



**Industry Consultation  
on  
'Role of Automobile Sector in accomplishing the UN  
Sustainable Development Goals (SDGs) in India'**

Tuesday, 4 Aug 2020



# **The Context and Introduction to TERI Approach**

# Business & UN SDGs – Recommendations of TERI CBS Executive Committee

## January 2019: Ex-Com Recommendations

- *Many corporates in India already working towards addressing the SDGs*
- *Need to collate the information to identify & prioritize issues to be addressed by businesses in India*
- *TERI CBS should work towards developing a framework/format for corporates to work on SDGs*

## TERI-NFCG (MCA, GoI) Partnership: To 'augment & accelerate business action on SDGs in India'

- *Developing the architecture of industry sector-specific SDG Roadmaps basis NIF, (MoSPI, GoI) to enable deeper business action on SDGs in India; and*
- *Mainstreaming SDG reporting by Indian businesses by leveraging existing mandatory reporting frameworks & mechanisms to consolidate and report business actions on SDGs in India*

## November 2019: Ex-Com Response

- *Buy-in & go-ahead from Ex-Com members on the project*

# Need for Enhancing Actions on SDGs By Businesses & Government



- Post-COVID Recovery demands a stronger India, effectively equipped to address any crisis of such scale & magnitude.
- India has renewed its commitment on SDGs at HLPF 2020 & pledged to accelerate actions to impacting the SDGs in the 'Decade of Action' in light of the COVID-19 crisis.
- A critical source of finance, driver of innovation & technology, and a key driver of economic growth in India - business action crucial to accelerate implementation of SDGs in India.
- Representing a paradigm shift in its approach - from 'whole-of-government' to 'whole-of-society' - to implementing the SDGs, India's VNR 2020 report '[Decade of Action: Taking SDGs from Global to Local](#)', for the very first time, takes into account industry contributions in the country's progress towards achieving the SDGs so far, underscoring the significant role that businesses are envisaged to play in the decade of action.
- For businesses, integrating the key elements of sustainability, SDGs provide a holistic framework to look at the socio-economic & environmental issues and ways to internalize them so as to prioritize their sustainability actions and goals, for equitable growth of the society and for the sustainable growth of the business itself.

TERI's Discussion Paper "[SDGs still remain relevant for accelerating focused sustainability actions by Indian businesses](#)" articulates a Call-to-Action for Indian businesses to act on SDGs, particularly in the post-COVID-19 world.

# Ministry of Statistics and Programme Implementation (MoSPI), Govt. of India and National Indicator Framework (NIF)



- MoSPI – Custodian of NIF – responsible for development & refinement of NIF
- 306 India-specific statistical indicators, mapped to relevant government ministries/ departments for monitoring purposes
- India accepted select indicators from the Global Indicator Framework (GIF) (~80) for which data are produced in India or can be produced from existing data sets
- Whereas, the comprises 231 indicators classified as:

## Tier I (115)

- Conceptually clear
- Internationally established methodology & standards
- Data regularly produced by countries

## Tier II (95)

- Conceptually clear
- Internationally established methodology & standards
- Data not regularly produced by countries

## Tier III

- No internationally established methodology or standards
- Methodology/ standards being developed or tested

*As of 51<sup>st</sup> session of UN Statistical Commission (UNSC), March 2020:*

- No Tier III indicators; 2 indicators having multiple tiers; 19 indicators with tiering pending a data availability review

MoSPI's recently released "[SDGs National Indicator Framework Progress Report, 2020](#)" highlights the progress made so far in the journey of SDGs' monitoring/achievement in India, and provides inputs in the preparation of India's VNR on SDGs and assist policy makers in identifying relevant focus areas.

# Instructions for Participants



# Instructions

- The session will be a mix of presentations and discussions to be conducted over a duration of 1.5 hours, starting with a brief presentation by TERI introducing the context and TERI's approach to the Project, followed by the Working Session.
- All tabs necessary to facilitate your participation are shown at the bottom of your screen.
- Participants are requested to kindly:
  - Put themselves on 'Mute' while another person is speaking.
  - Raise their hand by clicking on the 'Raise Your Hand' tab shown at the bottom of the screen and wait for their turn to speak.
  - Type their questions in the Conversation Window by clicking on the 'Show Conversation' tab. The questions shall be taken up during the course of the session at relevant times.



# **Role of Automobile Sector in Accelerating the Implementation of SDGs in India**



# Indian Governments Initiatives to Boost Automobile Sector

- The Government of India encourages foreign investment in the automobile sector and has allowed **100 per cent foreign direct investment (FDI)** under the automatic route
- Under Union Budget 2019-20, the Government announced to provide additional **income tax deduction of Rs 1.5 lakh (US\$ 2,146) on the interest paid on the loans taken to purchase EVs**
- The Government aims to develop India as a global manufacturing centre and a **Research and Development (R&D) hub**
- Under NATRiP, the Government of India is planning to set up R&D centres at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards
- The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of EVs in their public transport systems under the **FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India)** scheme and plans to set up incubation centre for start-ups working in the EVs space
- In February 2019, the Government of India approved **FAME-II scheme with a fund requirement of Rs 10,000 crore (US\$ 1.39 billion) for FY20-22.**

# Automobile Sector: Role in Accelerating Implementation of SDGs in India

- **Individual Sectoral Contribution**
  - **Business Actions:** *Low-Carbon Transport options; Increased share of RE in Energy Mix*
  - **CSR:** *Hygiene and Sanitation, Social Sector Development in Health and Education, Community Development Programs; Youth Skilling & Empowerment*
- **Catalyst/Enabler for other Industries and State Governments**
  - **Other Industries:**
    - Low carbon Transport
  - **State Governments:**
    - Sustainable/Smart Cities
    - Low carbon development

# Key Challenges for the Indian Automobile Sector

- *Impending deadline of mandatory transition to the Bharat Stage VI (BS VI) emission norms*
  - ✓ Currently, BS-IV norms are applicable in 13 major Indian cities, while BS-III are applicable elsewhere
- *Niti Aayog's policy framework for Zero Emission Vehicles (ZEVs)*
  - ✓ GoI considering a proposal to ban all ICE-driven two-wheelers under 150cc in the next six years and all three-wheelers within four years.
  - ✓ Auto industry yet to submit study to Niti Aayog on EV transition
  - ✓ Concerns remain on technological advancement, infrastructure creation and market generation

# Key Challenges for the Indian Automobile Sector

- *Increased Digitalisation*
  - ✓ Increased transition to self-driven automatic vehicles
  - ✓ Heavy dependence on ICT (Quoting from Bizcommunity - a luxury car has up to 100 microcomputer-based systems that control nearly all aspects of the car's operation)
- *Adverse Impacts in the post-pandemic period*
  - ✓ Impacts on labour
  - ✓ Impacts on Consumer Confidence
  - ✓ Impact on Sales and Revenue

# Industry Sector Consultation on 'Role of Automobile Sector in accomplishing SDGs in India'

## Objective:

*To arrive at priority SDGs and key business actions & impacts/outcomes for enabling deeper and focused business action on SDGs by the Automobile sector in India basis the Ministry of Statistics and Programme Implementation (MoSPI, GoI)'s National Indicator Framework (NIF).*

## The Approach:

- 1. Identification of Key Material Issues for the industry sector and their alignment with the NIF;*
- 2. Articulation of sectoral-level business actions & impacts/outcomes for each of the identified material issues, basis the NIF; and*
- 3. Identification of priority SDGs for the industry sector, and the timeframe required to realize the identified impacts/outcomes for priority SDGs*



**Working Session:**  
***Developing the Architecture of SDG Roadmap for  
Automobile sector in India***

# SDGs & Automobile Sector in India: *Current Practices*

## SDGs and Business Actions (*Operational and CSR*) by Companies in India:

### *Broadly:*

- *Alignment is retrospective than strategic*
- *Mapping of sustainability actions is limited to Goals level; no alignment with SDG Targets or Indicators*
- *Lacking linkages between companies' key material issues and the SDGs*
- *No alignment with country-specific NIF (developed by MoSPI, GoI) that takes into account national socio-economic, environmental and development priorities*



# *Planned Next Steps*



## Planned Next Steps

- Tackling SDGs the New Way  
*(SDGs & NIF-oriented Business Actions and Monitoring of Actions)*
- Dialogues around developing business-specific indicators with MoSPI and NITI Aayog  
*(Tier I, II, III classification)*
- India's VNR 2020 – Recognizing Private Sector contribution  
*(Improving Indian States and UTs' SDG performance)*  
[\*\(SDG India Index 2019-2020\)\*](#)



# Components for Developing the Architecture of SDG Roadmap for ICT sector in India

1. **Why:** *Focusing on Key Material Issues for ICT Sector and alignment with the NIF*
2. **How:** *Designing Business Actions for ICT Sector*
3. **What & When:** *Realizing Impacts & Outcomes for Priority SDGs*

# 01

## *Why: Focusing on Key Material Issues for Automobile Sector and alignment with the NIF*

### **Inputs solicited from Industry Colleagues**

- Identification and validation of Key Material Issues for the Automobile Sector as a whole
- Alignment of identified sector-specific Key Material Issues with the SDGs National Indicator Framework (NIF) developed by MoSPI, GoI
- Identification of gaps in sector-specific key material issues and indicators under NIF

# A. Why: Focusing on Key Material Issues for Automobile Sector and alignment with the NIF

## KEY MATERIAL ISSUES FOR AUTOMOBILE SECTOR



*The key material issues for the sector have been identified basis the material issues outlined by individual Automobile sector companies in their Sustainability/ Integrated Reports*

# A. Why: Focusing on Key Material Issues for Automobile Sector and alignment with the NIF

## Alignment with MoSPI (GoI)'s National Indicator Framework (NIF)

### Occupational Health & Safety

- 8.8.3 Number of accidents in factories

### Gender Diversity

- 5.5.2 Proportion of women in managerial positions including women in Board of Director, in listed companies, (per 1,000 persons)

### Waste Management

- 6.3.1 Percentage of sewage treated before discharge into surface water bodies
- 6.3.3 Proportion of waste water treatment capacity created vis-à-vis total generation
- 8.4.3 Proportion of waste recycled vs. waste generated, 2017-18
- 12.5.1 Number of waste recycling plants installed

### Natural Resource/Water Management

- 6.4.1 Percentage ground water withdrawal against availability
- 6.4.2 Per capita storage of water, (in m<sup>3</sup>/person)

## Energy Management

- 9.4.1 CO2 equivalent emission per unit of value added

## Community Development

- 1.4.2 Proportion of population (Urban) living in households with access to safe drinking water & sanitation (Toilets)
- 3.2.1 Under-5 mortality rate
- 3.2.3 Percentage of children aged 12-23 months fully immunized (BCG, Measles and three doses of Pentavalent vaccine), 2015-16
- 3.3.1 Number of new HIV infections per 1,000 uninfected population
- 3.3.2 Tuberculosis incidence per 1,00,000 population
- 4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill
- 6.2.1 Proportion of households having access to toilet facility (Urban & Rural), (in percentage), 2015-16 (similar to 1.4.7)

## Human Rights

- 5.2.1 Proportion of crime against women to total crime reported in the country during the calendar year, (%)

## Innovation and Technological Upgradation

- 8.2.2 Total number of patents issued (granted)

## Sustainable Mobility

- 11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities

## Regulatory Compliance

- 13.2.1 Pre 2020 action: Achievement of pre-2020 goals as per country priority
- 13.2.2 Achievement of Nationally Determined Contribution (NDC) Goals in post 2020 period

## 02

# How: *Designing Business Actions for Automobile Sector*

### Inputs solicited from Industry Colleagues

- Identification Business Actions (Operational & CSR) and Impacts/Outcomes for the identified Key Material Issues aligned with NIF
- Identification of NIF Indicators and proposed New Indicators, aligned with the identified Key Material Issues, Business Actions & Impacts/Outcomes.
- Identify priority SDGs for Automobile sector in India



## B. How: Designing Business Actions for Automobile Sector

Example



Aligned with National Indicator Framework (NIF, MoSPI, GoI)

## B. How: Designing Business Actions for Automobile Sector

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Example

1

Key Material Issue

**Energy  
Management**

### Business Actions

#### OPERATIONAL

- Implementation of energy conservation (ENCON) projects
- Invested in wind power and solar roof top for developing renewable energy generation capacity
- Installation of LED and BEE rated appliances to increase in-house energy efficiency
- Use of friction reduction oils in scooters to increase energy efficiency
- Reduction in packaging material consumption

#### CSR

- Encouraging community people to shift to consumption of renewable energy through distribution of RE products such as solar lamps
- Promoting innovative products like smokeless chulhas that reduce the carbon footprint
- Electrification of villages through RE sources

## B. How: Designing Business Actions for Automobile Sector

Example

①

Key Material Issue  
**Energy  
Management**

②

### Business Actions

#### OPERATIONAL

Implementation of energy conservation (ENCON) projects  
invested in wind power and solar roof top for developing renewable energy generation capacity  
Installation of LED and BEE rated appliances to increase in-house energy efficiency  
Use of friction reduction oils in scooters to increase energy efficiency  
Reduction in packaging material consumption

#### CSR

Encouraging community people to shift to consumption of renewable energy through distribution of RE products such as solar lamps  
Promoting innovative products like smokeless chulhas that reduce the carbon footprint  
Electrification of villages through RE sources

③

### Impacts/Outcomes

- Energy Efficiency & Use of Renewable Energy
- Low Carbon Transportation
- Sustainable Production & Consumption
- Community Development

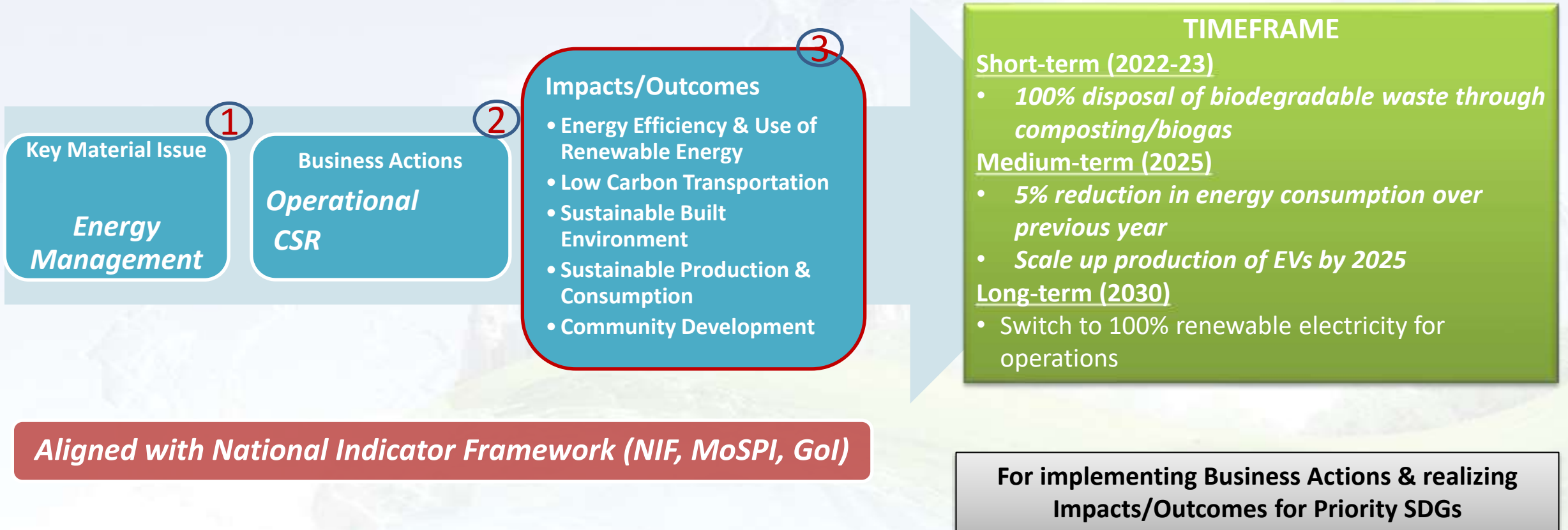
# 03

## *What & When: Realizing Impacts & Outcomes for Priority SDGs*

### **Inputs solicited from Industry Colleagues**

- Identification of timeframe required to realize the identified impacts/outcomes for priority SDGs

## B. How: Designing Business Actions for Automobile Sector





**The Way Forward:**  
*Developing the Architecture of SDG Roadmap for  
Automobile Sector in India*

# Developing the Architecture of SDG Roadmap for Automobile sector in India

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Aligned with National Indicator Framework (NIF, MoSPI, GoI)

