany's \$3 Billion Green Industry Revolution: Pioneering Climate Protection Contracts
- Azerbaijan Launches Public Sustainability Course Ahead of COP29



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Editor's Note

Dear Readers,

Dear Readers, Welcome to our Fifth Edition of our newsletter '**Green Insights: ESG Matters**'. As the global focus on sustainability intensifies, businesses are increasingly recognising the importance of integrating ESG considerations into their operations. From reducing carbon footprints to enhancing social impact, companies are embracing a more holistic approach to value creation that goes beyond financial performance. In this edition, we explore the latest trends, developments, and best practices in the realm of sustainability and responsible corporate conduct. We also take a closer look at key sustainability trends shaping the business world, from the rise of renewable energy to the growing emphasis on diversity and inclusion. We hope you find this edition of our newsletter informative and inspiring as we journey together towards a more sustainable and responsible future.

Warm regards,

[T S Vishwanath]

Trade and ESG in India: Navigating the New Norms

In an era characterized by heightened awareness of environmental issues, social justice, and ethical governance, the integration of Environmental, Social, and Governance (ESG) criteria into trade practices is increasingly becoming paramount. With trade weaving connections across the globe, aligning with evolving standards in trade practices is a challenge for nations including India. This makes sustainable trade practices extremely important specially in the context of products being assessed through the value chain.



As consumers worldwide become increasingly conscious of sustainability, the demand for responsible products and services is rising. EU and India share a trade value of more than 50 billion USD and has a sizeable stock in India's foreign investment stock, making them major markets for us. Having top ESG practices and rankings, EU now this by expects their trade partners to be mindful of the emissions, employing tools like the Carbon Border Adjustment Mechanism, among others. This

trend poses both challenges and opportunities for Indian businesses aiming to thrive in international trade.

India's rapidly developing economy boasts a diverse trade landscape, yet its ESG practices are still evolving. While many Indian companies have made significant strides in sustainability, inconsistent ESG standards - both domestically and internationally - create implementation hurdles. The lack of a universally accepted ESG framework complicates matters for Indian exporters, as different countries impose varying regulations and compliance requirements. Transitioning to higher ESG standards often involves substantial investments, which can be prohibitive for many Indian SMEs, potentially impacting their international competitiveness. Global supply chains are under scrutiny, and Indian exporters may struggle to ensure their supply chains align with global ESG expectations, risking market access and reputation. As ethical consumerism grows, businesses lacking transparency in ESG

practices may face backlash. Indian companies that fail to effectively communicate their sustainability efforts may struggle to connect with socially responsible consumers. These challenges highlight the need for a balanced approach that considers both economic growth and sustainable practices, ensuring Indian businesses can thrive in an increasingly ESG-conscious global marketplace.

Despite the challenges, the intersection of trade and ESG presents significant opportunities for India. The global shift towards sustainability is creating new markets for eco-friendly products, allowing Indian manufacturers and exporters to enhance their offerings in sectors like textiles, agriculture, and renewable energy. Investing in clean technology can position Indian businesses as leaders in the green economy, attracting foreign investment and partnerships. Engaging in ESG-related dialogues can



open doors for international collaboration, enhancing knowledge sharing and capacity building. The Indian government plays a crucial role in this transition, with the potential to create conducive policies, incentives for green technologies, and tax breaks for sustainable practices. Moreover, emphasizing good corporate governance can increase investor confidence and improve access to global markets. These opportunities highlight the potential for India to leverage ESG practices not only to meet international standards but also to drive innovation, attract investment, and strengthen its position in the global marketplace. By embracing these opportunities, India can transform its trade landscape, aligning economic growth with sustainable development goals.

The path toward sustainable trade is not just beneficial for India's economic standing but also crucial for addressing pressing global concerns around climate change, social equity, and ethical governance. As the world increasingly shifts towards sustainability, India stands at a pivotal moment. It can lead the charge in redefining trade practices that not only promote economic growth but also ensure a sustainable future for generations to come.

News from the world:

1. Fashion Giants Pioneer Textile Recycling Initiative in Spain

In a proactive move ahead of upcoming EU regulations, major fashion retailers including [Zara, H&M, Ikea, and Primark are set to launch a groundbreaking textile waste pilot program in Spain](#). Named "Re-viste," this voluntary scheme will

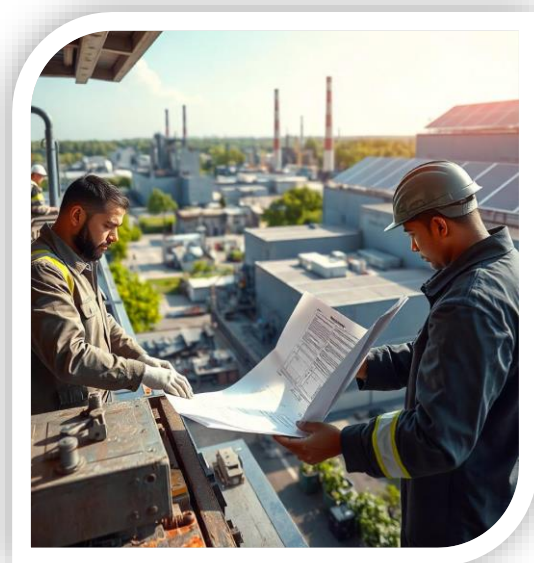


commence in April 2025, aiming to significantly boost the current 12% textile recycling rate. The initiative will introduce specialized containers across various locations in Spain, from churches to shopping centers, to separate textiles and shoes from general waste. This year-long trial, fully funded by participating companies, anticipates the need for one textile waste container per 1,200 residents to meet future EU requirements. With Spaniards discarding nearly triple the European average of clothing annually,

this initiative marks a crucial step towards sustainable fashion practices and circular economy principles in the industry.

2. Germany's \$3 Billion Green Industry Revolution: Pioneering Climate Protection Contracts

Germany is taking a bold step towards industrial [decarbonization with a \\$3.1 billion investment in 15 major companies across energy-intensive sectors](#). This groundbreaking initiative, known as "climate protection contracts," aims to slash carbon emissions by 17 million metric tons over 15 years. The program targets industries like chemicals, glass, and paper, offering long-term subsidies to offset the costs of transitioning to greener production methods. While critics debate the cost-effectiveness, the German government views these contracts as a crucial bridge to



a renewable energy future. Economy Minister Robert Habeck hails this as a first in the EU, positioning Germany at the forefront of industrial climate action. With beneficiaries including BASF and subsidiaries of global giants like Kimberly-Clark, the initiative features flexible funding mechanisms to adapt to market changes. As Germany pushes towards its 2045 climate-neutrality goal, a second round of auctions is already planned, signaling a sustained commitment to green industrial transformation despite recent funding challenges.

3. Azerbaijan Launches Public Sustainability Course Ahead of COP29

In preparation for the upcoming COP29 climate summit in Baku, Azerbaijan is taking a proactive step towards public engagement in sustainability. [The COP29 Azerbaijan Operating Company has introduced an online sustainability training program](#), accessible to all citizens through the Eduaz platform. This innovative initiative covers crucial topics including ecological preservation, social inclusion, and accessibility, aiming to empower the public with knowledge to support global climate action. Developed by multidisciplinary experts, the program emphasizes the role of individual citizens in creating a sustainable future. By offering this training, Azerbaijan is not only preparing its population for the COP29 conference but also fostering long-term commitment to sustainable practices that will extend beyond the summit.



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News from India

1. IFC and Axis Bank Launch Pioneering \$500 Million Green and Blue Finance Initiative in India

The [International Finance Corporation \(IFC\) has partnered with Axis Bank to introduce a groundbreaking \\$500 million loan program in India, marking the country's first significant blue finance initiative.](#)

This collaboration aims to boost both green and blue projects, focusing on water conservation, marine ecosystem restoration, energy efficiency, and sustainable infrastructure. The initiative comes at a crucial time, with India's water treatment market expected to reach \$3 billion by 2029 and green building



investments projected at \$1.4 trillion by 2030. Axis Bank, already halfway to its goal of financing \$7.2 billion in ESG-aligned sectors by 2030, will use this funding to expand its climate finance portfolio. IFC will also provide advisory services to support green building projects, including affordable housing. This partnership not only aligns with India's climate goals but also sets a new standard for sustainable finance in the country, demonstrating a strong commitment to addressing climate change and fostering sustainable economic growth.

2. India's Airports Take Off Towards Net Zero with New Carbon Accounting Framework

India has launched a comprehensive Carbon Accounting and Reporting Framework for its airports, marking [a significant step towards achieving net zero emissions in its civil aviation sector](#). This initiative requires airport operators to map and reduce their



carbon footprint, with a phased approach to reaching carbon neutrality. The framework extends to new greenfield airport developments, ensuring sustainability is prioritized from the outset. Since 2014, India has made remarkable progress, constructing 12 new greenfield airports and transitioning 73 airports to 100% green energy usage. Major hubs like Delhi and Mumbai have already achieved carbon-neutral status, recognized by international aviation authorities. With targets set for all airports to use 100% green energy by

2023 and achieve net zero emissions by 2030, India is demonstrating its commitment to sustainable aviation. This comprehensive approach, combining new infrastructure development with green energy adoption and standardized carbon accounting, positions India as a leader in sustainable airport operations.

3. Google and Adani Join Forces to Boost India's Renewable Energy Sector

Tech giant Google and Indian conglomerate Adani Group have announced a groundbreaking partnership to accelerate India's transition to clean energy. The collaboration centers on a new solar-wind hybrid project in Khavda, Gujarat, set to begin operations in Q3 2025. [This initiative will supply renewable energy to Google's](#)

[Indian operations, supporting the company's goal of 24/7 carbon-free energy use.](#) The partnership extends beyond power supply, aiming to drive decarbonization across India's commercial and industrial sectors.

Adani Group, leveraging its expertise in large-scale renewable projects, will provide tailored energy solutions to meet growing industrial demands. This strategic alliance not only advances both companies' sustainability goals but also sets a new benchmark for corporate collaboration in addressing climate change. By focusing on the critical commercial and industrial segments, the partnership is poised to significantly impact India's overall carbon footprint reduction efforts and promote sustainable growth in the region's cloud services and operations.





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