

Green Insights: ESG Matters

Monthly Newsletter- January 2025

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Editor's Note

Dear Readers,

Dear Readers, Welcome to First Edition Vol. 2 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]

Sustainable Mobility: Looking Beyond the Policies and Regulations

VeK's conversation with Dr. Vijay Rai explores the policy landscape of sustainable mobility and how the sector unfolds itself in the coming times.

Sustainable mobility is defined as “the provision of services and infrastructure for the mobility of people and goods—advancing economic and social development to benefit today’s and future generations—in a manner that is safe, affordable, accessible, efficient, and resilient while minimizing carbon and other emissions and environmental impact” by UN. This clearly indicates the role it plays in bringing about a wholesome approach to urban living. As India strides toward a greener future, sustainable mobility has emerged as a critical pillar of its environmental and economic goals.

With numerous policies already in place, such as the National Electric Mobility Mission Plan (2020), the National Urban Transport Policy, and initiatives like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), India is driving forward its ambitions for a sustainable and inclusive transportation system. It is essential to examine how these policies have shaped our current landscape and what future aspirations lie ahead.

In our conversation with Dr. Rai we analyzed the journey so far, how the sector is evolving with more and more players investing, and what lies ahead.

A Journey Toward Cleaner Transport



Highlighting the transformative potential of sustainable mobility, Delhi's emergent role as the pioneer in successfully implementing CNG-based public transport marked a turning point in India's pursuit of clean mobility solutions. The adoption of compressed natural gas (CNG) in buses and other vehicles not only reduced emissions but also set a precedent for integrating alternative fuels into urban transport systems. Importantly, as we evolve, it is clear that sustainable mobility demands continuous innovation and scale, with more and more states switching to cleaner sources.

In line with this evolution, Rai emphasized that "For any new change, it's always about volume, scale, and adoption. These three elements are key to reducing costs and ensuring robust systems." Consequently, this principle underpins the government's push for electric mobility, which has accelerated through incentives like state-level tax rebates and the promotion of shared mobility solutions.

Policies and Innovations Driving Adoption

Building upon these foundational efforts, India's adoption of Bharat Stage 6 (BS-6) emission norms, equivalent to the European Union's Euro 6 standards, exemplifies its commitment to curbing vehicular pollution. With Bharat Stage 7 norms on the horizon, the transition to cleaner fuels is set to gain momentum. Complementing this regulatory approach, innovations like hydrogen-powered buses, currently being prototyped by Indian Oil, showcase how the country is diversifying its green transport portfolio.

Furthermore, the challenge lies not just in making private vehicles greener but in enhancing public transport. By expanding metro networks, introducing electric buses (pioneered by companies like JBM), and improving last-mile connectivity through e-rickshaws and other solutions, significant progress can be achieved.

The Role of Electric Vehicles

Emerging as a key strategy in sustainable mobility, electric vehicles (EVs) have garnered significant attention. Programs like Battery as a Service (BaaS) and battery insurance schemes aim to ease EV ownership by offering innovative solutions that lower costs and encourage responsible usage. However, recognizing the complexity of this transition, Rai cautioned against viewing EVs as a panacea: "We must remember that EVs are not entirely green. Addressing battery waste management and ensuring the local production of critical components like lithium batteries are essential."

In a promising development, India's recent discovery of lithium reserves and the Phase Manufacturing Programme (PMP) for Electric and Hybrid Vehicles signal progress in building an indigenous supply chain. These initiatives promise to make EVs more affordable and scalable, particularly for public transport.

Making Public Transport a Lifestyle

Transitioning from technological solutions to systemic change, achieving sustainable mobility requires a cultural shift toward shared mobility. By implementing measures like green and congestion taxes, public transport usage can be incentivized while discouraging private vehicle dependence. Additionally, creating walkable cities with the right infrastructure further complements last-mile connectivity solutions. Such holistic strategies not only reduce emissions but also enhance urban livability.



Beyond Electric: Exploring New Frontiers

While EVs and hydrogen power currently dominate the narrative, India's approach extends beyond these technologies. The country is actively exploring blended fuels, biotechnology, and nuclear energy as alternative pathways. Illustrative of this innovative approach, projects like ethanol production from agricultural waste (e.g., the Parli-to-ethanol initiative) demonstrate how sustainable solutions can align with local economic development.

Collaboration for a Sustainable Future

Recognizing that technological innovation alone is insufficient, Rai emphasized that achieving India's vision for sustainable mobility requires regular collaboration among stakeholders, from government bodies to MSMEs. By fostering local manufacturing and aligning industry practices with national goals, India can build a resilient and inclusive mobility ecosystem.

This conversation with Vijay Rai underscores that sustainable mobility is not just about technological advancements but also about rethinking how we move, build, and live in our cities. Stay tuned for the next part of this series.

Meet The Expert: Dr. Vijay Rai



Dr. Vijay Rai is a distinguished practicing leader in sustainable energy and technology, recognized for his transformative contributions to environmental preservation, industry, and global development. A few of his many accolades include the Professional Excellence Award in Renewable Energy, Leadership & Business Strategy Excellence, the Green Star Award for environmental stewardship, catalyst in achieving Guinness World Record 2017 for air pollution & climate change, best CEO Award and the prestigious Leader of Eminence Award bestowed by the Chief Minister of Uttarakhand in

2015. As a key member of several national and international committees of the public, private, and Government sectors, Dr. Rai shapes critical discussions on sustainability, artificial intelligence, assistive technology, IT/ITES, and emerging & deep technologies.

His insights shared in the article draw from his decades of strategic leadership & hands-on experience in the sector.

News from the World

1. EcoVadis Launches CSRD Questionnaire to Simplify Supply Chain Disclosure Requirements



EcoVadis, a globally recognized assessment platform has launched a Corporate Sustainability Reporting Directive (CSRD) questionnaire to help companies navigate complex supply chain disclosure requirements. The free tool integrates with EcoVadis' sustainability intelligence

platform, addressing the needs of over 50,000 companies, including 10,000 U.S. businesses operating in or selling to the EU. The solution enables procurement teams to efficiently collect and report on environmental and social impacts, such as greenhouse gas emissions, water usage, labor standards, and diversity. By providing a streamlined, audit-ready reporting mechanism, EcoVadis helps companies meet regulatory compliance challenges, reducing the risk of financial, reputational, and competitive losses. The questionnaire empowers suppliers to easily input mandatory sustainability data, ensuring alignment with European Sustainability Reporting Standards (ESRS) and supporting organizations in building more resilient and transparent supply chains.

2. EU Taxonomy Consultation Seeks to Enhance Sustainable Finance Framework

The Platform on Sustainable Finance has launched a public consultation to refine the EU Taxonomy, focusing on improving usability and expanding sustainable economic activities. Proposed updates include adding criteria for digital solutions, lithium, nickel, and copper

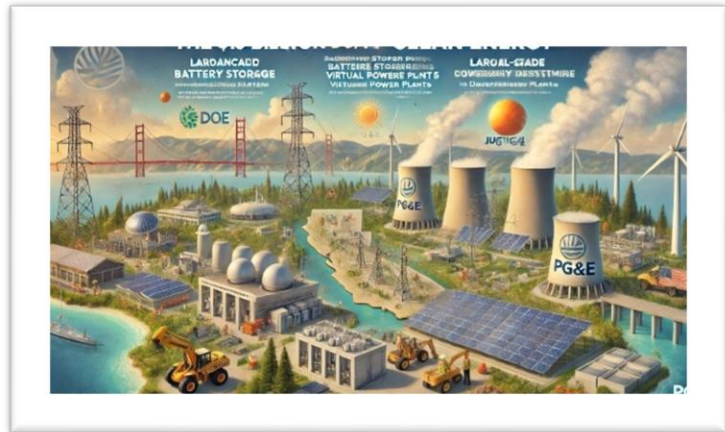


mining, and simplifying “Do No Significant Harm” (DNSH) guidelines. The consultation addresses six environmental objectives: climate change mitigation and

adaptation, resource protection, circular economy transition, pollution prevention, and biodiversity conservation. Stakeholders can provide feedback from January 8 to February 5, 2025, with the aim of creating clearer, more practical sustainability guidelines. PSF Chair Helena Viñes Fiestas emphasized the goal of improving the Taxonomy's effectiveness and potentially expanding future mandates to include more economic activities.

3. DOE Grants PG&E \$15B Loan to Boost California's Clean Energy Infrastructure

The U.S. Department of Energy has awarded Pacific Gas & Electric a \$15 billion loan guarantee for Project Polaris, aimed at enhancing hydropower generation, battery storage, and grid infrastructure. This first Energy Infrastructure Reinvestment project will support grid upgrades, virtual power plants, and improved electric reliability for 16 million California customers. Aligned with the Biden-Harris Administration's Justice40 Initiative, the project commits to locating investments in disadvantaged communities and creating thousands of jobs through the PowerPathway program. By providing a lower interest rate than traditional financing, PG&E can avoid raising electricity prices while advancing clean energy goals and reducing greenhouse gas emissions, in line with the Inflation Reduction Act and Title 17 Clean Energy Financing Program.



4. Trump 2.0 and sustainability



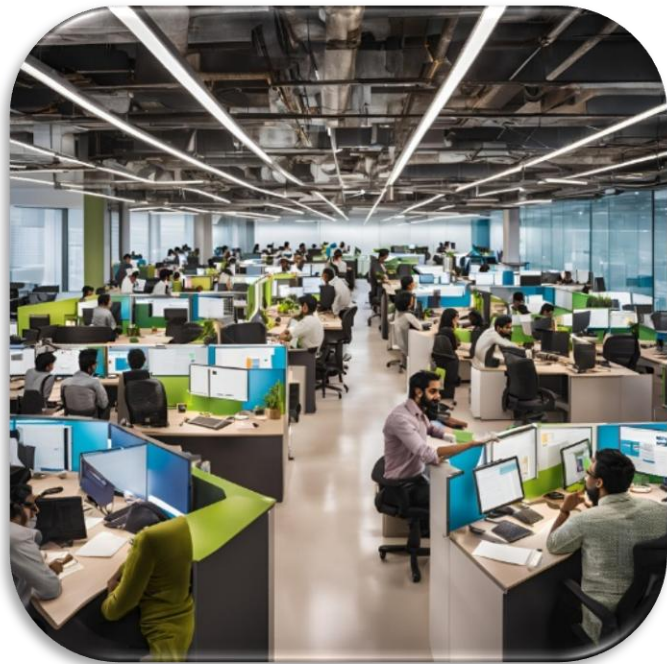
President Trump's first day back in office marked significant policy reversals, particularly in climate and energy domains. He issued executive orders withdrawing from the Paris Agreement, terminating the Green New Deal, and declaring a national energy emergency favoring fossil fuel expansion. The orders effectively halt renewable energy initiatives, revoke electric vehicle mandates, and prioritize oil and gas exploration, especially in Alaska. Industry leaders

expressed mixed reactions, with RWE Clean Energy's CEO expressing willingness to collaborate, while The Nature Conservancy and UN Climate Change leaders criticized the moves as scientifically misaligned. The executive actions signal a dramatic shift from previous climate commitments, potentially impacting global clean energy investments and the US's role in addressing climate change.

News From India

1. ESG: Driving Growth and Transformation in Indian Companies

According to KPMG's 2024 India CEO Outlook, companies are increasingly viewing Environmental, Social, and Governance (ESG) as a critical strategic imperative. CEOs are taking a long-term perspective on ESG investments, anticipating significant returns within five to ten years. The report highlights that businesses across sectors are recognizing ESG as a key driver of competitive advantage, with 30% of Indian CEOs citing enhanced customer relationships and brand reputation as primary benefits.



Companies are exploring innovative approaches like reducing virgin material use, creating green products, and developing sustainable supply chains. Seven key accelerators include government initiatives like the Viksit Bharat program, regulatory focus on sustainable finance, green skills development, and evolving consumer preferences. Notably, 66% of Indian CEOs are willing to divest profitable but reputationally damaging business segments, underscoring a commitment to sustainable transformation. As technology and data increasingly integrate with ESG strategies, companies view sustainability not as an optional consideration, but as a fundamental business imperative.

2. Google Invests in Indian Agricultural Carbon Removal

Google has signed a groundbreaking deal with Indian startup Varaha to purchase 100,000 tons of carbon removal credits through biochar technology. The initiative will convert agricultural waste into CO₂-absorbing charcoal, sequestering carbon for



hundreds of years while simultaneously improving soil health. Randy Spock, Google's carbon removal lead, highlighted biochar's potential to scale globally using existing technology. Varaha plans to work with hundreds of smallholder farms, with the potential to store over 100 million tons of CO₂ annually. While carbon dioxide removal currently represents a small fraction of global carbon trading, experts anticipate rapid growth as corporations seek innovative emission offset solutions. Though critics caution that such methods are not a

complete substitute for emission reductions, Varaha's CEO Madhur Jain emphasizes the importance of exploring every possible climate mitigation strategy, even if carbon removal is temporary.

3. Budget 2025: ESG and Growth Take Center Stage

A recent small case survey of 100 investment managers reveals optimistic expectations for India's 2025 Union Budget, with a strong focus on sustainability and economic reforms. Managers anticipate key developments including tax reforms, renewable energy incentives, and strategic infrastructure investments. Fiscal projections show 52% expect the deficit to remain below 5% of GDP, while 56% forecast GDP growth between 6-7%. The survey highlights a growing interest in ESG investments, with renewable energy emerging as a critical sector for achieving sustainability targets. Policy makers are expected to prioritize capital expenditure in infrastructure, healthcare, and skill development, signaling a commitment to long-term economic growth and environmental considerations.





Global Business Partner in Policy Advisory & Research, distinguished by its data-driven approach across various sectors. For Further Information, please contact: Leah Miriam George, Senior Associate at +91 7994722955 or email at leah@vekommunicate.com

Website: www.vekommunicate.com



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